

Introduction to term deposits.

Judo Bank, your strong & secure deposit partner

September 2021

Who is Judo?

Launched in 2018,
Judo Bank
 is Australia's only bank
 dedicated exclusively to
 lending to **small-and-
 medium enterprises**
 (SMEs)

\$605bn
 SME Lending TAM⁽¹⁾

Judo at a glance

\$4bn

Loan Book

\$2.8bn

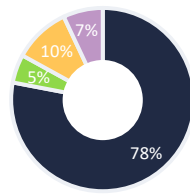
Deposits

+85

Industry-leading
 Lending NPS⁽²⁾

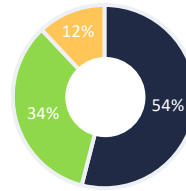
Judo's customer proposition

Lending⁽³⁾



- Business Loans
- Home Loans
- Asset Finance
- Line of Credit

Term Deposits⁽³⁾



- Direct Retail
- Intermediated Middle Markets
- Intermediated SMSF / Retail

Relationship-Centric Model

- 123 Judo relationship bankers and analysts
- 12 Judo locations in major cities and key regional centres across Australia
- 818 Accredited third-party SME brokers
- 24 Accredited third-party aggregator groups⁽³⁾

Judo's core values

Trust

The foundation of our purpose, the core of our relationships

Teamwork

We're not a team of champions. We are a champion team

Accountability

Make the decision and own it. Keep your promises

Performance

Make today better, stronger and faster than yesterday

Our purpose is to be
 the most trusted **SME** business bank in Australia

• To be Australia's most trusted **SME** business bank.

Judo Bank was created in 2016 as a specialised stand-alone bank for small to medium enterprises (SMEs). After a successful \$20m seed round (16/17), Judo completed a period of core infrastructure build, prior to formally opening it's doors in March 2018. Judo went on to complete five capital raisings of \$120m, \$400m, \$230m, \$284m & \$124m in August 2018, July 2019, May 2020, December 2020 and June 2021 respectively, constituting Australia's largest ever private capital raising.

The Judo opportunity is to capitalise on...

- The significant dissatisfaction of SME customers with the industrialised, dehumanised service offering of the big banks*, culminating in record low Net Promoter Scores, a trust index of 2.26 out of 10, and a funding gap of \$94.3b for the \$1m-\$20m SME market.
- The significant disengagement and disempowerment of SME bankers within the big banks, allowing Judo to recruit the best talent.
- Feedback from commercial brokers (who now represent circa 30% of industry wide SME lending originations) of the need for more agile and commercially focused competition, allowing Judo to accredit circa 200 of the very best commercial brokers in the country.
- The findings of numerous industry reviews highlighting the need for more competition – For example, the 2018 Productivity Commission and Australian Small Business and Family Ombudsman review into unfair contracts and poor industry practices.
- And more recently, the Royal Commission which has forced larger banks to direct resources to regulatory response and customer remediation.
- Ample capacity in the Australian deposit market for new entrants to take market share.

Judo's history in brief

Judo's business concept was first developed in 2015. Today, we are a fully operational, ADI-licensed, challenger bank.

2015	2016	2017	2018	2019	2020	2021
<p>Mid 2015 Judo concept developed</p>	<p>September 2016 First office space in Melbourne</p> <p>Late 2016 \$20m seed funding from family office and management</p>	<p>2017 Built key infrastructure and capabilities ahead of operational launch</p>	<p>Early 2018 R1 equity raising \$120m One of Australia's largest pre-revenue capital raisings</p> <p>Melbourne HQ opens and official business launch</p> <p>September 2018 Sydney office opens</p>	<p>Early 2019 Loan book reaches \$100m</p> <p>Brisbane office opens</p> <p>April 2019 Full banking license granted by APRA, Judo becomes a bank</p> <p>May 2019 Intermediated deposits launch</p> <p>July 2019 R2 \$400m equity raising Largest private funding round by an Australian start-up</p> <p>August 2019 Retail deposits launch</p>	<p>January 2020 \$1bn loan book, \$1bn deposit book and 164 FTEs</p> <p>March 2020 Reached 50 bankers</p> <p>May 2020 R3 \$228m equity raising, \$1.0bn post-money valuation under backdrop of COVID-19 market disruption</p> <p>July 2020 Perth office opens</p> <p>October 2020 Adelaide office opens</p> <p>December 2020 R4 \$284m equity raising, \$1.6bn post-money valuation</p>	<p>March 2021 First regional office opened in Newcastle</p> <p>June 2021 \$3.5bn loan book plus \$200m Line of Credit (LoC), \$2.5bn deposit book</p> <p>R5 equity raising \$124m, \$1.9bn post-money valuation</p> <p>Inaugural Tier 2 issue \$50m</p> <p>September 2021 \$2.8bn deposit book</p> <p>Judo Bank issued a BBB-Credit Rating from S&P Global Ratings</p> <p>\$4bn loan book</p>

• Making banking easier for our customers.



Distribution

- Specialist lenders targeting under-served niche segments
- Industry's leading front-line bankers, brokers and credit executives who have been hand selected to provide banking as it used to be
- Pricing which reflects the value of service
- Term Deposits sourced via intermediary partners and directly via Judo's online portal



Products

- SME Banking solutions, loans from \$250k up to \$15m+
- Business loan, line of credit, equipment loan, finance lease, home loan
- Term Deposits 1 month – 5 years
- BBB- Credit Rating from S&P



Marketing focus

- Intermediary led model
- Brokers, direct, word of mouth
- Digital origination for direct Term Deposit acquisition
- Automated deposit origination and servicing processes for scale intermediary partners & customers



Point of differentiation

- Relationship-based model with high quality Relationship Managers
- Judgment-based lending, high transparency & quick turnaround
- Executive team, who are recognised among the industry's leading business bankers
- Strong capital base
- Rigorous risk management
- Higher deposit rates to support aggressive growth aspirations

Award **Winning** Term Deposits

As at 16th September 2021, Judo's deposit customers have invested over \$2.8 billion in our term deposits, providing valuable funding that supports Australian SMEs. We are proud to have continued to receive industry recognition, winning the 'Bank of the Year 2021 – Term Deposits Award' from Canstar, 'Experts Choice 2021 for Term Deposits' from Mozo and '2021 Gold Award Winner' from RateCity.



• Judo has raised over **\$1.2bn** in equity

The biggest individual private funding round by an Australian start-up, allowing Judo to transform banking for Australia's small and medium-sized businesses.

\$1.2 Billion raised including **\$124** Million in June 2021

From **Australian** and international investors



Judo financial position

- **Strong Balance Sheet:** \$1,076m equity, with CET 1 capital ratio 24.5%
- **BBB- Issuer Credit Rating** from S&P Global Ratings (S&P) awarded in September 2021
- **Conservative Liquidity Position:** Cash and Treasury investments are 59% of total liabilities
- **Diverse Funding Mix:** Loan book funded by combination of equity, debt and deposits
- **Growing Loan Book:** Approximately \$0.7b in the lending pipeline
- **Continued Equity Investor Support:** \$1.2bn in equity proceeds received from investors since launch and a further successful equity raising completed in June contributed \$124m.

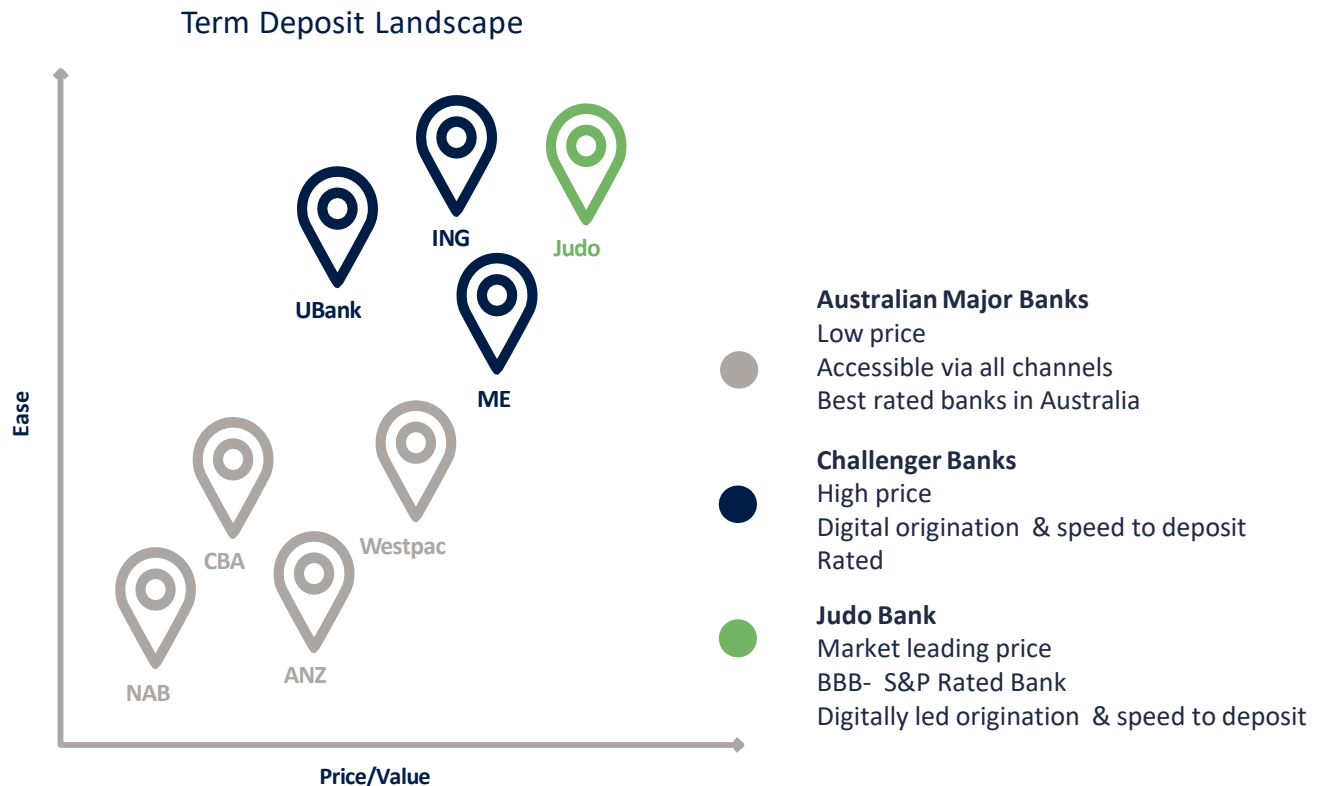
	\$1m
Cash and cash equivalents	344.0
Treasury Investments	3,259.7
Loans and Advances	3,482.2
Other Assets	90.2
Total Assets	7,176.2
Payables	17.4
Borrowings	3,528.6
Deposits	2,547.7
Other Liabilities	6.7
Total Liabilities	6,100.3
Net Assets	1,075.9

Judo starts with Term Deposits.

Most consumers cite a better interest rate as the primary reason for switching term deposits. Judo will offer ongoing competitive pricing and a customer experience that is the equivalent of others in the intermediary segment.



As an Authorised Deposit Taking Institution (ADI), Judo participates in the government's \$250,000 deposit guarantee program





More about Judo Bank

Board of Directors



Peter Hodgson
Independent Chairman
 • Senior international financier with extensive experience in global banking at Bank of America, Barclays, ANZ



John Fraser
Independent Non-Executive Director
 • Australia Treasury Secretary 2015-2018, 20+ years with the Australian Treasury



Manda Trautwein
Independent Non-Executive Director
 • 20+ years CA and CPA, experience in public practice with a focus on advising SMEs



Mette Schepers
Independent Non-Executive Director
 • 25+ years as an international financial and professional services executive



Hui (Tony) Diao
Non-Executive Director
 • Senior advisor of Zhong Yi Investment, one of the largest private family offices (3L Alliance) in Victoria



Jennifer Douglas
Independent Non-Executive Director
 • 25+ years experience in the technology and media sectors, first as a lawyer then executive



David Fite
Non-Executive Director
 • International investor, significant experience in financial services and turnarounds (Shinsei Bank and Westpac)



David Hornery
Non-Executive Director & Strategic Advisor
 • Previously Judo Co-CEO and co-founder, career Banker with Macquarie Bank, ANZ and NAB



Stanislav Kolenc
Non-Executive Director
 • 20+ years experience, current Head of APAC of OPTrust, one of Canada's largest pension funds



Geoff Lord
Independent Non-Executive Director
 • Founder and CEO of Belgravia Group, Former Founder and Chairman of UXC Limited



Malcolm McHutchison
Non-Executive Director
 • 25+ years experience in leading organisations in telco, finance, technology and services sectors

Experienced **management** team

The Judo management team comprises diverse and credentialed business banking professionals with deep domain expertise



Joseph Healy
CEO

- 35+ years experience
- Previously Group Executive of Business Banking at NAB
- Executive positions at ANZ, CIBC, Citibank, Lloyds



Chris Bayliss
Deputy CEO & CFO

- 35+ years experience
- Executive positions at Standard Chartered Bank, NAB, BNZ, Clydesdale Bank, Yorkshire Bank



Lisa Frazier
Chief Operating Officer

- 25+ years experience
- Prior roles at Wells Fargo, CBA, McKinsey & Company, ANZ, Citibank



Frank Versace
Chief Risk Officer

- 20+ years experience
- Prior roles at ANZ as National Sales Manager and District Executive



Angelo Manos
Chief Relationship Officer

- 27+ years experience
- Commencing 30 July 2021
- Prior roles at ANZ as GM Commercial Broker Group, State GM Business Banking



George Obeid
Chief Third Party Officer

- 20+ years experience
- Prior roles at ANZ
- President of MFAA Equipment & Commercial Forum



Megan Collins
Chief People & Culture Officer

- 20+ years experience
- Prior roles at Treasury Wine Estates, GE Capital, NAB



Yien Hong
General Counsel & Co-Sec

- 20+ years experience
- Prior roles at Deutsche Bank, NAB, Growthpoint Properties Australia



Kevin Ramsdale
Chief Marketing Officer

- 25+ years experience
- Prior roles at RACV, JB Hi-Fi, NAB, Bupa, Ford Motor Company

Thank you.