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2022 Full Year Result.

25 August 2022

Boldly backing business.

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CEO Update.

Joseph Healy

Chief Executive Officer

Our purpose
To be the **most trusted**
SME business bank in Australia.

Our vision
To build a **world-class**
SME business bank.

The power of specialisation.

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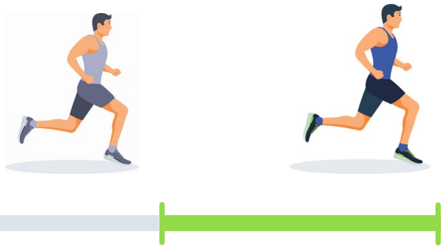
Specialisation yields better return than generalisation, as this Olympic example demonstrates.

THE GENERALIST

Men's Decathlon Gold Medal Winner

THE SPECIALIST

Men's Individual Event Gold Medal Winner



Specialist premium

5-33%

Event	The Specialists	The Generalists	Specialist Premium
100m	10.16 s	10.87 s	7%
110m Hurdle	13.64 s	14.34 s	5%
400m	41.16 s	47.82 s	14%
1500m	3 min 42 s	4 min 38 s	20%
Discus	62.76 m	47.17 m	33%
Shotput	19.86 m	15.18 m	31%
Long Jump	8.16 m	7.68 m	6%
High Jump	2.24 m	2.04 m	10%
Pole Vault	5.33 m	4.69 m	14%
Javelin	83.38 m	64.23 m	30%
	Average outperformance		**17%**

Statistics provided are an average across 1912 – 2020 Olympic events

Judo remains unique, domestically and globally.

- Born to address the 'Triple U' virus facing SME businesses – unloved, undervalued and underserved
- We are providing a solution for a clear market failure
- Our CVP addresses common pain points for SME businesses
- Our management team have deep domain expertise
- Judo is a bank built by business bankers

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Judo is delivering on its promises.

- Successful IPO provided the core equity capital required to reach metrics at scale
- All FY22 prospectus targets exceeded; on track to achieve key business metrics at scale
- Specialist SME customer value proposition is proven and scalable
- Unique culture continues to attract the best people, with an owner's mindset driving superior outcomes
- Risk management culture is reflected in strong asset quality metrics

All FY22 prospectus targets exceeded.

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	FY22 Result	Prospectus FY22 Forecast	Result vs Prospectus	Trajectory to metrics at scale
Lending portfolio ($bn)	6.1	6.0	✓	$15-20bn ✓
Pro forma PBT ($m)	15.6	7.4	✓	
Net Interest Income ($m)	169.8	160.5	✓	
Underlying NIM	2.79%	2.69%	✓	>3% ✓
Front Book Lending Margin	4.5%	4.3%	✓	
Impairment Expense ($m)	25.4	28.5	✓	~50bps ✓
Provision Coverage (GLA %)	0.91%	0.90%	✓	
Pro forma Cost-to-income ratio	76.3%	77.8%	✓	Approaching 30% ✓
Relationship Bankers	115	98	✓	

Customer value proposition is proven and scalable.

- GLA growth of 73% y/y as demand for our CVP takes us into new markets: 3 new offices opened in FY22, totalling 15 offices across six states. Bunbury office opened in early FY23

- Entered into two new specialist areas – Agribusiness and Health – representing 17% of the SME economy

- Accredited 243 additional brokers, to 1,000 hand-picked, specialist commercial brokers nationally

- Maintained a high customer NPS[1] of +78 in a sector that experiences largely negative scores

- Notwithstanding growth achieved to date, Judo's share of total addressable market is only c.1%

1. As at 30 June 2022, measured on the average onboarding NPS for the prior 12 months

Risk management culture is reflected in strong asset quality metrics.

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- Judo's risk management culture is deeply embedded, purpose-built for our specialist SME business banking customer value proposition
- The 4C's of credit – character, capacity, capital and collateral – have been applied consistently since day one
- Judo relationship bankers decline ~45% of new requests for credit, with most requests assessed within 3 days
- Credit quality remains strong with 90+ day past due representing just 1 bp of GLA (one customer) at Jun-22

Banking is the business of risk management

Portfolio health check – July/August 2022.

Recent engagement has focused on customers most likely to be impacted by rising inflation, interest rates, labour shortages and supply chain challenges.

- Judo's bankers maintain close relationships with all customers
- Customers remain in good financial health and remain positive about the outlook
- Credit demand remains strong, albeit some hesitancy on timing of transactions
- A very small number of additional customers will be subject to ongoing close monitoring and one customer has moved to 'watch' status

Judo has significant positive leverage to rising rates.

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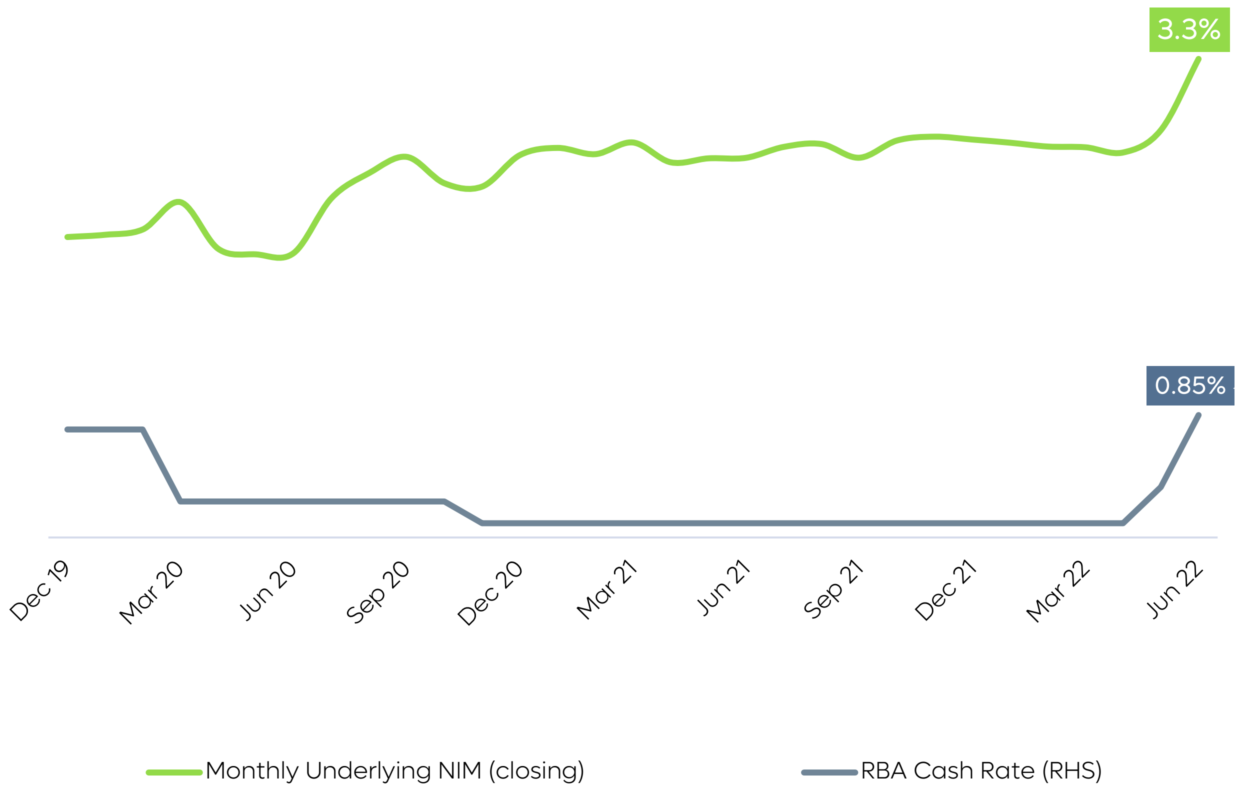
2H22 underlying NIM up 11 basis points, 7 basis points due to cash rate rises

Underlying NIM (%) vs RBA Cash Rate (%)



Sharp increase in monthly Underlying NIM in May and June

- 91% of lending assets floating off 1m BBSW
- 75 bps of cash rate increases in May and June delivered NIM benefit of 7 bps to 2H22
- NIM also benefitted from hedging activity

Further benefits in NIM anticipated in FY23

- Additional cash rate increases anticipated
- Continuation of current market dynamics, providing attractive funding costs

Key points.

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- We are delivering on our promises
- FY22 results meet or exceed all prospectus targets
- Customer value proposition proven and scalable
- Risk management culture reflected in strong asset quality metrics
- Portfolio health check in July/August reinforces the value of our model
- Significant positive leverage to rising rates
- Demonstrating strong progress towards metrics at scale
- Strategic hedge against a deteriorating operating environment

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Financial Update.

Chris Bayliss

Deputy Chief Executive Officer
& Chief Financial Officer

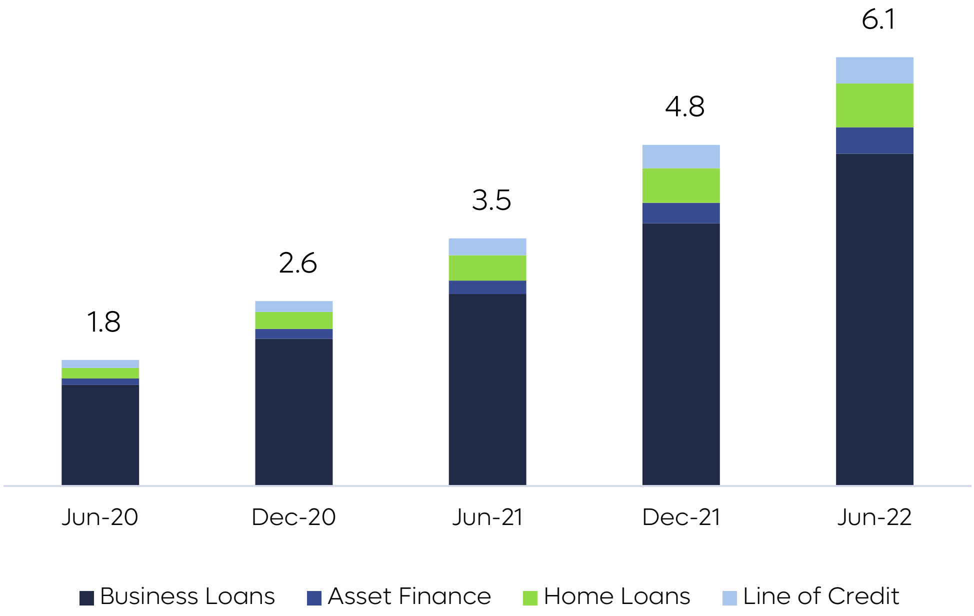
FY22 Result.

Profit & Loss Statement	FY22	FY21	Variance
Net Interest Income ($m)	169.8	84.5	101%
Pro forma Operating Expenses ($m)	132.0	87.0	52%
Pro forma Net Profit Before Impairments ($m)	**41.0**	**2.8**	large
Impairment Expense ($m)	25.4	10.0	154%
Pro forma Profit Before Tax ($m)	**15.6**	**(7.2)**	NM

Key Operating Metrics	FY22	FY21	Variance
Lending Portfolio ($bn)	**6.1**	**3.5**	73%
Underlying NIM (%)	2.79%	2.59%	20 bps
Provision Coverage (% of GLA)	0.91%	1.00%	(9 bps)
Pro forma Cost to Income ratio (%)	76.3%	96.8%	(21%)

Strong lending growth continues.

Judo's loan book over time ($bn)

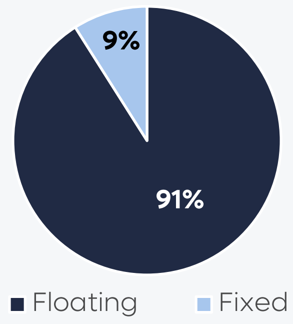


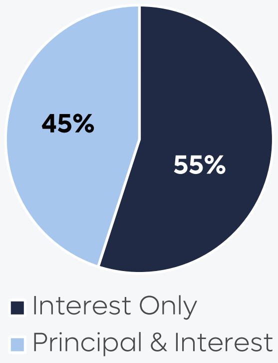
$6.5 bn

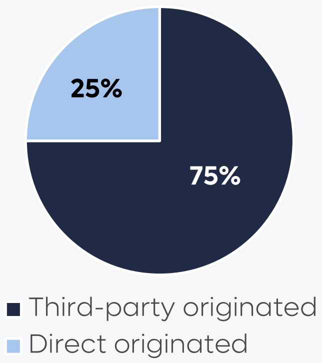
Forecast GLA

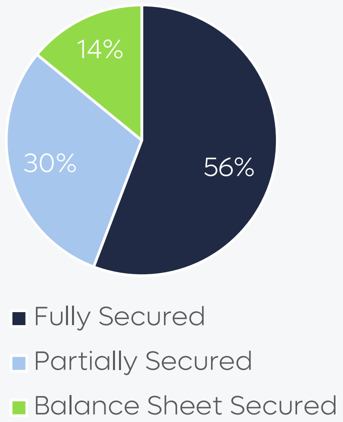
Aug-22

	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22
Applications, accepted, approved pipeline ($bn)	0.7	0.6	1.1	1.0	1.1
Undrawn line of credit ($m)	0.1	0.2	0.2	0.2	0.2



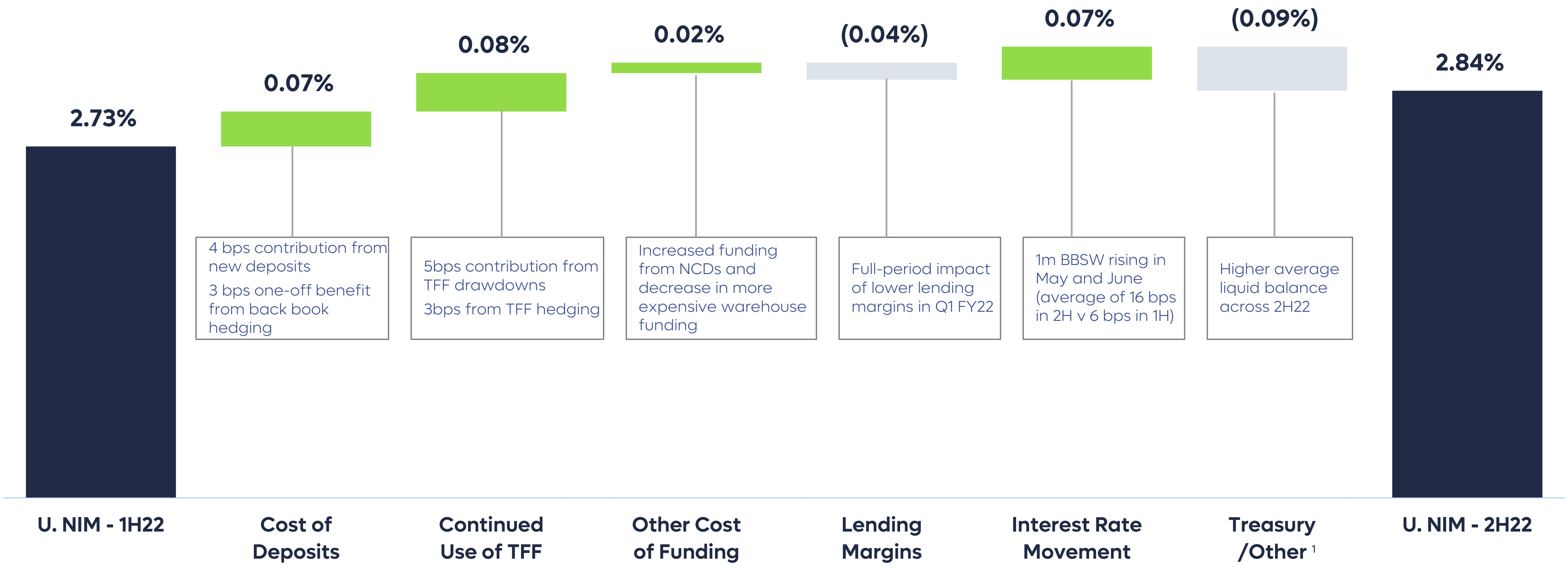






Underlying NIM.

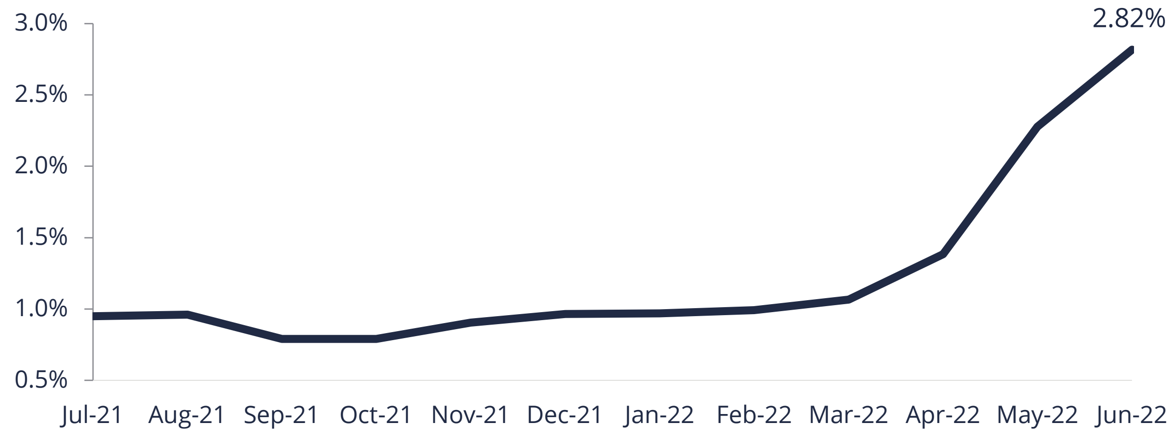
Underlying NIM Waterfall – 1H22 to 2H22 (%)



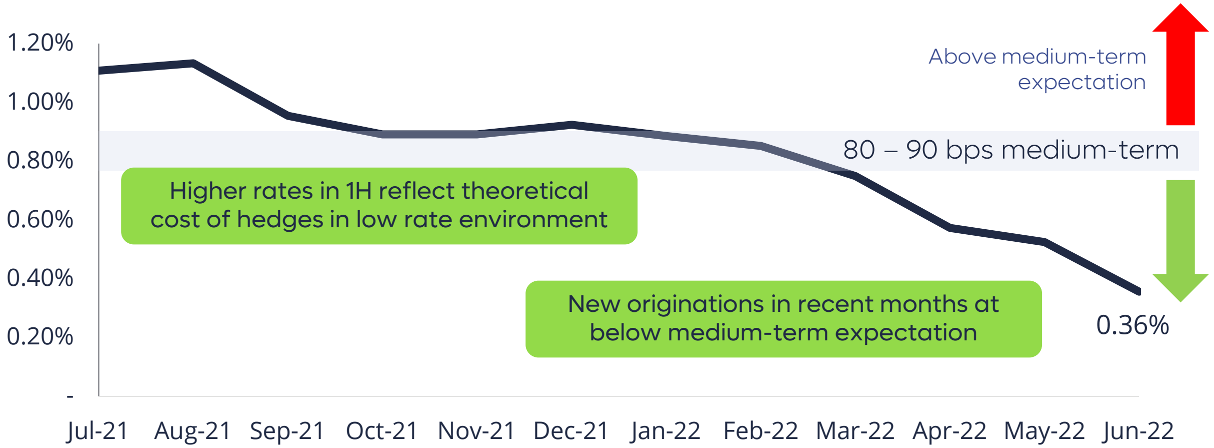
1. 'Treasury / Other' captures the impact of balance sheet changes unrelated to the preserved component of the TFF. e.g. Differences in regulatory liquidity position between the periods.

Deposit costs.

New Deposits – Unhedged all-in rate



New Deposits – Hedged margin above 1m BBSW[1]



1. Hedged Margin above 1m BBSW presented as the available hedged margin at the time of deposit origination, with realised hedged margin depending upon movement in swap rates between origination and hedging.

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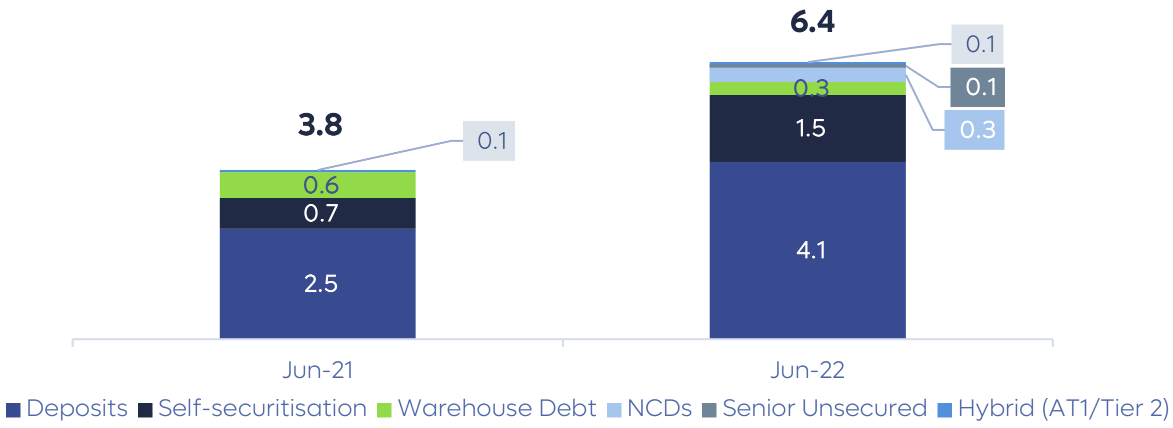
As loans reprice from 1m BBSW, Judo's NIM will be driven by the hedged margin above 1m BBSW on new deposits

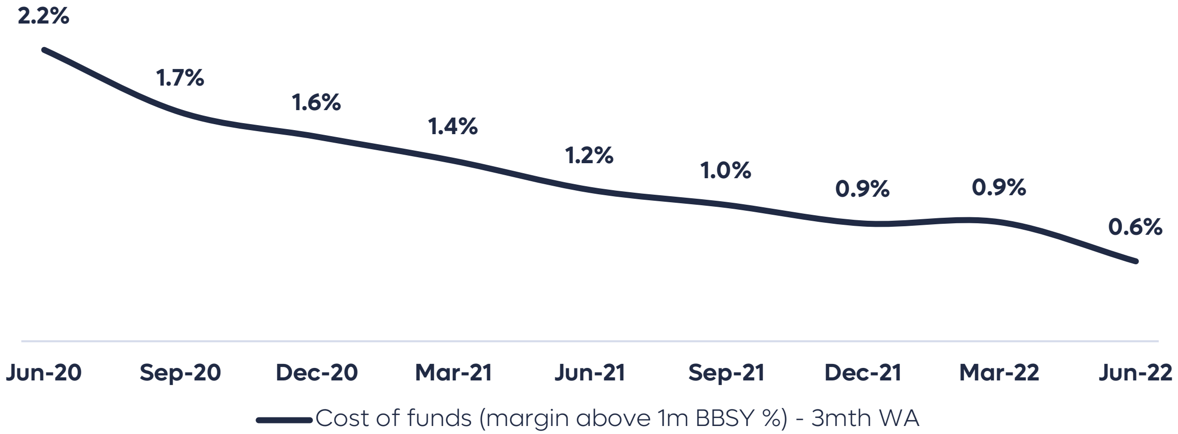
- Interest rates are increasing rapidly following an extended period of being low
- Retail term deposits are seeing a corresponding increase, although have lagged increases in swap rates
- Judo began hedging its interest exposure from May 2022 with 'receive fixed / pay floating' swaps
- The cost of Judo's new deposits on an all-in hedged basis is below the medium term assumption of 80 – 90 basis points which underpins our at scale NIM of >3%
- The lower cost of deposits will support NIM for as long as margins remain below the long term assumption

Funding mix and cost.

Movement in funding sources ($bn)



Cost of funding (%, margin above 1m BBSW)



Note: blended cost of funding is the average cost of Judo's funding sources including: customer deposits; warehouse debt; certificates of deposit; senior unsecured; tier 2 and TFF drawing collateralised with self-securitisation notes (and excludes equity and preserved TFF).

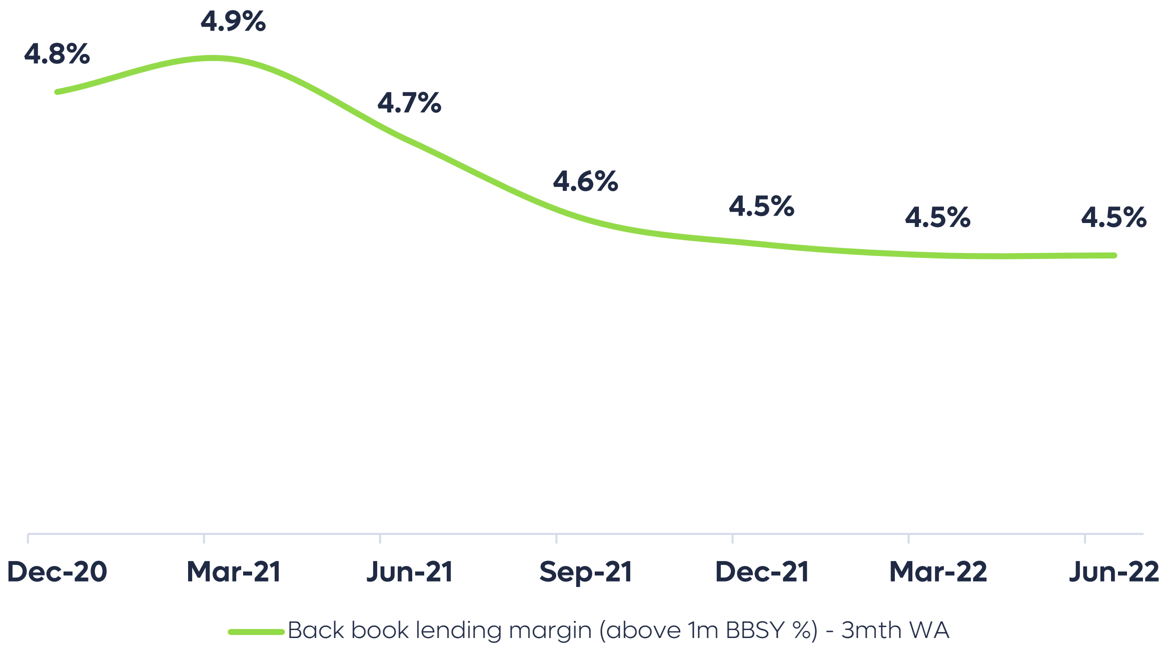
A sustained reduction in funding costs has been achieved

- Funding program continued to mature, with growth in existing channels and establishment of new channels
- Deposit costs reduced reflecting the impact of hedging strategy, favourable channel mix, external credit rating and market dynamics
- TFF utilisation increased – average self-securitisation funding at $1.2 billion during FY22 (FY21 = $0.1 billion)
- TFF hedging and effective interest rate on TFF of 0.01%
- NCDs and senior unsecured programs launched during 1H22 at favourable pricing
- Anticipate having $2-2.5bn of renegotiated warehouse committed lines by end of CY23
- Term deposit growth has continued, now at $4.6 billion at Aug-22

Lending margins.

Gross lending margins are stable at ~4.5% over 1m BBSW

Gross lending margins above 1m BBSW (%)



- Lending margins have been largely stable through FY22 at a level consistent with our assumptions underpinning at-scale NIM of >3%
- Gross margins on new loans improved to 4.5% in 2H22 (1H22: 4.4%)
- 91% of loans floating off 1m BBSW; small proportion of fixed rate loans creates a slight drag on blended gross margin as cash rates rise
- Gross margins were elevated through COVID-19 due to incumbent banks restricting lending

Sensitivity to cash rate.

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Further increases to the cash rate will drive NIM higher in FY23, all else equal

NIM Sensitivity to cash rate movements vs 2H22[1]

December 2022 Cash Rate	FY23 NIM Impact	FY24 NIM Impact
2.5% (base case)	+ c.40 bps	+ c.10 bps
3.5% (+1% vs base case)	+ c.50 bps	+ c.15 bps
1.5% (-1% vs base case)	+ c.30 bps	+ c.7 bps

1. Forecast for Underlying NIM movement relative to 2H22 based on change in interest rates only.
Assumptions: Cash rate at Dec-2022 remains stable through FY23 / FY24; term deposit rates return to medium-term assumption (80-90 bps margin above 1m BBSW); lending margins and other asset yields remain unchanged; TFF repaid progressively prior to expiry in Jun-2024

- **With 91% of loans repricing monthly from 1m BBSW, benefit to NIM from increasing interest rates will peak in FY23 and be partly sustained thereafter**
  - **Short term benefit:** Term deposits progressively repricing at prevailing market rates
  - **Medium term benefit:** TFF funding at 10 bps through to June 2024
  - **Permanent benefit:** Assets funded by equity
- Sensitivity analysis shows movements in interest rate relative to 2H22 levels only (cash rate average for 2H22 = 0.24%).
- Realised NIM will be influenced by other factors, notably term deposit market dynamics

Trajectory to at-scale NIM.

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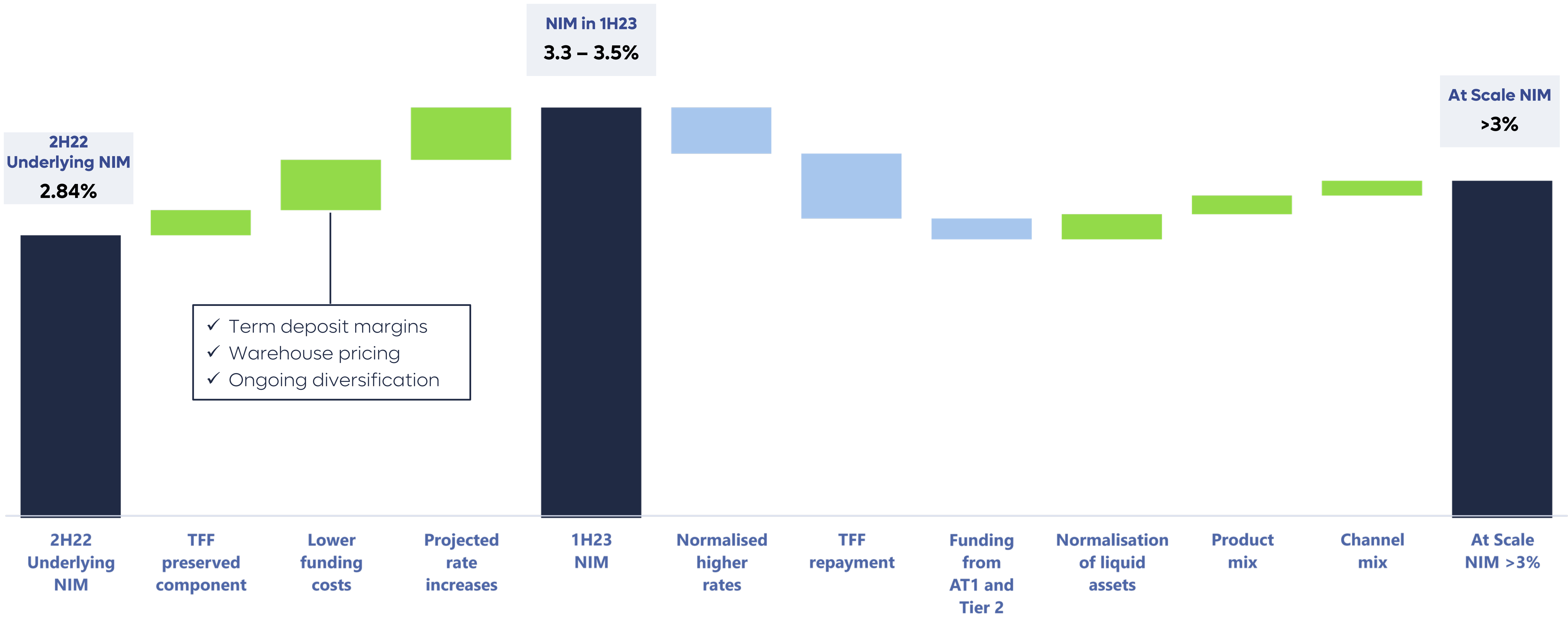
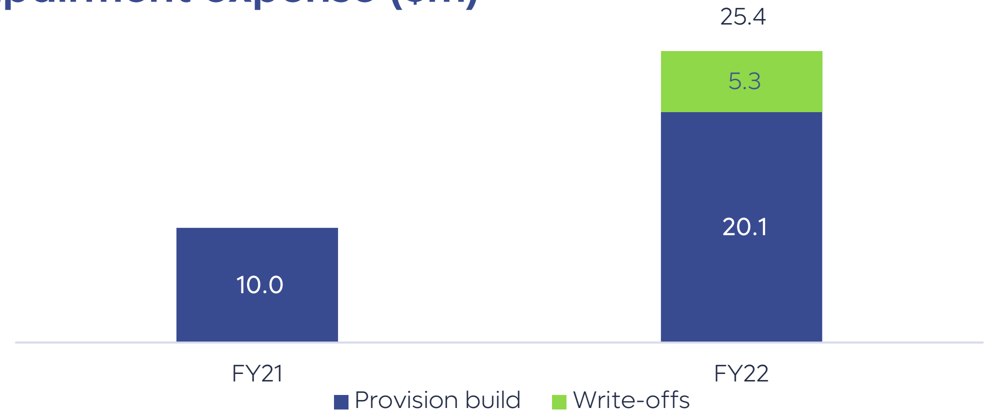


Not to scale and chronology may change

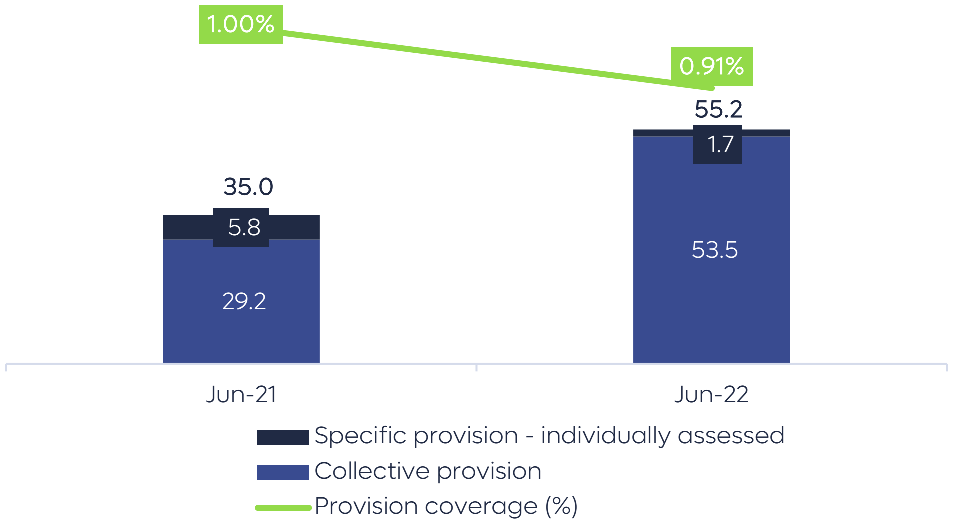
Credit Quality.

Impairments and provisioning

Impairment expense ($m)



Provisions ($m) and coverage (% GLA)



Impairment expense

- **Impairments of $25.4m** below prospectus target of $28.5m
- Driven by growth in the loan book and the accounting requirement to provision for expected loan losses on a forward-looking basis

Provisions & coverage

- **Total provisions have increased to $55.2m** primarily driven by growth in the collective provision
- **Total provision coverage of 91 bps** above prospectus forecast of 90 bps

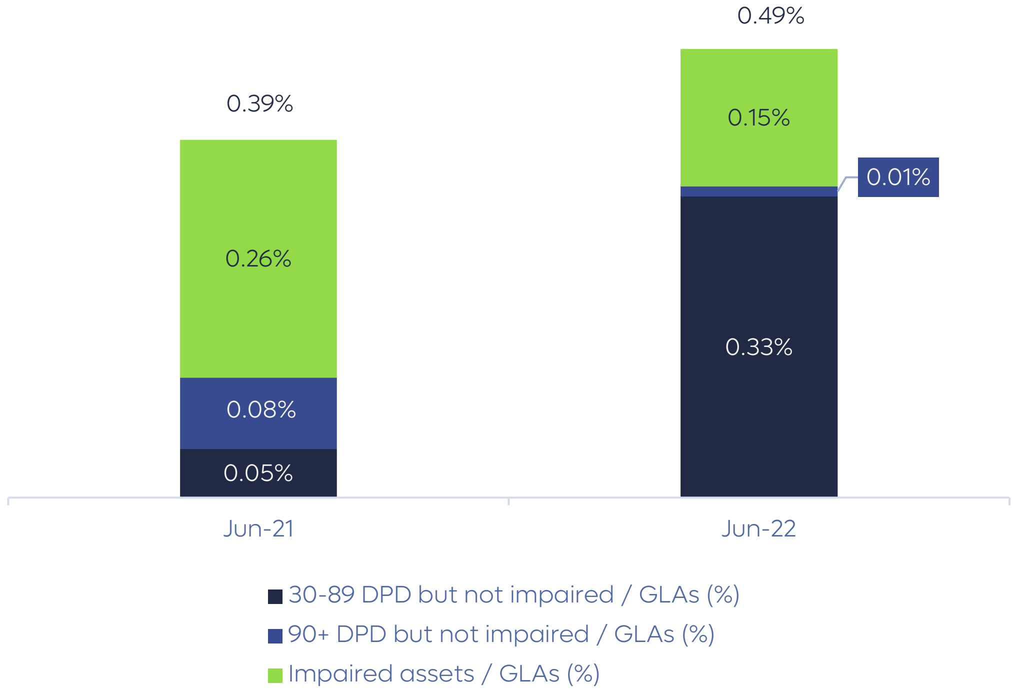
FY23 considerations

- FY23 impairment expense will be driven by loan growth, increasing provision coverage and forecast write-offs
- Provision coverage (as % of GLA) expected to remain stable or increase

Credit Quality.

Reduction in 90+ DPD and Impaired Assets

Past due & impaired assets (%)



Days past due & impaired assets

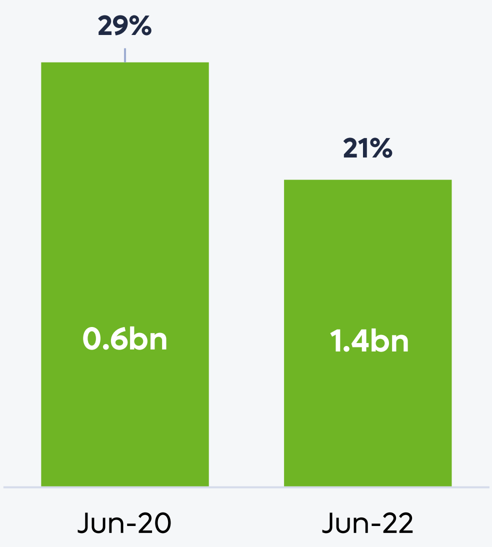
- **Impaired assets of 15 bps of GLA (down from 26 bps):** driven by a single group write-off during the period, customer repayments and minimal new impairments.
- **90+ DPD but not impaired of 1 bps (down from 8 bps):** relates to a single customer default, who have subsequently repaid post 30 June 2022.
- **30-89 DPD but not impaired of 33 bps (up from 5 bps)** made up of five customers 100% fully or partially secured

Area of focus: Commercial Property.

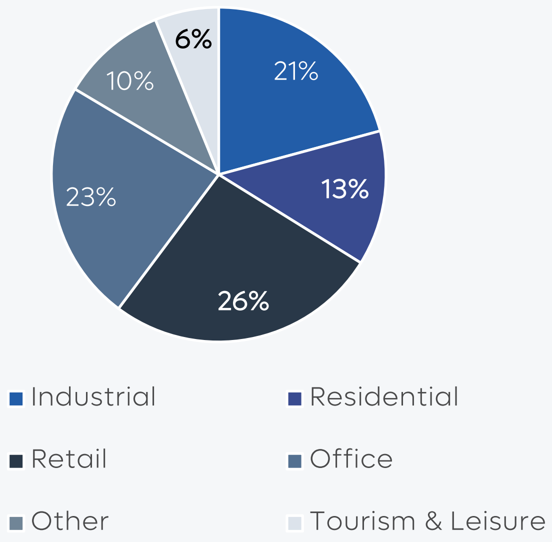
Commercial Property[1] concentration has been proactively reduced

Proactive reduction in commercial property concentration as a result of consistent application of the 4Cs approach over time and not aggressively competing for loans on price.

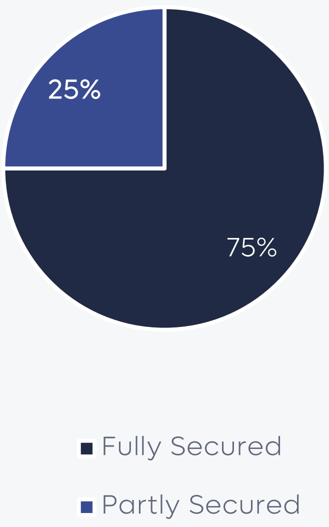
Commercial property exposure ($bn and % of total)



Commercial property sector diversity



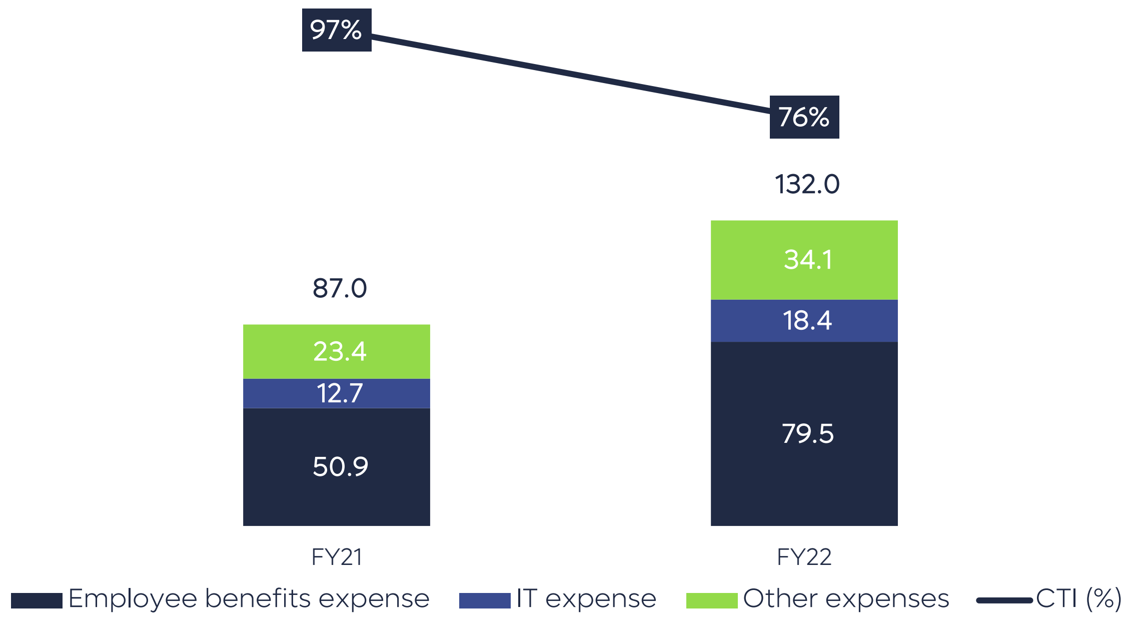
Commercial property security profile



1. Definition of commercial property on this slide is based on the ARF230 definition and differs to the ANZSIC defined categorisation on slide 28. Judo's exposures to commercial property (ARF230) captures all loans to purchase a commercial property asset for investment/development purposes and leased/sold to an unrelated entity. Judo's exposures to property operators (ANZSIC) captures all borrowing entities where the predominant business activity is renting or leasing properties to either a related or unrelated entity. This excludes land development and sub-division.

Operating expenses.

Pro forma Operating Expenses ($m)



	Jun-21	Jun-22	Aug-22
Relationship Bankers	87	115	123
Customer Facing Roles (% of total FTEs)	59%	57%	57%
Total FTEs (# FTEs)	320	465	470

Notes: (1) Operating expenses are presented on a pro forma basis to incorporate annualised costs of being listed.
(2) Customer facing roles includes total relationship team, credit risk and business services.

FY22

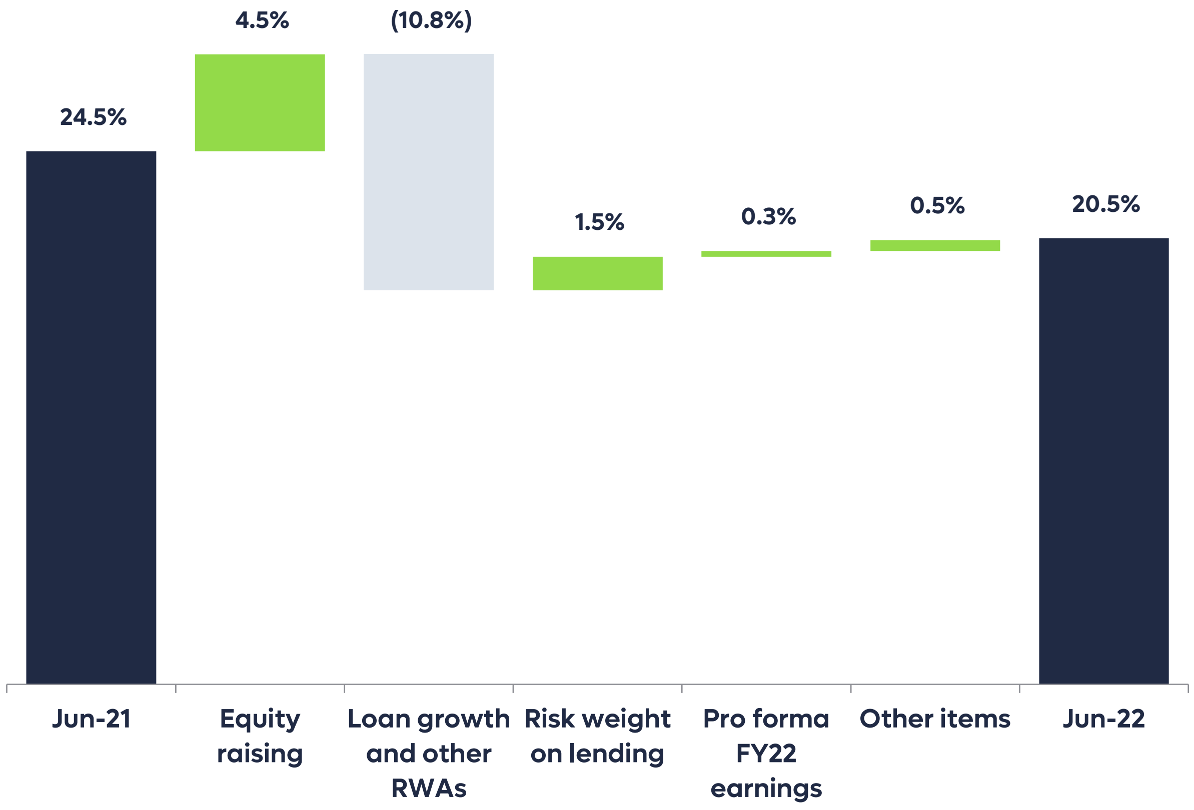
- FY22 CTI improved 21 percentage points to 76% demonstrating improved operating leverage and efficiency as the business continues to scale
- 2H22 CTI improved 12 percentage points to 71% (1H22: 83%)
- Growth in expenses was primarily driven by investment in people to drive growth, including 43% increase in relationship banker and analyst FTE.
- Modest growth in technology costs, highlighting the benefit of scalable, cloud-based infrastructure
- Capitalised project costs of $15 million were slightly lower than expected due to delays in recruiting tech personnel

FY23

- Jun-22 expense run rate of $14 million
- FY23 expenses to increase ~10% from the Jun-22 run rate, driven by ongoing investment in growth and inflation
- Capitalised project costs in FY23 budget ~$20 million

Capital.

CET1 Waterfall – June 2022 vs June 2021 (%)



CET 1 Ratio

- **Equity raising** includes capital raised at IPO and $20m received in July 2021 as part of Judo's final pre IPO equity raising
- **Loan growth and other RWAs** includes lending exposure growth
- **Risk weight on lending** fell from 92% at June 2021 to 83% at June 2022, driven by lower risk weight on new originations and support for the SME Recovery Loan Scheme

Capital Outlook

- **Risk weight on lending expected to continue to reduce:** further reduction in risk weighting is anticipated from the introduction of APRA's revised capital framework
- Sufficient core equity capital is available to achieve metrics at scale
- Ongoing optimisation of total capital including potential use of hybrid instruments

Conclusion & Outlook.

Joseph Healy

Chief Executive Officer

Operating environment.

Macroeconomic conditions	Judo portfolio positioning
Inflation and interest rates are impacting sentiment broadly, but financial performance only selectively	Judo's portfolio remains robust, confirmed by recent portfolio health check
• Some firms are experiencing labour shortages and higher wage costs • The construction sector is seeing trade terms stretched • Property valuations are at risk • Consumer demand may be impacted by falling residential property prices	• Judo's customers are experienced and are adapting their business models • Consumer facing businesses are passing on costs with limited impact to sales volumes • Businesses are restructuring supply chains to recover margins • Judo has proactively reduced its concentration to pure commercial property lending

Judo's portfolio remains in good health

Credit Quality – Sector analysis of inflation & interest rates.

Industry Group (By ANZSIC Code)	Gross loans and advances ($m)		% of GLA		% Fully / Partially Secured		% 90+ DPD and Impaired (%)		Customer groups 90+ DPD & Impaired	
	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21	Jun-22	Jun-21
Manufacturing	471	279	8%	8%	89%	84%	0.23%	0.58%	1	1
Transport, postal and warehousing	150	109	2%	3%	93%	92%	0.14%	0.19%	1	1
Accommodation and food services	567	306	9%	9%	85%	79%	0.18%	0.59%	2	1
Retail trade	488	254	8%	7%	77%	69%	0.55%	0.00%	1	-
Rental, hiring and real estate services	1,581	979	26%	28%	94%	94%	0.14%	0.15%	2	1
Property operators (Property investment)	*1,312*	*785*	*22%*	*22%*	*100%*	*100%*	*0.12%*	*0.19%*	*1*	*1*
Other rental, hiring and real estate services	*269*	*194*	*4%*	*6%*	*71%*	*71%*	*0.25%*	*0.00%*	*1*	-
Construction	421	212	7%	6%	93%	85%	0.23%	0.00%	1	-
Other (including home lending)	2,414	1,379	40%	39%	84%	76%	0.08%	0.60%	1	3
Total	**6,092**	**3,518**	**100%**	**100%**	**86%**	**81%**	**0.16%**	**0.34%**	**9**	**7**

Security: 86% of Judo's credit exposure is fully or partially secured. 14% is secured by balance sheet security.

Fully secured: The exposure is less than or equal to 100% of the Judo Extended Value (JEV), which is a discount to the market value of the underlying security.

Partially secured: The exposure is greater than 100% of the JEV but less than 150%.

Balance sheet secured: The exposure is greater than 150% of the JEV and/or no real property mortgage is pledged. Other forms of collateral types such as General Security Agreements (GSAs) and Specific Security Arrangements (SSAs) are normally held.

Relationship model is a strategic hedge.

The benefits of Judo's relationship led model are highlighted during periods of uncertainty

- The relationship between SMEs and their banks are never more important than in times of stress
- Judo's bankers maintain close relationships with all customers
- All transactions are assessed on their merits using the 4Cs
- We have accelerated banker recruitment and have a low ratio of 24 customers per banker
- Judo has c.1% share of target market – we are not reliant on system growth

What are our priorities?

Maintaining our unique culture

Customers at our core

Consistent challenger mindset

Not becoming a "Big Bank"

Investing in technology

What are the challenges?

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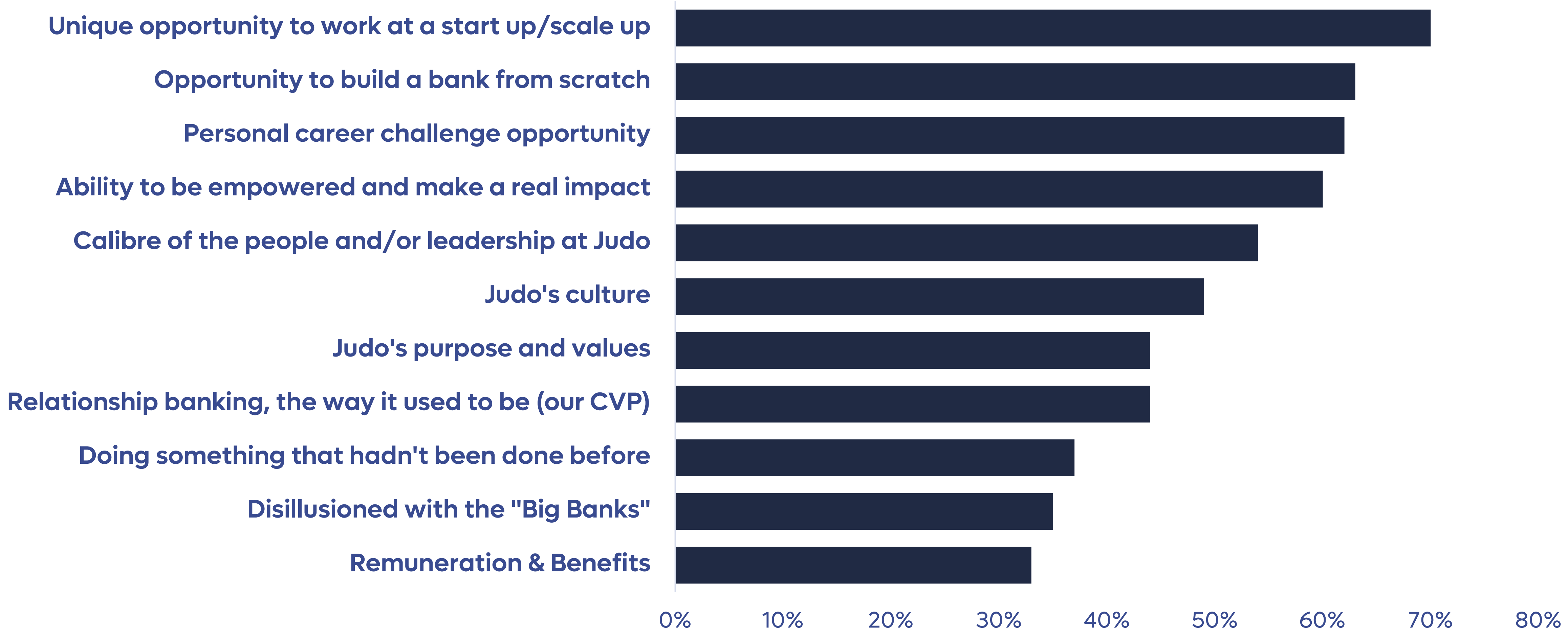
Tight labour market

Increased regulation

Entrenched inflation

Preserving culture while growing

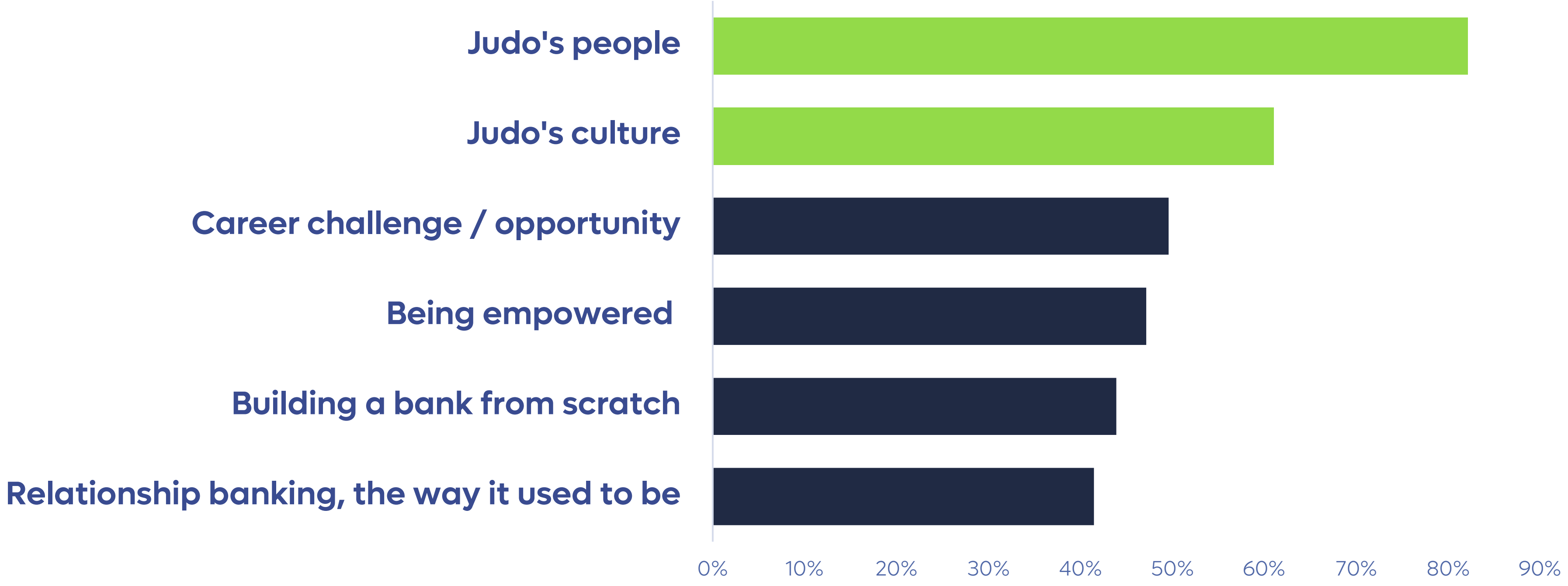
What attracts our people to Judo.



Survey conducted internally during May-June 2022

What current employees value the most.

Our people and culture stand out from the crowd



Survey conducted internally during May-June 2022

FY23 Outlook.

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Based on current conditions we expect to achieve the following:

	FY23 Drivers	FY23 Guidance	At Scale Metrics
Gross Loans & Advances	Strong growth to continue within risk appetite, driven by our relationship-led CVP.	>$9 billion	$15 - $20 billion
Underlying NIM	Underlying NIM to benefit from temporary tailwinds in 1H23 and return to sustainable levels in 2H23.	>3%	>3%
Cost to income ratio	CTI improvement driven by revenue growth more than offsetting ongoing investment in growth.	Below 60%	Approaching 30%
Cost of risk	Cost of risk driven by loan growth, higher provision coverage, and forecast write-offs.	$50 – 60 million	~50bps of average GLA
Return on equity	Demonstrating continued progress towards key business metrics at scale.	Low to mid single digits	Low to mid-teens

Judo's strategy remains unchanged.

- We have a clear purpose: to be the most trusted SME business bank in Australia
- We are a unique pure-play SME bank; we believe specialists outperform generalists
- Judo has a unique CVP that is a strategic hedge
- Our clear set of priorities will drive growth within risk appetite
- Judo's challenger culture continues to attract top talent
- We remain confident in achieving our 'at-scale' metrics
- We have a clear vision of building a world-class SME business bank

Questions.

Appendix.

Pro forma income statement.

AUD, $m	FY22	FY21	Change
Net interest income	**169.8**	**84.5**	**101%**
Other operating income	3.2	5.3	(40%)
Net banking income	**173.0**	**89.8**	**93%**
Employee benefits expense	(79.5)	(50.9)	56%
Other expenses	(52.5)	(36.1)	45%
Pro forma operating expenses	**(132.0)**	**(87.0)**	**52%**
Pro forma net profit / (loss) before impairment	**41.0**	**2.8**	**Large**
Impairment expense	(25.4)	(10.0)	154%
Pro forma PBT	**15.6**	**(7.2)**	**NM**
Income tax expense	(6.5)	2.1	NM
Pro forma NPAT	**9.1**	**(5.1)**	**NM**

Statutory to pro forma NPAT reconciliation.

AUD, $m	FY22	FY21	Change
Statutory net banking income	**173.0**	**89.8**	**93%**
Pro forma net banking income	**173.0**	**89.8**	**93%**
Statutory profit/(loss) after tax	**(7.7)**	**28.7**	**NM**
Transaction and other related costs of the IPO expensed	23.0	1.3	Large
Public company costs	(1.1)	(4.1)	NM
Existing Performance Rights triggered by the IPO	1.7	0.0	NM
Cost of post-Listing employee incentive plans	(0.8)	0.0	NM
Tax effect of above adjustments	(6.0)	0.8	NM
Re-allocation of tax losses recognised in FY21	0.0	(31.8)	NM
Pro forma NPAT	**9.1**	**(5.1)**	**NM**

Statutory Balance Sheet.

AUD, $m	FY22	FY21	Change
Cash & Treasury Portfolio	3,201	3,604	(11%)
Gross Loans & Advances	6,092	3,518	73%
Deferred Tax Assets	57	32	76%
Other Assets	65	22	NM
Total Assets	**9,415**	**7,176**	**31%**
Deposits	4,091	2,548	61%
Borrowings	3,833	3,529	9%
Other Liabilities	86	23	NM
Total Liabilities	**8,010**	**6,100**	**31%**
Net Assets	**1,405**	**1,076**	**31%**

Thank You.

Important Information.

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