



## MEDIA RELEASE

### JUDO BANK HITS \$1 BILLION DEPOSIT MILESTONE – WITH 95 PER CENT OF THE MONEY LENT BACK TO AUSTRALIAN SMEs

January 21, 2020

Less than nine months after becoming an Authorised Deposit-Taking Institution, Australia's first SME-focused challenger bank announced today it had achieved over \$1 billion in deposits – with over 95 per cent of the money raised going to fund loans for small and medium sized businesses.

Judo Bank's co-CEO, Joseph Healy, said Judo Bank was the only fully licensed bank in Australia using deposits to provide loans directly to SMEs, ultimately correcting a market failure created by the big banks.

"Twenty years ago, for every dollar the banks lent to home buyers, a dollar was also lent to small businesses," Mr Healy said.

"Today, the lending landscape is barely recognisable, with the banks adopting an unhealthy bias towards household lending. So, in 2020, for every dollar the big banks lend homebuyers, they only lend 25 cents to SMEs, which has resulted in a \$93 billion funding gap.

"This makes the rapid growth in our deposits business so important because Judo Bank is able to level the playing field and address the market failure, by providing an opportunity for businesses and the broader community to support business funding at competitive rates."

Following today's announcement, Judo Bank becomes the first ADI to emerge after the Federal Government opened the banking industry to competition, to reach over \$1 billion in deposits.

The head of deposits for the bank, Patrick Nolan, said Judo Bank was offering highly competitive interest rates for term depositors – well ahead of similar rates offered by the big four banks – and like all banks, the deposits were backed by a Federal Government guarantee.

"We're offering the best rate of return week in, week out, with the assurance that, as a fully licensed bank, all investments up to \$250,000 are backed by a Federal Government guarantee," Mr Nolan said.

"Given we were only granted a full banking license about nine months ago, we are delighted at reaching this \$1 billion mark in deposits despite very limited marketing."

Mr Nolan said many depositors were making the move because they wanted to help support SMEs.

"The feedback we are getting from many of our customers is they want to contribute to the economy by helping Australian small businesses grow and create more jobs," he said. "Our customers know that their deposits are supporting the small business community with vital funding."

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