

A photograph of two young children in a grassy field at dusk. In the foreground, a large metal fire pit contains a bright campfire. A young girl in blue overalls stands behind the fire pit, her hands raised in the air. To the right, another child is partially visible, holding a small object. In the background, there is a corrugated metal barrel and a white fence under a soft, evening sky.

2023 INTERIM FINANCIAL RESULTS

Fixed Income Investor Presentation

For the six months ended 31 March 2023

 **estpac** GROUP

Westpac 1H23 overview – strong fundamentals.

Data as at 31 March 2023, comparisons to 31 March 2022, unless otherwise noted.



Financial performance improved



- Net profit after tax \$4.0bn, up 22%
- Return on average ordinary equity 11.3%, up 205bps
- Net interest margin 1.96%, up 5bps
- Cost to income ratio 45.3%, down from 52.5%



Balance sheet strong



- CET1 capital ratio 12.3%, up 95bps (APRA basis)
- CET1 capital ratio 18.1%, up 78bps (Internationally comparable basis)
- Deposit to loan ratio 83.7%, up 18bps
- LCR 135%, down from 137%
- NSFR 119%, down from 125%



Credit quality sound



- Collectively Assessed Provisions (CAP) to Credit RWAs 1.33%, up 17bps
- Stressed assets to TCE 1.10%, unchanged
- Mortgage 90+ day delinquencies Australia 0.73%, down 15bps
- Mortgage 90+ day delinquencies New Zealand 0.29%, down 1bp

Simpler, stronger bank.

Simpler bank

9

Businesses
exited

12%

Office space reduction

50

Co-located branches¹

1,700+

ATMs – Armaguard
agreement²

120

applications
decommissioned

47%

reduction in major
technology incidents

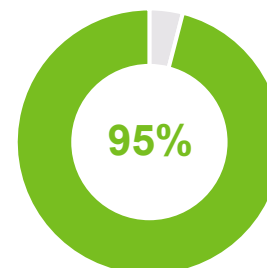
Stronger foundations

- 87% of CORE program activities³ completed
- Westpac program status⁴:
 - March 2023 – Amber
 - February 2023 – Red
 - September 2022 – Green
 - March 2022 – Amber
- Program activities targeting completion by December 2023
- Risk management will continue to be a focus beyond 2023

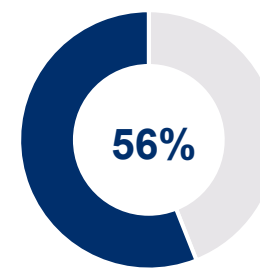
Design



Implement



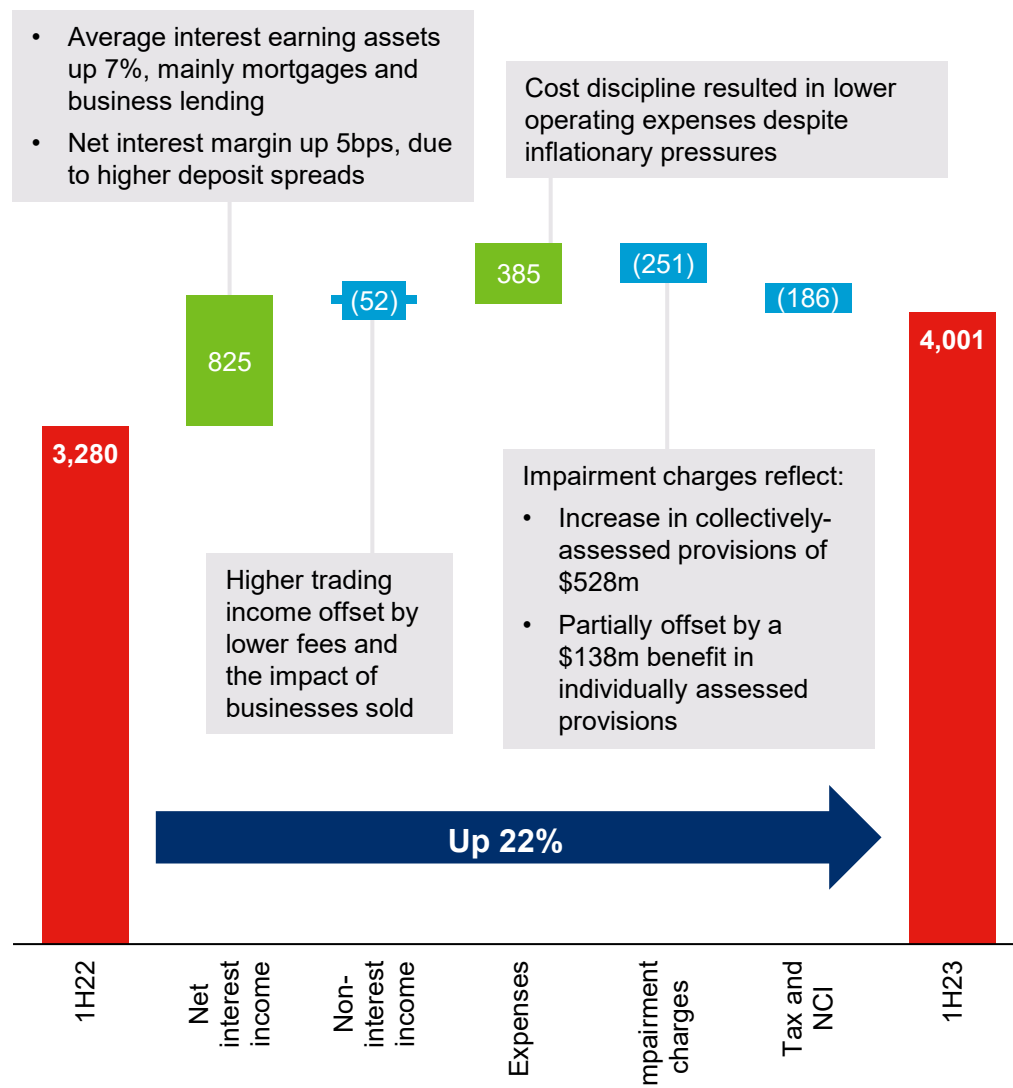
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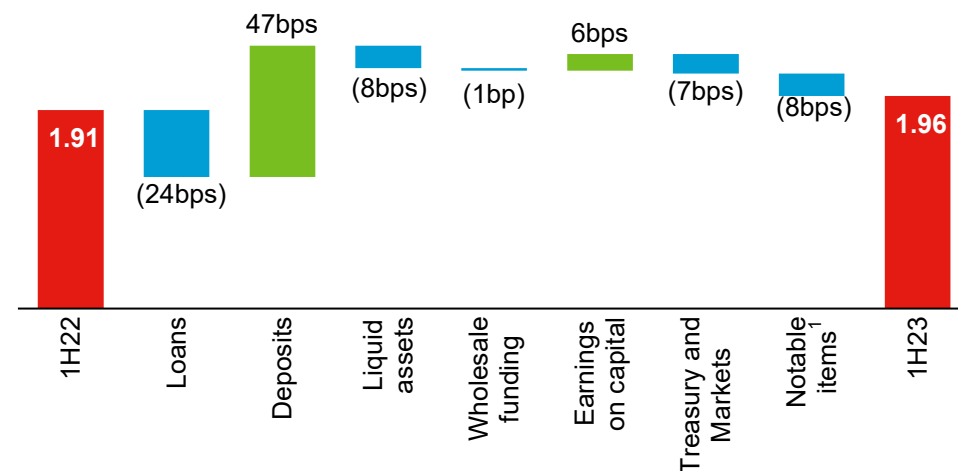
1 As at 30 April 2023. 2 Announced 4 April 2023. 3 Completed activities finalised by Westpac. Activities may still be subject to Promontory Australia review. As at 31 March 2023. 4 Program status changes with the identification and resolution of issues.

1H23 Group Financial results.

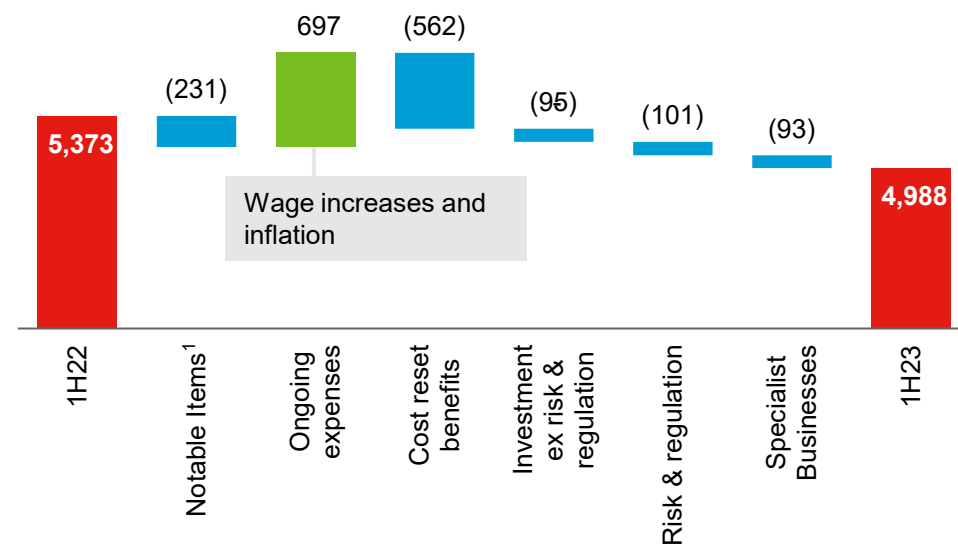
Net profit after tax 1H22 – 1H23 (\$m)



Net interest margin (% and bps)



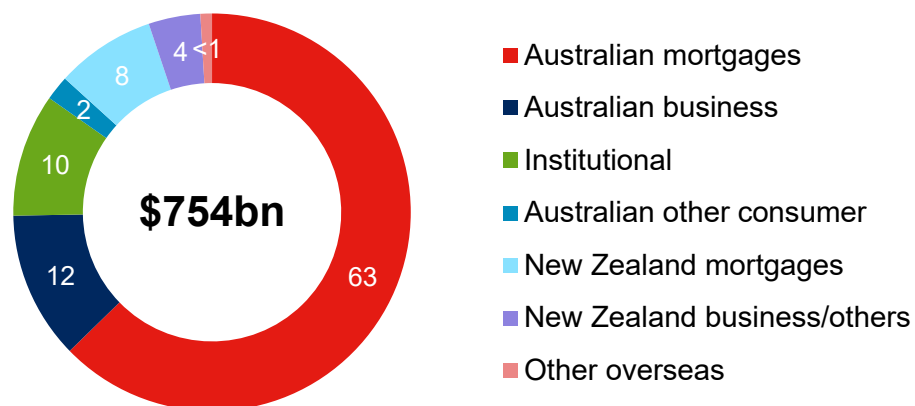
Expenses (\$m)



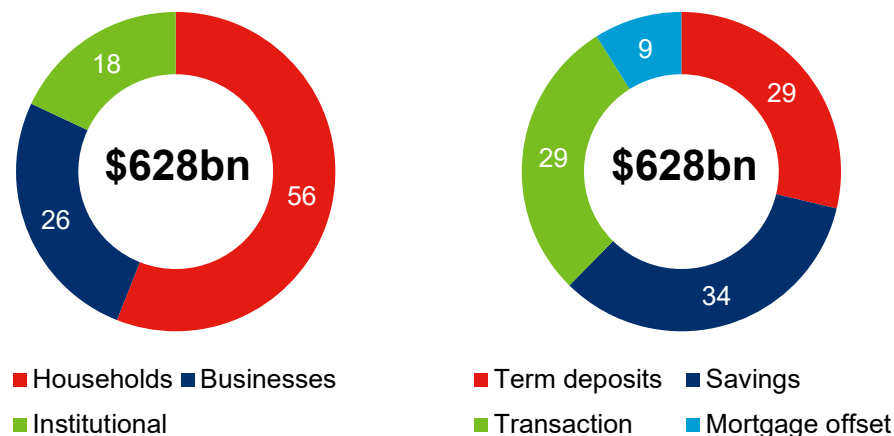
¹ Notable items include asset sales and revaluations, economic hedges and hedge ineffectiveness. Full more information refer to Westpac's 2023 Interim Financial Results. Available www.Westpac.com.au/investorcentre

Loans and deposits.

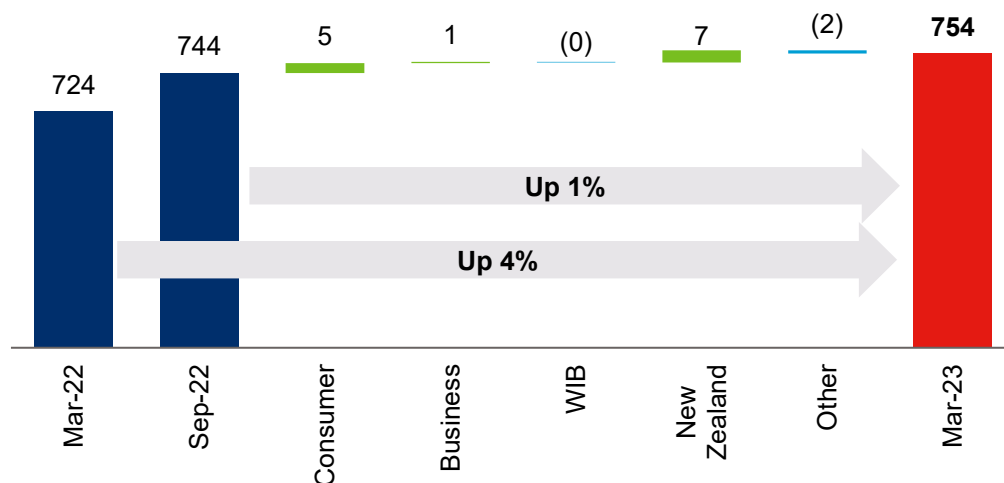
Composition of gross loans (% of total)



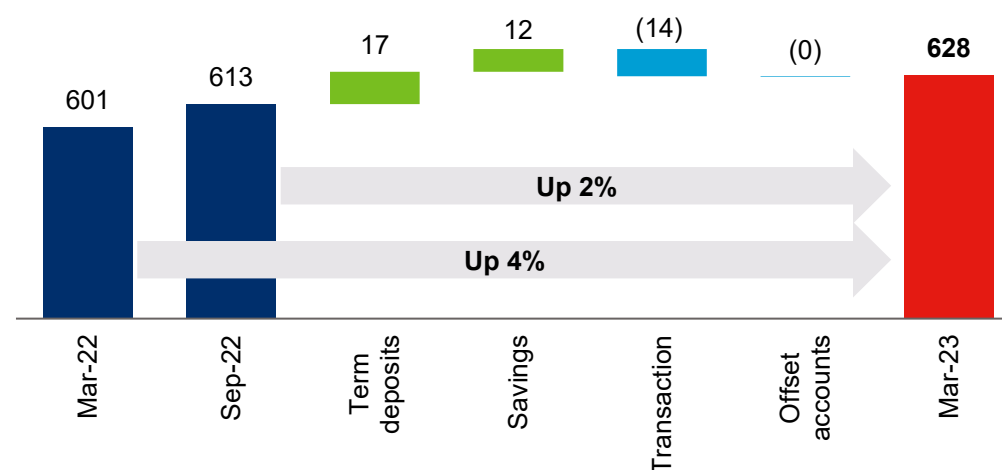
Composition of customer deposits (% of total)



Movement in gross loans¹ (\$bn)



Movement in customer deposits (\$bn)

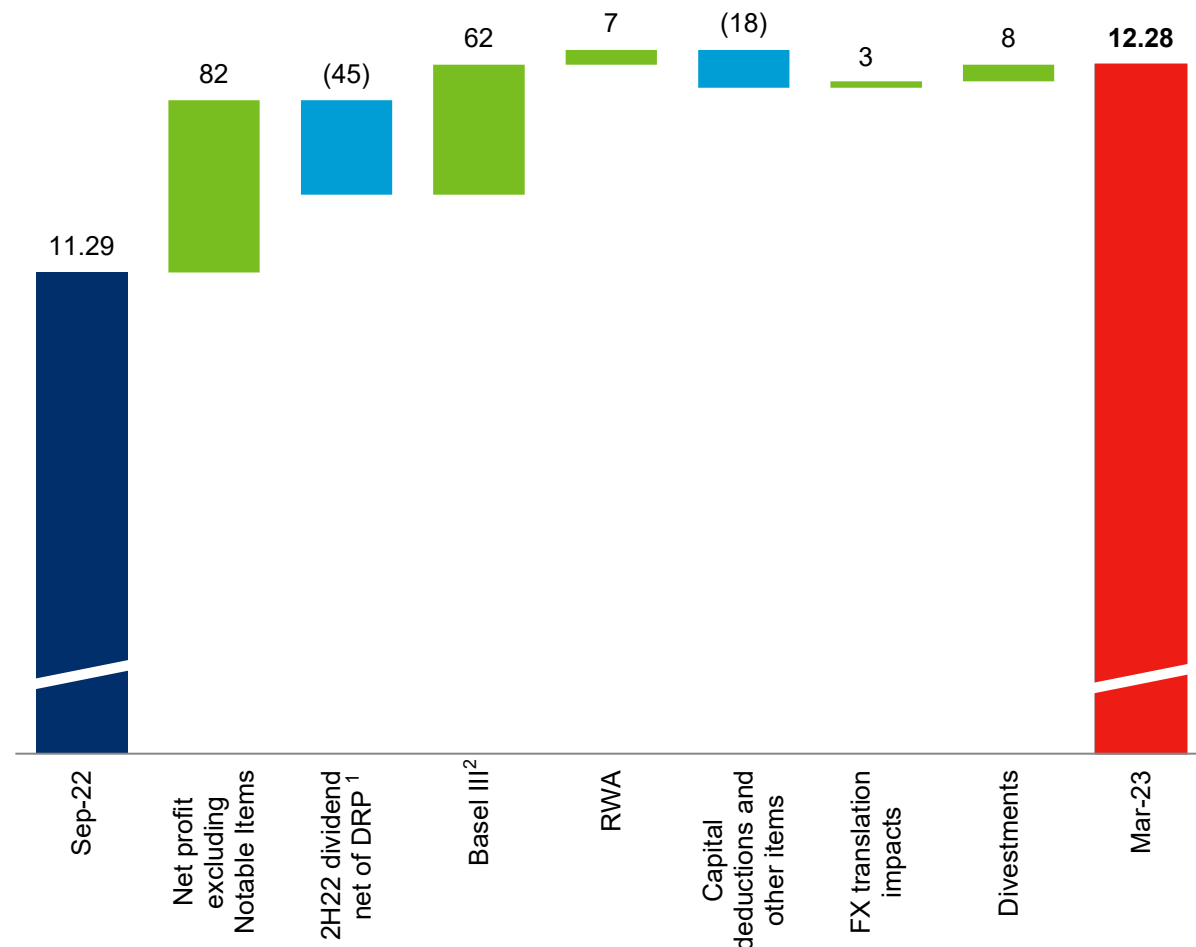


¹ In A\$. New Zealand movement in local currency was NZ\$1.5 billion. The large difference between the NZ\$ and A\$ movement is due to a ~6% change in the exchange rate over the period (Mar-23: 1.0678, Sep-22: 1.1355). Other includes Group Businesses and Specialist Businesses.

CET1 capital ratio 12.3%.

Above target operating range of 11.0% -11.5%.

Level 2 CET1 capital ratio movements (% , bps)

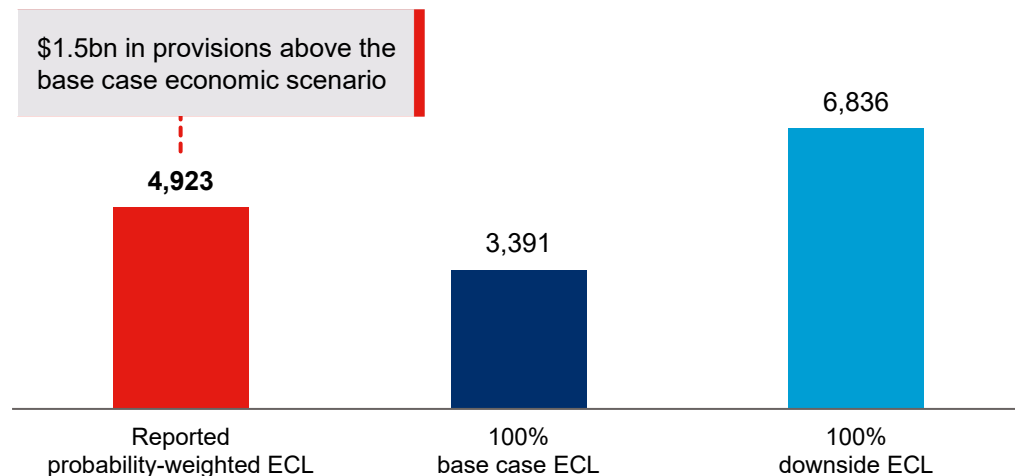


Key capital ratios (%)	Mar-22	Sep-22	Mar-23
Level 2 CET1 capital ratio	11.3	11.3	12.3
Additional Tier 1 capital ratio	2.1	2.1	2.2
Tier 1 capital ratio	13.4	13.4	14.5
Tier 2 capital ratio	4.3	5.0	5.3
Total regulatory capital ratio	17.7	18.4	19.8
Risk weighted assets (RWA) (\$bn)	460	478	453
Leverage ratio	5.6	5.6	5.5
Level 1 CET1 capital ratio	11.2	11.3	12.5
Internationally comparable ratios ³			
Leverage ratio (internationally comparable)	6.1	6.0	5.9
CET1 capital ratio (internationally comparable)	17.4	17.6	18.1

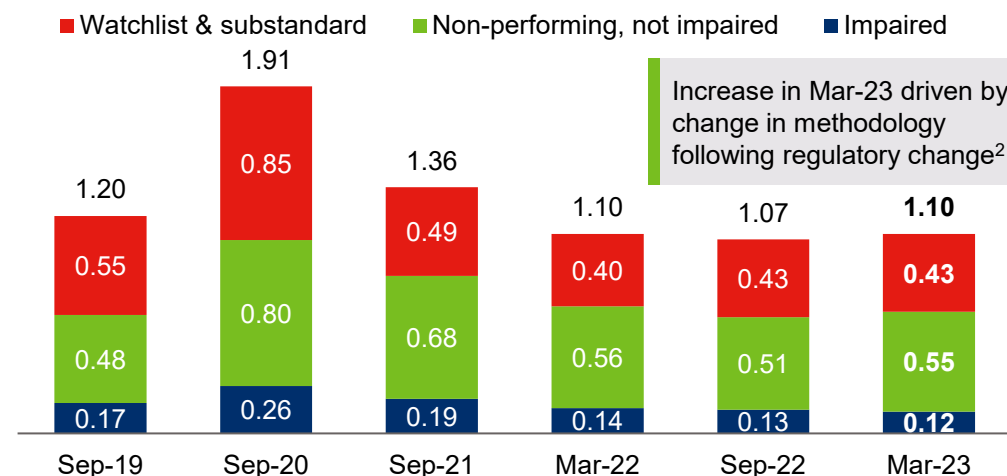
¹ The dividend reinvestment plan (DRP) for the 2022 final dividend was satisfied by the issue of new shares. ² APRA's revised capital framework effective 1 January 2023. ³ Internationally comparable methodology aligns with the ABA study titled "Basel 3.1 Comparison Study" dated 10 March 2023.

Provisions and credit quality.

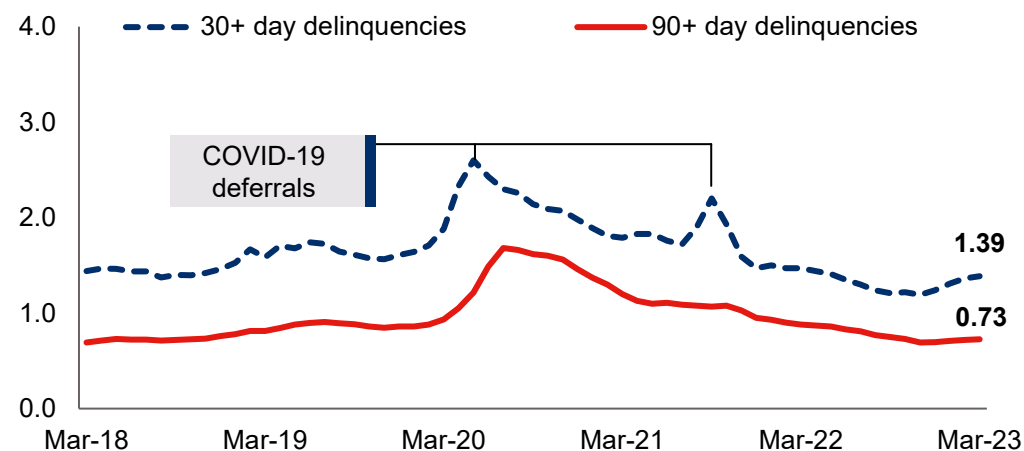
Expected credit loss¹ (ECL) (\$m)



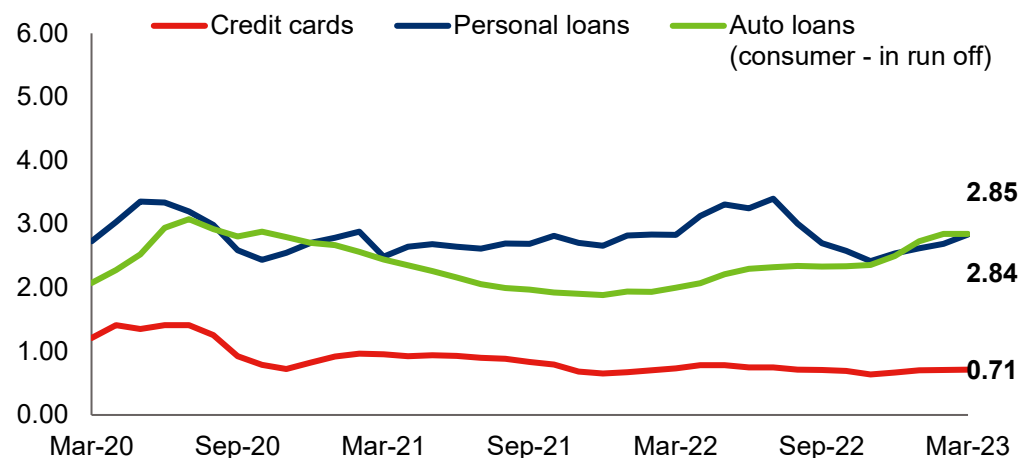
Stressed exposures as a % of TCE



Australian mortgage delinquencies (%)



Australian consumer finance 90+ delinquencies (%)



1. Includes provisions for debt securities. 2 "Non-performing not impaired" exposure increased 4bps due to APS 220 Credit Risk Management methodology change, mostly impacting the Australian mortgage portfolio.

Australian mortgage portfolio.

LVRs remain low; buffers largely unchanged in 1H23.

Australian housing loan-to-value ratios (LVRs) (%)

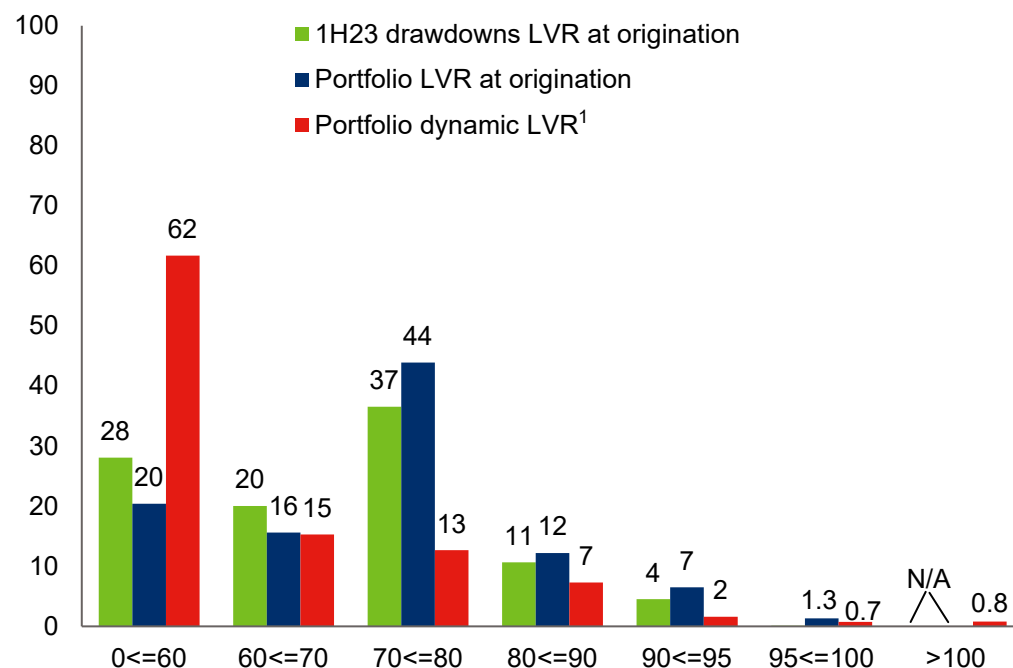


Chart does not add to 100 due to rounding.

Australian mortgage portfolio LVRs		Mar-22 balance	Sep-22 balance	Mar-23 balance
Weighted averages ²	LVR at origination (%)	73	73	72
	Dynamic LVR ¹ (%)	47	49	51
	LVR of new loans ³ (%)	71	70	68

1 Dynamic LVR is the loan-to-value ratio taking into account the current loan balance, changes in security value, offset account balances and other loan adjustments. Property valuation source CoreLogic. 2 Weighted average LVR calculation considers size of outstanding balances. 3 Average LVR of new loans is on rolling 6 months. 4 Customer loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments. Includes mortgage offset accounts. 'Behind' is more than 30 days past due. 'On time' includes up to 30 days past due. Mar-22 re-stated for classification changes between 'On time' and '<1 month' ahead categories. 5 Includes RAMS from Sep-20 onwards.

Australian home loan customers ahead on repayments⁴ (% by balances)

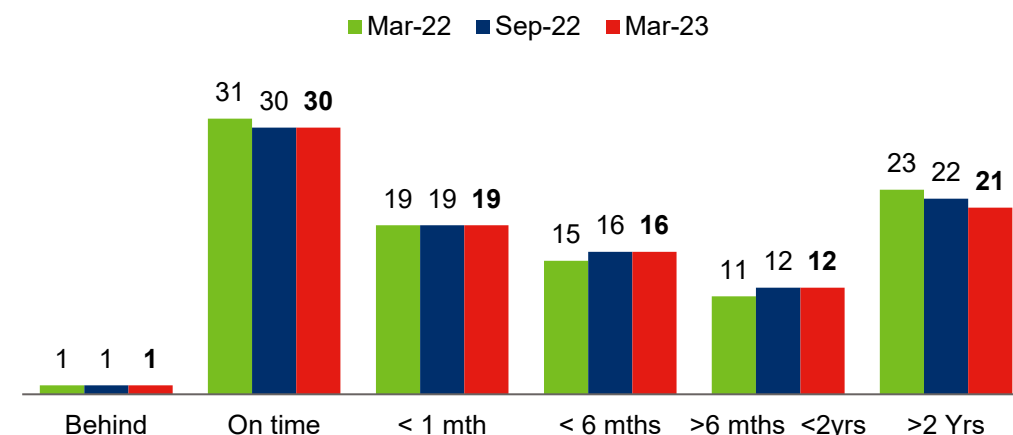
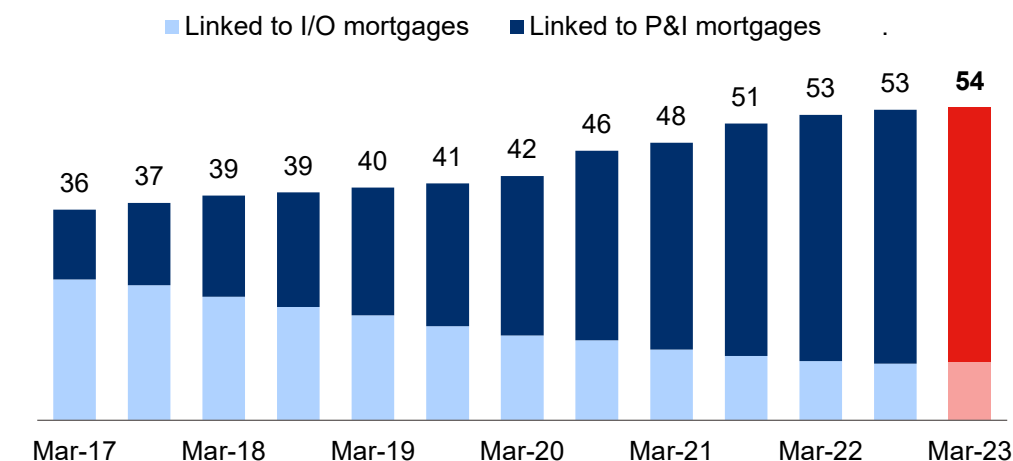


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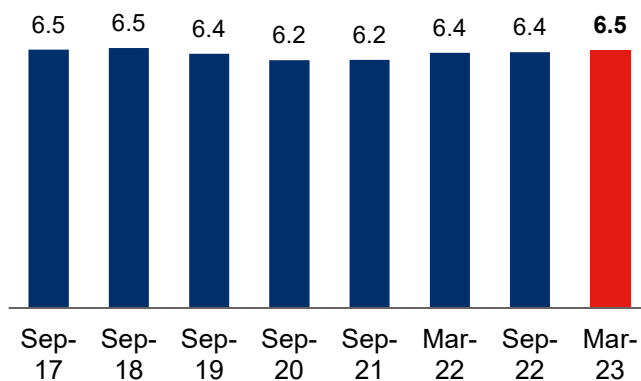
Offset account balances⁵ (\$bn)



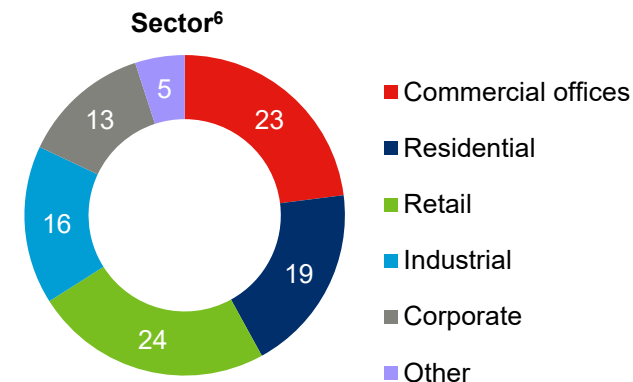
Sectors in focus: Commercial property.

- Single Group-wide credit policy, supported by industry concentration limits and sub limits
- Managed by specialist relationship teams, dedicated credit officers and subject matter experts
- Weighted average LVR for the Australian secured portfolio <50%
- Credit policy maximum LVR at origination 65%¹
- 80% fully secured²

Commercial property exposures (% of TCE)

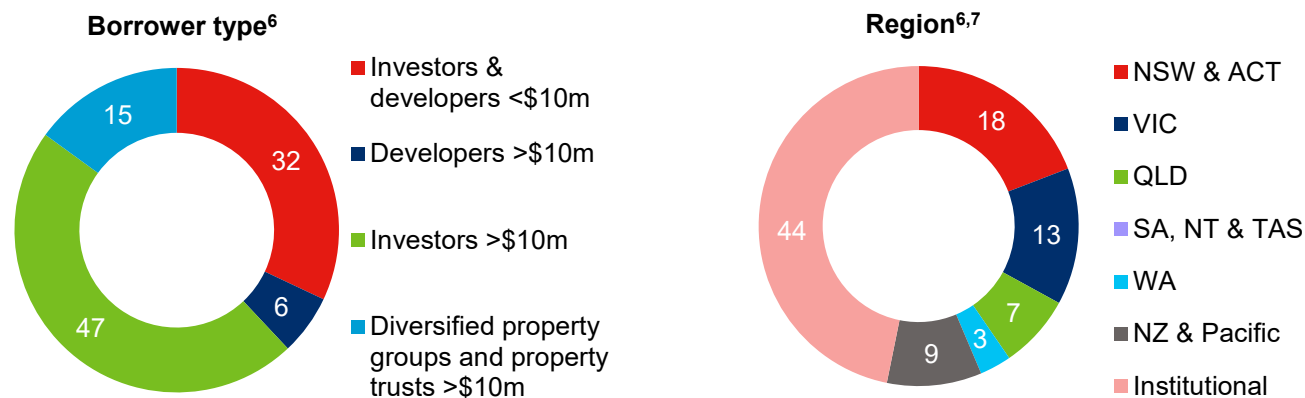


Commercial property portfolio composition (TCE) (%)








	Mar-22	Sep-22	Mar-23
TCE (\$bn)	74.3	76.1	78.8
Lending (\$bn)	56.5	60.0	61.0
As a % of Group TCE	6.40	6.42	6.46
Median risk grade (S&P equivalent) ³	BB	BB	BB-
% of portfolio graded as stressed ^{4,5}	2.06	2.07	2.38
% of portfolio impaired ⁵	0.16	0.07	0.08

Commercial property portfolio composition (TCE) (%)



¹ Policy exception can be made under limited circumstances. ² Fully secured: Secured loan to collateral value ratio ≤ 100%. ³ Restatement of Mar-22 and Sep-22 median risk grade reflects data review. ⁴ Includes impaired exposures. ⁵ Percentage of commercial property portfolio TCE. ⁶ Following a review of ANZIC codes used to classify commercial property exposures, some exposures have been reclassified in 1H23. ⁷ Region is based on booking office.

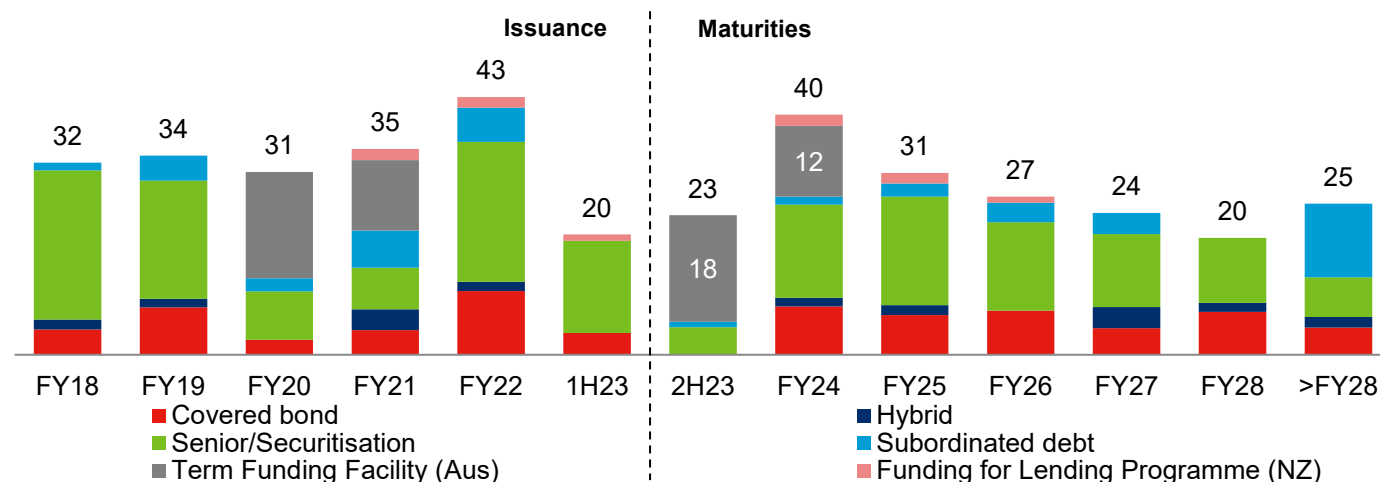
Liquidity risk management.

Key metrics	Details	Westpac 1H23
 Liquidity Coverage Ratio (LCR)	<ul style="list-style-type: none"> LCR requires banks to hold a sufficient reserve of HQLA to allow them to survive a period of significant liquidity stress lasting 30 calendar days Westpac is subject to LCR requirements under APS210 	135% (March 2023 quarterly average)
 High quality liquid assets (HQLA)	<ul style="list-style-type: none"> In Australia, cash, balances held with the Reserve Bank of Australia, and Australian Government and semi government securities qualify as HQLA. No Level 2 assets qualify as HQLA HQLA included at market value in the LCR Changes in the fair value of liquid assets are recognised either in Other Comprehensive Income through the relevant equity reserve or in the income statement 	\$186bn (March 2023 quarterly average)
 Interest rate risk management (liquids portfolio)	<ul style="list-style-type: none"> Market interest rate risk arising in the banking book stems from the ordinary course of banking activities including loans, deposits, liquid assets and capital management Westpac's exposure to interest rate risk in liquid asset portfolio hedged using derivatives APRA requires ADIs to calculate a capital charge for the risk of loss in earnings or a fall in the value of banking book items due to adverse movements in interest rates (APS 117) 	\$2.8bn in IRRBB capital
 Depositor diversification	<ul style="list-style-type: none"> Westpac has a well diversified deposit portfolio 	\$628bn customer deposits
 Net Stable Funding Ratio (NSFR)	<ul style="list-style-type: none"> NSFR requires banks to maintain a stable funding profile in relation to the composition of assets and off-balance sheet activities Westpac is subject to NSFR requirements under APS210 	119%

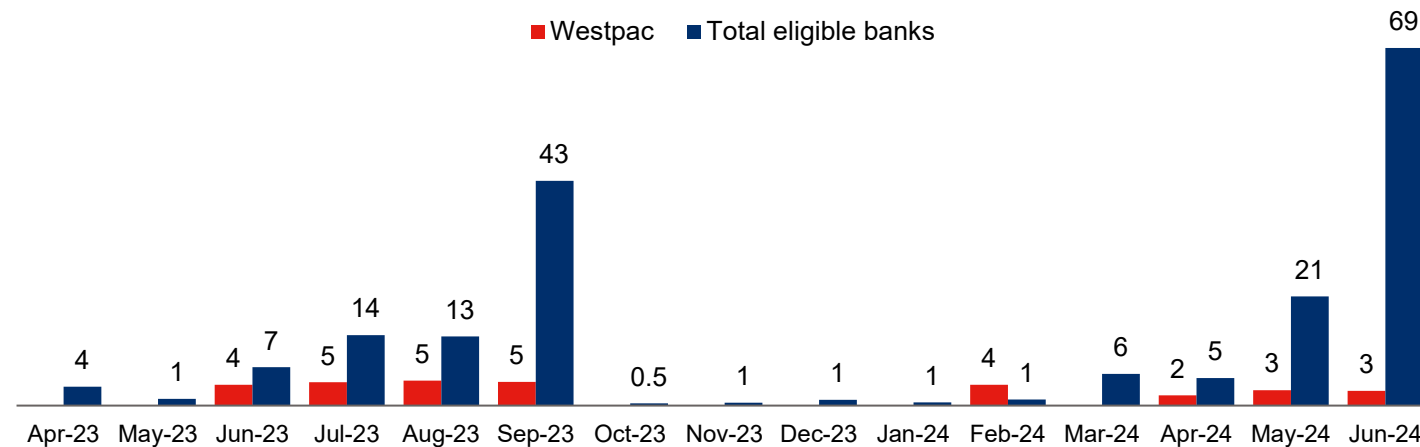
Long term wholesale funding profile.

- Well diversified issuance across currencies, programs and tenors
- SEC registration a key advantage in USD market access
- Well managed maturity profile
- Term Funding Facility expected to be refinanced within normal funding capacity
- Term Funding Facility drawdowns managed to support a smooth LCR profile
- 2H23 term issuance expected to be below 1H23

Term debt issuance and maturity profile¹ (\$bn)



Term Funding Facility maturities (\$bn)

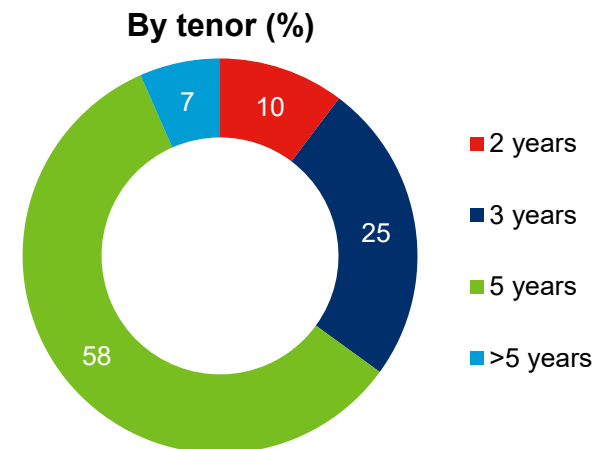
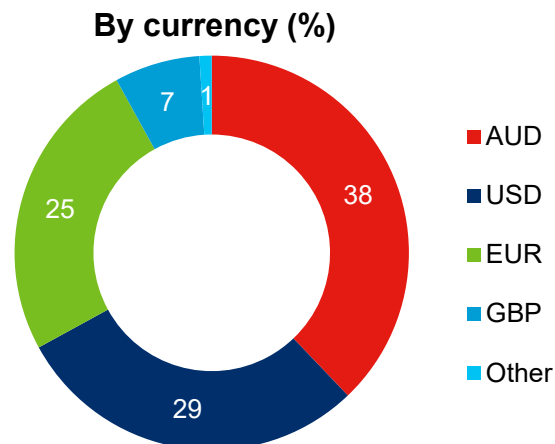
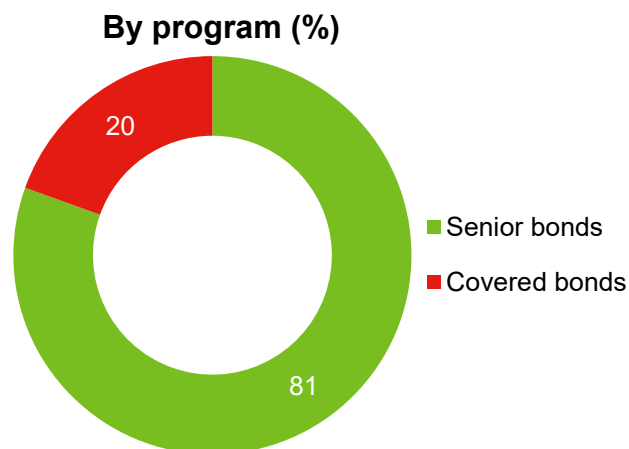


Source: Westpac, RBA

¹ Based on residual maturity and FX spot currency translation. Includes all debt issuance with contractual maturity greater than 13 months excluding US Commercial Paper and Yankee Certificates of Deposit. Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure. Perpetual sub-debt has been included in >FY28 maturity bucket. Maturities exclude securitisation amortisation.

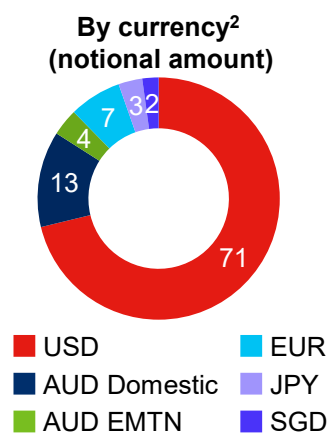
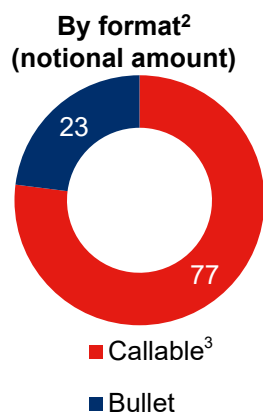
Long term wholesale funding well diversified.

1H23 term debt issuance¹ (%)

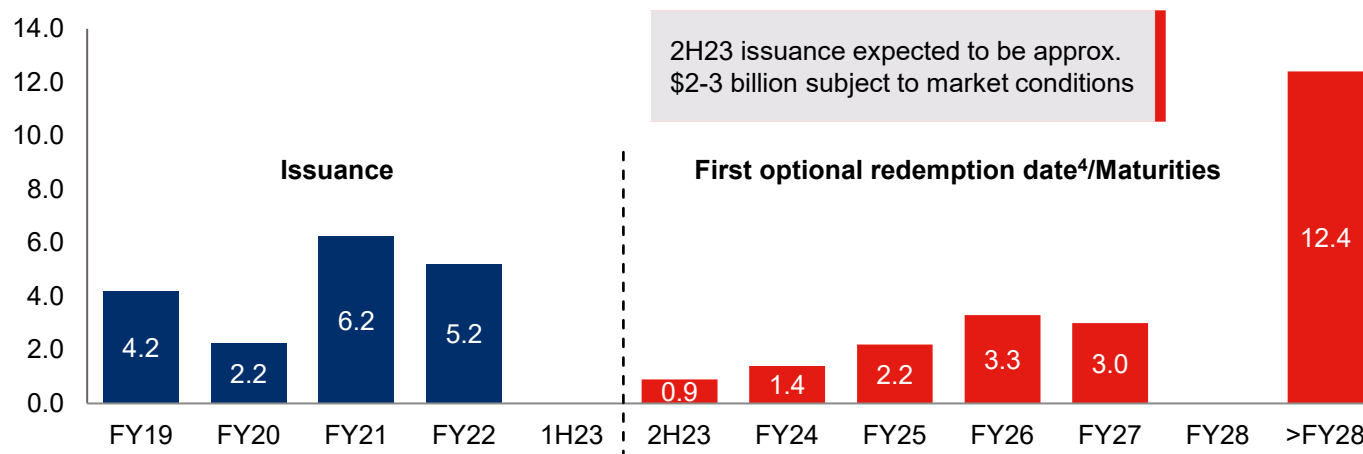


Charts may not add due to rounding.

Westpac Tier 2 capital (%)



Westpac Tier 2 profile^{2,3} (notional amount, A\$bn)



1 Data excludes Term Funding Facility and Funding for Lending Programme. 2 Excludes Westpac New Zealand Limited (RBNZ Tier 2 does not count for APRA LAC requirements). Represents AUD equivalent notional amount using spot FX translation at date of issue for issuance and spot FX translation at 31 Mar-23 for maturities. Securities in callable format profiled to first call date. Securities in bullet format profiled to maturity date. 3 No redemption prior to the maturity date may be made without the prior written approval of APRA. Approval is at the discretion of APRA and may or may not be given. There can be no certainty that APRA will provide its prior written approval for any such redemption. Holders should not expect that APRA's approval will be given for any redemption if requested by Westpac. Any redemption does not imply or indicate that Westpac will in future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Westpac. Any such redemption would also be subject to APRA's prior written approval (which may or may not be given).

Australian and New Zealand economic forecasts.

Key economic indicators (%) as at 3 May 2023		2022			2023				Calendar years			
		Q2	Q3	Q4	Q1E	Q2F	Q3F	Q4F	2021	2022	2023F	2024F
World	GDP¹	-	-	-	-	-	-	-	6.0	3.3	3.0	3.1
Australia	GDP²	3.1	5.9	2.7	2.5	1.8	1.2	1.0	4.6	2.7	1.0	1.5
	Unemployment – end period	3.8	3.5	3.5	3.6	3.5	3.9	4.5	4.7	3.5	4.5	5.0
	CPI headline – year end	6.1	7.3	7.8	7.0	6.3	5.2	4.0	3.5	7.8	4.0	3.1
	Interest rates – cash rate	0.85	2.35	3.10	3.60	3.85	3.85	3.85	0.10	3.10	3.85	2.85
New Zealand	GDP²	0.4	6.4	2.2	2.9	1.4	0.0	0.4	3.3	2.2	0.4	-0.3
	Unemployment – end period	3.3	3.3	3.4	3.4	3.6	3.8	4.0	3.2	3.4	4.0	5.1
	Consumer prices	7.3	7.2	7.2	6.7	5.9	5.5	4.5	5.9	7.2	4.5	2.7
	Interest rates – official cash rate	2.00	3.00	4.25	4.75	5.50	5.50	5.50	0.75	4.25	5.50	4.25

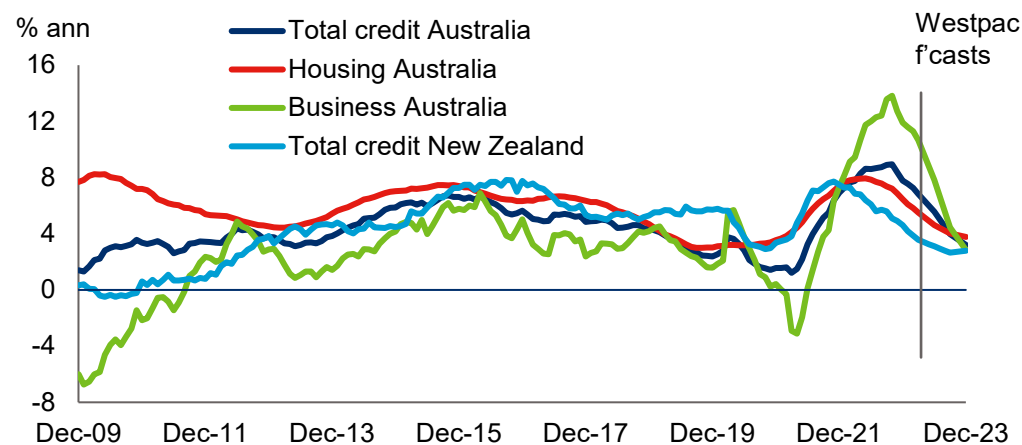
Sources: IMF, RBA, Statistics NZ, Westpac Economics

Key economic indicators (%) as at 3 May 2023		2021	2022	2023F	2024F
Australia	Credit growth				
	Total – year end	6.8	7.8	3.2	3.5
	Housing – year end	7.4	6.5	3.8	4.2
	Business – year end	7.3	11.9	2.8	2.6
New Zealand	Credit growth				
	Total – year end	7.5	4.6	2.8	3.7
	Housing – year end	10.5	4.4	2.3	3.8
	Business – year end	3.6	5.4	3.8	3.7

Sources: RBA, Statistics NZ, Westpac Economics

1 Year average growth rates. 2 Through the year growth rates.

Private sector credit growth (% ann)

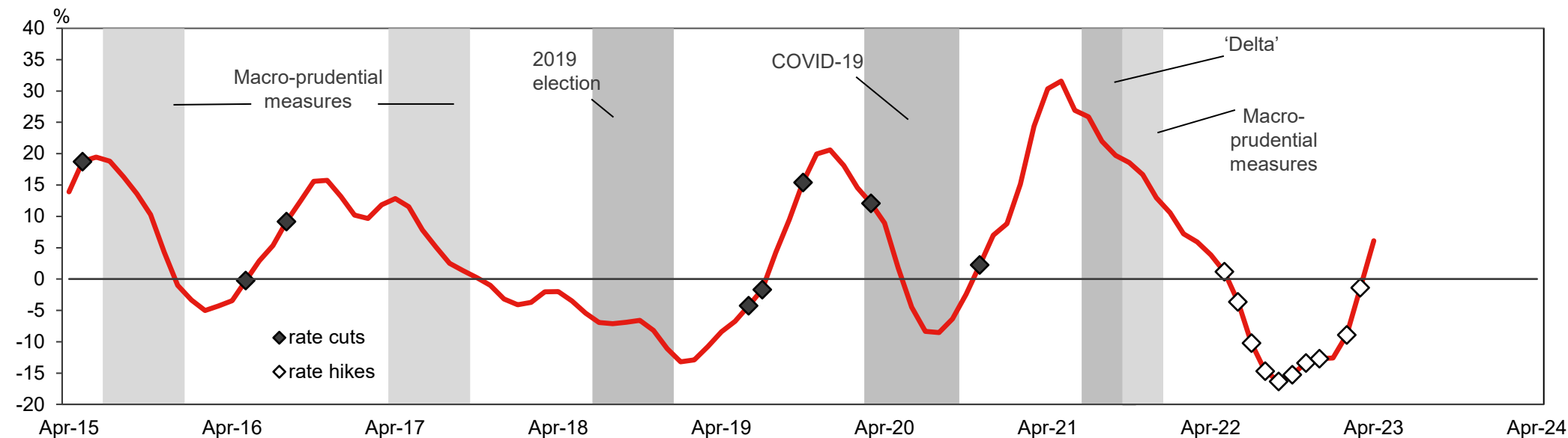


Sources: RBA, Westpac Economics

Australian housing market.

Prices stabilise, ahead of 2024 lift.

Australian dwelling prices (% 3 month annualised)



Sources: CoreLogic, Westpac Economics

Dwelling prices (% change over period)

Capital city	Pop'n	Last 3 mths (to Apr-23)	Last 12 mths (Apr-23)	Last 5 years (to Apr-23)
Sydney	5.3m	Up 3.0%	Down 10.7%	Up 12.1%
Melbourne	5.0m	Up 0.3%	Down 8.9%	Up 2.1%
Brisbane	2.6m	Up 0.1%	Down 9.8%	Up 28.6%
Perth	2.2m	Up 1.0%	Up 1.3%	Up 17.8%

Sources: CoreLogic, Westpac Economics

Westpac Economics dwelling price forecasts (annual %)

Capital city	Pop'n	avg*	2020	2021	2022	2023F	2024F
Sydney	5.3m	6.3	2.7	25.3	-12.1	1	5
Melbourne	5.0m	5.0	-1.3	15.1	-8.1	-1	5
Brisbane	2.6m	4.9	3.6	27.4	-1.1	-1	6
Perth	2.2m	1.1	7.3	13.1	3.6	0	8
Australia	26m	5.1	1.8	20.9	-7.1	0	5

* average last 10yrs

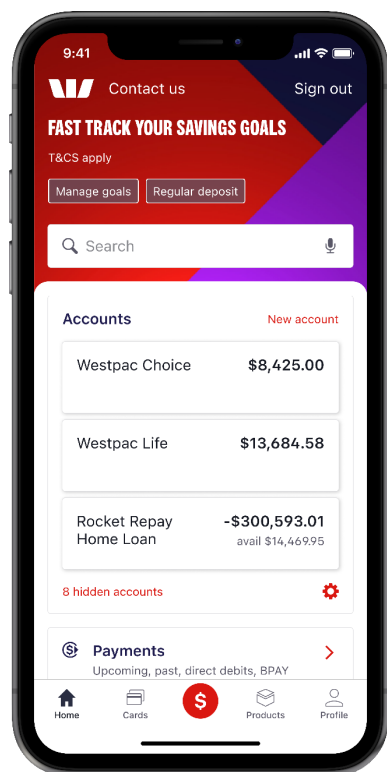
Sources: CoreLogic, Westpac Economics

Additional Information

A strategy for growth and return

PURPOSE					
Creating better futures together					
PILLARS	CUSTOMER care at the heart <ul style="list-style-type: none">• Responsive & consistent service• Support for customers in good times & bad• Recognition for customers' loyalty	EASY to do business with <ul style="list-style-type: none">• Simple, safe, straightforward banking• Better ways to manage finances• Digitally-enabled throughout	EXPERT solutions and tools <ul style="list-style-type: none">• Comprehensive solutions, features & benefits• Distinctive thought leadership in finance and climate• Best people in the industry	ADVOCATE for positive change <ul style="list-style-type: none">• Financial inclusion & equality• Data security & protection• Action on climate & nature	
	FOUNDATIONS	Strong balance sheet	Proactive Risk Management and Risk Culture	Data-informed insights and decisioning	Passionate people who make a difference
VALUES	Helpful	Ethical	Leading Change	Performing	Simple
MEASURES	Return on tangible equity			Market position	

Supporting customers – bank in your pocket



+ Instant Digital Card and Dynamic CVC

+ Apple Pay

+ Security Wellbeing Check

+ New Westpac iOS App

+ Strengthened safeguards against abusive messages

+ Real-time digital gambling block

+ Westpac Protect – Trusted Wi-Fi

+ New Westpac Android App

+ Personal Finance Management

+ New Business App

+ New self serve features

+ Digital mortgage

+ Carbon footprint tracker

+ Open Banking¹

+ Westpac Verify

+ Eftpos Air

+ PayTo

+ Expense splitter and Voice search

+ Actionable push notifications for fraud

+ Voice scam detection, Biometric fraud detection




2020

Innovation accelerating

Now

¹ For mortgage originations.

Selected cost reset initiatives

		Metric	FY20 baseline	FY22	1H23
Portfolio simplification		<ul style="list-style-type: none"> Sale of non-core businesses 	1 under sale agreement	7 completed	9 completed ⁷
Business simplification		<ul style="list-style-type: none"> Mortgages processed on digital origination platform¹ Consumer sales via digital² Branch transactions³ Number of products⁴ 	32% 42% 29 million 1,191	82% 43% 23 million 805	92% ⁸ 43% 22 million ⁹ 785
Organisational simplification		<ul style="list-style-type: none"> Offshore locations⁵ Reduce third-party and contractor spend by more than \$200m p.a.⁶ Reduce head office roles – more than 20% 	8	7 >\$200m (12%)	7 >\$200m ⁹ (12%)

1 Percentage of home loan applications through mortgage origination platform for 1st and 3rd party lending (excluding RAMS). FY24 target refers to both 1st and 3rd party across Consumer. 2 Refer to Westpac's 2023 Interim Financial Results Presentation and Investor Discussion Pack for definition. 3 Reduction to FY24 represents decrease on baseline. 4 Includes products for sale and not for sale across Australia and New Zealand, except for institutional products which are for sale only. 5 Represents international locations excluding New Zealand and Westpac Pacific. 6 \$200m is based on savings from volume and rate management, and includes consulting engagements. 7 Cumulative. 8 Relates to the month of March 2023. 9 Annualised.

Our cyber security protection

Continued investment in cyber security



Significant sources of threat from



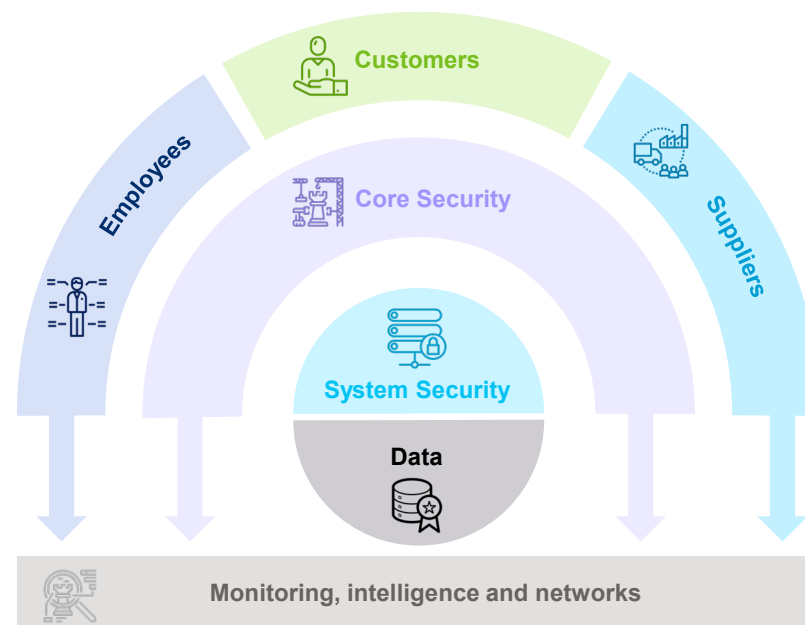
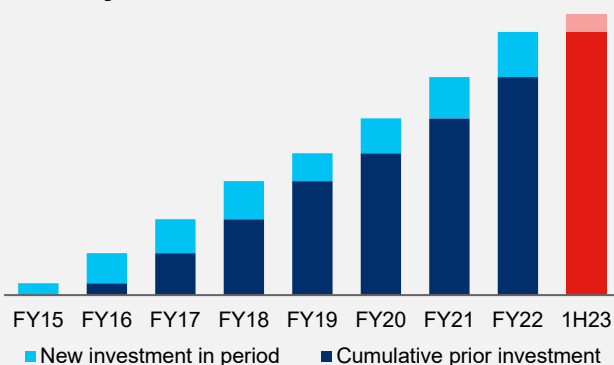
Targeted ransomware



Espionage & critical infrastructure attacks



Consistently invested in cyber security for the last decade



Employees

We have **controls** around **who we hire**; **how their access** is granted; and **monitoring** of system use



Customers

Dedicated controls that seek to protect customers from **fraud**, including multi-factor authentication



Suppliers

Subject to **security reviews**, limited access to our systems and data, and continual **performance monitoring**



Core security

Core **security capabilities** across all systems, e.g. malware prevention, firewalls, email security



System security

Integrated **approach to security** of our systems, e.g. design reviews, patching and secure development



Monitoring, intelligence and networks

24/7 monitoring for indications of attacks and control weaknesses. **Threat detection** supported by cyber threat intelligence and information sharing partnerships

Digital banking security initiatives

Helping protect customers and reducing fraud and scams

Biometric fraud detection

Better customer experience,
reduced identity theft

Westpac Verify alerting customers
to potential scams including account
name mismatch

Real-time blocking of potentially questionable online merchants

Saved \$131m for 1.54m customer
incidences since January 2022

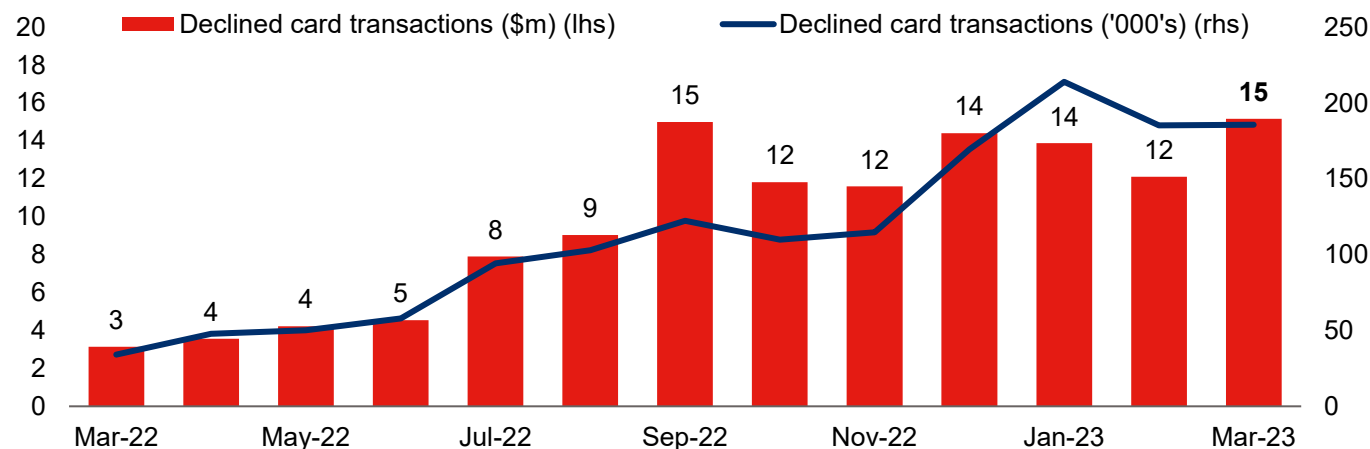
Advanced customer **behavioural** tools
to combat **remote access** scams,
including **Voice scam** detection

Push notifications on account activity
Faster alerts support the reduction
in losses

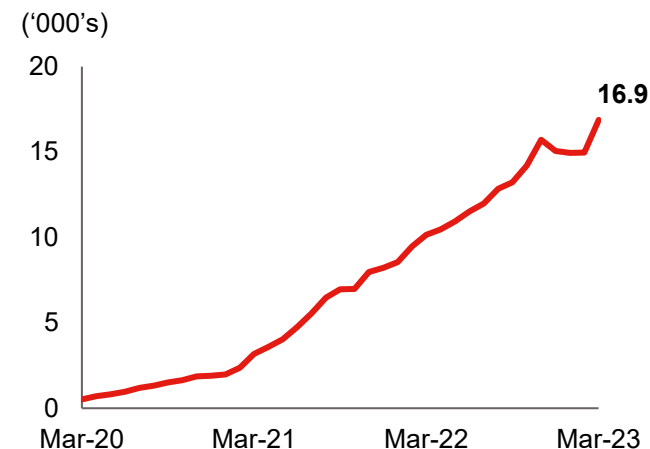
Dynamic CVC

Used daily by ~17,000 customers¹, ~80%
lower fraud vs cards with static CVC

Real-time blocking of potential online shopping scams²



Dynamic CVC users³



¹ Monthly average for March 2023. ² Monthly card transactions blocked. These blocks represent merchants that have historically been shown to deceive customers with exceptionally poor quality or non-existent goods. Less than 1% of customers insist that transactions should be completed. The amount represents the \$-value of the transaction that customers did not lose through the scam. Each card declined is only counted once per day (i.e. if a card has multiple declines in the same day it is only counted once). ³ Monthly average.

Covered Bonds

Westpac covered bond highlights⁷.

As at 31 March 2023



Key features

- Covered Bonds are AAA/Aaa rated¹
- Highly rated issuer Westpac A+ / Aa3 / AA-²
- Issuer can go to BBB+/A3(cr) (Fitch/Moody's) and covered bonds will retain AAA/Aaa rating
- Sovereign rated AAA / Aaa / AAA³
- Meets ICMA standard; Level 2A asset⁴; Carries the ECBC Covered Bond Label
- Maximum value applied 80% LTV to Asset Coverage Test
- LTV indexed (85% of upside; 100% of downside)



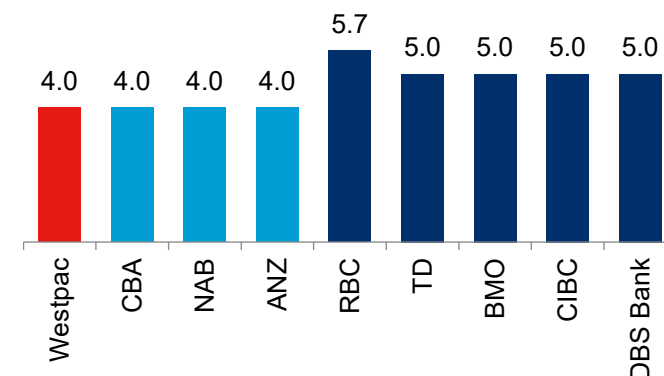
Westpac issuance profile

- Well managed maturity profile
- Covered bond issuance capped at 8% of Australian assets
- A\$32bn covered bonds outstanding, with benchmark trades in Euro, USD, AUD and GBP
- ~44% of Westpac's covered bond capacity utilised (including over-collateralisation)

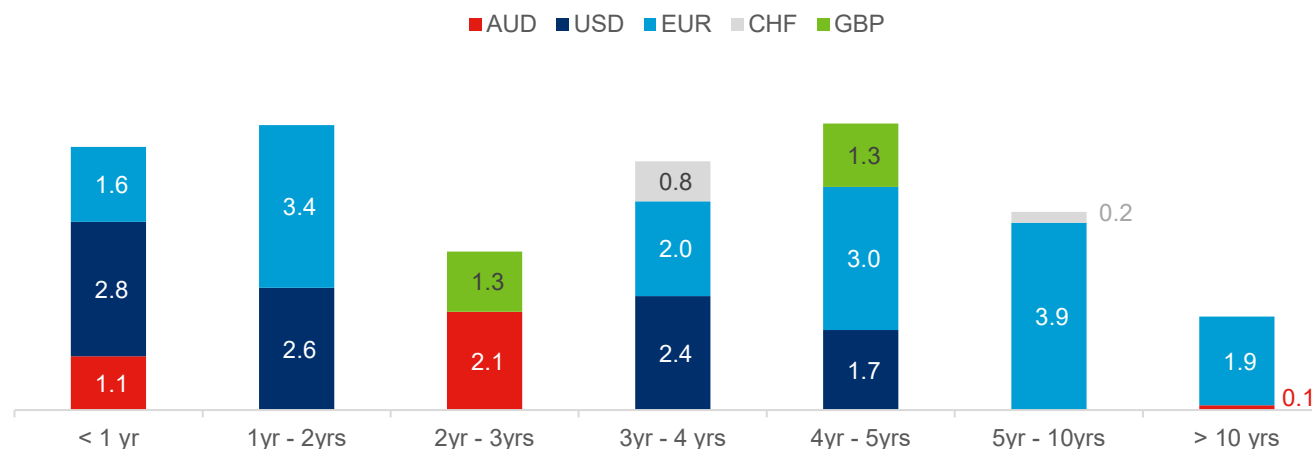
Covered bond pool⁷

Total pool loan balance	A\$34,049,076,749
Average loan size	A\$286,775
Weighted average current LVR (unindexed/indexed)	57.3% / 51.7%
Weighted average seasoning	53 months
Owner occupied (Product)	69.3%
Interest only loans	8.6%

Moody's collateral score⁵



Covered bond maturity profile⁶ (A\$bn)

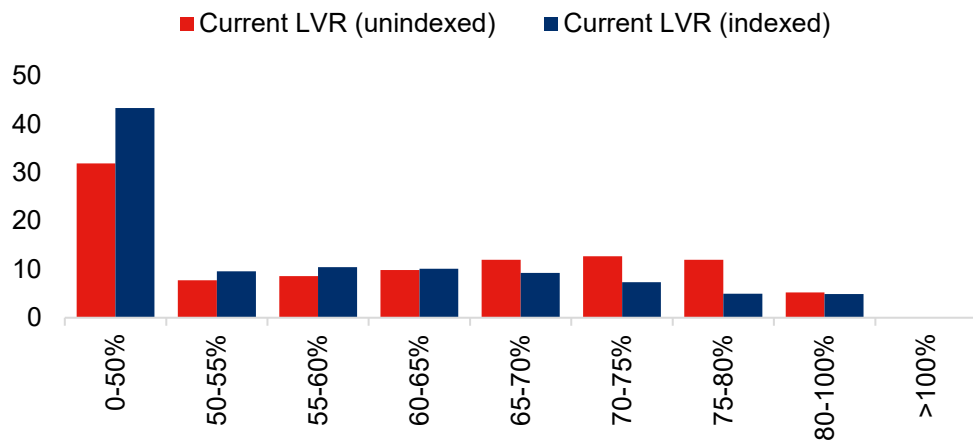


1. Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's") respectively. 2. Fitch, Moody's and S&P Global Ratings ("S&P") respectively. All agencies have Westpac on a stable outlook. 3. Fitch, Moody's and S&P respectively. All agencies have a stable outlook. 4. Subject to meeting the investor reporting requirements set out in Article 14. 5. The collateral score is Moody's opinion of how much credit enhancement is needed to protect investors from the credit deterioration of assets in a cover pool in order to reach a theoretical Aaa expected loss, assuming those assets are otherwise unsupported. The higher the credit quality of the cover pool, the lower the collateral score. Source: Moody's. Last updated February 2023. 6. As at 31 March 2023 using FX rates at time of issuance. 7 An additional ~\$9 billion of Australian residential mortgages were added to the Australian covered bond pool in April 2023. For the latest pool information please refer to our covered bond reports available at www.westpac.com.au/investorcentre.

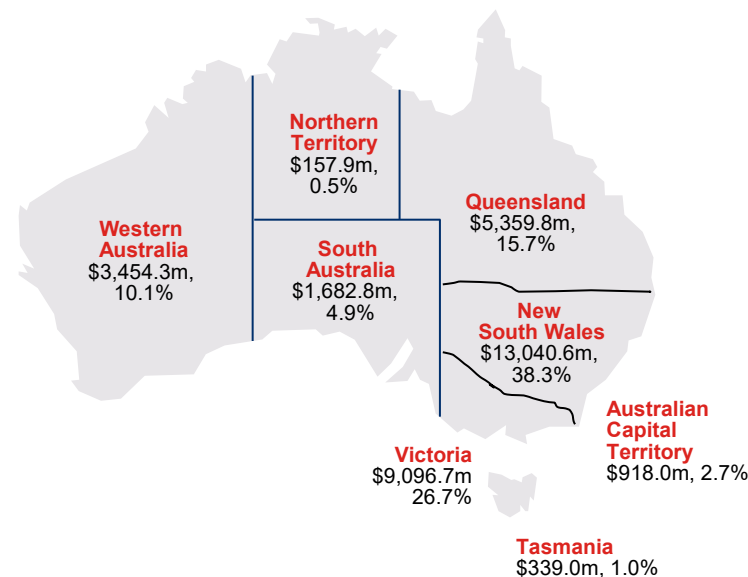
Cover pool statistics¹.

As at 31 March 2023

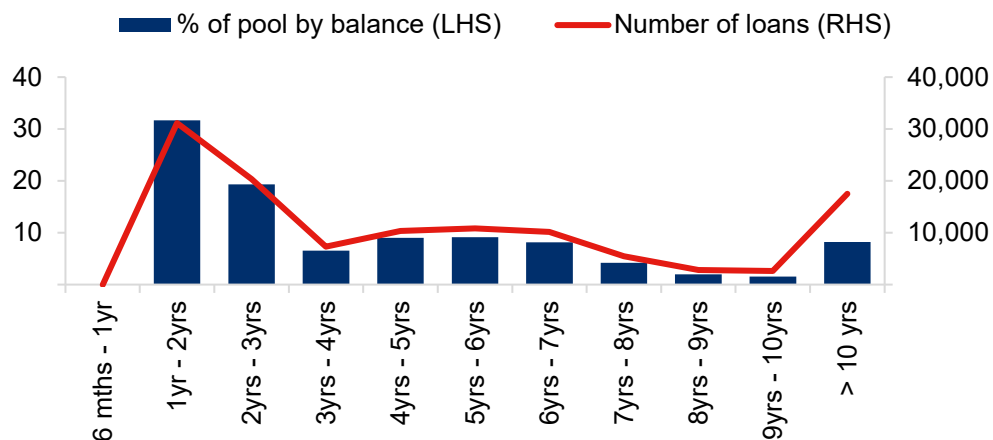
Loan to value ratio by balance (%)



Geographic distribution by state



Seasoning



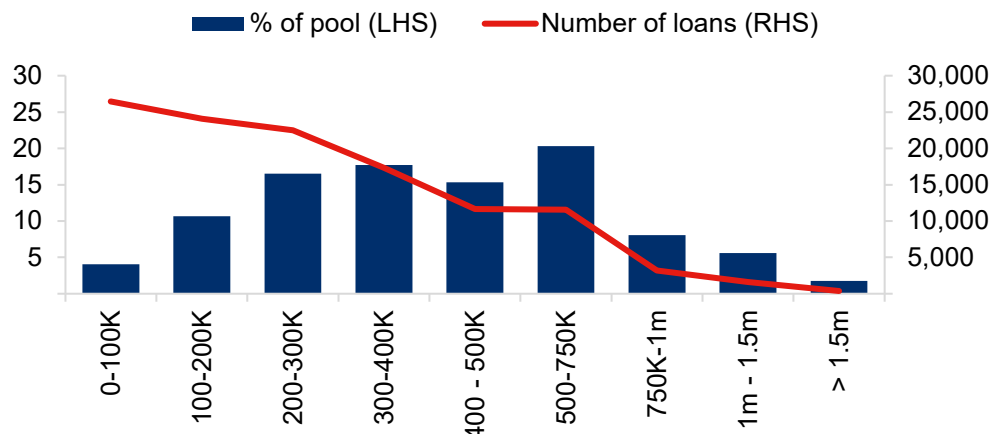
Distribution by region	Value of loans (A\$m)	% of pool by value
Metropolitan	28,175	82.8%
Non-Metropolitan	5,874	17.2%

¹ An additional ~\$9 billion of Australian residential mortgages were added to the Australian covered bond pool in April 2023. For the latest pool information please refer to our covered bond reports available at www.westpac.com.au/investorcentre.

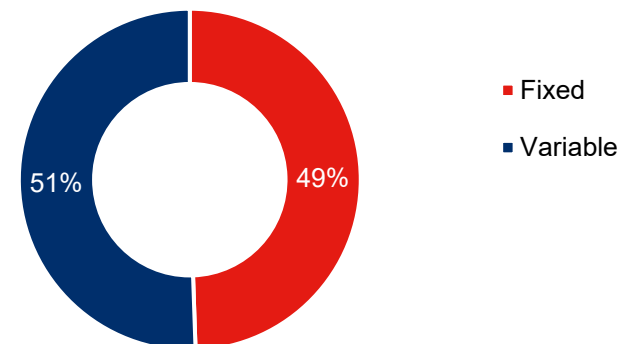
Cover pool statistics¹ (cont.)

As at 31 March 2023

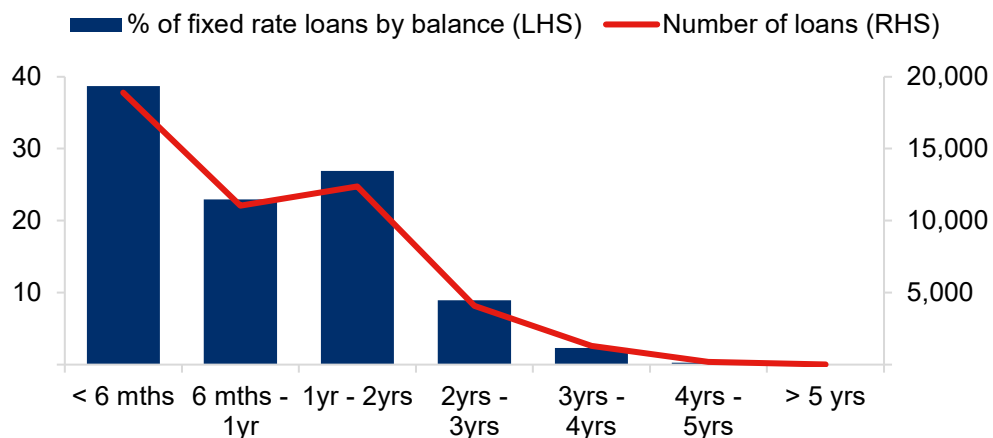
Current loan balance



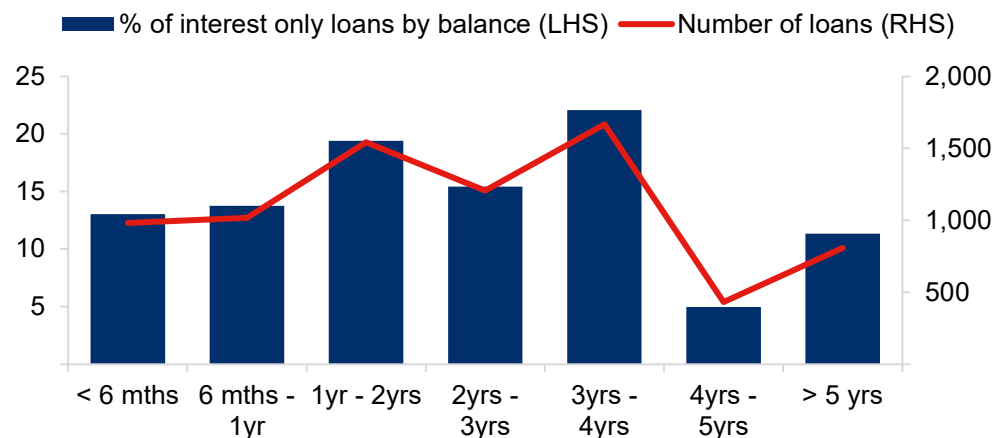
Interest rate split (%)



Fixed rate expiry date remaining period



Interest only expiry date remaining period



¹ An additional ~\$9 billion of Australian residential mortgages were added to the Australian covered bond pool in April 2023. For the latest pool information please refer to our covered bond reports available at www.westpac.com.au/investorcentre.

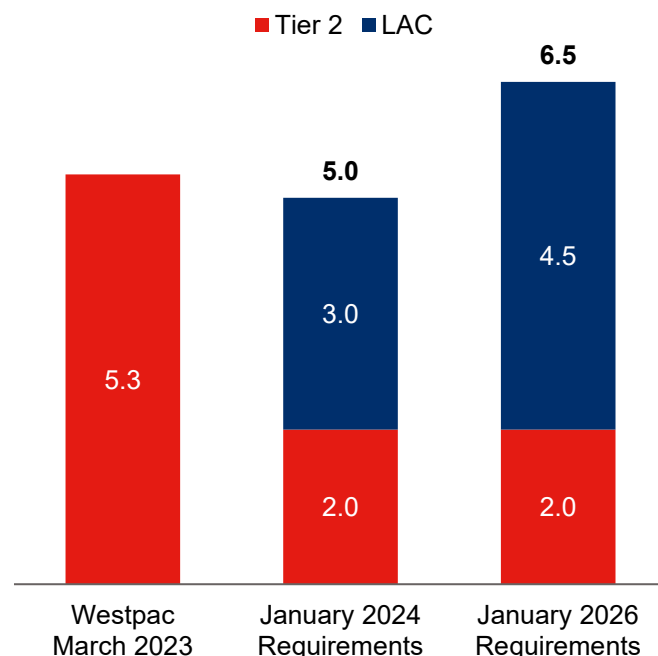
Capital, funding and liquidity

Loss-absorbing capacity and capital securities

Loss-absorbing capacity (LAC)

- Australian D-SIBs are required to increase Total Capital to meet APRA's LAC requirements
- This is expected to be met through Tier 2 Capital
- Westpac is well progressed – Tier 2 capital 5.3% at 31 March 2023

Tier 2 and LAC requirements (%)



AT1 and Tier 2 securities

Loss absorption

- Primary method of loss absorption is contractual conversion into ordinary shares
- No Westpac AT1 or Tier 2 securities have write-off as the primary method of loss absorption
- APRA's prudential requirements in APS 111 permit a ranking or order of conversion and any ranking must provide for AT1 to be fully converted or written-off before Tier 2

Conversion triggers

- CET1 trigger event (AT1 only)
 - Level 1 or Level 2 CET1 capital ratio falls to or below 5.125%
- Point of Non-Viability (PONV) trigger event (AT1 and Tier 2)
 - PONV is where APRA notifies Westpac in writing that:
 - conversion of AT1 and Tier 2 capital instruments of Westpac is necessary, because without it, Westpac would become non-viable; or
 - a public sector injection of capital, or equivalent support, is necessary, because without it, Westpac would become non-viable
 - PONV is at APRA's discretion

Conversion mechanics

- Automatic conversion of the face value (or percentage of the face value) of each instrument into a variable number of ordinary shares, based on the face value of each note and a 5 day VWAP prior to the trigger event, including a 1% discount. The conversion number is subject to a maximum conversion number (based on 20% of the share price at the time of issue)
- Write-off is a backstop only if conversion does not occur within 5 days for any reason

Internationally comparable capital ratio reconciliation¹

APRA's capital requirements are more conservative than those of the Basel Committee on Banking Supervision (BCBS), leading to lower reported capital ratios by Australian banks. The following details the adjustments and how Westpac's APRA CET1 capital ratio aligns to an internationally comparable ratio

Westpac's CET1 capital ratio (APRA basis) 12.3

Equity investments	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements	0.1
Deferred tax assets	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements	0.5
Capitalised expenses	APRA requires these items to be deducted from CET1. The BCBS only requires exposures classified as intangible assets under relevant accounting standards to be deducted from CET1	0.6
Interest rate risk in the banking book (IRRBB)	APRA requires capital to be held for IRRBB. The BCBS does not have a Pillar 1 capital requirement for IRRBB	1.3
RWA scaling factor	APRA applies a scaling factor to all Advanced IRB ² credit RWAs. The BCBS does not apply this scalar	0.8
Property finance	APRA applies an additional scaling factor to property finance RWA. The BCBS does not apply this scalar.	0.3
Residential mortgages	APRA applies scaling factors to mortgage RWAs for higher risk segments such as interest only and investor mortgages and applies a standardised risk weight to certain mortgages. The BCBS does not apply this treatment.	1.8
Non-retail Loss Given Default (LGD)	Non-retail LGD's under the Foundation IRB (F-IRB) and Advanced IRB approaches differ from the BCBS	(0.1)
New Zealand	APRA requires New Zealand RWAs to be largely calculated in accordance with the RBNZ rules. The RBNZ rules are more conservative than BCBS.	0.5

Internationally comparable CET1 capital ratio 18.1

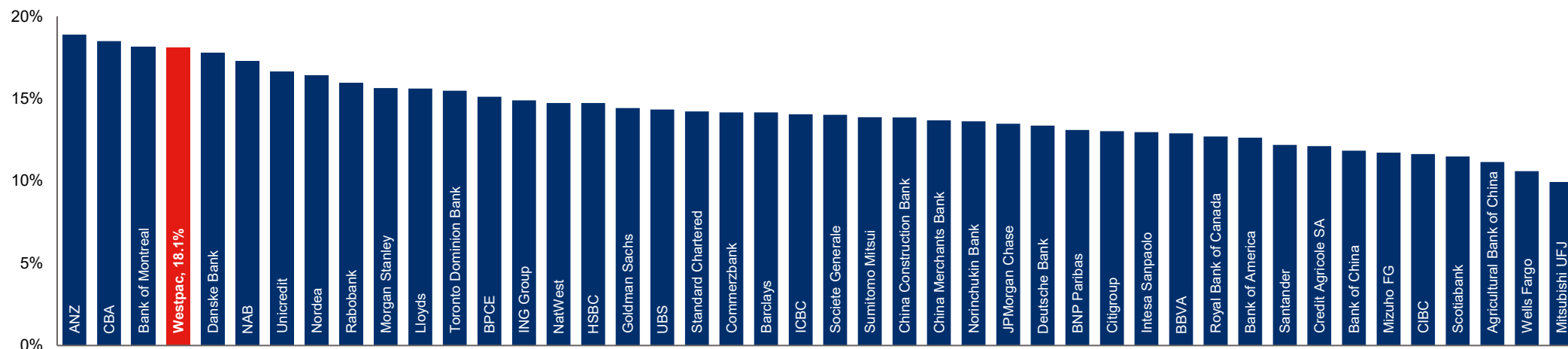
Internationally comparable Tier 1 capital ratio 21.1

Internationally comparable total regulatory capital ratio 28.2

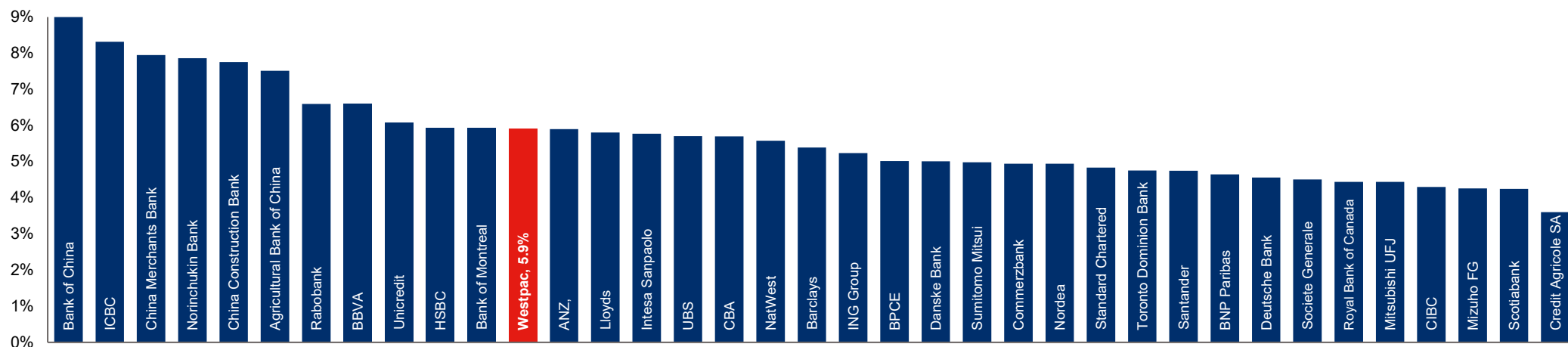
¹ Internationally comparable methodology references the ABA study on the comparability of APRA's new capital framework and finalised reform released on 10 March 2023. ² Internal ratings-based approach (IRB).

Well placed on internationally comparable

Common equity Tier 1 ratio (%)¹



Leverage ratio (%)¹

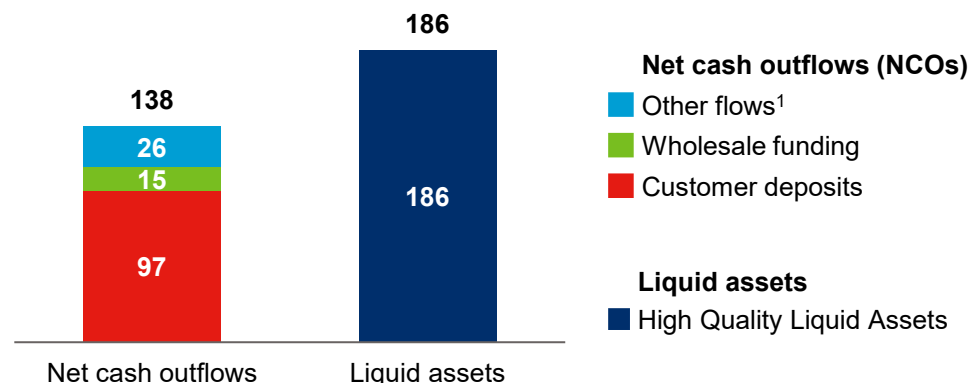


¹ Comparison group comprises listed commercial banks with assets in excess of A\$700bn and which have disclosed fully implemented Basel III ratios or provided enough to estimate. Based on company reports/presentations. Ratios are at 31 December 2022, except for China Construction Bank which are at 30 September 2022, Bank of Montreal, Toronto Dominion Bank, Royal Bank of Canada, CIBC and Scotiabank which are at 31 January 2023, and Westpac, NAB and ANZ which are at 31 March 2023. Where accrued expected dividends have been deducted and disclosed, these have been added back for comparability. US banks are excluded from leverage ratio analysis due to business model differences, for example from loans sold to US Government sponsored enterprises. NAB has not disclosed an internationally comparable leverage ratio since September 2017 and has therefore been excluded.

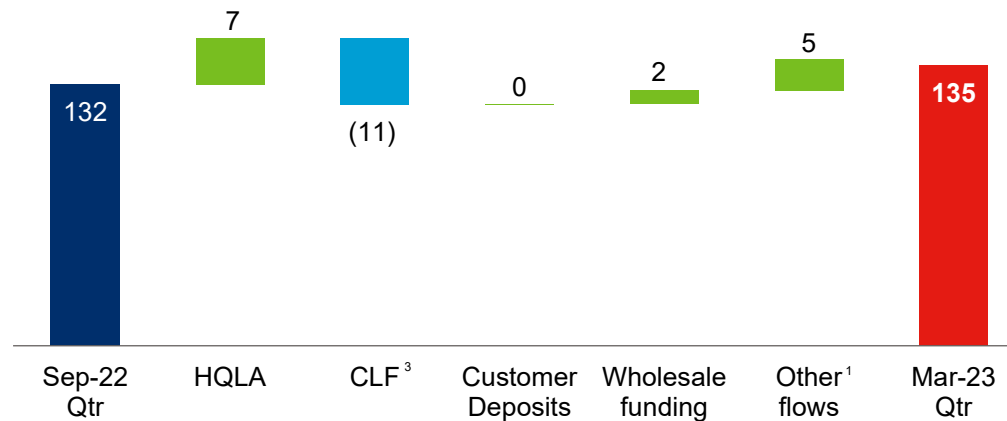
Liquidity Coverage Ratio

LCR (March 2023 quarterly average, \$bn)

LCR 135%



Movement in LCR (quarterly average, %)



HQLA (March 2023 quarterly average)

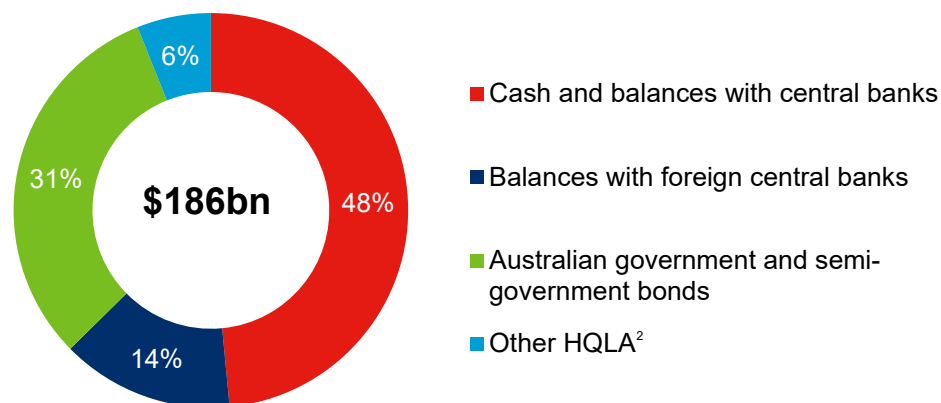
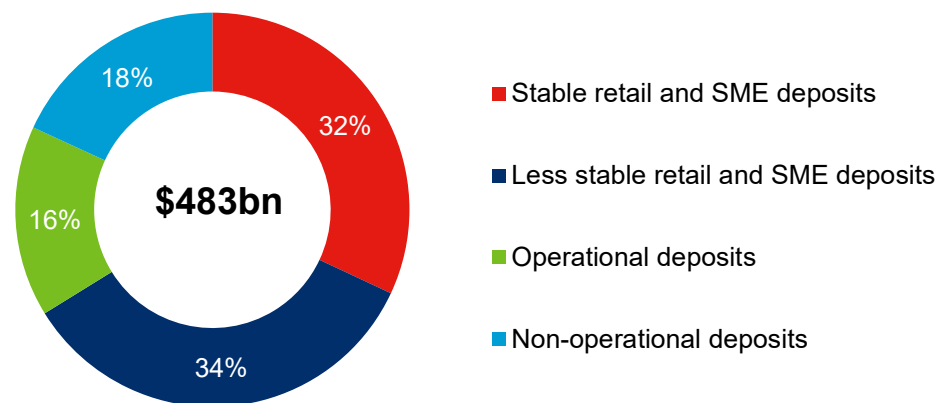


Chart does not add to 100 due to rounding

LCR deposit mix (March 2023 quarterly average)



¹ Other flows include credit and liquidity facilities, collateral outflows and inflows from customers. Other flows also includes the net cash outflow overlay. Effective 1 Jan-21, the Group was required to increase the value of its net cash outflows by 10% for the purpose of calculating LCR, in response to action taken by APRA for breaches of Westpac's liquidity requirements predominantly relating to WNZL. The overlay was removed from 1 Sep-22. ² Other HQLA includes securities issued by foreign sovereigns and repo-eligible qualifying assets in foreign jurisdictions. ³ In line with APRA updated guidance, the CLF ceased to exist on 1 Jan-23.

Funding

Focus on stable funding sources

Funding composition (%)

- Customer deposits provide 65% of total funding
- Additional 22% from stable sources of long-term wholesale and equity

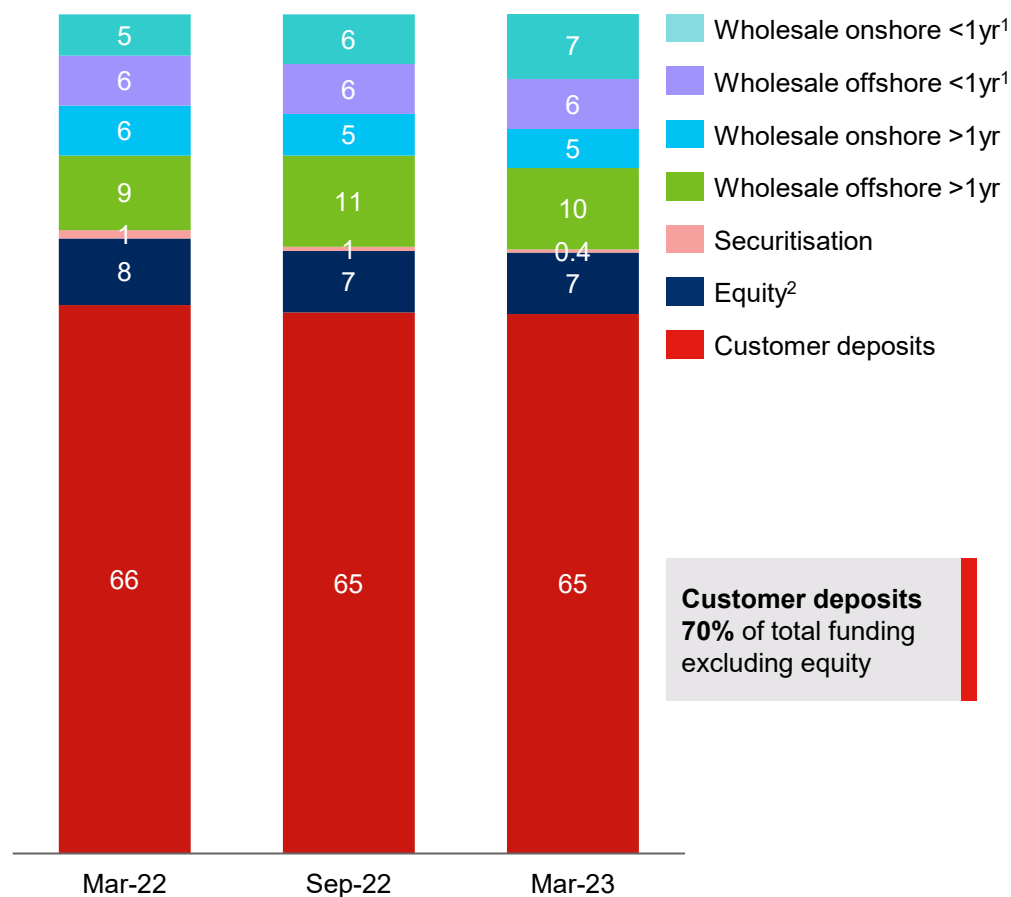
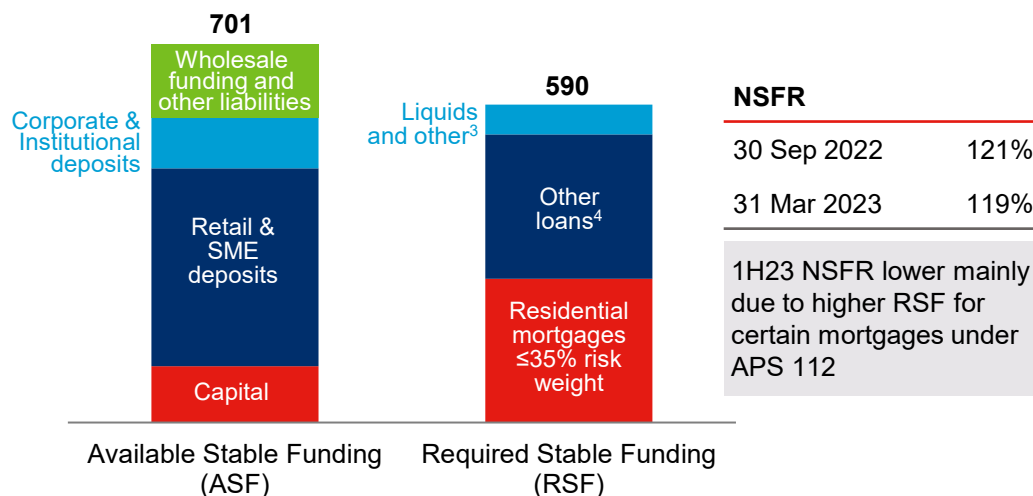


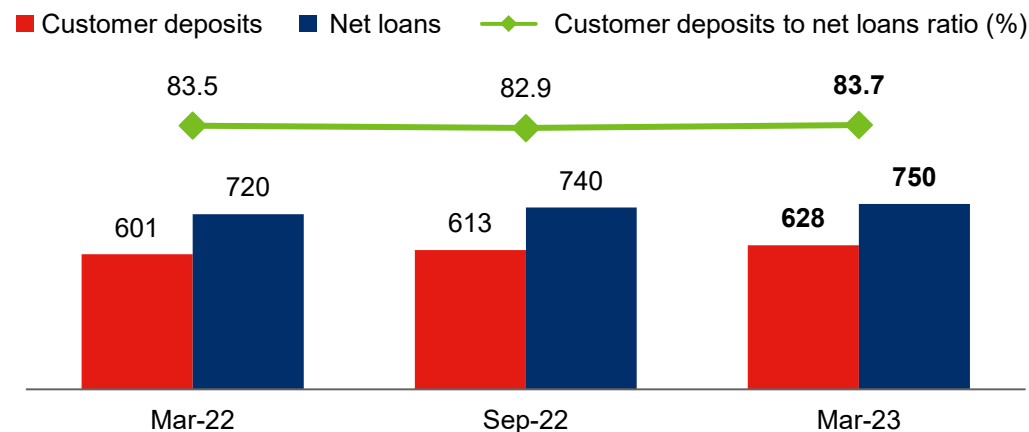
Chart does not add to 100 due to rounding

1 Includes long term wholesale funding with a residual maturity less than or equal to 1 year. 2 Equity excludes FX translation, available-for-sale securities and cash flow hedging reserves. 3 Other includes derivatives and other assets. 4 Other loans include off balance sheet exposures and residential mortgages >35% risk weight.

Net stable funding ratio (%)



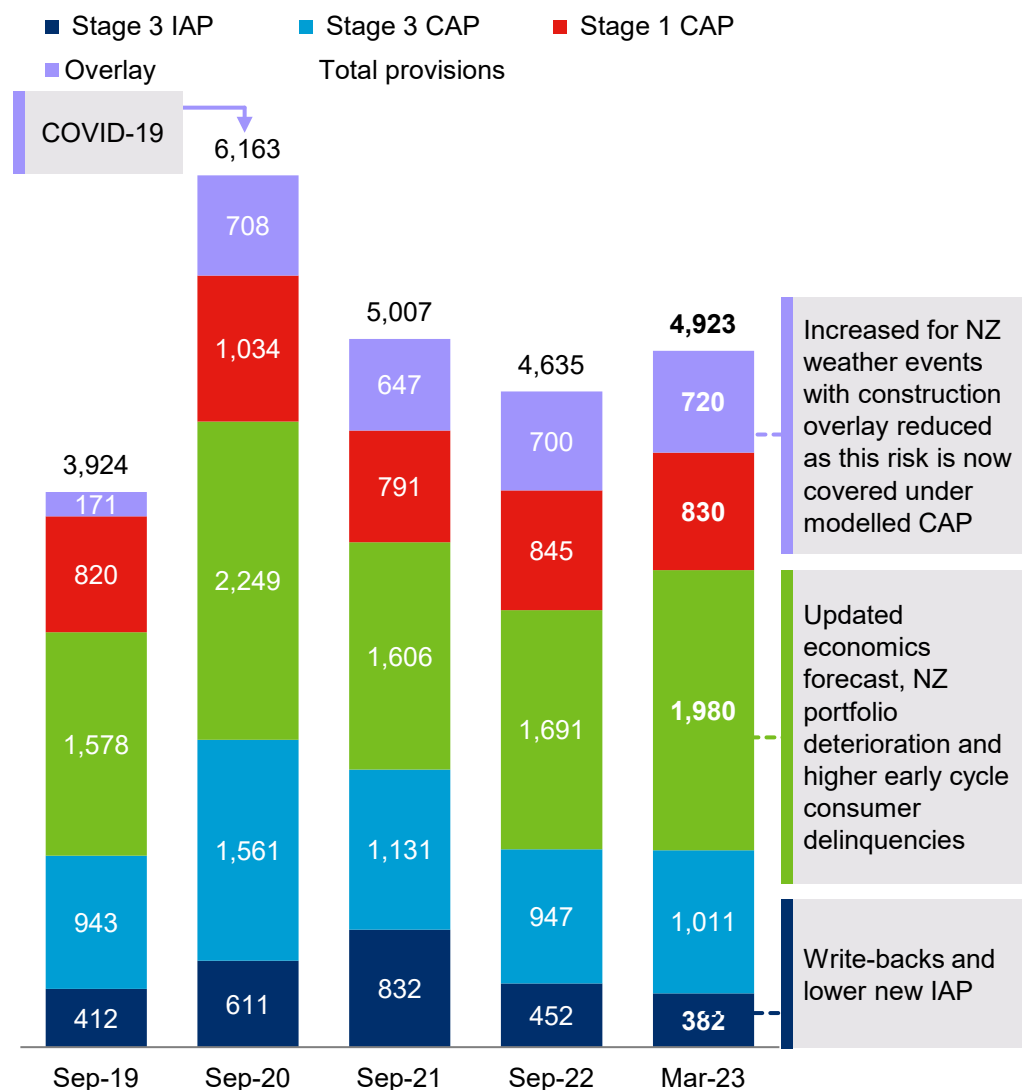
Customer deposits and net loans (\$bn)



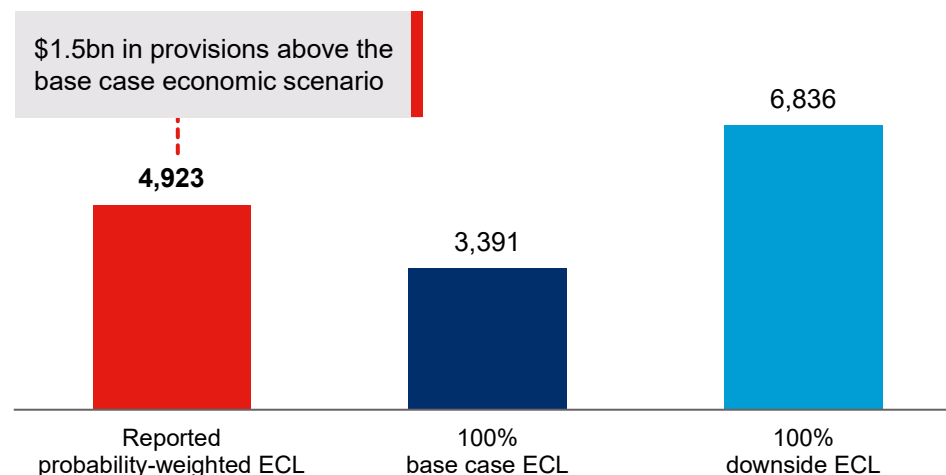
Credit quality and provisions

Provisions for expected credit loss

Total provisions for expected credit losses¹ (\$m)



Expected credit loss¹ (ECL) (\$m)

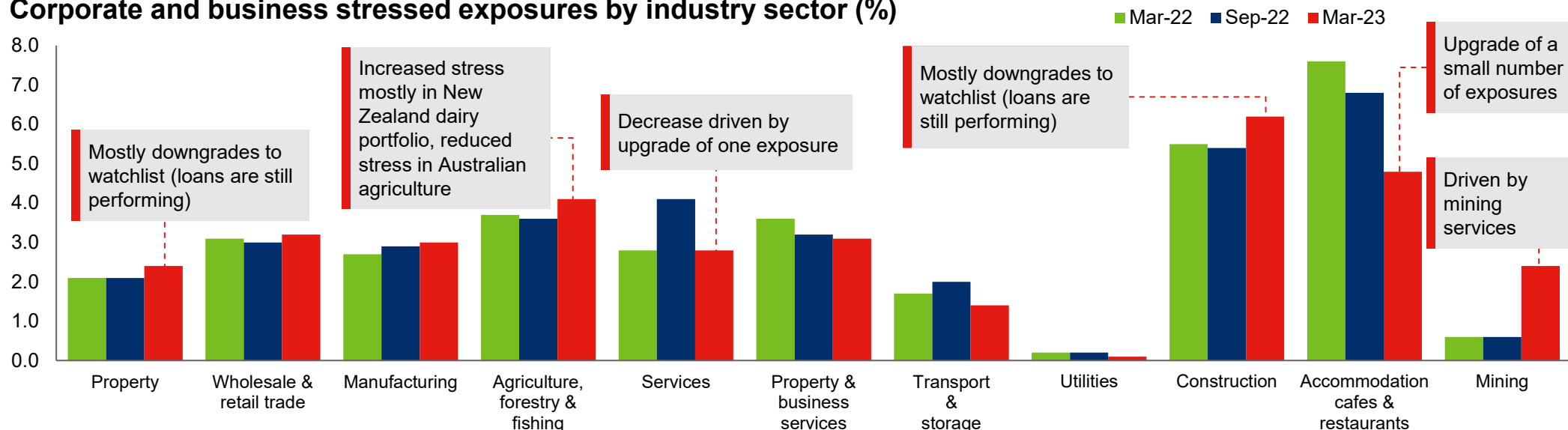


Forecasts for base case economic scenario ²	Base case		Downside
	2023	2024	Trough / peak ³
GDP growth	1.0%	1.5%	(6%)
Unemployment	4.7%	5.1%	11%
Residential property prices	(7.8%)	2.0%	(27%)
Commercial property prices	(9.4%)	1.4%	(32%)

¹ Includes provisions for debt securities. ² Forecast date is 21 March 2023. ³ These KEIs represent trough or peak values that characterise the scenarios considered in setting downside severity. Residential and commercial forecasts represent cumulative reduction over a two-year period.

Credit quality across sectors

Corporate and business stressed exposures by industry sector (%)



Exposure and credit quality by sector

Sector		Finance & Insurance ¹	Property ²	Wholesale & retail trade	Manufacturing	Agriculture, forestry & fishing	Services ³	Property & business services	Transport & storage	Utilities	Construction ⁴	Accomm, cafes & restaurants	Mining
TCE (\$bn)	Mar-23	205.6	78.8	29.0	24.2	23.9	23.7	22.0	17.3	16.9	11.9	10.2	8.7
	Sep-22	187.9	76.1	29.3	24.4	23.2	23.5	22.4	29.3	14.3	11.5	10.2	7.9
Stressed (%) ^{5,6}	Mar-23	0.1	2.4	3.2	3.0	4.1	2.8	3.1	1.4	0.1	6.2	4.8	2.4
	Sep-22	0.1	2.1	3.0	2.9	3.6	4.1	3.2	2.0	0.2	5.4	6.8	0.6
Impaired (%) ⁶	Mar-23	0.0	0.1	0.6	0.5	0.3	0.4	0.6	0.2	0.0	0.8	0.6	0.1
	Sep-22	0.0	0.1	0.6	0.8	0.2	0.5	0.7	0.2	0.0	0.8	0.6	0.1

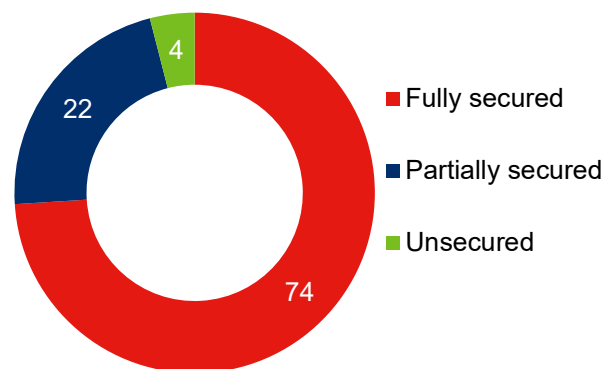
1 Finance and insurance includes banks, non-banks, insurance companies and other firms providing services to the finance and insurance sectors. Includes assets held for liquidity portfolio. 2 Property includes both residential and non-residential property investors and developers and excludes real estate agents. 3 Services includes education, health & community services, cultural & recreational and personal & other services. 4 Construction includes building and non-building construction, and industries serving the construction sector. 5 Includes impaired exposures. 6 Percentage of portfolio TCE

Sectors in focus: Accommodation, cafes and restaurants; construction

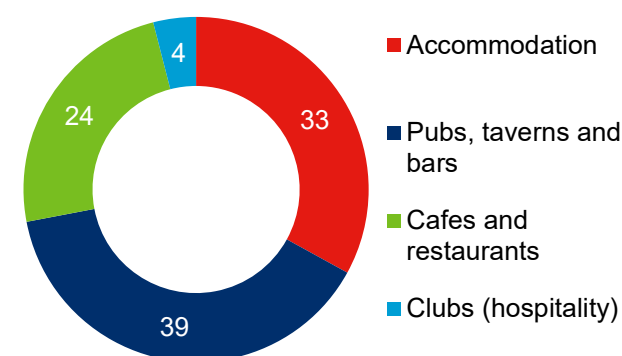
Accommodation, cafes and restaurants

	Mar-22	Sep-22	Mar-23
Total committed exposure (TCE) (\$bn)	9.9	10.2	10.2
Lending (\$bn)	8.1	8.4	8.8
As a % of Group TCE	0.85	0.86	0.84
% of portfolio graded as stressed ^{1,2}	7.64	6.76	4.76
% of portfolio impaired ²	0.68	0.56	0.60

Portfolio security composition³ (TCE) (%)



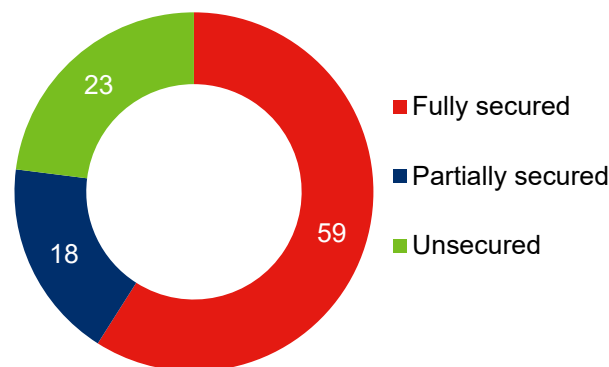
Portfolio by sub-sector (TCE) (%)



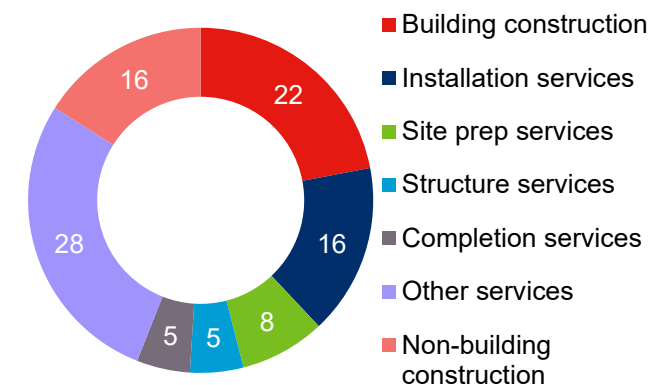
Construction

	Mar-22	Sep-22	Mar-23
TCE (\$bn)	11.2	11.5	11.9
Lending (\$bn)	6.8	7.1	7.3
As a % of Group TCE	0.96	0.97	0.97
% of portfolio graded as stressed ^{1,2}	5.46	5.37	6.24
% of portfolio impaired ²	0.80	0.78	0.81

Portfolio security composition³ (TCE) (%)



Portfolio by sub-sector (TCE) (%)



1 Includes impaired exposures. 2 Percentage of portfolio TCE. 3 Fully secured: Secured loan to collateral value ratio ≤ 100%, Partially secured: Secured loan to collateral value ratio > 100%, but < 150%, Unsecured: Secured loan to collateral value ratio > 150%, or no security held.

Sectors in focus: Australian agriculture; mining

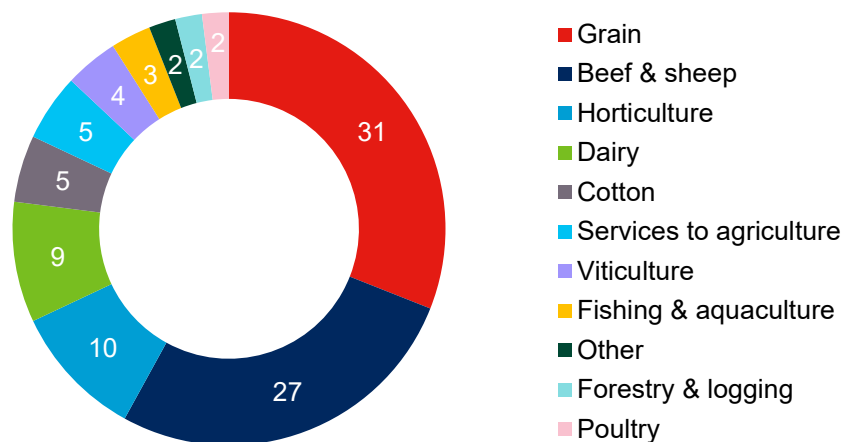
Australian agriculture

	Mar-22	Sep-22	Mar-23
TCE (\$bn)	13.4	13.7	14.3
Lending (\$bn)	10.6	11.3	11.3
As a % of Group TCE	1.16	1.16	1.17
% of portfolio graded as stressed ^{1,2}	1.96	2.73	2.48
% of portfolio in impaired ²	0.40	0.37	0.36

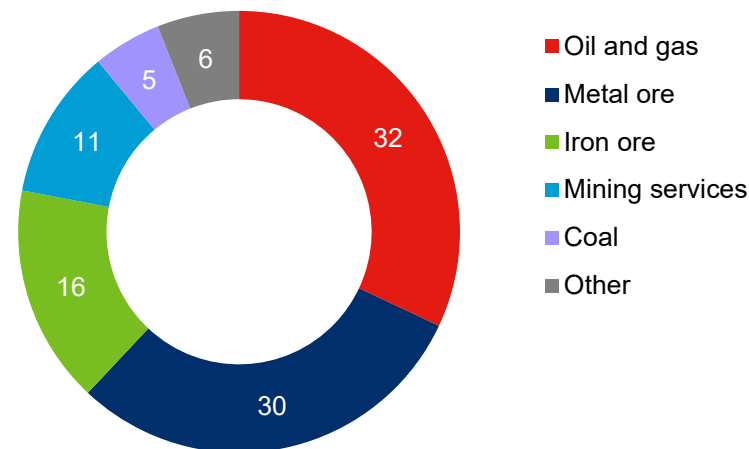
Mining (incl. oil and gas)

	Mar-22	Sep-22	Mar-23
TCE (\$bn)	8.4	7.9	8.7
Lending (\$bn)	3.4	3.1	2.8
As a % of Group TCE	0.72	0.66	0.71
% of portfolio graded as stressed ^{1,2}	0.60	0.62	2.42
% of portfolio in impaired ²	0.14	0.11	0.09

Australian agriculture portfolio by sub-sector (TCE) (%)



Mining portfolio by sub-sector (TCE) (%)



1 Includes impaired exposures. 2 Percentage of portfolio TCE.

Sectors in focus:

Retail trade; residential aged care and retirement

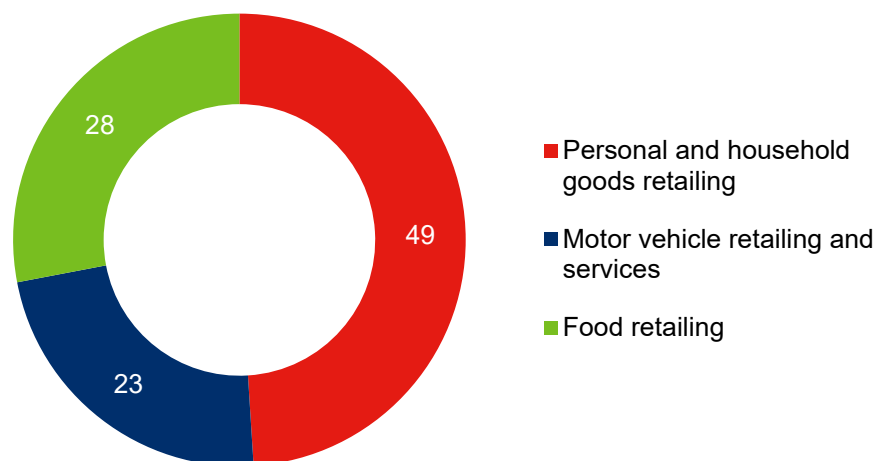
Retail trade

	Mar-22	Sep-22	Mar-23
TCE (\$bn)	12.5	11.9	12.4
Lending (\$bn)	8.3	8.6	7.8
As a % of Group TCE	1.08	1.00	1.01
% of portfolio graded as stressed ^{1,2}	3.69	3.79	3.46
% of portfolio impaired ^{2,3}	0.79	0.84	0.78

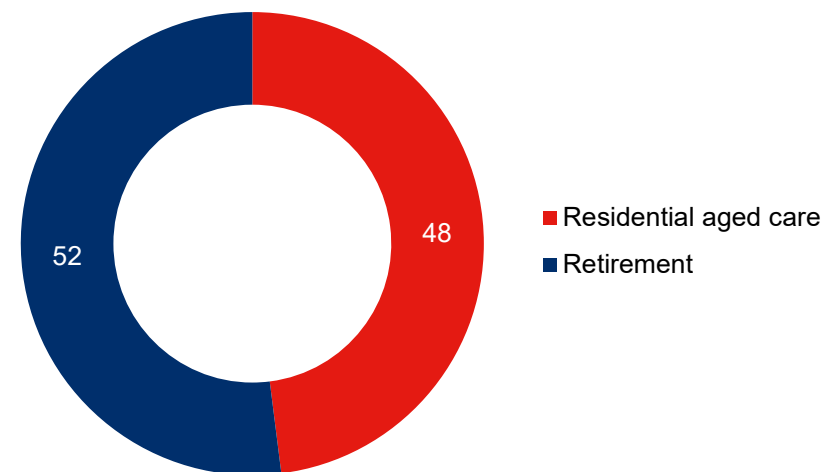
Residential aged care and retirement

	Mar-22	Sep-22	Mar-23
TCE (\$bn)	3.7	3.1	2.9
Lending (\$bn)	1.6	1.7	1.6
As a % of Group TCE	0.32	0.26	0.23
% of portfolio graded as stressed ^{1,2}	2.03	3.17	2.79
% of portfolio impaired ²	0.76	0.61	0.05

Retail trade exposure by sub-sector (TCE) (%)



Residential aged care and retirement exposure by sub-sector (TCE) (%)



1 Includes impaired exposures. 2 Percentage of portfolio TCE. 3 Impaired ratio for Mar-22 and Sep-22 restated, reflecting data review.

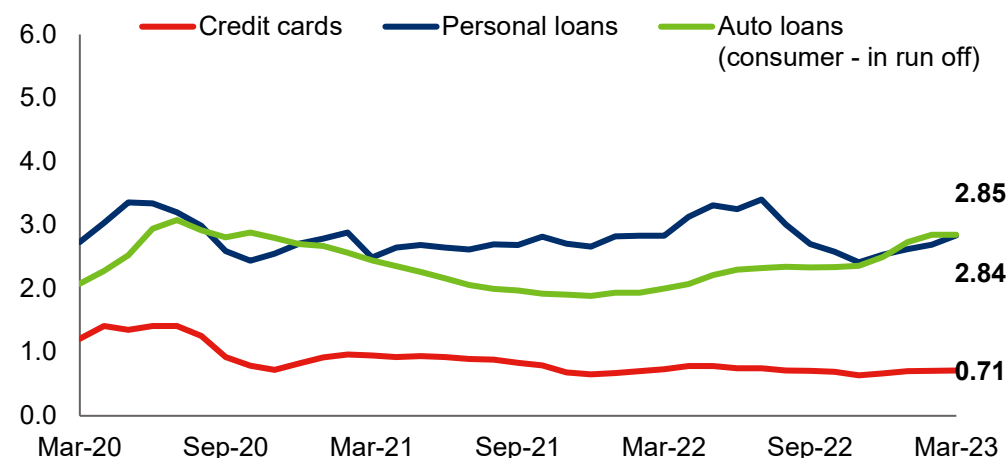
Australian consumer finance

Australian consumer finance portfolio¹

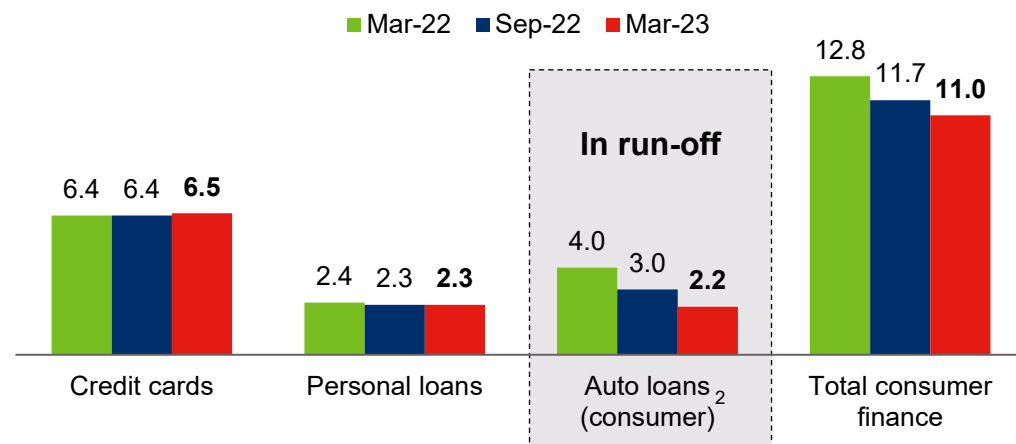
	Mar-22	Sep-22	Mar-23
Lending (\$bn)	12.8	11.7	11.0
As a % of Group loans	1.8	1.6	1.5
30+ day delinquencies (%)	3.06	2.79	2.98
90+ day delinquencies (%)	1.64	1.60	1.58

90+ day delinquencies down 2bps over the period, reflecting 12bps improvement in portfolio, partly offset by 10bps from contraction in portfolio (mostly auto loans in run-off)

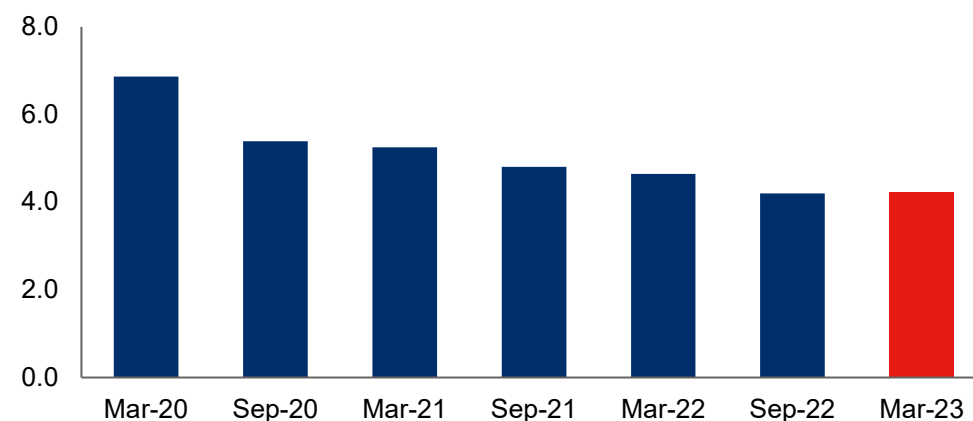
Australian consumer finance 90+ delinquencies (%)



Australian consumer finance portfolio (\$bn)



Credit card accounts paying minimum repayment (%)³



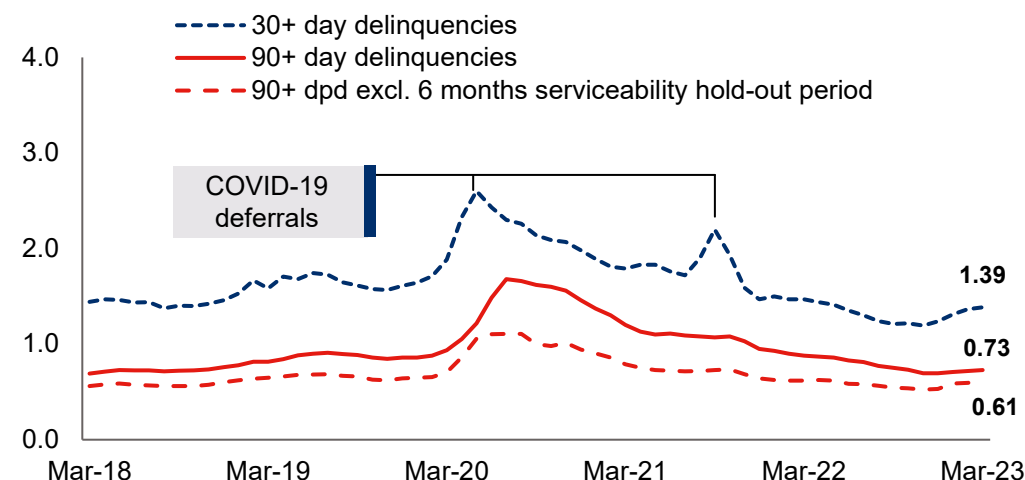
¹ Does not include margin lending. ² Loans to customers through dealers in Specialist Businesses. These loans will be run-down over their contractual term. ³ Minimum repayment over at least six consecutive months. Minimum repayment defined as <=5% of each months statement cycle balance.

Australian mortgage delinquencies

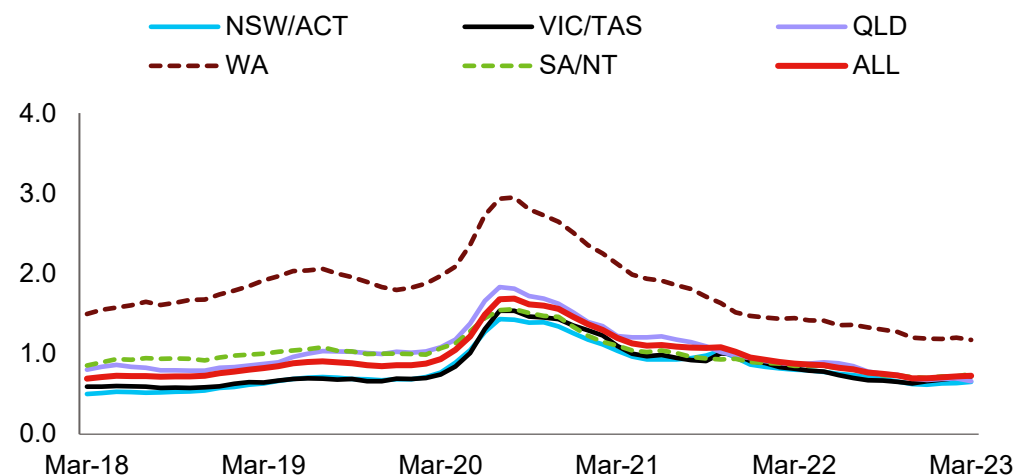
Australian mortgage portfolio	Mar-19 Pre COVID-19	Mar-22	Sep-22	Mar-23
90+ day delinquencies (bps):				
Total portfolio inc. impaired mortgages	82	88	75	73
Owner occupied loans	89	85	73	69
Investment property loans	68	89	75	75
Principal & interest loans	83	90	78	74
Interest only loans	75	66	48	47
30+ day delinquencies total portfolio (bps)	159	147	121	139
	Mar-19 Pre COVID-19	Mar-22	Sep-22	Mar-23
Customers in hardship ¹ including 6mth serviceability period (by balances, bps)	64	75	53	50
Consumer properties in possession (number)	482	201	224	227
Impaired mortgages (by balances, bps)	N/A	5	5	6

¹ Financial hardship assistance is available to customers experiencing temporary financial difficulty, including changes in income due to illness, a relationship breakdown or natural disasters. Hardship assistance often takes the form of a reduction or deferral of repayments for a short period. Customer requesting financial hardship assistance must provide a statement of financial position and an assessment is made regarding the customer's eligibility.

Australian mortgage delinquencies (%)



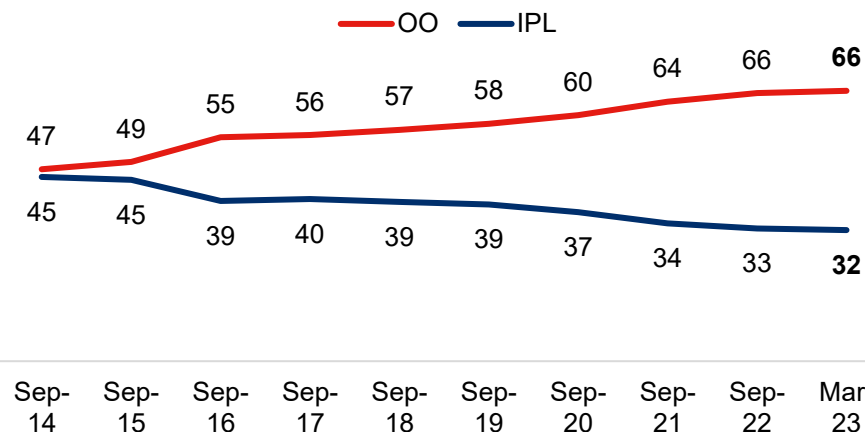
Australian mortgage 90+ day delinquencies by State (%)



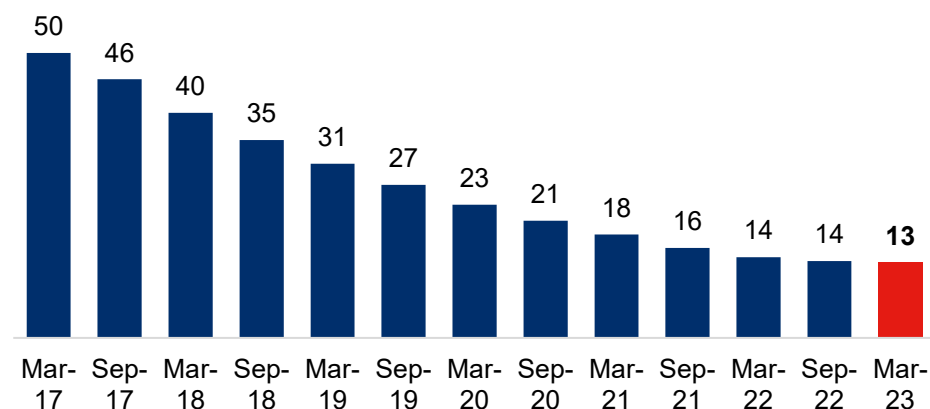
Australian mortgage portfolio composition

Australian mortgage portfolio	Mar-22 balance	Sep-22 balance	Mar-23 balance	1H23 flow ¹
Total portfolio (\$bn)	458.3	467.6	472.7	49.7
Owner occupied (OO) (%)	64.8	65.8	66.4	69.3
Investment property loans (IPL) (%)	33.4	32.6	32.2	30.7
Portfolio loan/line of credit (LOC) (%)	1.7	1.6	1.4	-
Variable rate / Fixed rate (%)	60/40	63/37	67/33	95/5
Interest only (I/O) (%)	14.2	13.5	13.3	15.7
Proprietary channel (%)	52.7	51.8	51.5	46.4
First home buyer (%)	10.4	10.1	9.6	5.8
Mortgage insured (%)	15.4	14.7	14.2	9.4
	Mar-22	Sep-22	Mar-23	1H23 flow ¹
Average loan size ² (\$'000)	280	286	292	445
Customers ahead on repayments including offset account balances (%)				
By accounts	74	74	74	
By balances ³	68	68	69	
Mortgage losses net of insurance (\$m, for 6 months ending)	28	2	11	
Annual mortgage loss rate ⁴ (bps)	1.2	0.6	0.5	

Owner occupied / Investment property loans as a % of the Australian mortgage portfolio



Interest only loans as a % of the Australian mortgage portfolio



1 Flow is new mortgages settled in the 6 months ended 31 March 2023. 2 Includes amortisation. Calculated at account level, where split loans represent more than one account. 3 Mar-22 re-stated for classification changes between 'On time' and '<1 month' ahead categories. Loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments. 4 Mortgage loss rates for March balances are annualised, based on losses for the 6 months. Mortgage loss rates for September are actual losses for the 12 months ending.

Australian mortgage portfolio

Sound fundamentals maintained

By product and repayment type (%)

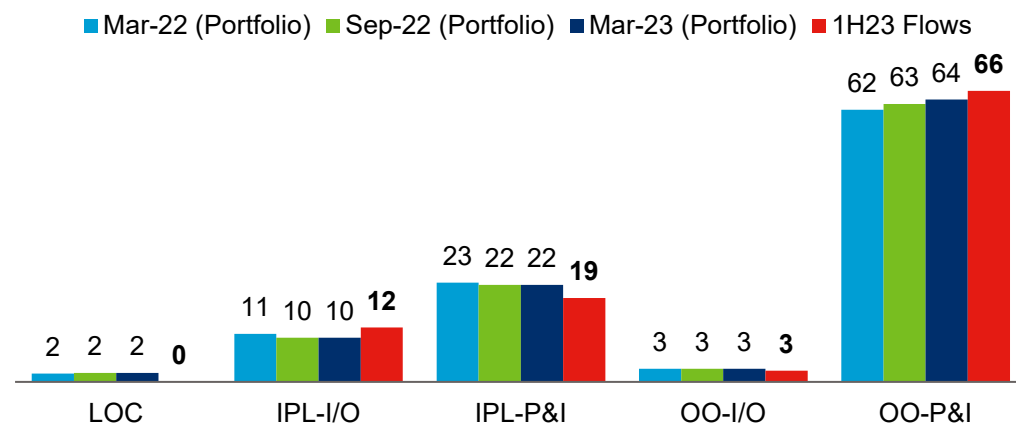
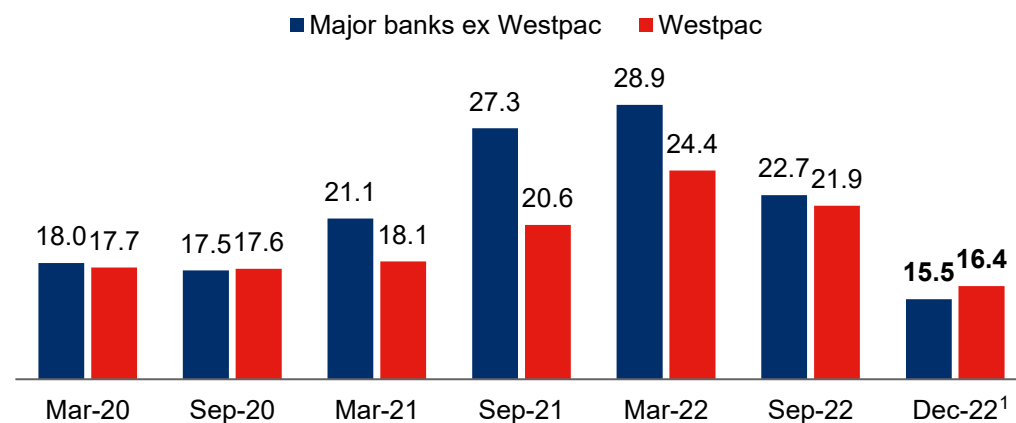


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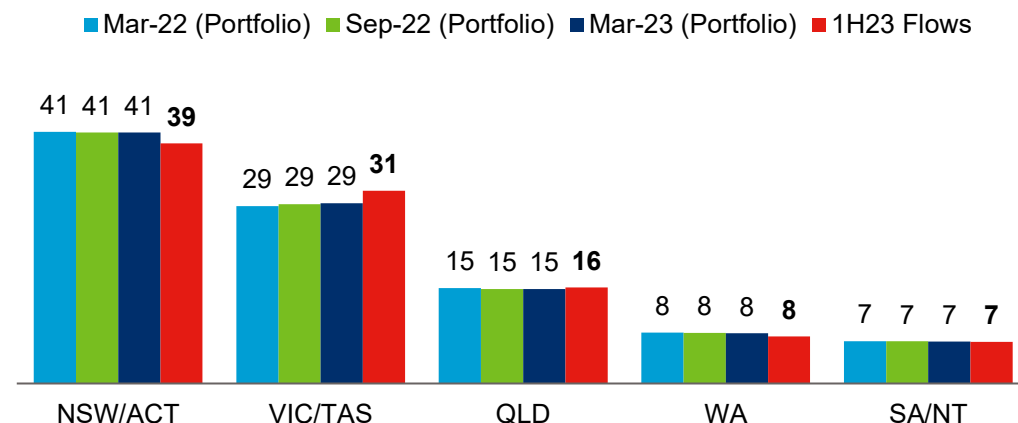
Debt-to-income $\geq 6x$ at origination (%)



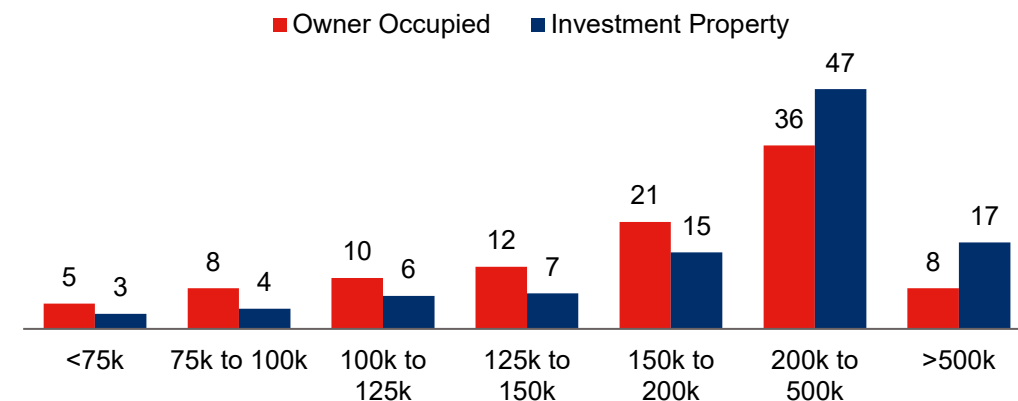
Source: APRA, Westpac.

¹ Six months to.

By State (%)



Applicant gross income band (1H23 drawdowns, % by approved limits)

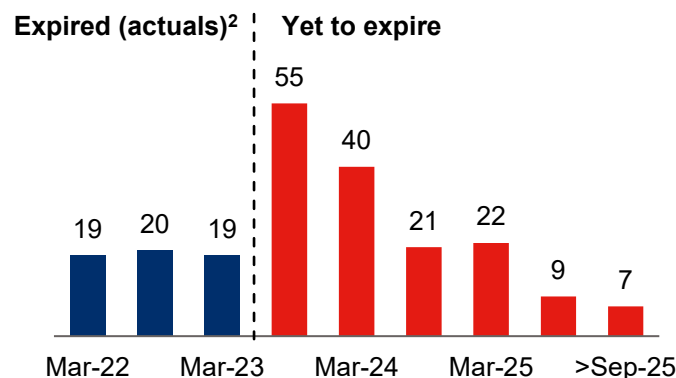


Australian mortgage portfolio

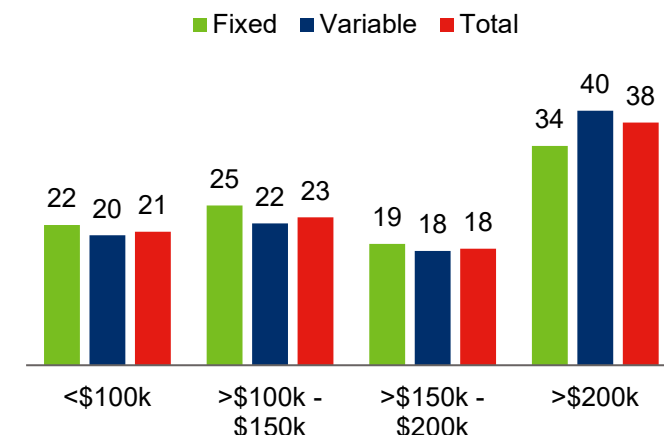
Fixed rate mortgage roll-off closely managed

- Most fixed rate borrowers are well placed to manage higher repayments
 - Borrower characteristics similar to variable rate portfolio
 - Slightly more first home buyers and owner occupiers in the fixed rate portfolio versus variable rate portfolio, leading to moderately lower income and higher dynamic LVRs
 - 49% also have a variable rate loan
- Average interest rate step up for fixed accounts expiring in 2H23 approximately 3.7%¹

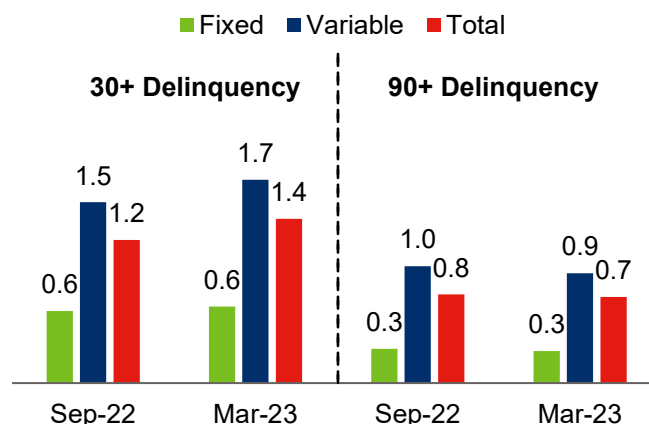
Australian fixed rate mortgage expiry schedule (\$bn, every 6 months to)



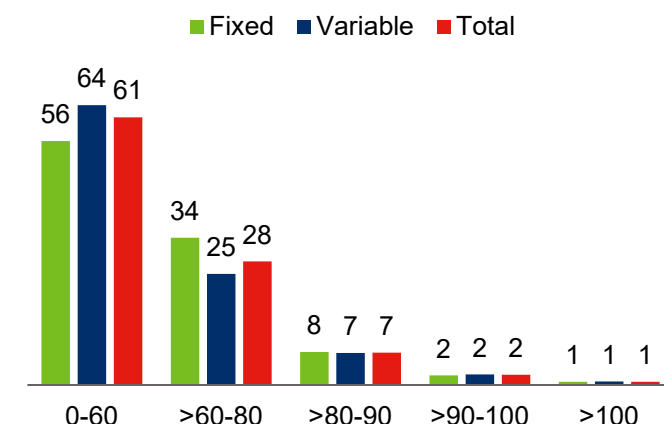
Australian mortgage portfolio by income band (%)



Australian mortgage portfolio arrears (%)



Australian mortgage portfolio by dynamic LVR³ (%)



¹ On a balance weighted basis. ² Scheduled expiry for 6 months to March 2023 was \$21bn. Actual expiry \$19bn. ³ Dynamic LVR is the loan-to-value ratio taking into account the current loan balance, changes in security value, offset account balances and other loan adjustments. Property valuation source CoreLogic.

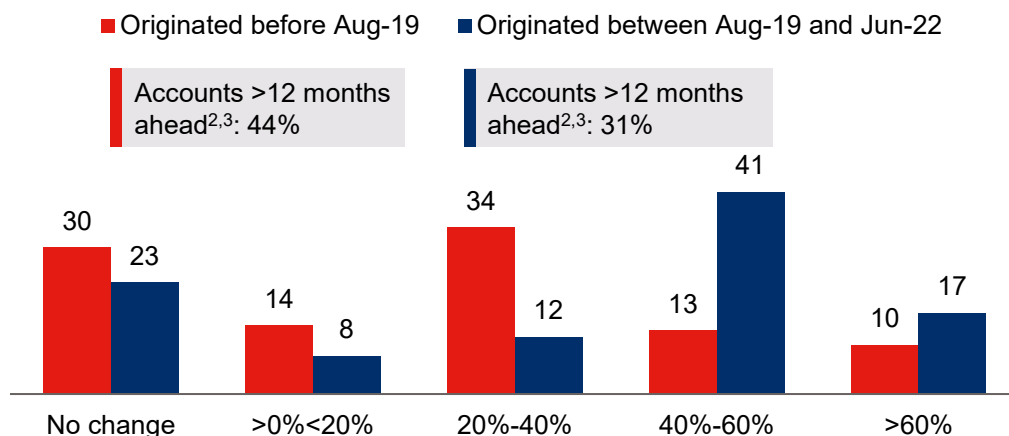
Australian mortgage portfolio

Identifying and supporting customers at risk

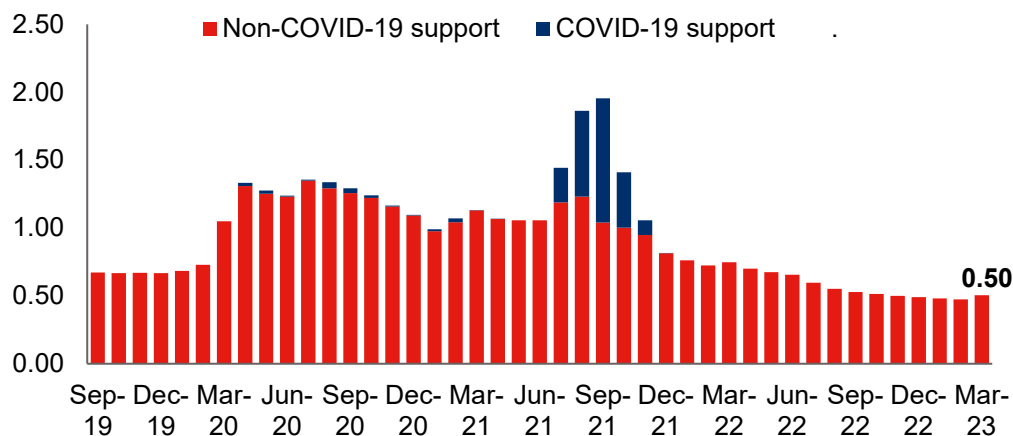
- Increase in repayments greatest for those loans originated between August 2019 and June 2022, during historically low interest rate period
- \$3.1bn in loans where repayment buffer is less than 3 months and dynamic LVR is above 90%
- Providing support to customers in difficulty through hardship program
 - Currently 0.5% of total mortgage balances in hardship, mostly due to reduced income

Mortgages originated between Aug-19 and Jun-22 ³ (42% of the portfolio)	Dynamic LVR with no LMI		
Analysis of minimum contractual repayment at March 2023	>80%	Of which >85%	Of which >90%
Repayment buffer <12months (Total: \$152bn)	\$13.3bn	\$7.0bn	\$3.4bn
Of which repayment buffer <3months (Total: \$130bn)	\$12.0bn	\$6.3bn	\$3.1bn

Percentage increase in variable-rate repayment following interest rate changes (accounts at 31 Mar 23)¹



Australian mortgage hardship⁴ balances (% of portfolio)



¹ Captures accounts active in Jun-22 and Mar-23. Shows the increase based on the actual repayment made in Jun-22 and the contractual mortgage rates at a cash rate of 3.6% assuming rates changed by an equivalent amount. Analysis assumes an I/O mortgage remains an I/O mortgage. ² Analysis based on minimum repayments. Includes fixed and variable rate mortgages. ³ Excludes equity/line of credit products as there are no scheduled principal payments. ⁴ Financial hardship assistance is available to customers experiencing temporary financial difficulty, including changes in income due to illness, a relationship breakdown or natural disasters. Hardship assistance often takes the form of a reduction or deferral of repayments for a short period. Customer requesting financial hardship assistance must provide a statement of financial position and an assessment is made regarding the customer's eligibility.

Australian mortgage portfolio underwriting

Credit policy at March 2023

Income	<ul style="list-style-type: none"> Verified via payslips, tax returns or salary credits, with other supporting documentation such as PAYG payment summaries or ATO Statements (minimum standards apply) Shading of at least 20% applies to less certain income sources i.e. overtime, bonuses
Credit Score & Credit Bureau	<ul style="list-style-type: none"> Bespoke application scorecards segmented by new and existing customers Credit and score override rates tracked and capped Credit bureau checks required
Expenses	<ul style="list-style-type: none"> Assessed as the higher of a borrower's HEM¹ comparable expenses or HEM plus any expenses that are not comparable to HEM (e.g. private school fees, life insurance) HEM is applied by income bands, post settlement postcode location, marital status and dependants 17 expense categories used, aligned with Melbourne Institute guidelines and LIXI standards
Serviceability assessment	<ul style="list-style-type: none"> For serviceability assessment, loans are assessed at the higher of: <ul style="list-style-type: none"> The customer rate, including any life-of-loan discounts, plus the serviceability buffer of 3.0%, up from 2.50% in October 2021, or The minimum assessment rate, called the "floor rate", currently 5.05%, down from October 2020, previously 5.35% For I/O loans, serviceability is assessed on a P&I basis over the residual term Fixed rate loans assessed on the variable rate to which the loan will revert after fixed period All existing customer commitments are verified Review Westpac Group accounts and Comprehensive Credit Reporting (CCR) to identify customer commitments Limits apply to higher debt-to-income lending; above 7x referred for manual credit assessment where LVR>80 Credit card repayments assessed at 3.8% of limit or balance whichever is higher
Genuine savings deposit requirements	<ul style="list-style-type: none"> Minimum 5% proof of genuine savings for higher LVR loans (typically LVR >90%). Any Home Owner Grants are not considered genuine savings
Security	<ul style="list-style-type: none"> LVR restrictions apply depending on location, property value and nature of security Restrictions on high-density apartments based in postcode defined areas, generally capital city CBD's and properties in towns heavily reliant on a single industry, e.g. mining, tourism
LMI	<ul style="list-style-type: none"> Mortgage insurance for higher risk loans, such as LVRs >80%. Special package policy waivers apply for certain professionals and Westpac Group staff

¹ HEM is the Household Expenditure Measure, produced by the Melbourne Institute.

Australian mortgage portfolio by year of origination (% of total book)

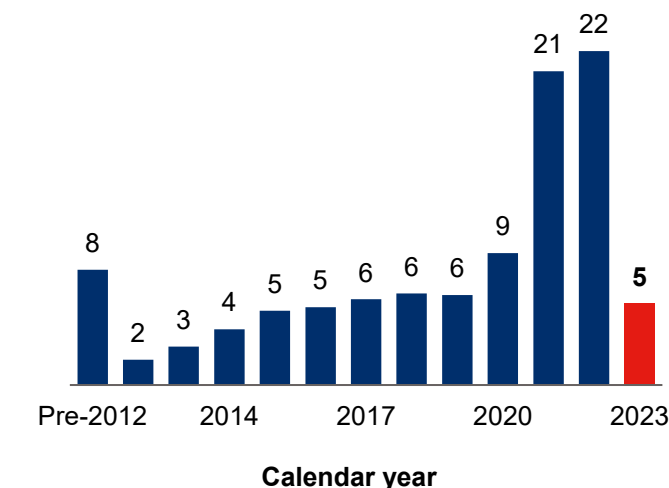


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Australian mortgage portfolio

Interest only and investment property lending

Interest only (I/O) lending by dynamic LVR¹ and income band (% of total I/O lending)

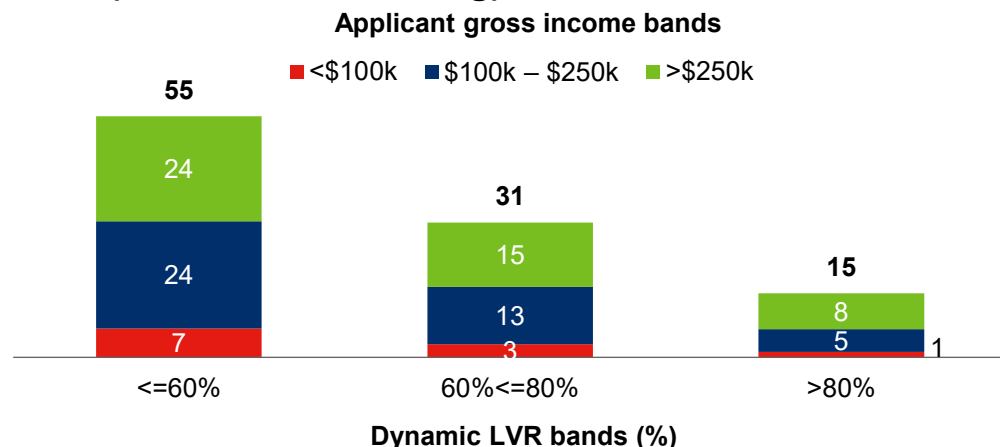
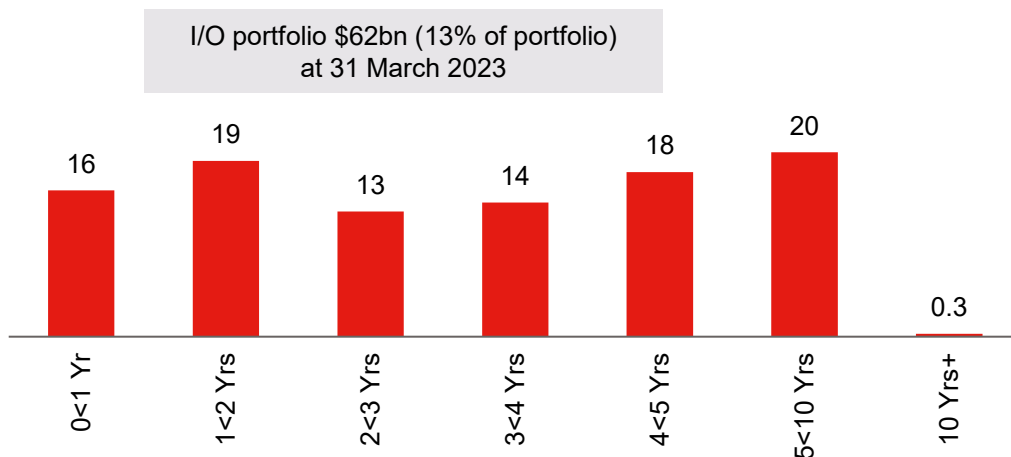


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Scheduled I/O term expiry² (% of total I/O loans)



¹ Dynamic LVR is the loan-to-value ratio taking into account the current loan balance, changes in security value, offset account balances and other loan adjustments. Property valuation source CoreLogic. ² Based on outstanding balance. Excludes line of credit loans, I/O loans without date (including bridging loans and loans with construction purpose) and I/O loans that should have switched to P&I but for the previously announced mortgage processing error. ³ Includes amortisation. Calculated at account level where split loans represent more than one account. ⁴ Customer loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments.

Investment property portfolio by number of properties per customer (%)

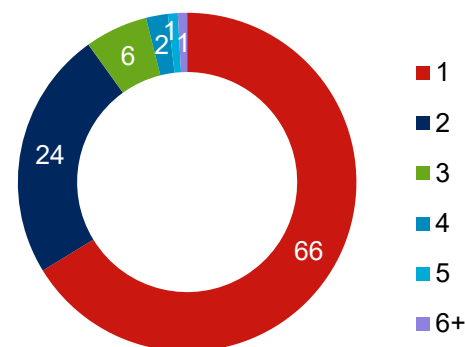


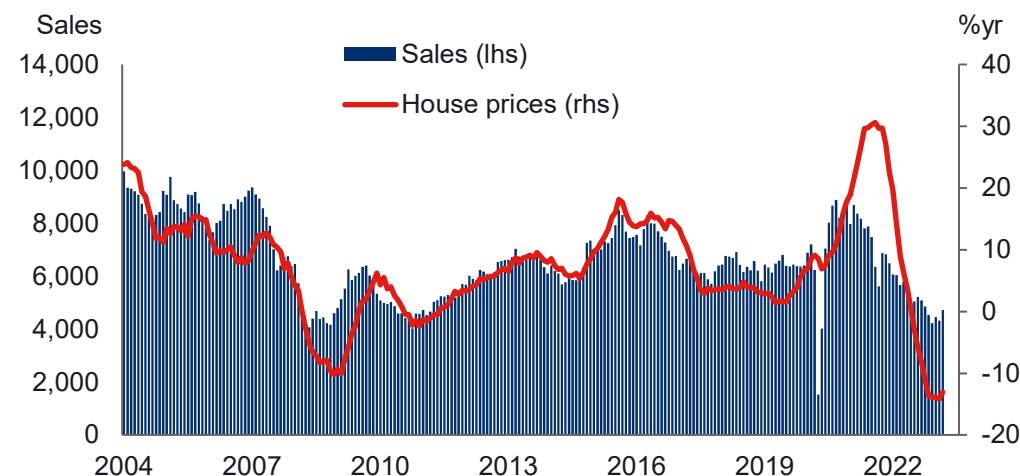
Chart does not add due to rounding.

Investment property lending (IPL) portfolio		Mar-22	Sep-22	Mar-23
Investment property loans (\$bn)		153	152	151
Weighted averages	LVR of IPL loans at origination (%)	71	71	71
	LVR of new IPL loans in the period (%)	70	70	69
	Dynamic LVR ¹ of IPL loans (%)	47	49	51
Average loan size ³ (\$'000)		321	326	330
Customers ahead on repayments including offset accounts ⁴ (%)		61	60	60
90+ day delinquencies (bps)		89	75	75
Annualised loss rate (net of insurance claims) (bps)		2	1	0.8

New Zealand housing market

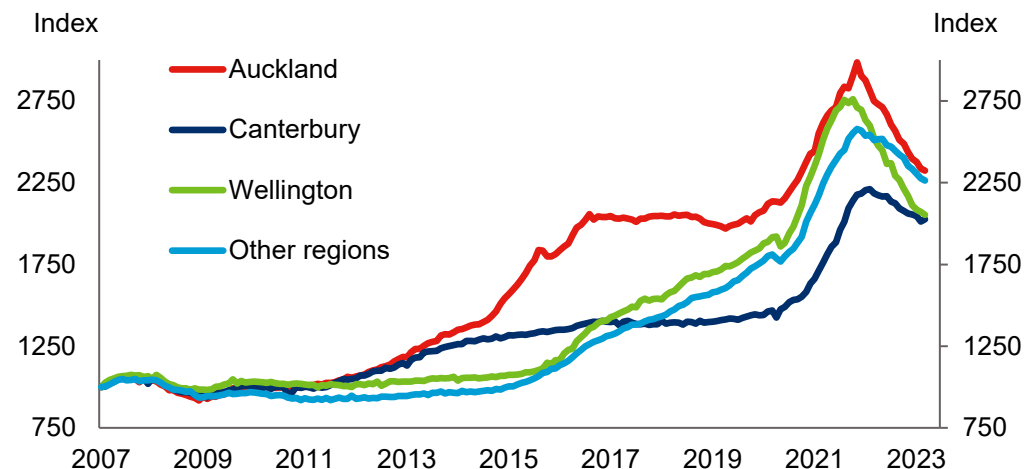
Sharp downturn as interest rates have increased

Monthly house sales and prices (% yr)



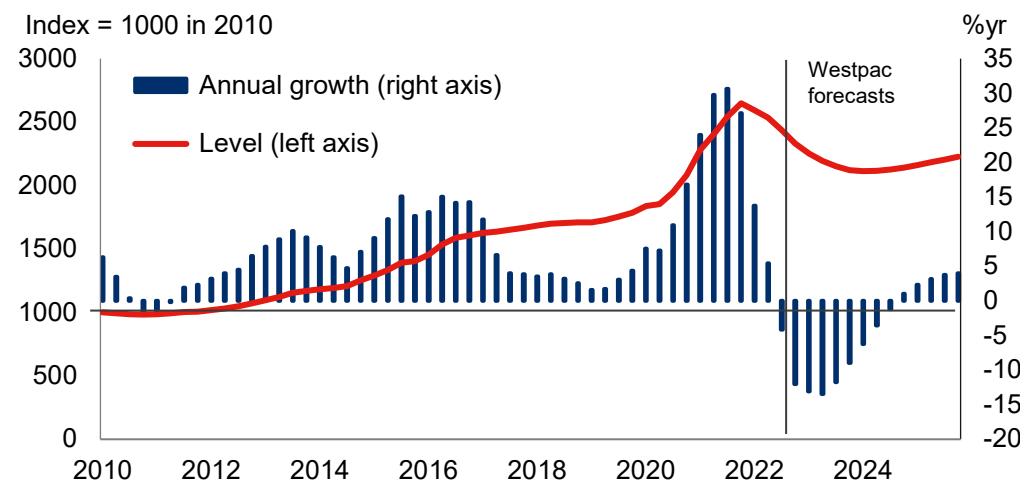
Source: REINZ

New Zealand dwelling prices (index)



Sources: REINZ, Westpac Economics

House prices (nationwide, index)



Sources: CoreLogic, Westpac Economics

Dwelling prices (% change over period)

Region	Pop'n	Last 3 mths (to Mar-23)	Last 12 mths (to Mar-23)	Last 5 years (to Mar-23)
Auckland	1.7m	Down 3%	Down 15%	Up 14%
Wellington	0.5m	Down 3%	Down 19%	Up 30%
Canterbury	0.7m	Down 1%	Down 7%	Up 45%
Nationwide	5.1m	Down 2%	Down 13%	Up 31%

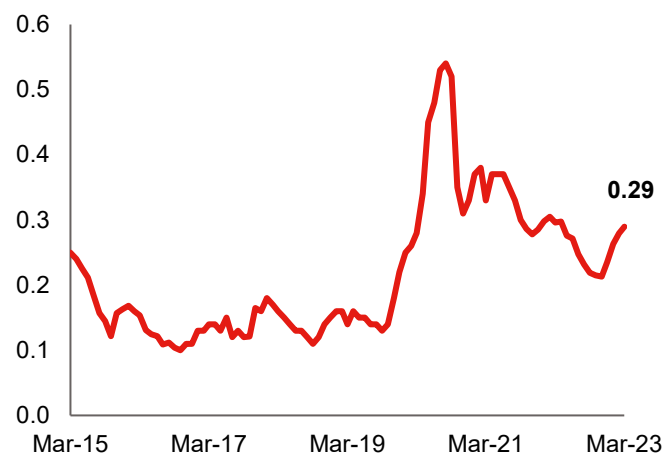
Forecast (Annual %)	Ave. past 10 years	2020	2021	2022f	2023f	2024f
Nationwide	10%	+17%	+27%	-12%	-9%	+1%

Sources: CoreLogic, REINZ, Westpac Economics

New Zealand consumer portfolio

Mortgage portfolio	Sep-22	Mar-23
Total portfolio (NZ\$bn)	63.8	65.2
Owner occupied (%)	73.3	73.7
Investment property loans (IPL) (%)	26.7	26.3
Broker introduced (%)	50.1	51.1
Proprietary channel (%)	49.9	48.9
Fixed/ variable split (%)	90/10	91/9
Interest only (I/O) (%)	17.9	17.0
Origination LVR 80–90% (%)	8.6	8.6
Origination LVR >90% (%)	2.3	2.6
Mortgage 90+ day delinquencies (%)	0.22	0.29
Mortgage 30+ day delinquencies (%)	0.47	0.69
Unsecured consumer portfolio (NZ\$bn)	1.2	1.2

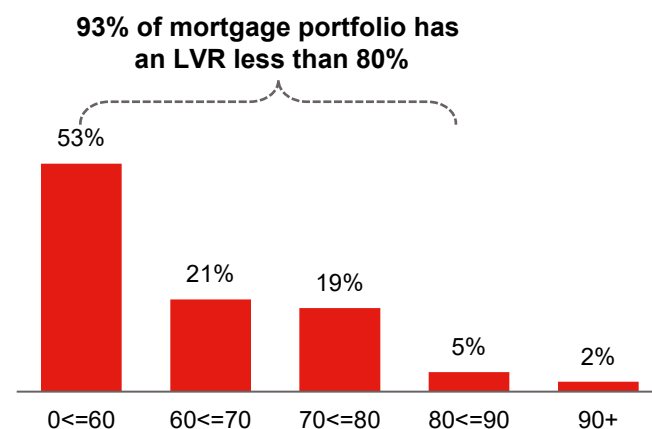
Mortgage 90+ day delinquencies¹ (%)



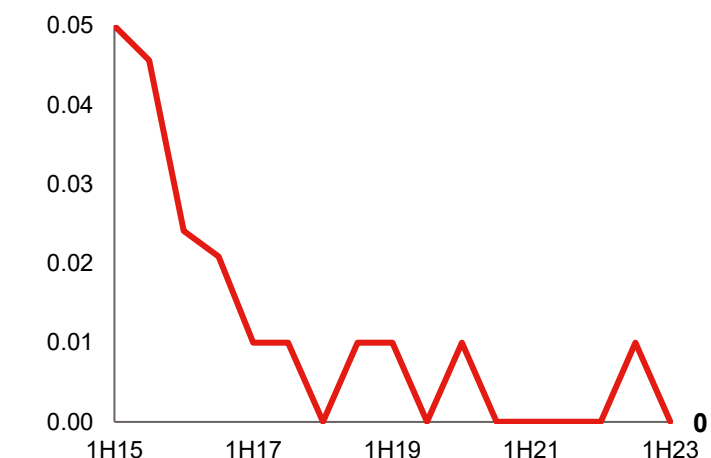
Unsecured consumer 90+ day delinquencies¹ (%)



Mortgage portfolio LVR² (% of portfolio)



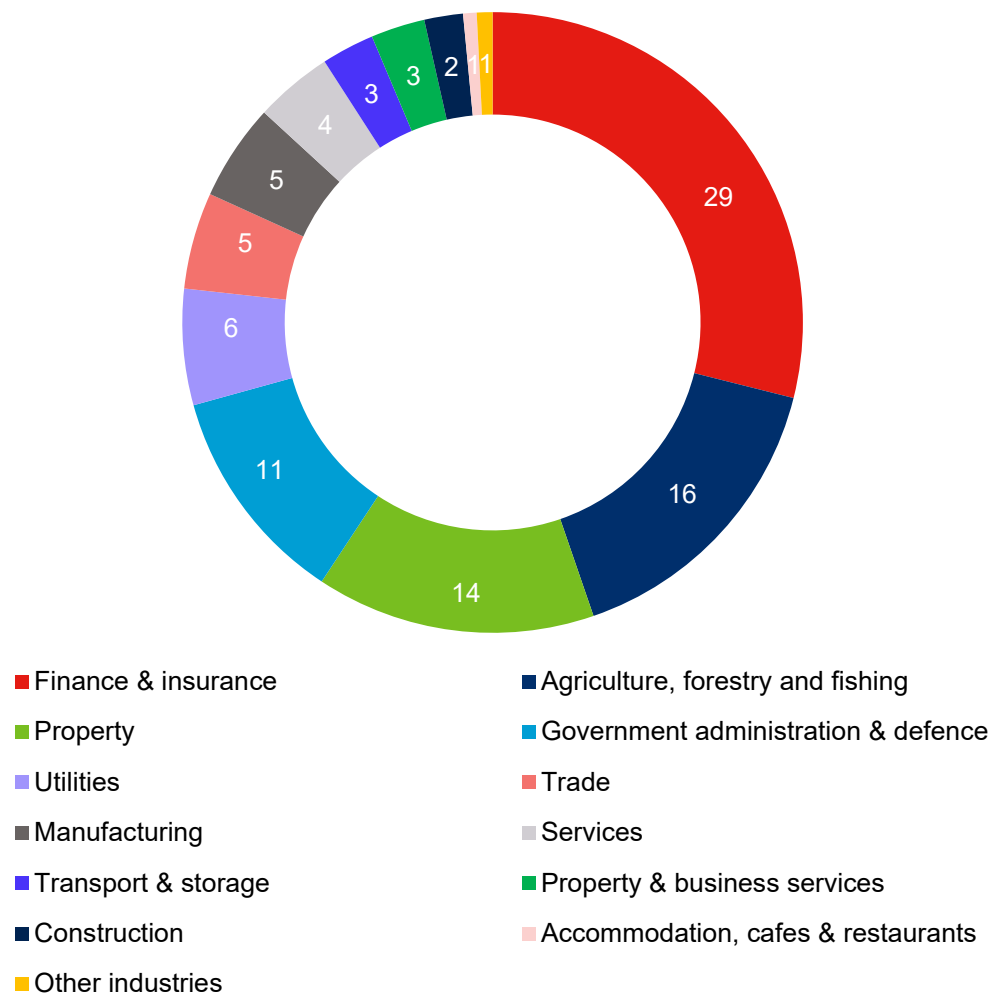
Mortgage loss rates (%)



¹ In May 2019 we made changes to the reporting of customers in hardship to align to the method used by APRA. ² LVR based on current loan property value at latest credit event.

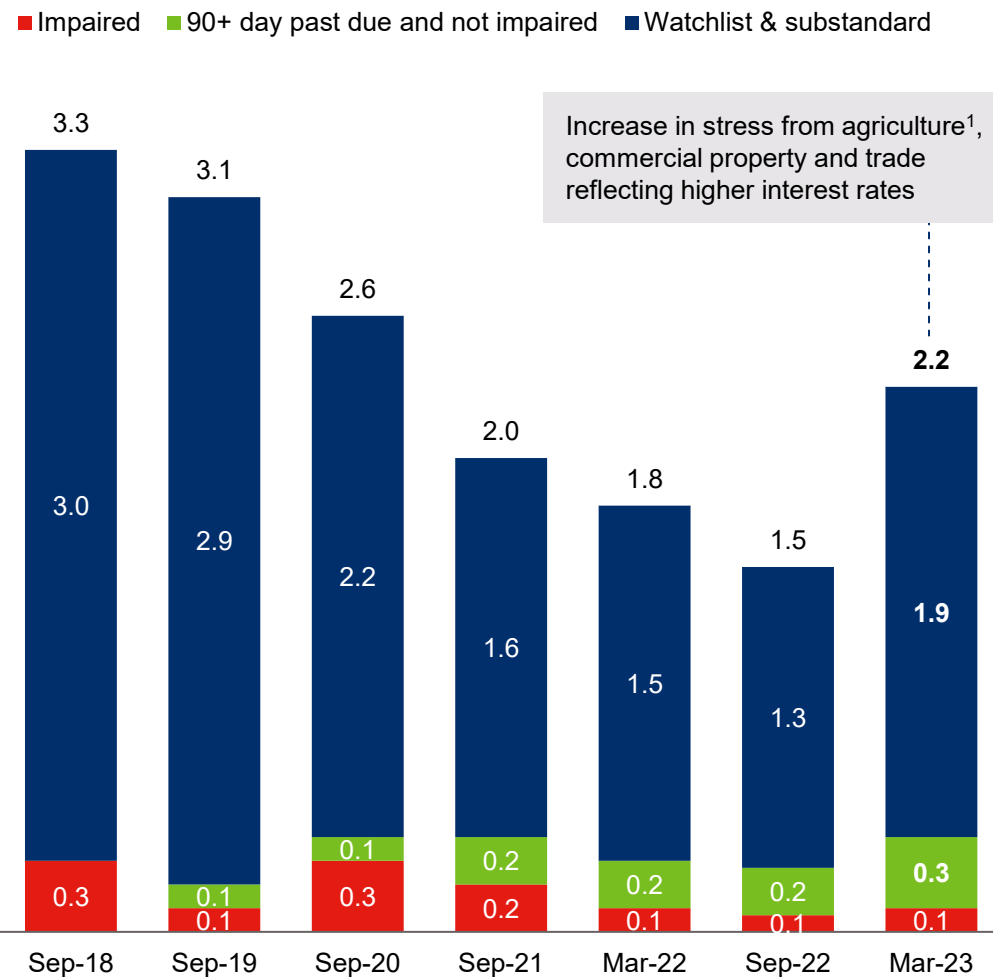
New Zealand business exposures

Business TCE by industry sector %



1 Includes forestry and fishing.

Business stressed exposures as a % of business TCE



Increase in stress from agriculture¹, commercial property and trade reflecting higher interest rates

Chart may not add due to rounding.

New Zealand business exposures

Sectors in focus

Agriculture¹

	Mar-22	Sep-22	Mar-23
TCE (NZ\$bn)	10.6	10.5	10.3
Agriculture as a % of total TCE	7.4	7.2	7.0
% of portfolio graded as 'stressed' ^{2,3}	6.1	4.8	6.5
% of portfolio impaired ³	0.08	0.03	0.08

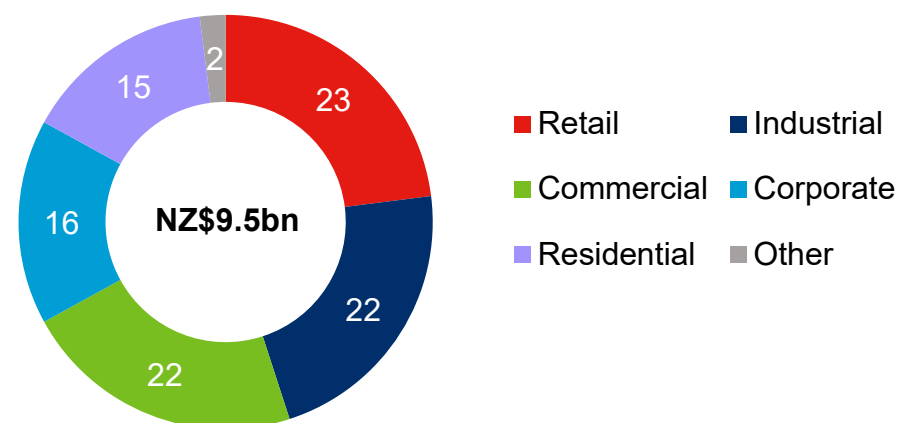
Dairy⁴

	Mar-22	Sep-22	Mar-23
TCE (NZ\$bn)	6.3	6.3	6.3
Dairy as a % of total TCE	4.4	4.3	4.2
% of portfolio graded as 'stressed' ^{2,3}	6.2	4.1	4.7
% of portfolio impaired ³	0.12	0.04	0.04

Commercial property

	Mar-22	Sep-22	Mar-23
TCE (NZ\$bn)	8.8	9.4	9.5
Property as a % of total TCE	6.2	6.5	6.4
% of portfolio graded as 'stressed' ^{2,3}	1.9	1.7	3.0
% of portfolio impaired ³	0.06	0.06	0.06

Commercial property TCE by segment (%)



1 Includes forestry and fishing. 2 Includes impaired exposures. 3 Percentage of portfolio TCE. 4 Dairy is a sub-set of agriculture and is included in the agriculture table.

Sustainability

Our commitment to sustainability

Creating better futures together



Helping when it matters most

- Supported **14,200+ Australian customers** with **hardship packages** in 1H23
- Provided **natural disaster** support in 1H23 to NZ customers and communities, following the late January flooding and Cyclone Gabrielle, including:
 - Committed **NZ\$3m** in grants to eligible business customers and **NZ\$1m** to organisations assisting with immediate flood relief and recovery
 - Offered temporary overdrafts, discounted loans and deferral of loan repayments to eligible customers
- **Specialist vulnerability teams** assisted **36,500+ Australian customers** in 1H23
- **Financial education resources** offered to customers through our Davidson Institute
- Specialist assistance to **11,900+ Indigenous and remote Australians** since 2019, through Yuri Ingkarninithi, our Indigenous Call Centre



Backing a stronger Australia and New Zealand

- Implementing our **Climate Action Plan** – reducing climate change impacts of our direct operations and supporting customers' transition (detail on following pages)
- Committed **\$500m in new lending** to help female-led small businesses to get started or grow
- Spent **\$39.8m with diverse suppliers** since 2021, including **\$11.4m with Indigenous-owned businesses**¹
- Westpac Scholars Trust awarded **100 new scholarships** in 1H23. **740+ active scholars** supported since 2015²
- Westpac Foundation's job creation grants to social enterprises **helped create 750 jobs for vulnerable Australians** in the six months to December 2022 (**6,700+ jobs created** since 2015)³
- Lent **NZ\$751m to healthy, affordable and social housing** in New Zealand (target **NZ\$700m by 2025**)⁴



Collaborating for impact

- **FY22 Modern Slavery Statement** published – our FY20 and FY21 reports were **rated high** by Monash University and BankTrack⁵
- **Human Rights Position Statement and Action Plan** updated, incorporating our position on child safeguarding
- Supporting a First Nations **Voice to Parliament**
- Founding member and provided seed funding to establish the **Australian Child Safeguarding Business Coalition**
- Provided **\$14.6m+** to **Safer Children, Safer Communities** program in 1H23 (**\$57.1m** provided since 2020)
- Supporting research into the responsible use of AI to **help businesses scale AI whilst managing ESG risks**
- Involved in evaluating the suitability of the draft **Taskforce on Nature-related Financial Disclosures** guidance for financial institutions

Note: Refer to sustainability footnotes.

Climate action plan

Becoming a net-zero, climate resilient bank

Progress

- **New Climate Change Position Statement and Action Plan**, published in November 2022
- **Joined Net-Zero Banking Alliance (NZBA)** in July 2022:
 - Set 2030 targets for five emissions-intensive sectors in our lending portfolio, in 2022 (detail on following page)
 - Developing new targets, working to determine appropriate 1.5°C-aligned pathways¹ and engaging with customers on their transition plans
- **Tailoring products and services to help customers** transition to net-zero



Climate Change Position Statement and Action Plan –
westpac.com.au/sustainability

Note: Refer to sustainability footnotes.

Climate Action Plan priority areas

1. Net-zero, climate resilient operations

- On track to reduce our FY23 Scope 1 and 2 direct operational emissions by **52%** relative to the 2021 baseline
- Signed virtual power purchase agreements to source equivalent of **100%** of the Group's Australian electricity demand from renewables from 2H23²
- **Maintained carbon neutral certification**³ for our direct operations and supply chain (non-financed) in Australia since 2012 and New Zealand since 2019

2. Supporting customers' transition to net-zero and to build their climate resilience

- **Sustainable finance**⁴: Supported **23** transactions in 1H23 with a total notional value of **\$19.7bn**
 - Transactions included **15** loans and **8** bonds
 - Westpac contributed **\$2.1bn** of direct lending and was a joint lead manager on **\$7.3bn** of bonds
- **Climate change solutions**⁵: Cumulative **\$1.9bn** in new lending in 1H23 (over **\$5.7bn** since 2020), exceeding our **target of \$3.5bn** in new lending from 2020 to 2023
 - Our climate change solutions TCE has increased to **\$12.0bn**
 - Developing Westpac-specific sustainable finance taxonomy, aim to announce **new sustainable financing target** in 2H23
- **Increased our ability to support our customers and banking teams** on ESG and climate-related matters through additional resources and training






3. Collaborate for impact on initiatives towards net-zero and climate resilience

- Participated in the **Australian Government Treasury** consultation on the proposed climate-related financial disclosure framework
- Participating in **Australian Banking Association** working groups to improve industry practices in climate risk, climate disclosures, and financed emissions
- Founding member of the **Australian Sustainable Finance Institute** and member of its **Technical Advisory Group** to develop a national sustainable finance taxonomy
- Continued collaboration with the **Australian Industry Energy Transitions Initiative**, including their February 2023 report which outlines potential pathways for heavy industry decarbonisation

Net-zero 2030 targets

Targets set for five sectors in our lending portfolio

For details on our targets and target-setting approach refer to our 'Net-Zero 2030 Targets and Financed Emissions – our methodology and approach'. We continue to integrate and operationalise our targets into our processes and lending decisions

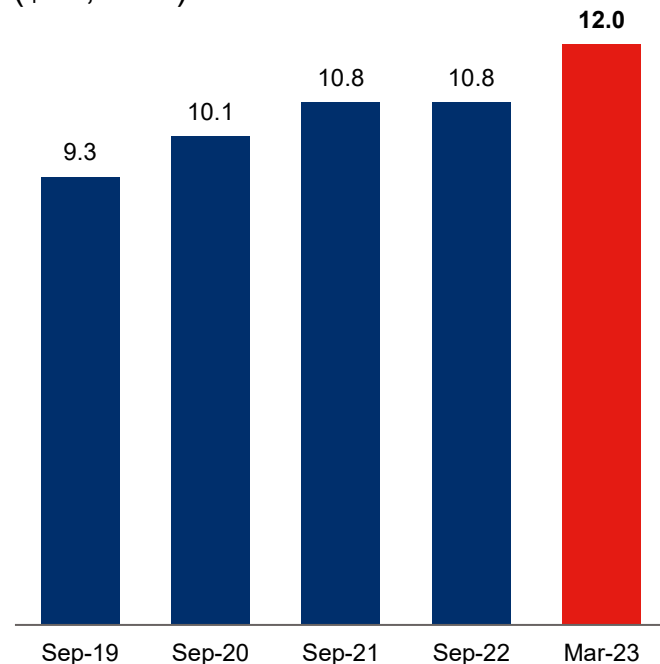
Sector	2030 financed emissions reduction target ¹	FY21 baseline
 Extractives – Upstream oil and gas²	23% reduction in Scope 1, 2 and 3 absolute financed emissions by 2030 (relative to 2021 baseline) We have updated our upstream oil and gas position to support this target Our position provides <ul style="list-style-type: none"> We will only consider directly financing greenfield oil and gas projects that are in accordance with the International Energy Agency Net Zero by 2050 (IEA NZE) scenario³ or where necessary for national energy security⁴ We will continue to provide corporate lending where the customer has a credible transition plan⁵ in place by 2025 We will work with customers to support their development of credible transition plans prior to 2025 	7.5 MtCO₂-e (absolute financed emissions)
 Extractives – Thermal coal mining⁶	Zero lending exposure to companies with >5% of their revenue coming directly from thermal coal mining by 2030	\$216.7m (TCE at 30 Sep 2021)
 Power generation⁷	0.10 tCO₂-e/MWh for Scope 1 and 2 emissions intensity by 2030	0.26 tCO₂-e/MWh (emissions intensity)
 Industrials – Cement production⁸	0.57 tCO₂-e/tonne of cement for Scope 1 and 2 emissions intensity by 2030	0.66 tCO₂-e/tonne cement (emissions intensity)
 Australian commercial real estate (large customers with office properties)⁹	62% reduction in Scope 1 and 2 emissions¹⁰ intensity (kgCO ₂ -e/m ² net lettable area) by 2030 (relative to a 2021 baseline) for Australian large customers with office properties	Baseline and progress to be disclosed in FY23

Note: Refer to sustainability footnotes.

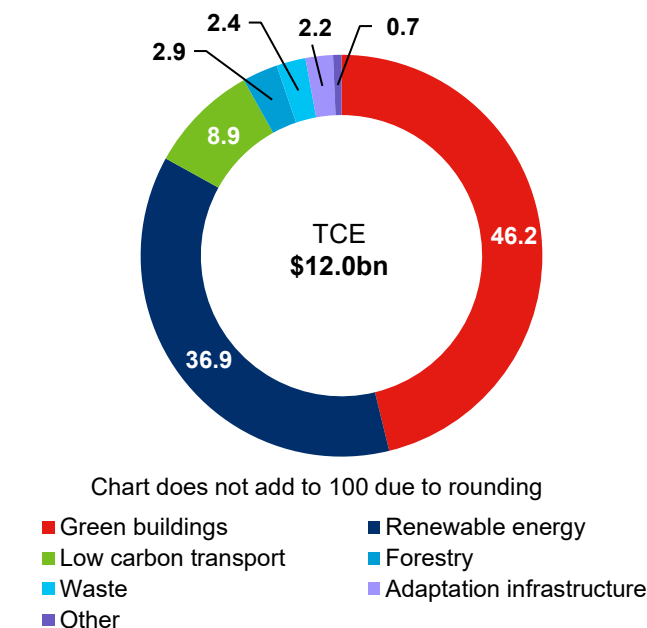
The information on this page contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. Please refer to the disclaimer.

Climate-related metrics

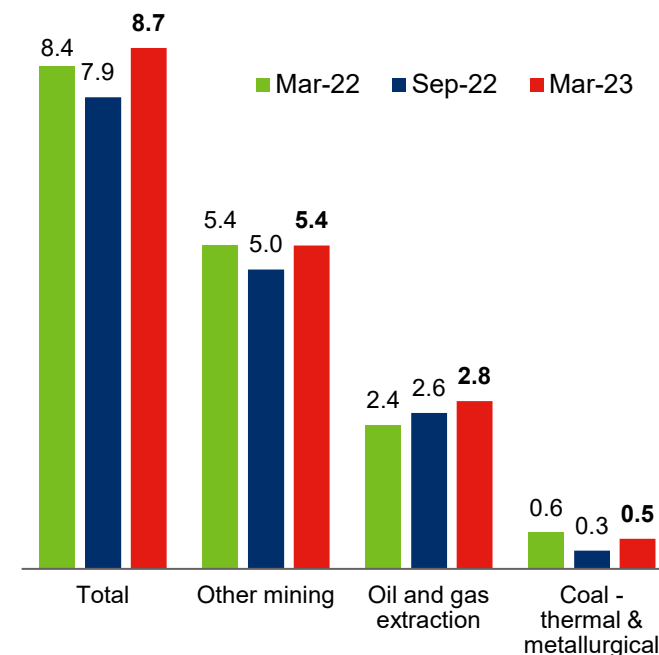
Exposure to climate change solutions (\$bn, TCE)¹



Breakdown of exposure to climate change solutions (% of TCE)¹



Mining exposure (\$bn, TCE)²



Change in climate change solutions exposure Sep-22 and Mar-23:

In 1H23, increase in lending to climate change solutions mostly driven by renewable energy and green buildings

Change in mining exposure Sep-2022 to Mar-23:

Movements in exposures were predominately driven by commodity price and exchange rate fluctuations, particularly in the oil and gas sector. Higher oil and gas extraction exposure was also due to a rise in the liquified natural gas sector. Increase in coal exposure was due to the issue of a rehabilitation bond in the metallurgical coal sector

Note: Refer to sustainability footnotes.

Sustainable finance

Helping customers transition to a low carbon future



QTC – green bond

Supported the Queensland Treasury Corporation (QTC), as Joint Lead Manager, with a new 10-year \$3bn green bond. QTC is the central financing authority arm of the Queensland Government and this bond's proceeds will be allocated against eligible projects and assets across water infrastructure and low carbon transport



Atmos Renewable – green loan

Acted as Joint Sustainability Coordinator for Atmos Renewable's Green Loan. Atmos's portfolio includes 9 wind farms and 5 solar farms across Australia, generating enough clean energy to power approximately 475,000 homes each year. The transaction was one of the largest financing for an operating renewable portfolio in Australia and involved the refinancing of multiple different security structures for the existing assets

Mirvac

Mirvac – green loan

Supported Mirvac as Sustainability Coordinator in their \$1.1bn Syndicated Green Loan. This was the second Green Loan issued under Mirvac's Sustainable Finance Framework which Westpac assisted Mirvac in executing. Westpac was also the sole lender on the first Green Loan issued under the Framework. The loans were certified by the Climate Bonds Initiative and funds will be used to finance or refinance low carbon buildings



Lightsource bp – green loan

Supported Lightsource bp with a green financing package to develop two new solar farms in Wellington North (NSW) and Wunghnu (VIC) – helping support Australia's energy transition

These two new greenfield projects are expected to begin generating renewable energy for households in 2024, adding 515MWdc of capacity

Awards and recognition

Recognised internationally for our positive impact in renewables:

- Awarded 2022 Project Finance International (PFI) Asia-Pacific Bank of the Year
- #1 Renewables Project Finance bank in Australia in 2022 (IJ Global's 2022 Project Finance league data table)
- Leading financier of Renewables Deal of the Year, Golden Plains wind farm

Carbon trading and sales

Supporting customers with dedicated carbon trading desks in Australia and New Zealand

Focus on Australian Carbon Credit Units and New Zealand Units

Green tailored deposits

Green tailored deposit balances reduced from \$2.1bn at Sep-22 to \$746m at Mar-23

Lower balances were due to customers moving into other deposit products, in a market with higher inflation and rising interest rates

Note: Refer to sustainability footnotes.

Comprehensive sustainability reporting

A suite of disclosures for more information and depth

2022 Annual Report



2022 Sustainability Supplement



Climate Change Position Statement and Action Plan



Net-Zero 2030 Targets and Financed Emissions – Our methodology and approach



FY22 Modern Slavery Statement



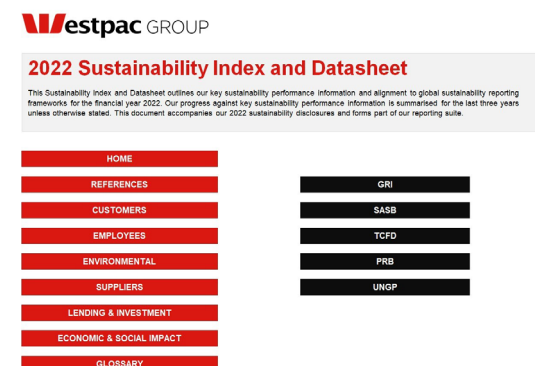
Human Rights Position Statement and Action Plan



Safer Children, Safer Communities 2022 Impact Report



2022 Sustainability Index and Datasheet



Available at westpac.com.au/sustainability

Our people

Building capability, strengthening inclusion and diversity



Strengthening gender diversity

Females %	Mar-23	Target	Progress
Westpac Board	40 ¹	40:40:20 ²	✓
Executive Team	45	40:40:20 ²	✓
General Managers	39	40+/-2%	✓
Senior Leadership ³	47	50+/-2%	✗
Westpac workforce	55	50	✓

- Female to male pay gap is less than 3% for most levels⁴



Growing our Indigenous workforce

- Increasing representation of employees who identify as Aboriginal and/or Torres Strait Islander:
 - Currently 0.78% (target 0.75% by Sept 2023)
 - Target 1.5% by Sept 2025
- Elder in Residence appointed in the Indigenous Strategy & Engagement team
- Mandatory Cultural Learning for Australian-based employees, Executive Team and Board in FY23
- Celebrated 1,000th Jawun secondee in 1H23



Measuring organisational health

Organisational Health Index score⁵

75 in line with FY22

- Top of second Global quartile
- 3 above Global Banking median



Updated policies and initiatives

- Introduced paid leave for: fertility treatment (one week); domestic and family violence (uncapped); gender affirmation (up to six weeks); community break provision for Indigenous employees to reconnect to country
- Expanded international remote working options
- Upstander initiative launched – encouraging employees to speak up and act against racism and discrimination



Building skills and capability

- Risk management – ~12,000 employees completed foundational training in 1H23
- Digital and data – upskilling 4,500 employees in FY23
- Environmental, Social, Governance – expanded teams across divisions to improve capability and customer engagement
- Leadership capabilities – development programs for 2,500 leaders in FY23



Promoting wellbeing

- Chief Mental Health Officer in place since 2018 to oversee Group mental health strategy
- Assistance services for employees and their families
- 10 Employee Advocacy Groups in place, supporting our diverse and inclusive workplace

1 36% following the appointment of Michael Ullmer in April 2023. 2 40% women, 40% men and 20% of any gender. Westpac Board includes CEO. Executive Team excludes CEO. 3 Senior Leadership replaces Women in Leadership, includes Executive Team, General Managers and their direct reports (excluding administrative or support roles). 4 Measured on Base Salary by organisational job level. 5 Our Voice+ survey includes McKinsey's Organisational Health Index – benchmarking Westpac's organisational health relative to global standards.

Sustainability – footnotes

Our commitment to sustainability.

1. Spend with diverse and Indigenous suppliers are defined in the Glossary section in our 2022 Sustainability Index and Datasheet.
2. Westpac Scholars Trust (ABN 35 600 251 071) is administered by Westpac Scholars Limited (ABN 72 168 847 041) as trustee for the Westpac Scholars Trust. Westpac Scholars Trust is a private charitable trust and neither the Trust nor the Trustee are part of the Westpac Group. Westpac provides administrative support, skilled volunteering, and funding for operational costs of Westpac Scholars Trust.
3. Westpac Foundation is administered by Westpac Community Limited (ABN 34 086 862 795) as trustee for Westpac Community Trust (ABN 53 265 036 982). The Westpac Community Trust is a Public Ancillary Fund, endorsed by the ATO as a Deductible Gift Recipient. None of Westpac Foundation, Westpac Community Limited nor the Westpac Community Trust are part of Westpac Group. Westpac provides administrative support, skilled volunteering, donations and funding for operational costs of Westpac Foundation.
4. This is a cumulative WNZL target (building on FY20 exposure) and includes Kiwibuild and shared equity (a form of shared home ownership, often between an individual and an organisation), as well as Westpac's Warm Up lending.
5. Rated 'A' by Monash University in their Modern Slavery Disclosure Quality Ratings – ASX 100 Companies Update 2022 report for our FY20 and FY21 modern slavery disclosures; and recognised as one of three 'front runners' in BankTrack's Global Human Rights Benchmark Report 2022 for our FY21 modern slavery disclosures.

Becoming a net-zero, climate resilient bank.

1. A pathway to net-zero by mid-century, or sooner, including CO₂-e emissions reaching net-zero at the latest by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100.
2. Delivered the second phase of our renewables transition program. This phase consists of a virtual power purchase agreement (i.e. generation exported to grid and distributed to sites through the national transmission and distribution network) with Flow Power to source renewable electricity from Ararat Wind Farm in Victoria and Berri Solar Farm + Battery in South Australia. The third phase will seek to deliver the remainder of the transition to source the equivalent of 100% of our global electricity consumption from renewable sources by the end of 2025.
3. Certification is obtained for Westpac's Australian and New Zealand direct operations and supply chain (non-financed) under the Australian Government's Climate Active Carbon Neutral Standard for Organisations and the New Zealand Toitū net carbonzero certification respectively. Further information can be found on the Sustainability Performance Reports page on our website.
4. Sustainable finance transactions refers to green, social, sustainability, sustainability-linked and re-linked loans and bonds. Westpac's approach to sustainable finance is aligned with several relevant industry guidelines and principles, such as those issued by the Loan Market Association, International Capital Markets Association and the Climate Bond Initiative.
5. Climate change solutions activities are defined in the Glossary section in our 2022 Sustainability Index and Datasheet. New lending represents the total of new and increases in lending commitments, excluding refinances.

Targets set for five sectors in our lending portfolio.

1. Financed emissions are the Group's Scope 3 emissions attributable to its lending portfolios. We aim to achieve these targets by 30 September 2030.
2. Upstream oil and gas includes exploration, extraction and drilling companies, integrated oil and gas companies (that have upstream activities), and LNG producers. The scope does not include midstream and downstream companies.
3. IEA NZE scenario specifies that no new (greenfield) oil and gas fields are needed beyond those projects that have already been committed (i.e. approved for development) as of 18 May 2021. The IEA NZE scenario is the International Energy Agency's Net Zero by 2050: A Roadmap for the Global Energy Sector report, 2021.
4. Where the Australian or New Zealand Government or regulator determines (or takes a formal public position) that supply from the asset being financed is necessary for national energy security.
5. A credible transition plan should be developed by reference to the best available science and should include Scope 1, 2 and 3 emissions and actions the company will take to achieve GHG reductions by 2050 aligned with a 1.5°C pathway.
6. Companies with >5% of their revenue coming directly from thermal coal mining (i.e. the production and sale of thermal coal). Adjacent sectors (including mining service providers) will be covered in other targets as appropriate. Transactional banking and rehabilitation bonds are excluded from our target.
7. Companies that are electricity generators include customers with >10% revenue coming from power generation or >5% revenues from thermal coal electricity generation. Target excludes electricity transmission / distribution companies and Scope 3 emissions of electricity generators.
8. Companies that produce clinker in-house. Target includes emissions generated from calcination in clinker production as well as fuel combustion and electricity consumption associated with the cement production process.
9. Discrete borrowers with office properties comprising a majority of their portfolio and with commercial real estate TCE > \$75 million within Specialised Lending – Property Finance (Investment only) and Corporate portfolios, as defined under Pillar 3 reporting. This excludes construction finance.
10. Base building operational Scope 1 and 2 emissions. Target excludes all Scope 3 emissions (e.g. tenant emissions from electricity and appliance use, construction, embodied emissions and corporate activities).

Climate-related metrics.

1. Climate change solutions activities are defined in the Glossary section in our 2022 Sustainability Index and Datasheet.
2. Other mining includes iron ore, metal ore, construction material, exploration and services. Exposure values reflect TCE for the mining sector across Westpac Group at 31 March 2023. The mining population is defined by relevant ANZSIC codes.

The information on this page contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. Please refer to the disclaimer.

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