

30 August 2016

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

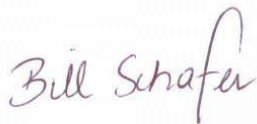
Dear Sir/Madam

Auswide Bank Limited (ABA) – Investor Presentation

Please find attached an investor presentation to be presented to analysts and representatives of institutional investors.

The presentation provides a review of Auswide Bank's operating activities, strategic initiatives and performance.

Yours faithfully



Bill Schafer
Company Secretary

Small things. Big difference.

AUSWIDE BANK

2015-16 RESULTS

AUGUST 2016

Small things. Big difference.

auswidebank.com.au

AGENDA

- Financial Summary
- Strategic Merger with QPCU (“Your Credit Union”)
- Strategic Investment in Peer-to-Peer Lender MoneyPlace
- Loan Book
- Strategy
- Outlook

2015-16 FINANCIAL SUMMARY

Consolidated Entity	Results		
	FY16	FY15	% Change
Underlying cash NPAT	\$14.041m	\$13.655m	↑ 2.8%
Statutory NPAT	\$11.699m	\$13.262m	↓ 11.8%
Loan Book (including YCU)	\$2.666b	\$2.330b	↑ 14.4%
Net Interest Revenue	\$53.892m	\$50.806m	↑ 6.1%
NIM	196bp	198bp	↓ 2bp
Final dividend per share (fully franked)	16.0c	16.0c	-
Total dividend per share (fully franked)	30.0c	30.0c	-
Earnings per share - underlying	37.5c	37.1c	↑ 0.4c
Earnings per share - statutory	31.2c	36.1c	↓ 4.9c

FINANCIAL SUMMARY

2.8% INCREASE IN UNDERLYING CASH NPAT

Reconciliation of Consolidated Statutory NPAT to Underlying Cash NPAT	FY16 \$ million	FY15 \$ million
Statutory NPAT	11.699	13.262
Add back one-off expenses:		
M&A expenses	2.836	-
Branch rationalisation expenses	0.770	-
ATM outsourcing and rebranding	0.078	0.562
Other expenses	0.104	-
Less one-off income items:		
Legal settlements and dividends – MRM Pty Ltd	(1.284)	-
Tax adjustment on one-offs	(0.162)	(0.169)
Underlying cash NPAT	14.041	13.655

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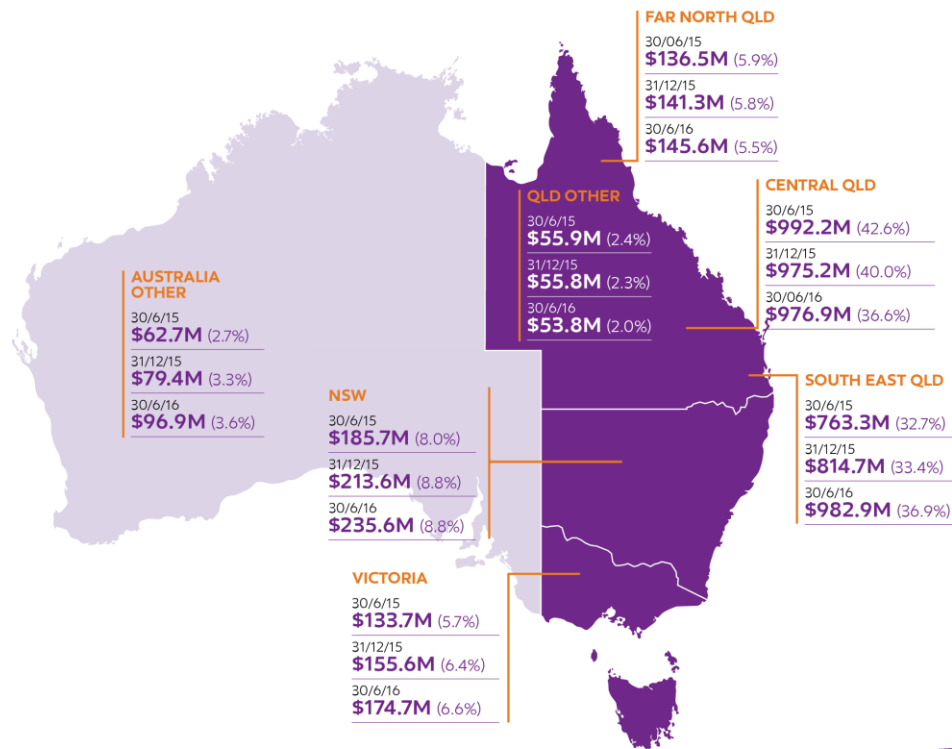
STRATEGIC MERGER WITH QPCU ("YOUR CREDIT UNION")

- ✚ Auswide Bank acquired 100% of the shares of YCU on 19 May 2016
 - ✚ Enhanced SEQ presence including Brisbane CBD branch
 - ✚ 4,000+ new customers
 - ✚ Financial synergies quickly realised and above target
 - ✚ Integration process materially completed by September 2016
- ✚ Merger has raised Auswide Bank's profile in mutuals sector as a potential merger partner
 - ✚ First merger between listed ADI and mutual in more than 10 years
 - ✚ Potential catalyst for further M&A opportunities
 - ✚ Strategic, legal and regulatory templates now developed for further M&A

STRATEGIC INVESTMENT IN PEER-TO-PEER LENDER MONEYPLACE

- ✚ Positions Auswide Bank to benefit from technology disruption across banking sector and accelerate consumer lending ambitions
 - ✚ 19.3% equity stake settled on 4 January 2016
 - ✚ Relationship includes conditional funding of up to \$60m over five years
 - ✚ Over \$1m now invested in consumer loans and accelerating
- ✚ MoneyPlace launched in October 2015 and is Australia's second fully licenced peer-to-peer (P2P) lender in the estimated \$50b Australian P2P market
 - ✚ Connects borrowers directly with investors with simple, streamlined personal loan product providing loans between \$5,000 and \$35,000
 - ✚ Credible Advisory Board and management to establish Australian market presence and drive growth

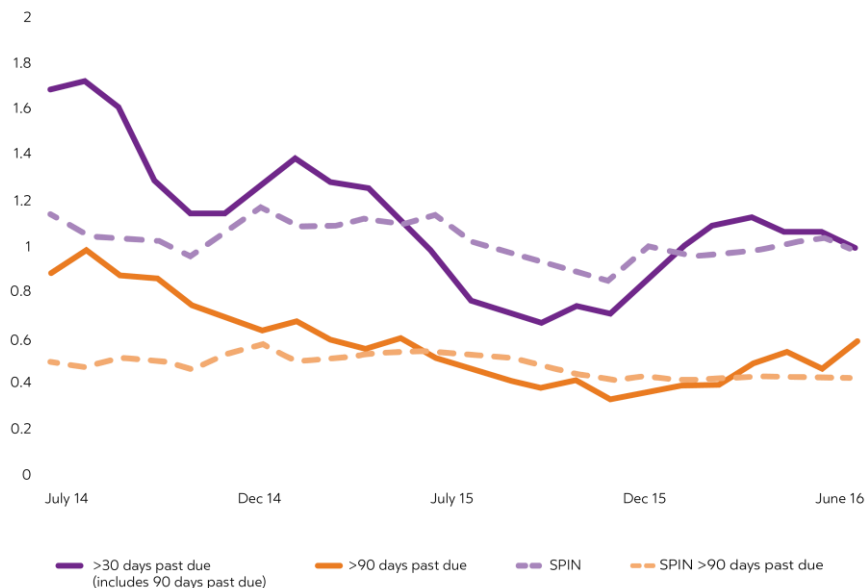
LOAN BOOK DISTRIBUTION



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LOAN BOOK – ARREARS

Loans and Advances Past Due (% of loan Portfolio)



Arrears continue to be well managed:

- 0.99% of total loan book (2015: 0.96%)
- Within SPIN (Regional Banks: 2.12% and Other Banks: 1.00% at 30 June 2016) despite difficult economic conditions

STRATEGY– INVESTMENTS

- Rebranding of branches which commenced in 2014/15 now completed, creating a more modern look and customer-friendly experience
- Six branch upgrades completed during 2015/16 including Maryborough, Gympie, Nambour, Townsville and two branches in Bundaberg
- Installation of core banking system finalised
- Deployment of a new automated loan origination system resulting in significant processing efficiencies
- Further efficiencies as cost effective procedures are implemented across the 2016/17 year
- Outsourced loans documentation and settlement processes and Internal Audit for better capability and scale

STRATEGY– STRUCTURE

- ⌘ Restructure of sales channels, products and marketing to provide better allocation of resources
- ⌘ Strategy structured around customer with significant focus on growth through all distribution points
- ⌘ Strengthening the bank through management capabilities, risk and audit processes and capital position

STRATEGY– TRANSFORMATION

- 🏠 Ongoing redesign and improvement in end-to-end lending processes
- 🏠 Lending processes enhanced by Lendfast system to support greater output at lower cost
- 🏠 Automation of process and simplification of products including online loans and account opening

STRATEGY– GROWTH

- 🏠 Online personal loan account opening
- 🏠 Further M&A opportunities to be explored
- 🏠 Further brand investment for greater awareness and consideration
- 🏠 Continuation of consumer lending growth via:
 - 🏠 Accelerating personal loan growth
 - 🏠 P2P presence
 - 🏠 New credit card capability

OUTLOOK

- ⌘ New branding and lending campaign to challenge ongoing competitive environment
- ⌘ Regional economic challenges mitigated through lending in south-east Qld, Sydney and Melbourne
- ⌘ Diversification of lending through personal loans and business banking
- ⌘ Continuation of momentum in loan book growth
- ⌘ Arrears well managed and within SPIN
- ⌘ Funding diversification and management of NIM
- ⌘ Provisions adequate for current and future arrears

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 29 August 2016.

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.



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