

18 November 2015

Manager of Company Announcements
Australian Securities Exchange Ltd
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Auswide Bank Ltd (ABA) – Managing Director & CFO Presentations 2015 AGM

Please find attached presentations which provide a review of the economic environment and strategic progress of the company, together with a review of Auswide Bank's operating activities and performance. These overviews will be presented at today's Annual General Meeting.

Yours faithfully



Martin Barrett
Managing Director

Small things. Big difference.

ANNUAL GENERAL MEETING

MD AND CFO REPORT

18 NOVEMBER 2015

Small things. Big difference.

auswidebank.com.au

ANNUAL GENERAL MEETING

CFO REPORT

BILL SCHAFER

Small things. Big difference.

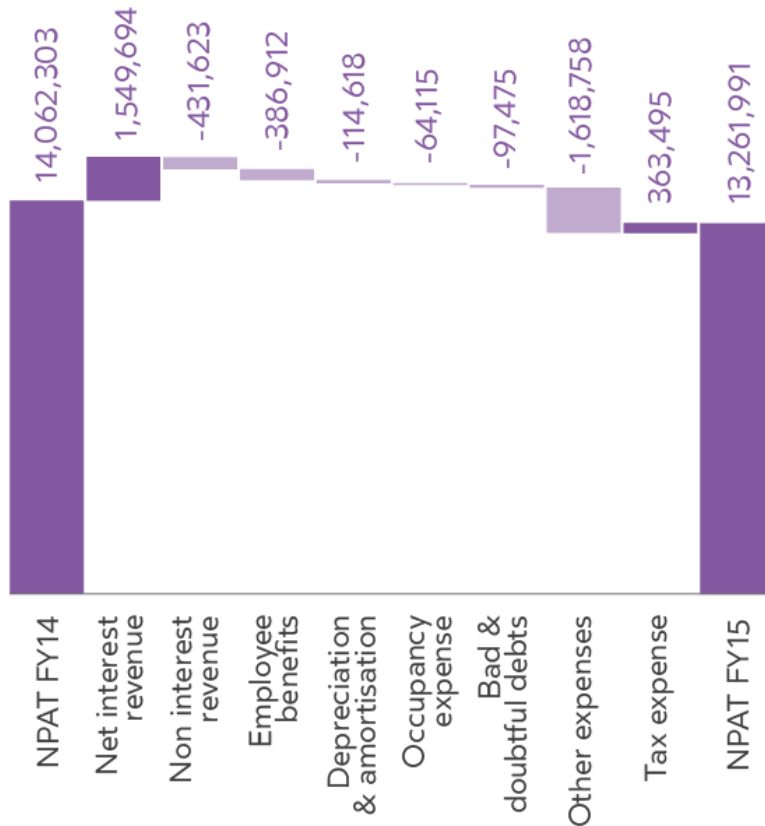
auswidebank.com.au

2014-15 FINANCIAL SUMMARY

OUR PROGRESS HAS UNDERPINNED IMPROVING FINANCIAL PERFORMANCE AND ORGANIC GROWTH

	2014-15	2013-14	Change
Net interest revenue (\$m)	51.203	49.653	↑ 3.1%
Chief entity NPAT – cash underlying (\$m)	13.104	12.196	↑ 7.4%
Consolidated NPAT – statutory (\$m)	13.262	14.063	↓ 5.7%
NIM (basis points)	179	175	↑ 4bp
Chief entity cash underlying cost to income ratio (%)	68.54	69.46	↓ 0.92%
Earnings per share (cents per share)	36.07	38.75	↓ 2.68c
Dividend (cents per share)	30.0	28.0	↑ 2.0c
Capital adequacy ratio (%)	15.15	14.29	-

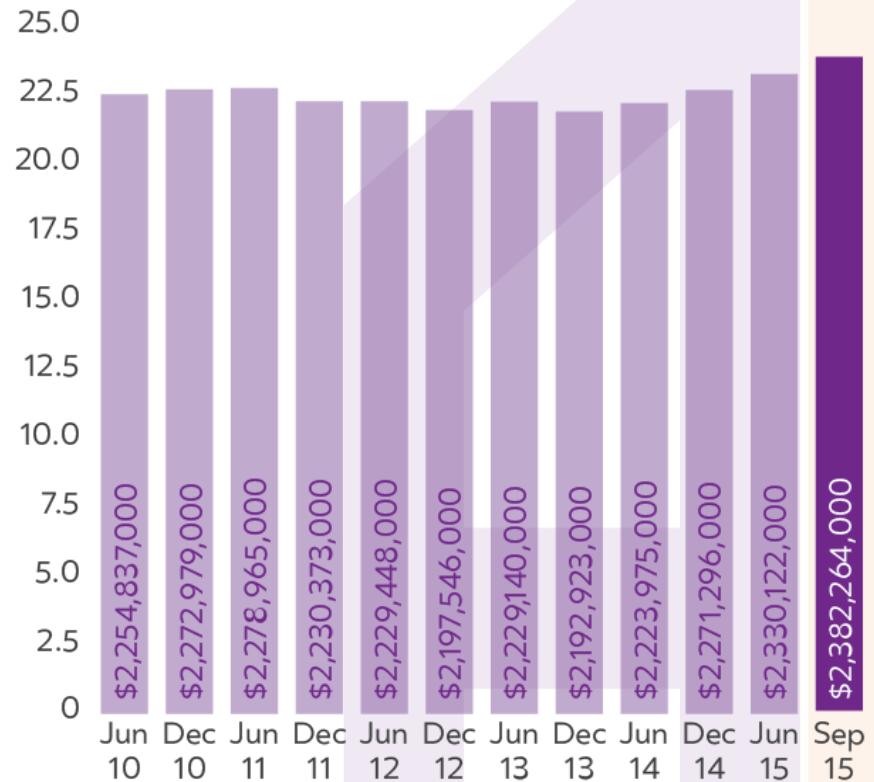
MOVEMENT IN CONSOLIDATED NPAT (FY14 V FY15)



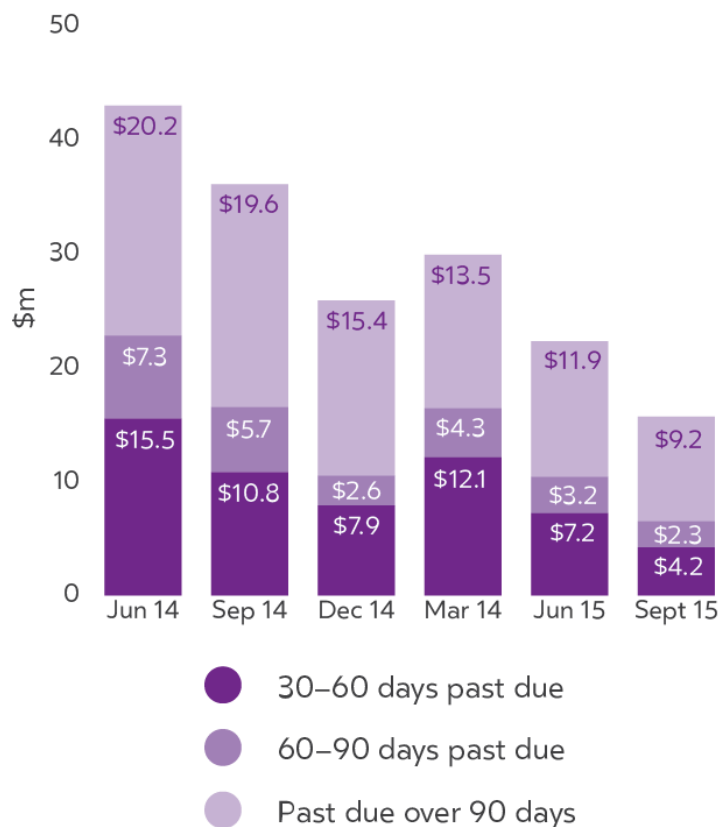
- One-off expenses of \$516,000 relating to rebranding costs and outsourcing of ATM fleet
- Technology overheads up \$425,000
- Mortgage Risk Management net underwriting expenses up by \$950,000

LOAN BOOK GROWTH

- 4.8% loan book growth (>\$100m) in FY15
- In line with QLD system growth despite flat system growth CQ/FNQ
- Growth in residential lending demand from SEQ
- Annualised loan growth of 8.8% in Q1 FY16



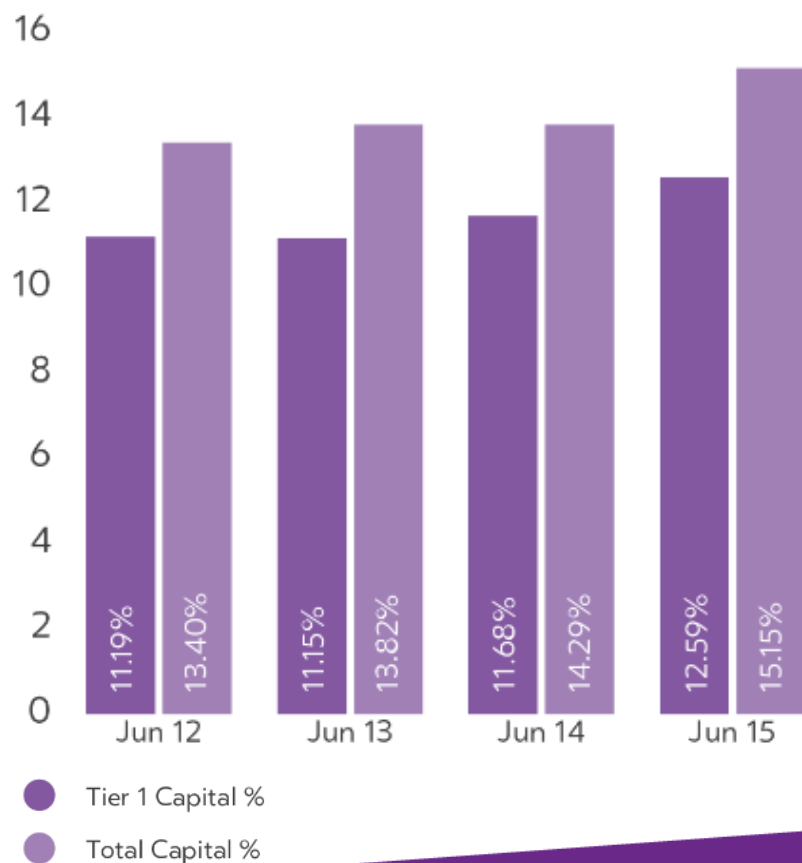
LOAN ARREARS REDUCING



- Arrears fell from \$43.0m to \$22.3m across 2014-15
- Enhanced risk management culture reflected in reduced arrears
- Also reflected in S&P revised credit outlook
- Total provisions for consolidated group (including MRM) at 30 June 2015 of \$6.569m (0.28% of total loans and advances)
- Arrears fell further to \$15.7m in Q1 FY16

STRENGTHENING CAPITAL POSITION

CAPITAL ADEQUACY RATIO



- Capital adequacy ratio (excluding MRM) of 15.15% well ahead of regulatory requirements and Board target (13%)
- Wind-up of MRM on 30 September released \$10m in Tier 1 capital
- Capital adequacy ratio provides flexibility to fund accelerating loan growth

ANNUAL GENERAL
MEETING
MANAGING DIRECTOR'S
REPORT
MARTIN BARRETT

Small things. Big difference.

auswidebank.com.au

2014-15 OVERVIEW

A YEAR OF PROGRESS AND MOMENTUM

- Financial performance is improving and organic growth reignited
- Foundations are strong with high quality origination and reducing arrears
- Regional economic conditions remain challenging – overcome by diversification
- Market remains highly competitive



2014-15 HIGHLIGHTS

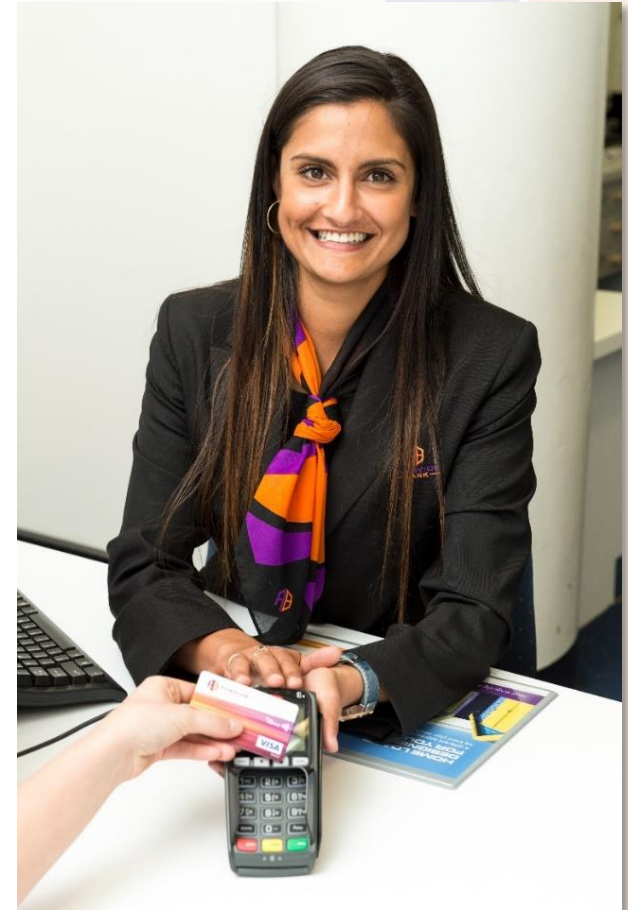
- 🏦 April conversion to Australia's 10th ASX-listed bank with modern new brand
- 🏦 Ongoing efficiency and modernisation:
 - Back office
 - Branches
 - Online and digital
- 🏦 Home loan growth and momentum in Personal Loans and Business Banking
- 🏦 Continuing investments in our people and customer experience
- 🏦 Community connections and support remain strong
- 🏦 S&P rating “BBB” stable outlook



Small things. Big difference.

MARKET OUTLOOK

- 🏦 Environment will remain challenging – low growth
- 🏦 Regulation will continue to be a significant influence on the industry:
 - Capital requirements have not impacted Auswide Bank
 - Providing some opportunity to “reduce the tilt”
- 🏦 Changing customer demands and behaviour



STRATEGIC OUTLOOK

- Further investment and build-out of brand
- Increasing growth momentum across branches, third party, Business Banking, Call Centre and digital channels
- Transformation program to continue modernisation and reduce cost to business
- 10% RoE target by 30 June 2018
- Strong capital position places us well for opportunity and regulatory requirements
- Distribution partnerships and opportunities to be explored



DISCLAIMER

This Presentation has been prepared by 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 30th September 2015.

Financial amounts

All dollar values are in Australian 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.