Pillar 3 Report

Westpac

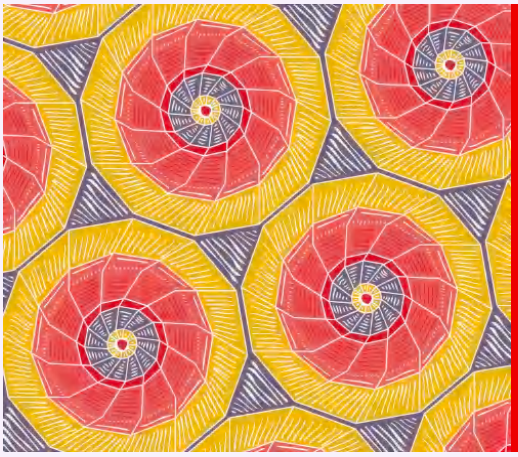
September 2026
Incorporating the requirements of APS 330



Via Porta
Westpac customer
since 2017

Westpac Banking Corporation ABN 33 007 457 141

IT TAKES A LITTLE



Acknowledgement of Indigenous Peoples

Westpac acknowledges the First Peoples of Australia. We recognise their ongoing role as Traditional Owners of the land and waters of this country and pay our respects to Elders, past and present. We extend our respect to Westpac's Aboriginal and Torres Strait Islander employees, partners and stakeholders and to the Indigenous Peoples in the other locations where we operate.

In Aotearoa (New Zealand) we also acknowledge tāngata whenua and the unique relationship that Indigenous Peoples share with all New Zealanders under Te Tiriti o Waitangi.

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In this report references to 'Westpac', 'WBC', 'Westpac Group', 'the Group', 'we', 'us' and 'our' are to Westpac Banking Corporation ABN 33 007 457 141 and its subsidiaries unless it clearly means just Westpac Banking Corporation.

In this report, unless otherwise stated or the context otherwise requires, references to 'dollars', 'dollar amounts', '$', 'AUD' or 'A$' are to Australian dollars. References to 'US$', 'USD' or 'US dollars' are to United States dollars, references to 'NZ$', 'NZD' or 'NZ dollars' are to New Zealand dollars, references to 'EUR' are to European Euro, references to 'SGD' are to Singapore dollars and references to 'JPY' are Japanese Yen.

Any discrepancies between totals and sums of components in tables contained in this report are due to rounding.

In this report, unless otherwise stated, disclosures reflect the Australian Prudential Regulation Authority's (APRA) implementation of Basel III.

Information contained in or accessible through the websites mentioned in this report does not form part of this report unless we specifically state that it is incorporated by reference and forms part of this report. Information on those websites owned by Westpac is current as at the date of this report. Except as required by law, we assume no obligation to revise or update those websites after the date of this report. We are not in a position to verify information on websites owned and/or operated by third parties.

Westpac Banking Corporation ABN 33 007 457 141

OVERVIEW

INTRODUCTION

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INTRODUCTION

Westpac Banking Corporation is an Authorised Deposit-taking Institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA). Westpac is primarily accredited to use the Advanced Internal Ratings-Based Approach (A-IRB) for credit risk, the Standardised Measurement Approach (SMA) for operational risk and is required to apply the Pillar 1 Basel capital framework in our assessment of traded market risk and interest rate risk in the banking book (IRRBB).

This report has been prepared in accordance with *APS 330 Public Disclosure* (APS 330) and Westpac's Board approved Prudential Disclosure Policy. This report provides prudential information about our risk management practices and measures. Westpac is required to comply with the disclosure requirements issued by the Basel Committee on Banking Supervision (BCBS), subject to certain amendments by APRA. Disclosure requirements vary for quarterly, semi-annual and annual Pillar 3 reports.

In addition to this report, the regulatory disclosures section of Westpac's website[1] contains the reporting requirements for capital instruments under paragraph 37 of APS 330 and CCA: Main features of regulatory capital instruments.

Capital instruments disclosures are updated when:

- A new capital instrument is issued that will form part of regulatory capital; or
- A capital instrument is redeemed, converted into Common equity tier 1 (CET1) capital, written off, or its terms and conditions are changed.

1. http://www.westpac.com.au/about-westpac/investor-centre/financial-information/regulatory-disclosures/

KEY METRICS

KM1: Key metrics[1]

This table shows Westpac's main regulatory metrics over the last five quarters.

$m		30 September 2026	30 June 2026	31 March 2026	31 December 2025	30 September 2025
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	57,572	56,017	56,936	55,693	56,380
2	Tier 1	66,066	64,535	65,458	64,256	64,978
3	Total capital	99,247	96,447	98,543	97,582	97,491
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	462,136	464,511	458,343	452,372	450,048
4a	Total risk-weighted assets (pre-floor)	462,136	460,250	458,343	450,853	450,048
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.46%	12.06%	12.42%	12.31%	12.53%
5b	CET1 ratio (%) (pre-floor ratio)	12.46%	12.17%	12.42%	12.35%	12.53%
6	Tier 1 ratio (%)	14.30%	13.89%	14.28%	14.20%	14.44%
6b	Tier 1 ratio (%) (pre-floor ratio)	14.30%	14.02%	14.28%	14.25%	14.44%
7	Total capital ratio (%)	21.48%	20.76%	21.50%	21.57%	21.66%
7b	Total capital ratio (%) (pre-floor ratio)	21.48%	20.96%	21.50%	21.64%	21.66%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	3.75%	3.75%	3.75%	3.75%	3.75%
9	Countercyclical buffer requirement (%)	0.84%	0.85%	0.84%	0.84%	0.84%
10	Bank G-SIB and/or D-SIB additional requirements (%)	1.00%	1.00%	1.00%	1.00%	1.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	5.59%	5.60%	5.59%	5.59%	5.59%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.96%	7.56%	7.92%	7.81%	8.03%
	Basel III Leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,329,728	1,329,875	1,314,189	1,286,113	1,282,207
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	4.97%	4.85%	4.98%	5.00%	5.07%
	Liquidity Coverage Ratio (LCR)[a]					
15	Total high-quality liquid assets (HQLA)	192,070	183,484	183,143	181,495	189,346
16	Total net cash outflow	140,389	137,401	138,483	136,802	137,975
17	LCR ratio (%)	137%	134%	132%	133%	137%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	823,945	820,487	802,951	793,215	780,361
19	Total required stable funding	726,727	738,035	714,991	708,148	687,987
20	NSFR ratio (%)	113%	111%	112%	112%	113%

a. LCR disclosures are based on quarterly averages.

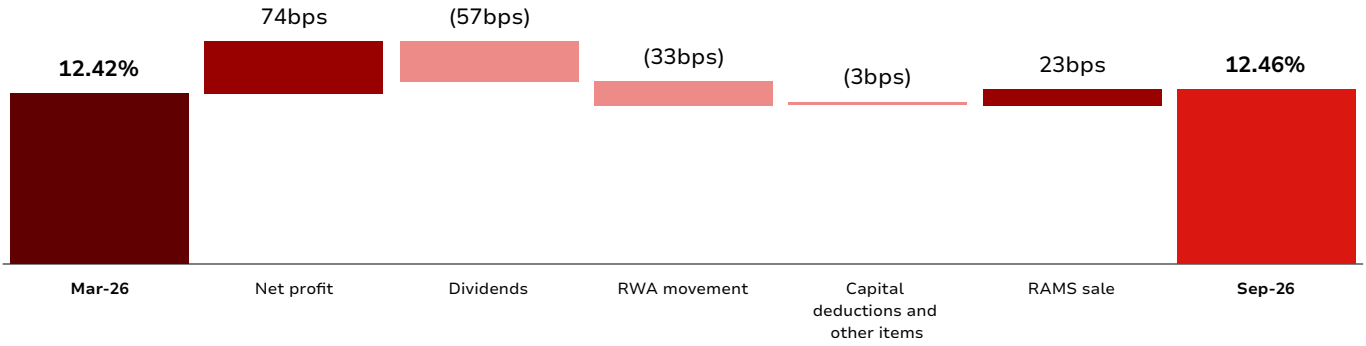
Level 1 Capital Adequacy Ratios

	30 September 2026	30 June 2026	31 March 2026	31 December 2025	30 September 2025
CET1 ratio (%)	12.75%	12.34%	12.75%	12.52%	12.74%
CET1 ratio (%) (pre-floor ratio)	12.75%	12.40%	12.75%	12.52%	12.74%
Tier 1 ratio (%)	14.74%	14.34%	14.77%	14.60%	14.83%
Tier 1 ratio (%) (pre-floor ratio)	14.74%	14.41%	14.77%	14.60%	14.83%
Total capital ratio (%)	22.59%	21.93%	22.71%	22.71%	22.77%
Total capital ratio (%) (pre-floor ratio)	22.59%	22.03%	22.71%	22.71%	22.77%

1. The KM1 key metrics reflect the application of expected credit loss accounting under AASB 9 Financial Instruments.

KEY METRICS

Level 2 CET1 capital ratio movement Second Half 2026 - First Half 2026



The Level 2 CET1 capital ratio was up 4 basis points to 12.5%. Key movements included:

- Second Half 2026 net profit added 74 basis points;
- Payment of the 2026 interim ordinary dividend detracted 57 basis points;
- RWA growth, excluding the impact from the sale of the RAMS mortgage portfolio, detracted 33 basis points from higher Credit and IRRBB RWA;
- Capital deductions and other items detracted 3 basis points mainly from higher deferred tax asset balances; and
- Sale of the RAMS mortgage portfolio added 23 basis points mainly from a reduction in Credit RWA.

The Level 1 CET1 capital ratio was 12.8% with movements broadly in line with Level 2.

Tier 2 capital Second Half 2026 – First Half 2026

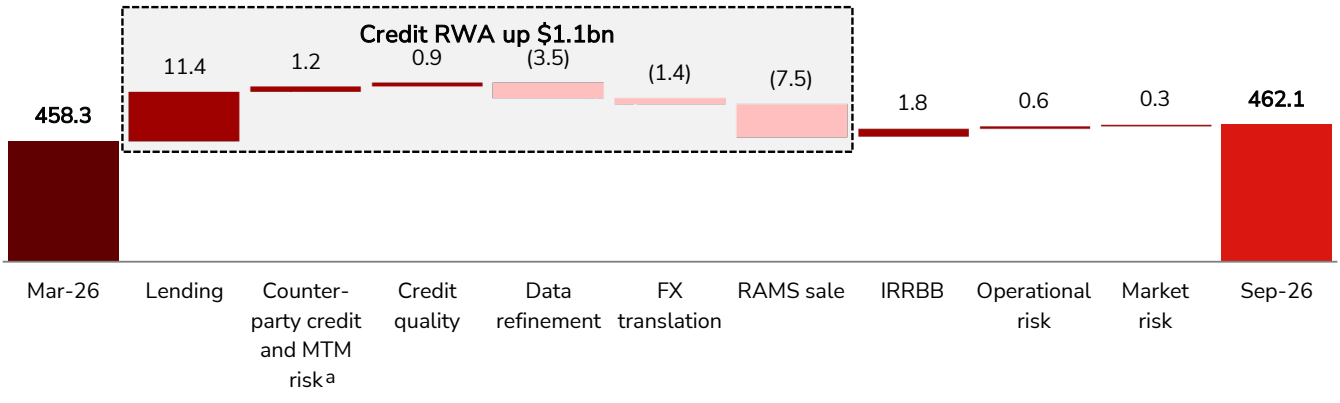
The Group issued $2.2 billion of Tier 2 capital instruments and redeemed $2.0 billion. The net impact of these transactions was an increase in the total capital ratio of approximately 10 basis points. In addition, foreign currency revaluations reduced Tier 2 capital mainly due to the appreciation of the AUD against the USD.

Risk Weighted Assets (RWA)

$m	30 September 2026	31 March 2026	% Mov't
Credit risk[a]	358,153	357,050	-
Market risk	10,786	10,504	3
Interest rate risk in the banking book	48,870	47,088	4
Operational risk	44,327	43,701	1
Total	**462,136**	**458,343**	**1**

a. Includes counterparty credit risk, credit valuation adjustment, securitisation exposures in the banking book and settlement risk.

RWA Second Half 2026 - First Half 2026 ($bn)[1]



a Mark to market.

1. Chart may not add due to rounding.

Total RWA increased by 1% over the half due to increases in both credit and non-credit RWA.

Credit RWA increased by $1.1 billion. Key movements included:

- A $11.4 billion increase from higher lending primarily in Corporate and Specialised Lending;
- A $1.2 billion increase from credit valuation adjustment and counterparty credit risk due to increases in the mark-to-market value of derivatives from changes in underlying foreign currency rates;
- A $0.9 billion increase from higher delinquencies mainly in Residential Mortgages;
- A $3.5 billion decrease from data refinements mainly in Residential Mortgages and Corporate;
- A $1.4 billion decrease from foreign currency translation impacts, predominantly the appreciation of the AUD against the NZD and USD; and
- A $7.5 billion decrease from the sale of the RAMS mortgage portfolio.

Non-credit RWA increased by $2.7 billion. Key movements included:

- A $1.8 billion increase in IRRBB RWA largely driven by higher swap rates increasing embedded losses with some offset in repricing and yield curve risk.

Leverage ratio Second Half 2026 – First Half 2026

The leverage ratio represents the percentage of Tier 1 capital relative to the Exposure Measure[1]. The leverage ratio remained at 5.0% well above APRA's regulatory minimum requirement of 3.5%. The increase in Tier 1 regulatory capital was more than offset by higher total exposures mostly from higher lending.

Fourth Quarter 2026 - Third Quarter 2026 CET1 capital ratio movement

The Level 2 CET1 capital ratio increased by 40 basis points over the quarter. Key movements included:

- Fourth Quarter 2026 net profit added 35 basis points;
- RWA growth, excluding the impact from the sale of the RAMS mortgage portfolio, detracted 14 basis points from higher Credit and IRRBB RWA;
- Capital deductions and other items detracted 4 basis points mainly from higher deferred tax asset balances and other reserve movements; and
- Sale of the RAMS mortgage portfolio added 23 basis points mainly from a reduction in Credit RWA.

Liquidity Coverage Ratio (LCR)

Westpac's average LCR for the quarter ended 30 September 2026 was 137% (30 June 2026: 134%), well above the regulatory minimum of 100%. The increase in the ratio was mainly due to maintaining higher average liquid assets from a narrower average customer funding gap, offset by higher average net cash outflows.

Net Stable Funding Ratio (NSFR)

Westpac's NSFR for the quarter ended 30 September 2026 was 113% (30 June 2026: 111%) and continues to be above the regulatory minimum of 100%. The increase in the ratio was mainly due to a decrease in required stable funding from the sale of the RAMS mortgage portfolio and an increase in available stable funding from growth in retail and SME deposits and regulatory capital, offset by a decrease in wholesale funding.

Regulatory Developments

APRA has announced a number of changes to banks' capital and liquidity requirements. In addition, the RBNZ has announced changes to key capital settings for deposit takers. Further details on these announcements are set out in the Capital Overview section.

1. As defined under Attachment D of APS110: Capital Adequacy.

GROUP STRUCTURE

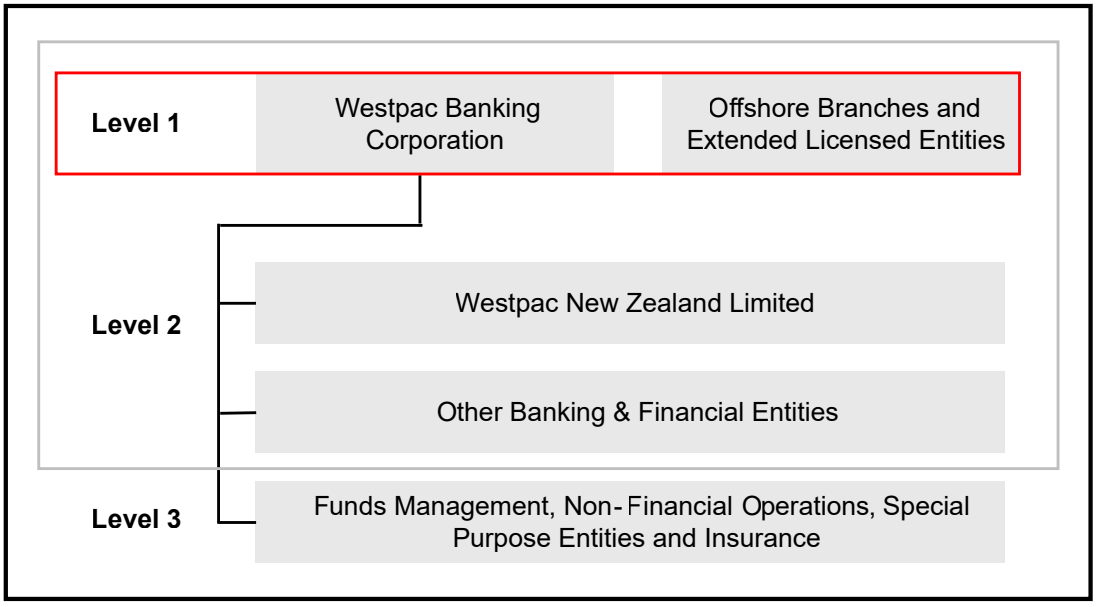
APRA applies a tiered approach to measuring Westpac's capital adequacy[1] by assessing financial strength at three levels:

- Level 1, comprising Westpac Banking Corporation and its subsidiary entities that have been approved by APRA as being part of a single 'Extended Licensed Entity' (ELE) for the purposes of measuring capital adequacy;
- Level 2, the consolidation of Westpac Banking Corporation and all its subsidiary entities except those entities specifically excluded by APRA regulations. The head of the Level 2 group is Westpac Banking Corporation; and
- Level 3, the consolidation of Westpac Banking Corporation and all its subsidiary entities.

Unless otherwise specified, all quantitative disclosures in this report refer to the prudential assessment of Westpac's financial strength on a Level 2 basis[2]. Refer to Appendix II for a list of entities excluded from regulatory consolidation for the purposes of measuring capital adequacy at Level 1 and Level 2.

The Westpac Group

The following diagram shows the Level 3 conglomerate group and illustrates the different tiers of regulatory consolidation.



Accounting consolidation[3]

The consolidated financial statements incorporate the assets and liabilities of all entities including structured entities controlled by Westpac. Westpac and its subsidiaries are referred to collectively as the 'Group'. The effects of all transactions between entities in the Group are eliminated on consolidation. Control exists when the parent entity is exposed to, or has rights to, variable returns from its involvement with an entity, and has the ability to affect those returns through its power over that entity. Subsidiaries are fully consolidated from the date on which control commences and they are no longer consolidated from the date that control ceases.

Group entities excluded from the regulatory consolidation at Level 2

Regulatory consolidation at Level 2 covers the global operations of Westpac and its subsidiary entities, including other controlled banking, securities and financial entities, except for those entities involved in the following business activities:

- Acting as manager, responsible entity, approved trustee, trustee or similar role in relation to funds management;
- Non-financial (commercial) operations;
- Special purpose entities to which assets have been transferred in accordance with the requirements of *APS 120 Securitisation*; or
- Insurance.

Retained earnings and equity investments in subsidiary entities excluded from the consolidation at Level 2 are deducted from capital, with the exception of securitisation special purpose entities.

1. *APS 110 Capital Adequacy* outlines the overall framework adopted by APRA for the purpose of assessing the capital adequacy of an ADI.
2. Impaired assets and provisions held in Level 3 entities are excluded from the tables in this report.
3. Refer to Note 29 and Consolidated Entity Disclosure Statement of Westpac's 2026 Annual Report for further details.

Subsidiary banking entities

Westpac New Zealand Limited (WNZL), a wholly owned subsidiary entity, is a registered bank incorporated in New Zealand and regulated by, among others, the Reserve Bank of New Zealand (RBNZ) for prudential purposes. WNZL uses both A-IRB and Standardised methodologies for credit risk and the SMA for operational risk. Other subsidiary banking entities in the Group include Westpac Bank PNG Limited and Westpac Europe GMBH. For the purposes of determining Westpac's capital adequacy, subsidiary banking entities are consolidated at Level 2.

Customer operations

Westpac is one of Australia's leading providers of banking and certain financial services, operating under multiple brands in Australia and in New Zealand, with a small presence in Europe, North America, Asia and the Pacific. Westpac provides banking products and services through its digital and online channels, supported by a branch and ATM network, contact centres and relationship and product managers.

Restrictions and major impediments on the transfer of funds or regulatory capital within the Group

Certain subsidiary banking and trustee entities are subject to specific and local prudential regulation in their own right, including local capital adequacy requirements. Westpac seeks to ensure that its subsidiary entities are adequately capitalised and adhere to regulatory requirements at all times. Dividends and capital are repatriated in line with the Group's policy subject to subsidiary Board approval and local regulations.

Intra-group exposure limits

Exposures to related entities are managed within the prudential limits prescribed by APRA in *APS 222 Associations with Related Entities*[1]. Westpac has an internal limit structure and approval process governing credit exposures to related entities. This limit structure and approval process, combined with APRA's prudential limits, is designed to reduce the potential for unacceptable contagion risk.

Updates to large and related entity exposure limit calculations resulting from the changes to banks' capital requirements are outlined in the Capital Overview section. These changes are effective from 1 January 2027.

1. For the purposes of APS 222, subsidiaries controlled by Westpac, other than subsidiaries that form part of the ELE, represent 'related entities'. Prudential and internal limits apply to intra-group exposures between the ELE and related entities, both on an individual and aggregate basis.

CAPITAL OVERVIEW

Capital management strategy

Westpac's capital management strategy is reviewed on an ongoing basis, including through an annual Internal Capital Adequacy Assessment Process (ICAAP). Key considerations include:

- Regulatory capital minimum requirements together with the capital conservation buffer and countercyclical capital buffer comprise the total CET1 requirement. The total CET1 requirement is currently at least 10.25% and 10.50% effective 1 January 2027[1];
- Strategy, business mix and operations and contingency plans;
- Perspectives of external stakeholders including rating agencies as well as equity and debt investors; and
- A stress testing framework that tests our resilience under a range of adverse economic scenarios.

The Board has determined a target post dividend CET1 capital ratio of above 11.25% in normal operating conditions.

Regulatory developments

APRA's phase out of AT1 capital as eligible bank capital

On 4 December 2025, APRA published the final changes to the relevant prudential and reporting standards resulting from the phase out of AT1 with an effective date of 1 January 2027. Under the revisions, large internationally active banks such as Westpac will replace 1.5% of AT1 capital with 1.25% of Tier 2 capital and 0.25% of CET1 capital. The total CET1 requirement, including regulatory buffers, will increase from 10.25% to 10.50%. There is no overall increase in total capital requirements for banks.

In addition, effective 1 January 2027 the minimum leverage ratio requirement will be 3.25% based on CET1 capital replacing the current requirement of 3.50% based on Tier 1 capital. *APS 221 Large Exposures* and *APS 222 Associations with Related Entities* exposure limits remain unchanged, however these will be based on CET1 capital rather than Tier 1 capital.

From 1 January 2027, existing AT1 capital instruments will be eligible to be included as total capital until their first scheduled call date. Existing Westpac AT1 capital instruments would reach their first scheduled optional redemption dates by 2031 at the latest.

APRA's consultation on enhancements to bank capital and liquidity frameworks

On 16 March 2026, APRA announced that it will consult on a package of reforms to bank capital and liquidity settings. The consultation will be run in three workstreams focusing on credit risk capital, liquidity risk and market risk, which include the following:

- Targeted amendments to the standardised capital framework to increase risk sensitivity and better align capital requirements with underlying risk.
- Changes to the liquidity framework including consideration of a new Pillar 2 liquidity framework to address risks not covered by existing Liquidity Coverage Ratio minimum requirements.
- Implementation of a simplified version of the Basel Committee's Fundamental Review of the Trading Book standard.

On 29 June 2026, APRA commenced consultation on reforms to credit risk capital requirements. The consultation includes proposed changes to lower standardised risk weights for large domestic public infrastructure exposures, high-quality unrated corporate exposures and certain residential land acquisition, development and construction exposures.

APRA has indicated it intends to finalise the credit risk capital changes by the end of the 2026 calendar year, with a proposed effective date of 1 April 2027. Consultations on the liquidity and market risk workstreams are expected to commence in late 2026 and 2027, respectively.

RBNZ capital review

On 17 December 2025, the RBNZ announced its decisions relating to its review of key capital settings for deposit takers (2025 Capital Review). Once implemented, the updated settings for Group 1 deposit takers[2] (including WNZL) will:

- Remove AT1 instruments from the capital stack and phase out the recognition of existing AT1 instruments.
- Require the deposit taker to have a CET1 capital ratio of 12% (including a 6% prudential capital buffer (PCB) ratio).
- Require the deposit taker to have a total capital ratio of 15% (including a 6% PCB ratio). Up to 3% of the total capital ratio requirement can consist of subordinated debt eligible as Tier 2 capital to be issued to the Australian parent bank (which in WNZL's case is Westpac).

1. Noting that APRA may apply higher CET1 requirements for an individual ADI.
2. New Zealand deposit takers with total assets of NZ$100 billion or more.

- Require the deposit taker to have an additional 6% of RWAs of Loss Absorbing Capacity (LAC) instruments to be issued to the Australian parent bank, bringing the total requirement including LAC to 21%.
- Introduce more granular and lower standardised risk weights for certain asset classes.

On 18 June 2026, the RBNZ published consultations on an exposure draft of the Capital Standard under the Deposit Takers Act 2023 (DT Act) and policy proposals for the Crisis Preparedness Standard under the DT Act, including the new Tier 2 and LAC instrument design and further information on indicative implementation timelines. The new Tier 2 and LAC instruments will include write-off provisions. The RBNZ has indicated it intends to consult further on the design and implementation timelines during 2027. The Capital Standard is expected to commence on 1 December 2028, with phased implementation.

On 1 October 2026, revised Banking Prudential Requirements (BPRs) came into effect, implementing some of the decisions from the 2025 Capital Review, including more granular and lower standardised risk weights for certain asset classes. For domestic systemically important banks (including WNZL) the changes also include, as an interim measure, permitting the issuance of Tier 2 instruments with a shorter maturity date or earlier redemption date than would otherwise be permitted under the current settings. Additionally, the amortisation table for Tier 2 instruments does not apply to short-dated Tier 2 instruments.

On 20 October 2026, the RBNZ commenced a consultation on the risk weight settings for certain asset classes and a revised approach to credit conversion factors. Any resulting changes will be incorporated into the Capital Standard and Internal Models Standard, which are expected to commence on 1 December 2028.

CAPITAL OVERVIEW

CC1: Composition of regulatory capital

This table provides a view of the components of regulatory capital. Supplementary tables in Appendix I provide details of the Reconciliation of regulatory capital to balance sheet (CC2) and the Composition of regulatory capital (CC1).

	$m	Amounts	Source based on reference of the balance sheet under the regulatory scope of consolidation (CC2)
As at 30 September 2026			
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	36,181	a,b
2	Retained earnings	35,729	c
3	Accumulated other comprehensive income (and other reserves)	(1,680)	d
4	Directly issued capital subject to phase-out from CET1 capital (only applicable to non-joint stock companies)	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 capital)	2	e
6	**Common Equity Tier 1 capital before regulatory adjustments**	**70,232**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	(7,823)	f
9	Other intangibles other than mortgage servicing rights (MSR) (net of related tax liability)	(2,054)	f
10	Deferred tax assets (DTA) that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	2,243	d
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale (as set out in [CAP30.14])	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(89)	c
15	Defined benefit pension fund net assets	(369)	g
16	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
20	MSR (amount above 10% threshold)	-	
21	DTA arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	Of which: significant investments in the common stock of financials	-	
24	Of which: MSR	-	
25	Of which: DTA arising from temporary differences	-	
26	National specific regulatory adjustments	(4,568)	
27	Regulatory adjustments applied to Common Equity Tier 1 capital due to insufficient Additional Tier 1 and Tier 2 capital to cover deductions	-	
28	**Total regulatory adjustments to Common Equity Tier 1 capital**	**(12,660)**	
29	**Common Equity Tier 1 capital (CET1)**	**57,572**	

CC1: Composition of regulatory capital (Continued)

$m		Amounts	Source based on reference of the balance sheet under the regulatory scope of consolidation (CC2)
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	8,527	l
31	Of which: classified as equity under applicable accounting standards	-	
32	Of which: classified as liabilities under applicable accounting standards	8,527	
33	Directly issued capital instruments subject to phase-out from additional Tier 1 capital	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group additional Tier 1 capital)	-	
35	Of which: instruments issued by subsidiaries subject to phase-out	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**8,527**	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own additional Tier 1 instruments	(25)	
38	Reciprocal cross-holdings in additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
41	National specific regulatory adjustments	(8)	m
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	-	
43	**Total regulatory adjustments to additional Tier 1 capital**	**(33)**	
44	**Additional Tier 1 capital (AT1)**	**8,494**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**66,066**	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	32,625	l
47	Directly issued capital instruments subject to phase-out from Tier 2 capital	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	Of which: instruments issued by subsidiaries subject to phase-out	-	
50	Provisions	1,039	h
51	**Tier 2 capital before regulatory adjustments**	**33,664**	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	(150)	
53	Reciprocal cross-holdings in Tier 2 instruments and other TLAC liabilities	-	
54	Investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation and where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions (for G-SIBs only)	-	
55	Significant investments in the capital and other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	(333)	m
57	**Total regulatory adjustments to Tier 2 capital**	**(483)**	
58	**Tier 2 capital**	**33,181**	
59	**Total regulatory capital (= Tier 1 + Tier2)**	**99,247**	
60	**Total risk-weighted assets**	**462,136**	

CAPITAL OVERVIEW

CC1: Composition of regulatory capital (Continued)

$m		Amounts	Source based on reference of the balance sheet under the regulatory scope of consolidation (CC2)
Capital adequacy ratios and buffers			
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets)	12.46%	
62	Tier 1 capital (as a percentage of risk-weighted assets)	14.30%	
63	Total capital (as a percentage of risk-weighted assets)	21.48%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	10.09%	
65	Of which: capital conservation buffer requirement	3.75%	
66	Of which: bank-specific countercyclical buffer requirement	0.84%	
67	Of which: higher loss absorbency requirement	1.00%	
68	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	7.96%	
National minima (if different from Basel III)			
69	National minimum Common Equity Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	
70	National minimum Tier 1 capital adequacy ratio (if different from Basel III minimum)	-	
71	National minimum Total capital adequacy ratio (if different from Basel III minimum)	-	
Amounts below the thresholds for deduction (before risk-weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	138	i,g
73	Significant investments in the common stock of financial entities	70	j
74	MSR (net of related tax liability)	-	
75	DTA arising from temporary differences (net of related tax liability)	2,962	k
Applicable caps on the inclusion of provisions in Tier 2 capital			
76	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to standardised approach (prior to application of cap)	64	h
77	Cap on inclusion of provisions in Tier 2 capital under standardised approach	290	
78	Provisions eligible for inclusion in Tier 2 capital in respect of exposures subject to internal ratings-based approach (prior to application of cap)	975	h
79	Cap for inclusion of provisions in Tier 2 capital under internal ratings-based approach	1,953	

National specific regulatory adjustments

The following table presents the components of the CET1 national specific regulatory adjustments.

$m		Amounts	Source based on reference of the balance sheet under the regulatory scope of consolidation (CC2)
As at 30 September 2026			
26	National specific regulatory adjustments	(4,568)	
26a	Of which: treasury shares	-	
26b	Of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	-	
26c	Of which: deferred fee income	415	h
26d	Of which: equity investments in financial institutions not reported in rows 18, 19 and 23	(208)	i,j,g
26e	Of which: deferred tax assets not reported in rows 10, 21 and 25	(2,962)	k
26f	Of which: capitalised expenses	(1,727)	h
26g	Of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	(81)	i
26h	Of which: covered bonds in excess of asset cover in pools	-	
26i	Of which: undercapitalisation of a non-consolidated subsidiary	-	
26j	Of which: other national specific regulatory adjustments not reported in rows 26a to 26i	(5)	c

OV1: Overview of Risk Weighted Assets (RWA)

This table presents an overview of Westpac's RWA and minimum capital requirements by risk type and approach.

		RWA			Minimum capital requirements
$m		30 September 2026	30 June 2026	31 March 2026	30 September 2026
1	**Credit risk (excluding counterparty credit risk)**	**335,984**	**341,625**	**336,739**	**26,880**
2	Of which: standardised approach (SA)	19,569	21,003	22,533	1,566
3	Of which: foundation internal ratings-based (F-IRB) approach	34,084	34,565	33,191	2,727
4	Of which: supervisory slotting approach	14,032	13,528	12,620	1,123
5	Of which: advanced internal ratings-based (A-IRB) approach	268,299	272,529	268,395	21,464
6	**Counterparty credit risk (CCR)**	**9,372**	**9,771**	**8,856**	**750**
7	Of which: standardised approach for counterparty credit risk	8,245	8,635	7,822	660
9	Of which: other CCR	1,127	1,136	1,034	90
10	**Credit valuation adjustment (CVA)**	**3,310**	**3,260**	**2,645**	**265**
15	**Settlement risk**	**55**	**40**	**13**	**4**
16	**Securitisation exposures in banking book**	**9,432**	**8,801**	**8,797**	**754**
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	4,602	3,831	4,107	368
19	Of which: securitisation standardised approach (SEC-SA)	4,830	4,970	4,690	386
20	**Market risk**	**10,786**	**10,780**	**10,504**	**863**
21	Of which: standardised approach (SA)	1,471	1,435	1,668	118
22	Of which: internal model approach (IMA)	9,315	9,345	8,836	745
AU20a[a]	**Interest rate risk in the banking book**	**48,870**	**42,310**	**47,088**	**3,910**
24	**Operational risk**	**44,327**	**43,663**	**43,701**	**3,546**
25	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**-**	**-**	**-**	**-**
26	Output floor applied	72.5%	72.5%	72.5%	
27	Floor adjustment (before application of transitional cap)	-	-	-	
28	**Floor adjustment (after application of transitional cap)**	**-**	**4,261**	**-**	**-**
29	**Total (1 + 6 + 10 + 15 + 16 + 20 + AU20a + 24 + 25 + 28)**	**462,136**	**464,511**	**458,343**	**36,972**

a. Line items with designations of AU are APRA's specific amendments.

CAPITAL OVERVIEW

Summary of Credit Risk

The following table provides a summary of credit risk and counterparty risks by asset classes to assist users of the report as the information is disaggregated across a number of tables under current BCBS disclosure requirements.

	EAD post CRM and post CCF			RWA			Non-performing	
$m	Credit risk	Counterparty credit risk	Total	Credit risk	Counterparty credit risk	Total	Exposures	ECL Accounting provisions
As at 30 September 2026								
Subject to A-IRB approach								
Corporate	195,939	4,485	200,424	99,310	1,605	100,915	2,390	668
Residential Mortgages	583,069	-	583,069	111,684	-	111,684	4,684	446
SME Retail	26,560	-	26,560	15,740	-	15,740	979	227
Qualifying Revolving Retail	13,890	-	13,890	3,544	-	3,544	88	33
Other Retail	1,795	-	1,795	2,269	-	2,269	51	24
Subject to F-IRB approach								
Large Corporate	46,417	4,035	50,452	22,300	1,396	23,696	122	73
Sovereign	145,360	3,553	148,913	1,827	178	2,005	-	-
Financial Institutions	26,786	23,590	50,376	9,957	5,769	15,726	53	11
Total IRB approach	**1,039,816**	**35,663**	**1,075,479**	**266,631**	**8,948**	**275,579**	**8,367**	**1,482**
Subject to Standardised approach								
Corporate	1,492	6,026	7,518	1,476	228	1,704	30	10
Residential Property	10,047	-	10,047	9,953	-	9,953	282	50
Other	3,169	-	3,169	1,809	-	1,809	32	21
Other assets	6,769	-	6,769	4,153	-	4,153	-	-
Total Standardised approach	**21,477**	**6,026**	**27,503**	**17,391**	**228**	**17,619**	**344**	**81**
Specialised Lending	9,246	272	9,518	6,882	196	7,078	59	44
RBNZ Regulated Entities	122,285	-	122,285	45,080	-	45,080	855	135
Securitisation			50,398			9,432		
Settlement risk			10			55		
Credit valuation adjustment						3,310		
Total credit risk	**1,192,824**	**41,961**	**1,285,193**	**335,984**	**9,372**	**358,153**	**9,625**	**1,742**
As at 31 March 2026								
Subject to A-IRB approach								
Corporate	184,930	4,394	189,324	93,537	1,549	95,086	2,451	667
Residential Mortgages	589,187	-	589,187	117,059	-	117,059	4,603	433
SME Retail	26,354	-	26,354	15,966	-	15,966	1,073	208
Qualifying Revolving Retail	14,013	-	14,013	3,711	-	3,711	97	37
Other Retail	1,831	-	1,831	2,331	-	2,331	65	39
Subject to F-IRB approach								
Large Corporate	43,822	3,176	46,998	21,491	1,218	22,709	139	83
Sovereign	155,545	3,480	159,025	1,868	174	2,042	-	-
Financial Institutions	26,538	22,550	49,088	9,832	5,464	15,296	48	10
Total IRB approach	**1,042,220**	**33,600**	**1,075,820**	**265,795**	**8,405**	**274,200**	**8,476**	**1,477**
Subject to Standardised approach								
Corporate	1,426	5,188	6,614	1,416	211	1,627	33	17
Residential Property	11,537	-	11,537	11,456	-	11,456	330	53
Other	3,278	-	3,278	1,871	-	1,871	21	8
Other assets	8,761	-	8,761	5,443	-	5,443	-	-
Total Standardised approach	**25,002**	**5,188**	**30,190**	**20,186**	**211**	**20,397**	**384**	**78**
Specialised Lending	6,924	307	7,231	5,216	240	5,456	57	44
RBNZ Regulated Entities	124,192	-	124,192	45,542	-	45,542	871	133
Securitisation			47,428			8,797		
Settlement risk			4			13		
Credit valuation adjustment						2,645		
Total credit risk	**1,198,338**	**39,095**	**1,284,865**	**336,739**	**8,856**	**357,050**	**9,788**	**1,732**

CC2: Reconciliation of regulatory capital to balance sheet

This table provides a view of the balance sheet prepared for Statutory reporting compared with the balance sheet prepared under the Level 2 regulatory scope of consolidation. Supplementary tables in Appendix I provide details of the Reconciliation of regulatory capital to balance sheet (CC2) and the Composition of regulatory capital (CC1).

Details of entities that are not consolidated under the regulatory scope of consolidation are provided in Appendix II.

$m	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference (CC1)
As at 30 September 2026			
Assets			
Cash and balances with central banks	45,959	45,954	
Collateral paid	7,649	7,649	
Trading securities and financial assets measured at fair value through income statement (FVIS)	64,045	63,899	m
Derivative financial instruments	23,922	23,922	
Investment securities	116,769	116,484	i
Loans	896,590	896,590	h
Other financial assets	9,432	9,354	
Due from subsidiaries	-	49	
Investments in subsidiaries	-	70	j
Property and equipment	2,190	2,179	
Tax assets	3,179	3,176	k
Intangible assets	10,149	10,144	f
Other assets	1,295	1,278	g
Total assets	**1,181,179**	**1,180,748**	
Liabilities			
Collateral received	3,676	3,676	
Deposits and other borrowings	808,336	808,336	
Other financial liabilities	49,034	48,992	
Derivative financial instruments	26,136	26,136	
Debt issues	178,611	178,611	
Tax liabilities	72	68	
Due to subsidiaries	-	336	
Provisions	2,471	2,466	
Other liabilities	2,275	2,269	
Loan capital	39,278	39,278	l
Total liabilities	**1,109,889**	**1,110,168**	
Shareholders' equity			
Ordinary share capital	37,261	37,261	a
Treasury shares	(1,023)	(1,080)	b
Reserves	(1,390)	(1,631)	d
Retained Profits	36,141	35,729	c
Non-controlling interests	301	301	e
Total shareholders' equity	**71,290**	**70,580**	

CAPITAL OVERVIEW

CMS1: Comparison of modelled and standardised RWA at risk level

This table provides a summary of Westpac's risk weighted assets by risk type and measurement approach, and compares it to the output floor calculated under the standardised approach.

		a	b	c	d
		RWA			
$m		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA (a + b) (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie used in the base of the output floor)
As at 30 September 2026					
1	Credit risk (excluding counterparty credit risk)	316,415	19,569	335,984	539,464
2	Counterparty credit risk	9,144	228	9,372	23,870
3	Credit valuation adjustment		3,310	3,310	3,310
4	Securitisation exposures in the banking book	-	9,432	9,432	9,432
5	Market risk	9,315	1,471	10,786	10,786
AU5a[a]	Interest rate risk in the banking book	48,870	-	48,870	-
6	Operational risk		44,327	44,327	44,327
7	Residual RWA		55	55	55
8	**Total**	**383,744**	**78,392**	**462,136**	**631,244**
Output floor at 72.5% of RWA calculated using full standardised approach					457,652
RWA prior to application of Floor					462,136
Floor adjustment					-
As at 31 March 2026					
1	Credit risk (excluding counterparty credit risk)	314,206	22,533	336,739	541,800
2	Counterparty credit risk	8,645	211	8,856	22,233
3	Credit valuation adjustment		2,645	2,645	2,645
4	Securitisation exposures in the banking book	-	8,797	8,797	8,797
5	Market risk	8,836	1,668	10,504	10,504
AU5a[a]	Interest rate risk in the banking book	47,088	-	47,088	-
6	Operational risk		43,701	43,701	43,701
7	Residual RWA		13	13	13
8	**Total**	**378,775**	**79,568**	**458,343**	**629,693**
Output floor at 72.5% of RWA calculated using full standardised approach					456,527
RWA prior to application of Floor					458,343
Floor adjustment					-

a. Line items with designations of AU are APRA's specific amendments.

CMS2: Comparison of modelled and standardised RWA for credit risk at asset class level

This table provides a summary of Westpac's credit RWA by asset classes measured under the internal ratings-based (IRB) measurement approach, and compares it to the output floor calculated under the standardised approach.

		a	b	c	d
		RWA			
$m		RWA for modelled approaches that banks have supervisory approval to use	RWA for column a if re-computed using the standardised approach	Total Actual RWA (ie RWA which banks report as current requirements)	RWA calculated using full standardised approach (ie RWA used in the base of the output floor)
As at 30 September 2026					
1	Corporate	99,310	163,070	100,665	164,425
2	Large Corporate	22,300	37,643	22,300	37,643
3	Sovereign	1,827	619	2,759	1,551
4	Financial Institutions	9,957	16,830	9,992	16,865
5	Residential Mortgages	111,684	204,285	121,635	214,239
6	Qualifying Revolving Retail	3,544	8,888	3,544	8,888
7	Other Retail	2,269	1,592	2,656	1,978
8	SME Retail	15,740	16,672	15,883	16,814
9	Specialised Lending	6,882	10,158	7,317	10,592
10	RBNZ Regulated Entities	42,902	60,138	45,080	62,316
11	Other Assets	-	-	4,153	4,153
12	**Total**	**316,415**	**519,895**	**335,984**	**539,464**
As at 31 March 2026					
1	Corporate	93,537	155,806	94,843	157,113
2	Large Corporate	21,491	35,716	21,491	35,716
3	Sovereign	1,868	640	2,737	1,509
4	Financial Institutions	9,832	18,222	9,925	18,315
5	Residential Mortgages	117,059	212,380	128,516	223,835
6	Qualifying Revolving Retail	3,711	9,001	3,711	9,001
7	Other Retail	2,331	1,614	2,738	2,021
8	SME Retail	15,966	17,296	16,096	17,427
9	Specialised Lending	5,216	7,611	5,697	8,093
10	RBNZ Regulated Entities	43,195	60,980	45,542	63,327
11	Other Assets	-	-	5,443	5,443
12	**Total**	**314,206**	**519,266**	**336,739**	**541,800**

RISK MANAGEMENT APPROACH

Risk Appetite and Risk Types

Westpac's operations expose us to risks. Westpac's appetite for risk is informed by its strategic objectives and business plans, regulatory rules and ratios, and the potential for adverse outcomes that may result in material impacts on Westpac's customers, people, reputation, regulatory relationships and/or financial position including the potential for capital and liquidity ratios to fall below target levels in stressed scenarios.

Westpac distinguishes between different types of risk and takes an integrated approach toward identifying, assessing, and managing risks. The Risk Management Strategy, which incorporates the risk management framework model, and the Board Risk Appetite Statement, together with monitoring and controls are key to identifying and managing risk.

Westpac's key risks are:

- capital adequacy risk – the risk that Westpac has an inadequate level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under both normal and stressed operating environments;
- compliance and conduct risk – the risk of failing to abide by compliance obligations required of Westpac or otherwise failing to have behaviours and practices that deliver suitable, fair, and clear outcomes for its customers and that support market integrity;
- credit risk – the risk of financial loss where a customer or counterparty fails to meet their financial obligations to Westpac;
- cyber risk – the risk that Westpac's or its third parties', data or technology are inappropriately accessed, manipulated, or damaged from cyber threats or vulnerabilities;
- financial crime risk – the risk that Westpac fails to prevent products and services being used to facilitate financial crime, fails to protect its customers and Westpac from fraud and scam events or fails to comply with applicable global financial crime regulatory obligations;
- funding and liquidity risk – the risk that Westpac cannot meet its payment obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets;
- market risk – the risk of an adverse impact on Westpac's earnings and economic value resulting from changes in the value of Westpac's positions as a result of a change in financial market factors, such as foreign exchange rates, commodity prices, equity prices, credit spreads and interest rates. This includes earnings at risk, which is the risk to net interest income from interest rate changes, and economic value sensitivity, which is the risk of variability in the Group's banking book capital requirements;
- operational risk – the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;
- reputational and sustainability risk – the risk of failing to recognise or address environmental, social or governance (ESG) issues and the risk that an action, inaction, transaction, investment, or event will reduce trust in Westpac's integrity and competence by clients, counterparties, investors, regulators, employees, or the public;
- risk culture – the risk that Westpac's culture does not promote and reinforce behavioural expectations or structures to identify, understand, discuss and act on risks; and
- strategic risk – the risk that Westpac makes inappropriate strategic choices, does not implement its strategies successfully, or does not respond effectively to changes in the environment.

Risk Management Strategy

Westpac has put in place a Risk Management Strategy that:

- effectively manages risk and risk culture to achieve Westpac's purpose of taking action now to create a better future;
- embeds a consistent and integrated risk management approach in its processes and culture;
- continually improves the management of risk;
- is resilient to operational risks and disruptions and manages the risks arising from service providers;
- understands the reward-to-risk balance and where required, reduces risks to acceptable levels.

The Risk Management Strategy and Board Risk Appetite Statement were approved by the Board during the 12 months to 30 September 2026.

Roles and responsibilities

We employ a Three Lines of Defence (3LOD) model and continue to focus on its effectiveness, supporting clear understanding and strong ownership of risk management responsibilities across the organisation.

First Line of Defence (1LOD)

The 1LOD under the Three Lines of Defence Model refers to all Divisions and Functions excluding the Risk and Audit functions. The 1LOD proactively identifies, evaluates, owns, monitors, manages and controls the existing and emerging risks in their business. It manages business activities within approved risk appetite and policies. In managing its risk, the 1LOD establishes and maintains appropriate governance structures, controls, resources and self-assessment processes, including issue identification, recording and escalation procedures.

Second Line of Defence (2LOD)

The 2LOD under the Three Lines of Defence Model refers to the Risk Function. It is an independent function that develops risk management frameworks, defines guardrails, provides objective review and challenge regarding the effectiveness of risk management within the 1LOD business, and executes specific risk management activities where functional independence and/or specific risk capability is required. Its approach is risk-based and proportionate to 1LOD activities.

Third Line of Defence (3LOD)

Group Audit is the 3LOD assurance function that provides the Board and Senior Executive with independent and objective evaluation of the adequacy and effectiveness of the Group's governance, risk management and internal controls.

Risk management governance structure

Governance Structure	Functions and responsibilities
Board	• approves the overall risk management framework for managing financial and non-financial risks, as well as Westpac's Risk Management Strategy and Board Risk Appetite Statement, and monitors the effectiveness of risk management by Westpac; • forms a view of Westpac's risk culture and oversees the identification of, and steps taken to address, any changes to risk culture; • approves the Internal Capital Adequacy Assessment Process (ICAAP), including reviewing Group stress testing scenarios/outcomes, and approves Westpac's recovery and exit plan and material relevant to resolution planning; • approves the strategic direction of the Westpac Group; and • makes its annual declaration to APRA on risk management in accordance with APRA prudential standard CPS 220 Risk Management.

RISK MANAGEMENT APPROACH

Governance Structure	Functions and responsibilities
Board Risk Committee (BRiskC)	From the perspective of specific types of risk, the BRiskC's role includes reviewing and approving risk class Risk Management Frameworks and material supporting policies and limits as required, and in addition: • credit risk – reviewing and approving Westpac's Credit Risk Management Strategy and Credit Risk Appetite Statement and material policies and limits supporting Westpac's Credit Risk Management Framework, discussing credit provisioning levels, and monitoring the risk profile, performance, and management of our credit portfolio; • funding and liquidity risk – reviewing and approving Westpac's annual funding strategy, and liquidity targets and limits, and monitoring the liquidity position and requirements; • capital adequacy risk – reviewing and recommending the ICAAP to the Board for approval including target capital ranges (where appropriate) and reviewing and monitoring capital levels for consistency with the Board Risk Appetite Statement; • market risk – reviewing Westpac's trading and non-trading market risk profiles and their respective exposure against limits; • non-financial risks, including operational risk, compliance and conduct risk, cyber risk, financial crime risk, and reputational and sustainability risk and monitoring the performance of risk class management and controls; and • risk culture – forming a view on Westpac's risk culture and the extent to which it supports our ability to operate consistently within Westpac's Risk Management Strategy and Board Risk Appetite Statement, and overseeing the identification of, and steps taken to address, any desirable changes to risk culture. The Board Risk Committee also: • reviews the Westpac Group stress testing results and together with the Board provides recommendations for future scenarios; • provides relevant periodic assurances and reports (as appropriate) to the Board Audit Committee; • refers or recommends to the Board and any other Board Committees (as appropriate) any matters that have come to the attention of the Board Risk Committee that are relevant for the Board or the respective Board Committee; and • in its capacity as the Westpac Group's US Risk Committee, oversees the key risks, risk management framework and policies of Westpac's US operations. Assists the Board to: • consider and approve Westpac's overall risk management framework for managing financial and non-financial risks; • oversee risk culture across Westpac; • oversee Westpac's risk profile and set risk appetite for material risks; • review and approve the Risk Management Strategy and Board Risk Appetite Statement; • make its annual declaration to APRA on risk management under APRA prudential standard CPS 220 Risk Management; and • oversee compliance risk management within Westpac. The Committee is also responsible for: • reviewing the adequacy and effectiveness of Westpac's internal control framework; • reviewing and recommending Westpac's recovery and exit plan and material relevant to resolution planning to the Board for approval; • reviewing and approving the limits and conditions that apply to the delegated credit risk approval authorities; • monitoring changes anticipated to the economic and business environment including consideration of emerging risks and other factors considered relevant to risk profile and risk appetite; • reviewing and where appropriate approving risks beyond the approval discretion provided to management; and • overseeing material legal and regulatory change relevant to Westpac and the management of material litigation and regulatory investigations and associated remediation activities.

Governance Structure	Functions and responsibilities
Board Committees with a Risk Focus	**Board Audit Committee (BAC)** Assists the Board by overseeing the: • integrity of financial statements and financial reporting systems of Westpac and its related bodies corporate; • external audit engagement, including the external auditor's qualifications, performance, independence and fees; • performance of the internal audit function; and • integrity of the Group's corporate reporting including Westpac's financial reporting and compliance with prudential regulatory reporting and professional accounting requirements. **Board Remuneration Committee (BRemC)** • the Board Remuneration Committee assists the Board to discharge its responsibility by overseeing the design, operation and monitoring of the remuneration framework; • the Board Remuneration Committee seeks feedback from and considers matters raised by other Board Committees (as appropriate) with respect to remuneration outcomes, adjustments to remuneration in light of relevant matters and alignment of remuneration with the risk management framework; • cross membership of the Board Remuneration Committee and the Board Risk Committee also supports alignment between risk and remuneration; and • independent input is received from the Chief Risk Officer on risk, compliance and conduct matters that may need to be considered in remuneration outcomes.
Executive Team	**Westpac Executive Team (ET)** • executes the Board-approved strategy; and • delivers Westpac's various strategic and performance goals within the approved risk appetite.
Executive risk committees	**Westpac Group Executive Risk Committee (RISKCO)** • informs the CEO, Chief Risk Officer and other accountable individuals in making risk-related decisions in respect of the Westpac Group; • informs attendees in making material decisions in their area of responsibility, with due consideration of Westpac's risk profile and risk culture; • reviews and discusses the Risk Management Strategy for approval by the Board; • oversees the implementation and performance of the Risk Management Strategy as well as required controls and actions; • reviews and notes material changes to risk class frameworks and material supporting policies, as required; • reviews and discusses the measures and thresholds in the Board Risk Appetite Statement (Board RAS) for approval by the Board, and monitors Westpac's risk profile against its Board RAS measures and thresholds; • monitors Westpac's risk culture, its alignment to risk appetite and related actions; • reviews and notes emerging risks and oversees the adequacy of Westpac's response; and • reviews and discusses annual stress testing scenarios and outcomes, the ICAAP, Westpac's Recovery and Exit Plan and material relevant to resolution planning. **Westpac Group Asset & Liability Committee (ALCO)** • oversees the balance sheet risk profile, including funding and liquidity risk, capital adequacy risk and interest rate risk in the banking book; • reviews the level and quality of capital (including the ICAAP), liquidity and funding to ensure that it is commensurate with Westpac's risk profile, business strategy and risk appetite; • oversees the Liquidity Risk Management Framework, Capital Adequacy Risk Management Framework and key supporting policies; and • identifies emerging funding, liquidity, and interest rate risk in the banking book risks and oversees actions to respond as appropriate.

RISK MANAGEMENT APPROACH

Governance Structure	Functions and responsibilities
Executive risk committees (continued)	**Westpac Group Credit Risk Committee (CREDCO)** • reviews and discusses the Credit Risk Management Framework, Credit Risk Management Strategy, Credit Risk Appetite Statement, and key supporting policies and limits; • reviews and discusses business activity with material credit risk-related impacts; • monitors Westpac's credit risk profile against the Board Risk Appetite Statement measures and thresholds • monitors Westpac's credit risks that are outside of risk appetite or approaching tolerance limits and monitors remediation plans and actions; • reviews reporting from the Climate Change Credit Risk Committee on the potential impact on credit exposures from climate-related transition and physical risks; and • reviews and notes emerging risks, regulatory issues, and implications of changes in the regulatory and external environment on Westpac's credit risk exposures. **Westpac Group Market Risk Committee (MARCO)** • reviews and monitors implementation of the Market Risk Management Framework and key market risk management policies; • reviews and discusses how the business strategy impacts the market risk profile and aligns to risk appetite; • monitors Westpac's market risk profile, risk appetite and exposures; and • reviews and discusses emerging risks and outcomes of market risk stress testing. **Westpac Group Operational Risk, Compliance and Resilience Committee (ORCR)** • reviews and discusses the Operational Risk Management Framework, the Cyber Risk Management Framework and the Compliance and Conduct Risk Management Framework, and key supporting policies; • monitors Westpac's strategic, operational risk, cyber risk, and compliance and conduct risk profiles; • reviews emerging operational, cyber, compliance and conduct risks; and • reviews the Group-wide operational risk scenarios for exposure to high-severity loss events. **Westpac Group Remuneration Oversight Committee (ROC)** • supports the BRemC and the Board in fulfilling their responsibility to oversee the design, operation and monitoring of the remuneration framework. **Model Risk Committee** • oversees the operational effectiveness of the Group Model Risk Policy and key supporting artefacts; • monitors the Group's model risk profile and aggregate model risk exposures and emerging model risk matters, taking into account the regulatory and external environment; • oversees approvals for significant changes to Westpac's material models; and • oversees material model risk matters raised by associated committees. **Stress Testing Committee** • reviews and provides input on the Westpac Group Stress Testing Policy, stress testing results and mitigating actions; • reviews and monitors the effectiveness of Westpac's Group stress-testing framework; and • oversees the generation and selection of Group stress testing scenarios, with reference to emerging risks. **Westpac Group Financial Crime Risk Committee** • reviews and discusses the Financial Crime measures and thresholds in the Board RAS; • reviews and discusses Westpac's Financial Crime Risk Management Framework and Financial Crime Policy framework; • monitors Westpac's aggregate Financial Crime risk exposures, regulatory matters and measures; and • analyses emerging financial crime risks developments and implications of changes in the regulatory and external environment.

Governance Structure	Functions and responsibilities
Risk Function	**Risk Function** • promotes a strong risk culture and the 'Voice of Risk'; • defines the structure and coverage of risk appetite; • develops the annual Risk Management Strategy enabling the management of risks in alignment with risk appetite and business strategy; • establishes risk policies, procedures and limits; • measures and reports on material risk; and • provides insight, oversight and challenge on the management of risks, including Compliance and Conduct and Financial Crime risks.
Internal Audit	**Group Audit** • provides the Board, relevant Board Committees and Senior Executive and the business with independent and trusted assurance, insight, and foresight on the adequacy and effectiveness of Westpac's governance, risk management and internal controls.
Divisional business units and functions	**Business units and functions** • responsible for identifying, evaluating, owning, monitoring, managing and controlling the existing and emerging risks in their business, and managing business activities within approved risk appetite and policies; and • establish and maintain appropriate governance structures, controls, resources and self-assessment processes, including issue identification, recording and escalation procedures.

Risk Measurement Systems

Quantifying risk is integral to our business and is embedded in our risk and capital management processes. Risk measurement, planning and reporting are integrated across the group and incorporates forward-looking projections and analysis. The quantification of our risk exposure can include judgements that are both quantitative and qualitative in nature. We also apply stress testing, and scenario and sensitivity analyses to assess and measure risks. The methodology, techniques and process by which we measure our risks are subject to review on a continuous basis.

Our risk measurement systems are designed to support sound risk governance and capital planning and include:

- Expected Loss (EL) Quantification: We estimate expected losses as the statistically anticipated losses over a defined time horizon, based on current exposures, probability of default, loss given default, and exposure at default. These estimates inform provisioning and forward-looking risk assessments;
- Unexpected Loss (UL) Estimation: We assess unexpected losses to capture the potential deviation from expected outcomes under stressed but plausible conditions. This supports the determination of capital buffers and helps ensure resilience against adverse scenarios;
- Stress Testing: Our systems incorporate forward-looking stress testing scenarios that simulate adverse macroeconomic and financial market conditions. These tests evaluate the institution's ability to withstand shocks and support internal capital adequacy assessments; and
- Back-Testing and Model Validation: We conduct regular back-testing to compare realised outcomes against model predictions. This ensures the reliability and accuracy of our risk models and supports ongoing validation and refinement of our measurement systems.

RISK MANAGEMENT APPROACH

Risk Reporting to the Board and Senior Management

We have in place risk monitoring and reporting processes on a Groupwide and business segment level to support senior management and the Board to effectively assess, manage and oversee risks. The ongoing monitoring of our risk profile seeks to:

- Ensure that our businesses operate within the approved risk appetite;
- Assess business activity and growth potential relative to our risk profile;
- Assess the impact of stress and unanticipated events; and
- Identify matters requiring actions.

The Board Risk Committee and the Board meet regularly to consider the information provided by senior management, which includes, among others matters, emerging risks, industry trends, our current risk profiles, and/or other notable items. Senior management are provided with monthly analysis of our operations, and information related to our risk profile, including our credit risk profiles. In addition to our regular risk monitoring, other risk-specific presentations are provided to, and discussed with, senior management and the Board as required. We also publish external reports on risk matters to comply with regulatory requirements on a quarterly, semi-annual and annual basis.

Further information on our risk reporting for each of our primary risks are also discussed within this report in the sections for these respective risks.

Stress Testing

We conduct regular stress testing throughout the year to:

- Identify and manage key economic risks that we are exposed to;
- Assess the potential impact on our financial position and performance from extreme hypothetical economic shocks; and
- Assess the adequacy of our liquidity and capital position to withstand extreme shock events.

Further information on our stress testing for our primary risks is also discussed in their respective sections.

Risk Mitigation

We mitigate our primary risks using various approaches.

Further details are provided for each of the primary risks in their respective section.

LINKAGES TO FINANCIAL STATEMENTS

LIA: Explanations of differences between accounting and regulatory exposure amounts

The primary drivers for the difference in LI1 between the carrying value reported in the published financial statements and those under the scope of regulatory consolidation relate to:

- Level 3 entities: The carrying values reported in our published financial statements are prepared in accordance with International Financial Reporting Standards and consolidates entities in Level 1, Level 2 and Level 3. Our regulatory balance sheet consolidates entities in Level 1 and Level 2 only. Level 3 entities include insurance and funds management entities. Investments in Level 3 entities and their respective retained profits are excluded when determining the Group's capital adequacy (refer to Appendix II for a list of Level 3 entities not consolidated for regulatory purposes).

The primary drivers of differences between the carrying value in LI1 and the regulatory exposure values in LI2 are:

- Off balance sheet amounts: These amounts include undrawn commitments, financial guarantees and other off balance sheet products.
- Credit Risk Mitigation (CRM) and Credit Conversion Factor (CCF): CRM represents the impact of eligible collaterals that mitigate regulatory exposures and reduces capital requirements in accordance with APS 112 and APS 113. CCF represents the proportion of off balance sheet exposures that are likely to convert into an on-balance sheet amount.
- Differences in valuation: Included in credit risk are fair value adjustments recognised in the Financial Statements but are measured at amortised cost under the credit risk framework. Values included in the counterparty credit risk framework represent the impact of potential future exposure amounts and scaling factor.
- Differences in netting: This represents differences in requirements for the netting of financial assets and liabilities under the accounting and regulatory frameworks.

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

The following table provides a comparison between the Accounting and Regulatory balance sheet and the extent of the Regulatory balance sheet subject to the risk categories below. As balances can be subject to multiple risk categories, the sum of the risk categories may not equal the carrying value of the Regulatory balance sheet.

	a	b	c	d	e	f	g
			Carrying values of items:				
$m	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
As at 30 September 2026							
Assets							
Cash and balances with central banks	45,959	45,954	45,954	-	-	552	-
Collateral paid	7,649	7,649	-	7,649	-	6,480	-
Trading securities and financial assets measured at fair value through income statement (FVIS)	64,045	63,899	10,197	36,781	-	38,180	-
Derivative financial instruments	23,922	23,922	-	23,922	-	21,502	-
Investment securities	116,769	116,484	105,131	-	11,064	-	289
Loans	896,590	896,590	867,948	-	31,993	-	(3,351)
Other financial assets	9,432	9,354	3,648	100	125	5,525	-
Due from subsidiaries	-	49	49	-	-	-	-
Investments in subsidiaries	-	70	-	-	-	-	70
Property and equipment	2,190	2,179	2,179	-	-	-	-
Tax assets	3,179	3,176	24	-	-	-	3,152
Intangible assets	10,149	10,144	-	-	-	-	10,144
Other assets	1,295	1,278	1,278	-	-	-	-
Total assets	**1,181,179**	**1,180,748**	**1,036,408**	**68,452**	**43,182**	**72,239**	**10,304**
Liabilities							
Collateral received	3,676	3,676	-	3,676	-	3,091	-
Deposits and other borrowings	808,336	808,336	-	-	-	44,612	763,724
Other financial liabilities	49,034	48,992	-	23,807	-	26,565	22,427
Derivative financial instruments	26,136	26,136	-	26,136	-	24,976	-
Debt issues	178,611	178,611	-	-	-	-	178,611
Tax liabilities	72	68	-	-	-	-	68
Due to subsidiaries	-	336	-	-	-	-	336
Provisions	2,471	2,466	-	-	-	-	2,466
Other liabilities	2,275	2,269	-	-	-	-	2,269
Loan capital	39,278	39,278	-	-	-	-	39,278
Total liabilities	**1,109,889**	**1,110,168**	**-**	**53,619**	**-**	**99,244**	**1,009,179**

LINKAGES TO FINANCIAL STATEMENTS

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

The following table provides the reconciliation between the accounting carrying values under the regulatory scope of consolidation and exposure amounts considered for regulatory purposes, categorised by the applicable regulatory risk framework. As balances can be subject to multiple risk categories, the sum of the risk categories may not equal the total.

		a	b	c	d	e
			Items subject to:			
$m		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
As at 30 September 2026						
1	Asset carrying value amount under scope of regulatory consolidation (as per Template LI1)[a]	1,170,444	1,036,408	43,182	68,452	72,239
2	Liabilities carrying value amount under regulatory scope of consolidation (as per Template LI1)[a]	100,989	-	-	53,619	99,244
3	Total net amount under regulatory scope of consolidation (Row 1 – Row 2)	1,069,455	1,036,408	43,182	14,833	(27,005)
4	Off-balance sheet amounts	230,307	223,091	7,216	-	
5	Differences due to credit conversion factors and CRM	(71,759)	(71,759)	-	-	
6	Differences due to different netting rules, other than those already included in row 2	8,683	-	-	8,683	
7	Differences due to valuation	23,529	5,084	-	18,445	
8	Other	-	-	-	-	
9	**Exposure amounts considered for regulatory purposes**	**1,260,215**	**1,192,824**	**50,398**	**41,961**	

a. The total amount reflects the 'Carrying values under scope of regulatory consolidation' column less 'Not subject to capital requirements or subject to deduction from capital' column in template LI1. Therefore, the total amount will not equal the sum of 'Credit risk framework', 'Securitisation framework', 'Counterparty credit risk framework' and 'Market risk framework' columns above.

ASSET ENCUMBRANCE

ENC: Asset encumbrance

The following tables show the categories of the balance sheet which has assets that are encumbered. Encumbered assets are assets that the Group is restricted or prevented from liquidating, selling, transferring or assigning due to legal, regulatory, contractual or other constraints.

The main sources of encumbrance for Westpac are:

- Assets that are pledged as collateral;
- Assets pledged under repurchase agreements, covered bonds and securitisaton; and
- Assets not freely available due to regulatory requirements.

$m	Encumbered assets	Unencumbered assets	Total
As at 30 September 2026			
Cash and balances with central banks	7,878	38,076	45,954
Collateral paid	7,649	-	7,649
Trading securities and financial assets measured at fair value through income statement (FVIS)	23,099	40,800	63,899
Investment securities	3,904	112,580	116,484
Loans	47,395	849,195	896,590
Other financial assets	116	9,238	9,354
Property and equipment	1,270	909	2,179
Other assets	479	799	1,278
Total	**91,790**	**1,051,597**	**1,143,387**
As at 31 March 2026			
Cash and balances with central banks	7,867	45,621	53,488
Collateral paid	5,447	-	5,447
Trading securities and financial assets measured at fair value through income statement (FVIS)	15,128	34,866	49,994
Investment securities	4,700	117,570	122,270
Loans	43,553	842,029	885,582
Other financial assets	104	9,544	9,648
Property and equipment	1,312	846	2,158
Other assets	289	828	1,117
Total	**78,400**	**1,051,304**	**1,129,704**

CREDIT RISK

CREDIT RISK MANAGEMENT
CRA: General qualitative information about credit risk
CRB: Additional disclosure related to the credit quality of assets
CR1: Credit quality of assets
CR2: Changes in stock of non-performing loans, debt securities and off balance sheet exposures
CRB(e): Exposures by geographical areas, industry and residual maturity
CRB(f): Non-performing exposures by geographical areas and industry
CRB(g): Ageing Analysis of credit exposures
CRB(h): Restructured exposures
CRC: Qualitative disclosure related to credit risk mitigation techniques
CR3: Credit Risk Mitigation Techniques
CR7: IRB - Effect on RWA of credit derivatives used as CRM techniques
CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk
CR4: Standardised approach – credit risk exposure and credit risk mitigation effects
CR5: Standardised approach - Exposures by asset classes and risk weights
CRE: Qualitative disclosures related to IRB models
CR6: IRB - Credit risk exposures by portfolio and PD ranges
CR8: RWA flow statements of credit risk exposures under IRB
CR9: IRB - Backtesting of probability of default (PD) per portfolio
CR10: IRB - Specialised lending under the slotting approach

COUNTERPARTY CREDIT RISK
CCRA: Qualitative disclosure related to CCR
CCR1: Analysis of CCR exposures by approach
CCR4: IRB - CCR exposures by portfolio and PD scale
CCR5: Composition of collateral for CCR exposures
CCR6: Credit derivatives exposures
CCR8: Exposure to central counterparties

CREDIT VALUATION ADJUSTMENT RISK
CVAA: General qualitative disclosure requirements related to CVA

SECURITISATION
SECA: Qualitative disclosure requirements related to securitisation exposures
SEC1: Securitisation exposures in the banking book
SEC2: Securitisation exposures in the trading book
SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor
SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

CREDIT RISK MANAGEMENT

CRA: General qualitative information about credit risk

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to Westpac.

Credit Risk Management Framework and policies

The Westpac Board through its Board Risk Committee reviews and approves the credit risk management framework and material supporting policies that clearly define roles and responsibilities, acceptable practices, limits and key controls.

The Credit Risk Management Framework describes the principles, methodologies, systems, roles and responsibilities, reports and controls that exist for managing credit risk in Westpac. The Credit Risk Rating System policy describes the credit risk rating system philosophy, design, key features, roles and responsibilities and uses of rating outcomes.

Concentration risk policies cover individual counterparties, industries (e.g. property) and individual countries. Credit policies and standards embed the Group's framework requirements throughout Westpac's operating segments.

Policies and standards cover the origination, evaluation, approval, documentation, settlement and on-going management of credit risk and sector policies guide the extension of credit where industry-specific guidelines are considered necessary.

Credit approval limits represent the formal delegation of credit approval authority to responsible individuals throughout the organisation.

Structure and organisation

Westpac Credit Risk Committee (CREDCO) oversees Westpac's credit risk profile against the Board Risk appetite statement and thresholds. CREDCO reviews and monitors Westpac's credit risk that is outside of risk appetite or approaching tolerance limits and monitors remediation plans and actions.

The Chief Risk Officer is responsible for the effectiveness of overall risk management throughout Westpac, including credit risk. The Group Chief Credit Officer is responsible for the effectiveness of credit risk management, including credit approval decisioning beyond business authority level and appointing our most senior authorised credit officers. Authorised credit officers have delegated authority to approve credit risk exposures, including customer risk grades, other credit parameters and their ongoing review. Our largest exposures are approved by our most experienced authorised credit officers. Management is responsible for managing credit risks originated in their business and for managing risk adjusted returns from their business credit portfolios, within the approved risk appetite, risk management framework and policies.

Approach

Westpac adopts two approaches to managing credit risk depending upon the nature of the customer and the product.

Transaction-managed approach

For larger customers, Westpac evaluates credit requests by undertaking detailed individual customer and transaction risk analysis (the 'transaction-managed' approach). Such customers are assigned a customer risk grade (CRG) representing Westpac's estimate of their probability of default (PD). Each facility is assigned a loss given default (LGD). The Westpac credit risk rating system has 20 risk grades for non-defaulted customers and 8 risk grades for defaulted customers. Non-defaulted CRGs down to the level of normally acceptable risk (i.e. D grade – see table below) are mapped to Moody's external senior unsecured ratings. This mapping allows Westpac to integrate the rating agency's default history with internal historical data when calculating PDs.

The final assignment of CRGs and LGDs is approved by authorised credit officers with appropriate delegated approval authority. All material credit exposures are also approved by authorised credit officers who are part of the risk management division and operate independently of the areas originating the credit risk proposals. Authorised credit officer decisions are subject to hindsighting reviews to ensure consistent quality and confirm compliance with approval authority. Separate teams are responsible for maintaining accurate and timely recording of all credit risk approvals and changes to customer and facility data. These teams also operate independently of both the areas originating the credit risk proposals and the credit risk approvers. Appropriate segregation of functions is one of the key requirements of our Credit Risk Management Framework.

CREDIT RISK MANAGEMENT

CRA: General qualitative information about credit risk (Continued)

Alignment of Westpac risk grades

The table below shows the current alignment between Westpac's internal CRGs and the corresponding external rating. Note that only high-level CRG groupings are shown.

Westpac customer risk grade	Moody's Rating	S&P Rating
A	Aaa - Aa3	AAA - AA–
B	A1 - A3	A+ - A–
C	Baa1 - Baa3	BBB+ - BBB–
D	Ba1 - B1	BB+ - B+
	Westpac Rating	
E	Watchlist	
F	Special mention	
G	Substandard/default	
H	Doubtful/default	

For Specialised Lending, Westpac aligns exposures to the appropriate supervisory slot based on an assessment that takes into account borrower strength and security quality, as required by *APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk* (APS 113).

Program-managed approach

High-volume retail customer credit portfolios with homogenous credit risk characteristics are managed on a statistical basis according to pre-determined objective criteria (the 'program-managed' approach). Program-managed exposures include all consumer and some small business customers. Quantitative scorecards are used to assign application and behavioural scores to enable risk-based decision making within these portfolios. For capital estimation and other purposes, risk-based customer segments are created based upon modelled PD, LGD and, where applicable, exposure at default (EAD)[1]. Accounts are then assigned to respective segments based on customer and account characteristics. Each segment is assigned a quantified measure of its PD, LGD and EAD.

For both transaction-managed and program-managed approaches, PD and LGD assignment is regularly monitored and validated against subsequent customer performance and models and credit processes are recalibrated when required. CRGs, Security Quality Indicators (SQIs) and LGDs are reviewed at least annually.

Alignment of Basel categories to Westpac portfolios

APRA's capital framework includes prudential standards for credit risk capital *(APS 113 Capital Adequacy: Internal Ratings-based Approach to Credit Risk)*. In line with the standard, an ADI must categorise banking book exposures into four broad IRB APS 113 asset classes (Corporate, Sovereign, Financial Institutions and Retail) and apply the prescribed treatment for those classes to each credit exposure within them for the purposes of deriving its regulatory capital requirement. APS 113 cascades these asset classes into further sub-asset classes as per below.

1. Under APS 113 the credit conversion factors used to calculate EAD are prescribed for all portfolios other than revolving retail.

CRA: General qualitative information about credit risk (Continued)

The below table sets out Westpac's disclosed credit risk asset sub-classes.

Credit Asset Subclasses	Asset Subclass Definition
Corporate[a]	Corporate asset class includes all credit exposures to corporate counterparties and public sector entities, including Income Producing Real Estate (IPRE) with total consolidated annual revenue less than $750 million.
Large Corporate	Large Corporate asset class covers exposures to corporate counterparties with consolidated annual revenue greater than $750 million. Credit RWA is measured under FIRB.
Sovereign	Sovereign asset class covers exposures to central and sub-national governments, central banks, and development banks or institutions eligible for zero risk weights. Credit RWA is measured under FIRB.
Financial Institutions	Financial Institutions asset class covers exposures to financial institution counterparties. Financial institutions include, but are not limited to, banks, securities firms, insurance companies and leveraged funds. Credit RWA is measured under FIRB.
Residential Mortgages	Residential Mortgages asset class covers exposures, to individuals and not for business purposes, fully or partially secured by residential property. Non-standard mortgages receive 100% standardised risk weight (rather than the internally-modelled Retail IRB approach).
Qualifying Revolving Retail	Australian Credit Cards, otherwise known as Qualifying Revolving Retail, covers exposure to individuals and not for business purposes which are revolving, unsecured and unconditionally cancellable.
Other Retail	Other Retail asset class covers retail exposures which do not meet the criteria of any other retail asset class.
SME Retail	SME Retail asset class covers exposures where the total exposures are <$1.5m, the customer does not hold a complex product and consolidated annual revenues are <$75m. Exposures are managed as part of a portfolio.
Specialised Lending	Specialised Lending asset class covers exposures subject to the supervisory slotting approach and includes Project, Object and Commodities Finance. Project Finance is defined as exposures where revenues generated by a single project, are both the primary source of repayment and security for the loan. Object Finance is defined as lending for the acquisition of equipment where the repayment of the loan is dependent on the cash flows generated by the specific assets that have been financed and pledged or assigned to the lender.
RBNZ Regulated Entities	RBNZ regulated exposures are calculated using RBNZ rules and disclosed separately under a New Zealand class.

a. To facilitate standardisation of industry presentation, the sub asset classes of SME Corporate and Property Finance have been aggregated to Corporate.

CREDIT RISK MANAGEMENT

CRA: General qualitative information about credit risk (Continued)

Alignment of Credit risk approach to Basel categories and exposure types

Approach	APS asset class	Types of exposures
Transaction-Managed Portfolios	Corporate Sovereign Financial Institutions	Direct lending Contingent lending Derivative counterparty Asset warehousing Underwriting Secondary market trading Foreign exchange settlement Other intra-day settlement obligations
Program-Managed Portfolios	Residential Mortgages Qualifying revolving retail Other retail Small-and medium-sized enterprise retail	Mortgages Equity access loans Australian credit cards Personal loans Overdrafts Business development loans Business overdrafts Other term products

CRB: Additional disclosure related to the credit quality of assets

Non-performing exposures

Non-performing exposures are those captured by the regulatory definition of default, contained in *APS 220 Credit Risk Management* and the RBNZ's Banking Prudential Requirements for New Zealand regulated exposures. Default occurs when either one, or both, of the following has happened:

- Westpac considers that the borrower is unlikely to pay its credit obligations to Westpac in full, without recourse to actions such as realising available security;
- the borrower is 90 days or more past-due on a credit obligation to Westpac.

Westpac applies the impairment requirements contained in AASB 9 Financial Instruments. Where a credit exposure is captured by those impairment requirements, Westpac's definition of 'credit impaired' is aligned to the regulatory definition of default.

Provisions for expected credit losses

Expected credit losses (ECL) are estimates of the cashflow shortfalls expected to result from defaulted exposures over the relevant timeframe. ECL is determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions. Westpac calculates provisions for ECL based on a three-stage approach:

- **Stage 1: 12 months ECL (performing)** - For financial assets where there has been no significant increase in credit risk since origination, a provision for 12-month ECL is recognised.
- **Stage 2: Lifetime ECL (performing)** - For financial assets where there has been a significant increase in credit risk since origination and where the asset is still performing, a provision for lifetime ECL is recognised. Determining when a financial asset has experienced a significant increase in credit risk since origination is a critical accounting judgement. The determination of a significant increase in risk is driven by the change in the probability of default (PD) since origination. In determining whether a change in PD represents a significant increase in risk, relative changes in PD and absolute PD thresholds are both considered based on the portfolio of the exposure.
- **Stage 3: Lifetime ECL (non-performing)** - For financial assets that are non-performing a provision for lifetime ECL is recognised. Indicators include a breach of contract with Westpac such as a default on interest or principal payments or a borrower experiencing significant financial difficulties.

CRB: Additional disclosure related to the credit quality of assets (Continued)

Collective and individual assessment – Financial assets that are in Stages 1 and 2 are assessed on a collective basis, as are financial assets in Stage 3 below specified exposure thresholds. Those financial assets in Stage 3 above the specified exposure thresholds are assessed on an individual basis.

Overlays – Where appropriate, adjustments are made to modelled outcomes to reflect reasonable and supportable information about estimated cashflow shortfalls on defaulted exposures not already incorporated in the models.

Judgements can change with time as new information becomes available which could result in changes to the provision for ECL.

Expected life – Lifetime ECL represents the expected credit losses that result from default events over the expected life of a financial instrument. In considering lifetime ECL, the remaining contractual life is used for non-retail portfolios. For retail portfolios lifetime ECL is calibrated to historically observed portfolio behaviour.

Forward-looking information - The measurement of ECL for each stage and the assessment of significant increase in credit risk considers information about past events and current conditions as well as reasonable and supportable projections of future events and economic conditions. In order to capture the asymmetry of the losses expected over the range of plausible future events and economic conditions, Westpac considers three future macroeconomic scenarios: base, upside and downside scenarios.

The macroeconomic variables used in these scenarios include (but are not limited to) employment to population ratio, real gross domestic product growth rates and residential and commercial property price indices.

The ECL is a weighted average of the credit losses expected under these three scenarios. The scenario weights are based on Westpac's assessment of upside and downside risks taking into account current trends, forward looking conditions and the degree of uncertainty attached to these projections.

Regulatory classification of provisions for expected credit losses

Stage 1 and Stage 2 expected credit losses are classified as provisions held against performing exposures. Stage 3 expected credit losses are classified as specific provisions.

Restructured exposures

The below table contains the portion of credit exposures classified as restructured per the definition contained in *APS 220 Credit Risk Management*.

A credit exposure is considered restructured where:

- counterparty is experiencing financial difficulty in meeting its financial commitments; and
- Westpac has granted a concession that it would not otherwise consider, whether or not the concession is at the discretion of the bank and/or the counterparty. A concession is at the discretion of the counterparty (debtor) when the initial contract allows the counterparty (debtor) to change the terms of the contract in its own favour (embedded forbearance clauses) due to financial difficulty.
- A credit exposure that is restructured is classified as non-performing, and will not be reclassified to performing until the borrower has made repayments in a timely manner under the revised contractual terms for a period of at least six months.

CREDIT RISK MANAGEMENT

CR1: Credit quality of assets

This table provides an overview of both on and off-balance sheet exposures and their related provision disaggregated across standardised and IRB measurement approaches.

		Gross carrying values of			Of which ECL accounting provisions for credit losses on SA exposures		Of which ECL accounting provisions for credit losses on IRB exposures	Net Values
$m		Non-performing exposures	Performing exposures	Allowances / impairments	Allocated in regulatory category of non-performing	Allocated in regulatory category of performing		
As at 30 September 2026								
1	Loans	9,215	860,062	(4,659)	(81)	(52)	(4,526)	864,618
2	Debt Securities	-	105,131	(8)	-	(3)	(5)	105,123
3	Off-balance sheet exposures	410	219,698	(525)	-	(11)	(514)	219,583
4	**Total**	**9,625**	**1,184,891**	**(5,192)**	**(81)**	**(66)**	**(5,045)**	**1,189,324**
As at 31 March 2026								
1	Loans	9,264	853,607	(4,671)	(78)	(58)	(4,535)	858,200
2	Debt Securities	-	110,821	(8)	-	(3)	(5)	110,813
3	Off-balance sheet exposures	524	217,071	(512)	-	(11)	(501)	217,083
4	**Total**	**9,788**	**1,181,499**	**(5,191)**	**(78)**	**(72)**	**(5,041)**	**1,186,096**

CR2: Changes in stock of non-performing loans, debt securities and off balance sheet exposures

The following table discloses the movements in non-performing exposures on loans, debt securities and off-balance sheet credit exposures.

$m		For the half year ended 30 September 2026	For the half year ended 31 March 2026
1	**Non-performing loans and debt securities at end of the previous reporting period**	**9,788**	**10,127**
2	Loans and debt securities that became non-performing since the last reporting period	4,540	4,248
3	Returned to performing status	(2,278)	(2,541)
4	Amounts written off	(356)	(349)
5	Other changes[a]	(2,069)	(1,697)
6	**Non-performing loans and debt securities at end of the reporting period**	**9,625**	**9,788**

a. Other changes represent collections, and the impact of foreign exchange movements.

CRB(e): Exposures by geographical areas, industry and residual maturity

The following table presents the total exposure disaggregated by geographical areas, industry and residual maturity.

$m	< 12 months	1 to 5 years	> 5 years	No Specified Maturity[a]	Total Exposure
As at 30 September 2026					
Australia					
Accommodation, cafes and restaurants	2,464	11,047	382	235	14,128
Agriculture, forestry and fishing	5,675	13,481	435	2,444	22,035
Construction	1,718	7,783	1,876	1,177	12,554
Finance and insurance	36,288	9,726	570	2,712	49,296
Government, administration and defence	34,963	16,773	39,942	591	92,269
Manufacturing	3,254	10,032	845	2,428	16,559
Mining	856	3,700	573	877	6,006
Property	20,634	63,468	1,799	309	86,210
Property services and business services	4,041	13,519	1,869	2,385	21,814
Services	4,480	14,250	1,916	2,006	22,652
Trade	5,078	13,470	1,725	3,405	23,678
Transport and storage	1,585	13,026	2,836	768	18,215
Utilities	2,294	13,345	1,917	496	18,052
Retail lending	2,015	8,672	567,064	32,362	610,113
Other	395	861	356	7,573	9,185
Total Australia	**125,740**	**213,153**	**624,105**	**59,768**	**1,022,766**
New Zealand					
Accommodation, cafes and restaurants	158	191	32	10	391
Agriculture, forestry and fishing	2,208	5,479	95	166	7,948
Construction	172	371	136	130	809
Finance and insurance	5,123	1,130	4,208	653	11,114
Government, administration and defence	1,686	3,454	2,367	91	7,598
Manufacturing	431	1,588	70	133	2,222
Mining	13	68	4	29	114
Property	3,681	5,404	163	27	9,275
Property services and business services	326	914	63	133	1,436
Services	447	2,153	257	131	2,988
Trade	979	1,760	179	1,167	4,085
Transport and storage	94	619	25	72	810
Utilities	348	2,164	76	244	2,832
Retail lending	134	1,266	67,387	2,027	70,814
Other	11	21	16	5	53
Total New Zealand	**15,811**	**26,582**	**75,078**	**5,018**	**122,489**
Other overseas					
Accommodation, cafes and restaurants	22	38	29	-	89
Agriculture, forestry and fishing	-	-	1	-	1
Construction	22	51	9	-	82
Finance and insurance	11,966	4,568	5	76	16,615
Government, administration and defence	1,150	14,318	-	-	15,468
Manufacturing	606	1,705	225	15	2,551
Mining	85	365	-	-	450
Property	113	229	118	-	460
Property services and business services	1,162	2,194	770	-	4,126
Services	151	116	25	-	292
Trade	1,273	1,131	173	486	3,063
Transport and storage	130	552	880	-	1,562
Utilities	167	1,679	375	-	2,221
Retail lending	30	26	346	-	402
Other	51	98	38	-	187
Total other overseas	**16,928**	**27,070**	**2,994**	**577**	**47,569**
Total exposure[b]	**158,479**	**266,805**	**702,177**	**65,363**	**1,192,824**

a. Includes exposures related to credit cards, on demand facilities and exposures with no fixed maturity date.
b. Geographic segmentation of exposures are based on the location of the office in which these items were booked.

CREDIT RISK MANAGEMENT

CRB(e): Exposures by geographical areas, industry and residual maturity (Continued)

$m	< 12 months	1 to 5 years	> 5 years	No Specified Maturity[a]	Total Exposure
As at 30 September 2025					
Australia					
Accommodation, cafes and restaurants	2,656	9,265	410	229	12,560
Agriculture, forestry and fishing	4,304	11,182	527	2,344	18,357
Construction	1,617	7,428	1,698	1,023	11,766
Finance and insurance	40,350	9,235	800	3,064	53,449
Government, administration and defence	11,986	30,240	48,706	519	91,451
Manufacturing	2,603	9,264	822	2,074	14,763
Mining	809	3,508	298	731	5,346
Property	18,892	55,588	1,662	282	76,424
Property services and business services	2,688	12,791	2,283	1,817	19,579
Services	3,123	13,411	1,795	1,717	20,046
Trade	4,359	12,949	1,753	2,981	22,042
Transport and storage	1,670	11,624	1,958	561	15,813
Utilities	2,100	11,149	1,828	332	15,409
Retail lending	1,503	9,961	552,706	35,117	599,287
Other	309	987	386	9,602	11,284
Total Australia	**98,969**	**208,582**	**617,632**	**62,393**	**987,576**
New Zealand					
Accommodation, cafes and restaurants	173	133	19	9	334
Agriculture, forestry and fishing	3,401	4,618	75	189	8,283
Construction	149	486	134	113	882
Finance and insurance	6,233	5,178	314	708	12,433
Government, administration and defence	1,826	4,144	1,761	79	7,810
Manufacturing	697	1,554	36	431	2,718
Mining	63	59	5	33	160
Property	2,643	6,528	140	27	9,338
Property services and business services	296	862	37	145	1,340
Services	454	1,956	68	176	2,654
Trade	1,220	1,581	156	1,446	4,403
Transport and storage	102	686	25	87	900
Utilities	451	2,092	290	247	3,080
Retail lending	187	1,296	69,742	2,239	73,464
Other	24	34	15	6	79
Total New Zealand	**17,919**	**31,207**	**72,817**	**5,935**	**127,878**
Other overseas					
Accommodation, cafes and restaurants	21	32	30	-	83
Agriculture, forestry and fishing	1	-	1	-	2
Construction	24	36	10	-	70
Finance and insurance	10,306	4,714	1	129	15,150
Government, administration and defence	1,104	16,785	-	-	17,889
Manufacturing	228	2,238	43	12	2,521
Mining	23	400	-	-	423
Property	131	267	293	-	691
Property services and business services	117	1,164	200	-	1,481
Services	12	247	30	-	289
Trade	1,340	1,036	141	176	2,693
Transport and storage	44	322	852	-	1,218
Utilities	91	435	999	-	1,525
Retail lending	31	45	328	-	404
Other	36	29	28	-	93
Total other overseas	**13,509**	**27,750**	**2,956**	**317**	**44,532**
Total exposure[b]	**130,397**	**267,539**	**693,405**	**68,645**	**1,159,986**

a. Includes exposures related to credit cards, on demand facilities and exposures with no fixed maturity date.
b. Geographic segmentation of exposures are based on the location of the office in which these items were booked.

CRB(f): Non-performing exposures by geographical areas and industry

The following table presents information on non-performing exposures across geographical and industry segments.

	Non-performing exposures				Provision for ECL				
$m	Australia	New Zealand	Other Overseas	Total	Australia	New Zealand	Other Overseas	Total	Actual losses for the 12 months ended[a]
As at 30 September 2026									
Accommodation, cafes and restaurants	244	4	2	250	(58)	(1)	(1)	(60)	12
Agriculture, forestry and fishing	475	53	-	528	(94)	(8)	-	(102)	10
Construction	295	4	5	304	(85)	-	(2)	(87)	26
Finance and insurance	70	-	-	70	(15)	-	-	(15)	(1)
Government, administration and defence	-	-	-	-	-	-	-	-	-
Manufacturing	227	49	1	277	(88)	(26)	(1)	(115)	26
Mining	27	-	-	27	(9)	-	-	(9)	3
Property	664	6	31	701	(106)	(1)	(21)	(128)	4
Property services and business services	373	24	11	408	(124)	(6)	(3)	(133)	31
Services	354	12	3	369	(142)	(3)	(1)	(146)	12
Trade	465	21	4	490	(127)	(6)	(1)	(134)	41
Transport and storage	261	1	2	264	(113)	-	-	(113)	15
Utilities	111	1	1	113	(51)	-	-	(51)	1
Retail lending	5,089	678	17	5,784	(552)	(84)	(2)	(638)	298
Other	37	2	1	40	(11)	-	-	(11)	3
Total	**8,692**	**855**	**78**	**9,625**	**(1,575)**	**(135)**	**(32)**	**(1,742)**	**481**
As at 30 September 2025									
Accommodation, cafes and restaurants	203	4	3	210	(43)	-	(1)	(44)	8
Agriculture, forestry and fishing	378	81	-	459	(68)	(15)	-	(83)	(4)
Construction	296	6	1	303	(67)	(1)	-	(68)	24
Finance and insurance	78	-	-	78	(14)	-	-	(14)	4
Government, administration and defence	-	-	-	-	-	-	-	-	-
Manufacturing	274	89	2	365	(107)	(24)	(1)	(132)	10
Mining	32	-	1	33	(9)	-	-	(9)	1
Property	924	6	35	965	(152)	-	(19)	(171)	4
Property services and business services	408	19	5	432	(104)	(3)	(2)	(109)	15
Services	346	15	1	362	(147)	(7)	-	(154)	14
Trade	551	26	5	582	(152)	(7)	(2)	(161)	101
Transport and storage	136	1	1	138	(53)	-	-	(53)	9
Utilities	13	1	-	14	(3)	-	-	(3)	1
Retail lending	5,412	719	15	6,146	(609)	(81)	(3)	(693)	324
Other	37	3	-	40	(12)	-	-	(12)	5
Total	**9,088**	**970**	**69**	**10,127**	**(1,540)**	**(138)**	**(28)**	**(1,706)**	**516**

a. Losses stemming from lower risk IPRE lending (defined as exposures up to the lower of 50 per cent of the market value or 60 per cent of the lending value) and overall losses from IPRE lending are less than 0.3% and 0.5% of the outstanding IPRE exposures respectively, in each of the past three years to 30 September 2026.

CREDIT RISK MANAGEMENT

CRB(g): Ageing Analysis of credit exposures

The following table provides an ageing analysis of past due exposures.

	As at 30 September 2026			As at 30 September 2025		
$m	30 to 89 days	> 90 days	Total >= 30 days past due	30 to 89 days	> 90 days	Total >= 30 days past due
Loans	4,037	5,272	9,309	4,286	5,325	9,611
Off-balance sheet exposures	52	35	87	101	42	143
Total	**4,089**	**5,307**	**9,396**	**4,387**	**5,367**	**9,754**

CRB(h): Restructured exposures

This following table presents Westpac's restructured exposures.

	As at 30 September 2026	As at 30 September 2025
$m	Non-performing	Non-performing
Loans	1,297	544
Off-balance sheet exposures	11	19
Total	**1,308**	**563**

CRC: Qualitative disclosure related to credit risk mitigation techniques

This section describes the way in which Westpac reduces its credit risk by using financial collateral, guarantees or credit derivatives for the Corporate, Sovereign and Financial Institution asset classes.

Approach

Westpac recognises credit risk mitigation only when formal legal documentation is held that establishes Westpac's direct, irrevocable and unconditional recourse to the collateral or to an unrelated credit risk mitigation provider. Minimum standards for recognising credit risk mitigation are set out in Westpac's credit rules and policies. All proposals for recognising risk mitigation require approval by an authorised credit officer. Authorised credit officer approval is also required for existing risk mitigation to be discontinued or withdrawn.

The amount of credit risk mitigation recognised is the face value of the mitigation instrument, adjusted by the application of discounts for any maturity and/or currency mismatch with the underlying obligation, so that a discounted amount is recognised when calculating the residual exposure after mitigation.

For regulatory capital purposes:

- exposures secured by eligible financial collateral, either cash or certain government or semi-government securities, or where protection is bought via credit linked notes, provided proceeds are invested in eligible financial collateral, are included at the gross value, with risk weighted assets for the portion thus secured calculated by applying a 5% LGD[1] to AIRB and LGD's aligned to supervisory estimates for FIRB exposures; and
- exposures mitigated by guarantees, letters of credit, credit default swaps or similar instruments are treated under the substitution approach.

When Westpac uses credit risk mitigation techniques to reduce counterparty exposure, limits are applied to both gross (i.e. pre-mitigation) and net exposure. Furthermore, exposure is recorded against the provider of any credit risk mitigation and a limit framework prevents excessive concentration to such counterparties.

For the years ended 30 September 2026 and 30 September 2025 we have not utilised derivative instruments to manage credit risk.

Netting

Risk reduction by way of current account set-offs is recognised for exposures to creditworthy customers domiciled in Australia and New Zealand only. Customers are required to enter into formal agreements giving Westpac the unfettered right to set-off gross credit and debit balances in their nominated accounts to determine Westpac's net exposure within each of these two jurisdictions. Cross-border set-offs are not permitted.

Close-out netting is undertaken for off-balance sheet financial market transactions with counterparties with whom Westpac has entered into master netting agreements which allow such netting in specified jurisdictions. Close-out netting effectively aggregates pre-settlement risk exposure at time of default, thus reducing overall exposure.

Collateral valuation and management

Westpac revalues financial markets and associated collateral positions on a daily basis to monitor the net risk position, and has formal processes in place so that calls for collateral top-up or exposure reduction are made promptly. A separate operational unit has responsibility for monitoring these positions. The collateralisation arrangements are documented via the Credit Support Annex of the International Swaps and Derivatives Association (ISDA) master agreement for derivatives transactions and Global Master Repurchase Agreement (GMRA) for repurchase transactions and Clearing Agreements for cleared trades.

1. Excludes collateralised derivative transactions.

CREDIT RISK MANAGEMENT

CR3: Credit Risk Mitigation Techniques

The table below shows a breakdown of Westpac's on-balance sheet exposures that are secured or unsecured. The secured exposures are then disaggregated by the type of security held.

$m		Exposures unsecured: carrying amount	Exposures to be secured[a]	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
As at 30 September 2026						
1	Loans	73,924	790,694	788,615	2,079	-
2	Debt securities	103,638	1,485	1,485	-	-
3	**Total**	**177,562**	**792,179**	**790,100**	**2,079**	**-**
4	Of which non-performing	334	7,180	7,180	-	-
As at 31 March 2026						
1	Loans	78,192	780,008	778,491	1,517	-
2	Debt securities	110,204	609	609	-	-
3	**Total**	**188,396**	**780,617**	**779,100**	**1,517**	**-**
4	Of which non-performing	318	7,264	7,262	2	-

a. Represents exposures that are secured with at least one form of credit risk mitigation.

CR7: IRB - Effect on RWA of credit derivatives used as CRM techniques

At present Westpac does not have any credit derivatives (excluding exposures subject to counterparty credit risk requirements) with CRM impact[1].

		As at 30 September 2026		As at 31 March 2026	
$m		Pre-credit derivatives RWA	Actual RWA	Pre-credit derivatives RWA	Actual RWA
1	**Exposures under A-IRB**				
2	Corporate	99,310	99,310	93,537	93,537
3	Residential Mortgages	111,684	111,684	117,059	117,059
4	Qualifying Revolving Retail	3,544	3,544	3,711	3,711
5	Other Retail	2,269	2,269	2,331	2,331
6	SME Retail	15,740	15,740	15,966	15,966
7	Specialised Lending	6,882	6,882	5,216	5,216
8	RBNZ Regulated Entities	42,902	42,902	43,195	43,195
9	**Total Exposures under A-IRB**	**282,331**	**282,331**	**281,015**	**281,015**
10	**Exposures under F-IRB**				
11	Large Corporate - F-IRB	22,300	22,300	21,491	21,491
12	Sovereign - F-IRB	1,827	1,827	1,868	1,868
13	Financial Institutions - F-IRB	9,957	9,957	9,832	9,832
14	**Total Exposures under F-IRB**	**34,084**	**34,084**	**33,191**	**33,191**
15	**Total Exposures including A-IRB exposures and F-IRB exposures**	**316,415**	**316,415**	**314,206**	**314,206**

1. As defined in APS 112 Attachment J.

CRD: Qualitative disclosure on banks' use of external credit ratings under the standardised approach for credit risk

A small portion of Westpac's transaction-managed portfolios are under the standardised approach for credit risk. For these portfolios Westpac utilises external credit ratings where available. Each external credit rating aligns to one or more internally assigned credit risk grades, as outlined in the 'CRA: General qualitative information about credit risk' section of this report.

CR4: Standardised approach – credit risk exposure and credit risk mitigation effects

This table presents exposures subject to the standardised approach for the calculation of RWA. This includes certain mortgages that are prescribed a standardised risk weight including interest-only mortgages greater than five years and mortgages held by self-managed superannuation funds. Other exposures subject to the standardised approach include Westpac Pacific, margin lending and some other small portfolios.

		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
$m		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)[a]
As at 30 September 2026							
Asset classes							
1	Residential Property	8,595	2,903	8,595	1,202	9,581	98%
2	Corporate	1,106	499	1,106	365	1,447	98%
3	Other[b]	2,499	1,638	2,499	658	1,794	57%
4	Other assets[c]	6,769	-	6,769	-	4,154	61%
5	RBNZ Regulated Entities[d]	14,351	660	14,231	335	2,178	15%
6	Non-performing exposures	363	13	283	-	415	147%
7	**Total**	**33,683**	**5,713**	**33,483**	**2,560**	**19,569**	**54%**
As at 31 March 2026							
Asset classes							
1	Residential Property	9,817	3,469	9,816	1,433	11,027	98%
2	Corporate	1,039	494	1,039	371	1,400	99%
3	Other[b]	2,583	1,701	2,583	683	1,856	57%
4	Other assets[c]	8,761	-	8,761	-	5,443	62%
5	RBNZ Regulated Entities[d]	14,546	802	14,469	414	2,339	16%
6	Non-performing exposures	399	16	322	-	468	145%
7	**Total**	**37,145**	**6,482**	**36,990**	**2,901**	**22,533**	**56%**

a. RWA density is calculated based on unrounded numbers.
b. Other includes Commercial property, Land acquisition, development and construction, Margin Lending, Sovereign and Banks.
c. Other assets include cash items, unsettled transactions, fixed assets and other non-interest earning assets.
d. New Zealand also includes NZ CVA and Counterparty credit risk.

CREDIT RISK MANAGEMENT

CR5: Standardised approach - Exposures by asset classes and risk weights

This table provides a view of the exposure value of each asset class measured under the standardised approach disaggregated across risk weights.

$m	Asset classes	0%	20%	50%	65%	75%	85%	90%	100%	110%	120%	150%	Other	Total credit exposure amount (post-CCF and post-CRM)
As at 30 September 2026														
1	Residential Property	-	-	294	226	-	-	-	9,255	-	-	22	-	9,797
2	Corporate	-	-	-	-	175	421	-	42	833	-	-	-	1,471
3	Other[a]	-	1,658	7	-	6	9	426	1,021	8	-	22	-	3,157
4	Other assets[b]	2,537	176	-	-	-	-	-	4,015	-	-	-	41	6,769
5	RBNZ Regulated Entities	9,531	3,152	1,211	-	-	-	-	670	-	-	-	2	14,566
6	Non-performing exposures	-	-	-	-	-	-	-	15	-	7	261	-	283
As at 31 March 2026														
1	Residential Property	-	-	308	218	-	-	-	10,703	-	-	20	-	11,249
2	Corporate	-	-	-	-	162	359	-	42	847	-	-	-	1,410
3	Other[a]	-	1,706	10	-	7	8	479	1,024	10	-	22	-	3,266
4	Other assets[b]	3,113	329	-	-	-	-	-	5,281	-	-	-	38	8,761
5	RBNZ Regulated Entities	9,671	3,261	1,221	-	-	-	-	727	-	-	-	3	14,883
6	Non-performing exposures	-	-	-	-	-	-	-	26	-	8	288	-	322

a. Other includes Commercial property, Land acquisition, development and construction, Margin Lending, Sovereign and Banks.
b. Other assets include cash items, unsettled transactions, fixed assets and other non-interest earning assets.

CR5: Standardised approach - Exposures by asset classes and risk weights (Continued)

Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures.

The following table shows a breakdown of on and off-balance sheet standardised exposures by risk weights and the weighted average credit conversion factors (CCF) applied against off-balance sheet exposures compared to the exposure amount post CCF and the application of credit risk mitigation techniques.

$m	Risk weight	On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF[a]	Exposure (post-CCF and post-CRM)
As at 30 September 2026					
1	Less than 40%	16,214	2,068	43%	17,054
2	40–70%	1,648	152	48%	1,738
3	75%	154	60	45%	181
4	85%	365	145	45%	430
5	90–100%	14,293	2,960	41%	15,444
6	105–130%	611	316	76%	848
7	150%	355	12	15%	305
8	250%	41	-	-	41
9	400%	2	-	-	2
10	1250%	-	-	-	-
11	**Total exposures**	**33,683**	**5,713**	**44%**	**36,043**
As at 31 March 2026					
1	Less than 40%	17,131	2,198	43%	18,080
2	40–70%	1,635	218	50%	1,757
3	75%	143	58	45%	169
4	85%	307	132	45%	367
5	90–100%	16,895	3,532	41%	18,282
6	105–130%	614	328	77%	865
7	150%	379	16	8%	330
8	250%	38	-	-	38
9	400%	3	-	-	3
10	1250%	-	-	-	-
11	**Total exposures**	**37,145**	**6,482**	**44%**	**39,891**

a. Weighting is based on off-balance sheet exposure (pre-CCF).

CREDIT RISK MANAGEMENT

CRE: Qualitative disclosures related to IRB models

Scope of IRB models

Under the Advanced Internal Ratings-Based (AIRB) approach, Westpac has regulatory approval to use its own models to determine risk estimates for Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). Under the Foundation IRB (FIRB) approach the bank provides its own estimates for PD, however relies on supervisory estimates of LGD and EAD. The bank also uses the Standardised approach for certain credit risk exposures, in line with the APS 112[1] standard. This approach uses risk weights that are prescribed by the supervisor to calculate RWA for those exposures.

Exposures subject to supervisory risk-weights in the IRB approach include assets categorised as specialised lending, where a regulatory capital 'slotting' approach applies. Specialised lending relates to Project Finance, Commodity Finance and Object Finance.

AIRB	FIRB	Standardised
Includes:	Includes:	Includes:
• Corporate • Residential Mortgages • Qualifying Revolving Retail • Other Retail • SME Retail • Specialised Lending ('slotting' approach)	• Large Corporate • Financial Institutions • Sovereign	• Interest-only mortgages greater than 5 years • Mortgages held by self-managed super funds • Pacific and Asian retail exposures • Margin lending • Credit valuation adjustments • Pacific Sovereign exposures

Securitised portfolios are treated separately under *APS 120 Securitisation*, and are hence excluded from this disclosure section.

Internal ratings process for program-managed portfolios

The process for assigning PDs, LGDs and, where applicable, EADs to the program-managed portfolio involves segmenting or categorising the portfolio into a number of pools per product. These pools are created by analysing risk characteristics that have historically predicted that an account is likely to go into default or loss.

No deviations from the reference definition of default are permitted. Definition of default is aligned to the regulatory definition of non-performing exposure under *APS 220 Credit Risk Management*.

Internal credit risk ratings system

In addition to use for regulatory capital purposes, credit risk estimates are also used for the purposes described below:

Provisioning

Credit provisions are held by Westpac to cover expected credit losses (ECL) for loans, debt securities and credit commitments. Provisioning includes both individual and collective components, including overlays. Individual provisions are calculated on impaired loans taking into account management's best estimate of the present value of future cashflows.

Collective provisions are established on a portfolio basis using a framework that considers PD, LGD, EAD and forward looking macro-economic scenarios. This also includes a consideration of overlays, to address any residual risks which are not covered through the ECL provisioning models.

Risk-adjusted performance measurement

Business performance is measured using allocated capital, which incorporates charges for regulatory capital requirements including credit risk and other risk types.

Pricing

Westpac prices loans with consideration of the return on the capital allocated to the loan. Returns include interest income and fees after expected credit losses and other costs.

1. APS 112 Capital Adequacy: Standardised Approach to Credit Risk

CRE: Qualitative disclosures related to IRB models (Continued)

Control mechanisms for the credit risk rating system include:

Westpac's credit risk rating system is reviewed by Risk and presented to BRiskC confirming that the rating criteria and policy are appropriate given the current portfolio, control framework and external conditions;

- All models impacting the risk rating process are periodically reviewed by model owner in accordance with Westpac's model risk policies;
- Credit risk estimate models (including PD, LGD and EAD levels) are independently assessed annually by Model Risk and outcomes are noted at the Credit Risk Estimates Committee (a sub-committee of CREDCO) and the Model Risk Committee (a sub-committee of the Group Executive Risk Committee). All credit risk estimate models used for IRB purposes are approved by Model Risk;
- Group Audit undertakes an independent annual review of the credit risk rating system in accordance with APS 113; and
- CREDCO, RISKCO and BRiskC monitor the risk profile, performance and management of Westpac's credit portfolio and the development and review of key credit risk policies.

Risk reporting

A report on Westpac's credit risk portfolio is provided to CREDCO, RISKCO and BRiskC quarterly. It includes monitoring of performance against risk appetite.

Credit risk and asset quality are also reported to the BRiskC, including details of provisioning, stressed exposures, delinquency trends and key performance metrics.

Exposures subject to supervisory risk-weights in the IRB approach include assets categorised as specialised lending, where a regulatory capital 'slotting' approach applies. Specialised lending relates to Project, Object and Commodities Finance. The 'Credit Risk Management' section of this report describes the alignment of Westpac risk grades to both external rating equivalents and regulatory capital 'slots'.

Breakdown by asset class and approach

The tables below illustrate the degree to which IRB models are used within Westpac, showing the proportional split of EAD and RWA by the AIRB, FIRB and Standardised approaches. The Westpac New Zealand portfolio is split into Non-Retail (including SME Retail) and Retail asset classes, as per the CR6 and CR9 disclosures.

Breakdown of EAD and RWA by Asset Class and Approach

	As at 30 September 2026		
EAD (in %)	IRB	F-IRB	Standardised
Corporate	98%	-	2%
Specialised Lending	100%	-	-
Large Corporate	-	100%	-
Sovereign	-	68%	32%
Financial Institutions	-	100%	-
Residential Mortgages	92%	-	8%
Qualifying Revolving Retail	100%	-	-
Other Retail	99%	-	1%
SME Retail	99%	-	1%
RBNZ Regulated Entities - Retail	100%	-	-
RBNZ Regulated Entities - Non retail	91%	-	9%

CREDIT RISK MANAGEMENT

CRE: Qualitative disclosures related to IRB models (Continued)

Relationships between model development and risk management functions, and reporting

IRB credit risk models, and any subsequent changes to those models, are developed internally by credit risk modelling functions within Westpac's Risk division or, for New Zealand models, Westpac New Zealand's credit risk modelling function.

IRB credit risk models are periodically reviewed by the model owner in accordance with Westpac's model risk policies. Regular model performance monitoring is in place to ensure that deterioration in the performance of a model is identified and remediated proactively and in a timely manner. Stakeholder forums are held with Risk and Business representatives to discuss model monitoring outcomes and other process or policy changes that may impact on model performance.

Newly developed, changes to existing, and periodic reviews of IRB models must be independently assessed by the Group's Model Risk function prior to approval, in line with model risk policy and governance. Independent assessment outcomes are noted at relevant committees as specified in Model Risk Policy. All IRB models are approved by Model Risk function. New or changed IRB models require APRA approval prior to implementation.

Model monitoring and performance outcomes are one input into the annual review of Westpac's Credit Risk Rating System, which is independently reviewed by Group Audit in accordance with APS 113. Group Audit also provides re-assurance over the performance of the Model Risk function.

Description of the main characteristics of the approved models

Westpac adopts two approaches for assigning internal credit risk ratings, depending upon the nature of the customer and the product.

Transaction-managed (TM) approach

For larger customers (those in the broader Corporate, Sovereign and Financial Institution asset classes), Westpac evaluates credit requests by undertaking detailed individual customer and transaction risk analysis – the 'transaction-managed' approach. Customers are assigned a customer risk grade (CRG) representing Westpac's estimate of their probability of default (PD).

CRGs are defined by qualitative and quantitative criteria and other characteristics. Some portfolios (e.g. Business Lending, Property Finance, New Zealand Agriculture) utilise risk grading models[1] to generate a proposed CRG, however for all TM customers, an expert judgment decision-making process is employed to evaluate the final CRG.

They are defined using distinct rating criteria that are applied consistently across the Group. CRGs are reviewed annually at a minimum, or more frequently as material information comes to hand. A PD masterscale maps CRGs to PDs that are used in the APS 113 RWA calculations. This mapping is classified as a model and subject to the same model governance as other IRB models, including back-testing against realised default data, annual review, independent assessment and approval.

For secured exposures LGD values are assigned at facility level taking into account the realistic value of assets over which security is held, and the seniority of exposure in the capital and debt structure of TM customers.

LGD estimates are based on an economic loss calculation, and include workout costs and discounting of future cash flows to the date of default. LGD estimates are calibrated with reference to analysis of available internal and external loss data.

Under APS 113, prescribed LGD estimates are applied to unsecured and subordinated exposures, while internal models for EAD are not permitted for the non-retail portfolios that fall under Westpac's Transaction Managed approach. The calculation of EAD is prescribed by the Standard.

1. Risk grading models utilise a combination of quantitative and qualitative attributes of a customer to generate a proposed Customer Risk Grade (CRG).

CRE: Qualitative disclosures related to IRB models (Continued)

Program-managed approach

High-volume retail credit portfolios (all consumer and small business customers) with homogenous credit risk characteristics are managed on a statistical basis according to pre-determined objective criteria (the 'program-managed' approach).

The process for assigning PDs, LGDs and, where applicable, EADs to the program-managed portfolio involves categorising the portfolio into a number of pools or segments for each product. These pools are created by analysing risk characteristics (using internal data) that have historically predicted that an account is likely to go into default or loss.

PD models are calibrated to reflect variations of default rates through an economic cycle and ensure that the PD estimates attached to each segment represent an estimate of long-run average default risk. LGD estimates are calibrated to reflect expected losses during a downturn period. Internal models for EAD are applied to revolving retail products. These models estimate the expected exposure on a revolving product at the point of a future default, allowing for the possibility of further drawdowns against currently unutilised limits.

Key models used with respect to each portfolio

Approach	Asset Class	Risk Grading Models	PD	LGD	EAD
AIRB Transaction Managed	Corporate	•	•	•	
	New Zealand – Non-Retail	•	•	•	
FIRB Transaction Managed	Large Corporate		•		
	Sovereign		•		
	Financial Institutions		•		
AIRB Program-Managed	Residential Mortgages		•	•	•
	Qualifying Revolving Retail		•	•	•
	Other Retail		•	•	•
	SME Retail		•	•	•
	New Zealand – Retail		•	•	•

- Risk grading models are used for Business Lending and Property Finance (also used in New Zealand). New Zealand also uses a risk grading model for its Agriculture portfolio.
- The Transaction-managed PD model applies to all TM exposures (including New Zealand) except Specialised Lending, while the LGD model is not applied to FIRB asset classes. Prescribed EAD estimates also apply across both Australia and New Zealand TM portfolios.
- Specialised Lending asset classes use prescribed risk weights in the calculation of regulatory capital, using the supervisory slotting approach.
- Program-managed asset classes (including those in New Zealand) have separate PD, LGD and EAD risk estimate models.

CREDIT RISK MANAGEMENT

CR6: IRB - Credit risk exposures by portfolio and PD ranges

The following tables provide the main parameters used for the calculation of capital requirements for IRB modelled RWA outcomes (which includes A-IRB and F-IRB).

A-IRB

The following table provides the key parameters used for the calculation of capital requirements for credit risk exposures under the A-IRB approach, broken down by asset class and PD range. Under A-IRB, an ADI can use its own estimates of PD, maturity, LGD & EAD (non-retail portfolios use APRA supervisory estimates for EAD).

A-IRB As at 30 September 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Corporate	0.00 to <0.15	7,167	5,006	47%	9,538	0.07%	1,769	37%	2.9	2,323	24%	2	
	0.15 to <0.25	19,552	7,820	49%	23,369	0.18%	1,721	28%	2.7	7,461	32%	12	
	0.25 to <0.50	57,035	20,710	56%	68,586	0.39%	12,730	26%	2.2	27,466	40%	69	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	75,381	17,700	59%	85,774	1.40%	26,596	26%	1.8	52,180	61%	308	
	2.50 to <10.00	1,920	442	57%	2,170	4.78%	1,264	28%	1.7	1,936	89%	29	
	10.00 to <100.00	3,512	789	58%	3,972	21.13%	1,499	30%	1.9	6,639	167%	249	
	100.00 (Default)	2,159	240	47%	2,530	100.00%	1,173	33%	1.4	1,305	52%	917	
Total Corporate		**166,726**	**52,707**	**55%**	**195,939**	**2.55%**	**46,752**	**27%**	**2.1**	**99,310**	**51%**	**1,586**	**1,915**
RBNZ Regulated Entities - Non retail	0.00 to <0.15	5,674	3,176	51%	7,314	0.04%	3,150	42%	2.6	1,533	21%	4	
	0.15 to <0.25	2,230	2,012	51%	3,190	0.18%	211	34%	2.6	1,067	33%	2	
	0.25 to <0.50	5,771	2,832	60%	7,437	0.38%	11,858	32%	2.4	3,278	44%	9	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	8,165	2,017	76%	9,567	1.33%	44,818	32%	2.3	6,607	69%	41	
	2.50 to <10.00	372	50	55%	480	4.62%	2,566	34%	2.2	435	90%	7	
	10.00 to <100.00	658	104	58%	713	25.67%	6,144	34%	1.8	1,284	180%	62	
	100.00 (Default)	162	13	81%	174	100.00%	459	45%	1.7	430	247%	53	
Total RBNZ Regulated Entities - Non retail		**23,032**	**10,204**	**59%**	**28,875**	**1.88%**	**69,206**	**35%**	**2.4**	**14,634**	**51%**	**178**	**160**
Residential Mortgages	0.00 to <0.15	171,208	51,790	98%	221,823	0.08%	598,229	13%		13,546	6%	22	
	0.15 to <0.25	71,306	4,758	73%	74,793	0.19%	167,096	14%		7,095	9%	21	
	0.25 to <0.50	139,146	6,822	91%	145,342	0.33%	327,519	15%		21,787	15%	73	
	0.50 to <0.75	85,159	540	101%	85,701	0.63%	194,602	17%		21,600	25%	89	
	0.75 to <2.50	22,773	496	74%	23,140	1.14%	53,639	17%		8,642	37%	44	
	2.50 to <10.00	22,500	962	47%	22,952	7.93%	59,364	15%		24,999	109%	283	
	10.00 to <100.00	4,634	10	106%	4,645	24.81%	11,918	17%		6,488	140%	189	
	100.00 (Default)	4,673	41	-	4,673	100.00%	10,669	21%		7,527	161%	444	
Total Residential Mortgages		**521,399**	**65,419**	**94%**	**583,069**	**1.58%**	**1,423,036**	**15%**		**111,684**	**19%**	**1,165**	**1,230**

CR6: IRB - Credit risk exposures by portfolio and PD ranges (Continued)

A-IRB As at 30 September 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Qualifying Revolving Retail	0.00 to <0.15	2,170	8,300	53%	6,572	0.09%	1,015,583	82%		334	5%	5	
	0.15 to <0.25	864	2,090	58%	2,078	0.21%	255,235	85%		212	10%	4	
	0.25 to <0.50	718	1,330	60%	1,523	0.40%	160,765	84%		265	17%	5	
	0.50 to <0.75	501	598	64%	885	0.73%	96,224	84%		244	28%	5	
	0.75 to <2.50	1,043	778	73%	1,607	1.49%	165,751	83%		748	47%	20	
	2.50 to <10.00	631	325	58%	820	3.83%	87,400	83%		745	91%	26	
	10.00 to <100.00	270	124	52%	335	18.25%	40,040	80%		730	218%	48	
	100.00 (Default)	70	18	-	70	100.00%	8,334	75%		266	383%	33	
Total Qualifying Revolving Retail		**6,267**	**13,563**	**56%**	**13,890**	**1.51%**	**1,829,332**	**83%**		**3,544**	**26%**	**146**	**182**
Other Retail	0.00 to <0.15	2	9	47%	6	0.11%	65	82%		1	24%	-	
	0.15 to <0.25	1	9	91%	9	0.23%	375	79%		3	39%	-	
	0.25 to <0.50	3	16	88%	17	0.40%	674	80%		9	55%	-	
	0.50 to <0.75	176	101	110%	287	0.57%	29,710	70%		170	59%	1	
	0.75 to <2.50	501	95	102%	597	1.48%	41,737	80%		608	102%	7	
	2.50 to <10.00	625	28	101%	662	4.83%	82,916	83%		890	135%	27	
	10.00 to <100.00	155	5	113%	166	33.06%	60,282	83%		358	216%	46	
	100.00 (Default)	51	1	-	51	100.00%	37,209	80%		230	448%	24	
Total Other Retail		**1,514**	**264**	**101%**	**1,795**	**8.28%**	**252,968**	**80%**		**2,269**	**126%**	**105**	**103**
SME Retail	0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to <0.50	193	669	104%	890	0.32%	8,110	40%		220	25%	1	
	0.50 to <0.75	1,084	1,600	104%	2,742	0.67%	39,178	37%		966	35%	7	
	0.75 to <2.50	12,702	3,489	103%	16,286	1.49%	181,837	34%		7,621	47%	84	
	2.50 to <10.00	3,647	504	102%	4,161	4.56%	42,666	35%		2,699	65%	66	
	10.00 to <100.00	1,411	212	103%	1,628	26.34%	44,210	36%		1,702	105%	158	
	100.00 (Default)	831	65	34%	853	100.00%	10,201	43%		2,532	297%	215	
Total SME Retail		**19,868**	**6,539**	**102%**	**26,560**	**6.54%**	**326,202**	**35%**		**15,740**	**59%**	**531**	**819**
RBNZ Regulated Entities - Retail	0.00 to <0.15	281	1,067	59%	918	0.08%	137,646	48%		98	11%	2	
	0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to <0.50	6,614	3,706	68%	9,139	0.39%	205,856	13%		966	11%	7	
	0.50 to <0.75	40,893	6,913	70%	45,760	0.61%	303,453	20%		9,869	22%	59	
	0.75 to <2.50	11,641	1,997	77%	13,186	1.53%	146,809	28%		7,802	59%	60	
	2.50 to <10.00	1,006	146	61%	1,097	4.14%	52,830	38%		1,173	107%	20	
	10.00 to <100.00	37	4	86%	42	21.39%	10,795	80%		77	183%	8	
	100.00 (Default)	670	9	-	672	100.00%	5,114	24%		1,133	169%	85	
Total RBNZ Regulated Entities - Retail		**61,142**	**13,842**	**70%**	**70,814**	**1.76%**	**862,503**	**21%**		**21,118**	**30%**	**241**	**232**
Total A-IRB Credit risk exposure		**799,948**	**162,538**	**74%**	**920,942**	**1.97%**	**4,809,999**	**20%**	**2.1**	**268,299**	**29%**	**3,952**	**4,641**

a. RWA density is calculated based on unrounded numbers.

CREDIT RISK MANAGEMENT

CR6: IRB - Credit risk exposures by portfolio and PD ranges (Continued)

A-IRB As at 31 March 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Corporate	0.00 to <0.15	6,568	4,002	48%	8,504	0.07%	1,727	37%	3.0	2,065	24%	2	
	0.15 to <0.25	20,521	8,306	47%	24,454	0.18%	1,601	28%	2.7	7,930	32%	12	
	0.25 to <0.50	54,118	19,455	53%	64,335	0.39%	12,678	26%	2.2	26,004	40%	65	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	68,639	18,083	59%	79,257	1.39%	25,633	26%	1.8	48,196	61%	283	
	2.50 to <10.00	1,919	453	62%	2,199	4.78%	1,272	31%	1.7	2,103	96%	32	
	10.00 to <100.00	3,268	623	58%	3,632	21.59%	1,398	30%	1.9	5,946	164%	237	
	100.00 (Default)	2,191	300	31%	2,549	100.00%	1,204	30%	1.5	1,293	51%	927	
Total Corporate		**157,224**	**51,222**	**54%**	**184,930**	**2.62%**	**45,513**	**27%**	**2.1**	**93,537**	**51%**	**1,558**	**1,850**
RBNZ Regulated Entities - Non retail	0.00 to <0.15	5,154	3,759	52%	7,147	0.04%	3,258	42%	2.5	1,460	20%	42	
	0.15 to <0.25	2,313	2,050	50%	3,317	0.18%	210	34%	2.6	1,142	34%	2	
	0.25 to <0.50	5,670	2,763	62%	7,344	0.38%	12,213	32%	2.3	3,198	44%	9	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	8,139	2,217	80%	9,799	1.39%	44,809	32%	2.3	6,863	70%	46	
	2.50 to <10.00	364	49	55%	465	4.72%	2,584	31%	2.2	382	82%	7	
	10.00 to <100.00	759	126	51%	818	24.63%	8,107	34%	1.7	1,448	177%	67	
	100.00 (Default)	169	8	74%	176	100.00%	454	39%	1.6	324	184%	52	
Total RBNZ Regulated Entities - Non retail		**22,568**	**10,972**	**60%**	**29,066**	**1.97%**	**71,635**	**35%**	**2.4**	**14,817**	**51%**	**225**	**157**
Residential Mortgages	0.00 to <0.15	162,830	52,285	98%	213,916	0.08%	590,318	13%		13,067	6%	22	
	0.15 to <0.25	69,563	5,636	77%	73,880	0.19%	170,683	14%		6,974	9%	20	
	0.25 to <0.50	139,144	8,470	92%	146,948	0.33%	340,675	15%		22,071	15%	74	
	0.50 to <0.75	91,915	569	101%	92,488	0.63%	216,001	16%		23,334	25%	96	
	0.75 to <2.50	27,241	779	83%	27,884	1.17%	66,645	17%		10,516	38%	54	
	2.50 to <10.00	22,089	1,064	50%	22,617	7.86%	61,261	15%		24,146	107%	274	
	10.00 to <100.00	6,824	13	107%	6,838	22.19%	17,422	16%		9,629	141%	246	
	100.00 (Default)	4,616	52	-	4,616	100.00%	10,923	20%		7,322	159%	431	
Total Residential Mortgages		**524,222**	**68,868**	**94%**	**589,187**	**1.63%**	**1,473,928**	**15%**		**117,059**	**20%**	**1,217**	**1,285**

CR6: IRB - Credit risk exposures by portfolio and PD ranges (Continued)

A-IRB As at 31 March 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Qualifying Revolving Retail	0.00 to <0.15	2,149	8,283	53%	6,524	0.09%	1,010,006	82%		331	5%	5	
	0.15 to <0.25	851	2,090	58%	2,059	0.21%	250,864	85%		210	10%	4	
	0.25 to <0.50	722	1,338	60%	1,528	0.40%	160,740	84%		265	17%	5	
	0.50 to <0.75	512	612	64%	904	0.73%	97,530	83%		249	28%	6	
	0.75 to <2.50	1,103	777	73%	1,671	1.50%	173,740	83%		781	47%	21	
	2.50 to <10.00	691	334	59%	886	3.86%	94,307	83%		808	91%	28	
	10.00 to <100.00	300	127	50%	364	18.36%	43,370	80%		789	217%	53	
	100.00 (Default)	77	21	-	77	100.00%	9,293	75%		278	362%	37	
Total Qualifying Revolving Retail		**6,405**	**13,582**	**56%**	**14,013**	**1.61%**	**1,839,850**	**83%**		**3,711**	**26%**	**159**	**196**
Other Retail	0.00 to <0.15	1	8	44%	5	0.11%	56	82%		1	24%	-	
	0.15 to <0.25	2	11	86%	11	0.23%	413	79%		4	39%	-	
	0.25 to <0.50	3	14	89%	16	0.40%	640	80%		9	55%	-	
	0.50 to <0.75	180	105	109%	294	0.57%	30,229	70%		175	59%	1	
	0.75 to <2.50	503	93	102%	598	1.48%	42,240	80%		610	102%	7	
	2.50 to <10.00	631	28	101%	670	4.85%	92,109	83%		899	134%	27	
	10.00 to <100.00	161	5	111%	173	33.33%	71,688	83%		373	216%	48	
	100.00 (Default)	64	1	-	64	100.00%	46,382	83%		260	405%	34	
Total Other Retail		**1,545**	**265**	**101%**	**1,831**	**9.01%**	**283,757**	**80%**		**2,331**	**127%**	**117**	**118**
SME Retail	0.00 to <0.15	-	-	-	-	-	-	-		-	-	-	
	0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to <0.50	198	676	104%	900	0.32%	8,232	40%		221	25%	1	
	0.50 to <0.75	1,068	1,622	104%	2,748	0.67%	38,878	37%		965	35%	7	
	0.75 to <2.50	12,561	3,507	103%	16,188	1.49%	183,371	34%		7,609	47%	84	
	2.50 to <10.00	3,507	510	103%	4,032	4.58%	47,757	35%		2,652	66%	65	
	10.00 to <100.00	1,358	228	103%	1,593	26.19%	43,415	36%		1,663	104%	154	
	100.00 (Default)	867	87	29%	893	100.00%	9,240	42%		2,856	320%	195	
Total SME Retail		**19,559**	**6,630**	**103%**	**26,354**	**6.67%**	**330,893**	**35%**		**15,966**	**61%**	**506**	**789**
RBNZ Regulated Entities - Retail	0.00 to <0.15	284	1,107	60%	945	0.08%	137,539	48%		100	11%	3	
	0.15 to <0.25	-	-	-	-	-	-	-		-	-	-	
	0.25 to <0.50	6,867	3,700	68%	9,394	0.39%	203,803	13%		908	10%	7	
	0.50 to <0.75	41,366	6,938	71%	46,264	0.61%	298,590	20%		9,829	21%	59	
	0.75 to <2.50	11,569	2,135	78%	13,235	1.53%	145,876	27%		7,733	58%	59	
	2.50 to <10.00	1,014	144	60%	1,102	4.16%	54,601	39%		1,179	107%	21	
	10.00 to <100.00	37	4	83%	41	20.74%	9,367	78%		72	176%	8	
	100.00 (Default)	678	9	-	680	100.00%	5,266	24%		1,153	170%	85	
Total RBNZ Regulated Entities - Retail		**61,815**	**14,037**	**70%**	**71,661**	**1.75%**	**855,042**	**21%**		**20,974**	**29%**	**242**	**262**
Total A-IRB Credit risk exposure		**793,338**	**165,576**	**75%**	**917,042**	**2.01%**	**4,900,618**	**20%**	**2.2**	**268,395**	**29%**	**4,024**	**4,657**

a. RWA density is calculated based on unrounded numbers.

CREDIT RISK MANAGEMENT

CR6: IRB - Credit risk exposures by portfolio and PD ranges (Continued)

F-IRB

This table sets out portfolios subject to F-IRB. Under F-IRB, an ADI must provide its own estimates of PD and maturity and rely on supervisory estimates of LGD and EAD. This includes all Sovereign, Financial Institutions and Large Corporate exposures.

F-IRB As at 30 September 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Large Corporate	0.00 to <0.15	9,069	11,589	44%	14,182	0.07%	169	44%	2.5	3,707	26%	5	
	0.15 to <0.25	9,717	13,856	47%	16,274	0.18%	444	47%	2.4	7,617	47%	14	
	0.25 to <0.50	9,618	7,119	45%	12,835	0.32%	496	45%	2.2	7,539	59%	18	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	1,767	1,966	52%	2,782	1.33%	326	42%	2.4	2,904	104%	16	
	2.50 to <10.00	5	37	87%	37	4.78%	36	63%	1.0	74	199%	1	
	10.00 to <100.00	53	212	61%	182	23.50%	42	45%	1.1	459	252%	19	
	100.00 (Default)	121	6	65%	125	100.00%	10	73%	1.7	-	-	91	
Total Large Corporate		**30,350**	**34,785**	**46%**	**46,417**	**0.62%**	**1,523**	**45%**	**2.4**	**22,300**	**48%**	**164**	**242**
Sovereign	0.00 to <0.15	145,095	516	49%	145,349	0.02%	211	5%	2.5	1,823	1%	1	
	0.15 to <0.25	10	2	40%	11	0.17%	2	25%	4.8	4	36%	-	
	0.25 to <0.50	-	-	-	-	0.26%	1	50%	3.5	-	74%	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	-	-	-	-	0.96%	1	25%	1.0	-	44%	-	
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Total Sovereign		**145,105**	**518**	**49%**	**145,360**	**0.02%**	**215**	**5%**	**2.5**	**1,827**	**1%**	**1**	**4**
Financial Institutions	0.00 to <0.15	14,406	10,807	48%	19,629	0.06%	519	48%	1.8	5,035	26%	6	
	0.15 to <0.25	2,687	2,352	53%	3,935	0.18%	122	50%	1.7	2,130	54%	3	
	0.25 to <0.50	1,173	616	55%	1,509	0.38%	430	39%	2.3	968	64%	2	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	1,312	366	56%	1,518	1.39%	732	38%	1.9	1,617	107%	8	
	2.50 to <10.00	36	15	89%	49	4.78%	62	33%	2.4	70	143%	1	
	10.00 to <100.00	91	7	43%	94	21.69%	37	23%	1.5	137	145%	5	
	100.00 (Default)	52	1	12%	52	100.00%	29	31%	1.5	-	-	16	
Total Financial Institutions		**19,757**	**14,164**	**50%**	**26,786**	**0.45%**	**1,931**	**47%**	**1.8**	**9,957**	**37%**	**41**	**63**
Total F-IRB Credit risk exposure		**195,212**	**49,467**	**47%**	**218,563**	**0.20%**	**3,669**	**19%**	**2.4**	**34,084**	**16%**	**206**	**309**

a. RWA density is calculated based on unrounded numbers.

CR6: IRB - Credit risk exposures by portfolio and PD ranges (Continued)

F-IRB As at 31 March 2026 $m	PD scale	Original on-balance sheet gross exposure	Off-balance sheet exposure pre CCF	Average CCF (%)	EAD post CRM and post-CCF	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA	RWA density (%)[a]	EL	Provisions
Large Corporate	0.00 to <0.15	8,810	10,353	45%	13,425	0.07%	174	44%	2.4	3,551	26%	4	
	0.15 to <0.25	9,071	14,339	45%	15,569	0.18%	447	47%	2.4	7,369	47%	13	
	0.25 to <0.50	8,695	7,027	47%	11,990	0.32%	529	46%	2.5	7,448	62%	17	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	1,767	1,354	54%	2,496	1.32%	348	44%	2.2	2,628	105%	14	
	2.50 to <10.00	9	45	89%	49	4.78%	54	56%	1.0	87	178%	1	
	10.00 to <100.00	34	205	59%	155	24.21%	31	47%	1.0	408	264%	18	
	100.00 (Default)	129	17	56%	138	100.00%	4	47%	1.0	-	-	64	
Total Large Corporate		**28,515**	**33,340**	**46%**	**43,822**	**0.66%**	**1,587**	**46%**	**2.4**	**21,491**	**49%**	**131**	**223**
Sovereign	0.00 to <0.15	155,262	571	48%	155,534	0.01%	213	5%	2.4	1,864	1%	1	
	0.15 to <0.25	10	2	40%	11	0.17%	2	25%	4.7	4	36%	-	
	0.25 to <0.50	-	-	-	-	0.26%	1	50%	4.0	-	80%	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	-	-	-	-	0.96%	1	25%	1.0	-	44%	-	
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Total Sovereign		**155,272**	**573**	**48%**	**155,545**	**0.01%**	**217**	**5%**	**2.4**	**1,868**	**1%**	**1**	**4**
Financial Institutions	0.00 to <0.15	13,942	10,216	50%	19,047	0.06%	486	51%	1.4	4,858	26%	6	
	0.15 to <0.25	2,969	2,056	47%	3,937	0.18%	121	50%	1.5	1,994	51%	3	
	0.25 to <0.50	1,689	545	51%	1,969	0.36%	429	42%	2.4	1,395	71%	3	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	1,210	408	53%	1,424	1.37%	770	35%	1.8	1,392	98%	7	
	2.50 to <10.00	29	6	77%	33	4.78%	61	27%	2.7	38	115%	-	
	10.00 to <100.00	74	15	45%	80	19.75%	42	31%	1.8	155	193%	5	
	100.00 (Default)	48	-	36%	48	100.00%	32	34%	1.4	-	-	16	
Total Financial Institutions		**19,961**	**13,246**	**50%**	**26,538**	**0.42%**	**1,941**	**49%**	**1.5**	**9,832**	**37%**	**40**	**74**
Total F-IRB Credit risk exposure		**203,748**	**47,159**	**47%**	**225,905**	**0.19%**	**3,745**	**18%**	**2.3**	**33,191**	**15%**	**172**	**301**

a. RWA density is calculated based on unrounded numbers.

CREDIT RISK MANAGEMENT

CR8: RWA flow statements of credit risk exposures under IRB

The following table provides details on the drivers of changes in credit RWA measured under the IRB approach.

		Quarter ended	
$m		30 September 2026	30 June 2026
1	**RWA as at end of previous reporting period**	**320,622**	**314,206**
2	Asset size	4,064	6,102
3	Asset quality	(572)	1,564
4	Model updates	-	-
5	Methodology and policy	-	-
6	Acquisitions and disposals	(7,049)	-
7	Foreign exchange movements	(752)	(634)
8	Other	102	(616)
9	**RWA as at end of reporting period**	**316,415**	**320,622**

CR9: IRB - Backtesting of probability of default (PD) per portfolio

The following table provides a comparison of the PD used in our IRB models with the effective default rates of the Group's borrowers in order to validate the reliability of PD calculations for exposures. The data is computed for the 12-month period from 1 July 2025 to 30 June 2026 for all portfolio types.

A-IRB

Asset classes[a]	PD Range	External rating equivalent		Weighted average PD[b]	Arithmetic average PD by borrowers	Number of borrowers		Non-performing borrowers in the year[c]	of which: new Non-performing borrowers in the year	Average historical annual default rate[d]
		Moody's	S&P			End of previous year	End of the year			
Corporate	0.00 to <0.15	Aaa to A3	AAA to A-	0.06%	0.04%	2,299	3,058	-	-	0.01%
	0.15 to <0.25	Baa1 to Baa2	BBB+ to BBB	0.18%	0.18%	1,720	2,043	4	-	0.07%
	0.25 to <0.50	Baa3 to Ba1	BBB- to BB+	0.39%	0.42%	11,672	13,589	98	2	0.46%
	0.50 to <0.75	Ba2	BB	-	-	-	-	-	-	-
	0.75 to <2.50	Ba2 to Ba3	BB to BB-	1.40%	1.50%	24,790	26,024	352	2	1.09%
	2.50 to <10.00	B1	B+	4.78%	4.78%	2,598	1,476	95	-	2.59%
	10.00 to <100.00	B2 to Caa2	B- to CCC	20.96%	22.10%	1,539	1,589	331	1	15.59%
	100.00 (Default)			100.00%	100.00%	1,125	1,152			
Residential Mortgages	0.00 to <0.15	N/A	N/A	0.07%	0.07%	571,083	596,196	337	18	0.06%
	0.15 to <0.25	N/A	N/A	0.19%	0.19%	160,875	166,783	223	8	0.14%
	0.25 to <0.50	N/A	N/A	0.33%	0.33%	339,661	331,988	674	40	0.26%
	0.50 to <0.75	N/A	N/A	0.64%	0.64%	225,942	210,600	779	40	0.51%
	0.75 to <2.50	N/A	N/A	1.19%	1.19%	71,425	68,354	583	17	0.95%
	2.50 to <10.00	N/A	N/A	7.96%	7.70%	63,534	56,402	3,387	-	5.75%
	10.00 to <100.00	N/A	N/A	21.61%	21.04%	19,366	16,785	3,153	-	17.76%
	100.00 (Default)			100.00%	100.00%	11,650	10,492			
Qualifying Revolving Retail	0.00 to <0.15	N/A	N/A	0.08%	0.08%	996,596	997,636	1,153	1	0.08%
	0.15 to <0.25	N/A	N/A	0.21%	0.21%	254,900	256,911	643	1	0.18%
	0.25 to <0.50	N/A	N/A	0.40%	0.40%	164,335	161,565	862	8	0.34%
	0.50 to <0.75	N/A	N/A	0.73%	0.73%	102,849	97,852	1,003	7	0.61%
	0.75 to <2.50	N/A	N/A	1.51%	1.48%	185,959	171,217	3,393	86	1.31%
	2.50 to <10.00	N/A	N/A	3.89%	3.81%	106,401	91,470	5,022	134	4.05%
	10.00 to <100.00	N/A	N/A	18.61%	17.97%	51,064	41,153	9,481	171	18.95%
	100.00 (Default)			100.00%	100.00%	8,690	9,003			
Other Retail	0.00 to <0.15	N/A	N/A	-	-	-	-	-	-	-
	0.15 to <0.25	N/A	N/A	0.23%	0.23%	379	382	-	-	0.16%
	0.25 to <0.50	N/A	N/A	0.40%	0.40%	709	655	4	-	0.34%
	0.50 to <0.75	N/A	N/A	0.57%	0.59%	31,056	29,934	46	1	0.34%
	0.75 to <2.50	N/A	N/A	1.48%	1.45%	45,012	41,585	338	19	1.01%
	2.50 to <10.00	N/A	N/A	4.87%	6.33%	95,715	89,464	3,904	769	3.57%
	10.00 to <100.00	N/A	N/A	32.13%	23.71%	78,615	65,683	15,174	2,454	20.39%
	100.00 (Default)			100.00%	100.00%	42,865	35,401			

CREDIT RISK MANAGEMENT

CR9: IRB - Backtesting of probability of default (PD) per portfolio (Continued)

A-IRB

Asset classes[a]	PD Range	External rating equivalent		Weighted average PD[b]	Arithmetic average PD by borrowers	Number of borrowers		Non-performing borrowers in the year[c]	of which: new Non-performing borrowers in the year	Average historical annual default rate[d]
		Moody's	S&P			End of previous year	End of the year			
SME Retail	0.00 to <0.15	N/A	N/A	-	-	-	-	-	-	-
	0.15 to <0.25	N/A	N/A	-	-	-	-	-	-	-
	0.25 to <0.50	N/A	N/A	0.32%	0.32%	8,004	8,151	8	-	0.15%
	0.50 to <0.75	N/A	N/A	0.67%	0.67%	36,993	39,398	166	49	0.25%
	0.75 to <2.50	N/A	N/A	1.48%	1.48%	176,768	189,015	1,601	61	0.90%
	2.50 to <10.00	N/A	N/A	4.66%	4.84%	35,228	47,526	1,114	36	3.40%
	10.00 to <100.00	N/A	N/A	26.60%	29.98%	43,327	44,425	4,022	331	17.34%
	100.00 (Default)			100.00%	100.00%	8,596	9,761			
Specialised Lending	0.00 to <0.15	N/A	N/A	0.09%	0.08%	6	9	-	-	-
	0.15 to <0.25	N/A	N/A	0.19%	0.18%	12	19	-	-	-
	0.25 to <0.50	N/A	N/A	0.34%	0.32%	27	51	-	-	-
	0.50 to <0.75	N/A	N/A	-	-	-	-	-	-	-
	0.75 to <2.50	N/A	N/A	1.06%	1.27%	12	11	1	-	1.71%
	2.50 to <10.00	N/A	N/A	4.78%	4.78%	3	2	-	-	-
	10.00 to <100.00	N/A	N/A	-	-	-	2	-	-	12.12%
	100.00 (Default)			100.00%	100.00%	-	2			
New Zealand - Retail	0.00 to <0.15	N/A	N/A	0.08%	0.08%	136,050	137,024	202	1	0.17%
	0.15 to <0.25	N/A	N/A	-	-	-	-	-	-	-
	0.25 to <0.50	N/A	N/A	0.39%	0.32%	203,212	206,074	480	5	0.26%
	0.50 to <0.75	N/A	N/A	0.61%	0.58%	287,997	296,919	1,417	30	0.46%
	0.75 to <2.50	N/A	N/A	1.54%	1.62%	126,029	128,633	1,497	59	1.27%
	2.50 to <10.00	N/A	N/A	4.16%	5.27%	58,804	52,702	1,965	131	3.73%
	10.00 to <100.00	N/A	N/A	19.04%	18.35%	10,718	7,781	1,272	21	12.86%
	100.00 (Default)			100.00%	100.00%	5,274	4,992			
New Zealand - Non-Retail	0.00 to <0.15	Aaa to A3	AAA to A-	0.04%	0.11%	3,247	3,201	2	-	0.17%
	0.15 to <0.25	Baa1 to Baa2	BBB+ to BBB	0.18%	0.18%	288	302	-	-	0.09%
	0.25 to <0.50	Baa3 to Ba1	BBB- to BB+	0.38%	0.35%	12,317	12,194	20	-	0.31%
	0.50 to <0.75	Ba2	BB	-	-	-	-	-	-	-
	0.75 to <2.50	Ba2 to Ba3	BB to BB-	1.40%	1.16%	43,606	42,857	285	12	0.61%
	2.50 to <10.00	B1	B+	4.75%	4.63%	2,720	2,482	84	-	3.19%
	10.00 to <100.00	B2 to Caa2	B- to CCC	23.39%	10.96%	7,750	7,101	155	1	5.58%
	100.00 (Default)			100.00%	100.00%	480	422			

a. Proxies for Basel III non-retail asset classes have been developed for historical cohorts, to enable calculation of average historical annual default rate.

b. Observation point is June 2025, tracking default performance from July 2025 to June 2026.
PD estimate and EAD used for weighted average PD is as at June 2025.

c. Defaulted borrowers in the year include:
- performing borrowers as at June 2025 who default from July 2025 to June 2026; and
- new borrowers not funded in June 2025 who default from July 2025 to June 2026 (new defaulted borrowers).

d. The average historical default rate is calculated using long-run default experience from 2015 onwards.

CR9: IRB - Backtesting of probability of default (PD) per portfolio (Continued)

F-IRB

Asset classes[a]	PD Range	External rating equivalent		Weighted average PD[b]	Arithmetic average PD by borrowers	Number of borrowers		Non-performing borrowers in the year[c]	of which: new Non-performing borrowers in the year	Average historical annual default rate[d]
		Moody's	S&P			End of previous year	End of the year			
Large Corporate	0.00 to <0.15	Aaa to A3	AAA to A-	0.07%	0.07%	284	294	-	-	-
	0.15 to <0.25	Baa1 to Baa2	BBB+ to BBB	0.18%	0.18%	638	662	-	-	-
	0.25 to <0.50	Baa3 to Ba1	BBB- to BB+	0.30%	0.33%	720	679	1	-	0.03%
	0.50 to <0.75	Ba2	BB	-	-	-	-	-	-	-
	0.75 to <2.50	Ba2 to Ba3	BB to BB-	1.45%	1.45%	399	380	1	-	0.20%
	2.50 to <10.00	B1	B+	4.78%	4.78%	54	34	-	-	0.47%
	10.00 to <100.00	B2 to Caa2	B- to CCC	26.62%	21.08%	61	43	2	-	0.75%
	100.00 (Default)			100.00%	100.00%	9	4			
Sovereign	0.00 to <0.15	Aaa to A3	AAA to A-	0.01%	0.03%	421	433	-	-	-
	0.15 to <0.25	Baa1 to Baa2	BBB+ to BBB	0.17%	0.17%	11	12	-	-	-
	0.25 to <0.50	Baa3 to Ba1	BBB- to BB+	0.46%	0.35%	7	28	-	-	-
	0.50 to <0.75	Ba2	BB	-	-	-	-	-	-	-
	0.75 to <2.50	Ba2 to Ba3	BB to BB-	1.83%	1.83%	2	2	-	-	-
	2.50 to <10.00	B1	B+	4.78%	4.78%	52	6	-	-	-
	10.00 to <100.00	B2 to Caa2	B- to CCC	23.74%	17.93%	2	1	-	-	3.03%
	100.00 (Default)			100.00%	100.00%	-	-			
Financial Institutions	0.00 to <0.15	Aaa to A3	AAA to A-	0.05%	0.06%	5,079	5,308	1	-	0.01%
	0.15 to <0.25	Baa1 to Baa2	BBB+ to BBB	0.18%	0.18%	505	494	-	-	-
	0.25 to <0.50	Baa3 to Ba1	BBB- to BB+	0.34%	0.36%	712	1,133	1	-	0.11%
	0.50 to <0.75	Ba2	BB	-	-	-	-	-	-	-
	0.75 to <2.50	Ba2 to Ba3	BB to BB-	1.38%	1.50%	736	796	3	-	1.07%
	2.50 to <10.00	B1	B+	4.78%	4.78%	380	150	4	-	1.14%
	10.00 to <100.00	B2 to Caa2	B- to CCC	16.60%	21.97%	59	53	4	-	12.56%
	100.00 (Default)			100.00%	100.00%	36	25			

a. Proxies for Basel III non-retail asset classes have been developed for historical cohorts, to enable calculation of average historical annual default rate.

b. Observation point is June 2025, tracking default performance from July 2025 to June 2026.
PD estimate and EAD used for weighted average PD is as at June 2025.

c. Defaulted borrowers in the year include:
- performing borrowers as at June 2025 who default from July 2025 to June 2026; and
- new borrowers not funded in June 2025 who default from July 2025 to June 2026 (new defaulted borrowers).

d. The average historical default rate is calculated using long-run default experience from 2015 onwards.

CREDIT RISK MANAGEMENT

CR10: IRB - Specialised lending under the slotting approach

Slotting is an approach that is applied to financing for projects where the repayment is highly dependent on the performance of the underlying asset or collateral, and includes assets categorised as specialised lending. It uses specific rules for the calculation of RWAs, based upon an assessment of factors such as the financial strength of the counterparty.

The table below provides an overview of exposure under this approach and associated credit metrics.

$m					Exposure amount				
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight %	PF	OF	Total	RWA	Expected losses
Westpac (ex-RBNZ Regulated Entities)									
As at 30 September 2026									
Strong	Less than 2.5 years	2,326	804	70%	3,077	33	3,110	2,177	12
	Equal to or more than 2.5 years	2,331	2,316	70%	4,301	26	4,327	3,029	17
Good	Less than 2.5 years	479	277	90%	711	-	711	640	6
	Equal to or more than 2.5 years	593	495	90%	960	-	960	864	8
Satisfactory		15	16	115%	24	-	24	27	1
Weak		53	11	250%	58	-	58	145	5
Default		55	5	-	56	-	56	-	28
Total		**5,852**	**3,924**		**9,187**	**59**	**9,246**	**6,882**	**77**
As at 31 March 2026									
Strong	Less than 2.5 years	1,391	830	70%	2,162	34	2,196	1,536	9
	Equal to or more than 2.5 years	2,002	1,040	70%	2,905	26	2,931	2,052	12
Good	Less than 2.5 years	510	297	90%	746	-	746	671	6
	Equal to or more than 2.5 years	655	320	90%	912	-	912	821	7
Satisfactory		45	25	115%	58	-	58	67	2
Weak		27	-	250%	27	-	27	69	2
Default		53	5	-	54	-	54	-	27
Total		**4,683**	**2,517**		**6,864**	**60**	**6,924**	**5,216**	**65**

$m					Exposure amount				
Regulatory categories	Residual maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight %	PF	IPRE	Total	RWA	Expected losses
RBNZ Regulated Entities									
As at 30 September 2026									
Strong	Less than 2.5 years	4,263	509	70%	170	4,449	4,619	3,556	18
	Equal to or more than 2.5 years	117	157	70%	142	105	247	190	1
Good	Less than 2.5 years	1,839	527	90%	45	2,301	2,346	2,323	18
	Equal to or more than 2.5 years	140	143	90%	-	272	272	270	2
Satisfactory		356	111	115%	-	463	463	586	13
Weak		81	2	250%	-	82	82	225	7
Default		1	-	-	-	1	1	-	1
Total		**6,797**	**1,449**		**357**	**7,673**	**8,030**	**7,150**	**60**
As at 31 March 2026									
Strong	Less than 2.5 years	4,477	437	70%	180	4,601	4,781	3,681	19
	Equal to or more than 2.5 years	156	695	70%	713	91	804	619	3
Good	Less than 2.5 years	2,016	479	90%	1	2,465	2,466	2,441	20
	Equal to or more than 2.5 years	107	110	90%	46	159	205	203	2
Satisfactory		237	50	115%	-	282	282	357	8
Weak		37	-	250%	-	37	37	103	3
Default		1	-	-	-	1	1	-	1
Total		**7,031**	**1,771**		**940**	**7,636**	**8,576**	**7,404**	**56**

COUNTERPARTY CREDIT RISK

CCRA: Qualitative disclosure related to CCR

Approach

Westpac manages counterparty credit risk arising from derivative products and securities financing transactions through the daily assessment of future market price movements under stress scenarios. The impact of these shocks on the mark-to-market value of positions is converted into credit exposures using Westpac's Derivative Risk Equivalent (DRE) methodology. Exposures are independently monitored against approved counterparty credit limits and reported through established governance forums. Limit breaches are escalated and managed within prescribed timeframes in accordance with risk management policies.

Structure and organisation

Financial Markets, as the First Line of Defence, owns and manages the counterparty credit risk arising from its activities. Westpac Institutional Bank Credit (WIB Credit), as the Second Line of Defence, provides independent insight, oversight and challenge of Financial Markets' management of this risk. WIB Credit sets counterparty credit risk appetite, internal ratings and credit limits for the counterparties with which Financial Markets transacts. Transactions generating credit exposure outside pre-defined credit appetite and limits require approval by WIB Credit.

Risk framework	Description
Market related credit risk	There are two components to the regulatory capital requirements for credit risk arising from derivative products: • Capital to absorb losses arising from the default of derivative counterparties; and • Capital to absorb losses arising from mark-to-market valuation movements resulting from changes in the credit quality of derivative counterparties. These valuation movements are referred to as credit valuation adjustments (CVA) and this risk is sometimes labelled as CVA risk.
Risk mitigation	Mitigation is achieved in a number of ways: • The limit system monitors for excesses of the pre-defined limits, with any excesses being notified to authorised credit officers; • Westpac has netting agreements with counterparties to allow the exposure across a portfolio of trades with the same counterparty to be netted; • Westpac has collateral agreements with its largest counterparties. The market value of the counterparty's portfolio is used to recalculate the credit position at each end of day, with collateral being called for when certain pre-set limits are met or exceeded. Westpac exchanges initial margin with eligible counterparties for eligible products as protection against potential future exposure to changes in market value; • Westpac has initial margin agreements with qualifying counterparties subject to relevant international regulations. The exchange of initial margin for eligible products covers the potential future exposure that could arise from changes in the market value of derivative transactions over the close-out period in the event of a counterparty default; • Credit derivatives are used to mitigate portfolio-level CVA exposure; and • Regular marking to market and settling of the foreign exchange components of foreign exchange reset contracts.
Counterparty derivative exposures and limits	The risk management methodology for counterparty derivatives exposures is similar to the credit methodology for transaction-managed loans. The main difference is in the estimation of the exposure for derivatives which is based on the DRE methodology. DRE is a credit exposure measure for derivative trades which is calibrated to a 'loan-equivalent' exposure. Counterparty credit limits are approved on an uncommitted and unadvised basis by authorised credit officers. This follows an evaluation of each counterparty's credit worthiness and establishing an agreed credit risk appetite for the nature and extent of prospective business.

COUNTERPARTY CREDIT RISK

CCRA: Qualitative disclosure related to CCR (Continued)

Risk framework	Description
Wrong-way risk exposures	Westpac defines wrong-way risk as exposure to a counterparty which is adversely correlated with the credit quality of that counterparty. These transactions are assessed by an authorised credit officer who has the right to decline any transaction in accordance with the WIB Wrong Way Risk policy.
Consequences of a downgrade in Westpac's credit rating	A downgrade in Westpac's credit rating can have an impact on Westpac's collateral agreements. Where an outright threshold and minimum transfer amount are agreed, there will not be any impact on the amount of collateral posted by Westpac in the event of a credit rating downgrade. Where the threshold and minimum transfer amount are tiered according to credit rating, the impact of Westpac being downgraded below its current credit rating would be: for a one notch downgrade, postings of $4 million, while for a two notch downgrade, postings would be $11 million[a].

a. Credit rating downgrade postings are cumulative.

The following CCR tables present the counterparty credit risk for Australian exposures only as all other jurisdictions are immaterial and aggregates to $627 million of RWA as at 30 September 2026. Counterparty credit risk attached to New Zealand regulated exposures are included and reported in the RBNZ regulated entities asset class in credit risk disclosures.

CCR1: Analysis of CCR exposures by approach

The table below presents the counterparty credit risk exposures by approach. This table excludes exposures to central counterparties. Exposures to central counterparties are disclosed in table CCR8.

	$m	Replacement cost	Potential future exposure	Effective EPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
As at 30 September 2026							
1	SA-CCR (for derivatives)	7,691	15,084		1.4	31,816	8,145
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					4,119	999
5	Value-at-risk (VaR) for SFTs					-	-
6	**Total**						**9,144**
As at 31 March 2026							
1	SA-CCR (for derivatives)	6,646	15,087		1.4	30,340	7,721
2	Internal Model Method (for derivatives and SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					3,567	924
5	Value-at-risk (VaR) for SFTs					-	-
6	**Total**						**8,645**

CCR4: IRB - CCR exposures by portfolio and PD scale

The following table provides information on counterparty credit risk subject to the IRB approach by asset classes and PD scale.

A-IRB

Asset classes	PD scale	EAD post-CRM ($m)	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA ($m)	RWA density (%)[a]
As at 30 September 2026								
Corporate	0.00 to <0.15	2,905	0.07%	498	49%	3.1	583	20%
	0.15 to <0.25	789	0.18%	212	42%	2.1	358	45%
	0.25 to <0.50	516	0.38%	448	40%	1.7	309	60%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	141	1.18%	235	45%	1.3	132	94%
	2.50 to <10.00	124	4.78%	175	50%	1.2	195	157%
	10.00 to <100.00	10	19.83%	33	44%	1.1	28	266%
	100.00 (Default)	-	100.00%	1	50%	1.0	-	688%
Total Corporate		**4,485**	**0.33%**	**1,602**	**48%**	**1.8**	**1,605**	**36%**
Total subject to A-IRB approach		**4,485**	**0.33%**	**1,602**	**48%**	**1.8**	**1,605**	**36%**
As at 31 March 2026								
Corporate	0.00 to <0.15	2,741	0.06%	431	49%	3.4	517	19%
	0.15 to <0.25	858	0.18%	201	47%	2.0	405	47%
	0.25 to <0.50	560	0.37%	439	42%	1.6	365	65%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	198	1.49%	212	39%	1.4	201	102%
	2.50 to <10.00	32	4.78%	203	50%	1.2	48	149%
	10.00 to <100.00	5	16.37%	27	42%	1.0	12	250%
	100.00 (Default)	-	100.00%	4	50%	1.0	1	688%
Total Corporate		**4,394**	**0.25%**	**1,517**	**48%**	**1.8**	**1,549**	**35%**
Total subject to A-IRB approach		**4,394**	**0.25%**	**1,517**	**48%**	**1.8**	**1,549**	**35%**

a. RWA density is calculated based on unrounded numbers.

F-IRB

Asset classes	PD scale	EAD post-CRM ($m)	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA ($m)	RWA density (%)[a]
As at 30 September 2026								
Large Corporate	0.00 to <0.15	2,361	0.06%	76	44%	2.7	600	25%
	0.15 to <0.25	1,332	0.18%	119	43%	2.7	549	41%
	0.25 to <0.50	267	0.28%	84	51%	1.9	151	56%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	73	1.12%	27	64%	1.6	90	125%
	2.50 to <10.00	-	4.78%	4	50%	1.0	-	158%
	10.00 to <100.00	2	25.61%	6	50%	1.0	6	283%
	100.00 (Default)	-	-	-	-	-	-	-
Total Large Corporate		**4,035**	**0.15%**	**316**	**45%**	**2.7**	**1,396**	**35%**
Sovereign	0.00 to <0.15	3,498	0.02%	74	28%	1.9	165	5%
	0.15 to <0.25	55	0.17%	2	50%	0.2	13	24%
	0.25 to <0.50	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	-	1.83%	1	50%	1.0	-	114%
	2.50 to <10.00	-	4.78%	1	50%	1.0	-	158%
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Total Sovereign		**3,553**	**0.02%**	**78**	**29%**	**1.9**	**178**	**5%**
Financial Institutions	0.00 to <0.15	21,606	0.05%	1,625	50%	1.2	4,575	21%
	0.15 to <0.25	1,176	0.17%	157	52%	1.1	543	47%
	0.25 to <0.50	764	0.35%	129	56%	1.1	586	77%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	18	1.14%	8	56%	1.0	21	118%
	2.50 to <10.00	26	4.78%	59	50%	1.0	44	170%
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Total Financial Institutions		**23,590**	**0.08%**	**1,978**	**51%**	**1.2**	**5,769**	**24%**
Total subject to F-IRB approach		**31,178**	**0.08%**	**2,372**	**47%**	**1.4**	**7,343**	**24%**

a. RWA density is calculated based on unrounded numbers.

COUNTERPARTY CREDIT RISK

CCR4: IRB - CCR exposures by portfolio and PD scale (Continued)

F-IRB

Asset classes	PD scale	EAD post-CRM ($m)	Average PD (%)	Number of borrowers	Average LGD (%)	Average maturity (years)	RWA ($m)	RWA density (%)[a]
As at 31 March 2026								
Large Corporate	0.00 to <0.15	1,426	0.07%	68	44%	2.5	337	24%
	0.15 to <0.25	1,401	0.18%	124	45%	2.6	611	44%
	0.25 to <0.50	230	0.28%	80	50%	1.5	117	51%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	114	1.17%	27	66%	1.0	140	123%
	2.50 to <10.00	2	4.78%	4	50%	1.0	4	158%
	10.00 to <100.00	3	24.81%	6	50%	1.0	9	283%
	100.00 (Default)	-	-	-	-	-	-	-
Total Large Corporate		**3,176**	**0.20%**	**309**	**46%**	**2.4**	**1,218**	**38%**
Sovereign	0.00 to <0.15	3,427	0.02%	77	29%	2.1	159	5%
	0.15 to <0.25	48	0.17%	3	50%	0.4	12	26%
	0.25 to <0.50	1	0.47%	2	50%	1.0	-	62%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	3	0.96%	1	50%	1.0	2	88%
	2.50 to <10.00	1	4.78%	2	50%	1.0	1	158%
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Total Sovereign		**3,480**	**0.02%**	**85**	**29%**	**2.1**	**174**	**5%**
Financial Institutions	0.00 to <0.15	20,671	0.05%	1,714	50%	1.1	4,343	21%
	0.15 to <0.25	1,103	0.17%	165	51%	1.1	502	46%
	0.25 to <0.50	742	0.33%	168	62%	0.8	570	77%
	0.50 to <0.75	-	-	-	-	-	-	-
	0.75 to <2.50	21	0.97%	5	57%	1.1	24	115%
	2.50 to <10.00	13	4.78%	47	50%	1.0	25	190%
	10.00 to <100.00	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-
Total Financial Institutions		**22,550**	**0.07%**	**2,099**	**51%**	**1.1**	**5,464**	**24%**
Total subject to F-IRB approach		**29,206**	**0.08%**	**2,493**	**48%**	**1.4**	**6,856**	**23%**

a. RWA density is calculated based on unrounded numbers.

CCR5: Composition of collateral for CCR exposures

The following table provides an overview of the type of collateral used in derivatives and securities financing transactions (SFTs).

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral			
$m	Segregated	Unsegregated	Segregated	Unsegregated	Fair value of collateral received	Fair value of posted collateral
As at 30 September 2026						
Cash	-	2,925	-	12,242	42,572	56,613
Debt	-	137	937	1,315	67,803	38,802
Total	**-**	**3,062**	**937**	**13,557**	**110,375**	**95,415**
As at 31 March 2026						
Cash	-	3,371	-	8,836	24,002	29,139
Debt	-	60	1,321	1,701	26,400	21,270
Total	**-**	**3,431**	**1,321**	**10,537**	**50,402**	**50,409**

CCR6: Credit derivatives exposures

The table below provides information on the extent of Westpac's exposure to credit derivative transactions.

	30 September 2026		31 March 2026	
$m	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
Single-name credit default swaps	-	-	-	-
Index credit default swaps	20,645	18,644	10,863	9,428
Total return swaps	-	-	-	-
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notionals	**20,645**	**18,644**	**10,863**	**9,428**
Positive fair value (asset)	-	361	-	135
Negative fair value (liability)	(398)	-	(156)	-

CCR8: Exposure to central counterparties

This table provides an overview of Westpac's exposure to central counterparties.

		30 September 2026		31 March 2026	
$m		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	**Exposures to qualifying central counterparties ('QCCPs') (total)**		**228**		**211**
2	**Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which**	**4,958**	**99**	**3,743**	**75**
3	(i) OTC derivatives	4,958	99	3,743	75
4	(ii) Exchange-traded derivatives	-	-	-	-
5	(iii) Securities financing transactions	-	-	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	959		1,321	
8	Non-segregated initial margin[a]	2	1	23	27
9	Pre-funded default fund contributions	107	128	101	109
10	Unfunded default fund contributions	-	-	-	-
11	**Exposures to non-QCCPs (total)**		**-**		**-**
12	**Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which**	**-**	**-**	**-**	**-**
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-		-	
18	Non-segregated initial margin	-	-	-	-
19	Pre-funded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

a. Prior period RWA included amounts related to the segregated initial margin, which Westpac has elected not to apply a zero risk weight.

CREDIT VALUATION ADJUSTMENT RISK

CVAA: General qualitative disclosure requirements related to CVA

Risk framework	Description
Various Frameworks	CVA risk is centrally managed within Financial Markets and governed by various policies, standards, and frameworks such as: • The Market Risk Management Framework and supporting Market Risk policies sets requirements to identify and measure the risk associated with CVA and any hedges (both credit and market risk hedges) including daily independent monitoring of risk, P&L thresholds, stress testing, correlation analysis on effectiveness of hedges and reporting requirements to market risk committees comprising of senior 1st and 2nd line management. • The Credit Risk Management Framework sets the requirements to manage our credit risk appetite towards counterparty credit risk.
Capital Requirements	The bank currently uses the Standardised Approach for Counterparty Credit Risk (SA-CCR) methodology per APS 180 to calculate the CVA RWA currently at $3,310 million.

SECURITISATION

SECA: Qualitative disclosure requirements related to securitisation exposures

A securitisation is a financial structure where the cash flow from a pool of assets is used to service obligations to at least two different tranches or classes of creditors (typically holders of debt securities), with each class or tranche reflecting a different degree of credit risk (i.e. one class of creditors is entitled to receive payments from the pool before another class of creditors).

Securitisation transactions are generally grouped into two broad categories:

- Traditional or true sale securitisations, which involve the transfer of ownership of the underlying asset pool to a third party; and
- Synthetic transactions, where the ownership of the underlying asset pool remains with the originator and only the credit risk of the pool is transferred to a third party, using credit derivatives or guarantees. In line with current APRA requirements, Westpac does not currently undertake any synthetic securitisations.

Approach

Westpac's securitisation activities range from a seller of its own assets, to an investor in third-party transactions and includes the arranging of transactions, the provision of securitisation services and the provision of funding for clients, including clients requiring access to capital markets. Securitisation activities follow Westpac's credit policies and approval processes.

The regulatory capital treatment of securitisation exposures is measured in accordance with APS 120 other than the securitisation exposures of an overseas banking subsidiary that is prudentially regulated by a prescribed authority. Outside of Australia, Westpac has securitisation exposures in Westpac New Zealand Limited. For these exposures, Westpac calculates risk-weighted assets using the Reserve Bank of New Zealand's prudential rules. These exposures are separately included in the RBNZ Regulated Entities line item. Westpac makes deductions from CET1 capital that are required under APS 120. APS 120 also specifies that securitisation exposures held in the trading book[1] are subject to the requirements of Prudential Standard *APS 116 Capital Adequacy: Market Risk.*

Under APS 120 the approaches employed include the External Ratings Based Approach (ERBA) which is largely based on external credit ratings and the Supervisory Formula Approach (SFA) for unrated exposures. Under the ERBA, the Group uses external credit ratings provided by recognised External Credit Assessment Institutions (ECAIs), including S&P Global Ratings, Moody's Investors Service and Fitch Ratings, as applicable to the relevant securitisation exposures.

Westpac's role in the securitisation process

- **Securitisation of Westpac originated assets**
  Securitisation is used by Westpac to manage funding and liquidity and may also be used for capital management. It allows Westpac the ability to use a pool of assets to increase Westpac's wholesale funding capacity. Westpac may provide arm's length facilities and services to the securitisation vehicles. These typically include the provision of financing, redraw facilities and derivative contracts.
  Westpac has entered into self securitisation transactions for funding and liquidity purposes. These are the same as traditional securitisations, except that Westpac is the holder of all classes of notes issued (other than where senior notes have been pledged as eligible collateral with the RBA).
  These self securitisations do not change risk weighted assets. No securitisation transactions for Westpac originated assets are classified as re-securitisation exposure which are deemed to mean a securitisation exposure in which at least one of the underlying exposure in the pool is a securitisation exposure.
- **Provision of securitisation services, including funding and arranging assets backed bond issues**
  Securitisation facilities provided by Westpac may include re-securitisation exposures. Westpac also buys and sells securitisation exposure in the secondary market to facilitate portfolio management activity by its institutional customers who hold asset backed bonds.

1. Trading book activity represents positions in financial instruments, including derivative products and other off-balance sheet instruments, that are held either with trading intent or to hedge other elements of the trading book.

SECURITISATION

SECA: Qualitative disclosure requirements related to securitisation exposures (Continued)

Risk Management

Securitisation activities expose Westpac to credit risk, market risk, liquidity risk, operational risk. These risks are managed in accordance with Westpac's risk management frameworks and policies.

- Credit risk - Credit risk assessments are undertaken on all securitisation transactions in accordance with Westpac's credit policies. Exposures and limits are captured and monitored in key source systems.
- Operational risk - the review process includes the identification of risks, controls and key performance indicators in relation to the activities and services provided by Westpac.
- Market risk - is captured as part of Westpac's traded and non-traded market risk reporting and limit management framework.
- Liquidity risk - is managed under the Liquidity Risk Management Framework and is integrated into routine reporting for capital and liquidity positions, net interest margin analysis, balance sheet forecasting and funding scenario testing. The annual funding plan incorporates consideration of overall liquidity risk limits and the securitisation of Westpac originated assets.
- Westpac does not have any exposures which are classified as resecuritisation exposures.

Accounting policies for securitisation activities

- **Securitisation of Westpac originated assets -** The assets sold by Westpac to a securitisation trust remain on Westpac's balance sheet for accounting purposes.
- **Third party securitisations -** Assets sold under securitisations are treated as loans. Liquidity and redraw facilities are treated as commitments to provide finance. Fee and margin income from these services are recognised on an accrual basis.
- **Portfolio investment and liquidity management -** If a security has been designated on initial recognition at fair value, the exposure will be measured at fair value through the Income Statement. All other investments in securitisation exposures will be classified and measured at fair value through Other Comprehensive Income (FVOCI) (within the debt securities at FVOCI reserve).
- **For trading -** Trading securities are measured at fair value through the Income Statement. Interest is recognised on an accrual basis with amortisation of any premium/discount.

Westpac does not have any entities that meet the following criteria:

- Special purpose entities (SPEs) where the bank acts as sponsor;
- Affiliated entities that Westpac manages or advises and invests either in the securitisation exposures that the bank has securitised or in SPEs that the bank sponsors; or
- Entities to which the Westpac provide implicit support.

SEC1: Securitisation exposures in the banking book

The table below summarises Westpac's securitisation exposure by activity type.

		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
$m		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
As at 30 September 2026										
1	**Retail (total)**	**131,158**	**-**	**131,158**	**-**	**-**	**-**	**36,975**	**-**	**36,975**
2	of which: residential mortgage	131,158	-	131,158	-	-	-	35,440	-	35,440
3	of which: credit card	-	-	-	-	-	-	250	-	250
4	of which: other retail exposures	-	-	-	-	-	-	1,285	-	1,285
5	of which: re-securitisation	-	-	-	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**13,423**	**-**	**13,423**
7	of which: loans to corporates	-	-	-	-	-	-	688	-	688
8	of which: commercial mortgage	-	-	-	-	-	-	1,923	-	1,923
9	of which: lease and receivables	-	-	-	-	-	-	1,570	-	1,570
10	of which: other wholesale	-	-	-	-	-	-	9,242	-	9,242
11	of which: re-securitisation	-	-	-	-	-	-	-	-	-
As at 31 March 2026										
1	**Retail (total)**	**132,085**	**-**	**132,085**	**-**	**-**	**-**	**34,479**	**-**	**34,479**
2	of which: residential mortgage	132,085	-	132,085	-	-	-	32,785	-	32,785
3	of which: credit card	-	-	-	-	-	-	280	-	280
4	of which: other retail exposures	-	-	-	-	-	-	1,414	-	1,414
5	of which: re-securitisation	-	-	-	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**12,949**	**-**	**12,949**
7	of which: loans to corporates	-	-	-	-	-	-	190	-	190
8	of which: commercial mortgage	-	-	-	-	-	-	1,826	-	1,826
9	of which: lease and receivables	-	-	-	-	-	-	1,491	-	1,491
10	of which: other wholesale	-	-	-	-	-	-	9,442	-	9,442
11	of which: re-securitisation	-	-	-	-	-	-	-	-	-

SECURITISATION

SEC2: Securitisation exposures in the trading book

The table below discloses our Australian securitisation exposure only as required by APRA.

		Bank acts as originator			Bank acts as sponsor			Bank acts as investor		
$m		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
As at 30 September 2026										
1	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**848**	**-**	**848**
2	of which: residential mortgage	-	-	-	-	-	-	845	-	845
3	of which: credit card	-	-	-	-	-	-	-	-	-
4	of which: other retail exposures	-	-	-	-	-	-	3	-	3
5	of which: re-securitisation	-	-	-	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**52**	**-**	**52**
7	of which: to corporates	-	-	-	-	-	-	-	-	-
8	of which: commercial mortgage	-	-	-	-	-	-	47	-	47
9	of which: lease and receivables	-	-	-	-	-	-	-	-	-
10	of which: other wholesale	-	-	-	-	-	-	5	-	5
11	of which: re-securitisation	-	-	-	-	-	-	-	-	-
As at 31 March 2026										
1	**Retail (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**923**	**-**	**923**
2	of which: residential mortgage	-	-	-	-	-	-	879	-	879
3	of which: credit card	-	-	-	-	-	-	-	-	-
4	of which: other retail exposures	-	-	-	-	-	-	44	-	44
5	of which: re-securitisation	-	-	-	-	-	-	-	-	-
6	**Wholesale (total)**	**-**	**-**	**-**	**-**	**-**	**-**	**61**	**-**	**61**
7	of which: to corporates	-	-	-	-	-	-	-	-	-
8	of which: commercial mortgage	-	-	-	-	-	-	16	-	16
9	of which: lease and receivables	-	-	-	-	-	-	-	-	-
10	of which: other wholesale	-	-	-	-	-	-	45	-	45
11	of which: re-securitisation	-	-	-	-	-	-	-	-	-

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
$m		≤20%	>20% to 50%	>50% to 100%	>100% to <1250%	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]
As at 30 September 2026															
1	**Total exposures**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
2	**Traditional securitisation**	**-**	**-**	**-**	**-**	**2**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**2**
3	of which: securitisation	-	-	-	-	2	-	-	2	-	-	-	-	-	2
4	of which: retail underlying	-	-	-	-	2	-	-	2	-	-	-	-	-	2
6	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: re-securitisation			-	-	-		-	-		-	-		-	-
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: re-securitisation			-	-	-		-	-		-	-		-	-
As at 31 March 2026															
1	**Total exposures**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**3**
2	**Traditional securitisation**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**3**
3	of which: securitisation	-	-	-	-	3	-	-	3	-	-	-	-	-	3
4	of which: retail underlying	-	-	-	-	3	-	-	3	-	-	-	-	-	3
6	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: re-securitisation			-	-	-		-	-		-	-		-	-
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: re-securitisation			-	-	-		-	-		-	-		-	-

a. 1250% risk weight is treated as deductions from CET1.
b. Standardised Approach (SEC-SA) is treated as the Supervisory Formula Approach as set out in APS 120.

SECURITISATION

SEC4: Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			RWA (by regulatory approach)			Capital charge after cap		
$m		≤20%	>20% to 50%	>50% to 100%	>100% to <1250%	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]	SEC-ERBA	SEC-SA[b]	1250%[a]
As at 30 September 2026															
1	**Total exposures**	**45,770**	**4,161**	**460**	**7**	**-**	**22,294**	**28,104**	**-**	**4,602**	**4,830**	**-**	**368**	**386**	**-**
2	**Traditional securitisation**	**45,770**	**4,161**	**460**	**7**	**-**	**22,294**	**28,104**	**-**	**4,602**	**4,830**	**-**	**368**	**386**	**-**
3	of which: securitisation	45,770	4,161	460	7	-	22,294	28,104	-	4,602	4,830	-	368	386	-
4	of which: retail underlying	35,053	1,857	58	7	-	17,543	19,432	-	3,546	3,141	-	284	251	-
6	of which: wholesale	10,717	2,304	402	-	-	4,751	8,672	-	1,056	1,689	-	84	135	-
8	of which: re-securitisation			-	-	-		-	-		-	-		-	-
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: re-securitisation			-	-	-		-	-		-	-		-	-
As at 31 March 2026															
1	**Total exposures**	**43,455**	**3,708**	**257**	**8**	**-**	**19,782**	**27,646**	**-**	**4,107**	**4,690**	**-**	**329**	**375**	**-**
2	**Traditional securitisation**	**43,455**	**3,708**	**257**	**8**	**-**	**19,782**	**27,646**	**-**	**4,107**	**4,690**	**-**	**329**	**375**	**-**
3	of which: securitisation	43,455	3,708	257	8	-	19,782	27,646	-	4,107	4,690	-	329	375	-
4	of which: retail underlying	33,900	500	71	8	-	15,204	19,275	-	3,083	3,022	-	247	242	-
6	of which: wholesale	9,555	3,208	186	-	-	4,578	8,371	-	1,024	1,668	-	82	133	-
8	of which: re-securitisation			-	-	-		-	-		-	-		-	-
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which: re-securitisation			-	-	-		-	-		-	-		-	-

a. 1250% risk weight is treated as deductions from CET1.
b. Standardised Approach (SEC-SA) is treated as the Supervisory Formula Approach as set out in APS 120.

OTHER RISKS

MARKET RISK

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

OPERATIONAL RISK

ORA: General qualitative information on a bank's operational risk framework
OR1: Historical losses
OR2: Business indicator and subcomponents
OR3: Minimum required operational risk capital

LEVERAGE RATIO

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure
LR2: Leverage ratio common disclosure template

MACRO-PRUDENTIAL SUPERVISORY MEASURES

Disclosure of global systemically important bank (G-SIB) indicators
CCYB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

FUNDING AND LIQUIDITY RISK MANAGEMENT

LIQA: Liquidity risk management
LIQ1: Liquidity Coverage Ratio
LIQ2: Net Stable Funding Ratio

MARKET RISK

Traded Market Risk

Market risk is the risk of financial loss arising from movements in market prices, including interest rates, foreign exchange rates, credit spreads, commodity prices, volatility, and derivative valuation adjustments.

Approach

Westpac's exposure to traded market risk arises from Financial Markets, Commodities Trade and Transition, and Treasury trading activities. Financial Markets provides products and services such as market making and distribution of capital markets products, resulting in exposure to interest rate, foreign exchange, commodity, credit spread, volatility risk, and derivative valuation adjustments. Commodities, Trade and Transition provides market-making, client hedging, financing and structured commodity solutions across energy, metals, agriculture and carbon markets, resulting in exposure to commodity price, basis, volatility, foreign exchange, interest rate and physical inventory market risks. Treasury manages interest rate, foreign exchange, and credit spread risks associated with the wholesale funding book, liquid asset holdings, and foreign exchange repatriations, as well as interest rate risk in the banking book which is discussed in the IRRBB section.

Market risk is managed within a Board Risk Committee-approved Market Risk Management Framework, supported by policies that set Value-at-Risk (VaR) and Stressed Value-at-Risk (SVaR) limits. Exposures are measured using VaR, SVaR, structural limits, scenario analysis, and stress testing. Limits are calibrated to reflect risk appetite, business strategy, market liquidity, and concentration risk.

Trades are fair valued daily under the Fair Valuation Control Framework through independent Rates Control and Valuation Control processes. Rates Control governs the sourcing and validation of end-of-day ("EOD") market data, while Valuation Control performs independent price verification and assesses valuation adjustments. The Valuation Committee provides independent oversight of the framework, including significant valuation methodologies, market-data matters, valuation adjustments and issues affecting fair value. Valuation models and model changes are separately governed under the Group Model Risk Standard, with significant model issues affecting fair value reported to the Valuation Committee.

Daily monitoring of exposures and limit utilisation is conducted independently by the Market Risk team, which monitors market risk exposures against VaR, SVaR, and structural limits. Daily position reports are produced by risk type, product line, and geographic region, supplemented by structural risk reporting, profit and loss trigger levels, and stress test escalation points.

Regulatory capital for traded market risk is determined using both internal model and standardised approaches, in accordance with APRA and Basel standards. Regulatory capital is calculated using VaR and stressed VaR under the Internal Models Approach, supplemented by the Standard Method for specific issuer risk associated with relevant debt securities and credit instruments within the trading book. Westpac also holds a capital overlay relating to APRA's revised risks-not-in-VaR framework.

Risk framework	Description
Risk reporting	Daily monitoring of current exposure and limit utilisation is conducted independently by the Market Risk team, that monitors market risk exposures against VaR, SVaR and structural limits. This team reports directly to the Westpac Treasury Chief Risk Officer (CRO) who in turn reports to the Group CRO. Daily VaR and SVaR position reports are produced by risk type, by product lines and by geographic region. These are supplemented by structural risk reporting, advice of profit and loss trigger levels and stress test escalation trigger points. Model accreditation has been granted by APRA for the use of an internal model for the determination of regulatory capital for the key classes of interest rate (general market), foreign exchange and commodity risks. Under the model, regulatory capital is derived from both the current VaR window and a SVaR window, where these VaR measures are calculated over a 10-day time horizon to a 99th percentile, one-tailed confidence interval. Specific risk refers to the variations in individual security prices that cannot be explained by general market movements, and event and default risk. Interest rate specific risk capital (specific issuer risk) is calculated using the Standard method and is added to the VaR regulatory capital measure. Westpac currently holds an industry-wide capital overlay which was introduced from 31 December 2021 and relates to APRA's revised risks-not-in-VaR framework. This overlay will be applied until the Group's revised framework is approved by APRA.

Risk framework	Description
VaR and SVaR limits for Traded Market Risk	Market risk arising from trading book activities is primarily measured using VaR based on a historical simulation methodology. Westpac estimates VaR as the potential loss in earnings from adverse market movements and is calculated to a 99% confidence level using the most recent 12 months of historical market data. SVaR is an additional VaR measure which uses 12 months of historical market data that includes a period of significant financial stress. VaR and SVaR take account of all known material market variables that may cause a change in the value of the trading portfolio, including interest rates, foreign exchange rates, price changes, volatility, and the correlation between these variables. The Board-approved market risk VaR and SVaR limits for trading activities are supported by separate VaR and SVaR sub-limits for the trading activities of Financial Markets and Treasury. Westpac uses a full revaluation historical simulation approach for calculating VaR for general market risk for all portfolios. A small number of linear products are modelled using a sensitivity-based approach which is demonstrated to adequately replicate the risk. Products use valuation models which are marked to market or marked to model and aligned to the approaches used for valuations for official profit and loss. This is monitored by back-testing and profit and loss attribution analysis between the risk and valuation systems to ensure alignment and investigation of any material differences. Stress testing through scenarios is performed daily at the Group, trading book and portfolio level to ensure limits are adequately calibrated to risk appetite and strategy.
Stress testing	Stress scenarios represent a combination of historical and hypothetical events and are reviewed regularly with a view to incorporating emerging risks. Responsibilities for the approval and oversight of stress test policies, parameters and results are allocated to accountable members of the various committees across the market risk governance framework. The Market Risk Stress Test Policy, containing the stress test escalation framework, is approved by the Westpac Treasury Chief Risk Officer.
Back-testing	Market Risk performs daily back-testing analysis to assess the validity of the VaR numbers when compared to the actual clean and hypothetical trading outcomes to ensure that model integrity is maintained. A review of both the actual and potential profit and loss outcomes is also undertaken to monitor any skew created by the historical data.
Risk mitigation	Market risk positions are managed by the trading desks consistent with delegated trading and product authorities. Risk management is carried out by qualified personnel with varying levels of seniority commensurate with the nature and scale of market risks under management. Market risk is managed within risk appetite at the desk, management and Board levels using extensive hedging capability across cash and derivative products. The continuing effectiveness of these hedges and other risk-mitigation activities is monitored through VaR, stress testing and the ongoing monitoring of exposures against approved limits. The following controls allow monitoring by management: • trading authorities and responsibilities are clearly delineated at all levels; • a structured system of limits and reporting of risk exposures, including stress testing; • surveillance of dealing room conduct; • all new products and significant product variations undergo a rigorous approval process to identify business risks prior to launch; • models that are used to determine risk or profit and loss for Westpac's accounts are independently reviewed; • duties are segregated so that employees involved in the origination, processing and valuation of transactions operate under separate reporting lines, minimising the opportunity for collusion; and • legal personnel review documentation for compliance with relevant laws and regulations. In addition, Group Audit provides independent assurance of the governance, risk management and internal controls.

MARKET RISK

Capital and profit and loss notification framework

The BRiskC has approved a profit and loss notification framework. Included in this framework are levels of escalation in accordance with the size of the profit or loss. Triggers are applied to both a 1-day and a rolling 20-day cumulative total. Banking book capital and profit and loss triggers consider changes in economic value as well as financial profit and loss.

Structural foreign exchange rate risk

Structural foreign exchange rate risk results from the generation of foreign currency denominated retained earnings and from Westpac's capital deployed in offshore branches and subsidiaries, where it is denominated in currencies other than Australian dollars. The Australian dollar equivalent of offshore earnings and capital is subject to change as exchange rates fluctuate, which could introduce significant variability to Westpac's reported financial results. The Chief Financial Officer, with advice from the Group Asset and Liability committee provides oversight of the appropriateness of foreign exchange hedges on earnings and capital.

Market risk regulatory capital and risk weighted assets

The table below details the capital and associated RWA by approach. The Internal model approach uses VaR and SVaR, while the Standard approach is used for interest rate specific risk.

	Capital required			Risk weighted assets		
$m	30 September 2026	31 March 2026	30 September 2025	30 September 2026	31 March 2026	30 September 2025
Internal model approach	745	707	704	9,315	8,836	8,795
Standard approach	118	133	86	1,471	1,668	1,078
Total	**863**	**840**	**790**	**10,786**	**10,504**	**9,873**

VaR by risk type

	For the 6 months ended			
$m	High	Low	Average	Period end
30 September 2026				
Interest rate risk	21.8	8.0	14.0	9.3
Foreign exchange risk	5.4	1.0	2.2	1.7
Equity risk	-	-	-	-
Commodity risk	3.8	0.3	1.0	0.6
Other market risks	8.2	3.1	3.8	3.7
Diversification benefit	n/a	n/a	(5.4)	(5.3)
Net market risk[a]	**22.7**	**8.6**	**15.6**	**10.0**
31 March 2026				
Interest rate risk	18.8	8.3	11.8	13.4
Foreign exchange risk	6.8	0.9	3.0	2.3
Equity risk	-	-	-	-
Commodity risk	4.2	0.2	0.6	0.7
Other market risks	7.5	3.3	5.2	7.5
Diversification benefit	n/a	n/a	(8.4)	(8.3)
Net market risk[a]	**18.3**	**8.4**	**12.2**	**15.6**
30 September 2025				
Interest rate risk	16.2	6.5	9.6	9.3
Foreign exchange risk	4.4	1.2	2.2	2.1
Equity risk	-	-	-	-
Commodity risk	0.8	0.3	0.4	0.4
Other market risks	7.4	4.3	5.5	4.4
Diversification benefit	n/a	n/a	(7.2)	(5.9)
Net market risk[a]	**16.1**	**7.2**	**10.5**	**10.3**

a. VaR and SVaR measures shown here use a 1 day time horizon. The net market risk measure reflects the aggregate diversified risk position for the period. Therefore, individual risk factors will not sum to this total.

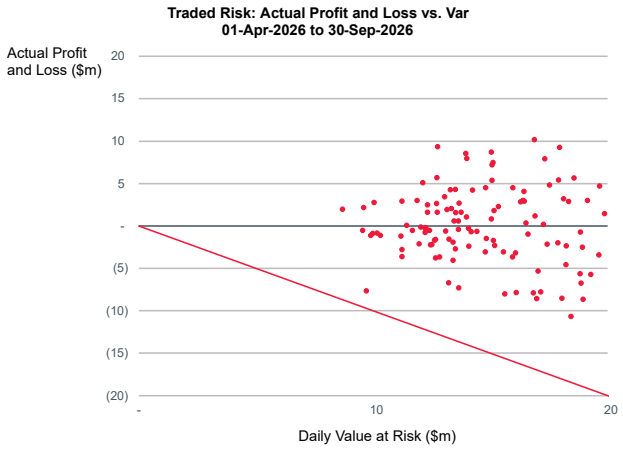
SVaR by risk type

	For the 6 months ended			
$m	High	Low	Average	Period end
30 September 2026				
Interest rate risk	97.0	32.7	59.7	38.3
Foreign exchange risk	14.4	1.6	4.9	2.3
Equity risk	-	-	-	-
Commodity risk	4.0	0.9	1.8	0.9
Other market risks	14.7	8.3	11.4	10.1
Diversification benefit	n/a	n/a	(17.1)	(13.5)
Net market risk[a]	**105.0**	**31.2**	**60.7**	**38.1**
31 March 2026				
Interest rate risk	95.8	39.3	58.9	56.0
Foreign exchange risk	26.7	2.1	6.3	4.3
Equity risk	-	-	-	-
Commodity risk	8.3	0.7	2.3	1.5
Other market risks	14.4	8.2	10.4	13.9
Diversification benefit	n/a	n/a	(16.1)	(21.8)
Net market risk[a]	**94.0**	**42.3**	**61.8**	**53.9**
30 September 2025				
Interest rate risk	95.1	42.4	70.3	63.0
Foreign exchange risk	11.4	1.2	3.7	3.3
Equity risk	-	-	-	-
Commodity risk	3.4	0.4	0.8	0.6
Other market risks	13.8	8.1	11.0	9.0
Diversification benefit	n/a	n/a	(20.5)	(7.0)
Net market risk[a]	**92.0**	**40.9**	**65.3**	**68.9**

a. The net market risk measure reflects the aggregate diversified risk position for the period. Therefore, individual risk factors will not sum to this total.

Back-testing results

The following graph gives a comparison of actual profit and loss to VaR over the 6 months ended 30 September 2026.



Each point on the graph represents 1 day's trading profit or loss. This result is placed on the graph relative to the associated VaR utilisation. The downward sloping line represents the point where a loss is equal to VaR utilisation.

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

IRRBBA: IRRBB risk management objectives and policies

IRRBB refers to the risk that the Group is exposed to volatility in capital and earnings outcomes due to adverse movements in interest rates and spreads. This risk can materialise through changes in the economic value (EV) of assets and liabilities, or through variability in net interest income (NII), due to mismatches in the interest rate exposures of assets and liabilities in the banking book. Activities within the banking book include customer lending and deposit taking, balance sheet funding and liquidity management, and capital management. The Group manages IRRBB to achieve appropriate earnings stability through time.

Approach

IRRBB is managed and governed under the Group's Market Risk Management Framework which is approved by the BRiskC. This is supported by the IRRBB management framework, which includes a comprehensive measurement system for the quantification of these risks and the potential impact from changes in market interest rates.

Risk framework	Description
Management	Key aspects of the IRRBB management framework include: • risk appetite metrics set by the Board which incorporate limits for economic value at risk, changes in NII, embedded losses, and spread risk[a]; • centralisation of the management of the Group's interest rate risk profile by Treasury via the Funds Transfer Pricing policy and systems; • day-to-day management of these risks by Treasury in line with approved limits. This includes the management and execution of the interest rate risk strategy for the Group's approach to its structural hedging of core deposits and capital; • policies and procedures that support the proactive risk management of IRRBB exposures and the management and performance of models used to capture and measure IRRBB risk; • regular reporting of the IRRBB risk profile and control environment to senior management and the Board; • ongoing monitoring and analysis through model oversight, back-testing, and stress testing; and • oversight from the 2nd line Market Risk and Model Risk functions in line with the Group's Three Lines of Defence framework, with independent review by Group Audit as the third line.
Measurement	Westpac uses internal models for the calculation of regulatory capital for IRRBB under *APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book.* Westpac measures and monitors IRRBB outcomes using the following principal measures: • **Expected Shortfall (ES)** – Forms part of the prospective IRRBB capital charge under *APS 117* and is measured at a 97.5th percentile expected shortfall confidence level, using an eight-year lookback period with a fixed stressed window, comprising overlapping 10-day holding periods, scaled to a one-year horizon. Optionality risk is captured using central and alternative shorter and longer repricing profiles consistent with the requirements of *APS 117*; • **Embedded Gains or Losses (EGL)** – Forms part of the IRRBB capital requirement and captures the embedded value of banking book items accounted for on an accrual basis, measured as the difference between their book value and current economic value. An embedded loss sensitivity (ELS) metric is in place which monitors potential embedded losses from a +/-200bps parallel shift in the market curve; • **Net Interest Income at Risk (NaR)** – The NaR model combines underlying statement of financial position data with assumptions about runoff, new business and expected product repricing behaviour, including pass-throughs and product rate floors. It measures the change in projected NII under interest-rate shock scenarios relative to the base scenario over a 12-month period and is calculated on a monthly basis; • **Scenario Analysis and Stress Testing** – The Group assesses the sensitivity of economic value and earnings to interest rate changes using prescribed and internal scenarios, with regulatory reporting applying the six Basel Committee on Banking Supervision (BCBS) defined interest rate shock scenarios. Internal stress testing includes daily and periodic scenario-based shocks that reflect severe but plausible market conditions. APRA-prescribed and internal Group-wide stress tests also assess the effect of forward-looking economic scenarios on the Group's IRRBB capital position over a multi-year forecast horizon.

Risk framework	Description
Modelling and assumptions	For ΔEV (ES and EGL measures), the Group applies *APS 117* requirements, including classifying banking book positions as market-related or non-market-related. Commercial margins are not included in the cash flows or discount rates used in computation. For ΔNII (NaR measure), the Group assumes a constant balance sheet, with maturing or repricing balances replaced by new business of the same amount and with constant customer margins. Replacement business reprices monthly. Customer rates reflect product-specific pass-through assumptions and interest rate floors. The model covers the AUD and NZD transfer-priced balance sheet and associated hedging activities, which represent the material currencies of the Group for the management and measurement of ΔNII. The key behavioural assumptions included in the calculation of the IRRBB risk profile are the balance and repricing profile of the Group's core deposits and capital. Non-maturity deposits are classified as core based on balance stability and rate sensitivity, with the stable, non-rate-sensitive component modelled as a replicating portfolio over a fixed repricing term. For regulatory purposes, the balance and repricing tenor are subject to the requirements of *APS 117* including a 10% optionality factor in the prospective capital charge longer scenario to capture early withdrawal risk associated with the Group's core deposits. Westpac uses an internal model to support its hedging strategy. The Group's capital is hedged using a three-year replicating portfolio term and applies the one-year earnings offset permitted under *APS 117* for regulatory capital calculation purposes. Where the regulatory repricing profile differs from the internal hedge strategy for core deposits and capital, the resulting open risk position is captured and capitalised.
Risk mitigation and reporting	The IRRBB regulatory capital charge, which includes ES and EGL, is monitored daily and reported monthly and quarterly for regulatory purposes. ALCO provides management oversight of IRRBB, including reviewing key risk measures, hedging performance and risk appetite utilisation. IRRBB measures are reported monthly to ALCO and the Board, while PV01[b] and selected stress measures are produced daily for Treasury risk management and independent Market Risk oversight. Westpac uses derivatives to manage interest rate risk exposures, including structural risk arising from duration mismatches between assets and liabilities, as well as capital-related exposures. The hedge strategy adopted utilises a combination of cash flow and fair value hedge approaches. Certain derivatives held for economic hedging purposes do not meet the criteria for hedge accounting and are therefore accounted for in the same way as derivatives held for trading. The Group commenced applying hedge accounting under AASB 9 Financial Instruments from 1 October 2025. As the accounting for macro hedging activities of interest rate risk is not explicitly addressed in AASB 9, the Group continues to apply the AASB 139 hedge accounting principles for its portfolio-level fair value hedging of retail products.

a. Defined as the risk of a loss in portfolio value arising from changes in credit spreads.
b. The PV01 report measures the change in market value of selected balance sheet positions resulting from a standardised 1 basis point shift in interest rates.

INTEREST RATE RISK IN THE BANKING BOOK (IRRBB)

IRRBB RWA increased by $1.8 billion over the period, predominantly due to embedded losses from higher swap rates.

Regulatory RWA ($m)	30 September 2026	31 March 2026	% Mov't
Interest rate risk in the banking book	48,870	47,088	4

The table below shows the average and longest repricing maturity years assigned to core deposits[1].

	As at 30 September 2026
Average repricing maturity assigned to core deposits	2.5 years
Longest repricing maturity assigned to core deposits	5 years

IRRBB1: Quantitative information on IRRBB

The table below provides information about changes in the Group's economic value and NII under six standardised interest rate shock scenarios as prescribed by the Basel Committee on Banking Supervision. A simple sum across all currencies is used to aggregate exposures for this disclosure.

	30 September 2026		31 March 2026	
AUD $m	ΔEV	ΔNII	ΔEV	ΔNII
Parallel up	(2,738)	615	(2,707)	562
Parallel down	2,966	(942)	2,944	(1,186)
Steepener	700		652	
Flattener	(1,288)		(1,239)	
Short rate up	(2,220)		(2,165)	
Short rate down	2,373		2,307	
Maximum	(2,738)	(942)	(2,707)	(1,186)

	30 September 2026	31 March 2026
Tier 1 capital	66,066	65,458

The ΔEV outcomes reflect a 12-month earnings offset against the Group's 3-year capital hedge, consistent with the IRRBB management framework per the *APS 117* Prudential Standard.

The tables below show the impact of interest rate shock scenarios by material currency on the Group's economic value and NII.

	30 September 2026				31 March 2026			
ΔEV ($m)	AUD	NZD	USD	Other	AUD	NZD	USD	Other
Parallel up	(2,766)	46	(1)	(17)	(2,963)	269	(2)	(11)
Parallel down	3,014	(68)	2	18	3,237	(303)	(1)	11

	30 September 2026		31 March 2026	
ΔNII ($m)	AUD	NZD	AUD	NZD
Parallel up	358	257	309	253
Parallel down	(468)	(474)	(591)	(595)

1. As defined under Attachment A of APS 117.

OPERATIONAL RISK

ORA: General qualitative information on a bank's operational risk framework

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Approach

The Operational Risk Management Framework is designed to support Westpac's compliance with applicable operational risk, resilience, service provider, information security and risk management requirements by setting out how Operational Risk is identified, assessed, managed, monitored and reported across Westpac.

Westpac is subject to *APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk.*

Westpac's Operational Risk Management Framework

This Framework implements the nine components in Westpac's Risk Management Framework. These components are listed below:

Risk framework	Description
Business Strategy	Operational Risk Management is an integral part of the Group's business strategy, planning and management. When Westpac sets or changes its business strategy, it considers whether new Operational Risks may arise or existing Operational Risks may change.
Risk Identification	Operational risks are identified as part of business management, and considers emerging risks arising from changes in the business, business strategy and external environment. Identifying and managing Operational Risks includes identifying risks inherent in the processes underlying Critical Operations. Critical Operations are processes undertaken by Westpac or its Service Providers which, if disrupted beyond Impact Tolerances, would have material adverse impact on Westpac's depositors, policyholders, beneficiaries or other customers, or its role in the financial system. For complete, accurate and timely identification of Operational Risks, First Line monitors internal and external data sources. Once identified, the Risk and Control Assessment process provides a structured approach to assess and manage non-financial risks across Westpac.
Risk Appetite	Westpac's operational risk qualitative statements of risk appetite, risk appetite measures and risk tolerances are contained in our Board Risk Appetite Statement. Operational risk appetite measures and risk tolerances are contained in applicable risk appetite statements to support risk-informed decision making within the bounds of the Board Risk Appetite Statement. Westpac reports and monitors its risk position against this risk appetite in Risk Appetite dashboards to support the management of operational risk.
Stress and Scenario Analysis	Westpac analyses forward looking scenarios for severe but plausible non-financial risk events, including resilience scenarios relevant to Critical Operations and Impact Tolerances, to: • analyse the potential impacts on the business and critical operations. • perform stress testing to meet internal capital adequacy assessment regulatory requirements. • inform and where necessary adjust risk profile assessments and business continuity plans. • inform business strategic planning. Understanding these impacts enables better decision making to deliver fair customer outcomes and to limit the impact of disruptions.
People and Infrastructure	Westpac aims to have sufficient people at all levels performing clearly defined roles and responsibilities, with appropriate expertise, management capability, and communication skills to manage Operational Risk effectively. Management information systems are established for the measurement, assessment, management, monitoring and reporting of Operational Risks and Westpac applies defined data quality principles to support the integrity of Operational Risk data.
Control Definition and Effectiveness	Westpac defines, implements and embeds fit-for-purpose controls. Control design and operating effectiveness are assessed and managed using applicable policies, standards and processes.

OPERATIONAL RISK

ORA: General qualitative information on a bank's operational risk framework (Continued)

Risk framework	Description
Monitoring and Reporting	Operational risk monitoring and reporting provides comprehensive and timely information to senior management and the Board, supported by risk committees to enable timely escalation, oversight of risk appetite, identification of trends and management action. There is a consistent and periodic reporting process in place for Operational risk. Operational Risk Measurement plays a key role in active risk management. This includes measurement of loss data, forward looking scenarios, and Group's operational risk capital adequacy.
Actions and Response	Action plans are designed and implemented to manage Operational risk to ensure Westpac remains within its approved risk appetite and improves its risk profile. Action plans have clear ownership, milestones, delivery dates and evidence of completion. Westpac maintains Business Continuity Plans that set out how critical operations will be maintained within impact tolerances through disruptions, including disaster recovery planning.
Governance and Management Control	The Board Risk Committee, Group Executive Risk Committee, Group Operational Risk, Compliance and Resilience Committee, Group Model Risk Committee and Divisional Risk Committees support the management and oversight of Operational risk for the Group.

SMA capital overview

Westpac applies the SMA to operational risk capital as required by Prudential Standard *APS 115 Capital Adequacy: Standardised Measurement Approach to Operational Risk.* Westpac is required to calculate operational risk capital annually based on annual audited financial statements. In addition, Westpac is required to apply quarterly adjustments to operational risk capital, where applicable, to reflect material changes in operational risk exposures and other relevant regulatory requirements. The SMA based operational risk calculation was updated as part of the 31 December 2025 Pillar 3 report.

OR1: Historical losses

The table below presents the aggregate operational losses incurred over the 10 financial years of 2016-2025, based on the accounting date of the loss event. Loss event impacts may be subject to ongoing updates due to factors such as remediation and recoveries. This in turn may result in the future movement of loss impacts for prior periods as these value updates may affect whether an incident meets minimum reporting thresholds.

	a	b	c	d	e	f	g	h	i	j	k
For the year ended 30 September	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Ten-year average
Using $30,000 AUD threshold											
1 Total amount of operational losses net of recoveries (no exclusions) ($m)	149	158	202	296	1,028	2,226	1,477	421	242	103	630
2 Total number of operational risk losses	313	394	390	438	498	583	578	528	461	340	452
3 Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
4 Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
5 Total amount of operational losses net of recoveries and net of excluded losses ($m)	149	158	202	296	1,028	2,226	1,477	421	242	103	630
Using $150,000 AUD threshold											
6 Total amount of operational losses net of recoveries (no exclusions) ($m)	143	142	189	284	1,013	2,208	1,463	405	226	88	616
7 Total number of operational risk losses	162	144	166	196	230	225	206	195	150	94	177
8 Total amount of excluded operational risk losses ($m)	-	-	-	-	-	-	-	-	-	-	-
9 Total number of exclusions	-	-	-	-	-	-	-	-	-	-	-
10 Total amount of operational losses net of recoveries and net of excluded losses ($m)	143	142	189	284	1,013	2,208	1,463	405	226	88	616
Details of operational risk capital calculation											
11 Are losses used to calculate the ILM (yes/no)?	No										
12 If “no” in row 11, is the exclusion of internal loss data due to non-compliance with the minimum loss data standards (yes/no)?	No										
13 Loss event threshold: $30,000AUD or $150,000 AUD for the operational risk capital calculation if applicable	N/A										

OPERATIONAL RISK

OR2: Business indicator and subcomponents

The following table presents the business indicator (BI) and its subcomponents used in the calculation of the operational risk capital and RWA for the period from 30 September 2024 to 30 September 2025. The information presented in this table is calculated as per the ARS 115 *Capital Adequacy: Standardized Measurement Approach to Operational Risk* and is submitted to APRA annually in February each year to meet the reporting format ARF 115 timelines.

$m		a	b	c
BI and its subcomponents		30 September 2025	30 September 2024	30 September 2023
1	Interest, lease and dividend component[a,b]	**18,582**		
1a	Interest and lease income	55,070	54,340	43,844
1b	Interest and lease expense	36,030	35,993	25,846
1c	Interest earning assets[c]	927,490	882,757	819,609
1d	Dividend income	124	97	140
2	Services component[a,d]	**4,203**		
2a	Fee and commission income	3,825	3,704	3,665
2b	Fee and commission expense	2,069	2,070	2,056
2c	Other operating income	16	21	296
2d	Other operating expense	496	420	498
3	Financial component[a,e]	**742**		
3a	Net P&L on the trading book	319	388	236
3b	Net P&L on the banking book	440	291	552
4	BI (1 + 2 + 3)[f]	**23,527**		
5	Business indicator component (BIC)[g]	**3,484**		
Disclosure on the BI:				
6a	BI gross of excluded divested activities	23,527		
6b	Reduction in BI due to excluded divested activities (6a - 4)	-		

a. Calculated as average of the three recent financial years available at the time of preparing the ARF 115 return.
b. Calculated as the lesser of the average net interest and lease income and 2.25% of interest earning assets, plus the average of dividend income.
c. Interest earning assets as at the end of each financial year.
d. Calculated as the higher of the average fee and commission income and expense, plus the higher of the average other operating income and expense.
e. Calculated as the sum of the average net profit or loss on the trading and banking book.
f. Business indicator is a sum of the interest, lease and dividend component, services component and financial component.
g. Calculated as the business indicator multiplied by 12%, plus 3% of the amount by which the business indicator exceeds $1.5 billion.

OR3: Minimum required operational risk capital

The following table presents the operational risk regulatory capital requirements as of 30 September 2026.

$m			30 September 2026	30 September 2025
1		Business indicator component (BIC)[a]	3,484	3,357
2		Internal loss multiplier (ILM)[b]	1	1
AU2a		Other regulatory capital charges	62	516
3		Minimum required operational risk capital	3,546	3,873
4		Operational risk RWA[c]	44,327	48,409

a. BIC is based on the annually submitted ARF 115 return submitted to APRA in February each year and thus not calculated based on the latest available financial year.
b. APS 115 does not prescribe an internal loss multiplier.
c. Operational risk RWA is operational risk capital multiplied by 12.5, as prescribed in APS 110 paragraph 4.

LEVERAGE RATIO

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

This table presents an overview of adjustments against Westpac's published total assets for leverage ratio calculation purposes.

$m		30 September 2026	31 March 2026
1	Total consolidated assets as per published financial statements	1,181,179	1,172,583
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(431)	(435)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	29,968	30,239
8	Adjustments for derivative financial instruments	16,258	9,679
9	Adjustment for securities financing transactions (ie repurchase agreements and similar secured lending)	2,526	1,252
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	115,546	116,244
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	(15,318)	(15,373)
13	**Leverage ratio exposure measure**	**1,329,728**	**1,314,189**

LR2: Leverage ratio common disclosure template

The table below provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the leverage ratio, minimum requirements and buffers.

$m		30 September 2026	30 June 2026	31 March 2026
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,154,384	1,161,312	1,149,802
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	6,759	5,062	4,618
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	(5,117)	(4,873)	(3,916)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(15,318)	(15,343)	(15,373)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,140,708**	**1,146,158**	**1,135,131**
Derivative exposures				
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	11,243	11,270	9,782
9	Add-on amounts for potential future exposure associated with *all* derivatives transactions	27,295	27,220	28,262
10	(Exempted central counterparty (CCP) leg of client-cleared trade exposures)	-	-	-
11	Adjusted effective notional amount of written credit derivatives	8,239	9,743	1,658
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(8,239)	(9,743)	(1,614)
13	**Total derivative exposures (sum of rows 8 to 12)**	**38,538**	**38,490**	**38,088**

LEVERAGE RATIO

LR2: Leverage ratio common disclosure template (Continued)

$m		30 September 2026	30 June 2026	31 March 2026
Securities financing transaction exposures				
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	35,235	29,546	24,845
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(3,454)	(3,103)	(2,857)
16	Counterparty credit risk exposure for SFT assets	3,155	3,122	2,738
17	Agent transaction exposures	-	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**34,936**	**29,565**	**24,726**
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount	230,509	231,919	232,480
20	(Adjustments for conversion to credit equivalent amounts)	(114,963)	(116,257)	(116,236)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	**115,546**	**115,662**	**116,244**
Capital and total exposures				
23	Tier 1 capital	66,066	64,535	65,458
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,329,728**	**1,329,875**	**1,314,189**
Leverage ratio				
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	4.97%	4.85%	4.98%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.97%	4.85%	4.98%
26	National minimum leverage ratio requirement	3.50%	3.50%	3.50%
27	Applicable leverage buffers	-	-	-
Disclosure of mean values				
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	31,781	26,443	21,988
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	32,410	33,474	23,474
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,329,728	1,329,875	1,314,189
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,329,728	1,329,875	1,314,189
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.97%	4.85%	4.98%
31a	Basel III leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.97%	4.85%	4.98%

Fourth Quarter 2026 - Third Quarter 2026 Leverage ratio movement

The leverage ratio increased by 12 basis points over the quarter mainly due to higher Tier 1 capital from net profit. The reduction in total exposures from the sale of the RAMS mortgage portfolio has been mostly offset by higher lending.

MACRO-PRUDENTIAL SUPERVISORY MEASURES

Disclosure of global systemically important bank (G-SIB) indicators

The identification of potential G-SIB is provided under Attachment A, paragraph 36 of APS 330 available at www.westpac.com.au/about-westpac/investor-centre/financial-information/regulatory-disclosures/.

CCYB1: Geographical distribution of credit exposures used in the calculation of the bank-specific countercyclical capital buffer requirement

This table sets out the ADI specific countercyclical capital buffer. The countercyclical capital buffer is an additional amount of capital that APRA can require banks to hold or release at certain points in the economic and financial cycle. As part of the capital framework, APRA has set a 1.0% default countercyclical capital buffer for Australian exposures. The following table provides a geographic breakdown of RWA associated with private sector credit exposures that are used to calculate the countercyclical capital buffer requirement.

Geographical breakdown	Countercyclical capital buffer rate	RWA used in the computation of the countercyclical capital buffer ($m)	Bank-specific countercyclical capital buffer rate	Countercyclical capital buffer amount ($m)
As at 30 September 2026				
Australia	1.00%	289,017	0.82%	
United Kingdom	2.00%	2,332	0.01%	
Netherlands	2.00%	491	0.00%	
France	1.00%	481	0.00%	
Ireland	1.50%	315	0.00%	
Luxembourg	0.50%	179	0.00%	
Germany	0.75%	164	0.00%	
South Korea	1.00%	150	0.00%	
Hong Kong SAR	0.50%	136	0.00%	
United Arab Emirates	0.50%	46	0.00%	
Belgium	1.25%	34	0.00%	
Denmark	2.50%	22	0.00%	
Sweden	2.00%	20	0.00%	
South Africa	1.00%	18	0.00%	
Spain	0.50%	10	0.00%	
Norway	2.50%	3	0.00%	
Portugal	0.75%	1	0.00%	
Other	n/a	58,075	0.00%	
Total, where countercyclical capital buffer rate applies		**293,419**	**0.84%**	
Total of geographical breakdowns		**351,494**	**0.84%**	**3,895**
As at 31 March 2026				
Australia	1.00%	290,080	0.83%	
United Kingdom	2.00%	1,941	0.01%	
France	1.00%	587	0.00%	
Netherlands	2.00%	358	0.00%	
Ireland	1.50%	303	0.00%	
Germany	0.75%	217	0.00%	
South Korea	1.00%	196	0.00%	
United Arab Emirates	0.50%	169	0.00%	
Hong Kong SAR	0.50%	141	0.00%	
Luxembourg	0.50%	85	0.00%	
Belgium	1.00%	67	0.00%	
Sweden	2.00%	44	0.00%	
Spain	0.50%	32	0.00%	
Denmark	2.50%	28	0.00%	
Norway	2.50%	13	0.00%	
Portugal	0.75%	3	0.00%	
Other	n/a	56,692	0.00%	
Total, where countercyclical capital buffer rate applies		**294,264**	**0.84%**	
Total of geographical breakdowns		**350,956**	**0.84%**	**3,873**

FUNDING AND LIQUIDITY RISK MANAGEMENT

LIQA: Liquidity risk management

Funding and liquidity risk is the risk that Westpac cannot meet its payment obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Approach

Funding and liquidity risk is measured and managed in accordance with the policies and processes defined in the Board-approved Liquidity Risk Management Framework which is part of the Westpac Board-approved Risk Management Strategy.

Responsibility for managing Westpac's liquidity and funding positions in accordance with the Liquidity Risk Management Framework is delegated to Treasury, under the oversight of the ALCO and Risk.

Liquidity Risk Management Framework

The Liquidity Risk Management Framework sets out Westpac's funding and liquidity risk appetite, roles and responsibilities of key people managing funding and liquidity risk within Westpac, risk reporting and control processes and limits and targets used to manage Westpac's balance sheet.

Key components of Westpac's approach to liquidity risk management are listed below.

Framework	Description
Sources of funding	Sources of funding include, but are not limited to, customer deposits, short-term and long-term wholesale funding, securitisation, and capital instruments. The Group monitors the composition and stability of its funding so that it remains within the Group's funding risk appetite including compliance with LCR and NSFR. Refer to Note 21.2.2 Funding and Liquidity Risk in Annual Report for further details.
Funding Strategy	Treasury undertakes an annual funding review that outlines Westpac's funding strategy over a five-year period which is approved by the BRiskC. This review encompasses trends in global markets, peer analysis, wholesale funding capacity, expected funding requirements and a funding risk analysis. This strategy is continuously reviewed to take account of changing market conditions, investor sentiment, estimations of asset and liability growth rates, capacity analysis and results from stress testing. Westpac monitors the composition and stability of its funding so that it remains within its funding risk appetite. This includes compliance with LCR and NSFR.
Monitoring and Reporting	Westpac has monitoring and reporting processes in place to support the management of liquidity, ensuring it remains within its Board risk appetite tolerance and in compliance with regulatory requirements. Westpac conducts liquidity modelling, which incorporates balance sheet forecasts and the maturity profile of its wholesale funding portfolio, to forecast the group's liquidity outcomes and metrics. In addition, Westpac conducts liquidity stress testing to assess its ability to meet cash flow obligations under a range of market conditions and scenarios. The Liquidity stress test is also used to inform the Group's liquidity risk tolerance, determine the appropriate level of Group's liquid asset buffer and evaluate the adequacy of contingent funding and recovery options to respond to stress.
Contingency Planning	Westpac's Liquidity Crisis Management Policy provides guidance on the courses of action to be taken in the event of an emerging liquidity crisis. A liquidity crisis may result from any event that may impact Westpac's ability to fund assets and meet refinancing obligations as they become due. Supporting action plans in the Liquidity Crisis Management Policy include the Treasury Contingent Funding Plan and the Retail Run Plan. Both plans are approved by the Board annually.
Liquidity transfer pricing	Westpac's Liquidity Transfer Pricing framework allocates the costs and benefits of liquidity to business segment in accordance with the underlying liquidity characteristics of its balance sheet assets and liabilities.

LIQ1: Liquidity Coverage Ratio

The Liquidity Coverage Ratio (LCR) measures a bank's ability to meet its liquidity needs under an acute liquidity stress scenario (prescribed by APRA), measured over a 30-day time frame. LCR is calculated as High-Quality Liquid Assets (HQLA) as a percentage of Net Cash Outflows (NCO).

Average LCR is calculated as a simple average of the daily observations over the quarter. The number of data points used is reported in the table.

Westpac's average LCR for the quarter was 137% (30 June 2026: 134%) and continues to be above the regulatory minimum of 100% in line with the Group's liquidity risk tolerance.

The increase in average LCR for the quarter ended 30 September 2026 reflects higher average liquid assets from a narrower average customer funding gap resulting from the sale of the RAMS mortgage portfolio and higher average deposit balances, partially offset by lower average short-term funding balances. Average NCOs were also higher during the quarter, mostly driven by an increase in customer deposits and higher wholesale funding maturities relative to the previous quarter.

HQLA averaged $187.4 billion (30 June 2026: $178.6 billion), an increase of $8.8 billion or 5% over the quarter, comprising cash and balances with central banks, Australian government and semi-government bonds. Westpac also holds other HQLA, mainly qualifying RBNZ securities.

Funding is sourced from retail, small business, corporate and institutional customer deposits and wholesale funding. Westpac seeks to minimise the outflows associated with this funding by targeting customer deposits with lower LCR outflow rates and actively manages the maturity profile of its wholesale funding portfolio.

		30 September 2026		30 June 2026	
$m		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
Liquid assets, of which:					
1	High-quality liquid assets (HQLA)		187,409		178,560
	Alternative Liquid Assets (ALA)		-		-
	Reserve Bank of New Zealand (RBNZ) securities		4,661		4,924
Cash outflows					
2	Retail deposits and deposits from small business customers, of which:	413,999	33,662	410,164	34,388
3	Stable deposits	225,333	11,267	214,310	10,716
4	Less stable deposits	188,666	22,395	195,854	23,672
5	Unsecured wholesale funding, of which:	185,062	77,744	176,741	76,023
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	85,821	21,372	78,584	19,563
7	Non-operational deposits (all counterparties)	88,194	45,325	87,897	46,200
8	Unsecured debt	11,047	11,047	10,260	10,260
9	Secured wholesale funding		2,541		1,326
10	Additional requirements, of which:	204,408	33,874	203,412	33,053
11	Outflows related to derivative exposures and other collateral requirements	14,709	13,885	14,961	14,125
12	Outflows related to loss of funding on debt products	1,210	1,210	229	229
13	Credit and liquidity facilities	188,489	18,779	188,222	18,699
14	Other contractual funding obligations	9,303	6,785	11,185	7,808
15	Other contingent funding obligations	72,949	5,750	75,536	6,016
16	**Total Cash Outflows**		**160,356**		**158,614**
Cash inflows					
17	Secured lending (e.g. reverse repos)	23,173	565	20,976	83
18	Inflows from fully performing exposures	11,206	6,045	11,255	6,013
19	Other cash inflows	13,357	13,357	15,117	15,117
20	**Total Cash Inflows**	**47,736**	**19,967**	**47,348**	**21,213**
			Total adjusted value		Total adjusted value
21	**Total HQLA**		**192,070**		**183,484**
22	**Total net cash outflows**		**140,389**		**137,401**
23	**Liquidity Coverage Ratio (%)**		**137%**		**134%**
	Number of data points used		**65**		**62**

FUNDING AND LIQUIDITY RISK MANAGEMENT

LIQ2: Net Stable Funding Ratio

The NSFR measures the extent to which assets are funded with sufficiently stable sources of funding to mitigate the risk of future funding stress, measured over a one-year time horizon.

Westpac's NSFR as at 30 September 2026 was 113% (30 June 2026: 111%) and continues to be above the regulatory minimum of 100%. The increase in NSFR for the quarter reflects a decrease in RSF of $11.3 billion mainly from the sale of the RAMS mortgage portfolio and an increase in ASF of $3.5 billion driven by growth in customer deposits and regulatory capital offset by lower wholesale funding.

		Unweighted value by residual maturity				
$m		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
As at 30 September 2026						
Available stable funding (ASF) item						
1	**Capital:**	**72,938**	**-**	**-**	**39,294**	**112,232**
2	Regulatory capital	72,938	-	-	38,806	111,744
3	Other capital instruments	-	-	-	488	488
4	**Retail deposits and deposits from small business customers:**	**402,350**	**100,061**	**801**	**389**	**466,180**
5	Stable deposits	223,333	41,913	172	86	252,234
6	Less stable deposits	179,017	58,148	629	303	213,946
7	**Wholesale funding:**	**146,490**	**212,775**	**49,671**	**113,613**	**245,230**
8	Operational deposits	83,469	-	-	-	41,735
9	Other wholesale funding	63,021	212,775	49,671	113,613	203,495
10	**Liabilities with matching interdependent assets**	**-**	**-**	**-**	**-**	**-**
11	**Other liabilities:**	**-**	**19,910**	**-**	**304**	**303**
12	NSFR derivative liabilities		7,505	-	-	
13	All other liabilities and equity not included in the above categories	-	12,405	-	304	303
14	**Total ASF**					**823,945**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**6,057**
15b	**Alternative Liquid Assets (ALA)**					**23**
15c	**Reserve Bank of New Zealand (RBNZ) securities**					**443**
16	**Deposits held at other financial institutions for operational purposes**	**-**	**-**	**-**	**-**	**-**
17	**Performing loans and securities:**	**49**	**78,716**	**60,398**	**802,720**	**670,016**
18	Performing loans to financial institutions secured by Level 1 HQLA	-	25,414	933	-	3,812
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	49	6,435	9,241	35,093	41,033
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sectors entities (PSEs)	-	35,555	39,837	197,829	204,825
21	of which: with a risk weight of less than or equal to 35% under APS 112	-	1,173	1,454	4,661	4,344
22	Performing residential mortgages	-	7,854	7,034	553,030	402,688
23	of which: are standard loans to individuals with a LVR of 80% or below	-	-	-	393,260	255,619
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	3,458	3,353	16,768	17,658
25	**Assets with matching interdependent liabilities**	**-**	**-**	**-**	**-**	**-**
26	**Other assets:**	**8,444**	**5,906**	**238**	**49,136**	**39,514**
27	Physical traded commodities, including gold	422				414
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		-	-	3,254	2,766
29	NSFR derivative assets		-	-	7,551	46
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	13,354	2,671
31	All other assets not included in the above categories	8,022	5,906	238	24,977	33,617
32	**Off-balance sheet items**		**212,422**	**-**	**-**	**10,674**
33	**Total RSF**					**726,727**
34	**Net Stable Funding Ratio (%)**					**113%**

LIQ2: Net Stable Funding Ratio (Continued)

$m		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
As at 30 June 2026						
Available stable funding (ASF) item						
1	**Capital:**	**71,403**	**-**	**-**	**38,951**	**110,354**
2	Regulatory capital	71,403	-	-	37,964	109,367
3	Other capital instruments	-	-	-	987	987
4	**Retail deposits and deposits from small business customers:**	**396,132**	**96,096**	**625**	**350**	**456,036**
5	Stable deposits	208,402	38,049	123	75	234,320
6	Less stable deposits	187,730	58,047	502	275	221,716
7	**Wholesale funding:**	**150,525**	**219,837**	**50,953**	**120,094**	**253,789**
8	Operational deposits	86,068	-	-	-	43,034
9	Other wholesale funding	64,457	219,837	50,953	120,094	210,755
10	**Liabilities with matching interdependent assets**	**-**	**-**	**-**	**-**	**-**
11	**Other liabilities:**	**-**	**25,217**	**-**	**308**	**308**
12	NSFR derivative liabilities		6,084	-	-	
13	All other liabilities and equity not included in the above categories	**-**	19,133	-	308	308
14	**Total ASF**					**820,487**
Required stable funding (RSF) item						
15	**Total NSFR high-quality liquid assets (HQLA)**					**5,643**
15b	**Alternative Liquid Assets (ALA)**					**-**
15c	**Reserve Bank of New Zealand (RBNZ) securities**					**516**
16	**Deposits held at other financial institutions for operational purposes**	**-**	**-**	**-**	**-**	**-**
17	**Performing loans and securities:**	**3,124**	**79,184**	**50,519**	**813,405**	**677,340**
18	Performing loans to financial institutions secured by Level 1 HQLA	3,080	26,661	823	-	6,321
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	44	4,822	6,491	37,000	41,124
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sectors entities (PSEs)	-	37,542	31,821	201,074	204,579
21	of which: with a risk weight of less than or equal to 35% under APS 112	-	1,099	1,117	4,282	3,892
22	Performing residential mortgages	-	7,397	7,139	561,266	409,857
23	of which: are standard loans to individuals with a LVR of 80% or below	-	-	-	390,425	253,776
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	2,762	4,245	14,065	15,459
25	**Assets with matching interdependent liabilities**	**-**	**-**	**-**	**-**	**-**
26	**Other assets:**	**8,573**	**5,282**	**247**	**50,724**	**43,823**
27	Physical traded commodities, including gold	553				547
28	Assets posted as initial margin for derivative contracts and contributions to default funds of central counterparties		-	-	2,896	2,462
29	NSFR derivative assets		-	-	8,829	2,745
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	12,043	2,409
31	All other assets not included in the above categories	8,020	5,282	247	26,956	35,660
32	**Off-balance sheet items**		**214,108**	**-**	**-**	**10,713**
33	**Total RSF**					**738,035**
34	**Net Stable Funding Ratio (%)**					**111%**

OTHER INFORMATION

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Appendix III – Regulatory expected loss

GLOSSARY

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

PRUDENTIAL DISCLOSURE POLICY

This report has been prepared in accordance with Westpac's Prudential Disclosure Policy. This policy defines the framework for the preparation of Pillar 3 disclosures in compliance with APRA's APS 330 requirements. The policy sets out the processes that ensure the appropriateness, accuracy, completeness, consistency and comparability of Westpac's disclosures. It is supported by the Group's broader risk frameworks, policies, and procedures and has been approved by Westpac's Board.

Key features of the policy include frameworks over:

- Accountability and process controls;
- The appropriateness of the content contained in the disclosure;
- The accuracy and comparability of the disclosure; and
- The completeness of the disclosure.

Accountability and process controls

A standard owner is appointed for each Prudential Standard, and attestation of compliance against their respective standards are provided annually as part of the CPS 220 Risk Management due diligence process.

The APS 330 standard owner is responsible for ensuring compliance with APS 330. Standard owners that contribute qualitative and quantitative information required for the Pillar 3 disclosures provide attestations over the accuracy and completeness of the information provided, and the effectiveness of the controls related to their information.

The Chief Financial Officer (CFO) is the accountable officer of the Pillar 3 report and authorises its release, under delegation from the Board. The CFO authorisation is based on the processes that underpin the production of the disclosures. In addition to analytical reviews performed by the APS 330 standard owner, each contributing standard owner reviews their respective contribution. Reviews are also performed by senior management, including the CFO, the Chief Risk Officer (CRO), and the Chief Executive Officer (CEO).

Prior to any release, the APS 330 standard owner reviews the verification report for completeness, and confirms to the Market Disclosure Officer that the disclosure is suitable for release.

External assurance

Although Pillar 3 report is not required to be audited, Westpac engages the external auditor to perform limited assurance over the Pillar 3 report in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Australian Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* issued by the Auditing and Assurance Standards Board.

Appropriateness of the content

The content of the disclosure is subject to review at each reporting period by Senior Management to determine relevance and alignment with the material risks applicable to the business. For risks that are considered material, management ensures that there are clear and comprehensive disclosures on Westpac's risk management appetite, strategy, processes and measurement, which are reported in the annual Pillar 3 report.

Accuracy and comparability of disclosure

Prior to the submission of information to APRA, the team generating the information conducts a meeting with the respective standard owners and the business to assess accuracy and alignment with their understanding of drivers.

In addition to controls over verifications, the APS 330 standard owner (or their delegate) overviews and assesses:

- Comparability across other disclosures such as those contain in Westpac's Financial Reports and submissions to APRA; and
- The materiality of any matters impacting disclosure brought to their attention and whether adjustments are required.

Completeness of disclosure

Prior to each reporting period, Westpac completes an assessment of the reporting requirements and updates the report as required, which is approved by the APS 330 standard owner.

MANAGEMENT'S DECLARATION

I hereby certify that the information set out in the September 2026 Pillar 3 report has been prepared in accordance with Westpac's disclosure policy and complying with the requirements of the Australian Prudential Standards, *APS 330 Public Disclosure*.



Nathan Goonan
Chief Financial Officer

Sydney
1 November 2026

APPENDICES

Appendix I – Regulatory capital reconciliation

Below are details of the Reconciliation of regulatory capital to balance sheet (CC2) and the Composition of regulatory capital (CC1).

$m	30 September 2026	Capital disclosure template reference (CC1)
Table a		
Deferred Tax Assets		
Total Tax Assets per Level 2 Regulatory Balance Sheet	3,176	
Less: Current tax assets	(24)	
Total Deferred Tax Assets per Level 2 Regulatory Balance Sheet	3,152	
Less: Adjustments required in accordance with APRA prudential standards[a]	(190)	
Total Deferred Tax Assets after regulatory adjustments	2,962	Row 26e
Less: Amounts below prescribed threshold - risk weighted	(2,962)	Row 75
Total per Capital Disclosure Template - Deferred Tax Asset	**-**	**Row 21 / 25**
Table b		
Goodwill and other intangible assets		
Total Goodwill and Intangibles Assets per Level 2 Regulatory Balance Sheet	10,144	
Less: Deferred Tax Liability associated with goodwill and other intangible assets[b]	(267)	
Less: Capitalised Software Disclosed Under Intangibles	(2,054)	Row 9
Total per Capital Disclosure Template - Goodwill	**7,823**	**Row 8**
Table c		
Equity Investments		
Equity Investments in non-consolidated subsidiaries	70	
Total Significant Investment in financial entities	70	Row 73
Non-significant Investment in financial entities	138	Row 72
Total Investments in financial institutions	208	Row 26d
Investment in commercial entities	81	Row 26g
Total Equity Investments before applying prescribed threshold	289	
Less: Amounts below prescribed threshold	(289)	
Total per Capital Disclosure Template - Equity Investments	**-**	**Row 18 / 19 / 23**
Table d		
Additional Tier 1 Capital		
Total Loan Capital per Level 2 Regulatory Balance Sheet	39,278	
Less: Tier 2 Capital Instruments Reported Below	(30,824)	
Add: Capitalised Issue Costs for Additional Tier 1 Capital Instruments[c]	28	
Add: Fair Value Adjustment[d]	45	
Total per Capital Disclosure Template - Additional Tier 1 Capital	**8,527**	**Row 36**
Additional Tier 1 Capital included in Regulatory Capital		
USD AT1 securities	1,795	
Westpac Capital Notes 7	1,723	
Westpac Capital Notes 8	1,750	
Westpac Capital Notes 9	1,509	
Westpac Capital Notes 10	1,750	
Total per Capital Disclosure Template - Additional Tier 1 Capital Instruments	**8,527**	**Row 30**

a. Represents deferred tax balances associated with reserves ineligible for inclusion in regulatory capital, goodwill and intangibles.
b. For the purposes of CC1, Goodwill and other intangibles are presented net of tax.
c. Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown gross of unamortised issue costs. The unamortised issue costs are deducted from CET1 as part of capitalised expenses in Row 26f in CC1.
d. For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.

APPENDICES

Appendix I – Regulatory capital reconciliation (Continued)

$m	30 September 2026	Capital disclosure template reference (CC1)
Table e		
Tier 2 Capital		
Total Tier 2 Capital per Level 2 Regulatory Balance Sheet	30,824	
Add: Capitalised Issue Costs for Tier 2 Capital Instruments[a]	45	
Add: Fair Value Adjustment[b]	2,667	
Less: Loan capital not recognised for APRA purposes	(911)	
Provisions	1,039	Row 50 / 76 & 78
Total per Capital Disclosure Template - Tier 2 Capital	**33,664**	**Row 51**
Tier 2 Capital included in Regulatory Capital		
USD 100 million Westpac Subordinated Notes	143	
USD 1,500 million Westpac Subordinated Notes	2,150	
AUD 185 million Westpac Subordinated Notes	185	
AUD 130 million Westpac Subordinated Notes	130	
USD 1,000 million Westpac Subordinated Notes	1,434	
USD 1,250 million Westpac Subordinated Notes	1,792	
USD 1,000 million Westpac Subordinated Notes	1,434	
USD 1,500 million Westpac Subordinated Notes	2,150	
USD 1,000 million Westpac Subordinated Notes	1,434	
USD 1,250 million Westpac Subordinated Notes	1,792	
JPY 26,000 million Westpac Subordinated Notes	237	
USD 1,000 million Westpac Subordinated Notes	1,434	
SGD 450 million Westpac Subordinated Notes	505	
AUD 1,500 million Westpac Subordinated Notes	1,500	
AUD 300 million Westpac Subordinated Notes	300	
AUD 1,100 million Westpac Subordinated Notes	1,100	
AUD 1,500 million Westpac Subordinated Notes	1,500	
USD 750 million Westpac Subordinated Notes	1,075	
AUD 650 million Westpac Subordinated Notes	650	
AUD 600 million Westpac Subordinated Notes	600	
AUD 500 million Westpac Subordinated Notes	500	
AUD 1,000 million Westpac Subordinated Notes	1,000	
USD 1,500 million Westpac Subordinated Notes	2,150	
AUD 850 million Westpac Subordinated Notes	850	
AUD 400 million Westpac Subordinated Notes	400	
AUD 1,500 million Westpac Subordinated Notes	1,500	
AUD 1,000 million Westpac Subordinated Notes	1,000	
AUD 1,500 million Westpac Subordinated Notes	1,500	
SGD 500 million Westpac Subordinated Notes	561	
JPY 13,000 million Westpac Subordinated Notes	119	
AUD 250 million Westpac Subordinated Notes	250	
AUD 1,250 million Westpac Subordinated Notes	1,250	
Total Tier 2 Capital Instruments	**32,625**	**Row 46**
Provisions	**1,039**	**Row 50 / 76 & 78**
Total per Capital Disclosure Template - Tier 2 Capital	**33,664**	**Row 51**
Table f		
Accumulated Other Comprehensive Income (and other reserves)		
Total reserves per Level 2 Regulatory Balance Sheet	(1,631)	
Less: Share Based Payment Reserve not included within capital	(49)	
Total per Capital Disclosure Template - Accumulated Other Comprehensive Income (and other reserves)	**(1,680)**	**Row 3**
Table g		
Non-controlling interests		
Non-controlling interests per Level 2 Regulatory Balance Sheet	301	
Less: Ineligible Non-controlling interests	(299)	
Total per Capital Disclosure Template - Ordinary share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	**2**	**Row 5**

a. Unamortised issue costs relating to capital instruments are netted off against each instrument in the Balance Sheet. For regulatory capital purposes, these capital instruments are shown gross of unamortised issue costs. The unamortised issue costs are deducted from CET1 as part of capitalised expenses in Row 26f in CC1.

b. For regulatory capital purposes, APRA requires these instruments to be included as if they were unhedged.

Appendix II – Level 3 entities' assets and equity

The following legal entities are excluded from the regulatory scope of consolidation.

The total assets and equities should not be aggregated, as they are inclusive of inter-company balances between some of the entities in the table shown below.

30 September 2026	Principal activity	Total assets ($m)	Total equity ($m)
Asgard Capital Management Limited	Funds administrator	41	39
BT Funds Management (NZ) Limited	Funds management	57	43
BT Funds Management Limited	Registrable Superannuation Entity Licensee and Trustee	174	23
BT Funds Management No. 2 Limited	Responsible Entity	11	10
BT Portfolio Services Ltd	Funds administrator	145	92
GIS Private Nominees Pty Limited	Investment services	22	16
Healthpoint Claims Pty. Limited	Electronic health claims processing	37	36
Hyde Potts Insurance Services Pte. Limited	Insurance	102	87
Pendal Short Term Income Fund	Trust	149	-
PIMCO Wholesale Plus Short Term Active Yield Fund	Trust	1	-
Red Bird Ventures Limited	Venture capital investments	10	10
Reinventure Fund, I.L.P.	Venture capital investments	112	94
Reinventure Fund II I.L.P.	Venture capital investments	102	101
Reinventure Fund III I.L.P	Venture capital investments	41	40
Reinventure Special Purpose Investment Unit Trust	Venture capital investments	43	43
Securitor Financial Group Pty Limited	Dormant	4	4
Vinva Wholesale Plus Global Alpha Extension Fund	Trust	1	-
Westpac Financial Services Limited	Responsible Entity	21	13
Westpac New Zealand Staff Superannuation Scheme Trustee Limited	Trustee	-	-
Westpac Securities Administration Pty Limited	Dormant	-	-

APPENDICES

Appendix III – Regulatory expected loss

Capital deduction for regulatory expected loss

For capital adequacy purposes, APRA requires the amount of regulatory expected losses in excess of eligible provisions to be deducted from capital. The following table shows how that deduction is calculated.

$m	30 September 2026	31 March 2026	30 September 2025
Provisions associated with eligible portfolios			
Total provisions for ECL	5,198	5,199	4,987
plus partial write-offs	265	328	306
less ineligible provisions[a]	(153)	(158)	(158)
Total eligible provisions	**5,310**	**5,369**	**5,135**
Regulatory expected loss	**4,315**	**4,332**	**4,350**
Excess/(shortfall) in eligible provisions compared to regulatory expected loss	**995**	**1,037**	**785**
Common equity Tier 1 capital deduction for regulatory expected loss in excess of eligible provisions[b]	**-**	**-**	**-**

a. Credit exposures under the standardised approach and securitisation approach are not subject to regulatory expected loss requirements and accordingly, the associated provisions for ECL are not included in eligible provisions for this comparison.

b. Regulatory expected loss is calculated for portfolios subject to the IRB approach to credit risk. The comparison between regulatory expected loss and eligible provisions is performed separately for defaulted and non-defaulted exposures.

GLOSSARY

Capital Adequacy	Description
Capital Floor	A regulatory constraint that limits the benefit derived from internal models by requiring an Internal Ratings Based (IRB) bank's total risk-weighted assets to be at least 72.5% of the risk-weighted assets that would be calculated under the Standardised Approach.
Common Equity Tier 1 (CET1) Capital	Comprises the highest quality components of capital that consists of paid-up share capital, retained profits and certain reserves, less certain intangible assets, capitalised expenses and software, and investments and retained profits in insurance and funds management subsidiaries that are not consolidated for capital adequacy purposes.
Common Equity Tier 1 (CET1) capital ratio	Common equity tier 1 (CET1) capital divided by risk weighted assets, as defined by APRA.
Leverage ratio	The leverage ratio is defined by APRA as Tier 1 capital divided by the "Exposure measure" and is expressed as a percentage. "Exposure measure" includes on-balance sheet exposures, derivatives exposures, securities financing transaction (SFT) exposures, and other off-balance sheet exposures.
Risk weighted assets (RWA)	Assets (both on and off-balance sheet) are risk weighted according to each asset's inherent potential for default and what the likely losses would be in case of default. In the case of non-asset backed risks (i.e. market, IRRBB and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5.
Securities financing transactions (SFT)	APRA defines SFTs as "transactions such as repurchase agreements, reverse repurchase agreements, and security lending and borrowing, and margin lending transactions, where the value of the transactions depends on the market valuation of securities and the transactions are typically subject to margin agreements."
Tier 1 Capital	The sum of CET1 and Additional Tier 1 (AT1) Capital. AT1 Capital comprises high quality components of capital that consists of certain securities not included in CET1, but which include loss absorbing characteristics. AT1 instruments convert into equity and absorb losses when certain triggers are met.
Tier 1 capital ratio	Total Tier 1 capital divided by risk weighted assets, as defined by APRA
Total Capital	The sum of Tier 1 Capital and Tier 2 Capital. Tier 2 Capital includes subordinated instruments and other components of capital that, to varying degrees, do not meet the criteria for Tier 1 Capital, but nonetheless contribute to the overall strength of an ADI and its capacity to absorb losses when certain triggers are met.
Total capital ratio	Total capital divided by risk weighted assets, as defined by APRA.

Funding and liquidity	Description
Alternative Liquid Assets (ALA)	Assets that qualify for inclusion in the numerator of the LCR in jurisdictions where there is insufficient supply of HQLA.
High-quality liquid assets (HQLA)	Assets which meet APRA's criteria for inclusion as HQLA in the numerator of the LCR.
Liquidity coverage ratio (LCR)	An APRA requirement to maintain an adequate level of unencumbered high-quality liquid assets, to meet liquidity needs for a 30 calendar day period under an APRA-defined severe stress scenario. Absent a situation of financial stress, the value of the LCR must not be less than 100%. LCR is calculated as the percentage ratio of stock of HQLA, and qualifying RBNZ securities over the total net cash out-flows in a modelled 30 day defined stressed scenario.
Maturity	The maturity date used is drawn from the contractual maturity date of the customer loans.
Net cash outflows (NCO)	Total expected cash outflows minus total expected cash inflows in the specified LCR stress scenario calculated in accordance with APRA's liquidity standard.
Net Stable Funding Ratio (NSFR)	The NSFR is defined as the ratio of the amount of available stable funding (ASF) to the amount of required stable funding (RSF) defined by APRA. The amount of ASF is the portion of an ADI's capital and liabilities expected to be a reliable source of funds over a one year time horizon. The amount of RSF is a function of the liquidity characteristics and residual maturities of an ADI's assets and off-balance sheet activities. ADI's must maintain an NSFR of at least 100%.

Credit Risk	Description
Credit conversion factor (CCF)	Represents the proportion of undrawn limit expected to be drawn down when a facility enters default.
Credit risk weighted assets (Credit RWA)	Credit risk weighted assets represent risk weighted assets (on-balance sheet and off-balance sheet) that relate to credit exposures and therefore exclude market risk, operational risk and IRRBB.
Corporate	Corporate asset class includes all credit exposures to corporate counterparties and public sector entities, including Income Producing Real Estate (IPRE) with total consolidated annual revenue less than $750 million.
Financial Institutions	Financial Institutions asset class covers exposures to financial institution counterparties. Financial institutions include, but are not limited to, banks, securities firms, insurance companies and leveraged funds. Credit RWA is measured under FIRB.
Large Corporate	Large Corporate asset class covers exposures to corporate counterparties with consolidated annual revenue greater than $750 million. Credit RWA is measured under FIRB.
Other Retail	Other Retail asset class covers retail exposures which do not meet the criteria of any other retail asset class.
Qualifying Revolving Retail	Australian Credit Cards, otherwise known as Qualifying Revolving Retail, covers exposure to individuals and not for business purposes which are revolving, unsecured and unconditionally cancellable.
RBNZ Regulated Entities	RBNZ regulated exposures are calculated using RBNZ rules and disclosed separately under a New Zealand class.
Residential Mortgages	Residential Mortgages asset class covers exposures, to individuals and not for business purposes, fully or partially secured by residential property. Non-standard mortgages receive 100% standardised risk weight (rather than the internally-modelled Retail IRB approach).
Securitisation	Exposures relating to Westpac's involvement in securitisation activities range from a seller of its own assets to an investor in third party transactions and include the provision of securitisation services for its clients.
SME Retail	SME Retail asset class covers exposures where the total exposures are <$1.5m, the customer does not hold a complex product and consolidated annual revenues are <$75m. Exposures are managed as part of a portfolio.

GLOSSARY

Credit Risk	Description
Sovereign	Sovereign asset class covers exposures to central and sub-national governments, central banks, and development banks or institutions eligible for zero risk weights. Credit RWA is measured under FIRB.
Specialised Lending	Specialised Lending asset class covers exposures subject to the supervisory slotting approach and includes Project, Object and Commodities Finance. Project Finance is defined as exposures where revenues generated by a single project, are both the primary source of repayment and security for the loan. Object Finance is defined as lending for the acquisition of equipment where the repayment of the loan is dependent on the cash flows generated by the specific assets that have been financed and pledged or assigned to the lender.
Credit valuation adjustment (CVA) risk	The risk of mark-to-market losses related to deterioration in the credit quality of a derivative counterparty also referred to as credit valuation adjustment (CVA) risk.
Default	Refer to non-performing exposures definition.
Expected credit losses (ECL)	Expected credit losses are a probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time frame. They are determined by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.
Exposure at default (EAD)	EAD is calculated at facility level and includes outstandings as well as the proportion of committed undrawn that is expected to be drawn in the event of a future default.
Industry	Credit exposures in non-retail asset subclasses are assigned an ANZSIC code based on their primary industry. ANZSIC codes are then allocated to disclosed industry groups. Credit exposures in retail asset subclasses are classified as “retail lending”.
Internal Ratings-Based approach (IRB & A-IRB)	These approaches allow banks to use internal estimates of the risks of their loans as inputs into the determination of the amount of credit risk capital needed to support the organisation. In the Advanced IRB (A-IRB) approach, banks must supply their own estimates for all three credit parameters – probability of default, loss given default and exposure at default.
Non-performing exposures	Non-performing exposures, are those captured by the regulatory definition of default, contained in *APS 220 Credit Risk Management* and the RBNZ's Banking Prudential Requirements for New Zealand regulated exposures. Default occurs when either one, or both, of the following has happened: • Westpac considers that the borrower is unlikely to pay its credit obligations to Westpac in full, without recourse to actions such as realising available security; • The borrower is 90 days or more past-due on a credit obligation to Westpac.
Off-balance sheet exposure	Credit exposures arising from facilities that are not recorded on Westpac's balance sheet (under accounting methodology). Undrawn commitments and the expected future exposure calculated for Westpac's derivative products are included in off-balance sheet exposure.
On-balance sheet exposure	Credit exposures arising from facilities that are recorded on Westpac's balance sheet (under accounting methodology).
Probability of default (PD)	Probability of default is a through-the-cycle assessment of the likelihood of a customer defaulting on its financial obligations within one year.
Regulatory expected loss (EL)	The expected credit loss for portfolios subject to the IRB approach, calculated using relevant methodologies and regulatory risk parameters prescribed under the IRB prudential capital framework.
Standardised Approach to credit risk	APRA's prescribed approach for determining credit risk RWA, under which exposures are mapped to regulatory risk weights and credit conversion factors as per predefined rules in APS 112.

Securitisation	Description
Banking book	The banking book includes all securities that are not actively traded by Westpac.
Sponsor	An ADI would generally be considered a sponsor if it, in fact or substance, manages or advises the securitisation program, places securities into the market, or provides liquidity and/or credit enhancements.
Synthetic securitisation	A securitisation whereby the credit risk, or part of the credit risk, of a pool is transferred to a third party which need not be an SPV. The transfer of credit risk can be undertaken through the use of funded (e.g. credit linked notes) or unfunded (e.g. credit default swaps) credit derivatives or guarantees.
Trading book	Trading book activity represents positions in financial instruments, including derivative products and other off-balance sheet instruments, that are held either with trading intent or to hedge other elements of the trading book.

Market Risk	Description
Risks-not-in-VaR (RNIV)	The RNIV framework is a component of APRA’s *APS 116 internal model approach for market risk regulatory capital.*
Value at risk (VaR)	VaR is a measure of the potential loss in economic value arising from adverse market movements and is calculated over a defined time horizon (typically 1-day or 1-year) at a 99% confidence interval using a minimum of one year of historical data. VaR takes account of all material market variables that may cause a change in the value of the trading portfolio or the banking book including interest rates, foreign exchange rates, price changes, volatility, and the correlation among these variables.

Interest rate risk in the banking book	Description
Interest rate risk in the banking book (IRRBB)	The risk of loss in earnings or economic value in the banking book as a consequence of movements in interest rates.

Other	Description
AASB	Australian Accounting Standards Board
ADI	Authorised deposit-taking institutions are corporations that are authorised under the Banking Act 1959 to carry on banking business in Australia.
A-IRB	Advanced Internal Ratings-Based Approach
ALCO	Westpac Group Asset and Liability Committee
APRA	Australian Prudential Regulation Authority
APS	Australian Prudential Standard
ASF	Available Stable Funding
AT1	Additional Tier 1 capital
BCBS	Basel Committee on Banking Supervision
BI	Business indicator
BIC	Business indicator component
bps	Basis points
BRiskC	Board Risk Committee
CCR	Counterparty Credit Risk
CREDCO	Westpac Credit Risk Committee
CRG	Customer risk grade
CRM	Credit Risk Mitigation
DRE	Derivative Risk Equivalent methodology
D-SIB	Domestic Systemically Important Bank
DTA	Deferred tax assets
EL	Expected losses
ELE	An extended licensed entity (ELE) comprises an ADI and any subsidiaries of the ADI that have been approved by APRA as being part of a single 'stand-alone' entity.
EPE	Expected Positive Exposure
ERBA	External Rating Based Approach
EV	Economic value
F-IRB	Foundation Internal Ratings-Based Approach
G-SIB	Global Systemically Important Bank
ICAAP	Internal Capital Adequacy Assessment Process
ILM	Internal loss multiplier
IPRE	Income Producing Real Estate
LGD	Loss given default
LVR	Loan-to-valuation ratio
MARCO	Westpac Group Market Risk Committee
MSR	Mortgage servicing rights
OF	Object finance
OTC	Over-the-counter
PF	Project finance
QCCPs	Qualifying central counterparties
RBA	Reserve Bank of Australia
RBNZ	Reserve Bank of New Zealand
RISKCO	Westpac Group Executive Risk Committee
RSF	Required Stable Funding
SA	Standardised Approach
SA-CCR	Standardised Approach for counterparty credit risk
SEC-ERBA	Securitisation External Ratings-based Approach
SEC-SA	Securitisation Standardised Approach
SMA	Standardised Measurement Approach
SME	Small and medium sized enterprise
SVaR	Stressed Value at Risk
TLAC	Total loss-absorbing capacity
WNZL	Westpac New Zealand Limited

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The information contained in this report contains statements that constitute “forward-looking statements”.

Forward-looking statements are statements that are not historical facts. Forward-looking statements appear in a number of places in this report and include statements regarding Westpac’s current intent, belief or expectations with respect to its business and operations, macro and micro economic and market conditions, results of operations and financial condition and performance, capital adequacy and liquidity and risk management, including without limitation, future loan loss provisions and financial support to certain borrowers, forecasted economic indicators and performance metric outcomes, indicative drivers, climate- and other sustainability-related statements, commitments, targets, projections and metrics, and other estimated and proxy data.

Words such as ‘will’, ‘may’, ‘expect’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘estimate’, ‘anticipate’, ‘believe’, ‘probability’, ‘indicative’, ‘risk’, ‘aim’, ‘outlook’, ‘forecast’, ‘f’cast’, ‘f’, ‘assumption’, ‘projection’, ‘target,’ goal’, ‘guidance’, 'objective', ‘ambition’, 'pursue', or other similar words, are used to identify forward-looking statements. These statements reflect Westpac’s current views on future events and are subject to change, certain known and unknown risks, uncertainties and assumptions and other factors which are, in many instances, beyond Westpac’s control (and the control of Westpac’s officers, employees, agents, and advisors), and have been made based on management’s and/or the Board's current expectations or beliefs concerning future developments and their potential effect upon Westpac.

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