

25 November 2011

APRA BASEL III PILLAR 3 DISCLOSURE

Judo Capital Holdings Limited (ASX: JDO) today released its Basel III Pillar 3 report for the quarter ended 30 September 2021, as required by APRA Prudential Standard APS 330: Public Disclosure.

[Ends]

Authorised for release by Yien Hong, Company Secretary.

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About Judo Bank: Judo Bank is Australia's first challenger bank for small and medium-sized businesses (SMEs). Judo was founded by a small group of experienced lending professionals and its purpose is to be the most trusted SME business bank in Australia. The company's relationship-led lending model is enabled by its legacy-free, digital, cloud-based technology architecture. Lending products are originated and distributed through direct and third-party channels and are funded by deposits, wholesale debt and regulatory capital.

APRA BASEL III

Pillar 3 Disclosures

Quarter ended 30 September 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 30 September 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,

Main features of capital instruments,

Capital adequacy,

Credit risk, and,

Securitisation.

Capital Structure

	September 2021 \$m	June 2021 \$m
Common Equity Tier 1 Capital		
Paid-up ordinary shares (net of capital raising costs)	1,168.7	1,146.3
Reserves	4.9	3.0
Regulatory retained earning including current year earnings and GRCL top up	(89.1)	(86.8)
Total Common Equity Tier 1 Capital	1,084.5	1,062.5
Regulatory Adjustments		
Deferred Tax Assets	(35.1)	(32.2)
Goodwill and Intangibles	(16.6)	(16.0)
Deferred expenditure	(7.5)	(3.7)
Cash-flow hedge reserve	(2.5)	(2.2)
Other deductions	(2.3)	(4.2)
Total regulatory adjustments	(64.0)	(58.3)
Net common equity Tier 1 Capital	1,020.5	1,004.2
Total Tier 1 Capital	1,020.5	1,004.2
Tier 2 Capital		
Tier 2 Capital instruments	50.0	50.0
General Reserve for Credit Losses	30.0	25.5
Total Tier 2 Capital	80.0	75.5
Total Capital	1,100.5	1,079.7

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 2021 \$m	June 2021 \$m
Subject to the Standardised Approach		
Government	0.0	0.0
Bank	62.8	92.0
Residential Mortgages	1,114.2	958.2
Other retail	0.0	0.0
Corporate (1)	3,062.8	2,550.5
Other	39.3	40.7
Total On and Off-Balance Sheet Exposures	4,279.1	3,641.4
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	452.6	452.6
Total Risk Weighted Assets	4,731.7	4,094.0
Notes		
(1) Includes commercial lending and leasing		
Capital Ratios Level 2		
Common Equity Tier 1	21.6%	24.5%
Tier 1	21.6%	24.5%
Total Capital	23.3%	26.4%

Credit Risk

Exposure Type	Gross Credit Exposure 2021 September \$m	Average Gross Credit Exposure September Quarter \$m	Gross Credit Exposure 2021 June \$m	Average Gross Credit Exposure June Quarter \$m
Cash and cash equivalents	217.2	264.0	333.1	325.3
Investments	3,203.6	3,239.3	3,270.6	2,770.2
Loans and advances	4,113.5	3,908.3	3,482.2	3,211.3
Off-balance sheet exposures for derivatives	5.9	5.9	5.7	7.4
Other off-balance sheet exposures (note 1)	456.6	341.2	417.5	468.0
Other	92.3	84.1	72.7	43.0
Total Exposures	8,089.1	7,842.8	7,581.8	6,825.2

Note 1: Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure September 2021 \$m	Average Gross Credit Exposure September Quarter \$m	Gross Credit Exposure June 2021 \$m	Average Gross Credit Exposure June Quarter \$m
Government	3,090.4	3,093.5	3,112.7	2,664.4
Bank	314.2	394.7	459.8	391.1
Residential mortgage	1,413.1	1,332.9	1,226.1	1,139.9
Other retail	0.0	0.0	0.0	0.0
Corporate	3,232.0	2,994.0	2,742.4	2,615.0
Other	39.3	27.7	40.8	14.8
Total Exposures	8,089.0	7,842.8	7,581.8	6,825.2

Credit Risk

September 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	8.4	0.0	5.5	(0.3)	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			18.1		
Total regulatory specific provision			23.6		
General reserve for credit losses			30.0		

Credit Risk

June 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	9.3	2.8	5.8	2.7	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			17.5		
Total regulatory specific provision			23.3		
General reserve for credit losses			25.5		

Securitisation

Securitisation	September 2021 Quarter securitisation activity \$m	Gain or Loss on Sale \$m	June 2021 Quarter securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	0.8	0.0	1.4	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	40.4	0.0	64.8	0.0
Total	41.2	0.0	66.2	0.0

Securitisation Exposures	September 2021 \$m	June 2021 \$m
On-balance sheet securitisation exposure retained or purchased:		
Liquidity funding facility (drawn)	33.7	26.5
Securities held in the banking book	467.6	441.9
Securities held in the banking book – self securitisation	1,829.2	1,179.7
Off-balance sheet securitisation exposure:		
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.