

APRA BASEL III

Pillar 3 Disclosures

Quarter ended 30 September 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 September 2019 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

	September 2019 \$m	June 2019 \$m
Common Equity Tier 1 Capital		
Paid-up ordinary shares	429.0	254.7
Reserves	0.1	0.0
Regulatory retained earning including current year earnings	(62.1)	(51.6)
Total Common Equity Tier 1 Capital	367.0	203.1
Regulatory Adjustments		
Goodwill and Intangibles	(3.3)	(2.5)
Deferred expenditure	(13.0)	(10.5)
Other deductions	(0.9)	(0.9)
Total regulatory adjustments	(17.2)	(13.9)
Net common equity Tier 1 Capital	349.8	189.2
Total Tier 1 Capital	349.8	189.2
Tier 2 Capital		
Tier 2 Capital instruments	0.0	0.0
General Reserve for Credit Losses	5.2	2.5
Total Tier 2 Capital	5.2	2.5
Total Capital	355.0	191.7

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.	September 2019 \$m	June 2019 \$m
Subject to the Standardised Approach		
Government	0.0	0.0
Bank	61.1	34.8
Residential Mortgages	140.9	50.9
Other retail	0.0	0.0
Corporate (1)	532.7	277.3
Other	2.5	2.1
Total On and Off-Balance Sheet Exposures	737.2	365.1
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	68.7	68.7
Total Risk Weighted Assets	805.9	433.8
Notes		
(1) Includes commercial lending and leasing		
Capital Ratios Level 2		
Common Equity Tier 1	43.4%	43.6%
Tier 1	43.4%	43.6%
Total Capital	44.0%	44.2%

Credit Risk

Exposure Type	Gross Credit Exposure September 2019 \$m	Average Gross Credit Exposure September Quarter \$m	Gross Credit Exposure June 2019 \$m	Average Gross Credit Exposure June Quarter \$m
Cash and cash equivalents	138.6	104.4	92.4	59.6
Investments	129.5	96.6	58.9	42.8
Loans and advances	513.6	402.7	238.3	186.9
Off-balance sheet exposures for derivatives	0.0	0.0	0.0	0.0
Other off-balance sheet exposures (note 1)	204.5	178.4	122.2	80.0
Other	2.5	2.1	2.0	2.3
Total Exposures	988.7	784.2	513.8	371.6

Note 1: Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure September 2019 \$m	Average Gross Credit Exposure September Quarter \$m	Gross Credit Exposure June 2019 \$m	Average Gross Credit Exposure June Quarter \$m
Government	12.5	8.3	0.0	0.0
Bank	255.6	192.7	151.2	102.4
Residential mortgage	174.3	115.4	69.5	49.3
Other retail	0.0	0.0	0.0	0.0
Corporate	543.8	465.7	291.1	217.6
Other	2.5	2.1	2.0	2.3
Total Exposures	988.7	784.2	513.8	371.6

Credit Risk

September 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	0.4	0.0	0.1	0.1	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			1.0		
Total regulatory specific provision			1.1		
General reserve for credit losses			5.2		

Credit Risk

June 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	0.0	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	September Quarter securitisation activity \$m	Gain or Loss on Sale \$m	June Quarter securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	1.1	0.0	0.9	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	17.2	0.0	17.2	0.0
Total	18.3	0.0	18.1	0.0

Securitisation Exposures	September 2019 \$m	June 2019 \$m
On-balance sheet securitisation exposure retained or purchased:		
Liquidity funding facility (drawn)	2.5	1.8
Securities held in the banking book	43.6	39.4
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.