

Prudential Information Disclosure as at 31 March 2021

Capital Adequacy

Bank First 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 March 2021	\$000's
Total Risk Weighted Exposures	1,537,859
Capital Structure	
o Common Equity Tier 1	229,979
o Tier 1 Capital	229,979
o Total Capital Base	237,943
Capital Adequacy Ratio	
Common Equity Tier 1	14.95%
Tier 1 Capital Ratio	14.95%
Total Regulatory Capital Ratio	15.47%

Capital Adequacy as at 31 December 2020	\$000's
Total Risk Weighted Exposures	1,552,093
Capital Structure	
o Common Equity Tier 1	226,536
o Tier 1 Capital	226,536
o 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%

Credit Risk Exposure as at 31 March 2021

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	2,309,317	2,290,432	867,932	4,859	4,671	191	40
Unsecured loans and advances	95,736	97,775	94,824	923	616	912	234
Total Loans and Advances	2,405,054	2,388,207	962,756	5,782	5,287	1,103	274
Cash and Liquid Assets	429	432	-	-	-	-	-
Investments and Other Deposits	688,051	688,565	245,039	-	-	-	-
Total Investments	688,480	688,996	245,039	-	-	-	-
Other Assets	46,149	46,184	46,149	-	-	-	-
Total Credit Risk	3,139,682	3,123,387	1,253,944	-	-	-	-
Off-Balance Sheet Risk	554,778	561,662	121,063	-	-	-	-
Operational Risk			162,852	-	-	-	-
Total Risk Weighted Assets	3,694,461	3,685,049	1,537,859	5,782	5,287	1,103	274

Total Regulatory Capital holdings	237,943
Internally Assessed Minimum Capital Requirements	192,232
Regulatory Capital holdings in excess of Board minimum	45,711
General Reserve for Credit Losses (2)	7,964
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	689,787
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 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)