



Prudential Disclosure Document
as at December 2017

Introduction

In accordance with Australian Prudential Standard APS 330, locally incorporated ADI's using the standardised approach under the Basel III regulatory regime such as Regional Australia Bank are required to disclose information about their Capital, Capital Instruments, Credit Risk exposure and Remuneration.

The frequency and timing of Regional Australia Bank's disclosure's as required under the Prudential Standard APS 330 Public Disclosure are:

Table	Frequency of Disclosure
Table 1: Composition of Capital	Annual
Regulatory Capital reconciliation	Annual
Table 2: Main features of Capital Instruments	Continuously (N/A from 31 Dec 2017)
Table 3: Capital Adequacy	Quarterly
Table 4: Credit Risk	Quarterly
Table 5: Securitisation	Quarterly
Table 18: Remuneration	Annual

Capital Management

Regional Australia Bank maintains an actively managed capital base to cover risks inherent in its business. The adequacy of Regional Australia Bank's capital is monitored using, among other measures, the rules and ratios established by the Australian Prudential Regulation Authority.

Regional Australia Bank has complied in full with all its externally imposed capital requirements. The primary objectives of Regional Australia Bank's capital management are to ensure that the business complies with externally imposed capital requirements and that Regional Australia Bank maintains healthy capital ratios in order to support its activities.

For the purposes of Capital disclosures Regional Australia Bank is using the post 1 January 2018 common disclosure template because it is fully applying the Basel III regulatory adjustments as implemented by APRA.



TABLE 2: Capital Instruments

	Main Features	Instrument 1
	REDEEMED 31 Dec 2017	
1	Issuer	Australian Mutual Investment Trust
2	Unique identifier (eg. CUSIP, ISIN or Bloomberg identifier for private placement)	N/a
3	Governing law(s) of the instrument	NSW Australia
	<i>Regulatory Treatment</i>	
4	Transitional Basel III rules	Tier 2 Capital
5	Post-transitional Basel III rules	Non-eligible Capital
6	Eligible as solo/group/group and solo	N/a
7	Instrument Type (ordinary shares/preference shares/subordinated notes/other)	Term Unsecured Subordinated Debt Instrument
8	Amount recognised in regulatory capital (currency in mil, as of most recent reporting date)	\$2.821 mill
9	Par Value of instrument	\$4.0 mill
10	Accounting classification	Subordinated Debt
11	Original date of issuance	9-Nov-12
12	Perpetual or dated	Dated
13	Original maturity date	9-Nov-22
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	On any Interest payment date following 5th anniversary, redemption of all, or some of the debt with a minimum and multiples of AUD\$100,000
16	Subsequent call dates if applicable	As above
	<i>Coupons/Dividends</i>	
17	Fixed or floating Dividend/Coupon	Floating
18	Coupon Rate and any related index	AUD BBSW + 593 bps
19	Existence of a Dividend stopper	N/a
20	Fully discretionary, partially discretionary or mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	No
22	Noncumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non convertible
24	If convertible, conversion trigger(s)	N/a
25	If convertible, fully or partially	N/a
26	If convertible, conversion rate	N/a
27	If convertible, mandatory or optional conversion	N/a
28	If convertible, specify instrument type convertible into	N/a
29	If convertible, specify issuer of instrument it converts into	N/a
30	Write-down feature	No
31	If write-down, write-down trigger(s)	N/a
32	If write-down, full or partial	N/a
33	If write-down, permanent or temporary	N/a
34	If temporary write-down, description of write-up mechanism	N/a
35	Position in subordination heirarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated
36	Non-compliant transitioned features	Yes
37	If yes, specify non compliant features	No write down or convertible feature



TABLE 3: Capital Adequacy	31 Dec 2017 000's	30 Sept 2017 000's
Capital requirements (in terms of risk weighted assets) for :		
Credit Risk		
Residential Mortgages	364,397	357,490
Other Retail Loans	36,723	35,444
Corporate Loans	120,655	115,914
Funds Deposited with ADI's	55,465	45,282
Government Securitisation		
Fixed Assets	6,397	6,650
Other Assets	40,043	58,189
Total Credit Risk	623,682	618,969
Market risk	-	-
Operational risk	65,445	62,650
Total Assessed Risk	689,127	681,619
Common Equity Tier 1	15.17%	14.96%
Tier 1	15.17%	14.96%
Total Capital	15.61%	15.81%



TABLE 4: Credit Risk Dec Quarter	31 Dec 17 000's	Qtr Average 000's
-----------------------------------------	--------------------	----------------------

Total Gross Credit Risk exposures, plus average gross exposure over the period, broken down by;

Cash and cash equivalents	244,402	246,823
Trade and other receivables	13,689	20,558
Loans and advances to members		
Personal Loans	73,696	74,264
Mortgage Loans	888,219	877,816
Commercial Loans	111,526	108,791
Revolving Credit	24,887	25,246
Available for sale investments	1,126	1,128
Property, plant and equipment	5,630	5,717
Intangible assets	768	803
Deferred tax assets	2,308	2,308
Loss reserve loan	4	2
	1,366,254	1,363,455

Claims secured by residential mortgage	931,093	922,719
Other retail	98,583	99,510
Corporate (excluding secured by residential mortgage)	68,652	63,887
	1,098,328	1,086,116

By portfolio:

	Dec 17				
	Impaired Facilities \$'000	Past Due \$'000	Specific Provision \$'000	Charges \$'000	Write Offs \$'000
Claims secured by residential mortgage	1,478	1,919	332	0	0
Other retail	2,271	3,472	0	0	272
Corporate	0	0	0	0	0
Bank	0	0	0	0	0
Government	0	0	0	0	0
All other	0	0	0	0	0
Total	3,749	5,391	332	0	272

The General Reserve for Credit Losses	3,029
---------------------------------------	-------



TABLE 4: Credit Risk Sept Quarter	30 Sep 17 000's	Qtr Average 000's
------------------------------------------	--------------------	----------------------

Total Gross Credit Risk exposures, plus average gross exposure over the period, broken down by;

Cash and cash equivalents	249,243	238,555
Trade and other receivables	27,427	18,136
Loans and advances to members		
Personal Loans	74,832	75,864
Mortgage Loans	867,413	861,663
Commercial Loans	106,055	105,289
Revolving Credit	25,605	26,185
Available for sale investments	1,129	1,129
Property, plant and equipment	5,805	5,887
Intangible assets	838	865
Deferred tax assets	2,308	2,261
Loss reserve loan	0	0
	1,360,656	1,335,833
Claims secured by residential mortgage (reflect	914,346	908,217
Other retail	100,436	101,851
Corporate (excluding secured by residential mortgage)	59,123	58,932
	1,073,905	1,069,000

By portfolio:

	Sep 17				
	Impaired Facilities \$'000	Past Due \$'000	Specific Provision \$'000	Charges \$'000	Write Offs \$'000
Claims secured by residential mortgage	2,044	2,945	414	0	0
Other retail	1,856	3,249	0	0	174
Corporate	0	0	0	0	0
Bank	0	0	0	0	0
Government	0	0	0	0	0
All other	0	0	0	0	0
Total	3,900	6,194	414	0	174

The General Reserve for Credit Losses	3,007
---------------------------------------	-------



TABLE 5: Securitisation exposures	Dec 000's	Sep 000's
Loans Securitised during the quarter	18,376	0
On-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	138,904	138,822
Off-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	1,204	1,210
Total	140,107	140,031

