



Basel III Pillar 3.

Half year ended 31 December 2023

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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 half year ended 31 December 2023 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

	December 2023 \$m	June 2023 \$m
Common Equity Tier 1 Capital		
Paid-up ordinary shares (net of capital raising costs)	1,522.1	1,518.3
Reserves	(9.3)	(33.3)
Regulatory retained earnings including current year earnings	39.7	(7.9)
Total Common Equity Tier 1 Capital	1,552.5	1,477.1
Regulatory Adjustments		
Deferred tax assets	(55.4)	(63.9)
Goodwill and intangibles	(45.0)	(38.3)
Deferred expenditure	(33.8)	(19.4)
Cash-flow hedge reserve	(19.0)	10.3
Other deductions	(3.4)	0.0
Total regulatory adjustments	(156.6)	(111.3)
Net Common Equity Tier 1 Capital	1,395.9	1,365.8
Additional Tier 1 capital	75.0	0.0
Total Tier 1 Capital	1,470.9	1,365.8
Tier 2 Capital		
Tier 2 capital instruments	115.0	115.0
Provisions eligible for inclusion in Tier 2 capital ¹	72.1	67.7
Total Tier 2 Capital	187.1	182.7
Total Capital	1,658.0	1,548.5

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

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.

December 2023	Total Assets \$m	Total Liabilities \$m
Securitisation Trusts		
Judo Capital Markets Trust 2023-1	436.1	436.1

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>.

Capital Adequacy

Risk Weighted Assets Level 2	December 2023 \$m	June 2023 \$m
Subject to the standardised approach		
Government	0.0	0.0
Bank	395.0	188.8
Residential mortgages	1,682.2	1,688.2
Other retail	0.0	0.0
Corporate ¹	5,707.0	5,473.1
Other	27.8	85.7
Total On Balance Sheet Assets and Off-Balance Sheet Exposures	7,812.0	7,435.8
Securitisation exposures	0.0	0.0
Market risk exposures	0.0	0.0
Operational risk exposures	781.2	743.6
Total Risk Weighted Assets	8,593.2	8,179.4

1. Includes commercial lending and leasing.

Capital Ratios Level 2		
Common Equity Tier 1	16.2%	16.7%
Tier 1	17.1%	16.7%
Total Capital	19.3%	18.9%

Credit Risk

Exposure Type	Gross Credit Exposure December 2023 \$m ¹	Average Gross Credit Exposure December Half \$m ¹	Gross Credit Exposure June 2023 \$m ¹	Average Gross Credit Exposure June Half \$m ¹
Cash and cash equivalents	835.0	733.3	714.7	614.4
Investments	3,006.1	2,776.7	2,425.7	2,468.1
Gross loans and advances ²	9,288.9	9,100.8	8,907.8	8,050.0
Other off-balance sheet exposures ³	423.4	439.5	500.3	557.5
Other	76.3	109.6	78.3	132.5
Total Exposures	13,629.7	13,159.9	12,626.8	11,822.5

Portfolios subject to standardised approach	Gross Credit Exposure December 2023 \$m ¹	Average Gross Credit Exposure December Half \$m ¹	Gross Credit Exposure June 2023 \$m ¹	Average Gross Credit Exposure June Half \$m ¹
Government	2,525.3	2,731.8	2,816.0	2,908.7
Bank	1,924.1	1,402.5	910.6	890.6
Residential mortgages	2,332.4	2,244.6	2,182.9	2,024.2
Other retail	0.0	0.0	0.0	0.0
Corporate	6,820.1	6,713.8	6,631.5	5,925.6
Other	27.8	67.2	85.8	73.4
Total Exposures	13,629.7	13,159.9	12,626.8	11,822.5

December 2023 Portfolios subject to the standardised approach	Non-Performing Loans \$m ⁴	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
Total	196.1	34.7	21.8	5.9

June 2023 Portfolios subject to the standardised approach	Non-Performing Loans \$m ⁴	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	28.7	1.8	1.1	0.0
Other retail	0.0	0.0	0.0	0.0
Corporate	104.6	17.0	13.7	0.3
Other	0.0	0.0	0.0	0.0
Total	133.3	18.8	14.8	0.3

1. Gross credit exposures reflect credit equivalent amounts.

2. Excludes loans captured by capital relief securitisation.

3. Largely relate to customer commitments.

4. Judo's Pillar 3 disclosures reference Non-Performing Loans, whereas the Analyst Pack and Investor Presentation refer to 90+ DPD & Impaired exposures. The principal difference between these two measures is customers who have defaulted, but are neither impaired (generally due to being well secured) nor greater than 90 days past due.

Securitisation

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

Securitisation Activity – for the half year ended June 2023	Capital Relief \$m	Funding Only \$m	Gain or Loss on Sale \$m
Residential mortgages	0.0	63.3	0.0
Corporate	0.0	779.9	0.0
Total	0.0	843.2	0.0

Securitisation Exposures – December 2023	Liquidity Support/ Funding Facilities \$m	Derivative Facilities \$m¹	Other² \$m
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
Total	104.7	378.9	3,527.0

Securitisation Exposures – June 2023	Liquidity Support/ Funding Facilities \$m	Derivative Facilities \$m¹	Other² \$m
On-balance sheet securitisation exposures retained or purchased	92.7	0.0	4,749.6
Off-balance sheet securitisation exposures	0.0	0.0	0.0
Total	92.7	0.0	4,749.6

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 bank's on-balance sheet securitisation vehicles. Includes holdings of self-secured notes of \$2,958.6m (June: \$4,370.4m).

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

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



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