

28 February 2022

**APRA BASEL III PILLAR 3 DISCLOSURE**

Judo Capital Holdings Limited (ASX: JDO) (“Judo”) today released its Basel III Pillar 3 report for the quarter ended 31 December 2021, as required by APRA Prudential Standard APS 330: Public Disclosure.

Judo advises that its Basel III Pillar 3 report has been prepared using APRA’s prescribed definitions. APRA definitions for certain items may differ to the IFRS and management definitions used for the preparation of interim and full year financial reports and associated investor material.

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Authorised for release by Yien Hong, Company Secretary.

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**About Judo Bank:** Judo Bank is Australia’s first purpose-built challenger bank for small and medium-sized businesses (SMEs) and the first fully licensed Australian bank to IPO in 25 years. 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, which brings back the craft of relationship banking, 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.

# Basel III Pillar 3.

Quarter ended  
31 December 2021



Boldly backing business.

judobank

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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 December 2021 data at the consolidated Judo Group level (level 2) including the authorised Non-Operating Holding Company, Judo Capital Holdings Limited.

# 1. Capital Structure.

	December 2021 \$m	September 2021 \$m
<b>Common Equity Tier 1 Capital</b>		
Paid-up ordinary shares (net of capital raising costs)	1,513.3	1,168.7
Reserves	(28.5)	4.9
Regulatory retained earning including current year earnings and GRCL top up	(105.9)	(89.1)
<b>Total Common Equity Tier 1 Capital</b>	<b>1,379.1</b>	<b>1,084.5</b>
<b>Regulatory Adjustments</b>		
Deferred Tax Assets	(62.2)	(35.1)
Goodwill and Intangibles	(17.3)	(16.6)
Deferred expenditure	(6.1)	(7.5)
Cash-flow hedge reserve	(4.6)	(2.5)
Other deductions	0.0	(2.3)
Total regulatory adjustments	(90.2)	(64.0)
<b>Net common equity Tier 1 Capital</b>	<b>1,288.9</b>	<b>1,020.5</b>
<b>Total Tier 1 Capital</b>	<b>1,288.9</b>	<b>1,020.5</b>
<b>Tier 2 Capital</b>		
Tier 2 Capital instruments	50.0	50.0
General Reserve for Credit Losses	34.6	30.0
<b>Total Tier 2 Capital</b>	<b>84.6</b>	<b>80.0</b>
<b>Total Capital</b>	<b>1,373.5</b>	<b>1,100.5</b>

# 2. 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/asx-announcements>

## 3. Capital Adequacy.

Risk Weighted Assets Level 2	December 2021 \$m	September 2021 \$m
<b>Subject to the Standardised Approach</b>		
Government	0.0	0.0
Bank	111.5	62.8
Residential Mortgages	1,420.8	1,114.2
Other retail	0.0	0.0
Corporate <sup>(1)</sup>	3,378.9	3,062.8
Other	31.6	39.3
<b>Total On and Off-Balance Sheet Exposures</b>	<b>4,942.8</b>	<b>4,279.1</b>
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	577.5	452.6
<b>Total Risk Weighted Assets</b>	<b>5,520.3</b>	<b>4,731.7</b>

Note:

(1) Includes commercial lending and leasing.

### Capital Ratios Level 2

Common Equity Tier 1	23.3%	21.6%
Tier 1	23.3%	21.6%
Total Capital	24.9%	23.3%

## 4. Credit Risk.

<b>Exposure Type</b>	<b>Gross Credit Exposure December 2021 \$m</b>	<b>Average Gross Credit Exposure December Quarter \$m</b>	<b>Gross Credit Exposure September 2021 \$m</b>	<b>Average Gross Credit Exposure September Quarter \$m</b>
Cash and cash equivalents	454.0	400.3	217.2	264.0
Investments	3,025.1	3,107.0	3,203.6	3,239.3
Loans and advances	4,803.7	4,569.2	4,113.5	3,908.3
Off-balance sheet exposures for derivatives	5.9	5.9	5.9	5.9
Other off-balance sheet exposures <sup>(1)</sup>	883.6	701.7	456.6	341.2
Other	129.5	117.5	92.3	84.1
<b>Total Exposures</b>	<b>9,301.8</b>	<b>8,901.6</b>	<b>8,089.1</b>	<b>7,842.8</b>

Note:

(1) Largely relate to customer commitments.

<b>Portfolios Subject to Standardised Approach</b>	<b>Gross Credit Exposure December 2021 \$m</b>	<b>Average Gross Credit Exposure December Quarter \$m</b>	<b>Gross Credit Exposure September 2021 \$m</b>	<b>Average Gross Credit Exposure September Quarter \$m</b>
Government	3,192.1	3,148.3	3,090.4	3,093.5
Bank	544.5	480.7	314.2	394.7
Residential mortgage	1,780.0	1,701.4	1,413.1	1,332.9
Other retail	0.0	0.0	0.0	0.0
Corporate	3,744.1	3,527.4	3,232.0	2,994.0
Other	41.1	43.8	39.4	27.7
<b>Total Exposures</b>	<b>9,301.8</b>	<b>8,901.6</b>	<b>8,089.1</b>	<b>7,842.8</b>

## 4. Credit Risk. (continued)

<b>December 2021</b> <b>Portfolios Subject to the</b> <b>Standardised Approach</b>	<b>Impaired Loans</b> <b>\$m</b>	<b>Past Due Loans</b> <b>&gt; 90 Days</b> <b>\$m</b>	<b>Specific Provision</b> <b>Balance</b> <b>\$m</b>	<b>Charges for</b> <b>Specific Provision</b> <b>\$m</b>	<b>Write-Offs</b> <b>\$m</b>
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	10.1	0.0	5.6	0.1	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			21.6		
<b>Total regulatory specific provision</b>			<b>27.2</b>		
<b>General reserve for credit losses</b>			<b>34.6</b>		

<b>September 2021</b> <b>Portfolios Subject to the</b> <b>Standardised Approach</b>	<b>Impaired Loans</b> <b>\$m</b>	<b>Past Due Loans</b> <b>&gt; 90 Days</b> <b>\$m</b>	<b>Specific Provision</b> <b>Balance</b> <b>\$m</b>	<b>Charges for</b> <b>Specific Provision</b> <b>\$m</b>	<b>Write-Offs</b> <b>\$m</b>
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		
<b>Total regulatory specific provision</b>			<b>23.6</b>		
<b>General reserve for credit losses</b>			<b>30.0</b>		

## 5. Securitisation.

Securitisation	December 2021 Quarter securitisation activity \$m	Gain or Loss on Sale \$m	September 2021 Quarter securitisation activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	1.5	0.0	0.8	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	77.3	0.0	40.4	0.0
<b>Total</b>	<b>78.8</b>	<b>0.0</b>	<b>41.2</b>	<b>0.0</b>

Securitisation Exposures	December 2021 \$m	September 2021 \$m
<b>On-balance sheet securitisation exposure retained or purchased:</b>		
Liquidity funding facility (drawn)	23.7	33.7
Securities held in the banking book	596.1	467.6
Securities held in the banking book – self securitisation	2,025.7	1,829.2
<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.



