

Prudential Information Disclosure as at 30 September 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 APS 110 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 ADIs 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.

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 30 September 2021	\$000s
Total Risk Weighted Exposures	1,520,582
<u>Capital Structure</u>	
○ Common Equity Tier 1	236,501
○ Tier 1 Capital	236,501
○ Total Capital Base	244,445
<u>Capital Adequacy Ratio</u>	
Common Equity Tier 1 Ratio	15.55%
Tier 1 Capital Ratio	15.55%
Total Capital Ratio	16.08%
Total Regulatory Capital Holdings	244,445
Internally Assessed Minimum Capital Requirements	190,073
Regulatory Capital Holdings in excess of Board Minimum	54,372

Capital Adequacy as at 30 June 2021	\$000s
Total Risk Weighted Exposures	1,531,561
<u>Capital Structure</u>	
○ Common Equity Tier 1	232,654
○ Tier 1 Capital	232,654
○ Total Capital Base	240,743
<u>Capital Adequacy Ratio</u>	
Common Equity Tier 1 Ratio	15.19%
Tier 1 Capital Ratio	15.19%
Total Capital Ratio	15.72%
Total Regulatory Capital Holdings	240,743
Internally Assessed Minimum Capital Requirements	191,445
Regulatory Capital Holdings in excess of Board Minimum	49,298

Credit and Operational Risk Exposures as at 30 September 2021

\$000s	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-offs for the quarter
Secured loans and advances	2,317,740	2,356,218	866,168	2,312	5,813	125	(18)
Unsecured loans and advances	47,853	54,992	46,652	829	628	1,077	(108)
Total loans and advances	2,365,593	2,411,210	912,820	3,141	6,441	1,202	(126)
Notes and coins	458	417	-				
Investments and bank balances with ADIs	830,534	748,859	299,836	-	-	-	-
Other assets	47,295	47,433	47,295	-	-	-	-
Total on-balance sheet credit risk	3,243,880	3,207,919	1,259,951	-	-	-	-
Off-balance sheet credit risk	509,641	521,211	91,296	-	-	-	-
Operational risk			169,335				
Total	3,753,522	3,729,130	1,520,582	3,141	6,441	1,202	(126)

	\$000s
General Reserve for Credit Losses ⁽²⁾	7,944
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	779,934
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 and Operational Risk Exposures as at 30 June 2021

\$000s	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-offs for the quarter
Secured loans and advances	2,364,206	2,355,146	909,370	6,044	3,910	143	(91)
Unsecured loans and advances	54,746	56,807	53,335	984	593	1,268	(81)
Total loans and advances	2,418,952	2,411,953	962,705	7,028	4,503	1,411	(172)
Notes and coins	464	404	-				
Investments and bank balances with ADIs	714,788	692,099	248,969	-	-	-	-
Other assets	47,529	46,402	47,529	-	-	-	-
Total on-balance sheet credit risk	3,181,733	3,150,859	1,259,203	-	-	-	-
Off-balance sheet credit risk	521,538	543,147	103,023	-	-	-	-
Operational risk			169,335				
Total	3,703,271	3,694,006	1,531,561	7,028	4,503	1,411	(172)

	\$000s
General Reserve for Credit Losses ⁽²⁾	8,089
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	803,363
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).