

18 August 2017

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

Dear Sir/Madam

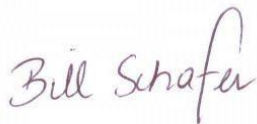
Auswide Bank Limited (ABA) – Investor Presentation

Please find attached a revised investor presentation.

The disclaimer was inadvertently omitted in the initial release.

There has been no changes to the content of the release other than the addition of the disclaimer.

Yours faithfully



Bill Schafer
Company Secretary

Small things. Big difference.



2016-17 RESULTS INVESTOR BRIEFING

August 2017

*Small things.
Big difference.*

2016-17 Financial summary

CONSOLIDATED ENTITY	FY17	FY16	Change
Underlying NPAT	\$15.636m	\$14.041m	⬆ 11.4%
Statutory NPAT	\$15.149m	\$11.699m	⬆ 29.5%
Loan Book	\$2.773b	\$2.666b	⬆ 4.0%
Net Interest Revenue	\$57.509m	\$53.893m	⬆ 6.7%
Net Interest Margin	190 bps	196 bps	⬆ 6bps
Final dividend per share (fully franked)	17.0c	16.0c	⬆ 1.0c
Total dividend per share (fully franked)	31.0c	30.0c	⬆ 1.0c
Earnings per share - underlying	38.5c	37.5c	⬆ 1.0c
Earnings per share - statutory	37.3c	31.2c	⬆ 6.1c
Return on Equity - underlying	7.2%	7.0%	⬆ 0.2%
Return on Equity - statutory	6.9%	5.8%	⬆ 1.1%
Return on Tangible Equity – underlying	9.2%	8.9%	⬆ 0.3%
Return on Tangible Equity – statutory	8.9%	7.4%	⬆ 1.5%
Underlying Cost to Income Ratio	65.6%	69.1%	⬆ 3.5%

END YEAR RESULTS – 2016/17



Financial summary

**11.4% increase
in underlying NPAT**

**29.5% increase in
Statutory NPAT**

Reconciliation of Consolidated Statutory NPAT to Underlying NPAT

	FY17 \$ million	FY16 \$ million
Statutory NPAT	15.149	11.699
Add back one-off expenses:		
M&A expenses	-	2.836
Branch rationalisation expenses	-	0.770
Other expenses	-	0.182
Professional fees - MoneyPlace controlling interest	0.188	-
Professional fees - YCU acquisition	0.126	-
Stamp Duty - YCU acquisition	0.265	-
Less one-off income items:		
S&P and Lehman dividends	-	(1.284)
Tax adjustments on one-offs	(0.092)	(0.162)
Underlying NPAT	15.636	14.041

Financial summary

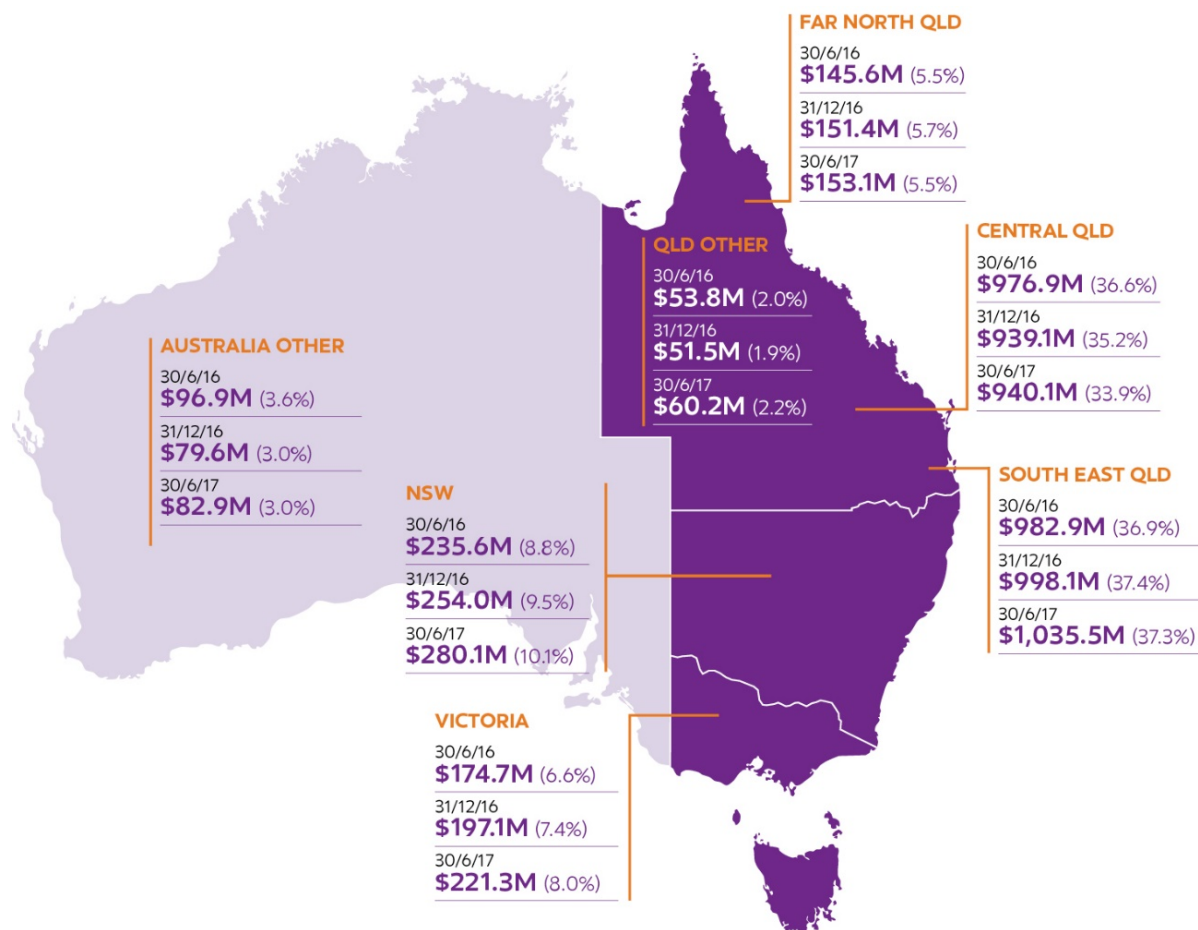
Commentary

- The YCU merger was a strategic acquisition for Auswide and has resulted in the realisation of financial synergies.
- Loan book growth of 4.0% achieved primarily in H2 (implementation of new LendFast origination system restricted H1 growth).
- Customer numbers increased from 79,508 at 30 June 2016 to 84,101 at 30 June 2017 (increase of 5.8%) under the appointment of Chief Customer Officer.
- Cost to Income Ratio down due to strict expense control and management.
- NIM declined by 6 basis points over the financial year - a good performance in the current environment of intense competition.
- MoneyPlace funding at \$14.042m. Average net margin 7.4%.

END YEAR RESULTS – 2016/17

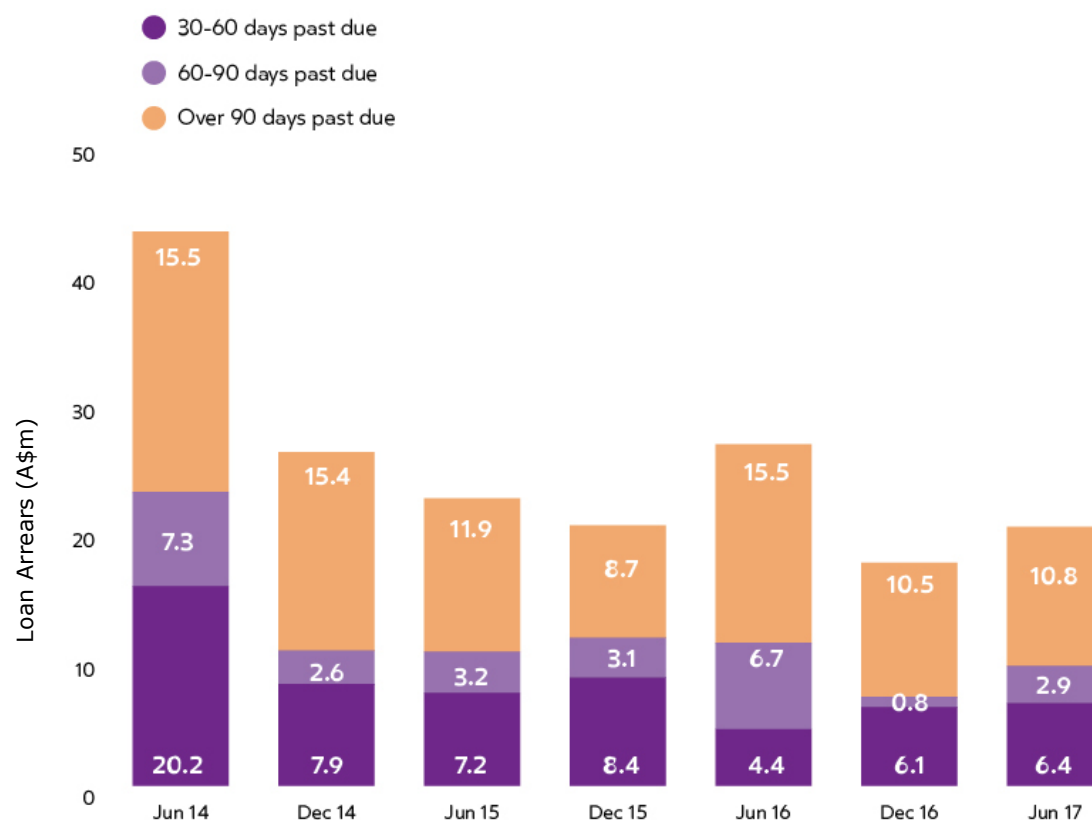


Loan book distribution



Loan book arrears

Loans and Advances Past Due



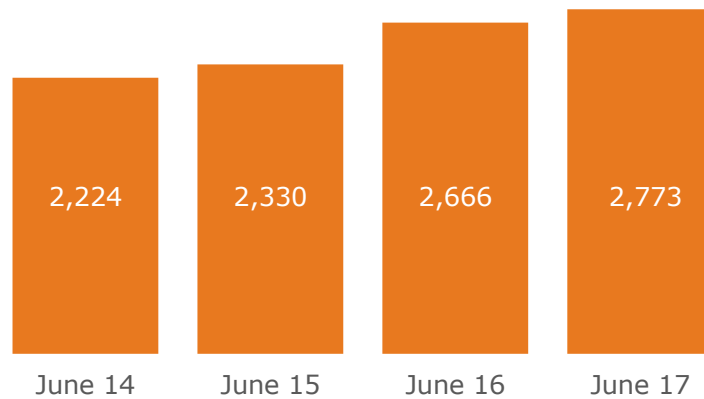
LOANS PAST DUE v. SPIN (percentage of total loans)

(Auswide figures: as at 30 June 2017, SPINs: as at 31 May 2017 - latest available at time of publication)

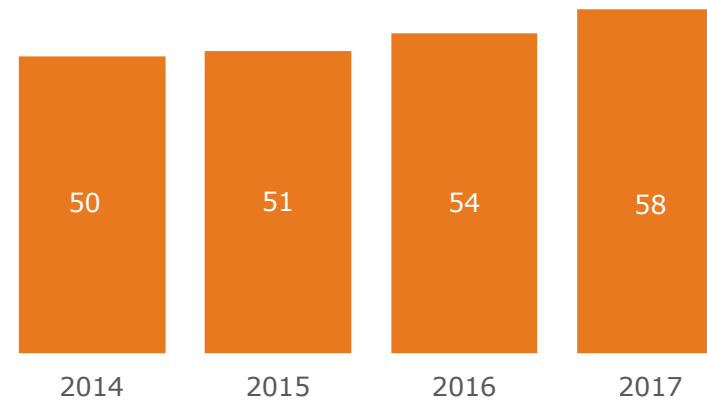
	Auswide	SPIN (Other Banks)	SPIN (Regional Banks)
> 30 days past due (includes >90 days past due)	0.73	1.06	1.69
> 90 days past due	0.39	0.50	0.72

Loan book and Net interest income

LOANS AND ADVANCES BALANCES (\$M)



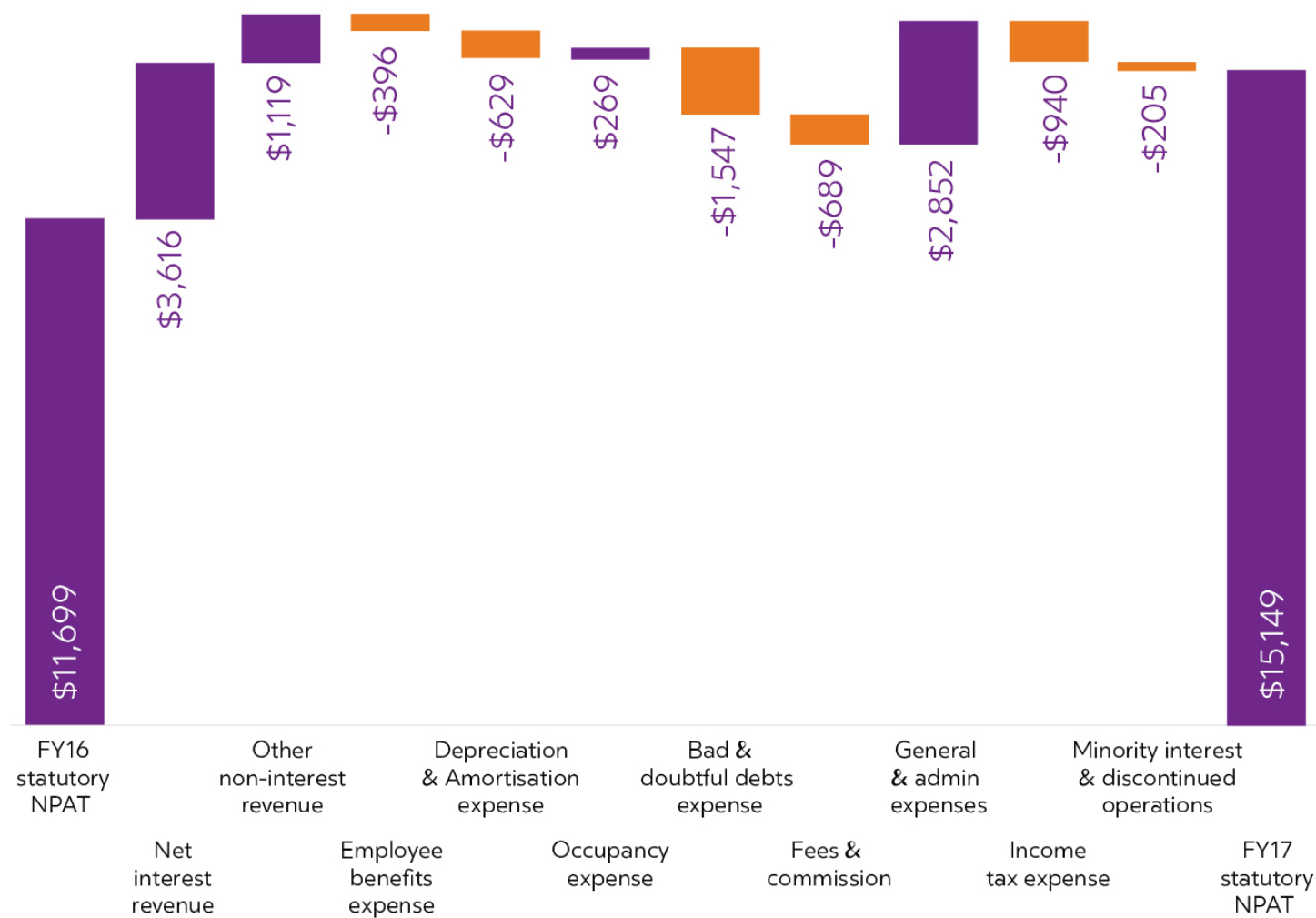
NET INTEREST INCOME (\$M)



END YEAR RESULTS – 2016/17



NPAT reconciliation



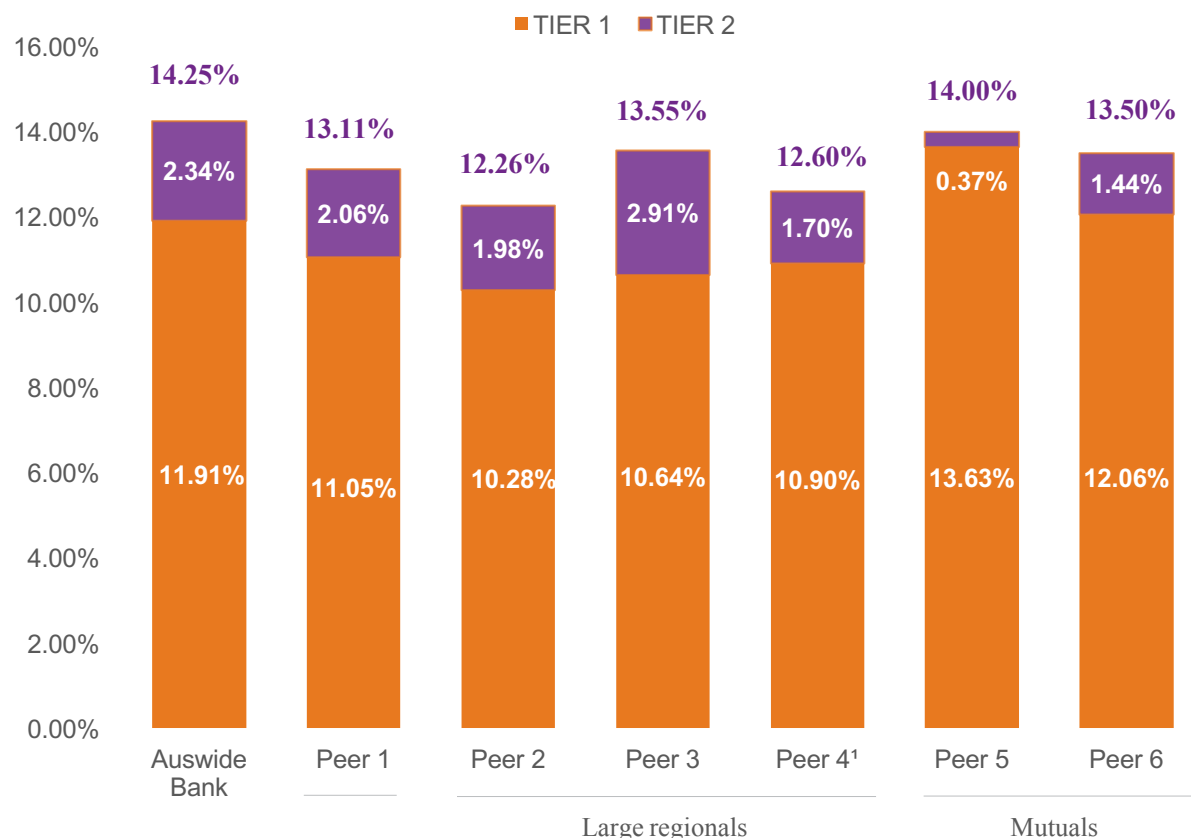
END YEAR RESULTS – 2016/17



Capital comparison to peers (at March 2017)

DRP for 2017 final dividend will be fully underwritten at DRP price

Auswide capital figures at 30 June 2017: Tier 1 – 12.20%, Total – 14.58%



¹At February 2017

END YEAR RESULTS – 2016/17



MoneyPlace update

Acquired controlling interest in MoneyPlace

- Auswide now holds a 63% equity stake in MoneyPlace
- MoneyPlace loan fundings continue to increase (\$2.0 - \$2.5m per month)
- Auswide's funding has grown from \$1.412m at 30 June 2016 to \$14.042m at 30 June 2017 (increase of \$12.63m) at an average net margin of 7.4% giving an annualised return of \$0.57m
- Arrears performing better than budget at less than 1% of balance over 90 days in arrears
- Broker affiliations
- MoneyPlace growth complements organic increase in consumer lending
- Forecast funding to \$26.0m at end of FY18

END YEAR RESULTS – 2016/17



Strategy

Home Loans

- LendFast upgrade
- Apply Online capability
- Process optimisation
- Third-party service improvement

Funding Optimisation

- Continue growth in customer deposits
- Maintain efficient management of funding and mix of wholesale liabilities
- Maximising returns on liquid investments

Personal Loans

- MoneyPlace growth
- Increase in branch based capability
- Margin optimisation

Expense Management

- Focused management of expenses
- Continue transformation projects
- Reduce Cost to Income ratio

Market dynamics

Increasing regulatory pressures

- Introduction of initiatives around Investor, High LVR and Interest Only lending ensured that Auswide was well placed to manage lending portfolio risks well ahead of APRA tightening regulatory controls over residential mortgages.
- APRA's announcement of 'unquestionably strong' capital benchmarks in July 2017 is expected to lead to an increase in Auswide's capital requirement of around 50 basis points, however Auswide is already in a strong capital position.
- APRA's BEAR (Banking Executive Accountability Regime) to enhance the responsibility and accountability of ADIs and their directors and senior executives, includes changes around:
 - Registration of senior executives
 - New APRA powers and penalties
 - Remuneration.

Reputation pressures on Big Four banks is an opportunity for Auswide Bank

- Significant reputational risks for Big Four playing out in unprecedented political and media attention.
- Public scrutiny reducing consumer trust in major banks, which is an opportunity for customer growth for nimble, smaller institutions like Auswide Bank.
- These macro risks for the big banks do not generally apply to smaller banks like Auswide and present an opportunity for investor consideration of ABA.

Outlook

- QLD Economic Forecast – improvement is expected to be driven by:
 - Mining and resources investment
 - International tourism
 - State investment
- Slower home loan growth in H1 FY18 followed by strong second half
 - Investor lending caps / Interest only lending
- Strong origination quality to continue to build a quality loan book
- Continued capital strength and ongoing risk culture improvement

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 18 August 2017.

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.