

APRA BASEL III

Pillar 3 Disclosures

Quarter ended 31 March 2020

Overview

This report has been prepared by Judo Bank Pty Ltd to meet its disclosure requirements under the Australian Prudential Regulation Authority's (APRA) Prudential Standard APS 330: Public Disclosure. It has been prepared using quarter ended 31 March 2020 data at the consolidated Judo Group level (level 2) including the authorised Non-Operating Holding Company, Judo Capital Holdings Limited.

Sections included:

Capital structure (Table 1),

Main features of capital instruments (Table 2),

Capital adequacy (Table 3),

Credit risk (Table 4), and,

Securitisation (Table 5).

Capital Structure

	March 2020 \$m	December 2019 \$m
Common Equity Tier 1 Capital		
Paid-up ordinary shares	539.3	539.3
Reserves	0.4	0.2
Regulatory retained earning including current year earnings	(88.6)	(71.8)
Total Common Equity Tier 1 Capital	451.1	467.7
Regulatory Adjustments		
Goodwill and Intangibles	(4.2)	(3.8)
Deferred expenditure	(19.5)	(15.0)
Other deductions	(0.9)	(0.9)
Total regulatory adjustments	(24.6)	(19.7)
Net common equity Tier 1 Capital	426.5	448.0
Total Tier 1 Capital	426.5	448.0
Tier 2 Capital		
Tier 2 Capital instruments	0.0	0.0
General Reserve for Credit Losses	12.9	9.3
Total Tier 2 Capital	12.9	9.3
Total Capital	439.4	457.3

Main Features of Capital Instruments.

Judo Bank's main features of capital instruments are updated on an ongoing basis and are available at the Regulatory Disclosures section of the judo.bank website at the following address <https://www.judo.bank/regulatory-disclosures>

Capital Adequacy

Risk Weighted Assets Level 2.	March 2020 \$m	December 2019 \$m
Subject to the Standardised Approach		
Government	0.0	0.0
Bank	98.0	99.6
Residential Mortgages	343.8	250.8
Other retail	0.0	0.0
Corporate (1)	1,220.1	977.3
Other	9.3	2.7
Total On and Off-Balance Sheet Exposures	1,671.2	1,330.4
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	153.8	153.8
Total Risk Weighted Assets	1,825.0	1,484.2
Notes		
(1) Includes commercial lending and leasing		
Capital Ratios Level 2		
Common Equity Tier 1	23.4%	30.2%
Tier 1	23.4%	30.2%
Total Capital	24.1%	30.8%

Credit Risk

Exposure Type	Gross Credit Exposure March 2020 \$m	Average Gross Credit Exposure March Quarter \$m	Gross Credit Exposure December 2019 \$m	Average Gross Credit Exposure December Quarter \$m
Cash and cash equivalents	133.1	185.5	192.9	178.9
Investments	409.7	359.3	289.1	263.0
Loans and advances	1,415.2	1,250.3	967.9	800.4
Off-balance sheet exposures for derivatives	0.0	0.0	0.0	0.0
Other off-balance sheet exposures (note 1)	288.7	329.2	355.6	299.8
Other	9.3	11.5	2.7	2.7
Total Exposures	2,256.0	2,135.8	1,808.2	1,544.8

Note 1: Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure March 2020 \$m	Average Gross Credit Exposure March Quarter \$m	Gross Credit Exposure December 2019 \$m	Average Gross Credit Exposure December Quarter \$m
Government	110.3	75.2	41.1	24.9
Bank	432.5	469.6	440.9	417.0
Residential mortgage	429.4	386.6	307.9	243.8
Other retail	0.0	0.0	0.0	0.0
Corporate	1,274.5	1,193.0	1,015.6	856.4
Other	9.3	11.4	2.7	2.7
Total Exposures	2,256.0	2,135.8	1,808.2	1,544.8

Credit Risk

March 2020 Portfolios Subject to the Standardised Approach	Impaired Loans \$m	Past Due Loans > 90 Days \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write- Offs \$m
Government	0.0	0.0	0.0	0.0	0.0
Bank	0.0	0.0	0.0	0.0	0.0
Residential Mortgages	0.0	0.0	0.0	0.0	0.0
Other retail	0.0	0.0	0.0	0.0	0.0
Corporate	3.7	0.0	1.1	1.1	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			11.0		
Total regulatory specific provision			12.1		
General reserve for credit losses			12.9		

Credit Risk

December 2019 Portfolios Subject to the Standardised Approach	Impaired Loans \$m	Past Due Loans > 90 Days \$m	Specific Provision Balance \$m	Charges for Specific Provision \$m	Write- Offs \$m
Government	0.0	0.0	0.0	0.0	0.0
Bank	0.0	0.0	0.0	0.0	0.0
Residential Mortgages	0.0	0.0	0.0	0.0	0.0
Other retail	0.0	0.0	0.0	0.0	0.0
Corporate	0.0	0.0	0.0	-0.1	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			1.5		
Total regulatory specific provision			1.5		
General reserve for credit losses			9.3		

Securitisation

Securitisation	March Quarter securitisation activity \$m	Gain or Loss on Sale \$m	December Quarter securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	3.6	0.0	7.1	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	33.5	0.0	66.5	0.0
Total	37.1	0.0	73.6	0.0

Securitisation Exposures	March 2020 \$m	December 2019 \$m
On-balance sheet securitisation exposure retained or purchased:		
Liquidity funding facility (drawn)	4.2	3.4
Securities held in the banking book	73.4	64.3
Off-balance sheet securitisation exposure:		
Liquidity funding facility (drawn)	0.0	0.0
Securities held in the banking book	0.0	0.0

The bank treats all securitisation as funding-only in accordance with APS 120. The underlying lending exposures in the securitisation trusts are included in the bank's calculation of risk weighted assets. The Securitisation Exposures disclosed above are exposures of the bank to the trusts for facilities and funding provided. They are not included in the calculation of risk weighted assets in accordance with APS 120.