

Prudential Information Disclosure as at 31 December 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 31 December 2018	\$000's
Total Risk Weighted Exposures	1,338,090
Capital Structure	
○ Common Equity Tier 1	198,540
○ Tier 1 Capital	198,540
○ Total Capital Base	205,426
Capital Adequacy Ratio	
Common Equity Tier 1	14.84%
Tier 1 Capital Ratio	14.84%
Total Regulatory Capital Ratio	15.35%
Board minimum Tier 1 Ratio	13.00%
APRA minimum total regulatory capital ratio	8.00%

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%

Credit Risk Exposure as at 31 December 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	1,881,471	1,854,252	706,038	91,785	10,854	871	59	-
Unsecured loans and advances	128,489	122,434	128,245	16,672	644	433	244	63
Total Loans and Advances	2,009,960	1,976,686	834,283	108,457	11,498	1,303	303	63
Cash and Liquid Assets	533	618	-	-	-	-	-	-
Investments and Other Deposits	525,135	547,751	227,342	29,554	-	-	-	-
Total Investments	525,667	548,369	227,342	29,554	-	-	-	-
Other Assets	36,379	36,007	36,379	4,729	-	-	-	-
Total Credit Risk	2,572,006	2,561,062	1,098,004	142,741	-	-	-	-
Off-Balance Sheet Risk	482,395	472,015	97,091	12,622	-	-	-	-
Operational Risk	-	-	142,994	18,589	-	-	-	-
Total Risk Weighted Assets	3,054,401	3,033,077	1,338,090	173,952	11,498	1,303	303	63

Total Regulatory Capital holdings	205,426
Regulatory Capital holdings in excess of Board minimum	31,475
General Reserve for Credit Losses	6,886
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	363,740
On balance sheet securitised exposures gain/(loss) on sale	Nil

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