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# 2025 Full Year Result.

19 August 2025



Judo's **31** locations as at Jun-25

**10** new locations added in FY25

**Boldly backing business.**

# CEO Updates.

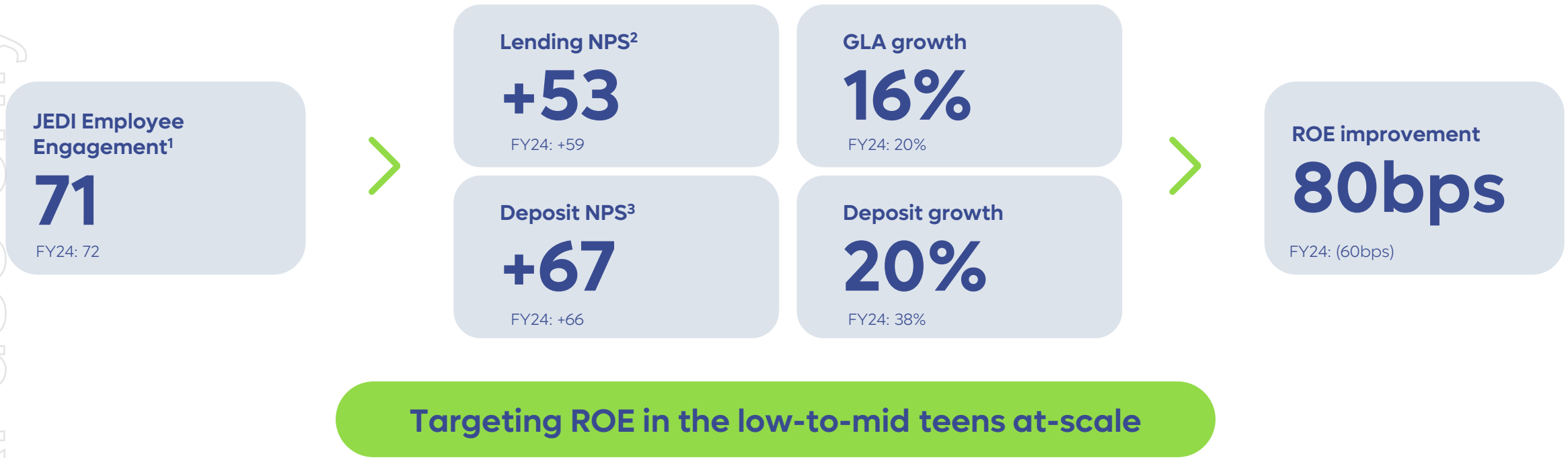
**Chris Bayliss**

Chief Executive Officer & Managing Director



# Service profit chain.

Empowered employees and satisfied customers to drive ROE towards our at-scale target



- 12-month rolling average of JEDI (Judo Employee Delight Index) to Jun-25. Judo measures energy, mood and commitment of staff weekly
- Lending NPS is the overall lifecycle NPS reflecting average of 'onboard', 'exit' and 'relationship' stages
- Deposit NPS is the overall lifecycle NPS reflecting 'origination', 'maturity' and 'rollover' stages

# FY25 financial highlights.

## Operating leverage clearly emerging in 2H25

Metric	Details	FY25 Results	FY25 guidance <sup>1</sup>
GLA	16% lending growth, ~2x sector growth <sup>2</sup>	\$12.5bn	\$12.4bn - \$12.6bn
NIM	Tailwinds from lending, liquidity and wholesale funding 2H25 NIM of 3.04%, up 23bps from 1H25	2.93%	Upper end of 2.80% - 2.90%
CTI <sup>3</sup>	Disciplined cost management	52.4%	Lower than FY24 (55%)
COR	Stable asset quality	\$75.5m	Higher than FY24 (\$70m)
PBT <sup>3</sup>	PBT growth of 14%	\$125.6m	Targeting 15% growth in PBT vs FY24
ROE	Improving profitability and operating leverage	5.3%	-

# Scaling the bank, driven by our purpose.

Technology re-platforming complete; Building blocks in place for continued growth

## FY22

15 locations  
115 relationship bankers  
1,000 accredited brokers

## FY23

18 locations  
123 relationship bankers  
1,220 accredited brokers

## FY24

21 locations  
144 relationship bankers  
1,352 accredited brokers

## FY25

31 locations  
161 relationship bankers  
1,563 accredited brokers

Increasing distribution footprint supported by re-platforming to modern technology systems

Apr-23

Lending & deposit origination

Jul-23

Data platform

Dec-23

Digital platform

Jun-24

Credit risk engine

Aug-24

Core lending platform

Oct-24

General ledger

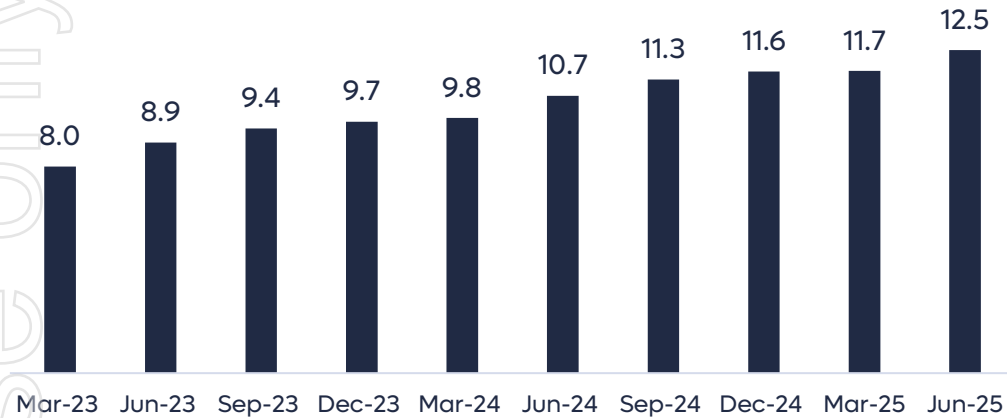
Mar-25

Core deposits platform

# Strong growth in core SME lending franchise.

Consistent, disciplined approach to scaling the loan book

Quarterly GLAs (\$bn)

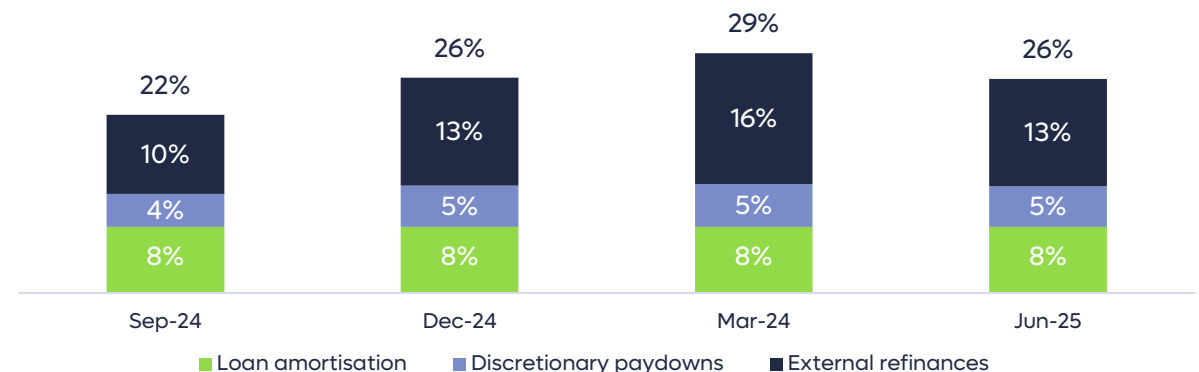


Quarterly blended lending margin (%)



- Growth driven by Judo's differentiated CVP and regional expansion
- Blended lending margin stabilised in 2H25 (key driver of NIM)
- Q4 margin on new lending of 4.1%, impacted by mix and competition. Margins have since reverted to mid-4%<sup>s</sup>
- Run-off peaked in 3Q25, improved in 4Q25
- AAA pipeline remains strong at \$1.9bn
- Warehouse lending business progressing with strong pipeline

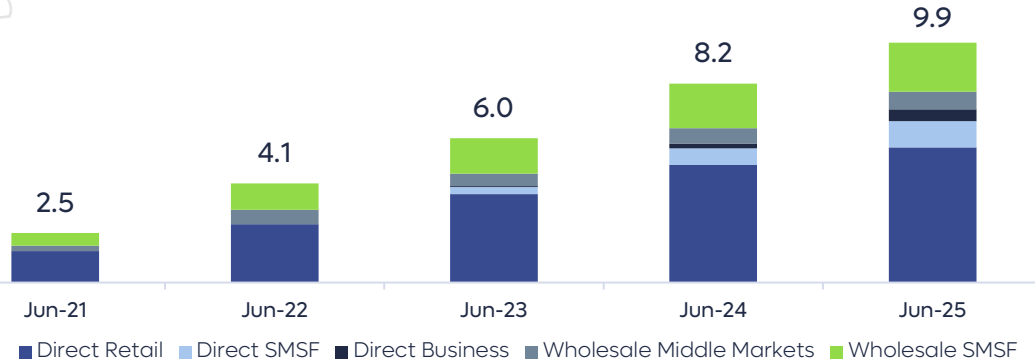
Quarterly run-off (%)



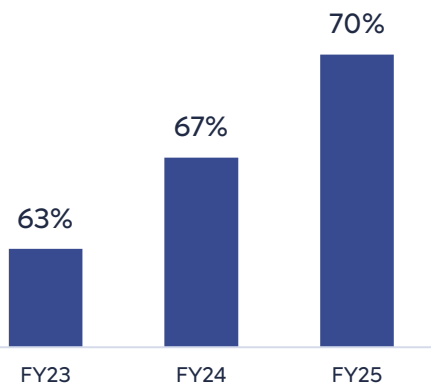
# Strong deposit franchise.

New deposit products to improve funding diversification and price

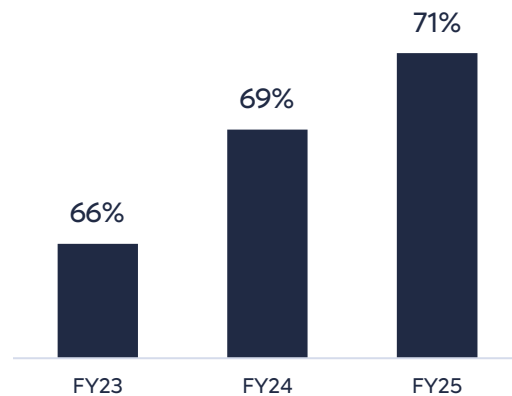
Deposit balance (\$bn)



Retail rollover rate (%)



Direct channel/total deposits (%)



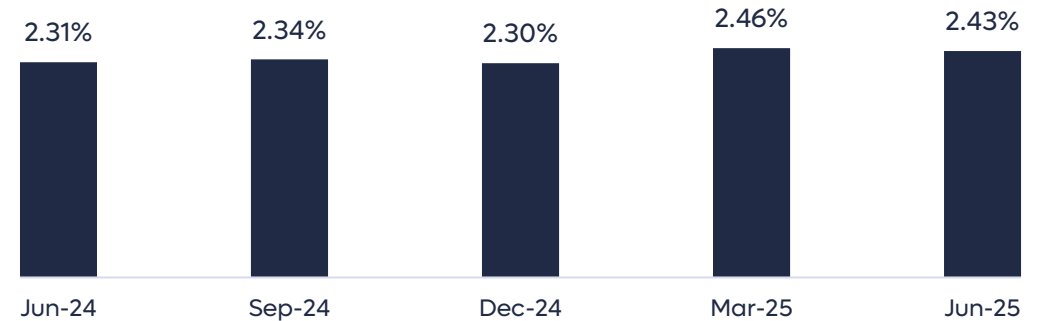
- Deposit balances now exceed \$10bn<sup>1</sup>
- Brand awareness driving growth in direct channel
- Rollover rates increasing; price sensitivity reducing
- New core deposit platform provides increased product and pricing flexibility
- New saving accounts to improve deposit pricing and diversification
  - Intermediated savings account (ISA) to be launched in 2Q26;
  - Direct online savings account (DOSA) to be launched in 2H26

# Stable credit quality.

Relationship-led model working through all parts of the economic cycle

- 90+DPD and Impaired Assets have remained stable, below at-scale thesis
- Additions and resolutions are largely balanced
- FY25 write-offs totalled \$38.7m; 34bps of average GLA
- No systemic trends in 90+DPD and Impaired Assets, impacted customer groups in a broad range of sectors
- Confident in our at-scale cost of risk assumption of 50bps of average GLA

### 90+ DPD and Impaired Assets (% of GLA)<sup>1</sup>



### Movement in 90+ DPD and Impaired Assets<sup>1</sup> (\$m)



1. Jun-25 excludes facilities in final stage of resolution where unconditional sale agreements are in-place

# CFO Update.

**Andrew Leslie**

Chief Financial Officer



THIS IS JUDO

OUR PURPOSE...



TO BE THE most trusted  
SME BUSINESS BANK in AUSTRALIA



# FY25 result.

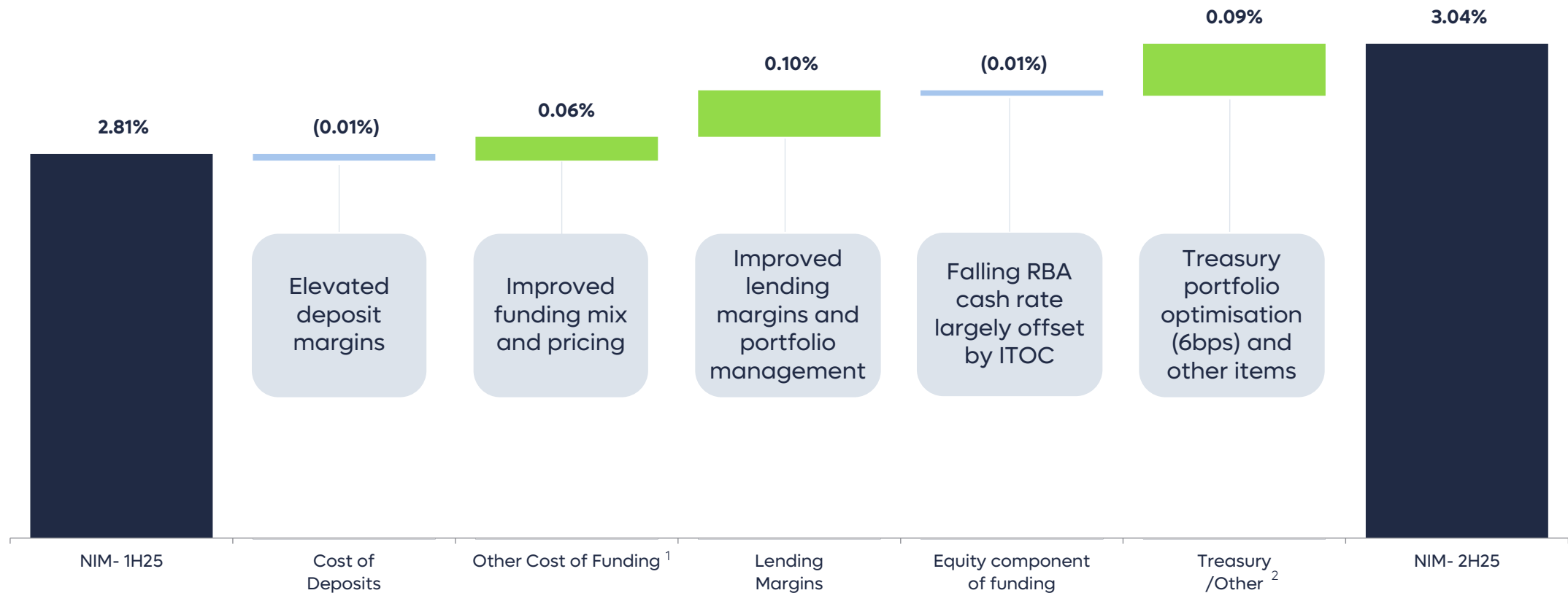
Profit or Loss Statement (\$m)	FY25	FY24	Change
Income	422.9	396.7	7%
Operating Expenses	(221.8)	(216.5)	2%
<b>Profit Before Impairment</b>	<b>201.1</b>	<b>180.2</b>	<b>12%</b>
Impairment Expense	(75.5)	(70.1)	8%
<b>Profit Before Tax<sup>1</sup></b>	<b>125.6</b>	<b>110.1</b>	<b>14%</b>
Non-recurring Costs <sup>2</sup>	-	(5.8)	n.m.
<b>Statutory Profit Before Tax</b>	<b>125.6</b>	<b>104.3</b>	<b>20%</b>
Statutory NPAT	86.4	69.9	24%
Key Operating Metrics	FY25	FY24	Change
GLA (\$m)	12,465	10,711	16%
NIM (%)	2.93%	2.94%	(1bp)
CTI (%) <sup>1</sup>	52.4%	54.6%	(220bps)
Provision Coverage (% of GLA)	1.49%	1.39%	10bps
90+ DPD & Impaired (% of GLA)	2.43%	2.31%	12bps
ROE	5.3%	4.5%	80bps

1. Excluding non-recurring costs related to CEO transition and organisational restructuring in FY24  
 2. The associated tax credit on non-recurring costs in FY24 was \$1.3m

# NIM – 2H25 vs 1H25.

Tailwinds from lending, liquidity and wholesale funding

## 1H25 to 2H25 NIM movement (%)



1. 'Other Cost of Funding' consists of funding mix and wholesale funding activity including warehouses, senior unsecured and T2 funding  
 2. 'Treasury / Other' captures the impact of balance sheet changes, e.g. differences in regulatory liquidity position between the periods, and mix-related impacts

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# FY26 NIM drivers.

NIM improvements in 2H26

FY26 NIM 3.00% - 3.10%

Exit NIM: 2.93%



2H25

### Key drivers

1H26 NIM expected to be modestly lower than 2H25 due to current market conditions for deposit and lending, and RBA cash rate cuts



1H26

### Key drivers

2H26 NIM expected to benefit from improved funding costs and mix following the launch of new savings products



2H26

# Term deposit margins remain volatile.

Disconnect between headline pricing and swap rates driving TD margin volatility

Judo's indicative hedged 1-year TD rate (daily)<sup>1,2</sup>



1-year TD margins – 10-year averages<sup>2</sup> (%)



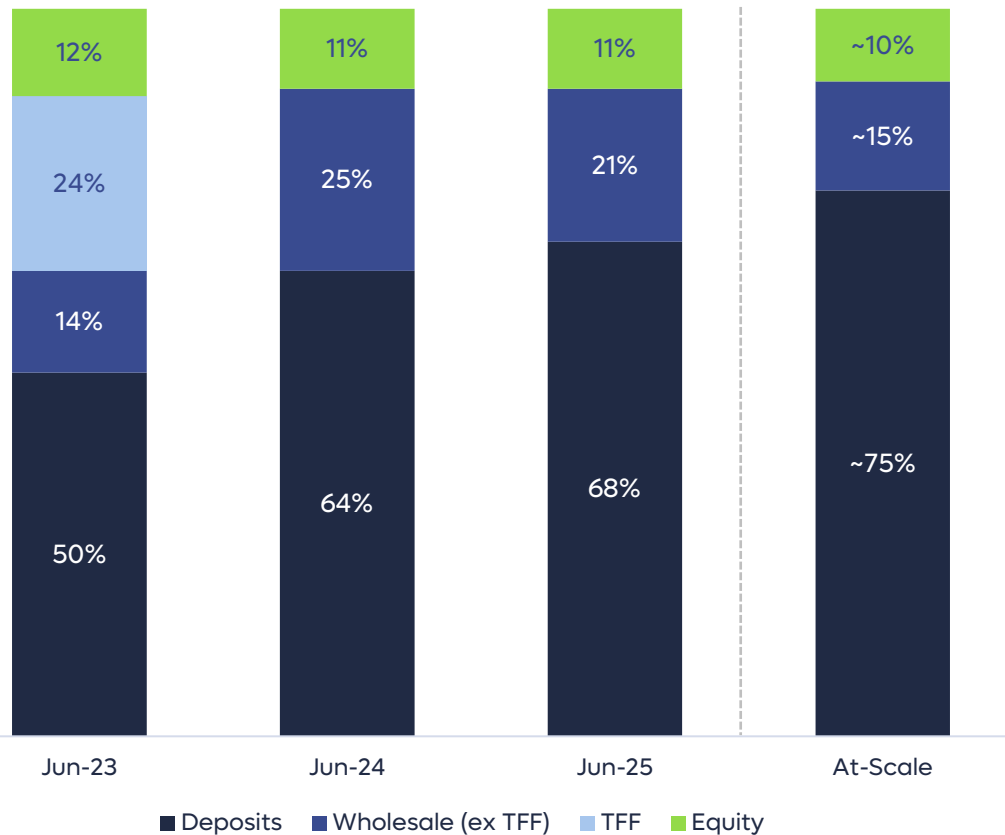
- Judo's TD margins are a function of headline rates and swap rates
- Headline TD rates have fallen; the swap curve has been volatile
- Judo's margin on new TDs in 2H25 was 99bps over 1m BBSW (1H25: 86bps)
- Judo's YTD FY26 margin on new TDs has improved
- Judo remains confident of TDs margins in the 80–90bps through the cycle

1. Hedged TD margin reflects headline rate minus 1-year swap rate and additional basis to swap back to 1-month. See slide 30.  
 2. Source: Mozo and Bloomberg. Branchless: AMP, ING, JDO, ME, Rabo

# Continued progress to at-scale funding stack.

Direct TD franchise continues to mature; wholesale funding optimisation ongoing

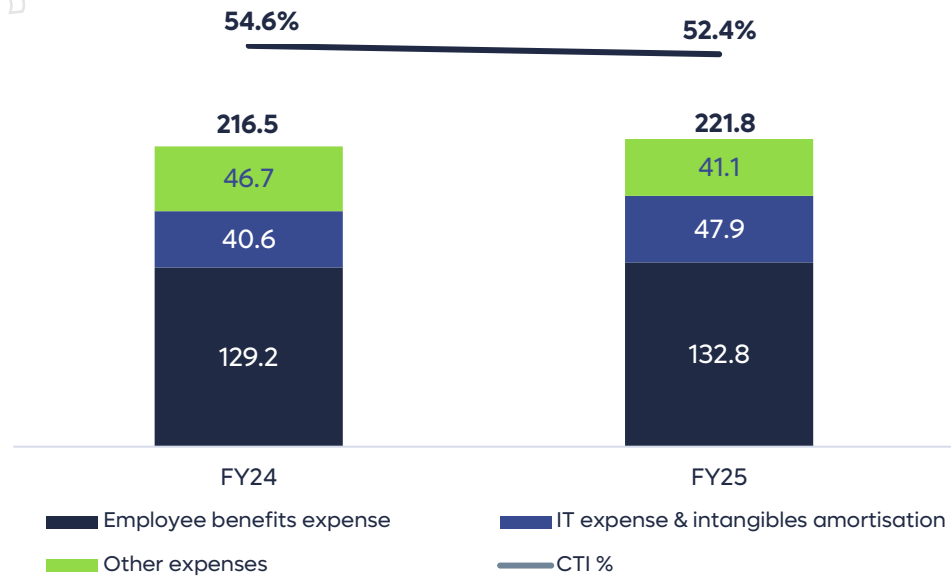
Judo's funding stack (%)



- TDs increased to 68% of total funding, as Judo dynamically balanced funding requirements with market pricing
- Direct retail TD franchise continues to mature
- Ongoing optimisation of wholesale funding
  - Active management of warehouse facilities
  - \$125m Tier 2 issue completed in Oct-24
  - \$175m senior unsecured bond issuance in Jun-25
- Further progress towards at-scale funding stack will be made in FY26, supported by new savings products
- Actively considering options to support funding and ROE optimisation, including loan sales

# Operating expenses.

Underlying operating expenses (\$m) and CTI (%)<sup>1</sup>



	FY23	FY24	FY25
Relationship Bankers (#)	123	144	161
Total FTE (#)	543	543	557
Average FTE (#)	509	558	548

1. Excluding non-recurring costs related to CEO transition and organisational restructuring in FY24

## FY25 CTI improvement reflecting operating leverage

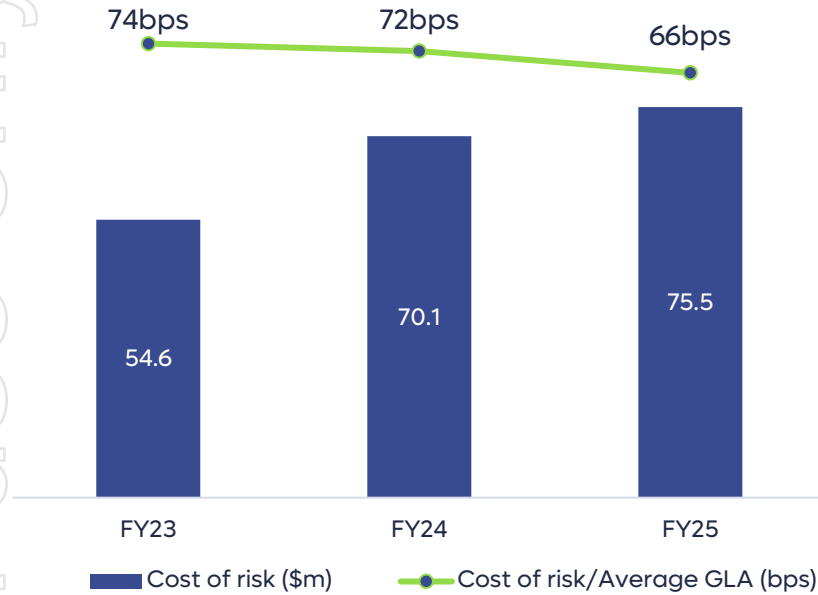
- Modest increase in employee costs
  - Continued recruitment of relationship bankers
  - Enabling function areas reaching maturity
  - H/H impact from incentives and volatile items
- Increase in IT expense and amortisation due to completion of new systems

## Operating leverage trajectory to continue in FY26

- **FY26 CTI < 50%** driven by prudent cost management and OOI
- **FTE** to increase, with continued investment in growth-linked roles and IT insourcing
- **IT expense** to remain stable, supported by insourcing
- **Intangibles amortisation** to increase, reflecting full-year run-rate amortisation of new systems and some new investments
- **Other expenses** expected to increase with inflation

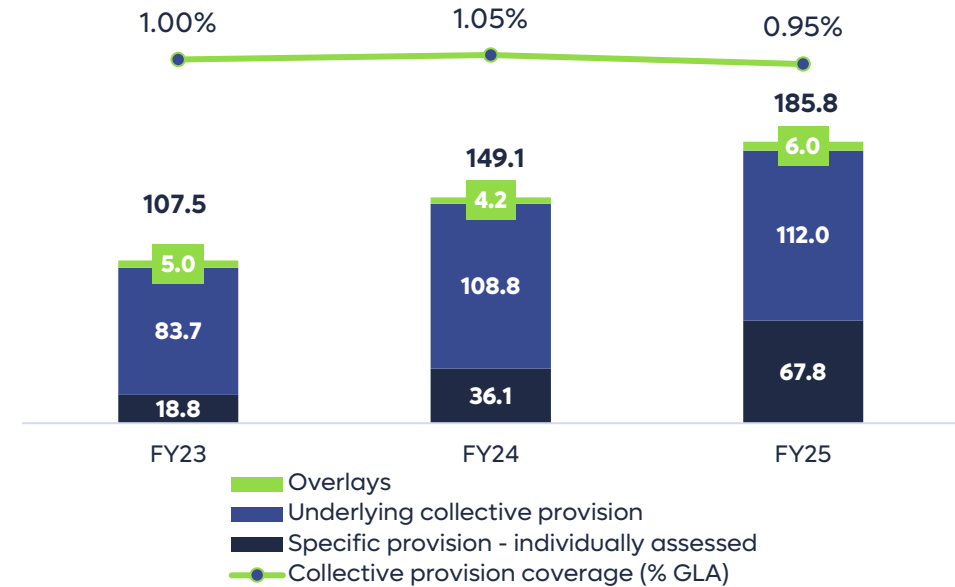
# Impairment expense and provisioning.

## Impairment expense (\$m)



FY25 impairment expense driven by general portfolio seasoning, an increase in specific provisions across a number of sectors, and growth in the loan book

## Prudent provisioning (\$m)



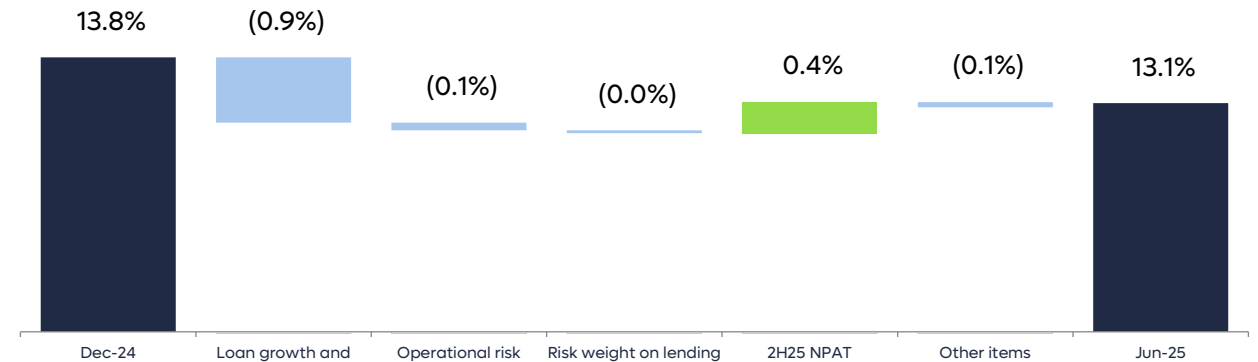
- Collective provision coverage reflects new lending and shift in customer mix
- Higher specific provisions due to new and existing impaired customers across several sectors
- Asset quality remained broadly stable; economic conditions expected to stabilise in FY26

# Capital.

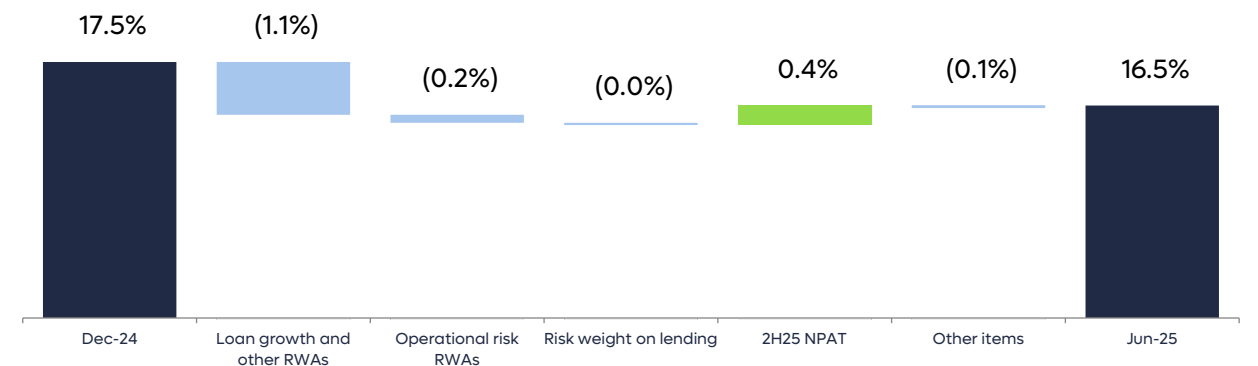
## Judo remains well capitalised

- Strong Jun-25 CET1 ratio at 13.1%
- Improving profitability continues to support organic capital generation
- No plans to issue additional core equity to achieve target at-scale loan book
- Several options available to support growth, including Tier 2, term securitisation, RWA management

### 1H25 to 2H25 CET1 movement (%)



### 1H25 to 2H25 Total Capital movement (%)



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# Conclusion and Outlook.

**Chris Bayliss**

Chief Executive Officer & Managing Director



# Judo strategy.

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Our vision

To be a world class SME business bank

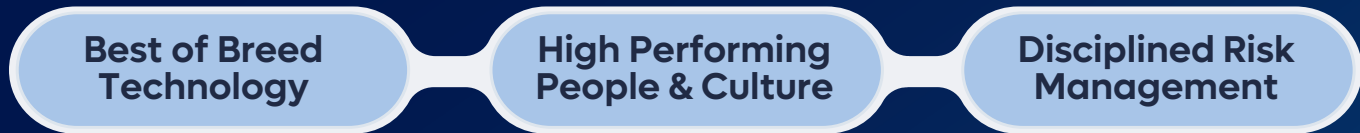
Our aspiration



Strategic priorities



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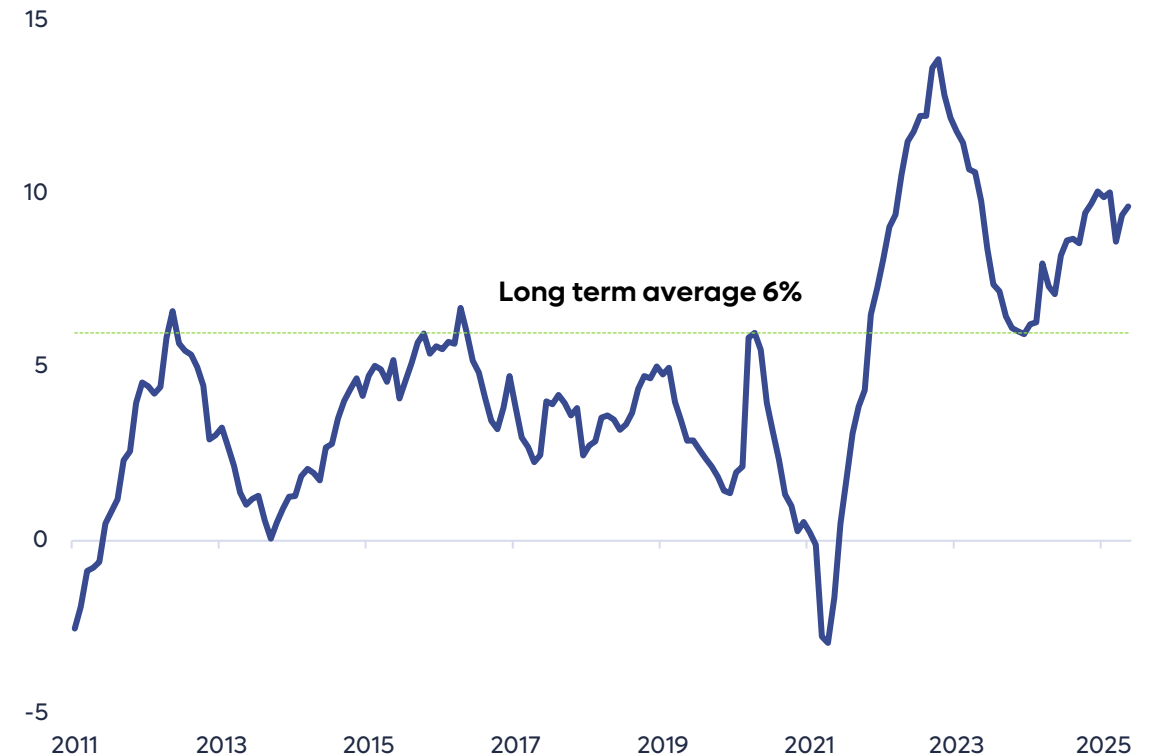


Targeting ROE in the low-to-mid teens at scale

# Conditions for SMEs are improving.

- Demand for credit remains robust
- Business confidence has improved, although some sectors still face pressure
- Lower rates may boost business and consumer spending
- Some uncertainty stemming from global trade developments
- Judo is a relative winner in a falling rate environment
- One 25bps cut to RBA cash rate = \$1-2m impact to NII, primarily due to unhedged component of equity<sup>2</sup>

Annual growth in non-financial business credit (%)<sup>1</sup>



1. Seasonally adjusted. Source: RBA Statistical Tables D2  
2. Assumes management intervention in response to rate cuts

# FY26 strategic focus.

Continuing to execute our multi-year strategy, leveraging established foundations

## Operating landscape

- RBA easing cycle
- Competitive pressure for lending and deposits
- Stabilising operating environment
- Robust credit demand



## Recent investments providing scale and optionality to grow

### Scale & strengthen lending

- **Enabling stronger, faster, smarter CVP and relationship banker productivity** leveraging new technology platforms
- **Aligning interests with commercial brokers** with Broker Black Belt program
- **Driving other operating income** with enhanced working capital products
- Continue to grow our **warehouse lending business**

### Optimise funding, capital & ROE

- **Increased term deposit functionality**, leveraging new core deposit platform
- Entering **'at call' savings deposit market** to diversify funding sources and lower funding costs
- Consider **funding and ROE optimisation options**, including loan sales
- Tighter **liquidity management**

# Optimising technology foundations.

Focusing on banker enablement to deliver Judo's unique CVP



**Judgement  
'Smarter'**

- Streamline annual review and renewals process



**Speed  
'Faster'**

- Rebuild loan modification and margin change process
- Improve processes for simple variations and small increases



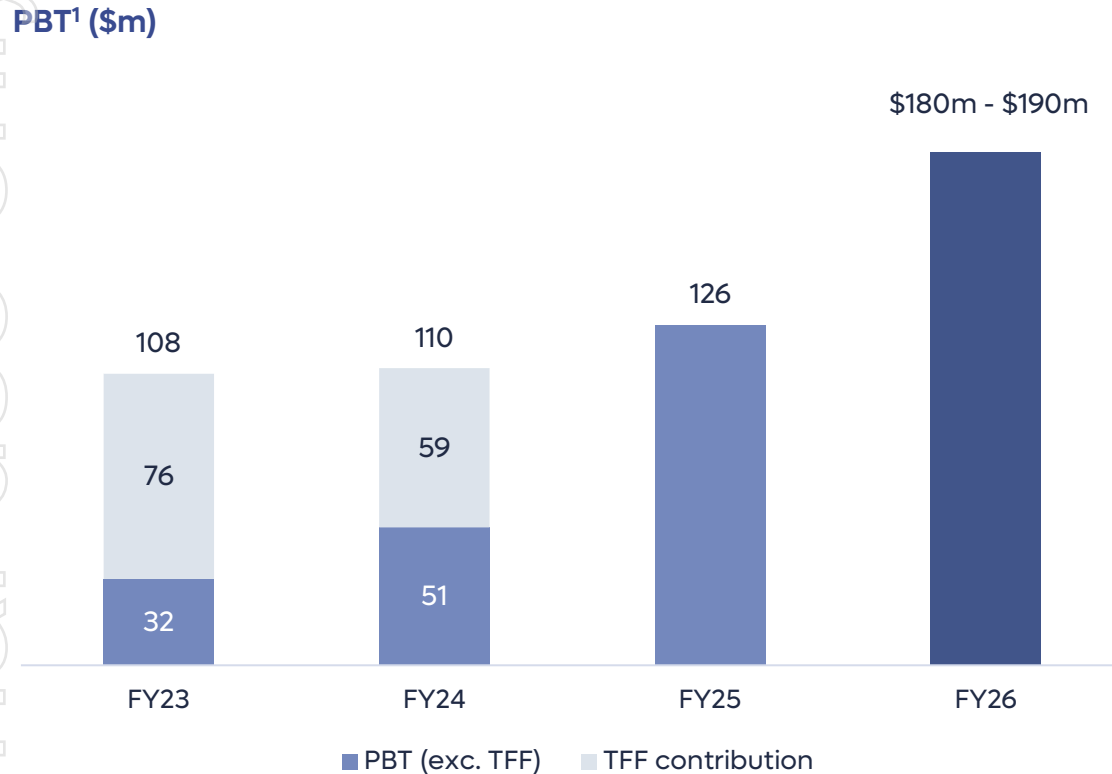
**Relationships  
'Stronger'**

- Equip bankers with data and insights to track and respond to customers needs

## FY26 strategic priorities in technology delivery

# Operating leverage trajectory to continue.

Progress to at-scale ROE at low-to-mid teens



- Clear evidence of operating leverage as Judo continues to scale
- Strong top-line growth to continue, driven by growth in lending and other operating income
- FY26 opex increase is largely due to investments to accelerate top-line growth

1. Excluding non-recurring costs in FY24. Estimation of TFF contribution assumes TFF funding replaced with deposit funding, and adjusts for income on excess treasury securities held as part of TFF preservation strategy

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# FY26 guidance.

## Momentum in operating leverage to continue

Metric	Detail	FY26 Target	Metrics at-scale
<b>GLA</b>	Strong lending growth to continue, supported by investments in growth, productivity and ongoing penetration into regional and agribusiness lending	\$14.2bn – \$14.7bn	\$15bn – \$20bn
<b>NIM</b>	<p>FY26 NIM expected to be 3.00% – 3.10%</p> <ul style="list-style-type: none"> <li>1H26 NIM expected to be ~3.0%, modestly lower than 2H25 due to current market conditions for deposits and lending, and RBA cash rate cuts</li> <li>2H26 NIM expected to be ~3.1%, benefitting from improved funding costs and mix following the launch of new savings products</li> </ul>	3.00% – 3.10%	>3%
<b>CTI</b>	CTI to improve in FY26 vs FY25, benefitting from prudent cost management and revenue growth including in other operating income	<50%	Approaching 30%
<b>COR</b>	Continued growth and seasoning of the portfolio and assuming macroeconomic conditions stabilise	60bps – 65bps of average GLA	50bps of GLA
<b>PBT / ROE</b>	Continue to demonstrate operating leverage; PBT benefitting from investment in productivity, product enhancements and balance sheet optimisation	\$180m – \$190m	Low to mid-teens ROE

# Conclusion.

- Delivered solid financial results and made significant progress on strategic priorities in FY25
- FY26 focus on optimising, demonstrating operating leverage, and progressing towards at-scale ROE
- Multiple opportunities to drive lending growth and other operating income
- Exploring options to optimise funding and capital, to support growth and further penetrate our TAM
- Strong executive team and highly engaged workforce to support our progress towards metrics-at-scale

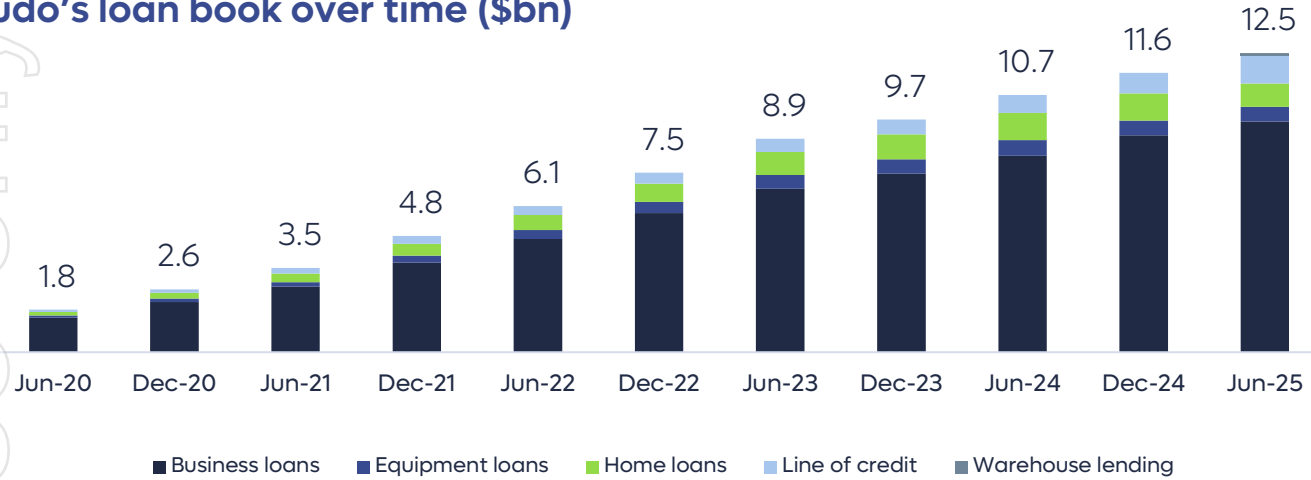


# Questions.

# Appendix.

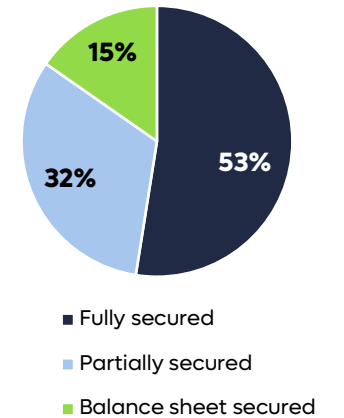
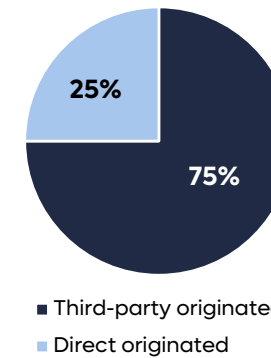
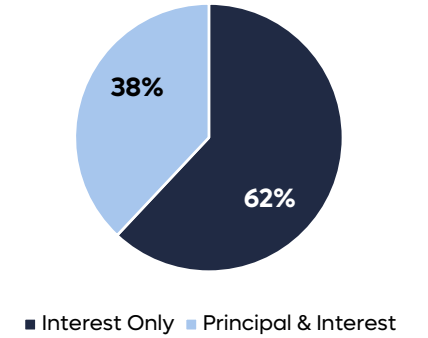
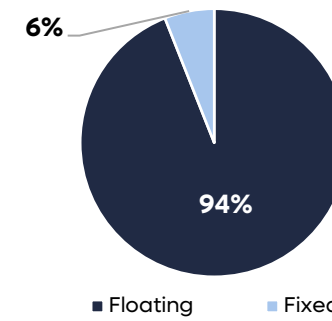
# Loan book characteristics.

### Judo's loan book over time (\$bn)



### AAA lending pipeline (\$bn)

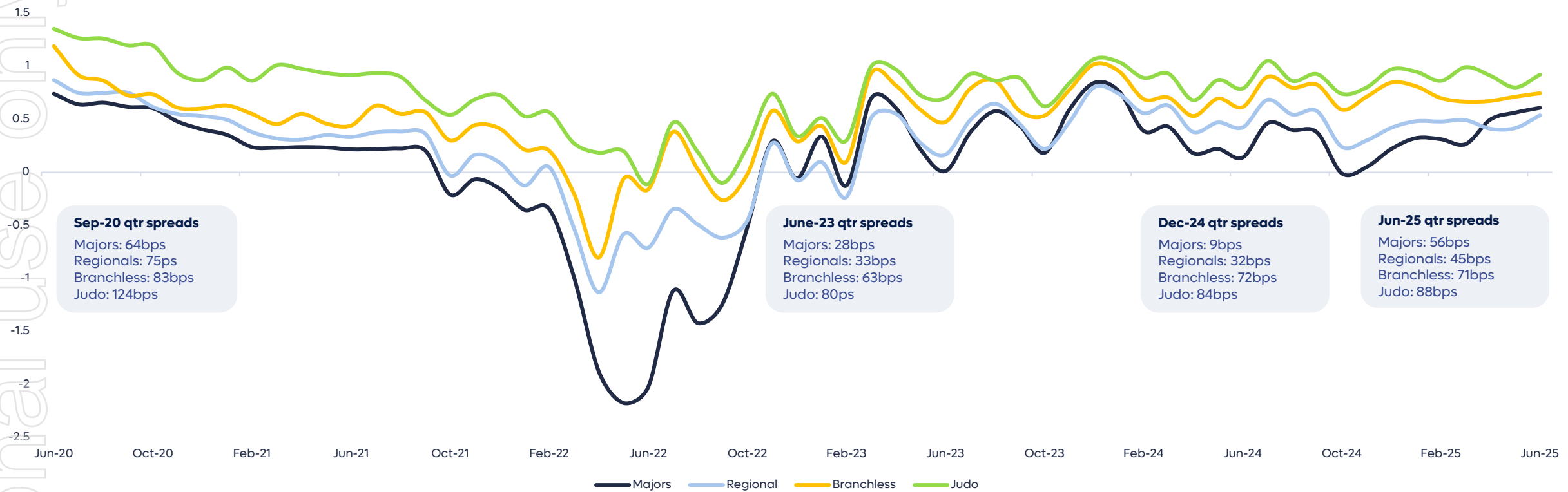
	Jun-23	Dec-23	Jun-24	Dec-24	Jun-25
Applications, accepted, approved pipeline (AAA) (\$bn)	1.5	1.0	1.8	1.1	1.9



# Spreads between headline rates and swap rates.

Swap curve movements have been the primary driver of volatility in hedged TD margins

Spread from 1-year TD to 1-year swap rate<sup>1,2</sup> (%)



1. Chart does not include the cost of 3m1m basis swaps  
 2. Source: Mozo

# Deposit margins – illustrative examples.

## Spot 1-year hedged TD margins<sup>1</sup> (%)

Judo's hedged TD margin reflects the headline TD rate, less the 1-year swap rate, plus the basis swap cost to 1-month

	1 Jul 24	31 Dec 24	30 Jun 25	14 Aug 25
Judo's 1-year headline rate	5.25%	5.00%	4.15%	4.00%
Less: 1-year swap rate	(4.48%)	(4.03%)	(3.23%)	(3.29%)
Add: costs to swap to 1-month (3m1m basis swap)	0.08%	0.10%	0.09%	0.09%
<b>Hedged TD deposit margin</b>	<b>0.85%</b>	<b>1.07%</b>	<b>1.01%</b>	<b>0.80%</b>

## Spot 6-month hedged TD margins<sup>1</sup> (%)

Judo's hedged TD margin reflects the headline TD rate, less the 6-month swap rate, plus the basis swap cost to 1-month

	1 Jul 24	31 Dec 24	30 Jun 25	14 Aug 25
Judo's 6-month headline rate	5.25%	5.05%	4.55%	4.20%
Less: 6-month BBSW	(4.74%)	(4.49%)	(3.78%)	(3.73%)
Add: costs to swap to 1-month (6m3m basis and 3m1m basis swaps)	0.28%	0.38%	0.42%	0.36%
<b>Hedged TD deposit margin</b>	<b>0.79%</b>	<b>0.94%</b>	<b>1.19%</b>	<b>0.83%</b>

- Deposits are swapped to 1-month BBSW as part of interest rate risk management
- We remain confident in our long-run deposit margin assumption of 80–90bps

1. Source: Bloomberg, and Mozo  
Majors: ANZ, CBA, NAB, WBC. Regionals: BEN, BOQ, SUN.  
Branchless: AMP, ING, JDO, ME, Rabo

# Credit quality key metrics.

Sectors	Gross Loans and Advances (\$M)		% of Gross Loans and Advances		% of Fully / Partially Secured		% 90+DPD and Impaired <sup>2</sup>		Customer groups 90+DPD and Impaired <sup>2</sup>	
	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25
<b>Rental, hiring and real estate services</b>	2,865	3,086	25%	25%	95%	95%	2.18%	1.31%	11	19
Property Operators	2,448	2,544	21%	21%	100%	100%	2.18%	1.17%	7	14
Other Rental, Hiring & Real Estate Services	417	542	4%	4%	79%	80%	2.16%	1.93%	4	5
<b>Accommodation and food services</b>	1,386	1,518	12%	12%	85%	85%	1.11%	2.36%	13	25
<b>Construction</b>	800	921	7%	7%	89%	89%	2.94%	1.89%	14	14
<b>Agriculture, Forestry &amp; Fishing</b>	595	894	5%	7%	99%	98%	2.68%	2.80%	3	4
<b>Manufacturing</b>	755	774	6%	6%	82%	82%	8.72%	7.84%	17	21
<b>Retail Trade</b>	731	672	6%	5%	74%	68%	4.83%	5.57%	17	23
Non-Discretionary Retail	350	302	3%	2%	81%	74%	1.06%	1.84%	5	9
Discretionary Retail	381	370	3%	3%	67%	64%	8.02%	8.61%	12	14
<b>Transport, postal and warehousing</b>	295	283	2%	2%	81%	81%	1.55%	1.63%	6	7
<b>Other (Including home loans)</b>	4,220	4,317	37%	36%	81%	78%	1.06%	1.91%	43	61
<b>Total Portfolio</b>	<b>11,647</b>	<b>12,465</b>	<b>100%</b>	<b>100%</b>	<b>86%</b>	<b>85%</b>	<b>2.30%</b>	<b>2.43%</b>	<b>124<sup>1</sup></b>	<b>174<sup>1</sup></b>

**Security:** 85% of Judo's credit exposure is fully or partially secured. 15% is secured by balance sheet security.

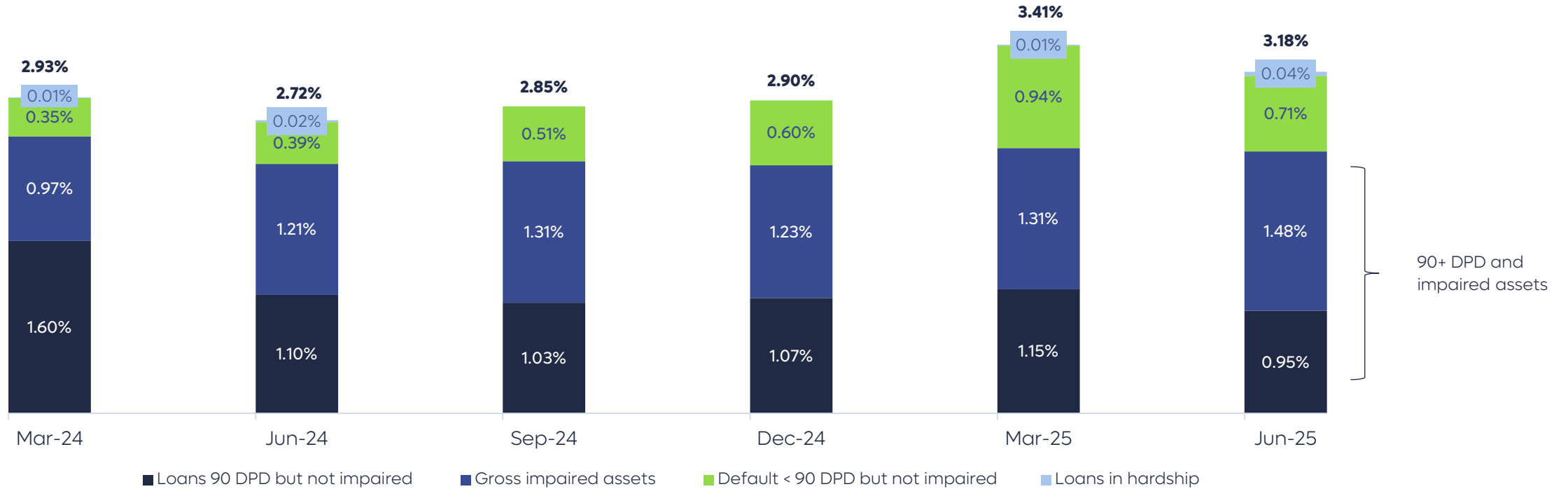
**Fully secured:** The exposure is less than or equal to 100% of the Judo Extended Value (JEV), which is a discount to the market value of the underlying security.

**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.

# Key asset quality ratios over time.

Non-performing loans / GLA (%)<sup>1</sup>



<sup>1</sup> Jun-25 figure excludes facilities in final stage of resolution where unconditional sale agreements are in-place

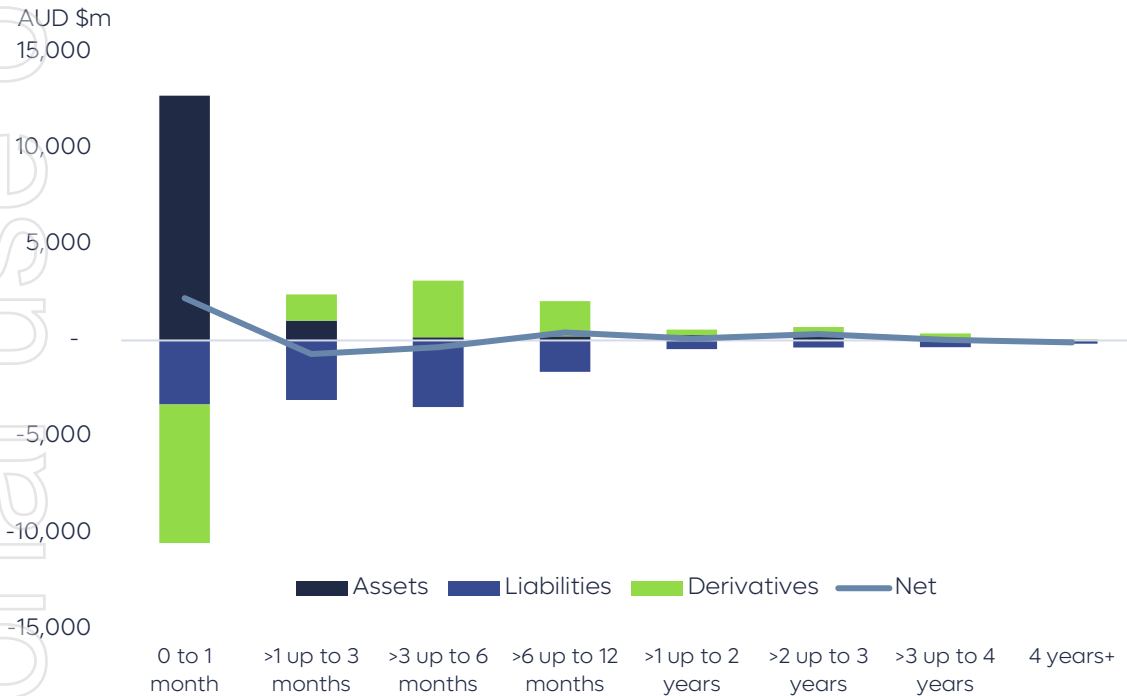
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# Judo's hedging profile.

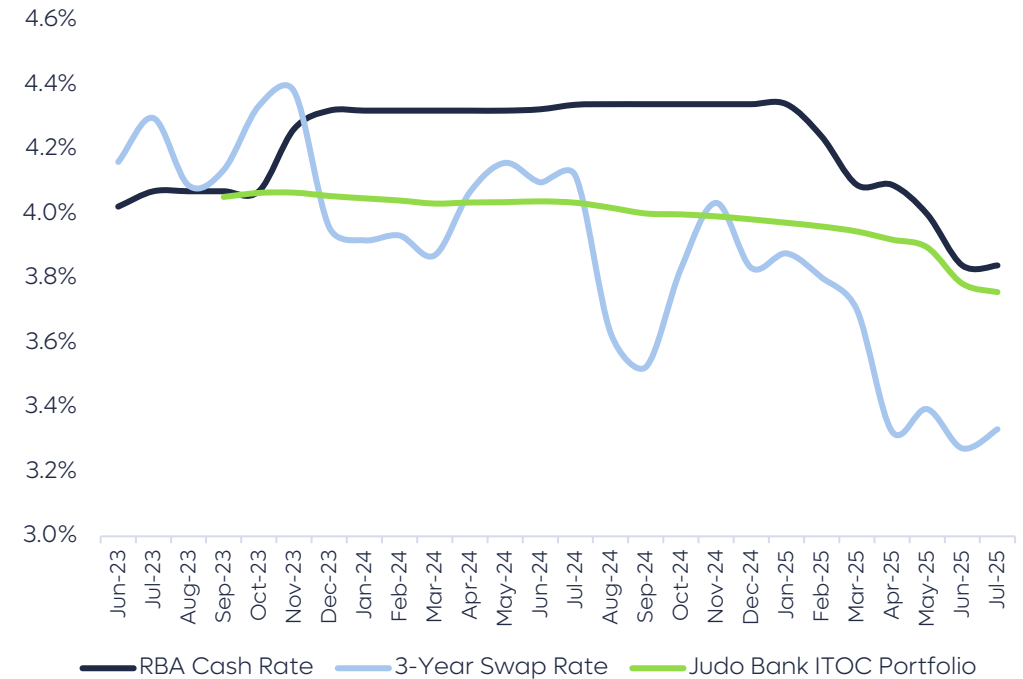
Lower interest rate risk through hedging. Reduced NIM volatility with ITOC

As at 30 June 2025, Judo had an ITOC tenor of 3 years with \$1bn of capital hedged (total equity of \$1.7bn)

Judo's hedging profile as at Jun-25 (\$m)



Judo's ITOC portfolio (%)



# Glossary.

<b>\$</b>	Dollar amounts, in Australian dollars unless stated otherwise
<b>AAA pipeline</b>	Loans in application, approved and accepted status, but not yet settled
<b>APRA</b>	Australian Prudential Regulation Authority
<b>BBSW</b>	Bank Bill Swap Rate
<b>bps</b>	Basis points
<b>CET1</b>	Common Equity Tier 1 capital as defined by APRA
<b>CET1 ratio</b>	CET1 / total risk-weighted assets (RWA)
<b>CTI ratio</b>	Cost-to-income ratio = Total operating expenses / net banking income
<b>FTE</b>	Full-time equivalent
<b>FY</b>	Financial year ending 30 June
<b>GLA</b>	Gross loans and advances
<b>IIOC</b>	Investment Term of Capital, which is a hedge against equity funding to lower interest rate risk
<b>JEDI</b>	Judo Employee Delight Index, measuring energy, mood and commitment of Judo staff weekly
<b>Judo Extended Value (JEV)</b>	Judo Extended Value is the market value of the asset less a deduction for possible deterioration over time or at recovery, and is set internally for each allowable asset type

<b>NII</b>	Net interest income
<b>NIM</b>	Net interest income (NII) / average month-end closing balance of interest-earning assets
<b>n.m.</b>	Not meaningful
<b>NPAT</b>	Net profit after tax
<b>NPS</b>	Net promoter score
<b>PBT</b>	Profit before tax
<b>RBA</b>	Reserve Bank of Australia
<b>ROE</b>	Return on equity
<b>RWA</b>	Risk-weighted assets
<b>SME</b>	Small and medium enterprise
<b>TAM</b>	Total addressable market
<b>TD</b>	Term deposit
<b>TFF</b>	Term Funding Facility
<b>Warehouse facility</b>	A revolving credit facility extended by a financial institution to a loan originator for the funding of loans
<b>YoY</b>	Year on year

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