

24 November 2023

## Auswide Bank Ltd (ABA) 2023 Annual General Meeting Presentation

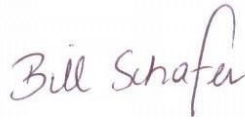
Auswide Bank Ltd's (ASX: ABA) 2023 Annual General Meeting will be held today at 11.00am Brisbane time. The meeting will be held at Auswide Bank Ltd, Level 3, 16 – 20 Barolin St, Bundaberg, Queensland, 4670 or online at <https://meetnow.global/MJDJUAJ>.

The attached presentation which provides an overview of Auswide Bank's operating activities and performance will be presented at today's Annual General Meeting.

Authorised for lodgment by:



Martin Barrett BA (Econ) MBA  
Managing Director  
+61 7 4150 4001  
[mbarrett@auswidebank.com.au](mailto:mbarrett@auswidebank.com.au)



Bill Schafer BCom CA  
Chief Financial Officer and Company Secretary  
+61 7 4150 4075  
[bschafer@auswidebank.com.au](mailto:bschafer@auswidebank.com.au)

### About Auswide Bank Ltd

Auswide Bank became Australia's tenth and Queensland's third Australian owned bank, listed and trading on the ASX, on April 1, 2015. The company had operated as a building society since 1966.

Auswide Bank has an Australian Credit Licence and an Australian Financial Services Licence issued by ASIC and is an Authorised Deposit-taking Institution prudentially supervised by the Australian Prudential Regulation Authority.

Auswide Bank offers Australians an extensive range of personal and business banking products & services issued directly or in partnership with leading service providers via an omni-channel distribution strategy which includes branches, strategic relationships and online & digital channels.

*Small things. Big difference.*

For personal use only



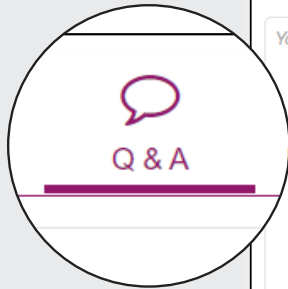
# Annual **General Meeting**

24 NOVEMBER 2023



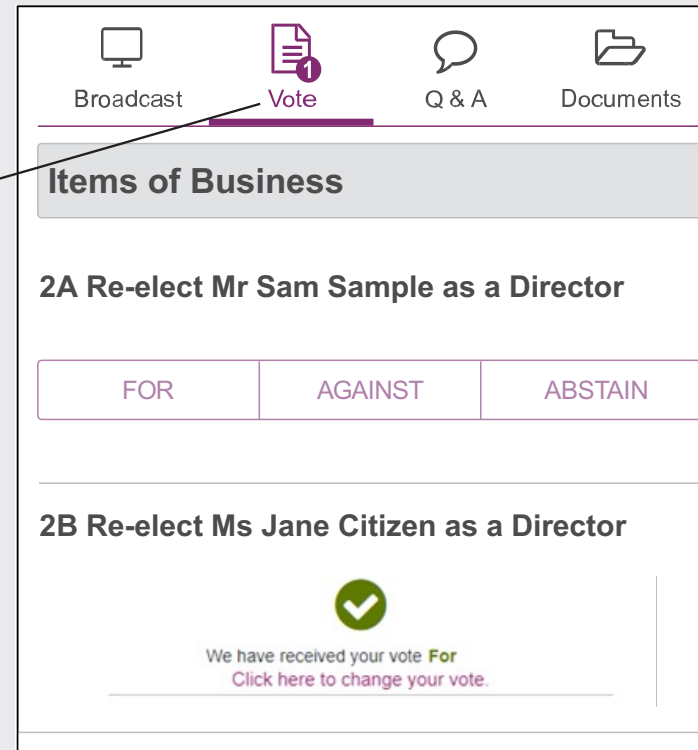
## How to ask a question

- > To ask a written question select the Q & A icon
- > Select the topic your question relates to from the drop-down list
- > Type your question in the text box and **press** the send button
- > To ask a verbal question follow the instructions below the broadcast window.

A screenshot of a web interface for asking questions. At the top, there is a navigation bar with four icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A' (which is highlighted with a purple underline), and a folder for 'Documents'. Below the navigation bar is a large text input area with the placeholder text 'Your question(s)'. Underneath this is a smaller text box with the instruction 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu. Below the dropdown is a text input field with a character count '0 character(s)' and a 'Send' button. A note above the input field states 'Questions are limited to 2000 characters.'

## How to vote

- > When the poll is open, select the vote icon at the top of the screen
- > To vote, select either For, Against or Abstain
- > You will see a vote confirmation
- > To change or cancel your vote “click here to change your vote” at any time until the poll is closed



For personal use only



# Annual **General Meeting**

24 NOVEMBER 2023





For personal use only



**Chair's Address**  
Sandra  
Birkensteigh

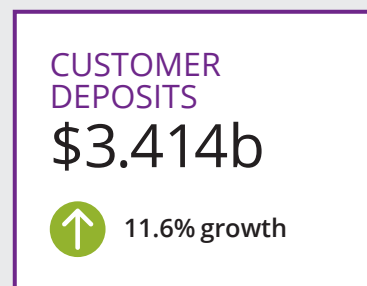
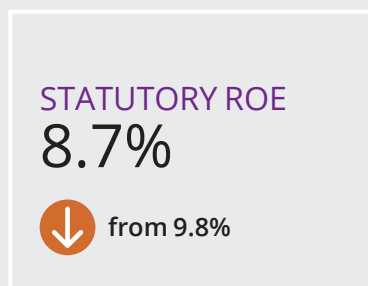
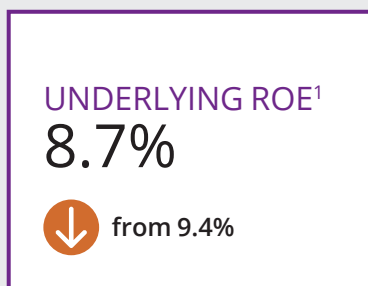
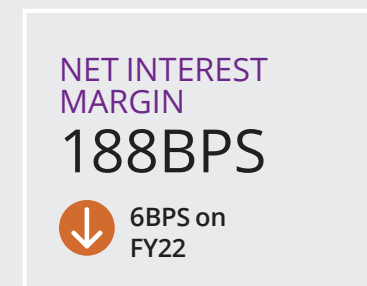
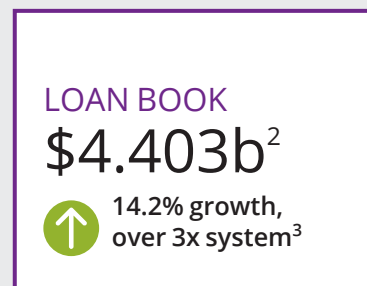
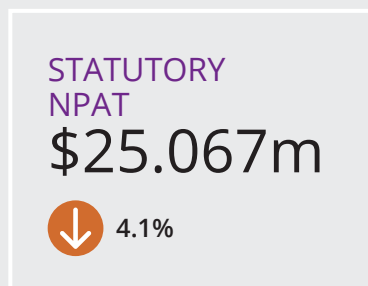
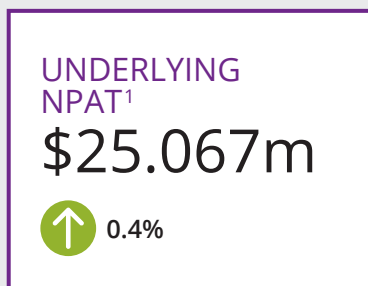
For personal use only



Financial  
Overview  
Bill Schafer

# FY23 Financial Highlights

Underlying NPAT maintained in challenging environment



**TOTAL ASSETS EXCEEDED \$5b at 30 June 2023**

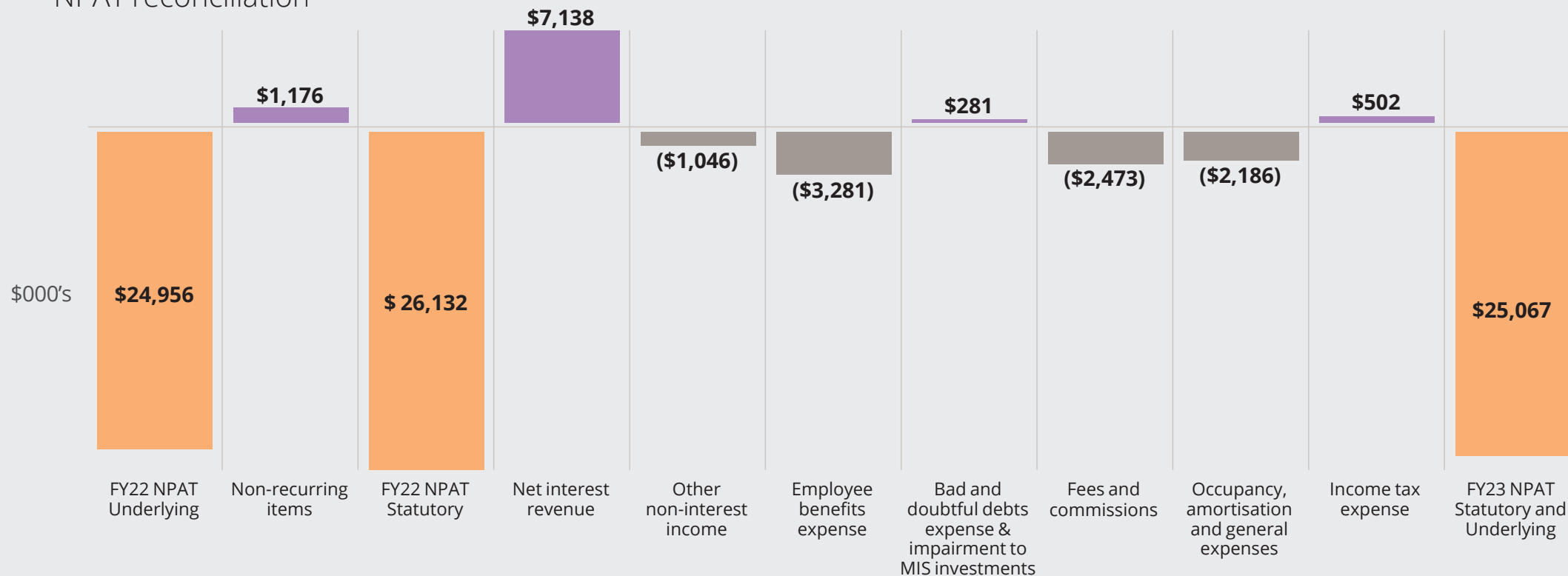
1. Difference between Statutory and Underlying NPAT and ROE in FY22 is due to:
  - Tax credits which the Bank previously underclaimed (\$628k)
  - Transition payment received from payments system provider (\$318k)
  - Costs of M&A activity which did not proceed \$120k
  - Release of COVID overlay in the Collective Provision (\$350k)
2. Including investments in Managed Investment Schemes (MISs) reported in Financial Assets in Balance Sheet
3. System growth of 4.5% per RBA Financial Aggregates - total housing growth

For personal use only



# NPAT maintained despite margin pressure, growth in costs and investment











NPAT reconciliation



- > NPAT of \$25.067m, up 0.4% on FY22 underlying result amid competitive lending and funding environment
- > Net interest revenue growth of 8.7% on the back of growth in the loan portfolio and control of NIM
- > Cost to income ratio of 65.0% (FY22: 61.1%)
- > Increased expenses affected by inflation, personnel costs, technology and loan volumes

## Broker flows in capital city markets driving diversification

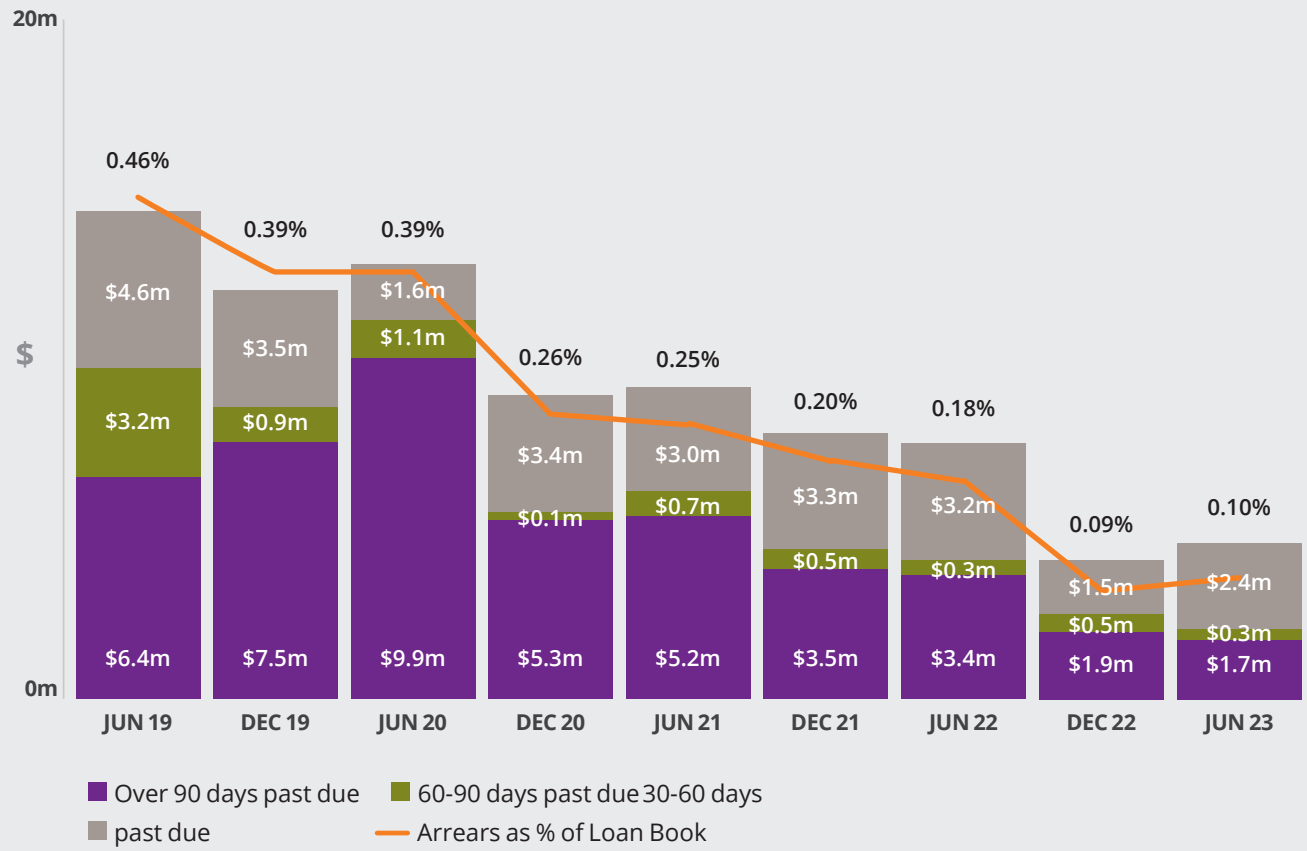
- > Strong broker flows drive growth in SE QLD, NSW and VIC
- > 36.2% of loan book outside Queensland (FY22: 30.4%)
- > Significant growth is being seen in the non-core areas
- > In FY23, continued high broker flows contributed to:
  - 18.4% increase on FY22 Home Loan approvals
  - 27.9% increase on FY22 Home Loan settlements
- > There has been over \$1b in Home Loan approvals each year for the last three years

		LOAN BOOK			BREAKDOWN	
		JUN 22	JUN 23	GROWTH RATE	JUN 22	JUN 23
<b>SOUTH EAST QUEENSLAND</b>		\$1,514.4m	\$1,697.2m	12.1% 	39.7%	38.9%
<b>QUEENSLAND OTHER</b>		\$1,139.0m	\$1,084.0m	4.8% 	29.9%	24.9%
<b>NEW SOUTH WALES</b>		\$566.0m	\$660.3m	16.7% 	14.8%	15.2%
<b>VICTORIA</b>		\$411.9m	\$527.8m	28.1% 	10.8%	12.1%
<b>AUSTRALIA OTHER</b>		\$183.2m	\$389.2m	112.5% 	4.8%	8.9%
<b>TOTAL</b>		\$3,814.5m	\$4,358.5m		100%	100%

For personal use only

# Loan book arrears remain industry leading

Low arrears aided by credit quality and a strong labour market



## LOANS PAST DUE V. SPIN (PERCENTAGE OF TOTAL LOANS)

	30 days past due (includes >90 days past due)	90 days past due
AUSWIDE	0.10	0.04
SPIN (Other)	0.80	0.37
SPIN (Regional)	1.15	0.66

Auswide figures: at 30 June 2023 | SPINs: at 30 June 2023 (latest available at time of publication)

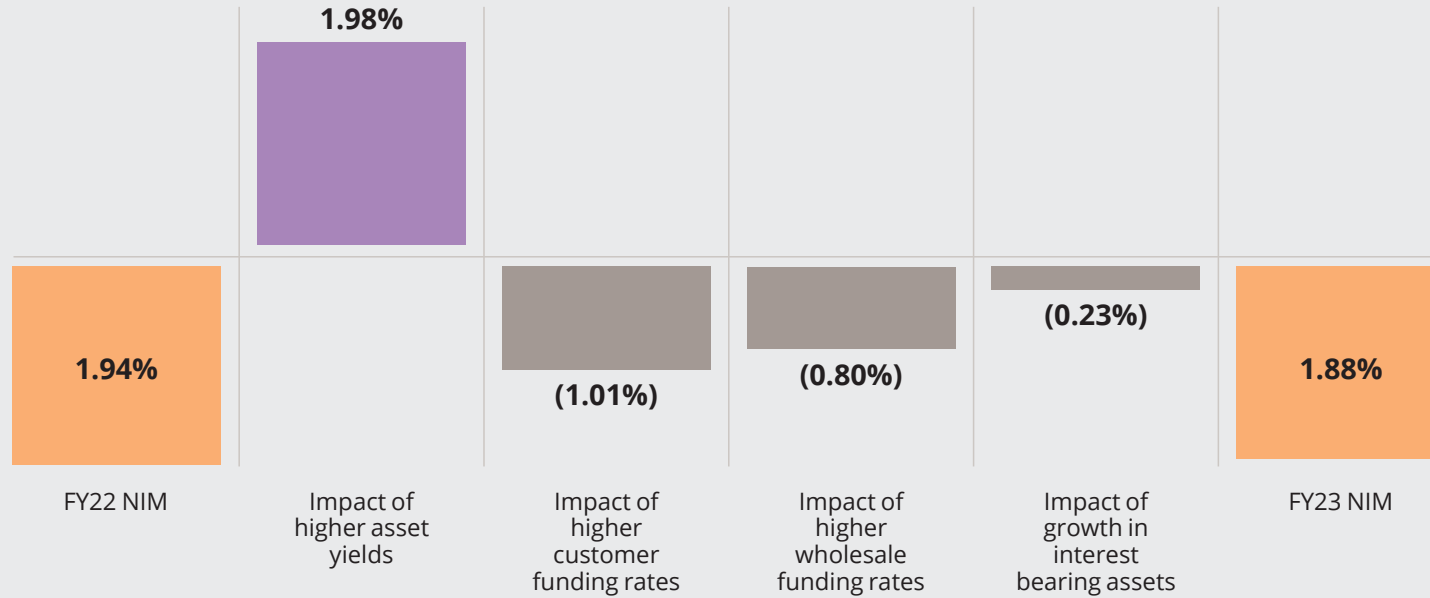
- Lending focus on low LVR, low risk home loans
- Credit quality of loan portfolio is sound with a low level of arrears evident
- >30 days past due arrears at historic low of 0.10% of loan book
- >90 days past due arrears at 0.04% of loan book

### ADVANCE PAYMENTS

- > Advance payments continue to increase enhancing credit quality
  - Total advance payments of \$244m (5.5% of total loan book)
  - \$443m in offset accounts (10.1% of total loan book)

# Net Interest Margin progression

NIM pressure from competition for loans and deposits

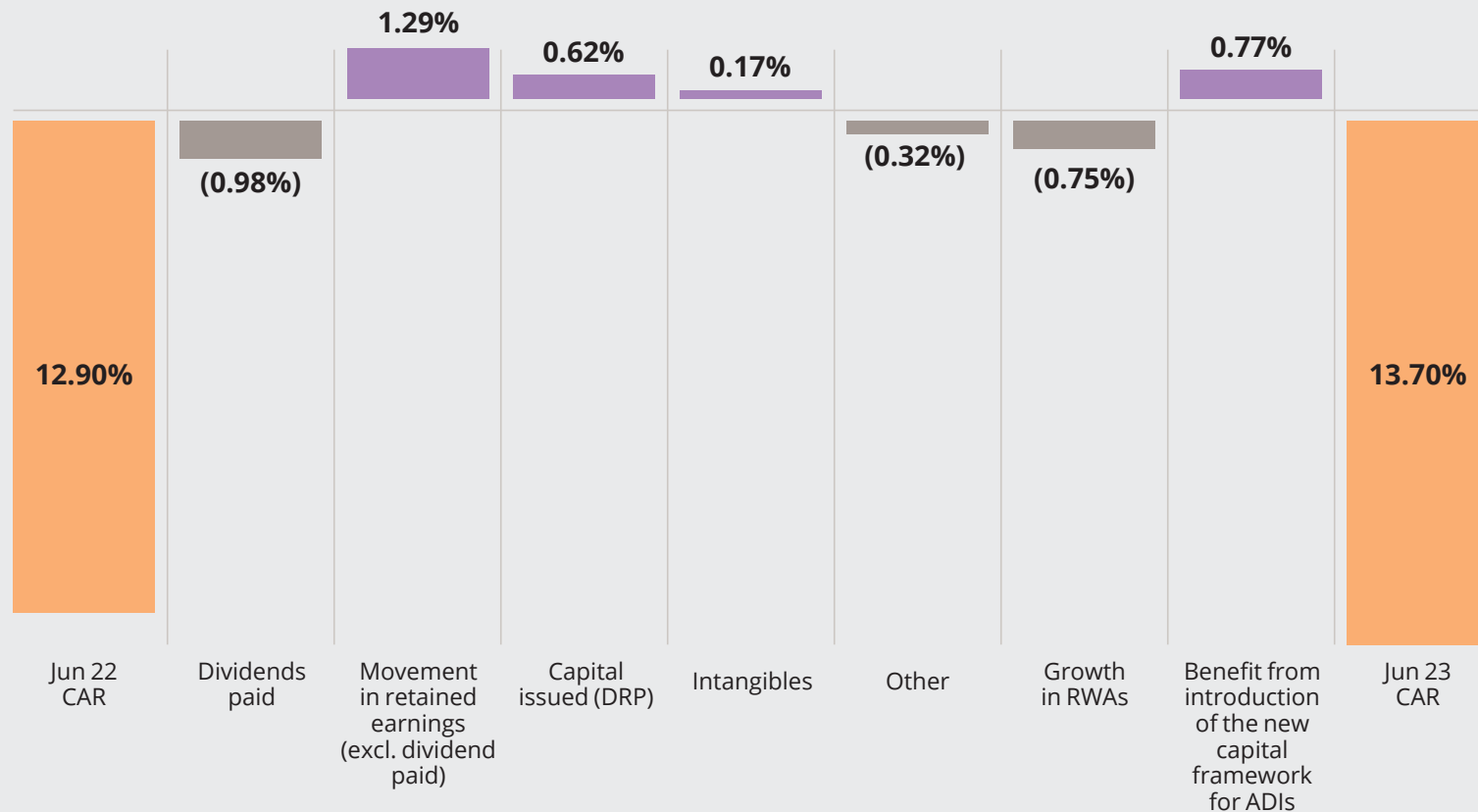


- > NIM declined 6bps in FY23 to 188bps in the rapidly rising interest rate environment
- > Decline in NIM reflective of market competition
- > Funding costs have been impacted by retail deposit competition
- > Funding costs further elevated by the switch from cheaper transaction accounts to expensive term deposits

For personal use only

# Capital supported asset growth

Further technology and security investments targeted



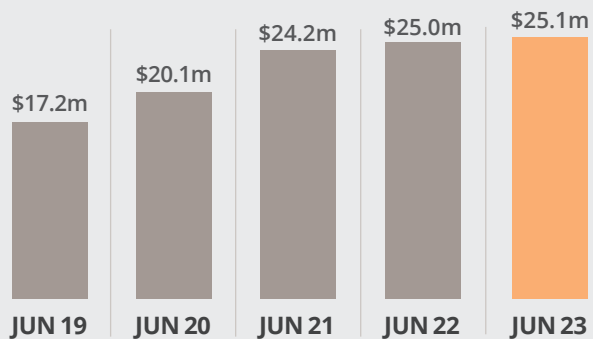
- > Capital remains strong at 13.70%, comfortably meeting prudential requirements
- > CET1 of 11.43%
- > Capital ratio up from 12.90% at 30 June 2022 as the growing home loan portfolio contributes to the elevated risk weighted assets
- > Capital supply drivers will include the operation of the Dividend Reinvestment Plan for the final dividend
- > Impact of new capital framework for ADIs that came into effect January 2023 had a benefit of 0.77%

For personal use only

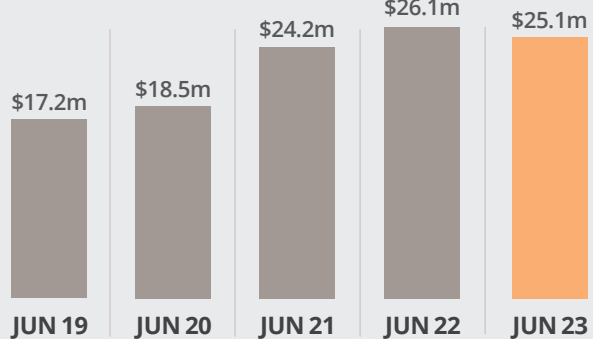
# Targeting quality growth and sustainable profit whilst investing for the future

Loan book growth at over 3x system and NIM contraction

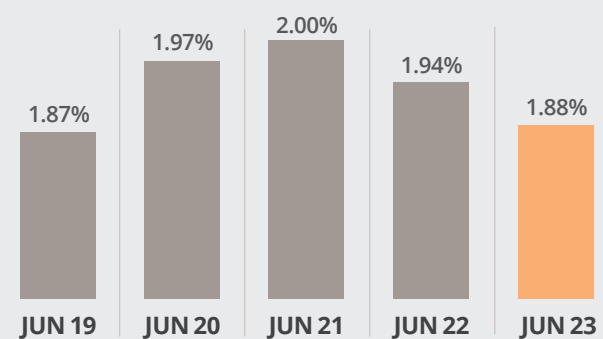
UNDERLYING NPAT



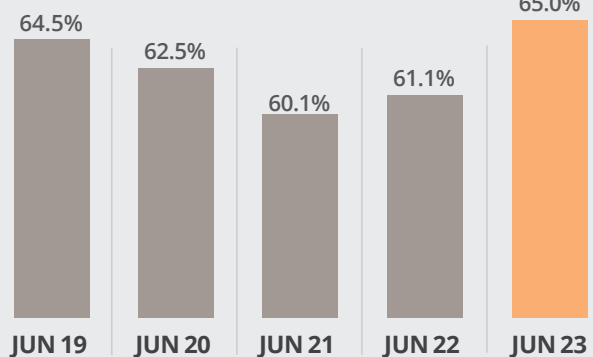
STATUTORY NPAT



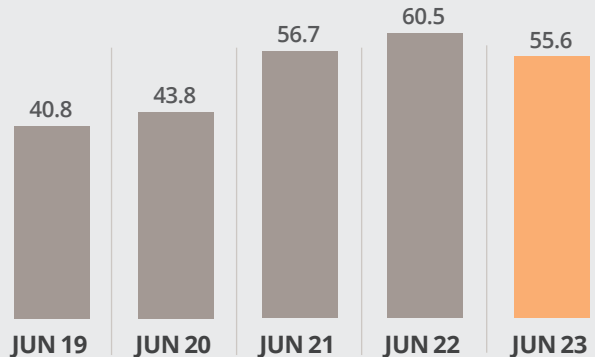
NET INTEREST MARGIN



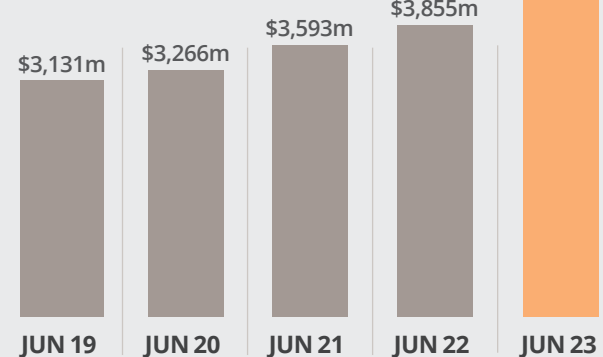
COST TO INCOME RATIO



STATUTORY EARNINGS PER SHARE (CPS)



LOAN BOOK



For personal use only



Managing  
Director's  
Address  
Martin Barrett

For personal use only



# Questions







## Resolution 1 – Election of Director (Mr C Mitchell)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That in accordance with rule 13.4(b) of the Company’s Constitution, Mr C Mitchell, who was appointed by the Board as a non-executive Director of the Company on 1 February 2023 and, being eligible for election, be elected as a Director of the Company.”

*Information about the candidate appears in the accompanying Explanatory Memorandum.*

Proxies Received	For	Against	Abstain/Excluded	Discretion
Number of Proxies Cast	7,139,852 (94.99%)	110,029 (1.46%)	28,065 (N/A)	266,515 (3.55%)

## Resolution 2 – Election of Director (Ms L McGrath)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That in accordance with rule 13.4(b) of the Company’s Constitution, Ms L McGrath, who was appointed by the Board as a non-executive Director of the Company on 1 March 2023 and, being eligible for election, be elected as a Director of the Company.”

*Information about the candidate appears in the accompanying Explanatory Memorandum.*

Proxies Received	For	Against	Abstain/Excluded	Discretion
Number of Proxies Cast	7,138,785 (94.74%)	114,941 (1.53%)	9,220 (N/A)	281,515 (3.73%)



## Resolution 3 – Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That the Remuneration Report for the financial year ended 30 June 2023, as set out in the Company’s 2023 Annual Report, be adopted.”

*The vote on this resolution is advisory only and does not bind the Directors of the Company or the Company.*

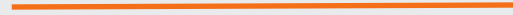
*A voting exclusion applies to this resolution. Please refer to the accompanying Explanatory Memorandum for more information.*

Proxies Received	For	Against	Abstain/Excluded	Discretion
Number of Proxies Cast	6,165,283 (88.38%)	544,349 (7.80%)	46,086 (N/A)	266,515 (3.82%)

For personal use only



# Questions



# Thank you



## Disclaimer

This Presentation has been prepared for Auswide Bank Ltd ABN 40 087 652 060, Australian Financial Services and Australian Credit License Number 239686, ASX Code ABA. The information is current as at 24 November 2023.

### FINANCIAL AMOUNTS

All dollar values are in Australia dollars (A\$) and financial data is presented as at the date stated. Pro-forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of ABA's views on its future financial condition and/or performance. Past performance, including past trading or share price performance of ABA, cannot be relied upon as an indicator of (and provides no guidance as to) future ABA performance including future trading or share price performance.

### FUTURE PERFORMANCE

This Presentation contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward-looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of ABA, and may involve significant elements of subjective judgment as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.



For personal use only



1300 138 831

E: [auswide@auswidebank.com.au](mailto:auswide@auswidebank.com.au)

[auswidebank.com.au](http://auswidebank.com.au)

AUSWIDE BANK LTD ABN 40 087 652 060

Australian Financial Services & Australian Credit Licence 239686

Small things. Big difference.

