ASX Announcement

25 June 2026

Judo update on asset quality and trading performance

Judo Capital Holdings Limited (ASX:JDO) ("Judo Bank", "Judo" or "Bank") today provided an update on its FY26 asset quality and trading performance.

Key points

- Judo's cost of risk has been impacted primarily by specific provision[1] increases for three exposures across different sectors that have recently emerged
- As a result, FY26 cost of risk (COR) is now expected to be between $116m – $122m
- Collective provision coverage at 30 June 2026, inclusive of management overlays, is expected to remain broadly in line with the Q3 trading update (which was 94bps of GLA)
- FY26 Profit Before Tax (PBT) is now expected to be between $163m – $169m, or approximately 30% growth from FY25. Judo remains on track to achieve its existing FY26 guidance for Gross Loans and Advances (GLA), Net Interest Margin (NIM) and Cost to Income (CTI) ratio
- FY27 PBT is expected to be between $210m – $220m, reflecting approximately 30% growth, as the Bank continues to deliver strong growth and operating leverage during a period of economic uncertainty

Asset quality update

Judo now expects its FY26 cost of risk to be in the range of $116m – $122m, reflecting an increase in specific provisions[1] primarily driven by three exposures across different sectors that have recently emerged, as a result of customer-specific developments.

Judo now expects 90-days-past-due (90DPD+) and impaired loans to be approximately 3% of GLA as at 30 June, including the impact of the three aforementioned exposures.

Collective provision coverage at 30 June is expected to remain broadly in line with the Q3 trading update, which was 94bps of GLA or 1.09% of standardised credit risk weighted assets. Provisioning levels include a management overlay for sectors impacted by the uncertain macroeconomic environment.

FY26 performance and outlook update

Judo has maintained solid lending momentum into the final quarter of FY26, with GLA over $14.4bn as of 24 June, and expected to be between $14.6bn - $14.7bn by 30 June 2026.

Net interest margin (NIM) is now expected to be over 3.2% for 2H26, above the Bank's prior guidance of ~3.15%, supported by favourable term deposit costs.

Front book and blended lending margins were stable at 4.2% over 1-month BBSW over April and May. Judo's AAA lending pipeline (applications, approved and accepted) was robust at $2.4bn with a margin of 4.3% at the end of May.

The blended cost of deposits was 62bps over 1-month BBSW over April and May. New term deposits were originated at 76bps over BBSW in Q4 FY26 to date, largely due to swap rate movements.

Judo has also continued to manage operating costs prudently, with CTI for 2H26 on track to be below 1H26 (48.5%), in line with existing guidance.

[1] Specific provisions include both individually-assessed and collective provisions for impaired assets.

As a result of the above factors, Judo's FY26 PBT range is now expected to be between $163m – $169m or approximately 30% growth from FY25.

FY27 outlook and capital position

For FY27, Judo expects to deliver PBT of between $210m – $220m, representing growth of approximately 30%. Guidance for FY27 PBT takes into account the uncertain macroeconomic and geopolitical environment, while continuing to demonstrate the Bank's ability to deliver strong growth and operating leverage.

Notwithstanding the potential for volatility in asset quality metrics in the current environment, Judo continues to expect a through-the-cycle cost of risk of 50bps of average GLA[2].

Judo continues to maintain a strong capital position and expects to have a CET1 ratio of ~12.4% at 30 June 2026. This includes the impact of the Bank's recent capital relief term securitisation transaction.

Given Judo's current CET1 position and continued strong profitability, the Bank will transition to operating with a management CET1 target range of 11.0% – 12.0% in normal operating conditions. Judo's recent term securitisation transaction demonstrates that the Bank has multiple levers to actively manage capital, providing increased optionality, including the potential to consider capital management initiatives in due course.

CEO Chris Bayliss said, "We continue to see strong underlying momentum in the business. Recent credit outcomes have been driven by a small number of customers, who we are actively working with. These exposures have deteriorated subsequent to the customer-by-customer review undertaken in the third quarter and reflect recent, borrower-specific developments.

"While today's update is partly a result of the macro environment, it is nevertheless disappointing. Regardless, we remain confident in the strength of our underlying business and the quality of the portfolio. We have a proven customer value proposition, are profitable and well capitalised, and have a clear path to achieving a return on equity in the low-to-mid teens".

Judo's FY26 result announcement is scheduled on 18 August 2026.

Investor and analyst briefing

Judo will host an investor and analyst briefing at 10.00am AEST on 25 June 2026.

A live webcast will be available at the following link:

https://edge.media-server.com/mmc/p/57mp9966/

Authorised for release by the Judo Board.

Media enquiries

Casey Van Liessum
0403 119 671
casey.vanliessum@judo.bank

Investor and analyst enquiries

Andrew Dempster
0497 799 960
andrew.dempster@judo.bank

Anh Nguyen
0428 615 822
anh.nguyen@judo.bank

[2] At-scale COR is a proxy for annualised write-offs / average GLA and assumes a steady-state lending portfolio including AASB 9 provision staging.