

Auswide Bank Ltd (ASX:ABA)

Delivering sustainable
profit growth

About Auswide Bank

- Founded in 1966, Wide Bay Building Society became Auswide Bank in 2015
- With over \$3billion in assets, Auswide provides home loans, personal and business banking through its national online offering, branch and broker networks
- Strong legacy in regional Qld, growing presence in SE Qld, NSW and VIC
- Market-leading staff engagement score of 93%

QRL Partnership 2019-21

- 3-year partnership (including jersey sponsorship of Qld Maroons) enhances brand recognition and distribution
- Leverage QRL membership base to drive new customer acquisition and increase broker flows
- 9.5m viewers watched the 2019 State of Origin series
- 3 year target of >60% brand awareness in SE QLD

High Quality Loan Portfolio

- 6.3% increase in loan book to \$3.131b in FY19, 1.9x system growth
- Rapidly growing presence in SE Qld, now 39% of loan book
- Increasing regional diversification with 24% of lending portfolio outside QLD
- Ongoing growth in home, consumer and business loans
- FY19 Net Interest Revenue up 3.5% to \$63m
- Net Interest Margin of 187 bps, FY19 exit NIM of 194 bps
- Arrears at historic lows, 73.8% of loan book has LVR of 80% or less

At a Glance

Listed on ASX	1994
Industry Sector	Banks
Fiscal Year End	30 June
Share Price	\$5.55
Shares on Issue	42.2m shares
Market Cap	\$234m (at 9 Sept 2019)

Board of Directors

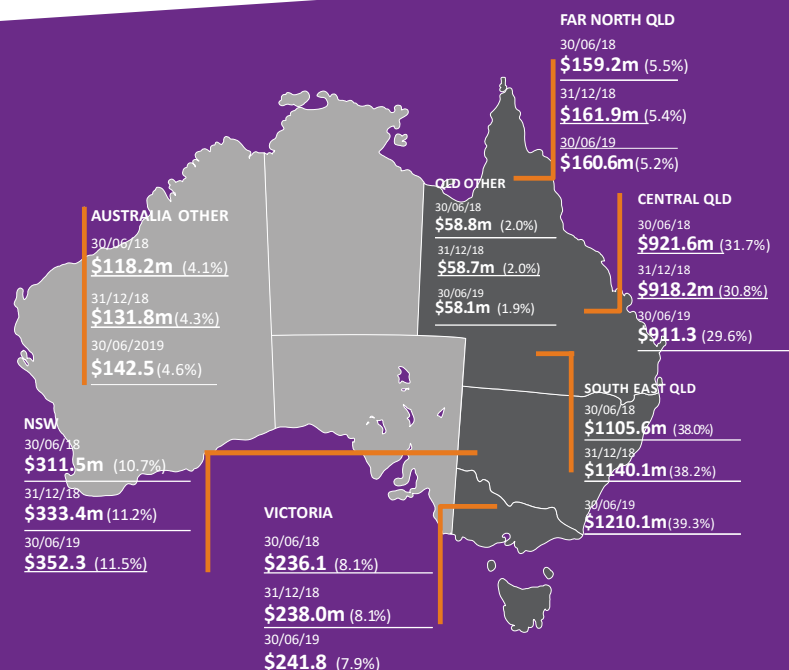
John Humphrey (Chairman)
Martin Barrett (Managing Director)
Barry Dangerfield
Greg Kenny
Sandra Birkenleigh

Substantial Shareholders

Australian Ethical Investment	6.89%
Ronald Ernest Hancock	5.17%


Investment Highlights

- Pure play regional bank with high quality loan book and track record of disciplined lending growth
- Double-digit growth in customer deposits results in better funding mix and NIM control
- Strong capital position (FY19 CET1 ratio of 11.76%) provides headroom for loan book growth and is ahead of peers
- 3-year strategic plan focused on above system lending growth, NIM and cost discipline and a 10% return on Net Tangible Assets
- FY19 total dividend of 34.5cps, fully franked; yield of 6.73%




Continued Operations	FY19	FY18
NPAT (\$m)	17.201	17.108
Loan Book (\$b)	3.131	2.945
Net Interest Revenue (\$m)	63.185	61.020
Net Interest Margin (bps)	187	193
Final Dividend (cps)	18.5	18.0
Total Dividend (cps)	34.5	34.0
EPS (cps)	40.8	41.0
RONTA (%)	9.1	9.5
Cost to Income Ratio (%)	64.5	63.3
Capital Adequacy Ratio (%)	13.79	14.89


FY19 Highlights


6.3% 
Loan Book Growth

12.6% 
Customer Deposits

3.5% 
Net Interest Revenue

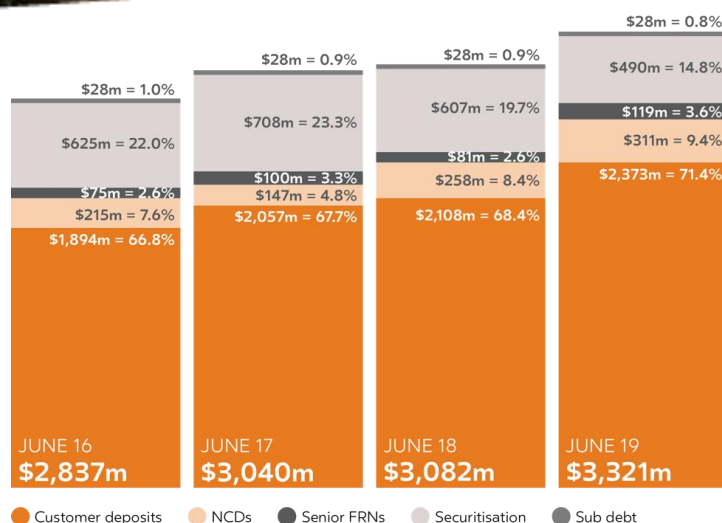
13.79% 
Capital Adequacy Ratio

0.5% 
Underlying NPAT

6.73% 
Dividend Yield

Deposit growth key to better funding mix

- Strategic focus on growing customer deposits and reducing reliance on higher cost securitisation
- Customer deposits up 12.6% on prior year to \$2,373m representing 71.4% of funding mix, up from 66.8% in FY16
- Change in funding mix enables better NIM control
- Maintain dual investment grade ratings from Fitch & Moody's of BBB+ and Baa2 respectively



Arrears highlight quality of loan book

- Arrears remain at historic lows, well below peers
- FY19 total arrears of 0.46% of total loan book

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

	Auswide	SPIN (Other Banks)	SPIN (Regional Banks)
>30 days past due (includes >90 days past due)	0.46	1.12	2.01
>90 days past due	0.21	0.56	1.07

(Auswide figures: as at 30 June, SPINs: as at 31 May 2019 latest available at time of publication)

Delivering award-winning products



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