Westpac Banking Corporation
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ASX RELEASE

10 August 2026

Westpac Third Quarter 2026 Update

Westpac Banking Corporation ("Westpac") today provides the attached Third Quarter 2026 Update.

For further information:

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This document has been authorised for release by Tim Hartin, Company Secretary.

ASX ANNOUNCEMENT
3Q26 UPDATE

10 AUGUST 2026

HIGHLIGHTS

$1.8bn	$1.8bn	12.1%
Unaudited statutory net profit up 3% on 1H26 average	Unaudited net profit ex Notable Items up 2% on 1H26 average	CET1 capital ratio above target ratio of 11.25% in normal operating conditions

This quarter we continued to execute our strategy. Our commitment to delivering service excellence and deepening customer relationships was reflected in an improved operating performance.

"We have a strong balance sheet and are focused on supporting our customers through uncertainty while delivering sustainable returns", said Westpac CEO Anthony Miller.

"While many households are feeling the impact of cost of living pressures, businesses are investing and our customers have continued to show resilience", he said.

The undersupply of housing combined with population growth is expected to partially offset the impact of higher interest rates and recent Federal Government policy changes on the housing market. We expect housing credit growth to moderate from 6.8% in FY26 to 4.7% in FY27[1].

We continued to invest in products and services to make it easier for customers to manage their finances and achieve their goals.

The Spend&Save offer was expanded to customers aged up to 40 and the balance cap increased from $30,000 to $150,000. Together with the launch of Book a Banker earlier this year, these and other initiatives are making it easier for customers to begin their home ownership journey. This has also contributed to a higher proportion of new lending through the proprietary channel.

Our expanded presence in regional Australia, supported by the addition of 150 regional business bankers, contributed to growth in agribusiness and improved customer advocacy. Overall, Westpac is ranked number one for Net Promoter Score in Business and number two in Consumer.

On transformation, we continue to simplify our operating environment, improve customer experiences and increase productivity. UNITE's progress remains on track. We commenced the migration of Commercial Banking customers and completed the migration of all Westpac Invoice Finance facilities to the new platform. In addition, the migration of our enterprise data to the cloud has strengthened our data foundations and supports the greater use of analytics and artificial intelligence.

Completion of the sale of the RAMS mortgages portfolio this month has further strengthened our balance sheet and reduced operational complexity.

Performance overview[2]

Net profit, excluding Notable Items, increased 2% to $1.8 billion and pre-provision profit rose 1%.

Continued operating momentum drove strong customer deposit and loan growth. Deposit growth of 2% was driven by increases in transaction and term balances. Lending increased by 2%, reflecting broad-based growth across the Australian portfolio including 4% in business, 3% in Institutional and 2% in housing.

Revenue increased 1% with a 2% rise in net interest income more than offsetting a 3% decline in non-interest income.

Net Interest Margin (NIM) was stable at 1.89%. NIM comprised:

- Core NIM of 1.78% was stable with benefits from the higher interest rate environment and liquid assets offset by competitive pressures in lending, deposit mix and a higher proportion of customers qualifying for saving bonus rates. Core NIM increased 1 basis point compared to 2Q26; and
- Treasury and Markets contribution of 11 basis points was steady, although up from 7 basis points in 2Q26.

Operating expenses were well managed, increasing 1% due to salary and wage growth and investment in the business. We continue to pursue productivity savings of more than $550 million in FY26.

Impairment charges were 10 basis points of average gross loans and included an increase in portfolio overlays and an increase in the severity of the downside scenario.

Financial strength[3]

The CET1 capital ratio was 12.1% as at 30 June 2026, well above the target ratio of 11.25%. The reduction in CET1 reflects the payment of the 2026 interim dividend and growth in RWAs, which more than offset earnings in the period.

The average liquidity coverage ratio of 134% and net stable funding ratio of 111% remain above regulatory minimums. We have issued $38 billion in long term wholesale funding for the financial year to date[4].

Sale of the RAMS mortgages portfolio on 1 August 2026 added 23 basis points to the CET1 capital ratio and reduced the home loan portfolio by $15.4 billion.

Households and businesses continued to demonstrate resilience, with stressed exposures increasing by 3 basis points to 1.19% of TCE and remaining at low levels.

Credit impairment provisions were $5.3 billion as at 30 June 2026, with provisions above expected losses of the base case economic scenario increasing to $2.0 billion. The ratio of CAP to credit RWA decreased 2 basis points to 1.27% and total provisions to gross loans were stable at 58 basis points.

Refer to the 3Q26 Investor Discussion Pack slides for further details.

Financial summary

$bn	3Q26	% Mov't 3Q26 - 1H26 qtr ave
Statutory net profit	**1.8**	**3**
Notable Items	-	-
Excluding Notable Items:		
Net profit	**1.8**	**2**
Net operating income	5.7	1
Operating expenses	(2.9)	1
Pre-provision profit	2.8	1
Impairment charges to average gross loans	10 bps	-
ROTE	11.4%	40 bps

Further information

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This announcement is unaudited. All amounts are in Australian dollars. Certain amounts and ratios, including amounts and ratios excluding Notable Items are not defined by Australian Accounting Standards (AAS). These non-AAS measures are identified and described in the 'Introduction – Non-AAS financial measures' section in the 2026 Interim Financial Report.

This announcement contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. They have been based upon management's expectations and beliefs concerning future developments and their potential effect on Westpac. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may differ materially from those expressed or implied in such statements. Investors should not place undue reliance on forward-looking statements and statements of expectation. Except as required by law, Westpac is not responsible for updating, or obliged to update, any matter arising after the date of this announcement. The information in this announcement is subject to the information in Westpac's ASX filings, including in its 2026 Interim Financial Report. Also refer to the disclaimer on page 16 of the Westpac 3Q26 Investor Discussion Pack.

Footnotes:

1. Source: Westpac Economics.
2. This section compares the 3Q26 and 1H26 quarterly average periods for profit and loss items and 3Q26 movements for balance sheet items, unless otherwise stated. The performance measures exclude the impact of Notable Items which are non-AAS measures. Statutory equivalent measures are provided on page 14 of the Westpac 3Q26 Investor Discussion Pack and for definitions refer to page 92-93 of the 2026 Interim Financial Results Announcement.
3. Movements in this section are for 3Q26 unless otherwise stated.
4. As at 15 July 2026.