

Prudential Information Disclosure as at 30 September 2018

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.

Capital Adequacy

Capital Adequacy as at 30 September 2018	\$000's
Total Risk Weighted Exposures	1,293,535
Capital Structure	
○ Common Equity Tier 1	194,987
○ Tier 1 Capital	194,987
○ Total Capital Base	202,385
Capital Adequacy Ratio	
Common Equity Tier 1	15.07%
Tier 1 Capital Ratio	15.07%
Total Regulatory Capital Ratio	15.65%
Board minimum Tier 1 Ratio	13.00%
APRA minimum total regulatory capital ratio	8.00%

Capital Adequacy as at 30 June 2018	\$000's
Total Risk Weighted Exposures	1,277,894
Capital Structure	
○ Common Equity Tier 1	191,878
○ Tier 1 Capital	191,878
○ Total Capital Base	199,042
Capital Adequacy Ratio	
Common Equity Tier 1	15.02%
Tier 1 Capital Ratio	15.02%
Total Regulatory Capital Ratio	15.58%
Board minimum Tier 1 Ratio	13.00%
APRA minimum total regulatory capital ratio	8.00%

Credit Risk Exposure as at 30 September 2018

Type of Credit Exposure \$000's	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Internally Assessed Minimum Capital Requirements	Amount Impaired	Amount Past 90 days	Specific provision	Charge for specific provisions and write-off's for the period
Secured loans and advances	1,842,267	1,840,211	690,019	89,702	9,690	1,374	59	-
Unsecured loans and advances	115,474	113,273	115,267	14,985	531	364	207	(10)
Total Loans and Advances	1,957,741	1,953,483	805,286	104,687	10,221	1,738	266	(10)
Cash and Liquid Assets	718	628	-	-				
Investments and Other Deposits	558,576	537,445	229,370	29,818				
Total Investments	559,295	538,073	229,370	29,818				
Other Assets	35,665	38,844	35,665	4,636				
Total Credit Risk	2,552,701	2,530,401	1,070,321	139,142				
Off-Balance Sheet Risk	456,219	455,990	84,304	10,960				
Operational Risk			138,909	18,058				
Total Risk Weighted Assets	3,008,921	2,986,391	1,293,535	168,160	10,221	1,738	266	(10)

Total Regulatory Capital holdings	202,385
Regulatory Capital holdings in excess of Board minimum	34,226
General Reserve for Credit Losses	7,398
Off balance sheet securitised home loans	NIL
On balance sheet securitised home loans	385,557
On balance sheet securitised exposures gain/(loss) on sale	NIL

Credit Risk Exposure as at 30 June 2018

Type of Credit Exposure \$000's	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Internally Assessed Minimum Capital Requirements	Amount Impaired	Amount Past 90 days	Specific provision	Charge for specific provisions and write-off's for the period
Secured loans and advances	1,837,923	1,827,087	688,485	89,503	6,650	979	59	(97)
Unsecured loans and advances	110,807	110,559	110,499	14,365	710	483	308	66
Total Loans and Advances	1,948,730	1,937,646	798,984	103,868	7,360	1,462	367	(31)
Cash and Liquid Assets	590	512	-	-				
Investments and Other Deposits	510,838	506,121	216,322	28,122				
Total Investments	511,428	506,633	216,322	28,122				
Other Assets	41,926	41,819	41,926	5,450				
Total Credit Risk	2,502,084	2,486,098	1,057,231	137,440				
Off-Balance Sheet Risk	456,172	462,903	81,753	10,628				
Operational Risk			138,909	18,058				
Total Risk Weighted Assets	2,958,256	2,949,001	1,277,894	166,126	7,360	1,462	367	(31)

Total Regulatory Capital holdings	199,042
Regulatory Capital holdings in excess of Board minimum	32,916
General Reserve for Credit Losses	7,164
Off balance sheet securitised home loans	NIL
On balance sheet securitised home loans	409,105
On balance sheet securitised exposures gain/(loss) on sale	NIL