

## Prudential Information Disclosure as at 31 March 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%.

The Bank is using the post January 2018 common disclosure template because it is fully applying the Basel III regulatory adjustments as implemented by APRA.

### 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 March 2018	\$000's
<b>Total Risk Weighted Exposures</b>	<b>1,263,183</b>
<b>Capital Structure</b>	
o Common Equity Tier 1	190,705
o Tier 1 Capital	190,705
o Total Capital Base	197,746
<b>Capital Adequacy Ratio</b>	
Common Equity Tier 1	15.10%
Tier 1 Capital Ratio	15.10%
<b>Total Regulatory Capital Ratio</b>	<b>15.65%</b>
Board minimum Tier 1 Ratio	13.00%
APRA minimum total regulatory capital ratio	8.00%

Capital Adequacy as at 31 December 2017	\$000's
<b>Total Risk Weighted Exposures</b>	<b>1,260,277</b>
<b>Capital Structure</b>	
o Common Equity Tier 1	188,379
o Tier 1 Capital	188,379
o Total Capital Base	195,404
<b>Capital Adequacy Ratio</b>	
Common Equity Tier 1	14.95%
Tier 1 Capital Ratio	14.95%
<b>Total Regulatory Capital Ratio</b>	<b>15.50%</b>
Board minimum Tier 1 Ratio	13.00%
APRA minimum total regulatory capital ratio	8.00%

## Credit Risk Exposure as at 31 March 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	1,825,427	1,815,176	685,250	89,083	6,567	1,765	156	26
Unsecured loans and advances	109,807	114,180	109,509	14,236	711	426	297	46
<b>Total Loans and Advances</b>	<b>1,935,233</b>	<b>1,929,356</b>	<b>794,759</b>	<b>103,319</b>	<b>7,278</b>	<b>2,191</b>	<b>453</b>	<b>72</b>
Cash and Liquid Assets	509	698	-	-	-	-	-	-
Investments and Other Deposits	493,837	479,762	202,634	26,342	-	-	-	-
<b>Total Investments</b>	<b>494,345</b>	<b>480,460</b>	<b>202,634</b>	<b>26,342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Assets	41,722	42,054	41,722	5,424	-	-	-	-
<b>Total Credit Risk</b>	<b>2,471,301</b>	<b>2,451,870</b>	<b>1,039,116</b>	<b>135,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Off-Balance Sheet Risk	469,405	477,088	89,348	11,615	-	-	-	-
Operational Risk	-	-	134,719	17,513	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>2,940,707</b>	<b>2,928,958</b>	<b>1,263,183</b>	<b>164,214</b>	<b>7,278</b>	<b>2,191</b>	<b>453</b>	<b>72</b>

Total Regulatory Capital holdings	197,746
Regulatory Capital holdings in excess of Board minimum	33,532
General Reserve for Credit Losses	7,041
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	265,674
On balance sheet securitised exposures gain/(loss) on sale	Nil

## Credit Risk Exposure as at 31 December 2017

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	1,798,538	1,783,878	676,197	87,906	6,619	1,517	129	-2
Unsecured loans and advances	117,981	119,914	117,701	15,301	714	424	280	64
<b>Total Loans and Advances</b>	<b>1,916,519</b>	<b>1,903,792</b>	<b>793,898</b>	<b>103,207</b>	<b>7,333</b>	<b>1,940</b>	<b>409</b>	<b>62</b>
Cash and Liquid Assets	817	657	-	-	-	-	-	-
Investments and Other Deposits	482,046	471,079	194,672	25,307	-	-	-	-
<b>Total Investments</b>	<b>482,863</b>	<b>471,737</b>	<b>194,672</b>	<b>25,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Assets	41,879	42,079	41,879	5,444	-	-	-	-
<b>Total Credit Risk</b>	<b>2,441,261</b>	<b>2,417,608</b>	<b>1,030,449</b>	<b>133,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Off-Balance Sheet Risk	487,505	491,524	95,109	12,364	-	-	-	-
Operational Risk	-	-	134,719	17,513	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>2,928,767</b>	<b>2,909,132</b>	<b>1,260,277</b>	<b>163,836</b>	<b>7,333</b>	<b>1,940</b>	<b>409</b>	<b>62</b>

Total Regulatory Capital holdings	195,404
Regulatory Capital holdings in excess of Board minimum	31,568
General Reserve for Credit Losses	7,025
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	291,484
On balance sheet securitised exposures gain/(loss) on sale	Nil