

27 May 2024

Auswide Bank Trading Update and Guidance for FY24

Auswide Bank Ltd (ASX: ABA) today provides a trading update and guidance for FY24.

Market conditions remain challenging. Deposit and lending competition has been significant and wholesale funding costs remain elevated. Hedging assumptions on the fixed rate book have been tested in the face of a higher interest rate environment combined with low-cost deposit migration to higher priced term deposits.

Home loan portfolio

The home loan portfolio has remained steady with a YTD increase of 2% on 30 June 2023. Looking forward, it is expected the net interest margin (NIM) will be supported over the course of FY25 as the fixed rate portfolio continues to reach maturity, with 23% of the home loan portfolio maturing from fixed rates and migrating to higher market rates.

Incremental improvement in the NIM is projected across FY25 as the fixed loan portfolio matures and reprices to the higher rates on offer in the current mortgage market.

Operating expenses

Operating expenses continue to be tightly managed with an increase of less than 3% for the ten months to April compared to the prior year, reflecting Auswide's ongoing focus on operating efficiencies in a high-inflation environment.

Arrears and capital

Arrears levels remain low reflecting the quality of the loan book as borrowers continue to show resilience to the higher cost of living and the impact of higher interest rates. Arrears >30 days past due were just 0.24% of the loan book at 30 April 2024, comparing favourable with the SPIN index.

Capital remains strong and projections indicate a capital adequacy ratio of approximately 14.5% at 30 June 2024.

Customers

Auswide continues to concentrate on providing a positive banking experience for customers, through face-to-face banking within our branch network, on the phone via the Customer Hub and across our digital platforms. Auswide remains committed to supporting our customers through prioritising home loan support and retention for existing customers and delivering better outcomes by investing in our people, technology and cyber security.

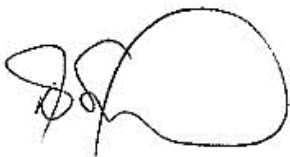
Small things. Big difference.

FY24 NPAT and NIM

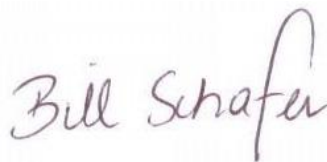
Based on current conditions and projections Auswide expects the unaudited Net Profit after Tax to fall within the range of \$10.9m - \$11.3m. Current projections are forecasting Home Loan growth in the region of 2.0% and a NIM of approximately 144bps.

The guidance contained in this update is based on forecasted projections and is indicative only, subject to the end of year audit and review process.

This announcement has been authorised by the Board.



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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 and services issued directly or in partnership with leading service providers via an omni-channel distribution strategy which includes branches, strategic relationships and online and digital channels.

Small things. Big difference.