

2025 Full Year Result.

19 August 2025

Judo delivers NPAT increase of 24%, strong profit growth expected in FY26

Judo Capital Holdings Limited (ASX:JDO) ("Judo Bank", "Judo" or "Bank") today reported strong financial and operating performance for the full year ended 30 June 2025.

FY25 Highlights

- Statutory net profit after tax (NPAT) of \$86.4m, up 24%
- Underlying profit before tax¹ (PBT) of \$125.6m, up 14%, supported by continued scaling of the loan book, NIM improvement throughout the year, and prudent cost management
- Achieved significant progress against key strategic milestones, growing to 31 locations with 161 highly engaged bankers, and completion of replatforming to enterprise grade, scalable, technology systems
- Gross loans and advances (GLA) grew 16% to \$12.5bn, mid-point of previous guidance, reflecting almost 2x system growth², driven by Judo's differentiated customer-led value proposition and successful expansion into regional areas
- Deposits reached nearly \$10bn by the end of FY25, driven by robust growth in the direct channel
- Net interest margin (NIM) was 2.93%, with 2H25 NIM of 3.04%, above previous guidance, supported by higher lending margins, improved wholesale funding costs, and treasury optimisation
- 90+ days past due and impaired assets of 2.43% of GLA³, up modestly from 2.31% at Jun-24, and stable vs 2.46% at Mar-25
- Common Equity Tier 1 (CET1) ratio of 13.1%, down from 14.7% at Jun-24, reflecting GLA growth and increasing profit growth
- Reaffirmed expectations for significant operating leverage, with FY26 PBT in the range of \$180m - \$190m

Financial Highlights	FY25 Result	FY24 Result	Change
Statutory NPAT (\$m)	\$86.4	\$69.9	24%
Underlying PBT (\$m)¹	\$125.6	\$110.1	14%
GLA (\$bn)	\$12.5	\$10.7	16%
Deposits (\$bn)	\$9.9	\$8.2	20%
NIM (%)	2.93%	2.94%	(1bp)
Underlying cost-to-income (CTI) ratio (%)¹	52.4%	54.6%	(220bps)
CET1 (%)	13.1%	14.7%	(160bps)
ROE (%)	5.3%	4.5%	80bps

¹ Excluding non-recurring costs in FY24.

² Reflects Judo's multiple of system growth for GLA over FY25, per APRA statistics.

³ Jun-25 excludes facilities in final stage of resolution where unconditional sale agreements are in place.

Result overview

Judo delivered FY25 profit before tax of \$125.6m, up 14% on an underlying basis⁴. This result was supported by continued scaling of the loan book, NIM improvement throughout FY25 and prudent cost management.

Judo's lending book grew 16% to end the year at \$12.5bn. This represents nearly two times system growth⁵ driven by Judo's differentiated customer-led value proposition and expansion into regional areas. Gross originations were strong over the second half of the financial year, notwithstanding the competitive environment for business lending.

Top-line growth combined with disciplined cost control underpinned significant operating leverage in the second half of FY25, which is expected to continue into FY26.

This year, Judo established 10 new locations. The team has now grown to 557 team members, including 161 highly engaged relationship bankers and 66 analysts, serving 4,621 customers in 31 locations across Australia.

Judo continues to hold a sector leading Net Promoter Score at +53 for its lending proposition.

The Bank's award-winning deposit franchise finished the year close to \$10bn, driven by a \$1.4bn increase in direct retail balances. Judo also continued to optimise its wholesale funding program to support growth in the loan book and provide funding flexibility and diversification.

Despite uncertainty in the economic environment, the arrears ratio remained broadly stable throughout the second half of FY25.

With CET1 capital at 13.1%, Judo maintains a strong capital position for continued lending growth.

CEO commentary

"Judo has delivered another solid set of results for FY25, while achieving several major operational milestones that will allow us to continue to successfully execute our strategy in FY26 and beyond.

Judo's growth has followed a deliberate three-phase strategy: to build the Bank; then to scale the Bank; and now, as we enter FY26, to optimise the Bank.

Over the past three years, we have replatformed our core technology, re-engineered our data environment, and built the full suite of systems required to operate at scale. Thanks to an enormous effort from the Judo team, this foundational work is complete.

We are now set to deliver significant operating leverage from our investments in systems and people, alongside a genuine value proposition that is hard to replicate and is clearly resonating with our customers.

We have shifted our focus to enhancing our core SME lending franchise, expanding our product suite, and optimising funding, capital, and costs. I'm very pleased with the momentum in our technology and operations teams, who are now working to increase the capacity of our relationship bankers and support the development of new products.

On the funding side, the introduction of new deposit products in FY26 will broaden our offering, reduce reliance on term deposits and give us flexibility to lower our funding costs.

We are well on our way to achieving our at-scale ROE in the low to mid-teens, and we remain confident in demonstrating meaningful progress towards this goal in FY26, as the inherent benefits of scale in our model, combined with a larger balance sheet, are expected to drive significant profit growth.

We are excited about the year ahead. Together with my deeply experienced executive team, we are energised and focused on executing our strategy, as we continue building a world class SME business bank."

Chris Bayliss, CEO and Managing Director, Judo Bank

⁴ Excluding non-recurring costs in FY24.

⁵ Reflects Judo's multiple of system growth for GLA over FY25, per APRA statistics.

Economic outlook and FY26 guidance

The Australian economy is in the early stages of recovery from the consumer-led slowdown in FY24. Overall, activity has been supported by government spending and resilient employment levels. Meanwhile, business conditions remain varied, with some businesses, particularly those reliant on consumer discretionary spending, continuing to experience pressure. However, business confidence has started to improve at the beginning of FY26 and demand for credit remains robust.

SMEs could potentially benefit from growth in demand and consumption as a result of higher household incomes. Falling interest rates will further boost business and consumer spending. However, there remains some degree of uncertainty stemming from global trade policy development.

Judo has provided FY26 guidance, described in the table below.

Metric		FY26 Target	Metrics at-scale
GLA	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
NIM	FY26 NIM expected to be 3.00% – 3.10%. <ul style="list-style-type: none"> 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. 2H26 NIM expected to be ~3.1%, benefiting from improved funding costs and mix following the launch of new savings products. 	3.00% – 3.10%	>3%
CTI	CTI to improve in FY26 vs FY25, benefiting from prudent cost management and revenue growth including in other operating income.	<50%	Approaching 30%
COR	Continued growth and seasoning of the portfolio and assuming macroeconomic conditions stabilise.	60bps – 65bps 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.	\$180m – \$190m	Low to mid-teens ROE

Investor conference call

Chief Executive Officer, Chris Bayliss, and Chief Financial Officer, Andrew Leslie, will host a live investor webcast at 10.00am AEST on 19 August 2025, to present Judo Bank's 2025 Full Year Result.

Details are available on the website <https://www.judo.bank/full-year-result-2025> or via the ASX.

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Authorised for release by the Judo Board.