



Basel III Pillar 3

Quarter ended
31 December 2022

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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 2022 data at the consolidated Judo Group level (level 2) including the authorised Non-Operating Holding Company, Judo Capital Holdings Limited.

1. Capital Structure.

	December 2022	September 2022
	\$M	\$M
Common Equity Tier 1 Capital		
Paid-up ordinary shares (net of capital raising costs)	1,518.2	1,518.2
Reserves	(31.0)	(40.8)
Regulatory retained earnings including current year earnings and GRCL top up	(55.4)	(77.0)
Total Common Equity Tier 1 Capital	1,431.8	1,400.4
Regulatory Adjustments		
Deferred Tax Assets	(50.1)	(52.2)
Goodwill and Intangibles	(31.0)	(27.3)
Deferred expenditure	(15.2)	(14.1)
Cash-flow hedge reserve	0.9	10.0
Total regulatory adjustments	(95.4)	(83.6)
Net Common Equity Tier 1 Capital	1,336.4	1,316.8
Total Tier 1 Capital	1,336.4	1,316.8
Tier 2 Capital		
Tier 2 Capital instruments	50.0	50.0
General Reserve for Credit Losses	49.1	42.8
Total Tier 2 Capital	99.1	92.8
Total Capital	1,435.5	1,409.6

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 Judo's website at the following address

<https://www.judo.bank/asx-announcements>

3. Capital Adequacy.

Risk Weighted Assets Level 2	December 2022	September 2022
	\$M	\$M
Subject to the Standardised Approach		
Government	0.0	0.0
Bank	207.5	135.4
Residential Mortgages	2,013.1	1,613.9
Other retail	0.0	0.0
Corporate ¹	4,723.8	4,296.5
Other	67.7	72.0
Total On and Off-Balance Sheet Exposures	7,012.1	6,117.8
Securitisation Exposures	0.0	0.0
Market Risk Exposures	0.0	0.0
Operational Risk Exposures	722.2	649.0
Total Risk Weighted Assets	7,734.3	6,766.8

Note:

1. Includes commercial lending and leasing.

Capital Ratios Level 2

Common Equity Tier 1	17.3%	19.5%
Tier 1	17.3%	19.5%
Total Capital	18.6%	20.8%

4. Credit Risk.

Exposure Type	Gross Credit Exposure December 2022 \$M	Average Gross Credit Exposure December Quarter \$M	Gross Credit Exposure September 2022 \$M	Average Gross Credit Exposure September Quarter \$M
Cash and cash equivalents	793.4	755.9	546.1	534.7
Investments	2,454.1	2,505.9	2,663.8	2,650.8
Loans and advances ¹	7,452.5	7,209.9	6,803.0	6,524.8
Off-balance sheet exposures for derivatives	32.3	32.5	33.1	31.4
Other off-balance sheet exposures ²	674.2	541.7	463.7	629.5
Other	138.5	125.9	135.8	122.3
Total Exposures	11,545.0	11,171.8	10,645.5	10,493.5

Note:

1. Net of allowance for credit losses and capitalised net transaction costs.

2. Largely relate to customer commitments.

Portfolios Subject to Standardised Approach	Gross Credit Exposure December 2022 \$M	Average Gross Credit Exposure December Quarter \$M	Gross Credit Exposure September 2022 \$M	Average Gross Credit Exposure September Quarter \$M
Government	2,921.4	3,005.9	3,288.7	3,245.2
Bank	1,017.0	919.9	664.0	648.9
Residential Mortgage	2,521.3	2,237.3	2,065.7	2,071.2
Other retail	0.0	0.0	0.0	0.0
Corporate	4,930.7	4,868.3	4,510.3	4,377.6
Other	154.6	140.4	116.8	150.6
Total Exposures	11,545.0	11,171.8	10,645.5	10,493.5

December 2022 Portfolios Subject to the Standardised Approach	Impaired Loan	Past Due Loans > 90 Days	Specific Provision Balance	Charges for Specific Provision	Write-Offs
	\$M	\$M	\$M	\$M	\$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	2.4	1.7	0.7	0.7	0.0
Other retail	0.0	0.0	0.0	0.0	0.0
Corporate	12.4	11.3	3.6	1.3	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			34.5		
Total regulatory specific provision			38.8		
General reserve for credit losses			49.1		

September 2022 Portfolios Subject to the Standardised Approach	Impaired Loan	Past Due Loans > 90 Days	Specific Provision Balance	Charges for Specific Provision	Write-Offs
	\$M	\$M	\$M	\$M	\$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	9.8	1.8	2.3	0.6	0.0
Other	0.0	0.0	0.0	0.0	0.0
Additional regulatory specific provision			31.9		
Total regulatory specific provision			34.2		
General reserve for credit losses			42.8		

5. Securitisation.

Securitisation	December 2022 Quarter Securitisation Activity	Gain or Loss on Sale	September 2022 Quarter Securitisation Activity	Gain or Loss on Sale
	\$M	\$M	\$M	\$M
Residential Mortgage	2.0	0.0	0.0	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	91.9	0.0	0.0	0.0
Total	93.9	0.0	0.0	0.0

Securitisation Exposures	December 2022	September 2022
	\$M	\$M
On-balance sheet securitisation exposure retained or purchased:		
Liquidity funding facility (drawn)	43.4	59.0
Securities held in the banking book	202.2	393.5
Securities held in the banking book – self securitisation	4,103.3	3,523.3
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.

