



Prudential Disclosure Document
as at September 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	30 Sept 2017 000's	30 Jun 2017 000's
Capital requirements (in terms of risk weighted assets) for :		
Credit Risk		
Residential Mortgages	357,490	357,973
Other Retail Loans	35,444	50,476
Corporate Loans	115,914	115,962
Funds Deposited with ADI's	45,282	50,053
Government		
Securitisation		
Fixed Assets	6,650	6,860
Other Assets	58,189	25,009
Total Credit Risk	618,969	606,332
Market risk	-	-
Operational risk	62,650	62,473
Total Assessed Risk	681,619	668,805
Common Equity Tier 1	14.96%	14.96%
Tier 1	14.96%	14.96%
Total Capital	15.81%	15.83%



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	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 4: Credit Risk June Quarter 30 Jun 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	227,866	224,721
Trade and other receivables	8,845	15,110
Loans and advances to members		
Personal Loans	76,896	77,810
Mortgage Loans	855,912	845,191
Commercial Loans	104,522	101,601
Revolving Credit	26,766	26,383
Available for sale investments	1,129	1,127
Property, plant and equipment	5,968	6,060
Intangible assets	892	847
Deferred tax assets	2,214	2,192
Loss reserve loan	0	0
	1,311,010	1,301,042
Claims secured by residential mortgage (reflect	902,089	890,063
Other retail	103,266	103,996
Corporate (excluding secured by residential mortgage)	58,741	56,926
	1,064,096	1,050,985

By portfolio:

	Jun 17				
	Impaired Facilities \$'000	Past Due \$'000	Specific Provision \$'000	Charges \$'000	Write Offs \$'000
Claims secured by residential mortgage	1,395	3,231	450	0	0
Other retail	2,505	2,971	0	0	264
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	6,202	450	0	264

The General Reserve for Credit Losses 3,019



TABLE 5: Securitisation exposures	Sept 000's	June 000's
Loans Securitised during the quarter	0	33,193
On-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	138,822	138,962
Off-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	1,210	1,272
Total	140,031	140,235

