

18 November 2024

## Auswide Bank Ltd (ABA) 2024 Annual General Meeting Presentation

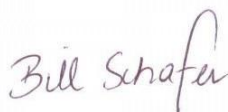
Auswide Bank Ltd's (ASX: ABA) 2024 Annual General Meeting will be held today at 11.00am Brisbane time. The meeting will be held at Christie Spaces Conference Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland 4000 or online at <https://meetnow.global/MSKJDZM>.

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

*This announcement has been authorised by the Company Secretary.*



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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.

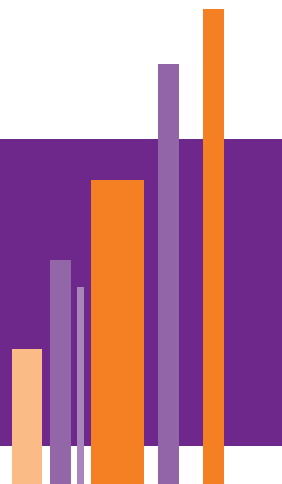
Auswide Bank offers Australians an extensive range of personal and business banking products & services issued directly or in partnership with leading service providers via an omni-channel distribution strategy which includes branches, strategic relationships and online & digital channels.

*Small things. Big difference.*



# Annual General Meeting

18 November 2024

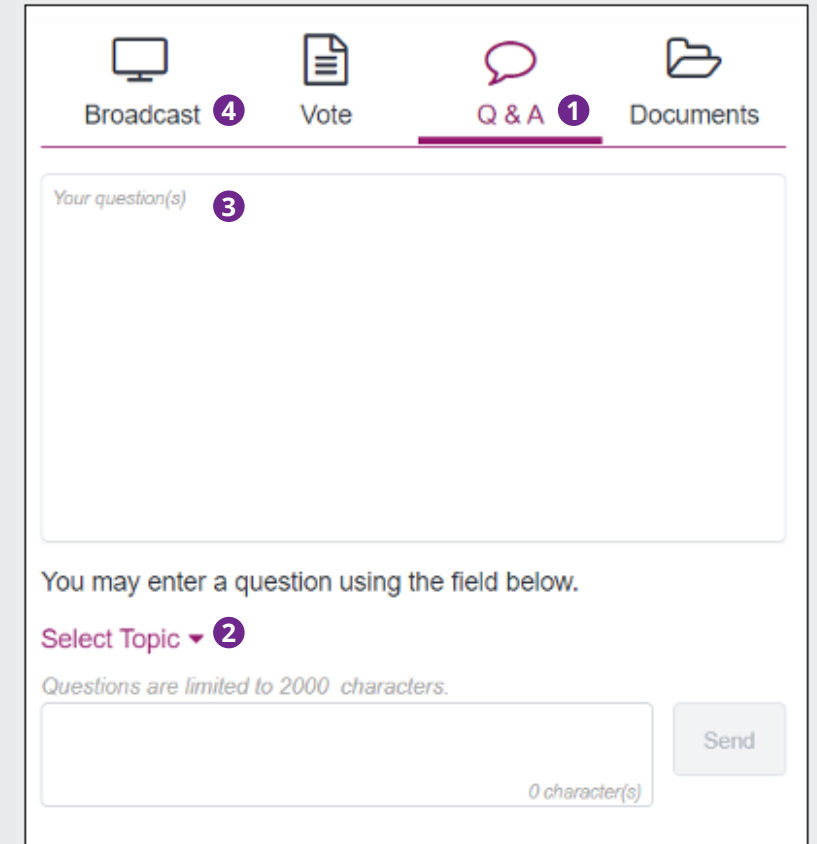


# Acknowledgement of Country

We acknowledge the Traditional Owners of the lands on which we operate and pay our respects to Elders past and present, and to emerging community leaders. We also acknowledge the important role Aboriginal and Torres Strait Islander peoples continue to play within the communities in which Auswide Bank operates and where our team members reside.

# How to ask a question


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





The screenshot displays a user interface for asking questions. At the top, there are four icons: a monitor for 'Broadcast', a document for 'Vote', a speech bubble for 'Q & A', and a folder for 'Documents'. The 'Q & A' icon is highlighted with a purple underline and a circled '1'. Below the icons is a large text box labeled 'Your question(s)' with a circled '3'. Underneath this box is the instruction 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu with a circled '2'. Below the dropdown is a smaller text box with a character count '0 character(s)' and a 'Send' button. A note above the smaller text box states 'Questions are limited to 2000 characters.' The 'Broadcast' icon has a circled '4' next to it.


# How to vote

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

Broadcast

Vote 1

Q & A

Documents

Items of Business

2A Re-elect Mr Sam Sample as a Director

2


FOR

AGAINST

ABSTAIN

2B Re-elect Ms Jane Citizen as a Director

3



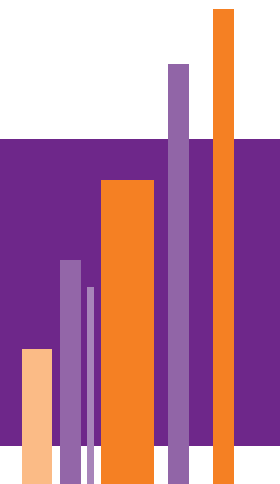
We have received your vote **For**  
Click here to change your vote. 4





# Annual General Meeting

18 November 2024





# Chair's Address

Sandra Birkensteigh



# Financial Overview

Bill Schafer, Chief Financial Officer



# FY24 Key Financial Metrics

## FINANCIAL RESULTS

Statutory NPAT	\$11.231m	down 55.2%
Underlying NPAT <sup>1</sup>	\$10.283m	down 59.0%
ROE Statutory	3.9%	down 4.8%
ROE Underlying <sup>1</sup>	3.6%	down 5.1%
EPS Statutory	24.2c	down 31.4c
Cost to income Ratio	79.9%	up 14.9%

## BALANCE SHEET, CAPITAL AND FUNDING RESULTS

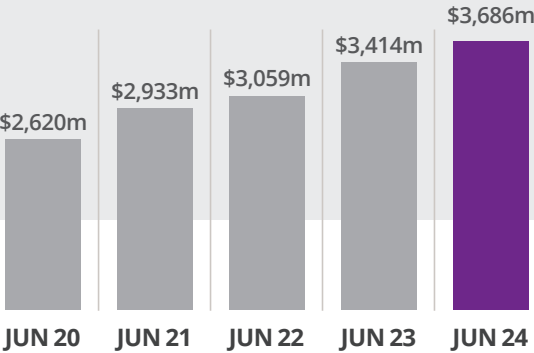
Net Interest Margin (NIM)	142bps	down 46bps
Loan Book Arrears	0.20%	up 0.10%
Total Provisions	\$6.7m	up \$0.2m
Capital Adequacy Ratio	14.8%	up 1.1%
Loan Book <sup>2</sup>	\$4.429b	up \$26m
Deposits	\$3.686b	up \$272m

<sup>1</sup> Difference between Statutory and Underlying NPAT and ROE in FY24 arose as a result of a gain on the sale of the investment in FAMG of (\$1.108m) and \$0.160m for professional fees relating to potential M&A activities

<sup>2</sup> Including investments in Managed Investment Schemes (MISs) reported in Financial Assets on the Balance Sheet

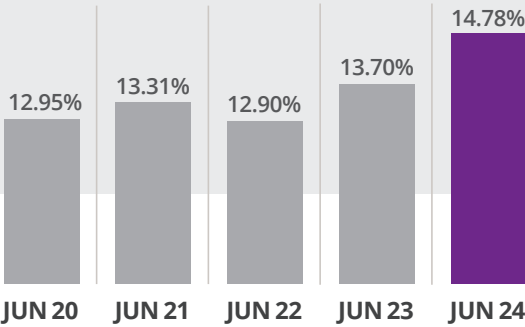
# Balance Sheet Metrics

## Customer Deposits



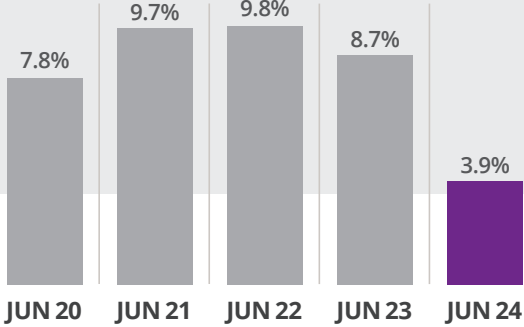
- > 7.97% growth in deposits reflects strategic focus on cost effective funding lines
- > 75.3% of funding from Customer deposits (FY23: 72.4%)

## Capital Adequacy Ratio



- > Capital remains strong at 14.78%
- > CET1 of 12.12%
- > Capital in excess of Board target of 13.25%

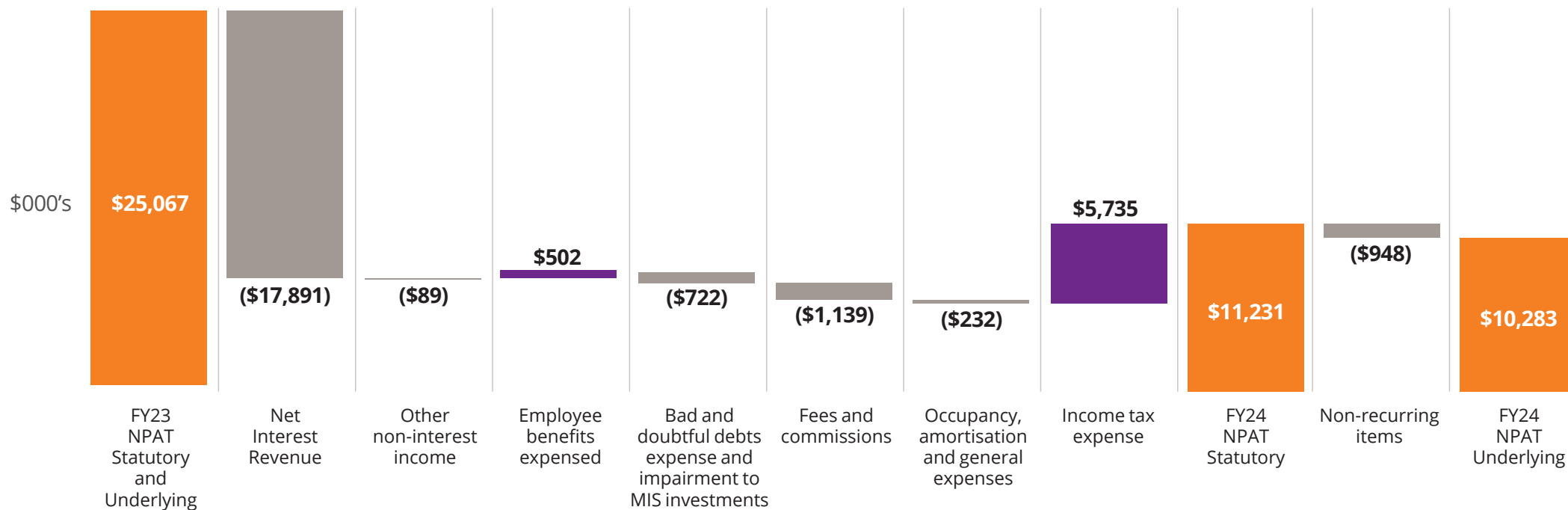
## Statutory ROE



- > ROE of 3.9%, down from 7.8% in June 2020

# NPAT Reconciliation

NPAT impacted by margin pressure in loan and funding markets

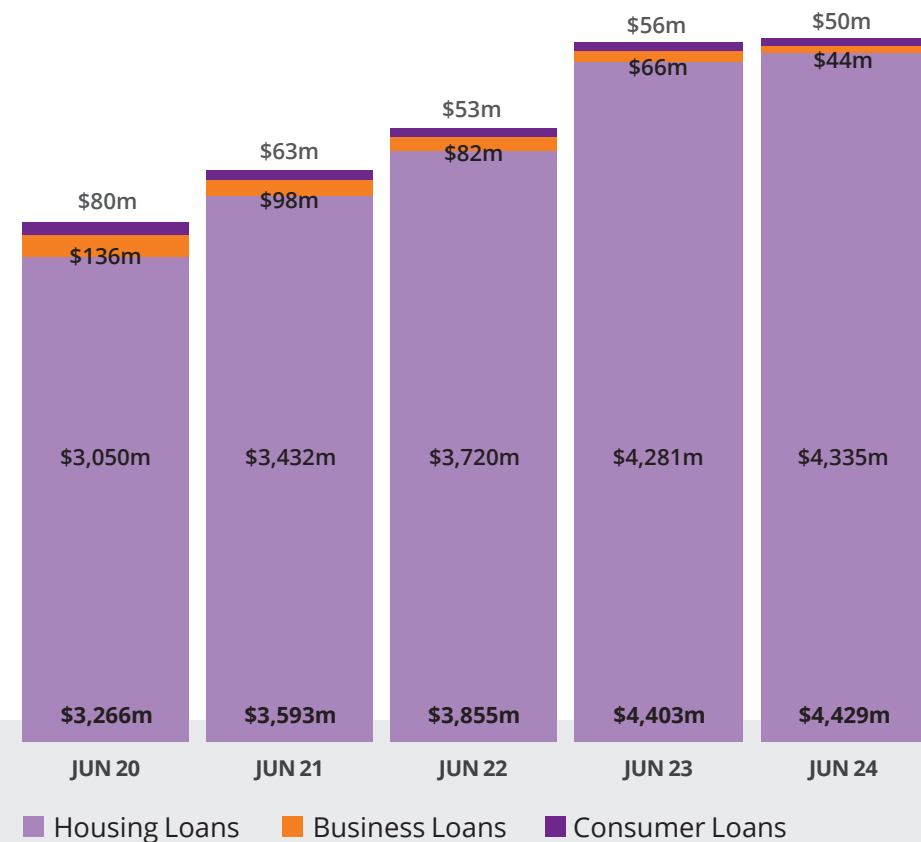


- > Statutory NPAT of \$11.231m, down 55.2% on FY23
- > Net interest revenue decline of 20.1% on the back of increase competition and rising cost of funds
- > Operating expenses were tightly controlled with a 1.0% increase on pcp (excluding expected credit losses)
- > Continuing investment in technology, data and cyber security and skills in IT and risk-based functions
- > In 1H FY24 a gain on the sale of the investment in FAMG of (\$1.108m) was recognised. There was also \$0.160m for professional fees relating to potential M&A activities

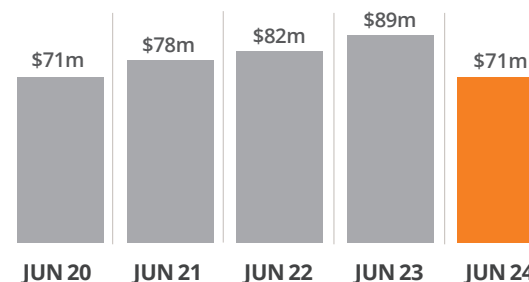
# Loan Book Growth

Conservative loan book growth during a period of intense competition

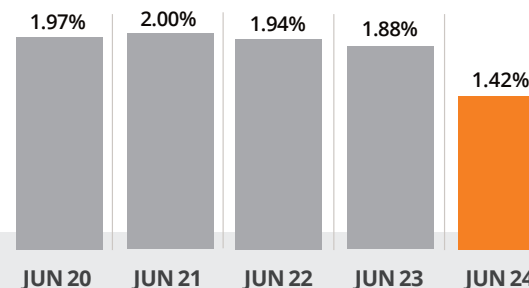
## Loans and Advances Balances



## Net Interest Income



## Net Interest Margin

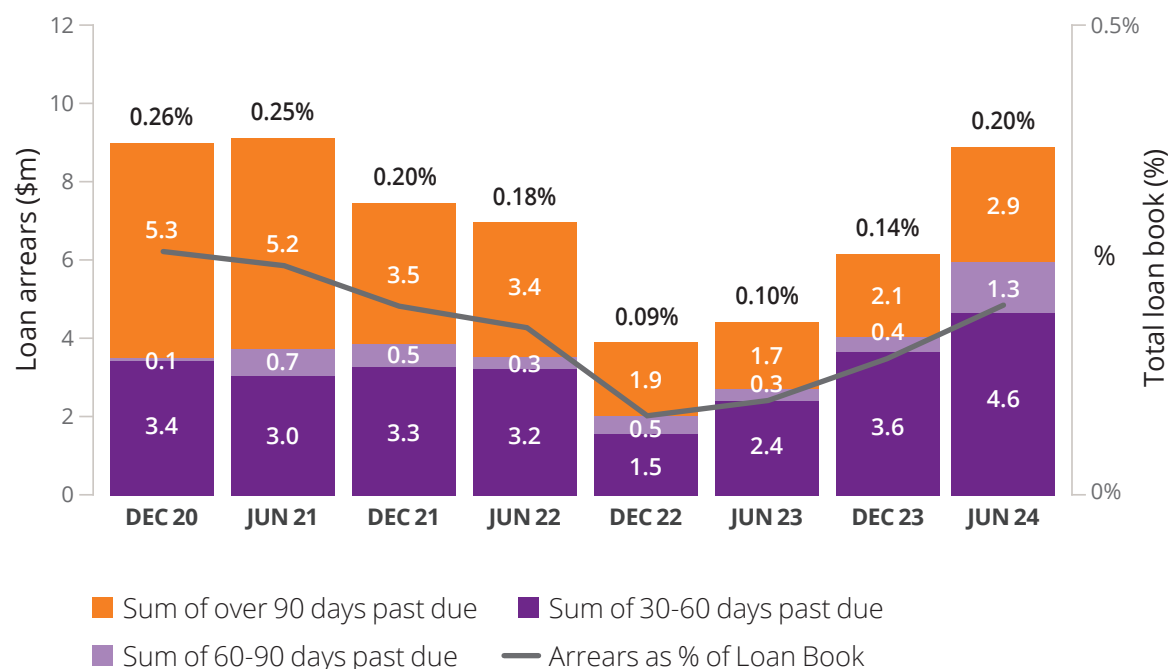


- > Net interest revenue of \$71m, down 20.1% on FY23
- > Net interest margin of 1.42% (FY23: 1.88%)
- > Loan book grew 5.5% (annualised) across 2H FY24 after marginal decline in 1H FY24
- > Housing loans of \$4,335m, up 1.3% on FY23; 97.88% of loan book
- > Business lending of \$44m with a pause in new lending after a change in strategy in FY21 (0.99% of loan book)



# Loan Book Arrears

Credit quality and low arrears maintained



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

	30 days past due (includes >90 days past due)	90 days past due
AUSWIDE	0.20	0.07
SPIN (Other)	0.81	0.40
SPIN (Regional)	1.22	0.60

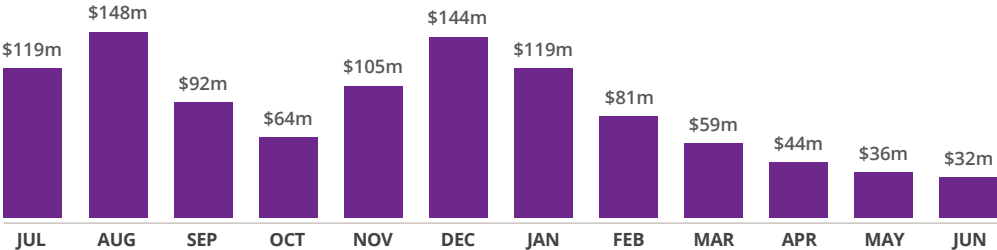
Auswide figures: at 30 June 2024 | SPINs: at 31 May 2024  
(latest available at time of publication)

- Continued rigorous credit assessment reflected in low level of arrears
- Early and proactive approach to collections supporting industry leading loss rates
- Advance payments of \$256m (5.8% of total loan book) enhances credit quality
- \$452m in Offset accounts (10.2% of total loan book)
- >30 days past due arrears remain low at 0.20% of loan book
- >90 days past due arrears at 0.07% of loan book

# Net Interest Margin

Over \$1 billion of fixed rate loans maturing in FY25

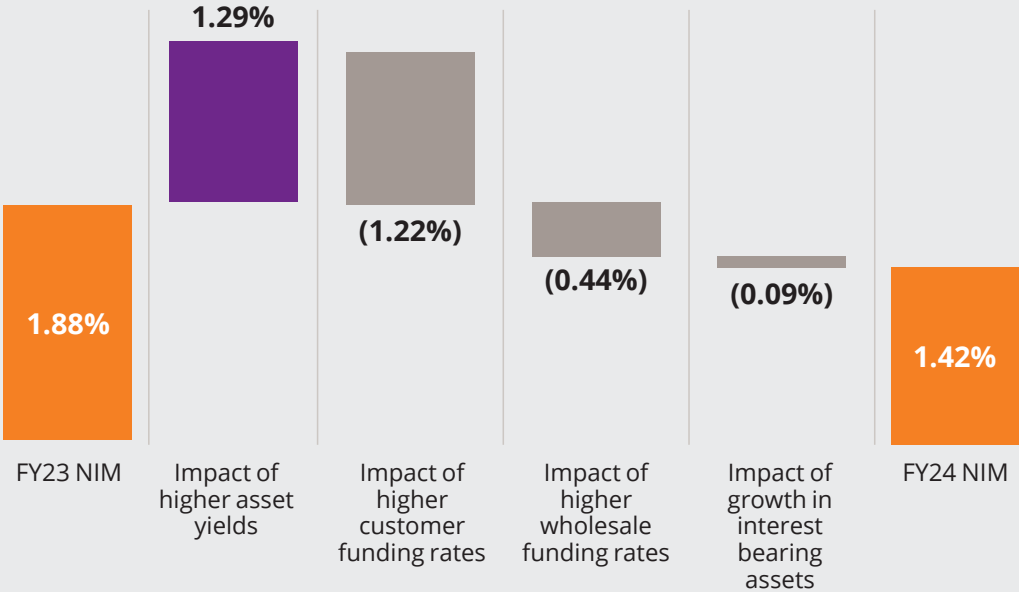
## Fixed Rate Loan Maturities (FY25)



## Fixed Rate Loan Maturities

- > Maturity of fixed rate loans will continue to contribute to NIM improvement
- > The average rate of fixed loans maturing in 1H FY25 is 3.73% and in 2H FY25 4.19%. These loans will roll to current market rates, delivering a material uplift in interest revenue
- > \$672m of fixed rate loans maturing in 1H FY25 and \$371m maturing in 2H FY25
- > Strong retention rates for fixed to variable rate loans will support the potential uplift to margins
- > 84% of all fixed rate loans will mature by 30 June 2025

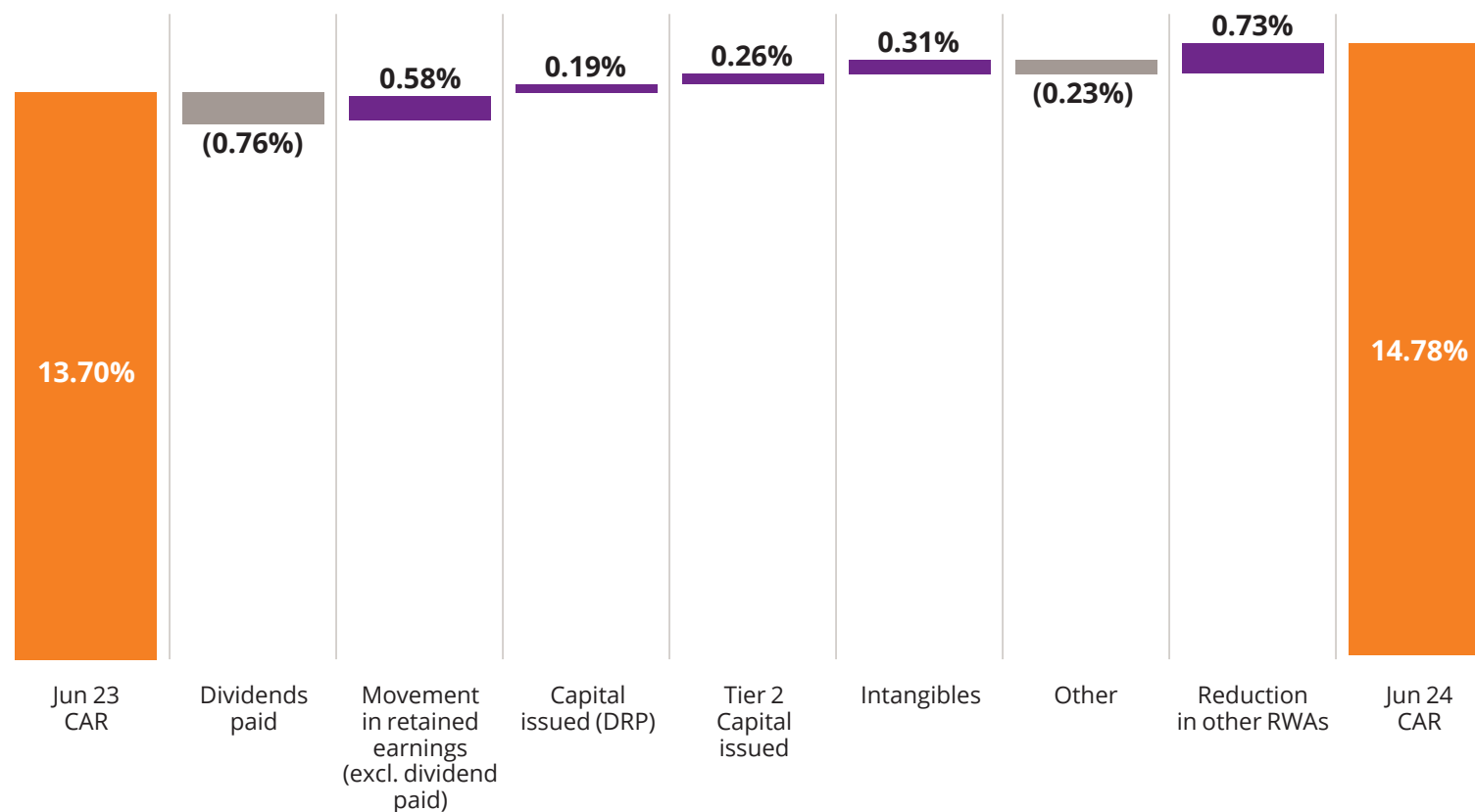
## Net Interest Margin Reconciliation



- > NIM of 1.42% in a competitive rapidly rising interest rate environment
- > Rising funding costs are nearly at the same level as highly competitive home loan pricing

# Capital Waterfall

Capital strength to support growth in the loan book



- > Capital at 14.78%, in excess of board target
- > CET1 of 12.12%
- > Maintained dual investment grade ratings from Fitch and Moody's of BBB+ Baa2 respectively
- > Securitisation trust ABA Trust 2023-1 settled in December 2023 providing capital relief



# Managing Director's Address

Doug Snell



## 4 Key Strategic Imperatives

1

Focus on third party  
and Private Bank

2

Excellent customer  
experience

3

Invest in digital where  
it make sense

4

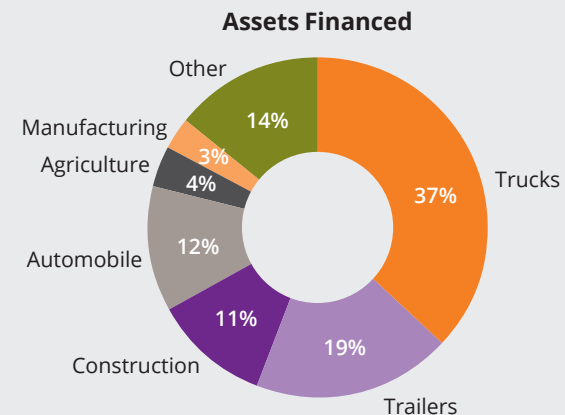
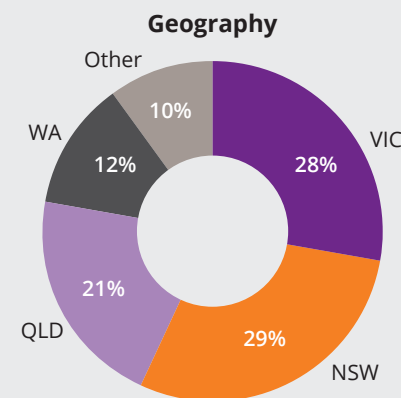
M&A  
activities

# M&A Activities

## SPECIALIST EQUIPMENT LEASING FINANCE COMPANY PTY LTD (SEFLCO) ACQUISITION

- > Auswide completed the acquisition of Selfco on 28 August 2024
- > Selfco is an established non-bank SME asset finance lender, delivering an end-to-end “whole of business” service from origination, credit approval, settlement to asset management
- > The strategically compelling acquisition facilitates Auswide’s entry into asset finance, providing portfolio diversification and driving scale by expanding Auswide’s service offering into the large addressable SME funding market
- > Selfco holds a diversified portfolio of outstanding receivables by both geographies and asset types

## Outstanding Receivables Breakdown<sup>1</sup>



<sup>1</sup> Portfolio data as at 30 June 2024

# Proposed MyState Merger

- > On 19 August 2024, Auswide announced that it had entered into a Scheme Implementation Agreement with MyState Bank and MyState under which, subject to Conditions Precedent including Auswide Shareholder approval, 100% of the Auswide Shares will be acquired by MyState Bank under the Scheme
- > MyState Bank is an Australian public company limited by shares registered in Tasmania, Australia and was incorporated on 18 November 1959. It was formerly known as MyState Financial and it is the product of a series of mergers between Tasmanian credit unions over several decades. It is now a wholly owned subsidiary of MyState and is head-quartered in Hobart, Tasmania
- > The Scheme Booklet (including the Independent Expert's Report in Annexure A), announced on the ASX on 23 October 2024, sets out details of the proposed transaction and important matters relevant to your vote in relation to the Scheme. Shareholders should read the Scheme Booklet and the accompanying Independent Expert's Report in full before deciding whether to vote in favour of the scheme.
- > The Scheme Meeting is currently scheduled to be held at 11.00am (AEDT) (10.00am Queensland time) on Monday, 2 December 2024 at the Christie Spaces Conference Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland 4000 or online via online meeting platform. Any updates to the Scheme process will be announced via the ASX

# FY25 Outlook

## LOOKING FORWARD

- > Home loan growth anticipated to exceed \$300m across FY25
- > Material uplift expected in interest revenue following the maturity of the fixed loan portfolio resulting in low fixed rates converting to higher market rates
- > Identify growth opportunities and drive new banking connections by targeting Partnerships to build deposit base
- > Reinvigorate customer processes by evaluating construct of products to pursue simplification
- > Effectively managing costs while balancing operational requirements
- > Quality lending underpinned by prudent loan underwriting standards, strong governance, and robust internal controls
- > Investment to enhance fraud management, cyber resilience, data risk and cloud governance
- > Aligning future investments with growth opportunities and strategic initiatives





# Questions?

# Resolution 1 – Re-election of Director (Ms S Birkenleigh)

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

“That Ms S Birkenleigh, who retires by rotation in accordance with rule 13.6 of the Company’s Constitution and being eligible, be re-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	6,576,984 (61.60%)	2,732,621 (25.59%)	42,350 (N/A)	1,367,747 (12.81%)

## Resolution 2 – Re-election of Director (Mr G Murdoch)

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

“That Mr G Murdoch, who retires by rotation in accordance with rule 13.6 of the Company’s Constitution and being eligible, be re-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	6,965,638 (65.42%)	2,313,655 (21.73%)	72,662 (N/A)	1,367,747 (12.85%)

## Resolution 3 – Re-election of Director (Ms J Korhonen)

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

“That Ms J Korhonen, who retires by rotation in accordance with rule 13.6 of the Company’s Constitution and being eligible, be re-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	8,654,189 (81.04%)	649,476 (6.08%)	40,290 (N/A)	1,375,747 (12.88%)



# Resolution 4 – 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 2024, as set out in the Company’s 2024 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	8,199,269 (76.85%)	1,102,097 (10.33%)	49,739 (N/A)	1,367,747 (12.82%)



Questions?

# 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 November 2024.

## 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.

# Thank you



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Small things. Big difference.