

APRA BASEL III.

Pillar 3 Disclosures

Quarter ended 30 June 2019

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 30 June 2019 data at the consolidated Judo Group level (level 2) including the authorised Non-Operating Holding Company, Judo Capital Holdings Limited.

As Judo was granted an authority to carry on a banking business by APRA on the 24th April 2019, this is the first return post licence approval and does not include comparatives.

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

June 2019 \$m

Common Equity Tier 1 Capital

Paid-up ordinary shares	254.7
Reserves	0.0
Regulatory retained earning including current year earnings	(51.6)

Total Common Equity Tier 1 Capital	203.1
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Regulatory Adjustments

Goodwill and Intangibles	(2.5)
Deferred expenditure	(10.5)
Other deductions	(0.9)
Total regulatory adjustments	(13.9)

Net common equity Tier 1 Capital	189.2
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Total Tier 1 Capital	189.2
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Tier 2 Capital

Tier 2 Capital instruments	0
General Reserve for Credit Losses	2.5

Total Tier 2 Capital	2.5
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Total Capital	191.7
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Main Features of Capital Instruments.

Judo Banks 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.

June 2019 \$M

Subject to the Standardised Approach

Government	0.0
Bank	34.8
Residential Mortgages	50.9
Other retail	0.0
Corporate (1)	277.3
Other	2.1

Total On and Off-Balance Sheet Exposures 365.1

Securitisation Exposures	0.0
Market Risk Exposures	0.0
Operational Risk Exposures	68.7

Total Risk Weighted Assets 433.8

Notes

(1) Includes commercial lending and leasing

Capital Ratios Level 2

Common Equity Tier 1	43.6%
Tier 1	43.6%
Total Capital	44.2%

Credit Risk

Exposure Type	Gross Credit Exposure June 2019 \$m	Average Gross Credit Exposure \$m
Cash and cash equivalents	92.4	59.6
Investments	58.9	42.8
Loans and advances	238.3	186.9
Off-balance sheet exposures for derivatives	0.0	0.0
Other off-balance sheet exposures (note 1)	122.2	80.0
Other	2.0	2.3
Total Exposures	513.8	371.6

Note 1: Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure June 2019 \$m	Average Gross Credit Exposure \$m
Government	0.0	0.0
Bank	151.2	102.4
Residential mortgage	69.5	49.3
Other retail	0.0	0.0
Corporate	291.1	217.6
Other	2.0	2.3
Total Exposures	513.8	371.6

Credit Risk

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	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			1.0		
Total regulatory specific provision			1.0		
General reserve for credit losses			2.5		

Securitisation

Securitisation	Current Period securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	0.9	0.0
Other retail	0.0	0.0
Corporate	17.2	0.0
Total	18.1	0.0

Securitisation Exposures	June 2019 \$m
On-balance sheet securitisation exposure retained or purchased:	
Liquidity funding facility (drawn)	1.8
Securities held in the banking book	39.4
Off-balance sheet securitisation exposure:	
Liquidity funding facility (drawn)	0.0
Securities held in the banking book	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.