



Prudential Disclosure Document
as at September 2016

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
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
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)	\$3.386 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 Sep 2016	30 Jun 2016
	000's	000's
Capital requirements (in terms of risk weighted assets) for :		
Credit Risk		
Residential Mortgages	328,148	319,449
Other Retail Loans	52,331	60,516
Corporate Loans	102,614	99,902
Funds Deposited with ADI's	47,891	42,477
Government		
Securitisation		
Fixed Assets	6,997	6,791
Other Assets	34,825	41,607
Total Credit Risk	572,807	570,741
Market risk	-	-
Operational risk	57,846	57,846
Total Assessed Risk	630,653	628,587
Common Equity Tier 1	14.62%	14.51%
Tier 1	14.62%	14.51%
Total Capital	15.62%	15.50%



TABLE 4: Credit Risk September Quarter30 Sep 16
000'sQtr Average
000's

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

Cash and cash equivalents	190,179	192,801
Trade and other receivables	19,467	22,745
Loans and advances to members		
Personal Loans	75,819	74,588
Mortgage Loans	778,263	769,359
Commercial Loans	93,444	91,679
Revolving Credit	24,608	25,131
Available for sale investments	1,126	876
Property, plant and equipment	6,480	6,359
Intangible assets	517	535
Deferred tax assets	2,170	2,170
Loss reserve loan	1,460	1,460
	1,193,534	1,187,704
Claims secured by residential mortgage	816,646	807,008
Other retail	100,427	99,719
Corporate (excluding secured by residential mortgage)	55,062	54,031
	972,134	960,758

By portfolio:

	Sep 16				
	Impaired Facilities	Past Due	Specific Provision	Charges	Write Offs
	\$'000	\$'000	\$'000	\$'000	\$'000
Claims secured by residential mortgage	1,397	3,944	148	0	0
Other retail	2,549	4,324	0	0	126
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	3,946	8,267	148	0	126

The General Reserve for Credit Losses

2,929



TABLE 4: Credit Risk June Quarter30 Jun 16
000'sQtr Average
000's

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

Cash and cash equivalents	195,423	200,827
Trade and other receivables	26,023	23,274
Loans and advances to members		
Personal Loans	73,357	73,128
Mortgage Loans	760,455	750,859
Commercial Loans	89,915	86,531
Revolving Credit	25,654	25,360
Available for sale investments	626	626
Property, plant and equipment	6,238	6,358
Intangible assets	553	489
Deferred tax assets	2,170	2,101
Loss reserve loan	1,460	1,460
	1,181,874	1,171,013
Claims secured by residential mortgage (reflect to the database)	797,370	785,602
Other retail	99,011	98,488
Corporate (excluding secured by residential mortgage)	52,999	51,789
	949,381	935,879

By portfolio:

	Jun 16				
	Impaired	Past	Specific		Write
	Facilities	Due	Provision	Charges	Offs
	\$'000	\$'000	\$'000	\$'000	\$'000
Claims secured by residential mortgage	1,232	3,070	212	0	0
Other retail	2,714	3,582	0	0	214
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	3,946	6,652	212	0	214

The General Reserve for Credit Losses

2,835



TABLE 5: Securitisation exposures	September 000's	June 000's
Loans Securitised during the quarter	16,384	0
On-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	110,682	105,705
Off-Balance Sheet Securitisation Exposures		
Claims secured by residential mortgage	1,470	1,514
Total	112,152	107,219

