ASX Announcement

24 April 2026

Judo update on financial performance, asset quality and FY26 outlook

For personal use only

Judo Capital Holdings Limited (ASX:JDO) ("Judo Bank", "Judo" or "Bank") today provided an update on its year-to-date trading performance, asset quality, and outlook for the remainder of FY26.

Judo delivered strong financial performance in 3Q26 while maintaining its focus on supporting customers.

The Bank's lending growth, net interest margins and operating expenses all remain on track to meet existing guidance, resulting in Judo reaffirming guidance for FY26 profit before tax of between $180m - $190m, inclusive of a top-up to its collective provision in response to current economic conditions.

CEO Chris Bayliss said: "Judo continues to give its full support to Australian small and medium-sized enterprises as they navigate heightened volatility in the operating environment. Our unique relationship-led approach and low ratio of customers to bankers means we are close to our customers, and we are well positioned to understand and support their individual lending needs.

"Given the changes in the macro environment, our experienced relationship bankers have completed a customer-by-customer assessment of the portfolio. Our customers continue to demonstrate resilience, and our asset quality remains stable.

"While our customer base remains in good financial health, we have prudently chosen to strengthen our forward-looking collective provision in recognition of ongoing uncertainty for the outlook.

"Notwithstanding the provision increase, we are still on track to deliver FY26 profit before tax within our original guidance range, albeit towards the lower end. This continues to represent significant operating leverage, underpinned by strong lending, favourable funding conditions and disciplined cost management, and demonstrates strong progress towards our at-scale target of low-to-mid teens ROE."

Strong 3Q26 financial performance

Judo's gross loans and advances (GLA) at 31 March was $13.8bn (Dec-25: $13.4bn). Strong lending growth was supported by high levels of originations and lower attrition. Attrition improved to 15% (annualised) in Q3, down from 33% in Q2, driven by lower levels of external refinances and discretionary paydowns.

Judo's Q3 net interest margin (NIM) was ~3.15%, up from 3.03% in 1H26, and in-line with existing 2H26 NIM guidance.

Lending margins remained robust, with blended margins of 4.2% for Q3. Margins on new lending were also 4.2%, driven by the mix of lending.

Judo's AAA lending pipeline (applications, approved and accepted) has increased since December to $2.2bn, with an average margin of 4.3% over 1-month BBSW.

Judo continued to build its at-call savings franchise during the quarter, launching the Direct Online Savings Account (DOSA) in February 2026 following the October 2025 launch of the Intermediated Savings Account (ISA). The combined balance of the two new at-call savings products now exceeds $1.1bn[1].

Total deposits increased to $11.5bn at 31 March. The blended cost of deposits in Q3 was 74bps over 1-month BBSW, below Judo's expected through-the-cycle range of 80-90bps over 1-month BBSW, benefiting from the flow-through of lower-cost term deposits originated in 1H26.

Pricing on new term deposits also remained below the Bank's through-the-cycle range in Q3, at 64bps over 1-month BBSW, reflecting swap rate movements and greater flexibility arising from the introduction of the new savings products.

Given the outlook for interest rates, Judo expects the pricing of new term deposits to normalise back to within the Bank's expected long-run range of 80-90bps over 1-month BBSW by the end of FY26.

[1] Spot at-call deposit balance as at 23 April 2026

For personal use only

Operating expenses continued to be well managed, in line with prior guidance.

Judo maintained a strong capital position, with CET1 at 31 March of 12.6% (31 December 2025: 12.6%), with profit generation offsetting the capital consumed by lending growth in Q3.

Asset quality update

Judo's asset quality trends have remained stable. As at 31 March, 90-days-past-due and impaired loans were 2.65% of GLA, a slight improvement from 2.66% in December 2025.

In light of ongoing geopolitical uncertainty and increased market volatility, Judo has completed a detailed customer-by-customer review of its lending portfolio. The vast majority of Judo's customers remain in good financial health, with no observable change in risk profile.

Notwithstanding the overall strong financial health of its customers, Judo has increased its provision for expected credit losses, with a top-up of its economic overlay. This overlay relates to sectors that are more sensitive to fuel prices and broader economic deterioration, including agriculture, construction, retail trade, manufacturing and transport.

As a result of the increase to the management overlay, Judo's collective provisions coverage will be 94bps of GLA as of 31 March 2026, a 5bps increase compared to 31 December 2025. Collective provision coverage as a proportion of standardised credit risk weighted assets will be 1.09% at 31 March 2026, an increase of 6bps vs 31 December 2025.

Judo's FY26 cost of risk is now expected to be between 70bps – 75bps of average GLA.

FY26 outlook

Judo's guidance for FY26 operating metrics is detailed below, reflecting strong underlying performance and the increase to expected credit loss provisions.

Metric	Detail	FY26 Guidance	Metrics at-scale[2]
GLA	Strong lending growth to continue, supported by investments in growth initiatives, productivity and ongoing penetration into regional and agribusiness lending	$14.4bn – $14.7bn	$15bn - $20bn
NIM	FY26 NIM expected to be at the upper end of 3.00% – 3.10% 2H26 NIM of ~3.15%, benefitting from improved funding costs	Upper end of 3.00% – 3.10%	>3%
CTI	CTI to improve in 2H26 versus 1H26, demonstrating operating leverage	<50%	Approaching 30%
COR	FY26 guidance incorporates additional economic overlay and up-front provisioning on new lending At-scale COR assumption of 50bps of average GLA remains unchanged	70bps – 75bps of average GLA	50bps of average GLA
PBT / ROE	Continue to demonstrate operating leverage; PBT benefiting from investment in productivity, product enhancements and balance sheet optimisation	Lower end of $180m – $190m	Low to mid-teens ROE

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.