

ASX Release

Disclosure per Prudential Standard 'APS 330 Public Disclosure' – 3 months ended 31 December 2019

Sydney, 20 February 2020 – Tyro Payments Limited (Tyro) today released its periodic disclosure report as required under Prudential Standard APS 330 Public Disclosure for the period ended 31 December 2019. The report is attached to this announcement.

For further information, please contact:

Media:

Matt Johnston – Corporate Communications Manager
Ph: +61 432 535 893
E: mjohnston@tyro.com

Investors:

Giovanni Rizzo – Investor Relations
Ph: +61 439 775 030
E: grizzo@tyro.com

Pursuant to Listing Rule 15.5, Tyro confirms this document has been authorised for release to the market by its Board

About Tyro

Tyro is a technology-focused and values-driven company providing Australian businesses with payment solutions and value-adding business banking products. The company provides simple, flexible and reliable payment solutions as a merchant acquirer, along with complementary business banking products.

For the more than 32,000 Australian merchants who chose to partner with Tyro in the first half of FY20, the company processed more than \$11.1 billion in transaction value. In H1 FY20 the company generated \$117.3 million in revenue, originated \$37.4 million in loans and held merchant deposits totaling \$39.7 million.

Tyro is Australia's fifth largest merchant acquiring bank by number of terminals in the market, behind the four major banks.

The business was founded in 2003 with a goal of being the most efficient acquirer of electronic payments in Australia. Tyro has a track record of innovation, creating purpose-built solutions and being first to market. This approach saw the company become the first technology company to receive an Australian specialist credit card institution licence in 2005. In 2015 that licence was replaced by the award of an Australian banking licence, making Tyro the first new domestic banking licensee in over a decade.

Payments are at the core of Tyro's business, using its proprietary core technology platform to enable credit and debit card acquiring. This offering is enhanced by features purpose-designed for those merchants who choose to partner with the company, including Point of Sale systems integrations, least-cost routing (Tap & Save) and alternative payment types such as integrated Alipay. While traditionally focused on in-store payments, Tyro has recently expanded into eCommerce.

Further, Tyro provides value-adding solutions to its partners, such as loans in the form of merchant cash advances and fee-free, interest-bearing merchant transaction accounts.

Tyro has a team of more than 480 people, approximately half of whom are in technology roles.



Tyro Payments Limited

APS 330 PRUDENTIAL

DISCLOSURE

31 DECEMBER 2019



ABN 49 103 575 042

APS 330 Prudential Disclosure

Table of Contents¹

Attachment A: Capital Disclosure Template	2
Table 1: Capital Disclosure and Regulatory Capital Reconciliations	2
Attachment B: Main Features of Capital Instruments	5
Table 2: Main Features Template	5
Attachment C: Risk Exposures and Assessment	6
Table 3: Capital Adequacy	6
Table 4: Credit Risk	6
Table 5: Securitisation	7

¹Table number references as per APS 330

APS 330 Prudential Disclosure

31 December 2019

Attachment A: Capital Disclosure Template

Table 1: Capital Disclosure and Regulatory Capital Reconciliations

Table 1A: Capital Disclosure

The table should be read in conjunction with Tables 1B and 1C.

Row	Description	31 Dec 2019	Reference
		\$'million	
Common Equity Tier 1 Capital: instruments and reserves			
1	Directly issued qualifying ordinary shares (and equivalent for mutually-owned entities) capital	264.6	
2	Retained earnings	(85.9)	
3	Accumulated other comprehensive income (and other reserves)	20.7	Table 1B
6	Common Equity Tier 1 capital before regulatory adjustments	199.4	Table 1C
Common Equity Tier 1 capital: regulatory adjustments			
9	Other intangibles other than mortgage servicing rights (net of related tax liability)	(0.2)	Table 1B
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(14.0)	Table 1B
26	APRA specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	(7.9)	
26f	of which: capitalised expenses	(4.2)	Table 1B
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	(3.7)	Table 1B
28	Total regulatory adjustments to Common Equity Tier 1	(22.1)	
29	Common Equity Tier 1 Capital (CET1)	177.3	
45	Tier 1 Capital (T1=CET1+AT1)	177.3	Table 1C
Tier 2 Capital: instruments and provisions			
50	Provisions - General Reserve for Credit Losses	1.4	Table 1C
58	Tier 2 capital (T2)	1.4	
59	Total capital (TC=T1+T2)	178.7	Table 1C
60	Total risk-weighted assets based on APRA standards	123.3	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	144%	
62	Tier 1 (as a percentage of risk-weighted assets)	144%	
63	Total capital (as a percentage of risk-weighted assets)	145%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 1.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	6%	
65	of which: capital conservation buffer requirement	1.5%	
66	of which: ADI-specific countercyclical buffer requirements	0%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	138%	

All amounts are presented in Australian dollars and rounded to the nearest million.

Attachment A: Capital Disclosure Template (continued)

Table 1B: Balance Sheet Reconciliation

As at 31 December 2019	Statutory Balance Sheet \$'million	Adjustment \$'million	Regulatory Balance Sheet \$'million	Reference
Assets				
Cash and cash equivalents	106.9	-	106.9	
Due from other financial institutions	33.4	-	33.4	
Trade and other receivables	36.3	(1.3)	35.0	Table 1C
Loans	18.0	(1.0)	17.0	Table 1C
Prepayments	3.6	-	3.6	
Net investment in sublease	1.6	-	1.6	
Inventories	0.1	-	0.1	
Financial investments				
Floating rate notes	30.8	-	30.8	
Equity investments	3.7	-	3.7	Table 1A Row 26g
Property, plant and equipment	18.1	-	18.1	
Intangible assets	4.4	-	4.4	Table 1A Row 9 Row 26f
Right of use assets	5.8	-	5.8	
Deferred tax assets	14.0	-	14.0	Table 1A Row 10
Total Assets	276.7	(2.3)	274.4	
Liabilities				
Deposits	39.7	-	39.7	
Trade payables and other liabilities	20.6	-	20.6	
Lease liabilities	9.5	-	9.5	
Provisions	5.2	-	5.2	
Total Liabilities	75.0	-	75.0	
Net Assets	201.7	(2.3)	199.4	
Equity				
Contributed equity	264.6	-	264.6	
Reserves	23.0	(2.3)	20.7	Table 1A Row 3
Accumulated losses	(85.9)	-	(85.9)	
Total Equity	201.7	(2.3)	199.4	Table 1C

All amounts are presented in Australian dollars and rounded to the nearest million.

Attachment A: Capital Disclosure Template (continued)

Table 1C: Capital Reconciliation

Regulatory Capital Reconciliation	31 December 2019	Reference
	\$'million	
Contributed equity	264.6	
Retained and current year's earnings	(85.9)	
Reserves	23.0	
Total Equity per Balance Sheet	201.7	
General reserves for credit losses	(2.3)	Table 1B
Total Equity per Regulatory Balance Sheet	199.4	Table 1A Row 6
Deferred tax assets in excess of deferred tax liabilities	(14.0)	
Capitalised expenses	(4.2)	
Equity exposures in commercial (non-financial) entities	(3.7)	
Other intangibles other than mortgage services rights	(0.2)	
Tier 1 Capital	177.3	Table 1A Row 45
General reserve for credit losses - Standardised approach (to a maximum of 1.25% of total credit RWA)	1.4	Table 1A Row 50
Total Capital	178.7	Table 1A Row 59

All amounts are presented in Australian dollars and rounded to the nearest million.

Attachment B: Main Features of Capital Instruments

Table 2: Main Features Template

APS 330 disclosures		Ordinary share capital
1	Issuer	Tyro Payments Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Corporations Act
Regulatory treatment		
4	Transitional Basel III rules	Common Equity Tier 1
5	Post-transitional Basel III rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Solo
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)	Ordinary Shares
8	Amount recognised in Regulatory Capital (currency in million, as of most recent reporting date)	\$264.6 million
9	Par value of instrument	NA
10	Accounting classification	Contributed equity
11	Original date of issuance	03/02/2003
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
Coupons/dividends		
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	NA
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA

Attachment C: Risk Exposures and Assessment

Table 3: Capital Adequacy

Risk weighted assets	31 December 2019	30 September 2019
	\$'million	\$'million
Bank & other financial institutions	30.8	11.8
Business lending	18.0	16.9
Government	-	-
Other	65.4	65.1
Total credit risk	114.2	93.8
Operational risk	9.1	7.7
Total risk weighted assets	123.3	101.5

Capital adequacy ratios	31 December 2019	30 September 2019
	\$'million	\$'million
Common Equity Tier 1 Capital	144%	72%
Tier 1 Capital	144%	72%
Total Capital	145%	73%

Table 4a: Credit Risk - Total Gross & Average Credit Risk Exposures

Credit risk exposure by major types	Total	Total	Quarter Average
	31 December 2019	30 September 2019	
	\$'million	\$'million	
Cash and liquid assets	106.9	17.0	61.9
Investment securities	30.8	30.9	30.9
Due from other financial institutions	33.4	6.5	20.0
Loans	18.0	16.9	17.4
Other assets	65.6	66.3	65.9

Credit risk exposure by portfolio	Total	Total	Quarter Average
	31 December 2019	30 September 2019	
	\$'million	\$'million	
Government	34.2	13.4	23.8
Bank & other financial institutions	137.0	42.2	89.6
Business lending	18.0	16.9	17.4
Corporate	-	-	-
Other	65.5	65.1	65.3

All amounts are presented in Australian dollars and rounded to the nearest million.

Attachment C: Risk Exposures and Assessment (continued)

Table 4b: Credit Risk - Impaired assets, Past due loans, Provisions and Write-offs

Impaired and past due facilities by portfolio	31 December 2019	30 September 2019
	\$'million	\$'million
Past due facilities	-	-
Impaired facilities	0.3	0.4
Specific provisions	NA	NA
Charges for specific provisions	NA	NA
Write-offs	0.5	0.3

Table 4c: Credit Risk - General Reserve for Credit Losses

General reserves for credit losses	31 December 2019	30 September 2019
	\$'million	\$'million
Reserve for credit losses	2.3	2.1
Collective provision for impairment	NA	NA

Table 5: Securitisation

Securitisation exposures	31 December 2019	30 September 2019
	\$'million	\$'million
Total amount of exposures securitised	NA	NA
Recognised gain/(loss) on sale	NA	NA
Aggregate amount of off-balance sheet securitisation exposures	NA	NA

All amounts are presented in Australian dollars and rounded to the nearest million.

