

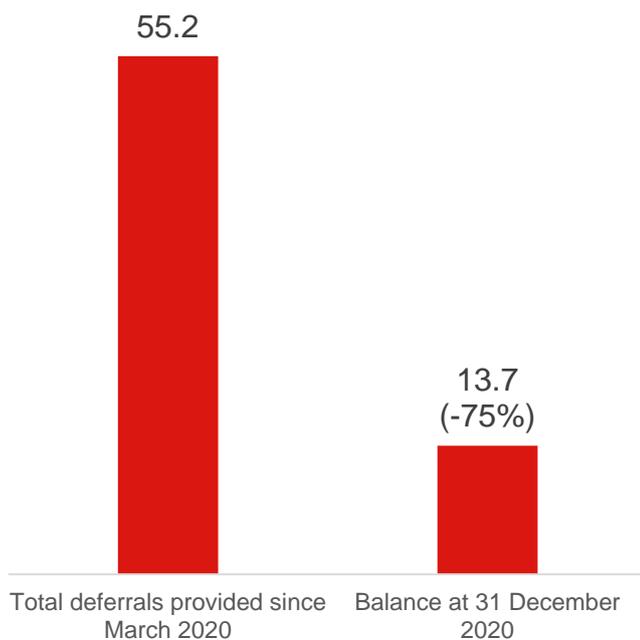
Westpac COVID-19 response

December 2020

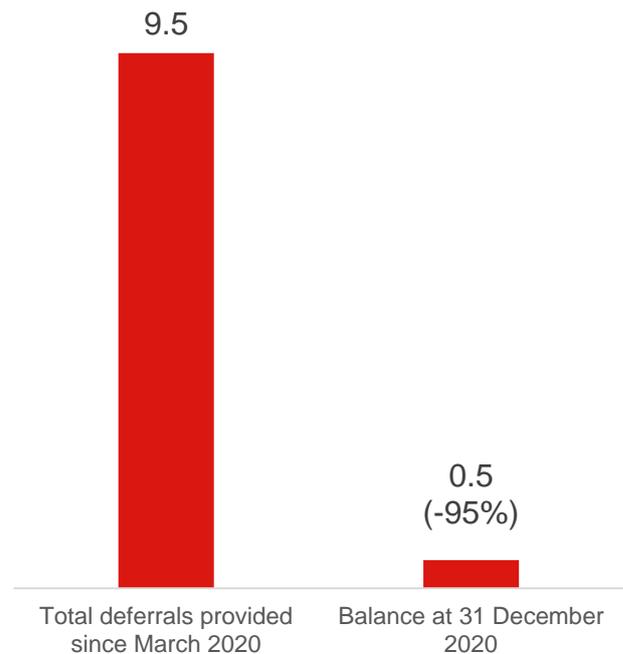


Support for our customers affected by COVID-19

Mortgage deferral packages (\$bn)



Business deferral packages (\$bn)



Support for mortgage customers

In total, Westpac has provided home loan repayment deferrals for 149,000 customers since March 2020, representing \$55 billion in mortgage balances. As at 31 December 2020, around 33,000 remained on their deferral arrangements (including approved 4-month extensions).

While we are no longer taking new specific COVID-19 package applications, our customers can request financial assistance at any time through our normal hardship processes. Additionally, we are in the final stages of assisting customers to transition back to repayments as their packages expire. Where customers require ongoing financial support, we are working directly with them to provide tailored solutions to give them the support they need dependent on their specific circumstances.

Westpac offers a range of ongoing support options to provide the best possible financial outcome depending on the customer's circumstance, including ongoing repayment deferrals, interest rate switches, loan term extensions and changes to interest only payments. These solutions will be developed and tailored through conversations with customers to understand their financial position and ability to service repayments.

Support for small business customers

In total, Westpac has provided COVID-19 relief packages for over 32,900 business customers representing relief on \$9.5 billion of lending balances across 79,000 accounts. As at 31 December 2020, around 3,500 remained on their deferral arrangements (including approved 4-month extensions).

Similar to our mortgage COVID-19 packages, we are in the final stages of assisting customers to transition back to repayments as their packages expire. Where customers require ongoing financial support, we are working directly with them to provide tailored solutions to give them the support they need dependent on their specific circumstances.

Westpac has approved \$298 million in lending through over 2,500 business loans backed by the National SME Guarantee Scheme.

In December 2020, Westpac became a participating lender to provide loans under the Federal Government's ShowStarter program to support arts and entertainment businesses.

We have also refunded \$16 million in facility fees on over 100,000 merchant IDs.

Early release of superannuation

Since the inception of the scheme Westpac has made over 231,000 payments to superannuation fund members who need support due to COVID-19. These payouts total \$1.85 Billion.

Approximately 72,000 customers have received two payments because they made applications to withdraw super under both phases of the early release scheme.

The state of the economy

Overall, as the economy begins its recovery from the impact of COVID-19, it is performing better than initial expectations, although uncertainty remains.

In December 2020, Westpac Economics lifted their growth forecast for 2020 and 2021. As a result of this increase in the growth forecasts they have also lowered their forecasts for the unemployment rate by December 2021 from 7.0% to 6.0% and 6.3% to 5.2% by December 2022. Under these forecasts, the level of consumer spending and the level of GDP will return to the "end 2019" levels by the June quarter 2021.

The key to the revision for 2021 is the expectation that the recent lift in Consumer Sentiment to a ten-year high will be sustained and will benefit the real economy; the increased momentum in the housing market will continue; the boost to equity and property markets and global growth prospects will persist with the advent of vaccines; and the significant buffer of savings will accommodate a large fall in the savings rate. These positives are expected to significantly outweigh headwinds stemming from the withdrawal of temporary Government income support measures and the delayed effects of the Coronavirus recession as temporary deferrals on loan repayments and suspensions to insolvency laws expire.

The month since our forecast revision has been more eventful than usual with virus-related disruptions locally, a continued deterioration in the Coronavirus situation abroad, and political turbulence in the US. While for the most part these look to be passing disturbances, outbreak clusters locally will have some effect on consumer spending. The emergence of more infectious COVID strains and a slow start to vaccine roll-outs also highlight downside risks to the outlook. That said, growth in Australia and globally are both still expected to show a strong lift this year.