

26 May 2023

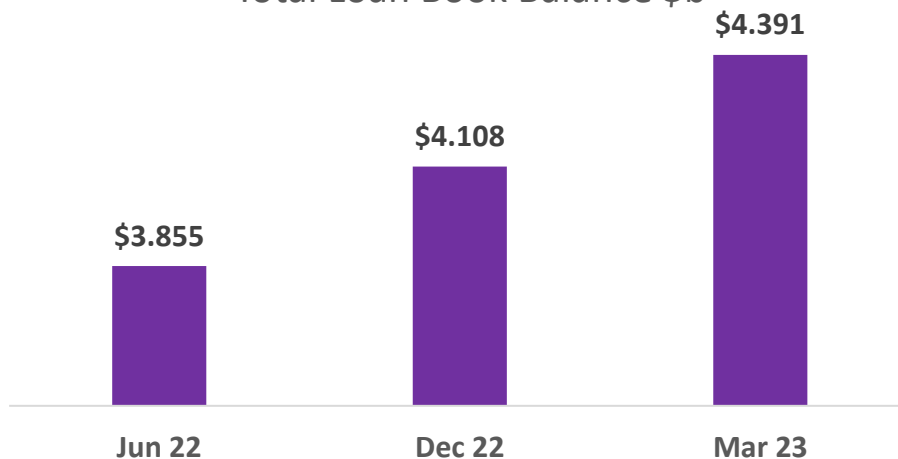
Auswide Bank Trading Update Strategy Delivers Record Loan Growth

Auswide Bank Ltd (ASX: ABA) today provides a trading update for the period ending 31 March 2023.

Following further investment and improvement in lending capabilities, Auswide Bank (Auswide) has experienced its strongest home loan growth in the Bank's 57 years of operation.

Auswide Bank's loan book has grown from \$3.855 billion at 30 June 2022 to \$4.391 billion as at 31 March 2023, representing an increase of \$536 million or 13.9%. Notably, loan book growth represents 4.0x system.

Total Loan Book Balance \$b



A focus on growing customer deposits from \$3.059 billion at the beginning of the financial year to \$3.405 billion as at 31 March 2023 resulted in an 11.3% increase YTD and provided vital loan book funding over the period. This has resulted in a customer deposit ratio for Auswide as at 31 March 2023 of 72%.

Small things. Big difference.

Martin Barrett, Managing Director of Auswide Bank advises the growth in the balance sheet aligns with its growth aspirations and strategic plan of “improving our lending capability to be more attractive to brokers and those customers that choose to approach us directly. We have further investments and improvements planned over the next 12 months which align to our strategic goal of generating organic growth and achieving a \$6 billion loan book by December 2025”.

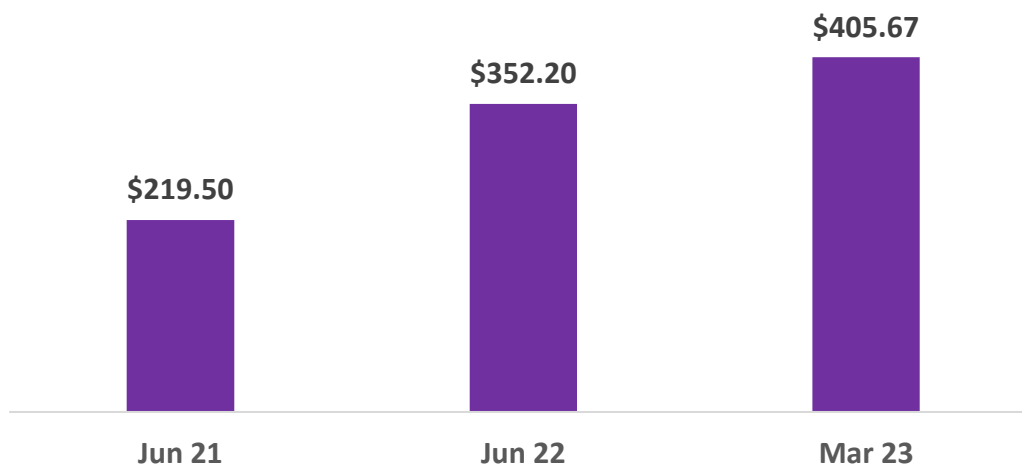
Above system loan growth resulted in an increase in Net Interest Income of 10.7% in comparison to the same period last year.

Underlying NPAT for the 9 months is \$19.939 million, representing a 3.2% increase on previous year.

“Competition in home lending has been very strong with many lenders offering cashbacks to win business. Auswide Bank has resisted this and instead competed on overall value for clients and further improving our Broker, Private Bank and regional lending experience. Although we have seen some pressure on margins, we do forecast future margin improvement as we move into the new financial year with the top of the interest rate cycle in sight and signs of an easing competitive landscape improving,” said Mr Barrett.

Private Bank continues to grow strongly and attract high quality customers with our differentiated service levels. Our pipeline remains robust as the Bank continues to offer an alternative to the market. Private Bank remains an important growth opportunity that we will continue to invest in to further support our strong growth to date. Auswide Bank has built a strong alternative to the competition that has a high service level at its core.

Growth in Private Bank Portfolio \$m



Small things. Big difference.

Auswide's loan book continues to perform exceptionally well, with arrears remaining at low levels. Arrears greater than 30 days are 0.12% of the loan book as at 31st March 2023 and arrears greater than 90 days are currently at 0.04%.

Auswide Bank has maintained robust underwriting criteria through the lending cycle and continued a sustained focus on lower LVR and Debt to Income ratio lending.

Our strategic ambition is to continue on the delivery of digital transformation and loan processing capabilities to facilitate further growth in our loan book while maintaining a strong balance sheet to fund the planned expansion.

Authorised by:



Martin Barrett
Managing Director
+61 7 4150 4001

mbarrett@auswidebank.com.au

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.