

Prudential Information Disclosure as at 31 December 2020

Capital Adequacy

Bank First (formerly Victoria Teachers Mutual Bank) is regulated by the Australian Prudential Regulation Authority (APRA). APRA is the prudential regulator of the Australian financial services industry. It oversees banks, credit unions and building societies (authorised deposit taking institutions), general insurance and reinsurance companies, life insurance, friendly societies, and most members of the superannuation industry. All authorised deposit-taking institutions (ADIs) are required to hold sufficient capital to cover unanticipated losses.

As set out in Prudential Standard APS110 Capital Adequacy:

“Capital is the cornerstone of an ADI’s financial strength. It supports an ADI’s operations by providing a buffer to absorb unanticipated losses from its activities and, in the event of problems, enables the ADI to continue to operate in a sound and viable manner while the problems are addressed or resolved. The Board of directors (Board) of an ADI has a duty to ensure that the ADI maintains an appropriate level and quality of capital commensurate with the level and extent of risks to which the ADI is exposed from its activities”.

APRA Prudential Standard APS 330 Public Disclosure requires all ADI’s including Bank First to display on its web site information on its capital position. These disclosures show the assets of the Bank, their appropriate risk weightings and the capital base. Capital Adequacy is calculated as total regulatory capital base divided by risk weighted assets. The minimum total regulatory capital ratio is 8%.

Public Disclosures of Prudential Information

Victoria Teachers Limited (ABN: 44 087 651 769), trading as Bank First, is the head corporate entity of the consolidated group to which this disclosed information applies. The consolidated group includes the parent entity Victoria Teachers Limited, the subsidiary company VTMB Properties Pty Ltd and securitisation entity Victoria Teachers Trust Series 2012-1.

Capital Adequacy

Capital Adequacy as at 31 December 2020	\$000's
Total Risk Weighted Exposures	1,552,093
Capital Structure	
○ Common Equity Tier 1	226,536
○ Tier 1 Capital	226,536
○ Total Capital Base	234,592
Capital Adequacy Ratio	
Common Equity Tier 1	14.60%
Tier 1 Capital Ratio	14.60%
Total Regulatory Capital Ratio	15.11%

Capital Adequacy as at 30 September 2020	\$000's
Total Risk Weighted Exposures	1,550,470
Capital Structure	
○ Common Equity Tier 1	223,708
○ Tier 1 Capital	223,708
○ Total Capital Base	231,549
Capital Adequacy Ratio	
Common Equity Tier 1	14.43%
Tier 1 Capital Ratio	14.43%
Total Regulatory Capital Ratio	14.93%

Credit Risk Exposure as at 31 December 2020

Type of Credit Exposure \$000's	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Amount Impaired	Amount Past Due (>30 days)	Specific provision (1)	Charge for specific provisions and write-off's for the period
Secured loans and advances	2,266,571	2,202,550	853,581	2,213	5,316	151	(91)
Unsecured loans and advances	100,662	101,332	99,785	762	685	877	314
Total Loans and Advances	2,367,233	2,303,882	953,366	2,975	6,002	1,028	223
Cash and Liquid Assets	516	467	-	-	-	-	-
Investments and Other Deposits	697,913	728,895	266,095	-	-	-	-
Total Investments	698,429	729,362	266,095	-	-	-	-
Other Assets	46,432	46,919	46,432	-	-	-	-
Total Credit Risk	3,112,094	3,080,164	1,265,893	-	-	-	-
Off-Balance Sheet Risk	567,328	565,158	123,349	-	-	-	-
Operational Risk			162,852	-	-	-	-
Total Risk Weighted Assets	3,679,422	3,645,322	1,552,093	2,975	6,002	1,028	223

Total Regulatory Capital holdings	234,592
Internally Assessed Minimum Capital Requirements	194,012
Regulatory Capital holdings in excess of Board minimum	40,580
General Reserve for Credit Losses (2)	8,056
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	750,844
On balance sheet securitised exposures gain/(loss) on sale	Nil

(1) Includes Specific Provisions (Stage 3) and Collective Provisions (Stage 2)

(2) General Reserve for Credit Losses includes Collective Provisions (Stage 1)

Credit Risk Exposure as at 30 September 2020

Type of Credit Exposure \$000's	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Amount Impaired	Amount Past Due (>30 days)	Specific provision (1)	Charge for specific provisions and write-off's for the period
Secured loans and advances	2,143,211	2,125,520	810,937	5,099	4,702	196	(174)
Unsecured loans and advances	103,245	103,790	102,403	595	749	842	274
Total Loans and Advances	2,246,456	2,229,310	913,340	5,694	5,450	1,038	100
Cash and Liquid Assets	477	443	-	-	-	-	-
Investments and Other Deposits	756,450	684,635	309,034	-	-	-	-
Total Investments	756,927	685,078	309,034	-	-	-	-
Other Assets	47,331	47,342	47,331	-	-	-	-
Total Credit Risk	3,050,714	2,961,730	1,269,705	-	-	-	-
Off-Balance Sheet Risk	544,348	526,124	123,627	-	-	-	-
Operational Risk			157,138	-	-	-	-
Total Risk Weighted Assets	3,595,061	3,487,854	1,550,470	5,694	5,450	1,038	100

Total Regulatory Capital holdings	231,549
Internally Assessed Minimum Capital Requirements	193,809
Regulatory Capital holdings in excess of Board minimum	37,740
General Reserve for Credit Losses (2)	7,840
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	768,093
On balance sheet securitised exposures gain/(loss) on sale	Nil

(1) Includes Specific Provisions (Stage 3) and Collective Provisions (Stage 2)

(2) General Reserve for Credit Losses includes Collective Provisions (Stage 1)