

Level 3, 40 City Road Southbank VIC 3006 www.judocapital.com.au

JUDO CAPITAL ON TRACK TO RAISE OVER \$100 MILLION IN EQUITY AS IT PREPARES TO CHALLENGE SME BANKING MARKET

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In one of Australia's largest pre-revenue capital raisings, Judo Capital today announced that it's on target to raise more than \$100 million from Australian and international investors, co-ordinated by Ironbridge, to support its goal of becoming a "challenger bank" for the Australian small and medium-sized business (SME) market.

Judo also announced that it has started the process of applying for a banking license from the Australian Prudential Regulation Authority (APRA) - the culmination of a strategic build-up of the company over the past three years.

Judo aims to become Australia's first true "challenger bank" for SMEs, based on the highly successful model delivered by UK challenger banks such as Aldermore, Shawbrook, and OakNorth.

Judo is also proud to announce the official opening of its new headquarters in Melbourne, which will accommodate its 40 employees, with capacity for the company to grow significantly, including plans to expand its national footprint over the next 12 months.

Judo will provide financial products tailored specifically to SMEs, partnering with a selection of handpicked business brokers to deliver a unique service proposition to the underserviced business market.

Co-founder and joint Chief Executive Officer of Judo, Joseph Healy, said the equity raising, together with other funding lines, meant Judo would now be in a position to provide finance to what is often described as the engine room of the Australian economy. Judo defines SMEs as businesses with a turnover of up to \$20 million a year.

"Since we started on this journey, we have put together a first-class team with years of combined experience in SME relationship banking, risk management, technology, and product and process innovation," he said.

"We believe that the craft of banking for SMEs has been largely lost to the Australian economy as banks have industrialised their business models and have become fixated on property-based lending.

"Culturally, many banks have come to view risk management as a specialist function removed from the customer, rather than a core competency of a relationship banker.

"They have also become very product and sales driven in a way that has not served their customers well. At Judo, no banker will be driven by sales targets.

"We believe that there is a place in the market for a credible player committed to traditional relationship banking. We very much see our proposition as 'SME banking as it used to be, SME banking as it should be'.

"Our purpose is to be the most trusted business bank to Australia's SMEs, providing the quality and consistency of service the sector should expect and deserve."

Judo's co-founder and joint CEO, David Hornery, said Judo had been purpose built from the ground up, to be the best practice relationship proposition to SMEs in the Australian market.

"Today marks a seminal moment for Australian banking, with the promise of having a legitimate competitor to the major banks in the SME market moving one step closer to becoming a reality," Mr Hornery said.

"When we set out to build Judo, we were clear in our minds that we needed to be radically different to the standardised, one-size-fits-all approach provided by the big banks.

"For example, when it comes to making the important lending decisions, it takes one of our people to say yes, and two to say no. Our customers also deal directly with decision-makers who have the power to assess each application on its merits, with loan decisions made in just five days.

"And while our technology is cutting edge, we aren't defined by it as the fintech sector tends to be; for us, technology is an enabler of our relationship proposition."

ABOUT JUDO

Judo provides flexible business loans, lines of credit, equipment loans, finance lease and home loans for our business lending customers.

MEDIA INQUIRIES: Canings Strategic Communications

Luis M Garcia	+61 419 239 552	lgarcia@cannings.net.au
Will Roberts	+61 431 318 893	wroberts@cannings.net.au