

APRA BASEL III

Pillar 3 Disclosures

Quarter ended 31 March 2021

# 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 2021 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 2021 \$m	December 2020 \$m
<b>Common Equity Tier 1 Capital</b>		
Paid-up ordinary shares (net of capital raising costs)	1,042.0	758.6
Reserves	3.5	1.4
Regulatory retained earning including current year earnings and GRCL top up	(81.2)	(112.7)
<b>Total Common Equity Tier 1 Capital</b>	<b>964.3</b>	<b>647.3</b>
<b>Regulatory Adjustments</b>		
Deferred Tax Assets	(29.7)	-
Goodwill and Intangibles	(13.6)	(10.9)
Deferred expenditure	(5.4)	(4.1)
Other deductions	(4.1)	(3.2)
Total regulatory adjustments	(52.8)	(18.2)
<b>Net common equity Tier 1 Capital</b>	<b>911.5</b>	<b>629.1</b>
<b>Total Tier 1 Capital</b>	<b>911.5</b>	<b>629.1</b>
<b>Tier 2 Capital</b>		
Tier 2 Capital instruments	0.0	0.0
General Reserve for Credit Losses	21.8	19.3
<b>Total Tier 2 Capital</b>	<b>21.8</b>	<b>19.3</b>
<b>Total Capital</b>	<b>933.3</b>	<b>648.4</b>

# 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 2021 \$m	December 2020 \$m
<b>Subject to the Standardised Approach</b>		
Government	0.0	0.0
Bank	57.8	26.9
Residential Mortgages	831.2	733.0
Other retail	0.0	0.0
Corporate (1)	2,200.0	1990.6
Other	34.0	7.7
<b>Total On and Off-Balance Sheet Exposures</b>	<b>3,123.1</b>	<b>2,758.2</b>
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	332.8	332.8
<b>Total Risk Weighted Assets</b>	<b>3,455.9</b>	<b>3091.0</b>
Notes		
(1) Includes commercial lending and leasing		
<b>Capital Ratios Level 2</b>		
Common Equity Tier 1	26.4%	20.4%
Tier 1	26.4%	20.4%
Total Capital	27.0%	21.0%

# Credit Risk

Exposure Type	Gross Credit Exposure 2021 March \$m	Average Gross Credit Exposure March Quarter \$m	Gross Credit Exposure 2020 December \$m	Average Gross Credit Exposure December Quarter \$m
Cash and cash equivalents	297.2	247.1	129.3	182.1
Investments	1,299.8	1,021.2	772.2	775.6
Loans and advances	2,881.4	2,774.3	2,622.0	2,459.7
Off-balance sheet exposures for derivatives	11.1	10.0	6.4	7.5
Other off-balance sheet exposures (note 1)	470.7	405.6	373.9	373.8
Other	20.2	14.6	7.7	5.9
<b>Total Exposures</b>	<b>4,980.4</b>	<b>4,472.8</b>	<b>3,911.5</b>	<b>3,804.6</b>

Note 1: Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure March 2021 \$m	Average Gross Credit Exposure March Quarter \$m	Gross Credit Exposure December 2020 \$m	Average Gross Credit Exposure December Quarter \$m
Government	1,242.2	958.2	697.6	662.0
Bank	289.2	246.5	134.5	272.6
Residential mortgage	1,027.9	971.7	909.7	788.8
Other retail	0.0	0.0	0.0	0.0
Corporate	2,387.1	2,286.7	2,161.4	2,069.7
Other	34.0	9.7	8.3	11.5
<b>Total Exposures</b>	<b>4,980.4</b>	<b>4,472.8</b>	<b>3,911.5</b>	<b>3,804.6</b>

# Credit Risk

March 2021 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	25.3	0.2	3.1	0.4	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			16.2		
<b>Total regulatory specific provision</b>			19.3		
<b>General reserve for credit losses</b>			21.8		

# Credit Risk

December 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	24.0	1.1	2.7	1.6	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			17.9		
<b>Total regulatory specific provision</b>			20.6		
<b>General reserve for credit losses</b>			19.3		



# Securitisation

Securitisation	March 2021 Quarter securitisation activity \$m	Gain or Loss on Sale \$m	December 2020 Quarter securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	1.5	0.0	3.1	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	69.2	0.0	134.9	0.0
<b>Total</b>	<b>70.7</b>	<b>0.0</b>	<b>138.0</b>	<b>0.0</b>

Securitisation Exposures	March 2021 \$m	December 2020 \$m
<b>On-balance sheet securitisation exposure retained or purchased:</b>		
Liquidity funding facility (drawn)	5.0	4.8
Securities held in the banking book	396.0	371.8
Securities held in the banking book – self securitisation	1025.7	0.0
<b>Off-balance sheet securitisation exposure:</b>		
Liquidity funding facility (drawn)	0.0	0.0
Securities held in the banking book	0.0	0.0
Securities held in the banking book – self securitisation	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.