

Prudential Information Disclosure as at 31 March 2022

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 31 March 2022	\$000s
Total Risk Weighted Exposures	1,591,741
○ Credit Risk	1,415,430
○ Operational Risk	176,311
Capital Structure	
○ Common Equity Tier 1	242,956
○ Tier 1 Capital	242,956
○ Total Capital Base	250,557
Capital Adequacy Ratio	
Common Equity Tier 1 Ratio	15.26%
Tier 1 Capital Ratio	15.26%
Total Capital Ratio	15.74%
Total Regulatory Capital Holdings	250,557
Internal Minimum Capital Target	198,968
Regulatory Capital Holdings in excess of Board Minimum	51,589

Capital Adequacy as at 31 December 2021	\$000s
Total Risk Weighted Exposures	1,547,926
○ Credit Risk	1,371,615
○ Operational Risk	176,311
Capital Structure	
○ Common Equity Tier 1	240,123
○ Tier 1 Capital	240,123
○ Total Capital Base	247,888
Capital Adequacy Ratio	
Common Equity Tier 1 Ratio	15.51%
Tier 1 Capital Ratio	15.51%
Total Capital Ratio	16.01%
Total Regulatory Capital Holdings	247,888
Internal Minimum Capital Target	193,491
Regulatory Capital Holdings in excess of Board Minimum	54,398

Credit Risk Exposures as at 31 March 2022

\$000s	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Non-performing	>30 days Past Due	Specific Provision ⁽¹⁾	Charge for specific provisions and write-offs for the quarter
Secured loans and advances	2,347,564	2,319,015	866,258	2,659	3,151	277	140
Unsecured loans and advances	42,102	43,134	40,731	767	337	955	(245)
Total loans and advances	2,389,666	2,362,149	906,989	3,426	3,488	1,232	(105)
Notes and coins	425	415	-	-	-	-	-
Investments and bank balances with ADIs	911,963	915,093	353,868	-	-	-	-
Other assets	45,936	46,149	45,936	-	-	-	-
Total on-balance sheet credit risk	3,347,990	3,323,806	1,306,793	-	-	-	-
Total off-balance sheet credit risk ⁽²⁾	299,793	281,211	108,637	-	-	-	-
Total	3,647,783	3,605,017	1,415,430	3,426	3,488	1,232	(105)

	\$000s
General Reserve for Credit Losses ⁽³⁾	7,601
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	642,854
On balance sheet securitised exposures gain/(loss) on sale	Nil

⁽¹⁾ Includes Specific Provision (Stage 3) and Collective Provision (Stage 2).

⁽²⁾ Represents the credit equivalent exposure of total off-balance sheet commitments.

⁽³⁾ General Reserve for Credit Losses includes Collective Provision (Stage 1).

Credit Risk Exposures as at 31 December 2021

\$000s	Gross Exposures	Quarterly Average Gross Exposures	Risk Weighted Assets	Non-performing ⁽¹⁾	>30 days Past Due	Specific Provision ⁽²⁾	Charge for specific provisions and write-offs for the quarter
Secured loans and advances	2,296,696	2,297,542	853,535	3,679	1,762	137	12
Unsecured loans and advances	45,126	45,785	43,992	899	307	997	(38)
Total loans and advances	2,341,822	2,343,327	897,527	4,578	2,069	1,134	(26)
Notes and coins	381	435	-	-	-	-	-
Investments and bank balances with ADIs	907,894	885,986	326,444	-	-	-	-
Other assets	47,935	47,321	47,935	-	-	-	-
Total on-balance sheet credit risk	3,298,032	3,277,069	1,271,906	-	-	-	-
Total off-balance sheet credit risk ⁽³⁾	269,146	266,168	99,709	-	-	-	-
Total	3,567,178	3,543,237	1,371,615	4,578	2,069	1,134	(26)

	\$000s
General Reserve for Credit Losses ⁽⁴⁾	7,766
Off balance sheet securitised home loans	Nil
On balance sheet securitised home loans	710,451
On balance sheet securitised exposures gain/(loss) on sale	Nil

⁽¹⁾ Non-performing exposures as at 31 December 2021 has been corrected to exclude hardship loans which are below 90 days past due and to include well-secured loans from Category One which are 90 days and above past due.

⁽²⁾ Includes Specific Provision (Stage 3) and Collective Provision (Stage 2).

⁽³⁾ Represents the credit equivalent exposure of total off-balance sheet commitments.

⁽⁴⁾ General Reserve for Credit Losses includes Collective Provision (Stage 1).