Prudential Information Disclosure as at 30 June 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.

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Capital Adequacy

Capital Adequacy as at 30 June 2022	$000s
Total Risk Weighted Exposures	**1,592,245**
o Credit Risk	1,409,008
o Operational Risk	183,237
Capital Structure	
o Common Equity Tier 1	242,834
o Tier 1 Capital	242,834
o Total Capital Base	250,947
Capital Adequacy Ratio	
Common Equity Tier 1 Ratio	15.25%
Tier 1 Capital Ratio	15.25%
Total Capital Ratio	**15.76%**
Total Regulatory Capital Holdings	250,947
Internal Minimum Capital Target	199,031
Regulatory Capital Holdings in excess of Board Minimum	51,918

Capital Adequacy as at 31 March 2022	$000s
Total Risk Weighted Exposures	**1,591,741**
o Credit Risk	1,415,430
o Operational Risk	176,311
Capital Structure	
o Common Equity Tier 1	242,956
o Tier 1 Capital	242,956
o 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

Credit Risk Exposures as at 30 June 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	2,443,821	2,414,177	891,456	3,085	3,045	190	31
Unsecured loans and advances	39,428	40,345	39,105	617	392	351	465
Total loans and advances	**2,483,249**	**2,454,522**	**930,561**	**3,702**	**3,437**	**541**	**496**
Notes and coins	351	401	-				
Investments and bank balances with ADIs	844,037	861,313	329,884	-	-	-	-
Other assets	45,963	45,645	45,964	-	-	-	-
Total on-balance sheet credit risk	**3,373,600**	**3,361,881**	**1,306,409**	**-**	**-**	**-**	**-**
Non-market related off-balance sheet credit risk(2)	279,115	286,577	102,270	-	-	-	-
Market related off-balance sheet credit risk(3)	1,647	1,386	329	-	-	-	-
Total	**3,654,362**	**3,649,844**	**1,409,008**	**3,702**	**3,514**	**541**	**496**

	$000s
General Reserve for Credit Losses(4)	8,113
Off-balance sheet securitised home loans	Nil
On-balance sheet securitised home loans	768,345
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 non-market related off-balance sheet commitments.*
(3) *The consolidated group entered an interest rate swap agreement to hedge against variability in future interest cash flows.*
(4) *General Reserve for Credit Losses includes Collective Provision (Stage 1).*

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Credit Risk Exposures as at 31 March 2022

$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	2,347,564	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(3)	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(4)	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).*