



# Basel III Pillar 3.

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Full year ended  
30 June 2024

Judo Capital Holdings Limited  
ABN 71 612 862 727

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This report has been prepared by Judo Bank Pty Ltd to provide disclosure transparency additional to that required by the Australian Prudential Regulation Authority (APRA), due to its non-significant financial institution classification.

It has been prepared using full year ended 30 June 2024 data at the consolidated Judo Group level (level 2) including the authorised Non-Operating Holding Company, Judo Capital Holdings Limited.

Authorised for release by Yien Hong, Company Secretary.

# Capital Structure

	June 2024 \$m	December 2023 \$m
<b>Common Equity Tier 1 Capital</b>		
Paid-up ordinary shares (net of capital raising costs)	1,522.1	1,522.1
Reserves	(18.5)	(9.3)
Regulatory retained earnings including current year earnings	65.6	39.7
<b>Total Common Equity Tier 1 Capital</b>	<b>1,569.2</b>	<b>1,552.5</b>
<b>Regulatory Adjustments</b>		
Deferred tax assets	(68.3)	(55.4)
Goodwill and intangibles	(48.4)	(45.0)
Deferred expenditure	(38.4)	(33.8)
Cash-flow hedge reserve	(0.2)	(19.0)
Other deductions	(2.8)	(3.4)
Total regulatory adjustments	(158.0)	(156.6)
<b>Net Common Equity Tier 1 Capital</b>	<b>1,411.2</b>	<b>1,395.9</b>
Additional Tier 1 capital	75.0	75.0
<b>Total Tier 1 Capital</b>	<b>1,486.2</b>	<b>1,470.9</b>
<b>Tier 2 Capital</b>		
Tier 2 capital instruments	115.0	115.0
Provisions eligible for inclusion in Tier 2 capital <sup>1</sup>	81.2	72.1
<b>Total Tier 2 Capital</b>	<b>196.2</b>	<b>187.1</b>
<b>Total Capital</b>	<b>1,682.4</b>	<b>1,658.0</b>

1. Includes collectively assessed stage 1 & 2 provisions, excluding facilities managed by Asset Management.

# Capital Disclosure Template

<b>Common Equity Tier 1 capital (CET1): Instruments and Reserves</b>		<b>\$m</b>	<b>Ref</b>
<b>1</b>	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	1,522.1	A
<b>2</b>	Retained earnings	65.6	B
<b>3</b>	Accumulated other comprehensive income (and other reserves)	(18.5)	C
<b>4</b>	Directly issued capital subject to phase out from CET1 (only applicable to mutually-owned companies)	-	
<b>5</b>	Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
<b>6</b>	Common Equity Tier 1 capital before regulatory adjustments	1,569.2	
<b>Common Equity Tier 1 capital: Regulatory Adjustments</b>			
<b>7</b>	Prudential valuation adjustments	-	
<b>8</b>	Goodwill (net of related tax liability)	-	
<b>9</b>	Other intangibles other than mortgage servicing rights (net of related tax liability)	48.3	D
<b>10</b>	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	68.3	E
<b>11</b>	Cash-flow hedge reserve	0.2	F
<b>12</b>	Shortfall of provisions to expected losses	-	
<b>13</b>	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	
<b>14</b>	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
<b>15</b>	Defined benefit superannuation fund net assets	-	
<b>16</b>	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
<b>17</b>	Reciprocal cross-holdings in common equity	-	
<b>18</b>	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
<b>19</b>	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
<b>20</b>	Mortgage service rights (amount above 10% threshold)	-	
<b>21</b>	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
<b>22</b>	Amount exceeding the 15% threshold	-	
<b>23</b>	<i>of which: significant investments in the ordinary shares of financial entities</i>	-	
<b>24</b>	<i>of which: mortgage servicing rights</i>	-	
<b>25</b>	<i>of which: deferred tax assets arising from temporary differences</i>	-	
<b>26</b>	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	41.2	
<b>26a</b>	<i>of which: treasury shares</i>	-	
<b>26b</b>	<i>of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI</i>	-	
<b>26c</b>	<i>of which: deferred fee income</i>	2.3	G
<b>26d</b>	<i>of which: equity investments in financial institutions not reported in rows 18, 19 and 23</i>	-	
<b>26e</b>	<i>of which: deferred tax assets not reported in rows 10, 21 and 25</i>	-	
<b>26f</b>	<i>of which: capitalised expenses</i>	36.1	H + I
<b>26g</b>	<i>of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements</i>	-	
<b>26h</b>	<i>of which: covered bonds in excess of asset cover in pools</i>	-	
<b>26i</b>	<i>of which: undercapitalisation of a non-consolidated subsidiary</i>	-	
<b>26j</b>	<i>of which: other national specific regulatory adjustments not reported in rows 26a to 26i</i>	2.8	
<b>27</b>	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>158.0</b>	
<b>29</b>	<b>Common Equity Tier 1 Capital (CET1)</b>	<b>1,411.2</b>	

	<b>A\$m</b>	<b>Ref</b>
<b>Additional Tier 1 Capital: instruments</b>		
<b>30</b>	Directly issued qualifying Additional Tier 1 instruments	75.0
<b>31</b>	<i>of which: classified as equity under applicable accounting standards</i>	–
<b>32</b>	<i>of which: classified as liabilities under applicable accounting standards</i>	75.0
<b>33</b>	Directly issued capital instruments subject to phase out from Additional Tier 1	–
<b>34</b>	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	–
<b>35</b>	<i>of which: instruments issued by subsidiaries subject to phase out</i>	–
<b>36</b>	<b>Additional Tier 1 Capital before regulatory adjustments</b>	<b>75.0</b>
<b>Additional Tier 1 Capital: regulatory adjustments</b>		
<b>37</b>	Investments in own Additional Tier 1 instruments	–
<b>38</b>	Reciprocal cross-holdings in Additional Tier 1 instruments	–
<b>39</b>	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	–
<b>40</b>	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	–
<b>41</b>	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	–
<b>41a</b>	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	–
<b>41b</b>	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40</i>	–
<b>41c</b>	<i>of which: other national specific regulatory adjustments not reported in rows 41a and 41b</i>	–
<b>42</b>	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	–
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>–</b>
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>	<b>75.0</b>
<b>45</b>	<b>Tier 1 Capital (T1=CET1+AT1)</b>	<b>1,486.2</b>
<b>Tier 2 Capital: instruments and provisions</b>		
<b>46</b>	Directly issued qualifying Tier 2 instruments	115.0
<b>47</b>	Directly issued capital instruments subject to phase out from Tier 2	–
<b>48</b>	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	–
<b>49</b>	<i>of which: instruments issued by subsidiaries subject to phase out</i>	–
<b>50</b>	Provisions	81.2
<b>51</b>	<b>Tier 2 Capital before regulatory adjustments</b>	<b>196.2</b>
<b>Tier 2 Capital: regulatory adjustments</b>		
<b>52</b>	Investments in own Tier 2 instruments	–
<b>53</b>	Reciprocal cross-holdings in Tier 2 instruments	–
<b>54</b>	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	–
<b>55</b>	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	–
<b>56</b>	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	–
<b>56a</b>	<i>of which: holdings of capital instruments in group members by other group members on behalf of third parties</i>	–
<b>56b</b>	<i>of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55</i>	–
<b>56c</b>	<i>of which: other national specific regulatory adjustments not reported in rows 56a and 56b</i>	–
<b>57</b>	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>–</b>
<b>58</b>	<b>Tier 2 capital (T2)</b>	<b>196.2</b>
<b>59</b>	<b>Total capital (TC=T1+T2)</b>	<b>1,682.4</b>
<b>60</b>	<b>Total risk-weighted assets based on APRA standards</b>	<b>9,611.0</b>

# Capital Disclosure Template continued

<b>Capital ratios and buffers</b>			
<b>61</b>	Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.7%	
<b>62</b>	Tier 1 (as a percentage of risk-weighted assets)	15.5%	
<b>63</b>	Total capital (as a percentage of risk-weighted assets)	17.5%	
<b>64</b>	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.0%	
<b>65</b>	<i>of which: capital conservation buffer requirement</i>	2.5%	
<b>66</b>	<i>of which: ADI-specific countercyclical buffer requirements</i>	-	
<b>67</b>	<i>of which: G-SIB buffer requirement (not applicable)</i>	-	
<b>68</b>	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	7.7%	
<b>National minima (if different from Basel III)</b>		<b>A\$m</b>	<b>Ref</b>
<b>69</b>	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	-	
<b>70</b>	National Tier 1 minimum ratio (if different from Basel III minimum)	-	
<b>71</b>	National total capital minimum ratio (if different from Basel III minimum)	-	
<b>Amount below thresholds for deductions (not risk-weighted)</b>			
<b>72</b>	Non-significant investments in the capital of other financial entities	-	
<b>73</b>	Significant investments in the ordinary shares of financial entities	-	
<b>74</b>	Mortgage servicing rights (net of related tax liability)	-	
<b>75</b>	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
<b>76</b>	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	81.2	J + K
<b>77</b>	Cap on inclusion of provisions in Tier 2 under standardised approach	109.2	
<b>78</b>	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
<b>79</b>	Cap for inclusion of provisions in Tier 2 under internal ratings based approach	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
<b>80</b>	Current cap on CET1 instruments subject to phase out arrangements	-	
<b>81</b>	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
<b>82</b>	Current cap on AT1 instruments subject to phase out arrangements	-	
<b>83</b>	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	-	
<b>84</b>	Current cap on T2 instruments subject to phase out arrangements	-	
<b>85</b>	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

# Reconciliation between the Consolidated Balance Sheet and the Regulatory Balance Sheet

June 24	Group Balance Sheet \$m	Adjustments \$m <sup>1</sup>	Level 2 Regulatory Balance Sheet \$m	Reconciliation Reference
<b>ASSETS</b>				
Cash and cash equivalents	777.4	(17.4)	760.0	
Investments	1,607.3	0.0	1,607.3	
Loans and advances	10,619.3	(339.4)	10,279.9	
<i>of which: provisions (eligible for inclusion in Tier 2 capital)</i>	(84.9)	3.7	(81.2)	J
<i>of which: deferred fee income</i>	2.3	0.0	2.3	G
Current tax assets	2.6	0.0	2.6	
Derivative assets	2.7	(1.0)	1.7	
Property, plant and equipment	8.6	0.0	8.6	
Intangible assets	48.3	0.0	48.3	D
Deferred tax assets	68.3	0.0	68.3	E
Other assets	62.1	(0.1)	62.0	
<i>of which: capitalised expenses</i>	27.8	0.0	27.8	H
<b>Total Assets</b>	<b>13,196.6</b>	<b>(357.9)</b>	<b>12,838.7</b>	
<b>LIABILITIES</b>				
Deposits	8,226.6	0.0	8,226.6	
Borrowings	3,134.8	(360.6)	2,774.2	
<i>of which: capitalised borrowing costs</i>	8.3	0.0	8.3	I
Derivative financial instruments	3.8	0.0	3.8	
Current tax liabilities	0.0	0.0	0.0	
Provisions	80.9	0.0	80.9	
Other liabilities	185.2	(1.2)	184.0	
<b>Total Liabilities</b>	<b>11,631.3</b>	<b>(361.8)</b>	<b>11,269.5</b>	
<b>Net Assets</b>	<b>1,565.3</b>	<b>3.9</b>	<b>1,569.2</b>	
<b>EQUITY</b>				
Share Capital	1,522.1	0.0	1,522.1	A
Reserves	(18.8)	0.3	(18.5)	C
<i>of which: Equity reserve for credit losses</i>	0.0	0.0	0.0	K
<i>of which: Cash-flow hedge reserve</i>	(0.1)	0.3	0.2	F
<i>of which: Other reserves included in CET 1</i>	(18.7)	0.0	(18.7)	
Retained earnings	62.0	3.6	65.6	B
<b>Total Equity</b>	<b>1,565.3</b>	<b>3.9</b>	<b>1,569.2</b>	

1. The Adjustment column reflects entities that are treated as non-consolidated entities and are excluded from the Level 2 Regulatory Consolidated Banking Group.

## Entities Excluded from Level 2 Regulatory Consolidation Group

The following table provides details of material entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

June 2024	Total Assets \$m	Total Liabilities \$m
<b>Securitisation Trusts</b>		
Judo Capital Markets Trust 2023-1	357.9	357.9

## 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's website at the following address <https://www.judo.bank/asx-announcements>



# Capital Adequacy

	June 2024 \$m	December 2023 \$m
<b>Risk Weighted Assets Level 2.</b>		
<b>Subject to the standardised approach</b>		
Government	0.0	0.0
Bank	209.2	395.0
Residential Mortgages	1,745.3	1,682.2
Other retail	0.0	0.0
Corporate <sup>1</sup>	6,653.7	5,707.0
Other	129.1	27.8
<b>Total On Balance Sheet Assets and Off-Balance Sheet Exposures</b>	<b>8,737.3</b>	<b>7,812.0</b>
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	873.7	781.2
<b>Total Risk Weighted Assets</b>	<b>9,611.0</b>	<b>8,593.2</b>
1. Includes commercial lending and leasing.		
<b>Capital Ratios Level 2</b>		
Common Equity Tier 1	14.7%	16.2%
Tier 1	15.5%	17.1%
Total Capital	17.5%	19.3%

# Credit Risk

Exposure Type	Gross Credit Exposure 2024 June \$m <sup>1</sup>	Average Gross Credit Exposure June Half \$m <sup>1</sup>	Gross Credit Exposure 2023 December \$m <sup>1</sup>	Average Gross Credit Exposure December Half \$m <sup>1</sup>
Cash and cash equivalents	777.4	1,040.5	835.0	733.3
Investments	1,607.3	2,392.8	3,006.1	2,776.7
Gross loans and advances <sup>2</sup>	10,368.3	9,667.4	9,288.9	9,100.8
Other off-balance sheet exposures <sup>3</sup>	455.0	442.2	423.4	439.5
Other	19.1	49.3	76.3	109.6
<b>Total Exposures</b>	<b>13,227.1</b>	<b>13,592.2</b>	<b>13,629.7</b>	<b>13,159.9</b>

Portfolios subject to standardised approach	Gross Credit Exposure 2024 June \$m <sup>1</sup>	Average Gross Credit Exposure June Half \$m <sup>1</sup>	Gross Credit Exposure 2023 December \$m <sup>1</sup>	Average Gross Credit Exposure December Half \$m <sup>1</sup>
Government	1,744.0	2,583.9	2,525.3	2,731.8
Bank	993.1	1,353.2	1,924.1	1,402.5
Residential mortgages	2,456.7	2,375.6	2,332.4	2,244.6
Other retail	0.0	0.0	0.0	0.0
Corporate	7,904.2	7,212.7	6,820.1	6,713.8
Other	129.1	66.8	27.8	67.2
<b>Total Exposures</b>	<b>13,227.1</b>	<b>13,592.2</b>	<b>13,629.7</b>	<b>13,159.9</b>

June 2024 Portfolios subject to the standardised approach	Non- Performing Loans <sup>4</sup> \$m	Specific Provision balance \$m	Charges for Specific Provision \$m	Write-Offs \$m
Government	0.0	0.0	0.0	0.0
Bank	0.0	0.0	0.0	0.0
Residential mortgages	53.4	3.2	1.7	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	235.2	31.8	23.6	25.0
Other	0.0	0.0	0.0	0.0
<b>Total</b>	<b>288.6</b>	<b>35.0</b>	<b>25.3</b>	<b>25.0</b>

December 2023 Portfolios subject to the standardised approach	Non- Performing Loans <sup>4</sup> \$m	Specific Provision balance \$m	Charges for Specific Provision \$m	Write-Offs \$m
Government	0.0	0.0	0.0	0.0
Bank	0.0	0.0	0.0	0.0
Residential mortgages	30.3	1.5	(0.3)	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	165.8	33.2	22.1	5.9
Other	0.0	0.0	0.0	0.0
<b>Total</b>	<b>196.1</b>	<b>34.7</b>	<b>21.8</b>	<b>5.9</b>

1. Gross credit exposures reflect credit equivalent amounts.
2. Excludes loans captured by capital relief securitisation and net of any provisions on defaulted exposures.
3. Largely relate to customer funding commitments and bank guarantees.
4. Non-performing loans include exposures in default less than 90 days past due but excludes performing exposures completing probation periods in accordance with APS220.

# Securitisation

<b>Securitisation Activity – for the half year ended June 2024</b>	<b>Capital Relief \$m</b>	<b>Funding Only \$m</b>	<b>Gain or Loss on Sale \$m</b>
Residential mortgages	0.0	112.5	0.0
Corporate	0.0	999.1	0.0
<b>Total</b>	<b>0.0</b>	<b>1,111.6</b>	<b>0.0</b>

<b>Securitisation Activity – for the half year ended December 2023</b>	<b>Capital Relief \$m</b>	<b>Funding Only \$m</b>	<b>Gain or Loss on Sale \$m</b>
Residential mortgages	34.8	134.6	0.0
Corporate	465.2	1,082.4	0.0
<b>Total</b>	<b>500.0</b>	<b>1,217.0</b>	<b>0.0</b>

<b>Securitisation Exposures – June 2024</b>	<b>Liquidity Support/ Funding Facilities \$m</b>	<b>Derivative Facilities \$m<sup>1</sup></b>	<b>Other \$m<sup>2</sup></b>
On-balance sheet securitisation exposures retained or purchased	62.7	0.0	3,317.8
Off-balance sheet securitisation exposures	33.5	315.6	0.0
<b>Total</b>	<b>96.2</b>	<b>315.6</b>	<b>3,317.8</b>

<b>Securitisation Exposures – December 2023</b>	<b>Liquidity Support/ Funding Facilities \$m</b>	<b>Derivative Facilities \$m<sup>1</sup></b>	<b>Other \$m<sup>2</sup></b>
On-balance sheet securitisation exposures retained or purchased	64.6	0.0	3,527.0
Off-balance sheet securitisation exposures	40.1	378.9	0.0
<b>Total</b>	<b>104.7</b>	<b>378.9</b>	<b>3,527.0</b>

1. Represents the notional value of the basis swap provided by the bank (as the hedging counterparty) to Judo Capital Markets Trust 2023-1 to hedge the basis risk in respect of the trust's variable loan exposures.
2. Exposures relate to the notes held in the banks on-balance sheet securitisation vehicles. Includes holdings of self-secured notes of \$2,459.2m (December: \$2,958.6m).

The bank treats securitisation as either funding-only, or capital relief in accordance with APS 120. The underlying lending exposures in the securitisation trusts are included in the banks calculation of risk weighted assets only to the extent that they do not meet capital relief requirements.

The securitisation exposures disclosed above are exposures of the bank to the trusts for facilities and funding provided.



## **Judo Bank**

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