Westpac Banking Corporation
Level 18, 275 Kent Street
Sydney, NSW, 2000

ASX Release

2 November 2026

Westpac 2026 Group Annual Report and Appendix 4E

Westpac Banking Corporation ("Westpac") today provides the attached Westpac 2026 Group Annual Report and Appendix 4E.

For personal use only

For further information:

Hayden Cooper
Group Head of Media Relations
0402 393 619

Justin McCarthy
General Manager, Investor Relations
0422 800 321

This document has been authorised for release by Sarah Donnelly, Company Secretary.

ASX APPENDIX 4E

Results for announcement to the market[1]

Report for the full year ended 30 September 2026[2]

Revenue from ordinary activities[a,b] ($m)	up	1%	to	22,602
Profit from ordinary activities after tax attributable to equity holders[b] ($m)	down	1%	to	6,813
Net profit for the period attributable to equity holders[b] ($m)	down	1%	to	6,813

a. Comprises reported interest income, interest expense and non-interest income.
b. Above comparisons are to the reported results for the twelve months ended 30 September 2025.

Dividend distributions (cents per ordinary share)	Amount per security	Franked amount per security
Final dividend	77	77
Interim dividend	77	77
Record date for determining entitlements to the final dividend		06 November 2026

	As at 30 Sept 2026	As at 30 Sept 2025
Net tangible assets		
Net tangible assets per ordinary share ($)	17.82	18.25

For personal use only

1. This document comprises the Westpac 2026 Full Year Financial Results, and is provided to the Australian Securities Exchange under Listing Rule 4.3A.
2. This report should be read in conjunction with Westpac's 2026 reporting suite and any public announcements made in the period by Westpac in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

This page has been intentionally left blank.

For personal use only

2026 Annual Report

Westpac



For personal use only

Westpac Banking Corporation ABN 33 007 457 141

IT TAKES A LITTLE

Westpac's reporting suite

The 2026 Annual Report is our primary report to shareholders. It brings together financial and non-financial performance, strategic progress and key risks to report on our progress in executing our strategy to create long-term value for stakeholders.

Our Annual Report forms part of our broader 2026 reporting suite which includes:

- Full Year Financial Results Announcement;
- Financial Results Presentation and Investor Discussion Pack (IDP);
- Sustainability Report;
- Sustainability Index and Datasheet;
- Pillar 3 Report;
- Notice of Meeting;
- Corporate Governance Statement; and
- Risk Factors.

The information in this report relates to our 2026 (FY26) reporting period unless stated otherwise.

▶ The full reporting suite is available online at westpac.com.au/2026annualreport

Navigating the reporting suite

Key

● Primary source

○ Additional information

	Annual Report	Results Announcement	Results Presentation and IDP	Sustainability Report	Sustainability Index and Datasheet	Pillar 3 Report	Corporate Governance Statement	Risk Factors
Strategy	●	○	○					
Financial performance	○	●	○					
Sustainability performance	○		○	●	○		○	○
Sustainability data and standards				○	●			
Capital adequacy		○	○			●		
Governance				○[a]			●	
Risk	●			○[a]		○		○

a. Climate-related governance and risk disclosures are included in the Sustainability Report in accordance with AASB S2.

In this 2026 Annual Report a reference to 'Westpac', 'Group', 'Westpac Group', 'we', 'us' and 'our' is to Westpac Banking Corporation ABN 33 007 457 141 and its subsidiaries unless it clearly means just Westpac Banking Corporation.

For certain information about the basis of preparing the financial and non-financial information in this Annual Report refer to Reading this report (page 228).

In addition, this Annual Report contains statements that constitute 'forward-looking statements'. For an explanation of forward-looking statements and the risks, uncertainties and assumptions to which they are subject, refer to Reading this report (page 228). Please consider those important disclaimers when reading the forward-looking statements in this Annual Report.

Information contained in or accessible through the websites mentioned in this Annual 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.

For personal use only

For personal use only

Contents of this report

STRATEGIC REVIEW **4**

About Westpac **4**

2026 at a glance 5

Operating environment 6

Chairman's report 8

CEO's report 10

How we create value

Creating sustainable value 12

Strategy 14

Business model 15

Approach to sustainability 16

Delivering the strategy

Performance 18

Customer 24

People 30

Transformation 36

Risk 40

Directors' Report **48**

Board of Directors 48

Executive Team 52

Remuneration Report 62

Information on Westpac **93**

FINANCIAL REPORT **95**

Income statements 96

Statements of comprehensive income 97

Balance sheets 98

Statements of changes in equity 99

Cash flow statements 101

Notes to the Financial Statements 102

Consolidated Entity Disclosure Statement 218

Statutory Statements 221

ADDITIONAL INFORMATION **227**

Reading this report 228

Shareholder information 236

Other Westpac business information 246

Glossary of Abbreviations and Defined Terms 247

Contact Us 251

ABOUT WESTPAC

As Australia's first bank, we've been supporting people, businesses and communities for more than 200 years.

Established in New South Wales in 1817, Westpac has grown to be one of Australia's largest companies and employers.

We are proud to contribute to the prosperity of Australia and New Zealand. We serve 13 million customers through a range of banking and financial services, helping people into homes and backing businesses and institutions that drive economic growth.

Our 34,000+ employees are central to delivering for customers. Through investment in their learning, leadership and wellbeing, we are creating an environment for our people to do their best work and build rewarding careers.

Since establishing Australia's first corporate charity in 1879, we have invested in the communities we serve. We support future generations through the Westpac Scholars Trust and the Foundations[1], while our national sporting partnerships and long-standing relationship with the Westpac Rescue Helicopter Service help strengthen communities across Australia.

Sustainability considerations are integrated into how we do business. By reducing operational emissions and supporting customers through the transition to a lower-carbon economy, we help build resilience and create long-term value.

As we evolve, we remain focused on providing service excellence to our customers and delivering on our purpose: taking action now to create a better future.

For personal use only

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.

1. Westpac provided support to the Westpac Community Trust and Westpac Buckland Fund, which operate under the business names Westpac Foundation and St George Foundation, Bank SA Foundation and Bank of Melbourne Foundation. These are collectively referred to in this report as the 'Foundations'. Westpac also continued its support of the Westpac Scholars Trust. While Westpac was involved in establishing the Foundations and Westpac Scholars Trust, they are non-profit organisations that are separate to Westpac.

2026 AT A GLANCE

$6.8bn
STATUTORY NET PROFIT

$7.0bn
NET PROFIT EXCLUDING NOTABLE ITEMS[1]

12.5%
COMMON EQUITY TIER 1 CAPITAL RATIO

7%
AUSTRALIAN HOME LOAN GROWTH EXCLUDING RAMS

15%
AUSTRALIAN BUSINESS AND INSTITUTIONAL LOAN GROWTH

6%
CUSTOMER DEPOSIT GROWTH

154c
FULL YEAR ORDINARY DIVIDENDS PER SHARE

$183m
IN COMMUNITY INVESTMENT[2]

81
EMPLOYEE ENGAGEMENT INDEX

1. A non-AAS measure used by management to assess underlying performance. The definition and a reconciliation to the statutory equivalent are provided on pages 230 to 234.
2. Figure includes foregone fee revenue and excludes commercial sponsorships.

For personal use only

OPERATING ENVIRONMENT

Westpac operates in a dynamic environment shaped by market conditions, changing expectations, and external influences.

Monitoring these factors helps us identify risks and opportunities, while informing how we respond through our strategy.

Economic environment

The Australian economy grew by a modest 2.1% over the year to June 2026. Private sector demand accelerated, overtaking public spending as the main driver of growth. Business investment was the largest contributor, supported by the data centre build-out and the energy transition.

Housing activity also strengthened with more new homes under construction, although house prices and turnover weakened in the second half. Household spending remained steady. Domestic resilience contrasted with a more volatile global backdrop, as geopolitical tensions, shifting trade policy and commodity price swings weighed on the outlook.

Our response

With a strong balance sheet, disciplined risk settings and prudent capital management, we are well positioned to navigate changing economic conditions and continue supporting customers.

We helped businesses invest and expand, with business and institutional lending growing 15%. Credit demand was broad based, including resources and infrastructure in Institutional and agriculture in Business. In housing, home lending grew 7% and we provided $126 billion in new mortgage lending to households.

Refer to *Performance* (pages 18- 23), *Credit Risk* and *Market Risk* (pages 44-47).

Technology and digital transformation

New technology is changing how financial services are designed and delivered. AI, automation, cloud technology and digital identity create opportunities to improve customer experiences and operational efficiency. As these technologies become more embedded in banking, the responsible use of AI, supported by effective governance and risk management, has become increasingly important.

Privacy, records management, data and cyber risk are also becoming more interconnected, requiring a coordinated approach to oversight and risk management.

Our response

We are using data, AI and automation to make banking easier and more intuitive, while maintaining governance, risk management and oversight frameworks to guide their responsible use.

Protecting customer information remains a priority, supported by robust privacy, data management and cyber security practices. Through initiatives including UNITE, we are also simplifying and modernising our technology platforms to deliver convenient, secure and personalised customer experiences.

Refer to *Data, Digital and AI* (pages 38-39) and *Strategic Risk* (pages 44-47).

Cyber security, scams and operational resilience

Cyber, financial crime and operational resilience risks are becoming more closely linked. New technology, increasingly sophisticated scams and fraud, and changing anti-money laundering and counter-terrorism financing (AML/CTF) obligations continue to reshape the risk environment for financial institutions.

Greater reliance on digital services, cloud platforms and third-party providers also highlights the importance of operational resilience and cyber security to maintain customer trust and service continuity.

Our response

Protecting customers and maintaining resilient operations remain key risk priorities. We invest in cyber security, financial crime prevention and operational resilience through stronger controls, enhanced monitoring, improved recovery capabilities and ongoing testing. We also enhance our financial crime, fraud and AML/CTF capabilities to respond to changing threats and expectations. Through collaboration with government, regulators and industry, we aim to help protect customers and uphold confidence in the financial system.

Refer to *Customer* (pages 24-29) and *Strategic Risk* (pages 44-47).

For personal use only

For personal use only

Customer, community and regulatory expectations

Banks play an important role in the financial wellbeing of customers and the communities they serve. Expectations of that role continue to evolve, with customers, regulators and the broader community placing greater emphasis on fair outcomes, responsible conduct, customer protection, privacy, accessibility and operational resilience.

As expectations continue to change, trust and relationships are built on delivering positive customer outcomes while responding effectively to changing regulatory and community standards.

Our response

Delivering service excellence is central to our strategy. We are simplifying processes, improving frontline and digital service, strengthening support for customers in need, and using data and AI to make banking easier, safer and more personalised.

A strong risk culture, effective governance and clear accountability support better risk management and more effective delivery of change. This helps us to maintain the confidence of customers, regulators and communities.

Refer to *People* (pages 30-35), *Reputational and Sustainability Risk* and *Compliance and Conduct Risk* (pages 44-47).

Competition and market dynamics

Technology and new business models continue to reshape the competitive environment. Customers have an expanding range of choices, with banks, non-bank lenders, private credit providers, fintechs and digital platforms competing for their business. Competition in payments is also intensifying as digital wallets, fintechs and other technology providers expand customer choice and reshape how people and businesses make and receive payments.

Growth in the broker channel and aggregator networks, together with rising digital expectations, is increasing the importance of personalised and convenient service. Capital and regulatory settings also continue to influence lending activity, product offerings and competition in our key markets.

Our response

To compete in a changing market, we are making significant investment in our business and technology to create simpler, more relevant and personalised experiences for customers. In payments, we are investing in real-time and international payment capabilities and next-generation transaction banking through Westpac One in Institutional, while continuing to enhance digital payment experiences for businesses and consumers.

At the same time, we actively manage margins, funding, capital and risk. This gives us the capacity to invest at scale in the capabilities needed to compete, improve productivity and build a stronger, more resilient bank for the long term.

Refer to *Customer* (pages 24-29), *Credit Risk* and *Strategic Risk* (pages 44-47).

Climate transition

Climate change continues to shape economic activity, investment decisions and customer needs. Changes in policy and technology, concerns about energy security, and greater focus on nature and biodiversity are influencing how businesses and communities plan and invest.

The shift to a lower-carbon economy creates opportunities as well as challenges. Customers need practical and affordable ways to reduce emissions, adapt their operations and manage the risks of change. The potential for more frequent or severe extreme weather can affect communities, homes, businesses, infrastructure, supply chains and insurance markets.

Our response

We are helping customers navigate the transition to a lower-carbon economy while supporting Australia's energy security and resilience. This includes financing renewable energy, energy efficiency projects and electricity transmission and distribution networks. We have embedded climate considerations into our strategy, risk management and decision making. We assess physical and transition risks, monitor our portfolio, undertake scenario analysis and engage with customers. Working with customers to understand climate-related risks and opportunities helps them adapt their businesses and investment plans as technologies, policies and customer expectations evolve.

Refer to the 2026 Sustainability Report and *Reputational and Sustainability Risk* (pages 44-47).



CHAIRMAN'S REPORT

The strength of our balance sheet positions us well for the opportunities ahead, giving us the capacity to invest in growth, respond to changing conditions and deliver sustainable returns for shareholders.

For personal use only

Dear fellow shareholders,

The operating environment across Australia and New Zealand remained complex this year, shaped by economic uncertainty, geopolitical tensions and rapid technological change. Trade disruption, supply chain pressures and changing policy settings also weighed on confidence in many sectors. Despite these challenges, domestic conditions improved over the course of the year, supported by increased housing activity and the acceleration of private investment.

The strength of our balance sheet positions us well for the opportunities ahead, giving us the capacity to invest in growth, respond to changing conditions and deliver sustainable returns for shareholders. We maintain a robust balance sheet, with capital, funding and liquidity comfortably above regulatory requirements. Our Common Equity Tier 1 capital ratio was 12.5%, above both our target ratio and the major peer average.

Performance

We achieved a solid financial result, supported by disciplined execution, balance sheet growth and sound credit quality. Net profit excluding Notable Items was broadly unchanged at $7.0 billion. This resulted in a slight increase in return on tangible equity to 11.1% which remains above our cost of capital. Growth in both deposits and lending reflected a robust customer franchise and continued demand across key segments of the economy. Credit quality remained sound, reflecting the resilience of customers despite ongoing inflationary pressures and a higher interest rate environment.

The Board determined a final ordinary dividend of 77 cents per share, taking full-year fully franked ordinary dividends to $1.54 per share. This represents a payout ratio of 75% of profit after tax, excluding Notable Items.

Given the ongoing uncertainty in the operating environment, the Board considers it important to retain surplus capital. This provides capacity to continue investing in transformation and growth opportunities, while maintaining the flexibility to return capital to shareholders. In considering future capital returns, the Board remains mindful of the Group's significant franking credit balance and approximately $1.0 billion remaining under the existing share buyback.

Strategic execution

Anthony Miller has continued to bring focus and momentum to the business in his second year as CEO, with the support of an experienced leadership team. He has focused on delivering on our commitments, doing the important things well and translating strategy into tangible outcomes.

Our medium-term objective is to achieve a cost-to-income ratio below the peer average and a return on tangible equity above the peer average. While this will take time and sustained effort, the Board is confident that consistent execution of the strategy, together with the benefits of productivity and transformation, will help deliver these outcomes.

With our scale comes a significant opportunity to deepen customer relationships. In this competitive market, where many customers bank with more than one institution, our people are focused on earning trust through providing consistent service, competitive pricing and more personalised experiences. This is important to improving financial performance.

Building a stronger bank

Alongside performance, the Board also devoted attention to technology, transformation, operational resilience, cyber security and AI. We see opportunities to use data and AI to improve and personalise customer experiences, supporting our people's productivity, decision making and risk management. At the same time, we recognise it is critical to maintain appropriate human oversight, governance and accountability for this transformational technology.

The Board continued to oversee Westpac's transformation agenda, including UNITE, Catalyst and related investments. UNITE is a significant strategic priority, and we are making good progress, with nine of 56 initiatives now complete. Transformation at this scale takes time, but we are starting to see the benefits and remain confident in UNITE's objectives to create a simpler, more productive and sustainable bank.

For personal use only

We completed the sale of the RAMS loan portfolio, reducing complexity and run costs across our home loan operations while providing further strategic flexibility.

Governance and accountability

The Board continued to oversee Westpac's governance framework, with particular attention given to risk management, regulatory obligations, customer outcomes, culture and executive accountability. We believe the executive remuneration framework remains aligned to shareholder interests and supports measured risk taking, positive customer outcomes and sustainable financial performance. The Board also continued to engage constructively with regulators and government on matters affecting the sector and the broader financial system.

The improvements made through the CORE program, completed in mid 2024, have helped to strengthen risk management, governance and accountability. We remain focused on further strengthening risk management, controls, operational resilience and culture across the organisation.

Sustainability

This year marked our first year reporting under Australia's mandatory climate reporting regime, with additional disclosure of climate-related risks, opportunities, metrics and targets included in the Sustainability Report.

The Board continues to oversee the Sustainability Strategy, including the bank's approach to material sustainability matters. Operational scope 1 and 2 emissions were 86% below our 2021 baseline. We are also progressing work towards our financed emissions sector targets. Sustainable finance lending reached $46.5 billion TCE and sustainable bond facilitation reached $32 billion[1].

We continue to be Australia's largest lender to greenfield renewable projects and are scaling our support for activities that accelerate decarbonisation. As Australia's energy needs rise, we recognise there is an ongoing role for gas in keeping energy reliable and affordable as the transition evolves.

Through our engagement with shareholders and the broader community, we continue to hear a range of perspectives on emerging issues. Discussions this year have included the responsible use of AI and growth of data centres. As these areas evolve, we continue to consider their implications for our customers, communities and the bank through our established governance and risk frameworks.

Community and Foundations

Westpac's commitment to the community stretches back to 1879, when Australia's first corporate charity was established. This legacy continues through the Westpac Scholars Trust[2] and Westpac Foundation[2].

Since 2015, the Scholars Trust has awarded more than 1,000 scholarships, investing in bright young leaders who will help shape Australia's future. Westpac and the Foundations came together during the year behind a single objective: improving literacy and numeracy outcomes for children facing disadvantage. Education opens doors to opportunity and supports greater participation in our economy and society. Through this investment, we aim to make a meaningful difference for future generations. I would like to thank Margie Seale, the new Chair of Westpac Scholars Trust and Tim Burroughs, who joined the Westpac Foundation Board, for their support and contribution this year.

Board renewal and capability

Maintaining a Board with the appropriate skills, experience and diversity of perspectives remains a priority. This year, Michael Ullmer assumed the role of Chair of the Audit Committee, David Cohen became Chair of the Risk Committee and Tim Burroughs joined the Nominations & Governance Committee. This has ensured continuity of oversight across the Board's key responsibilities. Additionally, Debra Hazelton became Chair of the Board Remuneration Committee at the conclusion of last year's Annual General Meeting.

During the year, Peter Nash retired from the Board following seven years of service. Peter made a significant contribution to Westpac and I thank him for his dedication and commitment.

Outlook

The external environment remains uncertain. Geopolitical tensions, economic volatility, technological disruption and evolving regulatory expectations will continue to present both risks and opportunities. The Board's focus remains on ensuring Westpac is resilient, disciplined and positioned to deliver sustainable value through changing conditions.

Westpac has a clear direction and significant opportunity ahead. I thank Anthony Miller and the Executive Team for their steadfast leadership and commitment to delivering our strategy. On behalf of the Board, I also thank our customers and shareholders for their trust and continued support of Westpac.



Steven Gregg

CHAIRMAN,
WESTPAC

1. Cumulative total since 1 October 2021. Refer to the 2026 Sustainability Report for information about our climate targets and progress.
2. Westpac Scholars Trust and Westpac Foundation are supported by Westpac but operate independently as non-profit organisations.



CEO'S REPORT

We are determined to be number one in service. By earning our customers' trust, we can support more of their financial needs, deepen relationships and create long-term value for customers and shareholders.

For personal use only

Dear fellow shareholders,

This year we continued to build momentum across the bank. We delivered a solid financial result, improved service and grew the franchise, while continuing to invest in our people, technology and transformation.

Our focus remained on supporting customers against a backdrop of global uncertainty, rapid technological change and rising interest rates. While cost-of-living pressures continued to impact households and businesses faced higher input costs, the Australian economy remained resilient. This was reflected in stronger corporate credit demand as private investment played a greater role in driving economic activity.

We are executing against our strategic priorities – Performance, Customer, People, Transformation and Risk – which are closely linked. A simpler operating model creates capacity for the business to invest, adapt and grow. Better technology enhances customer experiences and improves productivity. Clearer risk settings support faster, more consistent decision making. Together, they are helping us become a better bank for customers, shareholders and our people.

Performance: Improving momentum

Net profit, excluding Notable Items, was broadly unchanged at $7.0 billion, while pre-provision profit increased 4% to $10.9 billion. Revenue increased 1% and expenses, excluding the FY25 restructuring charge, increased 1%, reflecting disciplined cost management alongside continued investment.

We grew both sides of the balance sheet, with deposits and loans increasing 6% and 5% respectively. In Business, lending growth of 12% was driven by agriculture and momentum across other priority sectors including healthcare and professional services. Business deposits also increased, particularly in fixed-term products, as customers responded to higher interest rates. Growing transaction banking relationships remains a priority, particularly in small business, where we must improve performance.

Institutional momentum was mostly driven by existing clients, who accounted for approximately 81% of new lending. We maintained leading positions in key financial markets surveys, reflecting the strength of our client relationships, product capabilities and sector expertise.

Mortgage performance improved, with proprietary home lending returning to growth and contributing to 35% of new lending. This reflects our investment in our people while simplifying and enhancing the home lending experience. Consumer transaction accounts increased by 6%, with 21% growth in the Youth target segment, supporting our strategic goal to broaden our customer base. Customers continued to increase their offset balances while demand for term deposits was also higher.

Through a sustained focus on simplification, we are making the changes needed to improve our cost-to-income ratio. The Fit for Growth program delivered as intended, helping offset investment in people and service improvement. There is more work ahead and we aim to pursue further productivity gains next year.

Customer: Deepening relationships

We are determined to be number one in service. By earning our customers' trust, we can support more of their financial needs, deepen relationships and create long-term value for customers and shareholders.

Service improved as we focused on taking a whole bank approach while improving digital channels and critical customer journeys. Consumer and Business delivered record improvements in Net Promoter Score (NPS®[1]), while client satisfaction in Institutional reached its highest level in more than a decade. (Refer to page 26).

New digital capabilities are helping make banking easier, safer and more personalised, while reinforcing trust. The time to open an everyday account halved and we expanded digital onboarding to more countries, enabling customers to start the process before arriving in Australia. Since February, more than 100,000 appointments have been made through the new Book a Banker tool, helping customers choose a convenient time to discuss their home loan. Our scam and fraud protections helped keep more

1. Refer to the *Glossary* (pages 247-250) for more information on NPS.

For personal use only

customers safe, contributing to a further 23% reduction in reported customer scam losses. (Refer to page 27).

We invested in our frontline and regional presence, including hiring additional bankers and opening three new regional service centres. Community Banking Service was introduced in 14 locations, further expanding access to banking in more rural and regional locations.

Customers increasingly expect more personalised service. Westpac Intelligence, which connects our data and AI platforms, provides timely insights into their needs, supporting more relevant conversations and better-informed decisions. As it plays a greater role in how we serve customers, we are making sure it is used responsibly, with effective governance and human oversight.

While advocacy is improving, growth in primary customer relationships remains below our aspirations. Earning a greater share of our customers' everyday banking is one of our biggest opportunities to improve the quality of our deposits and create long-term value.

People: Creating the best workplace

Our people are highly engaged and have a customer-first mindset. We refreshed our employee value proposition to better support them in three important areas: learning and development, financial benefits and health and wellbeing.

We are helping our people build rewarding careers while strengthening the capabilities needed for the future of banking. This includes enhancing expertise in AI, engineering, data, cyber security and risk management, while fostering a culture of customer focus, curiosity and continuous learning.

AI is changing how we work. More than 95% of our people now use AI tools monthly while 77% have integrated them into their everyday workflows. Our focus remains on combining technology with human judgement to deliver better outcomes for customers. As we increase the use of AI, we are investing in our people so they have the skills, confidence and training to use it responsibly and effectively.

Transformation: Simplifying the bank

We continued to execute our transformation agenda while taking deliberate steps to simplify and modernise. UNITE is about adopting one best way to run the bank so we can be faster, simpler and deliver better outcomes for our customers, people and shareholders. We achieved important milestones, including beginning the migration of St.George commercial customers to Westpac and completing the migration of approximately 60,000 BT customers from Asgard to Panorama. UNITE remains on time and on budget.

We recently launched Catalyst, our new way of working designed to improve how we deliver change (refer to page 37). We also accelerated investment in data, digital and AI. Westpac Intelligence is making better use of data to produce insights for more personalised service, to improve decision making, strengthen risk management and lift productivity. We have also made good progress on the rollout of other strategic investments including BizEdge for business lending and Westpac One in Institutional.

Risk: Excellence in execution

Effective risk management underpins trust, performance and long-term value. While we have made good progress, building and sustaining a strong risk culture requires continuous effort and reinforcement.

To strengthen our risk culture we are embedding clearer risk settings, helping our people exercise judgement with greater confidence and consistency. Benefits are reflected in customer outcomes. In Institutional, we equipped our bankers with clearer credit guidance, improving the speed and efficiency of application approvals at first review. This contributed to a 20% increase in banker approvals and a 10% increase in first-touch Credit Officer decisions, giving customers greater certainty.

We will continue to simplify processes, strengthen controls and build the capability of our people to manage risk confidently and consistently.

Supporting long-term prosperity

Australia has stable institutions, sound governance and a resilient economy. While the challenges ahead are significant, so too are the opportunities. Realising these will depend on our country's ability to lift productivity, attract investment and work together to support sustainable long-term growth. Our scale and role in society means we can make a meaningful contribution through the customers we bank, the investments we finance and the communities we serve.

Complementing our focus on productivity and long-term economic growth, our Sustainability Strategy focuses on supporting the climate transition, improving housing affordability and contributing to the growth and resilience of regional cities. We announced a target to finance $100 billion by 2030 to help increase Australia's housing supply. Building more homes will support affordability and economic growth, and we are committed to playing our part. (Refer to the 2026 Sustainability Report).

Looking ahead

Westpac has a quality franchise, deep expertise, a strong balance sheet and engaged people. Our task is to connect these strengths more effectively for better outcomes for customers and shareholders. This involves deepening customer relationships, realising more of the benefits of scale, continuing to simplify and executing our transformation agenda with pace and discipline.

It is a privilege to lead this great company and I thank our people for their commitment, our customers for their trust and the Board and leadership team for their counsel and support.

Yours sincerely,



Anthony Miller
CEO

CREATING SUSTAINABLE VALUE

OUR PURPOSE

TAKING ACTION NOW TO CREATE A BETTER FUTURE

For personal use only

WHAT SHAPES US

- Community expectations
- Macroeconomic environment
- Technology and AI
- Deep banking expertise
- Competition
- Geopolitical, climate and social forces
- Regulation and government policy

THE RESOURCES AND RELATIONSHIPS WE RELY ON

- Financial strength
- Customer trust and relationships
- 35,000 skilled employees
- Proactive risk management
- Robust governance and oversight
- Digital and physical infrastructure
- Strategic partnerships

Consumer • Business & Wealth • Institutional • Westpac NZ

WHAT WE DO

Providing financial products and services to 13 million customers in Australia and New Zealand

Competitive strengths

- **Strong balance sheet** providing capacity to invest and grow for long-term growth
- **Large and trusted customer franchise** serving households, businesses and institutions
- **Diversified business portfolio** to meet customer needs across four business segments
- **Skilled and highly engaged workforce** among the top quartile of employers globally

IT TAKES A LITTLE

For personal use only

OUR STRATEGIC PRIORITIES

PERFORMANCE
Execution excellence

CUSTOMER
Customer obsessed

PEOPLE
Best team, trusted experts

TRANSFORMATION
Brilliant at delivery

RISK
Safe and strong


(Refer to pages 18 to 23)


(Refer to pages 24 to 29)


(Refer to pages 30 to 35)


(Refer to pages 36 to 39)


(Refer to pages 40 to 47)

THE VALUE WE CREATE FOR OUR STAKEHOLDERS

Customers
Helping customers achieve their financial goals, navigate change and build a more prosperous future

Shareholders
Delivering sustainable returns by maintaining a strong capital position, simplifying the bank and investing for the future

Our People
Investing in our people to build a capable, inclusive and technology-enabled workforce

Community
Strengthening communities through the Westpac Foundation, partnerships and employee volunteering, while investing in rural and regional banking services

Regulators
Supporting confidence in the financial system by maintaining strong governance and accountability

Suppliers
Building trusted partnerships that support responsible and sustainable supply chains

STRATEGY

At the heart of Westpac is our ambition **to be our customers' number one bank and partner through life**.

To achieve this, our strategy centres on delivering service excellence to attract customers, deepen relationships and increase the number of customers and businesses who choose us as their main financial institution.

Five priorities underpin our strategy to deliver sustainable growth over the long term.

- **Performance** – *Execution excellence:* We excel through a focus on results, innovation and teamwork;
- **Customer** – *Customer obsessed:* We strive to know, support and deliver for our customers every day;
- **People** – *Best team, trusted experts:* Our empowered team works together as trusted experts to help customers succeed;
- **Transformation** – *Brilliant at delivery:* We simplify processes and move quickly to deliver what matters most; and
- **Risk** – *Safe and strong:* We manage risk wisely to ensure long-term safety and trust for our customers.



The executive remuneration framework in the Remuneration Report is aligned with our strategy and designed to create sustainable shareholder value. Performance is assessed annually to determine short term variable reward outcomes.

Measuring performance

We use the following measures to help us track progress against the strategic objectives.

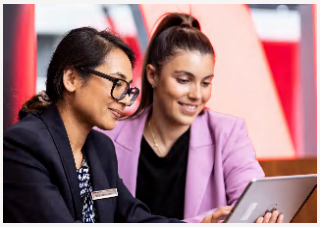
	Metric	Sep-26	Target: Sep-29
SERVICE EXCELLENCE	**Consumer: NPS®[a]**	#2	#1
	Business: NPS®[a]	#3	#1
	Institutional: RSI[b]	#3	#1
ONE BEST WAY	**Complete UNITE on time**	In progress	Complete
	Complete UNITE on budget	$1,744m	~40% of total investment over FY25 to 1H29
	Employee engagement[c]	81 (top quartile)	Top decile
PERFORM	**Cost to income ratio relative to peers[d]**	4.5ppts above	Less than peer average
	Return on tangible equity relative to peers[d]	1.8ppts below	Greater than peer average

a. Refer to the *Glossary* (pages 247-250) for more information on NPS.
b. Relationship Strength Index. Coalition Greenwich Voice of Client Australia 2026 Large Corporate Relationship Banking Study.
c. Amplify - Microsoft Viva Glint Survey.
d. First Half 2026, excludes Notable Items.

For personal use only

For personal use only

BUSINESS MODEL

Consumer	Business & Wealth	Institutional	New Zealand
Helping more Australians into their home, save for the future and manage their money through a range of banking products and services offered through the Westpac, St.George, BankSA and Bank of Melbourne brands.	Serving small and medium businesses, commercial and agribusiness customers, as well as Private Wealth clients and BT Financial Group wealth customers. Also includes Westpac Pacific's operations in Fiji and Papua New Guinea.	Delivering banking and financial services to corporate, institutional and government clients through Corporate & Institutional Banking, Global Transaction Services and Financial Markets, supported by teams in key international markets.	Providing banking and wealth services for consumer, business and institutional customers in New Zealand, through the Westpac New Zealand, Westpac Life and BT Funds Management (NZ) brands.
			
Key execution focus areas			
• Deliver personalised, digital-first experiences • Deepen customer relationships • Grow proprietary lending • Improve cost efficiency	• Continue lending momentum • Leverage transaction banking capability • Expand banker presence, training and expertise • Deepen customer relationships	• Deepen customer relationships • Invest in digital and insights • Grow transaction banking and markets • Improve operational efficiency through simplification, automation and AI	• Deepen customer relationships • Enhance digital and AI capability • Outperform market growth in target areas • Improve key experience drivers to outperform peers in NPS
Market share			
Household deposits[a] 21%	Business deposits[b] 19%	Deposits[c] 17%	
Mortgages[a] 20%	Lending to non-financial businesses and community services organisations[a] 17%	Consumer lending[c] 18%	
Credit cards[a] 22%	Lending to financial businesses[a] 17%	Business lending[c] 16%	

a. APRA Banking Statistics, September 2026.
b. Business deposits include deposits from non-financial businesses and community services organisations.
c. RBNZ, September 2026.

▶ Refer to *Performance* (page 23) for more information on our business segments.

APPROACH TO SUSTAINABILITY

Managing sustainability-related risks and opportunities helps strengthen our long-term resilience. We seek to integrate sustainability considerations into relevant decision making, capital allocation and how we support customers. We also engage with customers, investors, employees, regulators and community stakeholders to help shape our approach.

Sustainability Strategy

The Sustainability Strategy focuses on three areas where we believe we can have meaningful impact and contribute to Australia's productivity and long-term prosperity**: climate transition, housing affordability** and **regional prosperity.**

The Strategy is supported by a suite of policies, positions and plans as well as material topics such as nature, human rights and Indigenous strategy and engagement. Progress against our Sustainability Strategy, and the plans that support it, is regularly reviewed through Board and senior leadership forums.

▶ Further information is available in the 2026 Sustainability Report and on the website.

Reporting suite

Our annual reporting suite provides a connected view of how sustainability is integrated across the business.

This **Annual Report** covers material sustainability topics which relate to financial, customer, workforce, technology, risk and compliance matters.

The **Sustainability Report** provides detailed information on our sustainability strategy, governance, risks and opportunities, as well as targets and performance. This includes our progress and material topics, along with climate-related financial disclosures prepared in accordance with AASB S2. Additional sustainability metrics, reporting framework indexes and performance data are available in the **Sustainability Index and Datasheet**.

The **Corporate Governance Statement** provides further information on our governance practices, including ethics and business conduct and tax transparency.

Cross-references link related disclosures and aim to help readers navigate the suite.

▶ All sustainability disclosures can be found on the website.



Material sustainability topics

Material sustainability topics are issues that matter most to stakeholders and have the greatest influence on our ability to create long-term value.

Our approach to determining these topics is guided by the Global Reporting Initiative (GRI) Universal Standards. They are informed by ongoing engagement with our various stakeholders. Further information is available on our website.

Material sustainability topics are addressed across the reporting suite.

Topics primarily reported in the Annual Report

- Financial performance
- Compliance and regulation
- Technology simplification (UNITE)
- Data privacy, cyber security and AI
- Support for vulnerable customers
- Financial inclusion
- Fraud and scams
- Employee engagement
- Health and safety
- Diversity, equity and inclusion
- Anti-money laundering (AML) and counter-terrorism financing (CTF)

Topics primarily reported in the Sustainability Report

- Climate change
- Nature
- Housing affordability
- Human rights and modern slavery
- Indigenous strategy
- Community and Foundations
- Regional prosperity

Topics primarily reported in the Corporate Governance Statement

- Ethics and business conduct
- Tax transparency

For personal use only

For personal use only

Supporting housing affordability and availability

Access to quality, affordable housing remains a challenge for many Australians. Increasing the supply of housing in well-connected locations is essential to addressing this.

Westpac's housing strategy aims to contribute to Australia's prosperity by supporting housing availability and affordability. Aligned with this strategy is a target to finance $100 billion by 2030 to help increase the supply of homes in Australia, including social and affordable housing and opportunities for renters, as well as access pathways to home ownership.

La Vera in Sydney's north-west is an example of the type of project we aim to support under our housing target to help expand housing supply and choice.

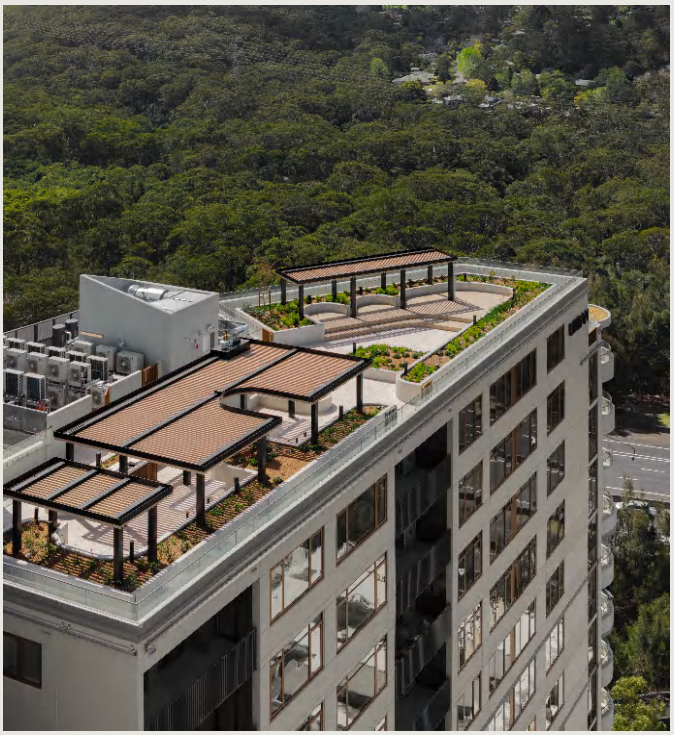


Photo: La Vera residential development

Credit: Urban Property Group[a]

La Vera is a residential development in Macquarie Park. Originally approved as a smaller project, the development evolved through a series of planning refinements during construction to increase the number and range of homes delivered.

" Housing affordability and availability require collaboration across the public, private and community sectors.

Projects such as La Vera demonstrate how different organisations can work together to increase supply and deliver a broader range of housing options for the community."

— Patrick Elias, Co-CEO, Urban Property Group[a]

Westpac worked with the customer to address their changing financing requirements and facilitate the delivery of additional housing outcomes. The development builds on a long-standing customer relationship that has spanned more than 20 years.

The building includes 169 apartments in an established metropolitan centre with access to employment, public transport and services. It incorporates 34 affordable housing apartments, helping increase housing supply for people on lower incomes in an area where demand continues to grow.

Transitional housing will also help women experiencing housing insecurity, with the provision of a rent-free, four bedroom apartment for two years to Women's Community Shelters.

In addition, the high rise includes 15 Specialist Disability Accommodation apartments designed for people with high support needs. The apartments have accessible design features and access to dedicated support services, helping residents live more independently within their community.

The development was completed in late 2026.

PROJECT SNAPSHOT

- **Located in Macquarie Park, north-western Sydney**
- **169 apartments**
- **20% of apartments dedicated to affordable housing**
- **Approximately 9% of apartments reserved for Specialist Disability Accommodation**

a. 'Urban Property Group' is a marketing name that includes Auspat International Pty Ltd, parent company of borrower UPG Talavera 10 Pty Ltd.

For more information on our housing strategy and target, refer to the 2026 Sustainability Report.



PERFORMANCE

For personal use only

We are working to deliver long-term value for shareholders by maintaining a strong capital position, creating a simpler bank and investing for the future.

Related material topics (refer to page 16)

- Financial performance
- Technology simplification (UNITE)

Key highlights

154c
FULL YEAR ORDINARY DIVIDENDS PER SHARE

532k
SHAREHOLDERS

199.3c
BASIC EARNINGS PER ORDINARY SHARE

12.5%
CET1 CAPITAL RATIO

For personal use only

Shareholder returns

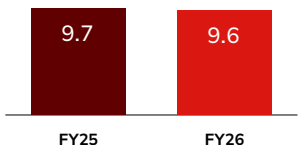
To create value for our 532,063 shareholders we aim to sustainably improve returns.

We grew the franchise and improved customer service while continuing to invest in the capabilities needed to support sustainable returns.

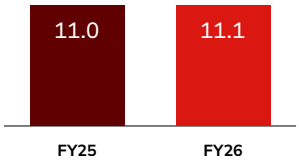
ROE reduced slightly to 9.6%. Excluding Notable Items, ROTE increased slightly to 11.1%. Basic earnings per ordinary share were 199.3 cents, down 1% on 2025.

Our total shareholder return (TSR) was down 6%.

ROE (%)



ROTE, EXCLUDING NOTABLE ITEMS(%)

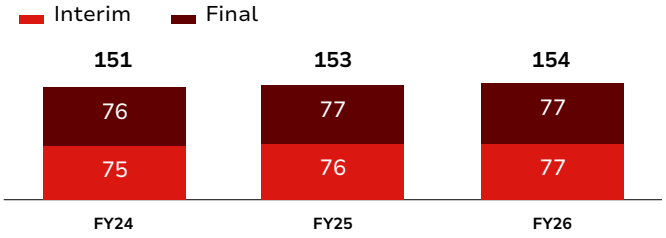


Dividends

This year, shareholders will receive $5.3 billion through fully franked ordinary dividends. Ordinary dividends were $1.54 per share.

This year's payout ratio is 77% on a statutory net profit basis and the adjusted dividend payout ratio was 75%.

ORDINARY DIVIDEND PER ORDINARY SHARE (CENTS)



We are investing to improve returns and simplify the bank to deliver long term value for shareholders.

Delivering better customer outcomes

Improving service and advocacy

We improved service making it faster and easier for customers to open accounts, access digital services and complete onboarding.

Our whole-of-bank approach is bringing together capabilities across the bank to support more connected experiences and meet more of each customers' needs.

Improvements are reflected in strengthened advocacy, with record NPS® results in Consumer and Business and the largest year-on-year improvements among major bank peers:

- Consumer improved from equal second to outright #2 position among the major banks;
- Business NPS® ranked #3 while Small Business improved 4 points; and
- Institutional Banking achieving its highest Relationship Strength Index in more than a decade.

Refer to *Customer* (pages 24-29) for more.

Accelerating Transformation

Simplifying the bank and lifting productivity

We are mobilising Catalyst through 21 Delivery Units and six Practices. The new model aims to reduce hand-offs, simplify delivery and respond more quickly to customer needs, strengthening execution of our multi-year strategy.

We delivered key milestones under UNITE including the expansion of Digital Banker, completion of the Asgard migration to BT Panorama, commencing commercial customer migrations and the decommission of 52 legacy applications.

We are enabling the responsible adoption of AI to simplify work, improve customer experiences and enhance delivery capability.

Other strategic investments that remain critical to our transformation agenda include BizEdge, Westpac One and Westpac Intelligence.

Refer to *Transformation* (pages 36-39) for more.

Unless otherwise stated, all figures in the Performance section relate to the year ended 30 September 2026 with comparative period the year ended 30 September 2025. Certain amounts, measures and ratios are not defined by Australian Accounting Standards (AAS). These non-AAS measures are identified and described in Non-AAS financial measures (refer to pages 230- 234).

Balance sheet momentum

Deposits and loans grew by 6% and 5% respectively, reflecting solid deposit growth across all segments and a tilt to Business and Institutional lending.

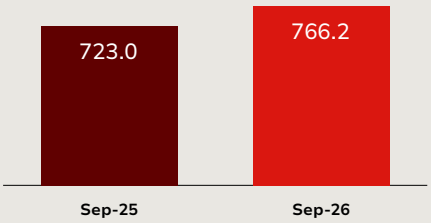
Australian household deposits growth of 1.0x APRA system demonstrates the health of our franchise. Business and Institutional deposits increased 4% and 14% respectively, with the interest rate environment driving stronger growth in term deposits and broader macro trends resulting in increased Government and Financial Institution balances.

Growth in Australian housing loans, excluding RAMS[1], of 7%, or 1.1x APRA housing system, was mainly in owner occupied mortgages. The proportion of proprietary lending increased over the year reflecting our targeted strategy.

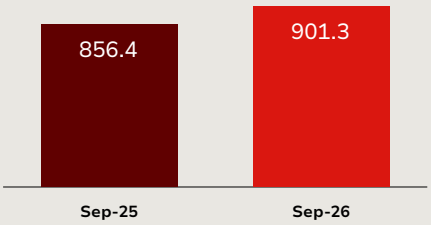
In Business, lending was up 12%. This included strong loan growth in our target sectors of agriculture, health and professional services. Institutional lending growth of 18% reflected activity in targeted sectors of energy, infrastructure and resources, supporting the energy transition and data centre build-out.

New Zealand deposits increased 4% reflecting growth across transaction and term deposit balances. Loans increased by 5% driven by growth in housing and business lending.

CUSTOMER DEPOSITS ($BN)



LOANS ($BN)



Solid financial result

$6.8BN

Statutory net profit, down 1% on FY25

$7.0BN

Net profit excluding Notable Items, flat on FY25

Net profit was delivered through disciplined management of net interest margins and balance sheet growth across our businesses. Operating income increased, reflecting our strategy of balancing growth and returns. Operating expenses were lower. Excluding the $273 million Second Half 2025 restructuring charge, expenses increased due to higher staff costs and increased UNITE investment. Productivity benefits provided a partial offset. Credit impairment charges reflected the revised economic outlook, new portfolio overlays and an increase in new IAPs.

$m	Full Year 2026	Full Year 2025	% Mov't 2026-2025
Statutory net profit	**6,813**	**6,916**	**(1)**
Notable Items	(179)	(56)	large
Excluding Notable Items:			
Net profit	**6,992**	**6,972**	**-**
Net operating income	22,708	22,464	1
Operating expenses	(11,781)	(11,916)	(1)
Pre-provision profit	10,927	10,548	4
Impairment charges/(benefits) to average loans	10 bps	5 bps	-

▶ Performance measures excluding the impact of Notable Items are non-AAS measures used by management as they better reflect underlying performance. Pre-provision profit is also a non-AAS measure which management consider useful as it provides a view of the operating performance of the Group. The definitions and a reconciliation to the statutory equivalent are provided on pages 230- 234.

1. The sale of the RAMS loan portfolio which completed on 1 August 2026.

For personal use only

For personal use only

Net operating income excluding Notable Items

Net interest income increased 1% driven by growth in average interest earning assets.

The NIM was 1.87% and comprised:

- Core NIM of 1.76%, down 5 basis points, with lending competition, deposit mix and a higher level of savings bonus rate qualification more than offsetting benefits from higher earnings on capital and hedged deposits.
- Treasury and Markets, contribution of 11 basis points.

Average interest-earning assets increased by 5% to $1,050 billion, including growth of 14% in business and 2% in housing loans.

Non-interest income increased by 1%. Key movements included:

- Fee income increased by 1% mainly reflecting higher Institutional lending fees and cards income.
- Net wealth management income increased by 7% supported by growth in funds under administration and higher online share trading activity.
- Trading and other income decreased by 3% mainly due to lower Markets FX, credit and rates income.

$19.7bn

Net interest income
FY25 $19.5bn

1.87%

Net interest margin (NIM)
FY25 1.94%

$3.0bn

Non-interest income
FY25 $3.0bn

▶ Performance measures above exclude the impact of Notable Items. These measures together with Core net interest income and Core NIM are non-AAS measures used by management as they better reflect underlying performance. The definitions and a reconciliation to the statutory equivalent are provided on pages 230- 234.

Operating expenses excluding Notable Items

Operating expenses decreased 1%. Excluding the Second Half 2025 restructuring expenses, operating expenses increased by 1%.

Key movements included:

Staff expenses increased by 3%[a] mainly due to wage growth, investment in bankers and UNITE. The composition of the workforce continued to change driving a reduction in average FTE of 3%.

Occupancy expenses increased by 8% due to non-recurrence of benefits related to corporate property in the prior period.

Technology expenses decreased by 1% with higher investment spend more than offset by productivity benefits.

Other Expenses decreased by 5%[a] due to lower litigation costs, a higher GST refund and productivity benefits.

Fit for Growth restructuring expenses to support targeted productivity initiatives were $273 million in 2025.

a. Excluding the impact of the Fit for Growth restructuring expenses in the Second Half of 2025.

$11.8bn

Operating expenses
FY25 $11.9bn

51.9%

Expense to income ratio
FY25 53.0%

▶ Performance measures above exclude the impact of Notable Items. These measures are non-AAS measures used by management as they better reflect underlying performance. The definitions and a reconciliation to the statutory equivalent are provided on pages 230- 234.

Investment spend

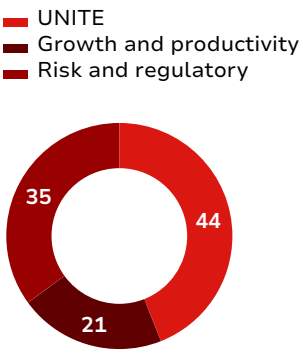
Total investment spend increased 11% to $2,135 million.

UNITE is focused on simplifying products, processes and technology. Key milestones included completion of the Asgard migration to BT Panorama, commencing the St.George commercial customer migration to Westpac and migration of invoice finance facilities to the new platform.

Growth and productivity investment supported improved digital and data capabilities and simpler customer experiences. Key investments included Westpac One, BizEdge and Westpac Intelligence, alongside improvements to mobile app and payments capability.

Risk and regulatory investment focused on strengthening scam and fraud prevention, financial crime capabilities and meeting regulatory requirements.

INVESTMENT SPEND (%)



Credit quality sound, strong balance sheet

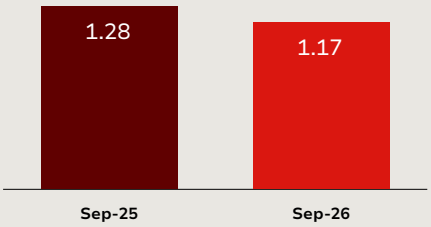
Credit quality

Credit impairment charges represented 10 basis points of average gross loans compared to 5 basis points in the prior year. The impairment charge reflected the revised economic outlook, new portfolio overlays and an increase in new IAPs.

Credit quality metrics continue to reflect customer resilience despite cost of living pressures and higher interest rates. While some indicators have increased in recent periods, overall asset quality remains sound.

Credit impairment provisions were $5,198 million, $2.0 billion above the expected losses of our base case economic scenario. Over the year, provisions increased by 4% with the reduction from the sale of the RAMS loan portfolio more than offset by increases related to the severity of the downside scenario and higher overlays.

STRESSED EXPOSURES AS A % OF TCE

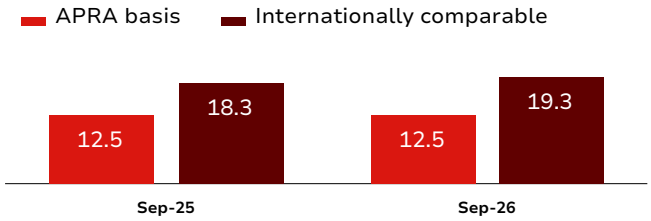


Capital

The CET1 capital ratio of 12.5% is above our target ratio of 11.25% in normal operating conditions. This equates to $2.9 billion of capital above the target after payment of the final 2026 dividend.

The CET1 capital ratio decreased 7 basis points as net profit and the sale of the RAMS loan portfolio was more than offset by the payment of dividends and increases in Risk Weighted Assets (RWA). The increase in RWA reflected growth in the business.

CET1 CAPITAL RATIO



Funding and liquidity

The September quarterly average liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) were both well above regulatory minimums at 137% and 113% respectively.

The deposit to loan ratio increased by 59 basis points, with deposit growth funding loan growth during the year.

The Group raised $40 billion of new long term wholesale funding.

Total short term wholesale funding and long term wholesale funding balances where the residual maturity is less than one year were broadly stable.

85.5%

Deposit to loan ratio, up 59bps on Sep-25

For personal use only

For personal use only

Segment performance

Our operating segments and Group Businesses comprise Group performance. For descriptions of Consumer, Business & Wealth, Institutional, New Zealand and Group businesses refer to page 106. In 2026, the composition of our segments was revised to improve operational alignment and the RAMS profit and loss and balance sheet contribution were moved from Consumer to Group Businesses, for more information, refer to page 106.

The impact of Notable Items on net profit, income and expenses has been excluded from the Segment Performance section. These measures are used by Westpac for management reporting and is consistent with the disclosure in Note 2. The definitions and impact of Notable Items are provided on pages 230- 232.

Consumer

Net profit increased 4% to $2,301 million and pre-provision profit increased 5% to $3,616 million. Operating income increased 2%, while operating expenses decreased 1%. The increase in operating income reflected balance sheet growth, which was partly offset by a 7 basis point reduction in net interest margin. Mortgages and deposits both grew 7%, representing 1.1x APRA housing system growth and 1.0x APRA household deposit system growth respectively. Operating expenses decreased reflecting benefits from a simpler operating model, lower software amortisation costs and compositional changes, which were partly offset by higher UNITE investment and staff costs. Impairment charges to average loans were 6 basis points, flat on the prior year.

33%

Contribution to Group pre-provision profit

Business & Wealth

Net profit increased 8% to $2,367 million and pre-provision profit increased 11% to $3,755 million. Operating income increased 7%, while operating expenses increased 2%. The increase in operating income reflected strong balance sheet growth, which was partly offset by a lower net interest margin. Loans increased 12%, with strong growth across commercial, agriculture and SME. Operating expenses increased reflecting higher staff costs, including investment in additional bankers, and the step up in UNITE investment, which were partly offset by benefits from a simpler operating model and compositional changes. Impairment charges to average loans were 30 basis points, up 7 basis points, mainly reflecting new individually assessed provisions, while stressed exposures improved.

34%

Contribution to Group pre-provision profit

Institutional

Net profit increased 3% to $1,630 million and pre-provision profit increased 8% to $2,342 million. Operating income increased 6%, more than offsetting a 3% increase in operating expenses. Strong lending growth more than offset a lower net interest margin and weaker markets income. Loans increased 18%, with strong growth in Energy, Infrastructure and Resources. Operating expenses increased due to higher staff costs, investment in additional bankers, software amortisation and third-party vendor costs, which were partly offset by compositional changes and benefits from a simpler operating model. Impairment charges to average loans were 10 basis points, reflecting new individually assessed provisions and an increase in collectively assessed provisions, while stressed exposures improved.

21%

Contribution to Group pre-provision profit

New Zealand

Net profit decreased 9% to NZ$1,087 million and pre-provision profit decreased 5% to NZ$1,542 million. Operating income was flat, while operating expenses increased 4%. Balance sheet growth offset a 9 basis point reduction in net interest margin. Loans increased 5%, reflecting 4% mortgage growth and 6% business lending growth, while deposits increased 4%. Operating expenses increased due to higher staff expenses, software licensing costs and software amortisation, which were partly offset by benefits from a simpler operating model. Impairment charges to average loans were 3 basis points, compared to a 4 basis point benefit in the prior year, while stressed exposures improved.

12%

Contribution to Group pre-provision profit

Group Businesses

Net loss of $221 million compared to a net loss of $90 million in the prior year. Pre-provision loss was $84 million compared to a profit of $95 million in the prior year. Operating income decreased 21%, reflecting lower Treasury earnings, lower income from the RAMS business following its runoff and subsequent sale, and lower income on surplus capital as interest rates reduced. Operating expenses decreased 9%, reflecting the prior-year restructuring charge and lower expenses following the sale of the RAMS business.



CUSTOMER

For personal use only

By bringing the whole bank to our customers, we are creating more personalised and connected banking experiences that build trust and deepen relationships.

Related material topics (refer to page 16)

- Support for vulnerable customers
- Data privacy, cyber security and AI
- Financial inclusion
- Fraud and scams

Key highlights

13m
CUSTOMERS

57%
LOWER CUSTOMER SCAM LOSSES THAN FY23

#2
CONSUMER NPS®[1]

#3
BUSINESS NPS®[1]

1. Refer to the *Glossary* (pages 247-250) for more information on NPS.

For personal use only

Delivering service excellence

Delivering great service is central to building trust and deeper customer relationships. We are creating more connected banking experiences by bringing together the full breadth of our products, services and expertise to support more of our customers' needs.

As expectations for more personalised and relevant experiences continue to grow, we are using data and AI to gain better customer insights, improve productivity and provide more personalised support. This is helping our people better understand customer needs, have more meaningful conversations and spend more time with customers.

Digital banking features

As more customers choose to bank with us digitally, we continue to enhance our app and online channels to make experiences simpler, safer and more convenient.

Customers can now open a Choice transaction account in half the time. We expanded eligibility for digital account opening to more than 60% of business customers, with more than half of new business accounts now opened digitally. To make it easier for people to start their relationship with Westpac, we also expanded digital onboarding to more countries.

We continued to improve our digital banking experience through Cardless Cash, giving customers a secure and convenient way to access cash without a physical card. For added security, the banking app validates the customer's location before allowing a withdrawal at the selected ATM.

In an Australian banking first, customers can now view and cancel eligible subscriptions directly in the app, providing greater visibility and control over recurring payments.

We also continued to invest in digital security features to help protect customers from scams, fraud and other financial crime. Refer to *Protecting customers and their information* (page 27) for more information.

Personalisation at scale

Westpac Intelligence is our enterprise data and AI capability, which combines trusted data, artificial intelligence and analytics to generate actionable customer insights. It helps bring the whole bank to the customer by giving bankers a connected view and relevant insights to better understand customer needs. This helps bankers have more informed customer conversations and support them with relevant products and services. Refer to *Strategic investments* (page 38) for more information on Westpac Intelligence.

We are also using AI to connect customers with more relevant products, services and offers. For example, an AI-assisted savings campaign reached more than 500,000 customers and resulted in more than twice as many customers opening a savings account[1]. Refer to *Data, Digital and AI* on page 38 for more information.

Connected service experiences

We continued to enhance the Digital Banker platform that provides a complete view of customer needs and interactions. New servicing functions were added, including enhanced security features, helping our bankers and customer support teams across Consumer and Business provide more personalised and connected service. We also launched Book a Banker, a new online home loan booking service for home loan customers.

BOOK A BANKER

Customers increasingly want the convenience of digital banking alongside access to expert support for important financial decisions.

Book a Banker helps meet this need by enabling eligible customers to connect with a lender quickly and at a time that suits them, whether by phone, video call or in person.

Customers can book an appointment and connect with a lender in as little as 15 minutes, including outside traditional banking hours.

Since launching in February, more than 100,000 appointments have been made through Book a Banker.

Building financial literacy

We help improve the financial wellbeing of customers and communities through a range of banking tools, offers and free financial literacy initiatives.

Through our longstanding partnership with Year13, we help young Australians develop practical financial capability and confidence as they transition to adulthood. Across New Zealand and the Pacific, we deliver financial education programs tailored to local community needs. During the year, 18,597 people participated in Managing Your Money workshops in New Zealand, up 52% on FY25. In the Pacific, we deliver culturally relevant financial education in Fiji and Papua New Guinea, reaching thousands of people and small business owners through webinars and workshops.

Digital tools and resources

We continue to enhance our banking app with tools that help customers build positive financial habits. On average, 1.2 million[2] customers use our digital money management tools each month to help manage their finances. Features such as Pocket Money and Chores are helping families teach children about earning, saving and spending.

Through our Financial Literacy Hub, we also provide resources to help children and young people build financial confidence. This is complemented by culturally relevant resources on our First Nations Financial Education Hub to support Aboriginal and Torres Strait Islander peoples in managing their finances.

1. Compared to the control group.
2. Unique Consumer and Business customer six month rolling average.

For personal use only

Listening to customers

We offer a broad range of products, services and expertise that enables us to support customers through every stage of their financial journey, from buying a home and growing a business to building wealth and planning for the future.

By listening and responding to our customers' feedback, we strengthen trust, increase customer advocacy and deepen customer relationships. This supports more customers to choose Westpac as their primary bank.

Trust and advocacy

We use customer feedback, including Net Promoter Score (NPS®[1]) surveys and complaints, to understand what matters most to customers and improve our products, services and experiences. Customer advocacy strengthened during the year, with record NPS® results in Consumer and Business and the largest year-on-year improvements among the major banks. Relationship measures also improved in Institutional Banking.

In Consumer, we moved from equal second to an outright #2 position among the major banks. Business NPS® ranked #3 with Small Business improving by 4 points, reflecting targeted service improvements.

In Institutional, stronger client relationships and deeper engagement contributed to a 12-point increase in RSI[2], the highest level in more than a decade. We achieved the strongest cumulative RSI growth among the major banks over the last five years and improved our ranking from equal to outright #3.

Resolving customer concerns

Customer feedback and complaints provide valuable insights and play an important role in helping us improve products, services and processes. We use insights to strengthen customer outcomes, while aiming to manage complaints fairly, consistently and in a timely manner.

Our approach is guided by our Complaints Management Policy, Public Complaints Policy and FAIRGO principles, which support compliance with relevant regulatory and industry requirements. Complaints management is overseen by relevant General Managers and Executives, with advice and guidance provided by the independent Customer Advocate. Customers have a range of channels available to raise concerns. If a complaint cannot be resolved to their satisfaction, they can access external dispute resolution through the Australian Financial Complaints Authority.

Customer complaint volumes remained relatively stable during the year. Our average internal dispute resolution[3] time was four days and we resolved 70% of these complaints within one day. Related metrics can be found in the 2026 Sustainability Index and Datasheet.

Improving financial inclusion

We are actively improving financial inclusion and economic participation by expanding access to banking services across Australia. Alongside our moratorium on regional branch closures to 2030, we are investing in bankers, branches and business centres while expanding face-to-face support in regional communities. Our new Community Banking service targets 14 rural and regional communities with limited access to face-to-face banking, providing in-person support, digital guidance and access to specialist bankers. We also recognise that cash remains essential for some communities and are working with stakeholders on a long-term solution.

▶ Refer to the 2026 Sustainability Report: Regional Prosperity for more information.

Indigenous banking

We are proud to support financial access and wellbeing for First Nations customers. Through our dedicated Indigenous Call Centre, interpreter services and community engagement teams, we provide culturally appropriate support. We conducted customer research with more than 260 First Nations participants this year to better understand barriers to financial inclusion.

Pathways to home ownership

We enhanced Spend&Save by increasing the maximum eligible age to 40 and raising the bonus interest balance cap to $150,000 to help more aspiring homeowners.

▶ Refer to the 2026 Sustainability Report: Housing affordability for more information.



125 YEARS SERVING FIJI

Since opening our first branch in Suva in 1901, we have grown alongside Fiji through generations of change and opportunity. Today, we serve more than 250,000 Consumer and Business customers and employ more than 500 people, reflecting our commitment to supporting the country's prosperity.

1. Refer to the *Glossary* (pages 247-250) for more information on NPS.
2. Relationship Strength Index. Coalition Greenwich Voice of Client Australia 2026 Large Corporate Relationship Banking Study.
3. Includes complaints directly lodged with Westpac in Australia.

For personal use only

SAFECALL

An Australian-first in-app calling capability to help customers identify genuine Westpac calls and reduce impersonation scams.

SAFEBLOCK

Allows customers to instantly lock their eligible accounts and cards if they suspect fraud or a scam, while allowing deposits and scheduled payments to continue.

SAFERPAY

Helps customers identify potential risks before making a payment, supporting safer transactions and reducing the risk of fraud and scams.

Protecting customers and their information

Fraud and scams

Fraud and scams remain a significant threat to customers and the financial system. We focus on reducing customer harm through prevention, detection and intervention. This includes using a combination of data, analytics, AI and multi-layered security to monitor for suspicious activity and disrupt potential fraud and scam transactions.

We continue to evolve our approach to scam prevention, combining advanced analytics, intelligence sharing and stronger customer protections to better detect, disrupt and respond to scams. This includes working closely with industry participants, regulators and government agencies to support broader industry efforts under Australia's Scams Prevention Framework.

Leading scam prevention measures

We protect customers through a range of customer protections to help prevent and respond to fraud and scams. These include:

- **SafeCall** enables customers to receive verified calls through the Westpac App, helping reduce the risk of bank impersonation scams. The feature was expanded to approximately 1.1 million customers;
- **SafeBlock** allows customers to immediately block their accounts if they suspect fraudulent activity. Customers used the feature more than 490,000 times;
- **Dynamic CVC** strengthens card security and reduced card fraud by more than half compared with static credentials;
- **SaferPay** identifies potentially high-risk payments and introduces additional checks before funds are transferred. It challenged more than 1.2 million payments, with customers abandoning approximately $898 million in transactions after receiving scam warnings. This helped avert an estimated $135 million in customer scam losses; and
- **Verify,** which incorporates Confirmation of Payee functionality, was extended to additional payment channels, including in-branch payments. Verify helped customers avoid $5.7 million in potential losses.

Our continued investment and focus on protecting customers helped reduce reported customer scam losses by a further 23% and prevented $360 million in potential losses. Customer scam losses were 57% lower than FY23.

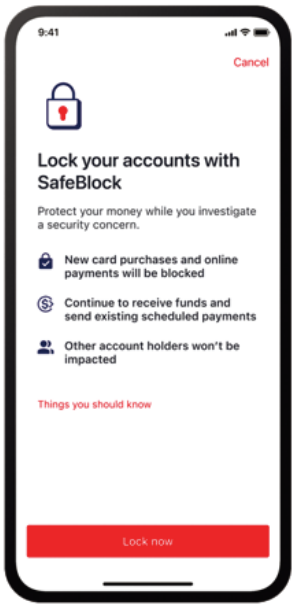
Providing timely support

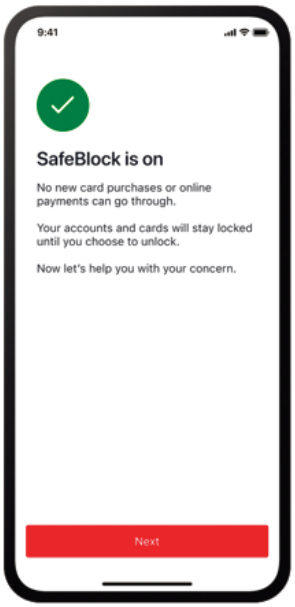
Fraud and scams can have devastating impacts on customers. Our dedicated Fraud and Scams team uses real-time voice AI to support around 1,200 calls each day, helping staff identify scam warning signs, detect suspicious patterns and assist customers at critical moments.

AI and real-time signals also help identify unusual activity and emerging scam risks earlier. This enables faster intervention while protecting customers from financial loss. For more information on how we are using AI capabilities to support our customers and people, refer to *Data, Digital and AI* (page 38).

Privacy and data protection

Protecting customer information is fundamental to maintaining trust. We maintain governance, controls and oversight to support the responsible handling of personal information and compliance with our legal and regulatory obligations. The Group Privacy Office oversees relevant policies and standards, while privacy risks are managed through our broader risk management framework. During the year, we continued to focus on the protection of personal information and enhanced our privacy governance and processes to support upcoming privacy law reforms. Refer to *Cyber Risk* (pages 44-47) for additional information.





Backing businesses

Businesses play a vital role in the economy, creating jobs, driving investment and supporting local communities. We support more than one in four Australian businesses as they invest, grow and build for the future. Our scale gives us valuable insight into the opportunities and challenges facing businesses, helping us respond to their changing needs.

Increased banker and regional presence

We expanded access to banking across regional Australia through new service centres, the Community Banking service, additional bankers and upgrades to branches and business banking centres. These initiatives give regional businesses greater access to local expertise, lending support and a mix of face-to-face and digital services. Refer to *Improving financial inclusion* (page 26) for more information.

▶ Refer to 2026 Sustainability Report: Regional prosperity for more information.

Invoice finance to support cash flow

Access to working capital is essential for business resilience and growth. During the year, we extended Invoice Finance to eligible SME customers, helping them unlock up to 85% of the value of unpaid invoices and receive funds in as little as 15 minutes. Through UNITE, we also created a new Invoice Finance digital platform. Customers now benefit from a simpler digital experience with 24/7 access and Xero accounting software integration. More than $1 billion of invoice finance was written through the platform this year.

Reducing card costs for small businesses

Small businesses continue to face pressure from higher operating costs. To help customers manage these challenges and prepare for regulatory changes to card surcharging, we reduced merchant payment rates for new and existing business customers across our acquiring products. The new pricing is expected to save a typical small business close to $1,000 per year[1], helping to reduce their operating costs while continuing to provide secure and convenient payment options.

Female Founder Awards

Through our support for women in business, we have provided more than $1 billion in lending since 2024 to help women start, grow and scale their businesses. We extended our support beyond finance through the Westpac Female Founder Awards, a national program that recognises and celebrates women who are building businesses across Australia. The inaugural awards attracted more than 450 applications. Information on the winners is on our website.

Faster loan approvals

We continued to invest in BizEdge, our business lending origination platform, to make it simpler for businesses to apply for funding. Enhancements have simplified credit submissions, reduced manual processes and improved the overall application experience. This has contributed to faster lending decisions, with BizEdge improving our average time to decision by 45%. For more information, refer to *Strategic investments* (page 38).

New digital and payment solutions

We launched PayID Biller for corporate and institutional customers and enhanced our international payments and foreign exchange capabilities. With end-to-end payment tracking, the ability to lock in exchange rates in advance and FX rate alerts, clients have greater certainty when managing cross-border payments.

Designing fair, inclusive and accessible products

We put customers at the centre when we design our products, drawing on inclusive design and Safety by Design principles to help meet diverse needs and deliver fair and safe outcomes.

Inclusive and accessible banking

The Access & Inclusion Plan 2025–2028 sets out how we are improving the accessibility of our products, services and channels. We provide a range of options to support customers with diverse needs. Our approach is informed by the Australian Banking Association's Accessibility Principles for Banking, Web Content Accessibility Guidelines (WCAG) and universal design principles.

This year, more than 10,000 employees and suppliers completed training to better serve customers from diverse backgrounds and those with accessibility needs.

Product oversight

Executives are accountable for the design, delivery and ongoing monitoring of products within their respective businesses. Products are assessed throughout their lifecycle to help ensure they remain fit for purpose, meet regulatory requirements and deliver fair customer outcomes.

This includes applying Safety by Design principles to support customer safety and wellbeing. Product governance also supports our approach to managing Compliance and Conduct Risk. Refer to *Material risk categories* (pages 44-47).

Responsible marketing and fair advertising

We believe responsible marketing and advertising plays an important role in helping customers understand the products and services they are considering. We aim to provide information that is clear, accurate and useful. Our Principles for Responsible Marketing and Fair Advertising, together with our Marketing Policy, help ensure our communications remain fair, ethical and aligned with regulatory requirements.

1. Savings based on flat rate pricing for a typical small business with transaction volumes of around $20,000 per month.

For personal use only

For personal use only

Helping customers in hardship

Unexpected events and financial hardship can affect customers at any stage of life. If this happens, we provide timely, tailored financial hardship assistance to help customers work towards financial stability.

We focus on understanding each customer's circumstances and providing practical solutions that help them manage their financial commitments and protect their credit reporting. During the year, Financial Counselling Australia[1] recognised Westpac as the highest-performing major bank for hardship assistance.

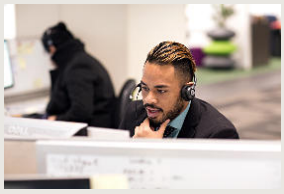
We haven't always got things right in our hardship processes and have taken action where issues have been identified. Between 2015 and 2023, we did not respond within the required timeframe to 277 online hardship notices. We self-reported the failures, resulting in ASIC's 2023 court proceedings. We cooperated with ASIC, remediated affected customers and have decommissioned the legacy systems involved.

Guiding principles and standards

We work with customers experiencing financial hardship. If repayments are missed, we take a considered and respectful approach, providing timely communications and clear information to help customers stay informed and engaged.

To support fair and responsible debt collection practices across the banking industry, we adhere to the Banking Code of Practice, ASIC's Debt Collection Guidelines, the ASIC Act and our Australian Credit Licence obligations. We apply these through the Group Debt Collection & Financial Hardship Standard, which aligns with our commitments, Code of Conduct and FAIRGO principles. Together, they support our people to respond with care. They also help ensure we meet our privacy, information handling and credit-related obligations.

HARDSHIP SUPPORT



The proportion of mortgage balances in hardship remained low at 0.6%

42,603 tailored financial hardship assistance and disaster relief packages were provided

63% of assisted customers required hardship support for less than three months

Assisting customers experiencing vulnerability

We provide additional care and support for customers experiencing vulnerability, including family and domestic violence. Specialist teams, tailored policies and training help ensure customers receive appropriate support when they need it.

Financial abuse and domestic violence

We continue to strengthen protections for vulnerable customers through specialist support teams and processes that seek to identify potential misuse of customer accounts, products or personal information. Our teams complete regular training to identify and support vulnerable customers and connect them with external partners for additional support.

We partner with the One Stop One Story Hub, which enables customers experiencing domestic violence to access support through a single, secure referral pathway. The partnership aims to help eligible customers connect directly with specialist support teams, making it easier to access assistance when needed.

Strengthening cyber security and resilience

Protecting customers and their information is fundamental to maintaining trust and delivering safe, reliable banking services. We continued to strengthen our cyber security controls and operational resilience. During the year, we experienced no Severity 1[2] information security incidents and responded to and removed approximately 400 phishing sites impersonating Westpac brands.

Cyber risk is managed through our enterprise risk management framework, supported by governance, oversight, controls and independent assurance. The Chief Information Security Officer (CISO) oversees cyber strategy, policies, standards and controls, and provides regular reporting to senior management and Board committees on cyber risks and preparedness.

Our approach aligns with recognised international standards, including the National Institute of Standards and Technology (NIST) Cybersecurity Framework, and key elements of our information security management system are independently certified[3].

Cyber resilience

We maintain monitoring, incident response, crisis management and recovery arrangements to help ensure critical services remain available and technology disruptions are managed effectively. These arrangements are regularly tested through scenario exercises and recovery testing to assess preparedness and identify opportunities for improvement.

1. Financial Counselling Australia's *Rank the Banks, Other Lenders and Debt Collectors 2026* report.
2. Refer to the 2026 Sustainability Index and Datasheet for definition.
3. Independently certified to ISO/IEC 27001, the international standard for information security management systems.



PEOPLE

For personal use only

By investing in our people's growth and development, we are helping them build the capabilities they need to grow their careers, deliver for customers and help shape Westpac's future.

Related material topics (refer to page 16)

- Employee engagement
- Health and safety
- Diversity, equity and inclusion
- Ethics and business conduct

Key highlights

81
EMPLOYEE ENGAGEMENT SCORE[1]

34,682
EMPLOYEES[2]

91%
AMPLIFY PARTICIPATION RATE

95%
OF EMPLOYEES USING AI TOOLS MONTHLY

1. Westpac has moved from measuring Organisational Health to Employee Engagement. Results from previous years are not directly comparable.
2. Full-Time Equivalent employees as at 30 September 2026.

For personal use only

Building a workforce for the future

The future of work is being shaped by rapid advances in technology and new ways of working. We are investing in our people to help them succeed in this changing environment and deliver our strategy. This includes developing leaders, strengthening digital and AI literacy, and fostering a culture of curiosity and continuous learning. With high engagement and strong adoption of AI tools, our people are embracing new opportunities to learn and grow, building the confidence and expertise needed for the future of work.

Building future skills

We are investing in the capabilities needed to deliver our strategy and transformation agenda, including bankers, product owners and engineers, and expertise in data, AI, cyber security, change management and risk. Through specialist development pathways, we are building deeper technical expertise across the organisation to help support future workforce needs.

Our learning approach combines mandatory education, professional development, leadership programs and practical opportunities to apply new skills. Employees also have access to LinkedIn Learning, career workshops and formal qualifications.

Through Catalyst and the development of our employees, we are improving ways of working and building consistency in how we deliver change across the organisation. Our *AI for Everyone* program is building broad AI literacy and specialist expertise, while helping employees use AI responsibly. It is supported by a network of more than 650 AI Advocates who help employees build confidence and share practical examples of AI use across the organisation.

For more information on Catalyst and AI, refer to *Transformation* (pages 36-39).

Shaping our workforce

We advanced our workforce planning approach to better align workforce decisions with our strategic priorities and long-term business needs. Taking an enterprise-wide view, we assessed how growth priorities, technology, AI and new ways of working are reshaping our workforce requirements. This helped identify priority skill areas which we are targeting to support future business performance. Through career pathways, reskilling and redeployment initiatives, we are seeking to build critical expertise from within while creating opportunities for our people to develop long-term careers with Westpac.

Developing leaders

We continued to support leaders at different stages of their careers, with a focus on building leadership capability, fostering curiosity, encouraging diverse perspectives and helping teams navigate change. We have three signature programs to develop our leaders:

- **LEAD:** More than 2,500 mid-level leaders participated in *LEAD*, strengthening skills in adaptive leadership, coaching and enterprise thinking. Participants reported a significant increase in their understanding and demonstration of our Leadership Qualities;
- **Elevate:** A further 129 senior leaders participated in *Elevate*, supporting the development of strategic leadership capability across our senior leadership cohort; and
- **Horizon:** 16 General Managers completed our executive leadership program in the fifth cohort, helping strengthen leadership effectiveness and enterprise leadership capability.

Recognising the important role feedback plays in employee growth and performance, we continued IMPROVE, a self-directed program developed with the NeuroLeadership Institute to help leaders provide effective, evidence-based feedback.

AI FOR EVERYONE

Delivering a smarter, safer and more productive bank with AI

CAPABILITY	ADOPTION	INTEGRATION
Building AI literacy and specialist expertise across the workforce	Putting AI tools in the hands of all our people	Embedding AI into everyday workflows and ways of working
95% of employees completed non-mandatory training	**34,000+** employees have access to AI tools	**77%**[a] of employees have integrated AI into their workflow
262[b] specialised AI education sessions	**95%** of employees use AI tools monthly	**+7 to 80** employee AI confidence score: using AI in daily work[c]

a. Based on active AI tool use of 10+ days per month.
b. During the 12 months to Aug-26.
c. Amplify score, Jul-26 up 7 points since Feb-26.

Attracting and retaining talent

Attracting, developing and retaining talented people is critical to delivering our strategy. We are continuing to strengthen our approach to talent management, with a focus on critical roles and skills, internal mobility, early-career pathways and inclusive talent pipelines.

Our employee value proposition

Our Employee Value Proposition, Our Deal, offers meaningful career opportunities, learning and development, flexible working arrangements, financial benefits, leave and wellbeing support. In Australia, *Our Deal* is available to all employees, with some benefits also available to family members and contractors. Equivalent programs are offered in other countries where we operate.

Early career development

Our graduate, internship and university programs help build future talent pipelines in priority areas, including engineering, data and technology. Our graduate cohort increased by 47 to 183 people this year, with women accounting for 53% of participants. We also committed to 45 specialist AI graduate placements for FY27, helping build future capability in priority areas. We also improved by two places to rank sixth in the *Australian Financial Review* Top 100 Graduate Employers list.

Internal mobility and retention

We are creating more opportunities for employees to build skills and move into roles aligned with their interests and areas of growing demand. Internal mobility, which is the percentage of roles filled by existing employees through the recruitment process[1], remained stable this year at 30%.

More than 1,200 employees have participated in career workshops, complemented by digital modules and LinkedIn Learning content. Mobile access to our internal careers site has also made it easier for employees to explore opportunities.

Our UNITE talent pipeline attracted significant interest from employees seeking to participate in one of the Group's largest transformation programs. In Customer Protection and Support, 80% of employees affected by organisational change had been redeployed[2].

We continue to support employees through different life stages. Approximately 95% of employees returned to work following parental leave and approximately 90% remained with Westpac after 12 months.

Talent pipeline

We are broadening our talent planning approach beyond senior executive roles to include positions that have a significant impact on strategy, customer outcomes and long-term value. This included expanding our talent identification process, improving our ability to assess a larger population and identify future leadership and capability needs.

We also continued our programs to help build more diverse talent pipelines. These include *Illuminate* for senior women, *StepUP* for mid-career women, *Career Sprints* across priority divisions and *Altitude*, a 12-month sponsorship program involving 48 culturally diverse employees and senior sponsors. Our *EmPOWERUp* program continues to support women returning to the workforce after an extended career break.

Listening to our people

Our people help shape how we work, improve and grow as an organisation. Through our voluntary Amplify survey, conducted twice a year, our people share their feedback which helps identify priorities.

We received more than 88,000 feedback comments from our people in the July survey. Participation rose to 91%, up two percentage points from the February survey. Our Employee Engagement Index increased from 79 in February to 81 in July, placing Westpac in the top quartile of organisations globally and just one point below the global top 10%.

Alongside formal listening channels, employees share feedback through performance conversations, advocacy groups, workplace consultation and innovation challenges. The CEO-sponsored AI Shark Tank challenge generated an overwhelming response, with 90% of the employee ideas selected for implementation having progressed.

Connecting performance with strategy

We developed *Motivate+*, our refreshed performance framework, for launch in FY27. *Motivate+* is designed to simplify performance management and create more time for meaningful performance and development conversations. It strengthens the connection between strategy, goals, performance and reward, while reinforcing that both what our people deliver and how they deliver it are important to sustainable performance. It also recognises strong leadership as a key enabler of organisational success, setting clear expectations for how people leaders build team performance, capability and engagement.

Our Enterprise Agreement

The majority of our Australia-based employees are covered by the *Westpac Group Enterprise Agreement 2025*, which was negotiated with the Finance Sector Union and approved by employees through a formal vote. The Agreement provides mechanisms for employee consultation, representation and dispute resolution, supporting employee voice and constructive workplace relations.

1. Excludes pre-identified internal transfers that circumvent a formal selection process.
2. As at 30 September 2026.

For personal use only

2,500
leaders participated in LEAD

183
new graduates joined Westpac, 47 more than FY25

30%
internal mobility rate

Developing capability at scale

Building relevant skills across our workforce is central to our learning and talent strategy. We provide mandatory training, professional development, leadership programs and role-specific education to help employees meet their responsibilities and develop their careers.

Strategic learning priorities are identified through engagement with business leaders and alignment to the corporate strategy, workforce needs and customer outcomes. This helps ensure investment is focused on emerging capabilities and areas of greatest strategic importance, such as digital, data and AI capability.

E-Academy learning platform

Online and virtual learning is delivered through a central platform that enables us to monitor participation and completion. We assess the effectiveness of selected programs through completion rates, employee feedback, capability measures and business outcomes.

All employees complete mandatory training that covers Westpac's Code of Conduct, ethical standards, conflicts of interest, financial crime, privacy and data protection, workplace safety, diversity and anti-discrimination.

Employees in relevant roles complete additional training aligned with their legal, regulatory and professional responsibilities. This includes training on consumer protection, sanctions, AML/CTF and debt collection requirements.

Targeted learning

We continued to invest in future capability through targeted learning and development programs. These initiatives strengthen leadership, customer service, risk management, digital capability and technical expertise. We also expanded AI learning through role-based training, roadshows, Copilot upskilling and employee-led showcases, helping employees build confidence and capability in emerging technologies.

In Consumer, approximately 7,000 employees participated in learning programs during the year to strengthen customer service, digital capability, lending expertise and product knowledge. This included 4,000 frontline bankers who completed Customer Service Mindset and Digital First learning, alongside targeted development for home lenders and product teams. These initiatives help employees build confidence, apply new skills and deliver better outcomes for customers.

In Business & Wealth, the Business Performance Academy provided learning opportunities for more than 3,500 people. It helps build technical expertise and confidence in areas including customer engagement, lending, risk and sustainability. Employees can also access professional certifications, degree programs and other formal qualifications.

These investments were complemented by capability programs supporting the rollout of Catalyst and new ways of working. Refer to *Transformation* (page 36).



ON-DEMAND LEARNING

We provide our people with a range of flexible, on-demand learning opportunities to build skills for their current roles and prepare for future opportunities. Through platforms including LinkedIn Learning, Udemy and Pluralsight, employees can learn at their own pace and access training across leadership, technology, AI, data and professional skills.

More than 17,000 employees have activated LinkedIn Learning, giving them access to more than 20,000 courses. AI was among the most popular areas, reflecting strong interest in emerging technologies. Employees also completed more than 21,000 hours of learning through Udemy and more than 1,500 hours through Pluralsight. By providing learning that is accessible when and where our people need it, we are helping employees build relevant skills, navigate change and continue to grow their careers at Westpac.

For personal use only

11,300+
employee advocacy group members

34,000+
employees have access to AI tools

200,000
GEM recognition moments

Health, safety and wellbeing

We recognise that the health, safety and wellbeing of our people are closely linked to our success. We offer a range of leave options, benefits and support services to support employee wellbeing and work-life balance.

Employees have access to 24/7 confidential counselling and wellbeing resources, as well as flexible work arrangements, banking benefits and private health insurance discounts. For example, we offer various types of leave including: cultural, wellbeing and lifestyle, parental, pregnancy loss, domestic and family violence and gender affirmation leave.

Eligible employees also receive income protection insurance in the event of illness or injury. Through our *MyDiscounts* portal, employees can access exclusive offers on private health insurance, utilities and leading retail brands.

Physical and psychosocial health

Our health and safety management system addresses both physical and psychosocial risks, including ergonomics, workplace interactions and the impacts of organisational change. Our approach is guided by our Chief Mental Health Officer, a role established in 2018 to provide specialist leadership on workplace mental health.

Psychosocial risk assessments completed across all divisions in 2025 have strengthened our approach, with ongoing monitoring now embedded in employee surveys and workforce planning. Leaders receive regular guidance on psychosocial safety, supported by organisational psychologists and allied health professionals who help manage risks and provide trauma-informed care. External audits[1] found no material issues with the maturity and compliance of our health, safety and wellbeing management system.

Prevention, training and support

During the year we also provided:

- Face-to-face de-escalation training to 132 branches;
- Psychological first aid training to 2,887 branch employees;
- Mental health training, delivered in partnership with the Black Dog Institute;
- Approximately 4,400 hours of professional mental health support; and
- Health checks for 2,500 employees.

Diversity, equity and inclusion

Westpac is a proudly inclusive employer, committed to fostering a safe and inclusive workplace for everyone, regardless of background, gender or identity. We want our people to feel valued, respected and safe to be themselves at work. We have 10 Employee Advocacy Groups that connect more than 11,300 people on matters they are passionate about. These provide employee perspectives, build awareness and help shape initiatives relating to gender, cultural diversity, disability, neurodiversity, LGBTQIA+ inclusion, carers, veterans and First Nations employees.

We continue to pursue our gender diversity target of 40:40:20 at all levels of the organisation. Women represented 40% of senior leadership roles and 53% of employees across the organisation.

During the year, we continued to progress our Access and Inclusion Plan 2025–2028, reaching an important milestone with half of the published initiatives now delivered. This included disability confidence initiatives, accessible learning programs, and neuro-affirming coaching and training for employees and leaders.

▶ Detailed workforce representation data and targets are available in the 2026 Sustainability Index and Datasheet.

Respectful and inclusive workplace

We do not tolerate discrimination, harassment, sexual harassment or other unlawful conduct. Our policies, reporting channels, investigation processes and employee training set clear expectations for respectful behaviour. A new mandatory program for people leaders on preventing sexual harassment and meeting positive duty obligations achieved 99.9% completion. Our Upstander Program also helps employees recognise inappropriate conduct, speak up and take appropriate action.

▶ Further information on representation, policies, training and performance is available in the 2026 Sustainability Index and Datasheet.

1. Conducted by Queensland's Office of Industrial Relations and South Australia's Return to Work SA.

For personal use only

For personal use only

Pay, reward and recognition

We provide market-competitive pay and a broad range of financial, development, leave and wellbeing benefits through Our Deal. In Australia, some of the benefits available to our people include family banking offers, access to a corporate superannuation plan, learning and development, flexible working arrangements, leave options, health and wellbeing programs and life and salary continuance insurance[1].

Australian employees are eligible to participate in an employee share plan under which the Board may allocate up to $1,000 of Westpac shares at no cost to the employee. The plan has operated for more than a decade and helps employees share in our long-term success.

Paying our people correctly

Following a review of employee entitlements, we identified historical payroll underpayments affecting current and former employees between January 2014 and February 2025 and self-reported these matters to the Fair Work Ombudsman. In November 2025, we entered into an Enforceable Undertaking with the Ombudsman. We repaid affected employees and former employees who could be contacted and paid interest on those amounts, made an $800,000 contrition payment and did not seek to recover any overpayments. We have strengthened controls, systems, oversight and training to support the accurate payment of employee entitlements and help mitigate risks.

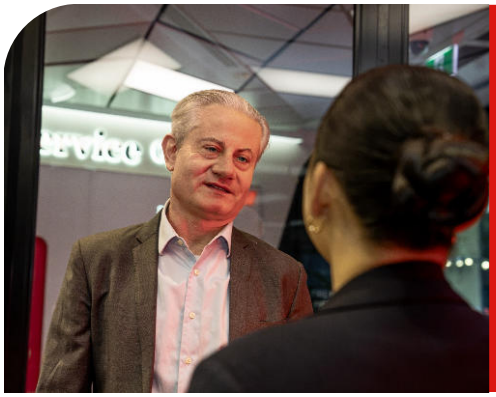
Gender pay gap

We have made progress in reducing our gender pay gap but recognise there is more to do. This year's pay equity review found men and women with equivalent experience are paid equitably for performing the same role. However, the overall pay gap reflects differences in the representation of women and men across roles, business areas and role levels. Our median gender pay gap for total remuneration reduced by 1.6 percentage points to 26.5%, while the average gap reduced by 0.5 percentage points to 21.1%.

We conduct regular pay equity reviews and hold leaders accountable for addressing identified gaps. We are also working to improve gender balance in senior leadership and specialist roles through the following development, sponsorship and mobility programs.

Initiative	Focus	Outcomes
Illuminate	Sponsorship and development for high-potential women	78 women completed, with 30% progressing to new or expanded roles
StepUP	Builds confidence and capability for mid-career women	250 women participated
Career Sprints	Immersive experiences to increase mobility into priority business areas	Programs delivered across Institutional, Technology and Finance
Altitude	New sponsorship program for culturally diverse employees	48 culturally diverse employees and senior sponsors

▶ Further information on gender representation, pay equity and targets is available in the Corporate Governance Statement and the 2026 Sustainability Index and Datasheet.

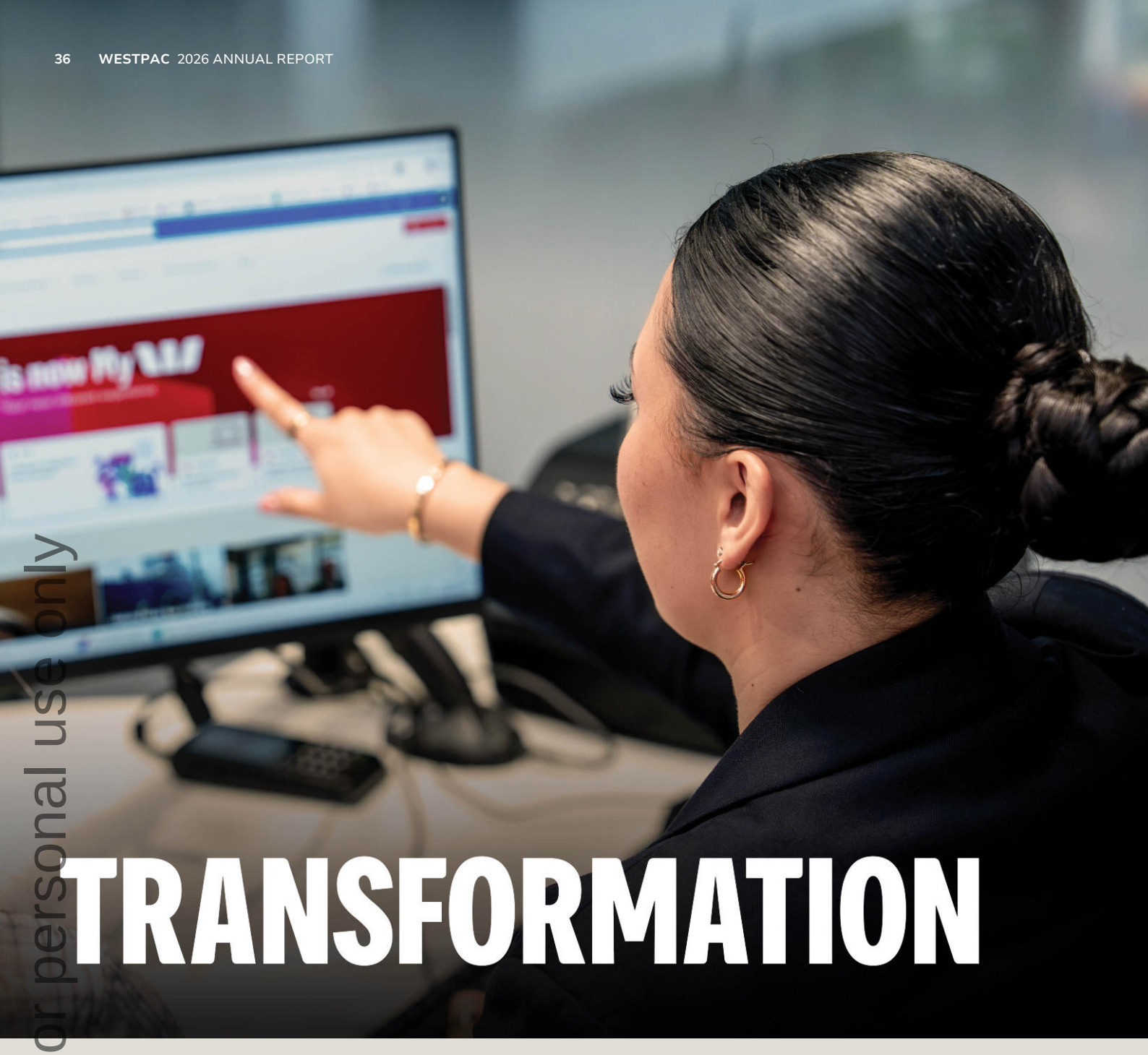


RECOGNISING GREAT OUTCOMES

The recognition of our people is embedded in our culture. The Great Employee Moments (GEM) platform captured 200,000 recognition moments during the year, helping celebrate contributions across the organisation and informing our award programs.

Formal recognition is captured through the CEO Awards, half-year awards and Carla Zampatti Awards, while the Board also recognises employees each quarter for positive risk behaviours and outcomes.

1. Life insurance is available to eligible employees.



TRANSFORMATION

For personal use only

Our transformation agenda and continued investment in data, digital and AI capabilities are helping us improve customer experiences and simplify how we work.

Related material topics (refer to page 16)

- Technology simplification (UNITE)
- Compliance and regulation
- Data privacy, cyber security and AI

Key highlights

#1
COPILOT ADOPTION IN AUSTRALIA[1]

9
OF 56 UNITE INITIATIVES COMPLETED

80
EMPLOYEE AI CONFIDENCE SCORE

~35%
INCREASE IN CODE DEVELOPMENT PRODUCTIVITY

1. Based on Microsoft Australia data for organisations with more than 40,000 seats, June 2026.

For personal use only

Transformation agenda

Our transformation agenda is building a simpler, more efficient technology environment. By modernising our technology and reducing complexity, we expect to deliver better outcomes for customers, employees and shareholders.

UNITE, our business-led, technology-enabled transformation program, is a cornerstone of this agenda. The multi-year program aims to deliver progressive benefits by consolidating technology systems, decommissioning legacy systems and streamlining our product suite to make banking simpler.

Building on the foundations established through UNITE, we adopted Catalyst, our new way of working, from 1 October 2026.

Catalyst

Catalyst will help bring greater discipline and pace to the execution of our strategy. The new model is designed to provide more persistent funding and capacity, creating greater certainty, reduce hand-offs and improve speed to market. This is expected to help us respond faster to customer and business needs, strengthen risk management and, over time, contribute to a lower cost-to-income ratio.

Catalyst brings people from different disciplines together in Delivery Units, with clear accountability for multi-year outcomes. They are supported by specialist Practices across areas including Engineering, Product, Design, Delivery, Data and AI, which build capability and common standards across the bank. Together, this brings expertise closer to delivery and helps us work in a simpler, more consistent way.

To help our people to adapt to Catalyst, we developed a structured learning program combining foundational skills, role-specific training and practical tools. Around 4,000 employees completed Catalyst 101 and Working in Catalyst workshops during the year, with learning continuing as teams build experience in the new model.

UNITE OBJECTIVES		
Better customer experience	*leading to*	**improved service**, NPS® and customer loyalty
Improved employee experience	*leading to*	**more time with customers**, fewer systems, easier processes and increased engagement
Increased shareholder return	*leading to*	**reduced cost to income** ratio gap to peers

Progressing UNITE

We are now into the second year of UNITE's delivery.

UNITE comprises 56 initiatives across four stages: Discovery, Simplify, Implement and Decommission. The Discovery stage is complete, with nine initiatives delivered and 47 underway.

The major milestones achieved this year through UNITE included:

- creating a single wealth platform on Panorama (refer to case study below);
- completing the migration of invoice finance facilities to Westpac's new platform;
- commencing the migration of St.George commercial customers to Westpac;
- migrating mortgage collateral data to Westpac's strategic collateral management platform; and
- further simplifying debit card and collections systems.



ONE WEALTH PLATFORM

Through UNITE, we completed the migration of approximately 60,000 BT customers from Asgard to Panorama. This marked a significant milestone in the simplification of our Wealth business.

Bringing customers onto a single platform provides a more consistent experience for them and their advisers, through enhanced functionality and servicing capabilities.

The migration has helped reduce complexity and simplify our technology environment. Importantly, it also supports the planned decommissioning of Asgard, reducing ongoing costs for a more streamlined operating model.

Strategic investments

Beyond UNITE, we are investing in three flagship platforms and capabilities to better serve customers, simplify how we work and accelerate delivery of our strategy.

BizEdge	Westpac One	Westpac Intelligence
A single digital business lending origination platform that aims to reduce both customer input and banker processing time by 50%.	A modern, scalable digital banking platform integrating transaction banking, treasury management, virtual servicing and AI-enabled capabilities for institutional and corporate clients	An enterprise intelligence platform that connects trusted data, analytics and AI to generate insights, predictions and support more personalised conversations
FY26 progress		
• Processed $20.3bn in applications since March 2025 launch; • Reduced average time to decision by 45%; • Introduced guided credit pathways; • Streamlined Credit Submissions available for deals up to $20m Business total allocated exposure, including Property deals; • Expanded AI Assist feature to Credit Submission and IBISWorld reports; and • Easier document management.	• Completed integration of domestic and international payment schemes with a new core banking platform; • Pilot underway with the first client on our new transaction banking platform; and • Development of real-time corporate treasury and digitised services, expected to launch in FY27	• Built a common data foundation to support analytics and AI across the bank; • Created reusable data and AI tools to improve consistency and speed; • Expanded machine learning and AI capabilities; and • Introduced tools for personalised customer communications, reducing development time from weeks to days.

Data, Digital and AI

Data analytics, digital innovation and AI are helping accelerate the delivery of our strategy and improve experiences for customers and employees. These capabilities support all five of our strategic priorities, helping us deepen customer relationships, strengthen risk management, improve productivity and accelerate transformation.

We established a dedicated office to centralise and oversee our direction and embed these capabilities into how we work. This is helping to turn trusted data into insights, improve decision making and deliver more relevant and personalised customer experiences at scale.

Turning data into intelligence

We completed our Advanced Data and Analytics Platform (ADAPT), bringing together data from 285 source systems in a single governed environment. This provides faster access to trusted data, reduces duplication and creates a stronger foundation for analytics, digital experiences and AI.

Building on ADAPT, Westpac Intelligence (see table above) helps bankers better understand customer needs. It combines trusted data, AI and analytics to generate actionable customer insights, supporting more relevant and informed customer conversations.

Refer to *Customer* (pages 24-29) for information on our digital banking experiences.

Governance and accountability

AI oversight is integrated into our existing governance framework. Executive leaders and governance forums oversee its use across the organisation. Designated owners remain accountable for AI applications and for ensuring they comply with relevant policies and controls.

Identifying and managing AI risk

Risk management begins before AI solutions are deployed and continues throughout the lifecycle. Our Responsible AI assessment process provides a clear pathway for AI use cases to identify AI risks early, receive proportionate assessment and guidance and put appropriate safeguards in place. Use cases are required to assess potential risks, including customer impacts, fairness considerations, privacy requirements, cyber risks, operational resilience implications and third-party dependencies.

▶ Refer to 2026 Risk Factors for more information on the risks associated with AI.

For personal use only

For personal use only

AI in action

We are using AI across the business in various ways to deliver better outcomes for customers and employees. Examples include:

Creating more personalised experiences	Delivering more relevant communications, offers and customer support
Making faster lending decisions	AI-assisted assessment tools verify payslips for faster home lending decisions
Protecting customers from fraud and scams	Real-time signals and AI models help identify potential scams, fraud and suspicious activity sooner
Providing better support	AI assistants give employees instant answers to serve customers more efficiently
Improving operational efficiency	Fewer manual tasks and simpler processes create more time to focus on supporting customers
Increasing delivery capacity	Agentic code conversion and modernisation have increased development productivity by up to 35%

Responsible by Design

As AI plays a greater role in our operations and customer services, we are continuously strengthening our safeguards. Our *Responsible by Design* approach focuses on embedding accountability and risk management throughout the AI lifecycle. This includes maintaining human oversight, technical controls, monitoring and clear accountability to support Westpac's responsible use of AI.

Education and capability

We are building knowledge and capability across the organisation to help our people use AI responsibly, in line with our policies and risk appetite. Building AI literacy helps us manage risk and strengthen accountability. Access to our AI tools requires employees to complete mandatory training on the responsible use of AI. This is supported by role-based training for employees using AI tools and tailored programs for leaders, executives and directors. Refer to *People* (pages 30-35) for more information.

We are embedding responsible AI principles through capability, controls and protection.

Educate:

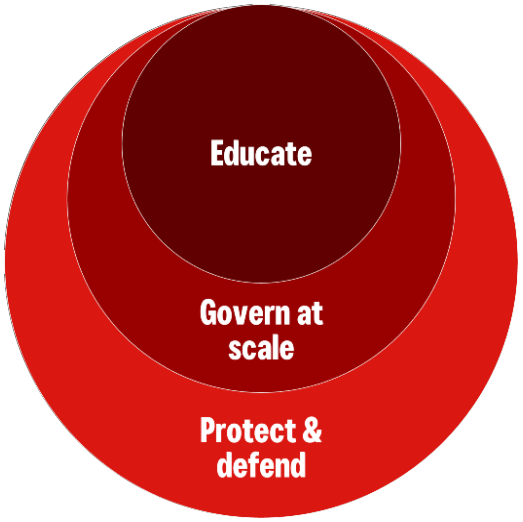
- Board and Executive education on strategy and risks;
- Education for all employees; and
- Training for specialised activities.

Govern at scale:

- Provide clear visibility and ownership of use cases;
- Move to automated risk assessment where appropriate, maintaining human accountability; and
- Embed technical controls.

Protect and defend:

- Protect sensitive data through a controlled environment;
- Embed AI within cyber, identity and operational resilience controls; and
- Strengthen monitoring third-party dependency and concentration risk.



▶ For more information, refer to *Artificial Intelligence at Westpac* on the website.



RISK

For personal use only

We aim to make risk management a source of competitive advantage, helping us make better decisions, strengthen resilience and create sustainable value.

Relevant material topics (refer to page 16)

- Compliance and regulation
- Data privacy, cyber security and AI
- Fraud and scams
- AML/CTF

Key highlights

572
RISK HERO NOMINATIONS

415
HOME LOANS SUPPORTED THROUGH STREAMLINED ASSESSMENTS[1]

20%
INCREASE IN BANKER APPROVALS[2]

23%
REDUCTION IN REPORTED CUSTOMER SCAM LOSSES

1. For relationship-managed Business customers. Refer to page 42.
2. Institutional Bank Credit Decisioning. Refer to page 42.

For personal use only

Approach to risk management

Proactive risk management and a healthy risk culture are integral to how we operate. By embedding accountability, sound judgement and risk-aware decision making, we support the delivery of our strategy while protecting customers, shareholders and other stakeholders.

Underpinning the bank's operations is an enterprise-wide Risk Management Strategy. This includes material risks and the frameworks, policies and risk appetite settings that guide our decision making. The strategy helps us to:

- Deliver fair outcomes for our customers and counterparties that support market integrity;
- Maintain a balance sheet with sound credit quality and buffers over regulatory minimums;
- Manage risk within appetite;
- Be resilient to operational risks and disruptions, and manage the risks arising from service providers;
- Seek appropriate reward for risk we take aligned to our purpose, commitments and behaviours; and
- Meet our regulatory and statutory obligations.

For more information, refer to *Material risk categories* (pages 44-47).

Risk culture and capability

Our objective is to foster a proactive risk culture where managing risk is embedded in our day-to-day decision-making, behaviours and communication. We develop our workforce through training, development and risk capability programs. They support our people to understand their responsibilities, exercise sound judgement and manage risk within appetite.

Through a combination of mandatory and role-specific learning, tools and frameworks, our people are equipped with the knowledge, skills and guidance to identify, assess and manage risk in their day-to-day roles.

Our people are assigned mandatory risk and compliance training, based on their role and business area. Additional technical and behavioural learning opportunities support ongoing professional development. These programs reinforce accountability, support informed decisions and promote consistent risk management practices across the organisation.

We have a Consequence Management Framework that reinforces accountability and supports appropriate risk outcomes and conduct. Where appropriate, outcomes under the framework are reflected in remuneration decisions, strengthening the link between risk culture, behaviour and reward.

For further information on how we promote the right behaviours, refer to *Pay, reward and recognition* (page 35).

Governance and oversight

The Board is responsible for overseeing the effectiveness of risk management and setting risk appetite.

The Board Risk Committee supports the Board in overseeing risk culture, forming a view on the organisation's risk profile and monitoring that the organisation operates within its risk appetite.

Each year, the Board reviews and approves the Risk Management Strategy, which incorporates the risk management framework model and the Board Risk Appetite Statement.

▶ Further information is available in the **2026 Corporate Governance Statement**.



RECOGNISING RISK HEROES

Recognising and rewarding the right behaviours is important to strengthening our risk culture.

We have formal mechanisms in place to reward employees who demonstrate effective risk management practices and contribute to positive risk outcomes. In Consumer, the monthly Risk Heroes program is a peer recognition initiative that celebrates employees who demonstrate positive risk behaviours and reinforces that managing risk is everyone's responsibility.

During the year, 572 nominations were received for actions that helped strengthen controls, protect customers and improve risk outcomes. Each month, a minimum of eight winners receive recognition from the Chief Executive, Consumer and are awarded GEM points to spend at participating retailers. For more information on GEM, refer to *People* (pages 30-35).

Risk Management Framework

The Risk Management Framework brings together the systems, structures, policies, processes and people that support the management of risk. It is underpinned by a strong risk culture and our Three Lines of Defence model, supporting effective identification, assessment and management of risks across the organisation. For further information on the risks we face, refer to *Material risk categories* (pages 44-47) and 2026 Risk Factors.



Risk management in action

We continue to strengthen risk management capability as we strive for it to be a competitive advantage. The following examples illustrate how risk management supports better decisions, faster outcomes and improved customer experiences.

Institutional credit decisioning	Mortgages for Business customers
Clearer credit policies and decision-making authority have supported faster assessment and approval of Institutional lending applications at the first point of review. This contributed to a 10% increase in first-touch Credit Officer decisions and a 20% increase in banker approvals, reflecting clearer accountability, improved efficiency and enhanced risk capability.	We improved the mortgage application process for relationship-managed Business customers through policy and process simplification. The initiative has supported more than 415 applications and $651 million in new settlements since April this year, while improving the average time to decision by four days to 8.4 days[a].

a. Compared to 1H26.

PROTECTING CUSTOMERS IN CRITICAL MOMENTS

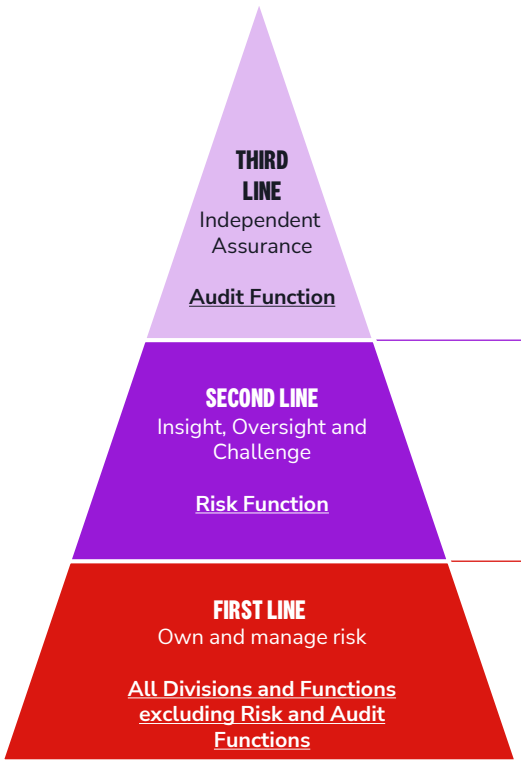
Shane Brown, a Virtual Banking Moments Specialist, was recognised as a Risk Hero after helping protect a customer from significant financial loss. Through careful investigation and timely escalation, Shane helped prevent the customer from experiencing the identified financial loss. His diligence and sound judgement in this critical moment demonstrates the positive impact that strong risk ownership can have for customers.

For personal use only

For personal use only

Three Lines of Defence

We continued to enhance the effectiveness of the Three Lines of Defence (3LOD) model, helping to strengthen accountability and clarify roles and responsibilities for active risk management.



PRINCIPLES

The 3LOD work together to deliver effective risk management outcomes to achieve the Group's Purpose.

The 3LOD work together to make sound risk-based decisions through:

- strong and proactive engagement, communication, trust and collaboration
- management information that is reliable, coherent and transparent.

There must also be alignment of activities across the 3LOD to avoid unnecessary duplication, overlap, or gaps.

Third Line provides independent and objective assurance:

- Group Audit is the Third Line 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.

Second Line provides insight, oversight and challenge of First Line activities:

- The Second Line is an independent function that develops risk management frameworks, defines guardrails, provides objective review and challenge regarding the effectiveness of risk management within the First Line 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 First Line activities.

First Line owns and manages the risks they originate:

- The First Line 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 First Line establishes and maintains appropriate governance structures, controls, resources and self-assessment processes, including issue identification, recording and escalation procedures.

Driving continuous improvement

We continue to focus on risk maturity across key focus areas. The Board oversees progress against a three-year maturity target. Examples include:

- Strengthened resilience, technology, cyber and data risk management capabilities;
- Expanded automation and preventative controls to reduce operational risk;
- Enhanced data governance, quality and transparency across critical data assets;
- Improved oversight of change delivery through stronger governance, metrics and risk management; and
- Continued investment in risk culture and capability to embed proactive risk management across the organisation.

The deep dive program

Each year, our Risk Culture team partners with business areas to undertake independent risk culture reviews. These help identify behaviours and organisational factors that influence how risk is understood, managed and escalated, and provide insights to strengthen risk management and customer outcomes over time. During the year, deep dives were undertaken across a range of areas, including Financial Markets and SME and Small Business.

Strengthening lending practices

We continue to strengthen our mortgage lending practices in response to changing technology, customer expectations, regulation and financial crime risks.

As part of our ongoing program of continuous improvement, we undertook a broad range of initiatives to strengthen lending controls, oversight, and assurance. This included:

- Investing in technology and process enhancements to automate the verification of certain customer financial information, including income;
- Improving the way information is aggregated for lending teams to reduce reliance on manual data collation, and calculations;
- Ongoing monitoring and review of automated processes to identify exceptions, maintain appropriate human oversight and inform further improvement; and
- Completion of targeted independent reviews and assurance of responsible lending practices across selected lending portfolios. This supported further enhancements to management, controls, monitoring and governance across the lending process.

These initiatives help support the consistency and ongoing effectiveness of our responsible lending practices.

Material risk categories

Westpac has identified 11 material risk categories that could affect its business. The Board sets a risk appetite for each category, which is documented in the Board Risk Appetite Statement (RAS). The RAS outlines the measures used to monitor these risks and the thresholds applied to them. Green, amber and red indicators in the RAS show whether risks are within, approaching or outside the Board's approved appetite. Refer to 2026 Risk Factors for more information.

1	2	3	4	5	6	7	8	9	10	11
Capital Adequacy	Funding and Liquidity Risk	Credit Risk	Market Risk	Strategic Risk	Risk Culture	Operational Risk	Compliance and Conduct Risk	Financial Crime Risk	Cyber Risk	Reputational and Sustainability Risk

For personal use only

1 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.

Example of a Risk Appetite measure

CET1 capital ratio – a measure which indicates a bank's capacity to absorb losses

Risk Appetite and mitigation

We aim to maintain a strong balance sheet including under stressed scenarios.

We evaluate capital management through our Internal Capital Adequacy Assessment Process, features of which include:

- Capital management strategy;
- Consideration of economic and regulatory requirements, and stakeholder perspectives;
- Stress-testing; and
- Operating targets for key capital ratios.

Areas of focus include:

- Continuous monitoring of capital forecasts;
- Consideration of capital headwinds;
- Implementing regulatory change;
- Actively monitoring the economic outlook and market volatility arising from geopolitical tensions and inflationary pressures; and
- Optimising and improving data to support better risk measurement.

2 Funding and Liquidity Risk

The risk that Westpac cannot meet its payment obligations as they fall due, or that it does not have the appropriate amount, tenor or composition of funding and liquidity to support its business.

Examples of a Risk Appetite measure

- Net Stable Funding Ratio (NSFR); and
- Liquidity Coverage Ratio (LCR).

Risk Appetite and mitigation

We aim to manage our balance sheet such that we:

- Maintain a diversified, stable and cost-effective funding base, with access to funding across a range of markets, investors and tenors;
- Have sufficient securable assets to meet our funding and repurchase agreement requirements; and
- Fund lending growth with stable funding sources to maintain resilience under stress scenarios.

Areas of focus include:

- Supporting funding resilience through a diversified and stable customer deposit base;
- Executing the wholesale funding plan to support balance sheet growth and refinance maturing debt;
- Managing liquidity risk to meet regulatory requirements and Westpac's liquidity needs in line with market conditions; and
- Supporting regulatory consultation on new rules.

For personal use only

3 Credit Risk

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

Example of a Risk Appetite measure

Australian Mortgage Origination Flow > 90% LVR Excluding Home Guarantee Scheme (HGS)

Risk Appetite and mitigation

We manage credit risk using:

- Board approved credit risk limits and approval authorities which are cascaded through the bank;
- Clear boundaries to guide appropriate credit risk strategic choices
- Regular review of settings and appetite to adjust for changes in the operating environment; and
- A range of policies, processes and systems to support credit risk monitoring and management.

Areas of focus include:

- Responding to heightened credit risk from domestic and international factors including cost of living pressure, higher interest rates, ongoing geopolitical risks, trade disruptions and a more uncertain economic environment;
- Undertaking stress testing and scenario analysis of our credit portfolio; and
- Assessing the impact of any external events, and conditions for specific customer groups (e.g. including by geography, industry etc.) on the adequacy of the overall expected credit loss provision.

4 Market Risk

The risk of an adverse impact on Westpac's earnings and economic value resulting from changes in the value of positions due to a change in financial market factors. 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.

Example of a Risk Appetite measure

Value at Risk (VaR), a statistic that quantifies the extent of possible financial losses arising from the Bank's Treasury, Financial Markets and Commodities, Trade and Transition businesses

Risk Appetite and mitigation

Market risk is managed through prudent risk management strategies and active monitoring of Board-approved metrics that measure exposure to movements in financial markets. The Board sets risk appetite for traded and non-traded market risks using measures including Value at Risk (VaR), Stressed VaR (SVaR), Expected Shortfall (ES), Net Income at Risk (NaR) and selected risk sensitivities. This is supported by the Market Risk Management Framework and associated policies, limits, processes, systems and delegated authorities.

Areas of focus include:

- Upgrading/replacing market risk and limit monitoring systems;
- Expanding Market Risk Management Framework to capture new line of business: Commodities, Trade and Transition; and
- Implementing regulatory change related to market risk standards.

5 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.

Examples of a Risk Appetite measure

Actual ROTE against the Target ROTE

Risk Appetite and mitigation

We aim to grow through well-considered initiatives aligned to our strategy and risk appetite. We aim to manage the impact of threats from changes in the environment, which could significantly impact our ability to implement our strategy. We continually evaluate our performance and seek to adapt to changes in the external environment in a timely manner.

Areas of focus include:

- Technology simplification and transformation;
- Delivery of regulatory commitments;
- Invest in digital, AI and data, to improve the customer experience; and
- Delivering service excellence, expanding and deepening customer relationships.

For personal use only

6 Risk Culture

The risk that our culture does not promote and reinforce behavioural expectations and structures to identify, understand, discuss and act on risks.

Example of a Risk Appetite measure

Internal survey results - score for respondents who feel safe calling out risks

Risk Appetite and mitigation

We promote a risk culture that supports our purpose, strategy and values and our ability to manage risk effectively. We regularly assess our risk culture and undertake initiatives to continually improve.

Areas of focus include:

- Executing on the Group Culture Plan and simplifying Division-level action plans to support driving culture change across the organisation;
- Continuing investment in leadership capability through enterprise development programs; and
- Continuing to review and improve our tools and processes to support the management of risk culture.

7 Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Example of a Risk Appetite measure

Percentage of key controls assessed as 'Requires Improvement'

Risk Appetite and mitigation

We aim to be resilient to operational risk and disruption by minimising risk through robust processes and controls. We aim to quickly and effectively remediate material operational issues and incidents.

Areas of focus include:

- Strengthening the control environment, including risk prevention and automation; and
- Strengthening our operational resilience and adopting read-across processes to fully understand underlying issues.

8 Compliance and Conduct Risk

The risk of failing to abide by compliance obligations required of us, or otherwise failing to have behaviours and practices that deliver suitable, fair and clear outcomes for customers and that support market integrity.

Example of a Risk Appetite measure

Speed to complete Customer Remediations

Risk Appetite and mitigation

We establish robust controls and systems to manage compliance and conduct risk. We aim to promptly own, investigate and remediate incidents of non-compliance. We aim to prevent:

- Deliberate or reckless breaches of regulatory requirements;
- Conduct that causes unsuitable, unfair or unclear customer outcomes or adversely impacts the integrity of markets; and
- Systems or processes that could lead to systemic or material breaches of regulatory requirements.

Areas of focus include:

- Strengthening the management of risks relating to conflicts of interest, product governance, and privacy; and
- Improving tools and processes to support alignment of our behaviours and business practices to fair customer outcomes and market integrity.

For personal use only

9 Financial Crime Risk

The risk that Westpac fails to prevent products and services being used to facilitate financial crime, fails to protect customers and Westpac from fraud and scam events or fails to comply with applicable global financial crime regulatory obligations.

Example of a Risk Appetite measure

Volume of High/Very High Financial Crime residual risk ratings across Westpac's businesses

Risk Appetite and mitigation

Westpac is committed to protecting the integrity of the Australian financial system and importantly keeping our community safe.

Westpac helps prevent financial crime by proactively identifying, assessing, mitigating and reporting financial crime risks and complying with all applicable global and local financial crime regulatory obligations.

Westpac continues to invest significant resources to assist AUSTRAC, law enforcement and the Australian Government (including through the Fintel Alliance) to detect, deter and disrupt financial crime.

Areas of focus include:

- Simplification and embedding strategic capabilities, improving detection and surveillance capabilities and expanding the use of network analytics;
- Collaboration through involvement in Public and Private sector partnerships and other intelligence bodies to disrupt financial crime; and
- Uplifting of Know your Customer (KYC) processes and enhancing customer lifecycle management through digital capabilities and automated controls.

10 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.

Examples of a Risk Appetite measure

- Control effectiveness against external cyber threats; and
- Supplier security assessment outcomes.

Risk Appetite and mitigation

We proactively manage our cyber risk exposure to help ensure that we are resilient to cyber threats and vulnerabilities. We aim to:

- Manage our risks within the appropriate regulatory frameworks;
- Not undermine our strategic, financial, reputational or regulatory standing; and
- Implement cyber controls commensurate to the cyber threats we respond to.

Areas of focus include:

- Enhancing cybersecurity capability to remain resilient in the face of increasingly sophisticated AI-enabled cyber threats, including strengthening network perimeter, data and application protection controls, and identity and access management;
- Leveraging AI to enhance cyber defensive capabilities and a developing program of work that leverages AI offensively for vulnerability scanning; and
- Embedding a consistent cyber risk management framework.

11 Reputational and Sustainability Risk

The risk of failing to recognise or address environmental, social or governance (ESG) issues as well as the risk that an action, inaction, transaction, investment or event will reduce trust in Westpac's integrity and competence.

Example of a Risk Appetite measure

Reputation ranking from external ranking agency (such as RepTrak) which provides independent assessments of a company's reputation, brand and ESG

Risk Appetite and mitigation

We aim to maintain the confidence of all stakeholders, seeking to balance the commercial aspects of decisions with stakeholder expectations. Our approach includes considering potential impacts on people, communities and the environment. We recognise that ESG issues can involve interconnected and sometimes competing considerations.

Areas of focus include:

- Continuing to assess customers and our supply chain for reputation and sustainability risks including the ESG Credit Risk Policy which focuses on assessing counterparties' environmental, social and governance management; and
- Continuing to embed the Climate Risk Policy, aligned with APRA's CPG 229, including enhancing our Climate Risk Materiality Assessment with an additional scenario to further understand the intersection of climate risk across our material risk categories.

DIRECTORS' REPORT

Our Directors present this report together with the financial statements of the Group for the financial year ended 30 September 2026.[1]

Board Committee Member Key

Chair of each Committee is noted with a red icon.

- Board Audit
- Board Remuneration
- Board Nominations & Governance
- Board Risk

Board of Directors



Steven Gregg

BCom

Age: 65

Board Committees:

CHAIRMAN AND INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 7 November 2023 and Chairman since 14 December 2023.

Board Committees: Chair of the Board Nominations & Governance Committee.

Experience: Steven has more than 37 years' experience in global financial services, strategy consulting and professional services across Australia, Asia, Europe and the US. He has extensive experience in global investment banking, including through senior roles with ABN Amro, Chase Manhattan, Lehman Brothers and AMP Morgan Grenfell. His most recent executive role was as a partner at McKinsey & Company where he advised clients in Financial Services and other sectors, primarily in Australia and Asia. Steven has served as Chairman and Director for companies across various sectors and is currently Chairman of Ampol Limited and the Lorna Hodgkinson Foundation (and a Director of Unisson Disability Limited). Steven is also a Director of William Inglis & Son Limited. Steven was formerly the Chairman of The Lottery Corporation, Tabcorp Holdings Limited, Goodman Fielder Limited and Austock Group Limited and formerly a Non-executive Director at Challenger Limited.

Directorships of listed entities over the past three years: Ampol Limited (since October 2015, Chairman since August 2017), The Lottery Corporation Limited (May 2022 to March 2024) and Challenger Limited (October 2012 to October 2023).

Other principal directorships and interests: Chairman of the Lorna Hodgkinson Foundation (and a Director of Unisson Disability Limited).



Anthony Miller

LLB (Hons), BA

Age: 56

Board Committees:

Nil

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Appointed: Director since 16 December 2024.

Board Committees: Nil.

Experience: Anthony was appointed Westpac Group Chief Executive Officer in December 2024. Since joining the Westpac Group in 2020, Anthony has also held the roles of Chief Executive, Business & Wealth and Chief Executive, Westpac Institutional Bank. Before joining Westpac Group, Anthony was CEO of Australia & New Zealand and Co-Head of Investment Bank, Asia Pacific at Deutsche Bank from 2017. Prior to Deutsche Bank, Anthony was a partner at Goldman Sachs based in Hong Kong within the investment banking division and previously held several roles at Goldman Sachs in Australia and New Zealand having joined the organisation in 2001. Before joining Goldman Sachs, Anthony worked at Credit Suisse. Anthony holds a Bachelor of Law (Honours) from Queensland University of Technology, and Bachelor of Arts (Japanese Language, Modern Asian Studies) from Griffith University.

Directorships of listed entities over the past three years: Nil.

Other principal directorships and interests: Director of Australian Banking Association, Director of the Institute of International Finance and Director of Financial Markets Foundation for Children.

1. Particulars of the skills, experience, expertise and responsibilities of the Directors at the date of this report, including all directorships of other listed companies held by a Director at any time in the three years immediately before 30 September 2026, and the period for which each directorship has been held, are set out in the following pages.

For personal use only

For personal use only



Tim Burroughs

MA (Hons), B Psy (Hons), FCA, FAICD

Age: 72

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 10 March 2023.

Board Committees: Member of the Board Risk, Board Remuneration and Board Nominations & Governance Committees.

Experience: Tim has over 42 years' experience in finance, international banking and mergers and acquisitions. Tim was formerly Chairman of Investment Banking at Goldman Sachs Australia, where he worked for 11 years. Prior to this, Tim held senior positions at Merrill Lynch including Chairman of Mergers and Acquisitions. From 1993 to 1997, Tim was Principal at Centaurus Corporate Finance, a leading independent advisory firm. Over the course of his career, Tim has specialised in providing strategic financial advice to major corporations and their boards. He has advised on capital restructures, capital raisings and more than 100 public company acquisitions. Tim has an engineering degree from Cambridge University and is a Fellow of the Institute of Chartered Accountants. Tim has also studied and taught Psychology at Macquarie University.

Directorships of listed entities over the past three years: Nil.

Other principal directorships and interests: Director of the Westpac Foundation. Panel member of Adara Partners (Australia) Pty Ltd.



Nerida Caesar

BCom, MBA, GAICD

Age: 62

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 1 September 2017.

Board Committees: Member of the Board Audit and the Board Risk Committees.

Experience: Nerida has over 40 years' of broad ranging commercial and business management experience, with particular depth in technology-led businesses. Nerida was Group Managing Director and Chief Executive Officer, Australia and New Zealand, of Equifax (formerly the ASX listed Veda Group Limited) and was also a former director of Genome One Pty Ltd and Stone and Chalk Limited. Before joining Equifax, Nerida held several senior management roles at Telstra, including Group Managing Director, Enterprise and Government and Group Managing Director, Wholesale. Nerida also held several executive and senior management positions with IBM within Australia and internationally, including as Vice President of IBM's Intel Server Division for the Asia Pacific region. Nerida was formerly a Non-executive Director of NBN Co Ltd.

Directorships of listed entities over the past three years: TPG Telecom Limited (since June 2026).

Other principal directorships and interests: Director of Land Services SA & Land Services WA (as a nominee Director of the Public Sector Pension Investment Board of Canada). Director of CreditorWatch and Director of O'Connell Street Associates Pty Ltd. Advisor to startups in the technology sector.



David Cohen

BA LLB, FAPI

Age: 66

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 1 April 2025.

Board Committees: Chair of the Board Risk Committee. Member of the Board Audit Committee.

Experience: David has over 22 years' experience in financial services and was Deputy Chief Executive Officer of Commonwealth Bank of Australia (CBA) from November 2018 to December 2023. As Deputy CEO, David oversaw business divestments, facilitated mergers and acquisitions, and improved handling of customer complaints. Prior to this role, David was Group General Counsel, Group Executive Human Resources, Group Executive Corporate Affairs and Chief Risk Officer at CBA. During his 16 years at CBA, he also led the bank through the Hayne Royal Commission into the financial services sector. David's roles prior to joining CBA include General Counsel at AMP and a Partner at Allens Arthur Robinson. David is Chairman of TAL Life Limited and a Panel Member of Adara Partners (Australia) Pty Ltd. He was previously a director of ASB Bank Limited (NZX).

Directorships of listed entities over the past three years: ASB Bank Limited (NZX) (February 2019 to February 2025).

Other principal directorships and interests: TAL Life Limited (Director since April 2025 and Chairman since May 2025), TAL Life Insurance Services Limited (Director since April 2025), Panel Member of Adara Partners (Australia) Pty Ltd, Director of The Paul Ramsay Foundation and O'Connell Street Associates Pty Ltd.

DIRECTORS' REPORT



Pip Greenwood

LLB

Age: 60

Board Committees:

Nil

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 1 August 2025.

Board Committees: Nil.

Experience: Pip has more than 26 years of experience in financial services, capital markets, mergers and acquisitions, and governance, and was one of New Zealand's leading commercial lawyers and a partner at Russell McVeagh, where she advised on many high-profile New Zealand corporate transactions. Pip also previously served as Board Chair and interim CEO of Russell McVeagh and was a member of the New Zealand Takeovers Panel from 2007 to 2011. Pip is the current Chair of Westpac New Zealand Limited (WNZL) and Chair of The a2 Milk Company Limited.

Directorships of listed entities over the past three years: The a2 Milk Company Limited (Director since July 2019 and Chair since 16 November 2023) and Fisher & Paykel Healthcare Corporation Limited (June 2017 to September 2025).

Other principal directorships and interests: Chair of WNZL.



Debra Hazelton

BA (Hons), MCom, GAICD

Age: 72

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 4 March 2025.

Board Committees: Chair of the Board Remuneration Committee.

Experience: Debra has over 30 years' experience in global financial services, with a particular focus on Australia and Japan. Her executive experience includes national CEO roles in Japan (CBA) and Australia (Mizuho Bank) as well as treasury, corporate/project finance, and human resources/organisational culture. Debra is an experienced Chair and Non-executive Director currently serving as Chair of Export Finance Australia, President of the Australia-Japan Business Co-operation Committee, and Non-executive Director of Persol Holdings Co., Ltd (Tokyo Stock Exchange). Debra was previously Chair of AMP Ltd and AMP Bank and a Director of Australia Post. Debra holds graduate and postgraduate degrees in Economics and Finance as well as Philosophy and Japanese and studied at University of Sydney, UNSW, and Keio University (Tokyo) and was awarded the Order of the Rising Sun on behalf of the Japanese Emperor in 2026.

Directorships of listed entities over the past three years: Persol Holdings Co., Ltd (Tokyo Stock Exchange) (since June 2023) and AMP Limited (June 2019 to April 2024).

Other principal directorships and interests: Chair of Export Finance Australia, President of the Australia Japan Business Co-operation Committee and Director of Jawun.



Andy Maguire

BA, BAI

Age: 60

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 15 July 2024.

Board Committees: Member of the Board Remuneration Committee.

Experience: Andy has over 37 years' experience in financial services, and began his career in banking at Lloyds Banking Group. From 2014 to 2020, he served as Group Chief Operating Officer at HSBC Holdings p.l.c, with responsibility for operations, technology, real estate, change and transformation and operational resilience. Previously, he spent 16 years with the Boston Consulting Group, where he became Managing Partner of the London office covering the UK and Ireland, and a member of the firm's global executive committee, as well as formerly serving as Global Head of Retail Banking. Andy is currently Chair of UK banking software fintech Thought Machine Group. He is also an independent Non-executive Director of AIB Group p.l.c, a financial services group operating predominantly in the Republic of Ireland and the UK. Andy previously held Chair positions with RegTech compliance company Napier AI and IT service management provider CX Holdings (Cennox Group).

Directorships of listed entities over the past three years: AIB Group p.l.c. (since March 2021).

Other principal directorships and interests: Chair of Thought Machine Group.

For personal use only

For personal use only



Margaret (Margie) Seale

BA, FAICD

Age: 66

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 1 March 2019.

Board Committees: Member of the Board Remuneration and Board Nominations & Governance Committees.

Experience: Margie has more than 27 years' experience in senior executive roles in Australia and overseas, including in consumer goods, global publishing, sales and marketing and the successful transition of traditional business models to digital environments. Prior to her non-executive career, Margie was the Managing Director of Random House Australia and New Zealand and President, Asia Development for Random House Inc. Margie was a Director and then Chair of Penguin Random House Australia Pty Limited, and a Director of Telstra Corporation Limited, Ramsay Health Care Limited, Bank of Queensland Limited and the Australian Publishers' Association. She also served on the Boards of Chief Executive Women (chairing its Scholarship Committee), the Powerhouse Museum, and the Sydney Writers' Festival.

Directorships of listed entities over the past three years: Scentre Group Limited (since February 2016).

Other principal directorships and interests: Chair of Westpac Scholars Limited, Director of Pinchgut Opera Limited and Jana Investment Advisers Pty Ltd.



Michael Ullmer AO

BSc, FAICD, FCA, FCSI

Age: 75

Board Committees:

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: Director since 3 April 2023.

Board Committees: Chair of the Board Audit Committee. Member of the Board Risk Committee.

Experience: Michael has over 40 years' experience in international banking, finance and professional services. Michael was formerly the Deputy Group Chief Executive Officer of NAB from 2007 until he retired from the Bank in August 2011. He joined NAB in 2004 as Finance Director and held a number of key positions including Chair of the subsidiaries Great Western Bank (US) and JB Were. Prior to NAB, Michael was at CBA, initially as Group Chief Financial Officer and then Group Executive with responsibility for Institutional and Business Banking. Before that, he was a Partner at accounting firms KPMG (1982 to 1992) and Coopers & Lybrand (1992 to 1997). From a philanthropic perspective, throughout his career Michael has been heavily involved in supporting the Arts and Education sectors.

Directorships of listed entities over the past three years: Lendlease Corporation Limited (Director from December 2011 to November 2024 and Chairman from November 2018 to November 2024).

Other principal directorships and interests: Member of the National Gallery of Victoria Foundation Board.

Retired Directors

Peter Nash was appointed as a Director on 7 March 2018 and retired as a Director on 1 July 2026.

DIRECTORS' REPORT

Executive Team as at 30 September 2026



Anthony Miller

LLB (Hons), BA

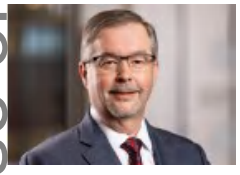
Age: 56

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, WESTPAC GROUP

Anthony was appointed Westpac Group Chief Executive Officer on 16 December 2024. Since joining the Westpac Group in 2020, Anthony has also held the roles of Chief Executive, Business & Wealth and Chief Executive, Westpac Institutional Bank.

Before joining Westpac Group, Anthony was CEO of Australia & New Zealand and Co-Head of Investment Bank, Asia Pacific at Deutsche Bank from 2017. Prior to Deutsche Bank, Anthony was a partner at Goldman Sachs based in Hong Kong within the investment banking division and previously held several roles at Goldman Sachs in Australia and New Zealand having joined the organisation in 2001. Before joining Goldman Sachs, Anthony worked at Credit Suisse.

Anthony holds a Bachelor of Law (Honours) from Queensland University of Technology, and Bachelor of Arts (Japanese Language, Modern Asian Studies) from Griffith University.



Scott Collary

BA, Humanities

Age: 62

CHIEF INFORMATION OFFICER

Scott Collary was appointed Chief Information Officer (CIO) in August 2023[a]. Prior to this, he held the role of Group Executive, Customer Services & Technology after joining Westpac as Chief Operating Officer in November 2020.

Scott has over 35 years' global banking experience, with a breadth of expertise across technology, operations, risk mitigation and commercial functions.

Before joining Westpac, Scott was Chief Information & Operations Officer for North America Consumer Businesses at Bank of Montreal, Canada. Prior to that, Scott held senior executive positions at a number of multinational financial institutions including ANZ, Citibank, Fifth Third Bank and Bank of America.

Scott holds a Bachelor's Degree from the University of Maryland in the United States.



Kate Dee

FCIPD, BA

Age: 48

CHIEF PEOPLE OFFICER

Kate was appointed Chief People Officer in August 2025. She is an experienced executive with more than 25 years' experience leading people, culture and organisational transformation across financial services, healthcare, media and consumer-facing organisations.

Prior to joining Westpac, Kate was Chief People Officer for Bupa Asia Pacific, a position she held from 2018. Before this, she was General Manager, Talent at National Australia Bank. Kate has also worked in Europe, including as an Executive Director, overseeing Global Organisational Development at Time Warner in London. Throughout her career, Kate has worked with leaders and organisations navigating significant change, helping strengthen culture, leadership capability and performance.

Kate holds a Bachelor of Arts from Victoria University of Wellington, New Zealand. She is a Fellow of the Chartered Institute of Personnel and Development (UK) and the Australian Human Resources Institute and is a member of Chief Executive Women.



Shannon Finch

BA (Hons),
LLB (Hons),
MAICD, FGIA

Age: 56

GROUP GENERAL COUNSEL

Shannon joined Westpac in November 2021 and leads the Group's Legal and Secretariat function.

She brings almost 30 years' legal experience, beginning her career in the Commonwealth Attorney General's Department before joining Mallesons Stephen Jaques, where she worked across Canberra, London and Sydney and later led the Sydney office. Prior to Westpac, Shannon was a senior partner at global law firm Jones Day.

A highly respected leader in the legal profession, Shannon serves on the Business Law Section Executive of the Law Council of Australia and previously chaired its Corporations Committee. She has extensive experience as a non-executive director and is a member of the AICD Law Committee, Australian Corporate Counsel GC100 and Chief Executive Women, and is a Fellow of the Governance Institute of Australia.

Shannon holds Bachelor of Arts (Honours) and Bachelor of Laws (Honours) degrees from the Australian National University.

a. Scott Collary retired as CIO and Richard Heeley commenced as CIO effective 1 October 2026.

For personal use only

For personal use only



Paul Fowler

LLB, BCom (Hons, Finance)

Age: 47

CHIEF EXECUTIVE, BUSINESS & WEALTH

Paul was appointed Chief Executive, Business & Wealth in May 2025. He oversees banking services for small, medium and commercial sized businesses, Westpac's wealth businesses including Private Wealth and BT, and Pacific Banking.

Prior to joining Westpac, Paul spent 10 years at Commonwealth Bank of Australia where he held various roles, including Executive General Manager of Regional and Agribusiness Banking, Chief Financial Officer of Institutional Banking and Markets, and Executive General Manager, Group Mergers and Acquisitions.

Paul spent the first 13 years of his career in investment banking, holding positions at Goldman Sachs and Citigroup in Australia and offshore, where he advised financial services firms on mergers and acquisitions, divestments, and capital management.

He holds a Bachelor of Laws and a Bachelor of Commerce (Hons) from the University of New South Wales.



Nathan Goonan

BCom Commerce and Agricultural Science (Hons)

Age: 47

CHIEF FINANCIAL OFFICER

Nathan Goonan was appointed Westpac Group's Chief Financial Officer in October 2025, and is responsible for Westpac's Finance, Group Audit, Investor Relations, Tax, Treasury, Group Strategy and Group Development, Product Governance and Business Controls Monitoring CoE, Investment Performance and Enterprise Delivery functions.

Nathan joined Westpac from National Australia Bank (NAB), where he was Group Chief Financial Officer. He has more than 20 years' experience in financial services, having started his career at NAB in mergers and acquisitions before moving into investment banking.

He rejoined NAB in 2013 and held various roles across strategy, innovation, corporate affairs and mergers and acquisitions. He joined the Executive Leadership Team in April 2020 and was appointed Chief Financial Officer in 2023.

Nathan holds bachelor degrees in Commerce and Agricultural Science (Hons) from the University of Melbourne.



Peter Herbert

Age: 44

CHIEF UNITE AND CUSTOMER OPERATIONS OFFICER

Peter joined Westpac in 2020, and has held many executive roles across the organisation, most recently appointed Chief UNITE and Customer Operations Officer in April 2026.

Peter has responsibility for working across divisions and technology on the delivery of the bank's largest transformation and simplification program, UNITE. He also runs a number of group operations, including Customer Protection and Support, Customer Lifecycle Management and Group Property and Security.

Peter has also been the Acting Chief Executive, Business & Wealth responsible for providing a range of banking and wealth services for customers across Business Lending, Merchant Services, Private Wealth, Westpac's Pacific banking business and BT. Previously, he has also been Chief Transformation Officer for Consumer and Business Banking, and the Chief Operating Officer, Business & Wealth.

Before joining Westpac, Peter had an extensive career at HSBC, including Chief Operating Officer, Asia Pacific, Retail Banking & Wealth Management.

DIRECTORS' REPORT



Nell Hutton

BCom (Hons), MPhil, GAICD

Age: 50

CHIEF EXECUTIVE, WESTPAC INSTITUTIONAL BANK

Nell was appointed Chief Executive, Westpac Institutional Bank in October 2023. She oversees banking services for Corporate, Institutional and Public Sector customers, Westpac's Global Transaction Services, Financial Markets and Commodities Trade and Transition businesses, and Westpac's international offices in Asia, Europe, the UK and the US. She first joined Westpac in February 2021 as Managing Director, Financial Markets.

Prior to joining Westpac, Nell was a partner at Goldman Sachs leading the Global Markets division in Australia and New Zealand and previously held several roles at Goldman Sachs in London and Sydney, having joined the organisation in 1999.

Nell holds a Master of Philosophy in Finance and Economics from Cambridge University and a Bachelor of Commerce (First Class Honours) from the University of Sydney. She is a member of the AICD and Chief Executive Women.



Carolyn McCann

BBus (Com), BA, GradDipAppFin, GAICD

Age: 54

CHIEF EXECUTIVE, CONSUMER

Carolyn has been part of the Westpac Group Executive team since 2018 and is currently Chief Executive, Consumer. The Consumer bank provides banking products and services including mortgages, credit cards, personal loans and deposits to customers in Australia.

Previously, Carolyn was Group Executive, Customer & Corporate Services, responsible for operations, customer solutions, fraud prevention, property, procurement and protective services, corporate affairs, and HR and finance services. Carolyn has more than 28 years' experience in financial services.

Carolyn joined Westpac in 2013, as General Manager, Corporate Affairs and Sustainability. Prior to joining Westpac, Carolyn spent 13 years at Insurance Australia Group in various positions, including Group General Manager, Corporate Affairs and Investor Relations. She began her career in consulting in financial services.

Carolyn has a Bachelor of Arts from The University of Queensland, a Bachelor of Business from Queensland University of Technology, and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. She is a member of the Australian Institute of Company Directors (AICD) and Chief Executive Women (CEW).



Catherine McGrath

LLB/BCom

Age: 55

CHIEF EXECUTIVE OFFICER, WESTPAC NEW ZEALAND

Catherine was appointed Chief Executive Officer of Westpac New Zealand in November 2021.

She has more than 25 years' experience working in financial services, spanning business, operational and people leadership roles to which she has driven significant people, structural, technology and strategic change. Prior to joining Westpac, Catherine led large-scale transformations at some of the world's best known banks including Barclays Group and Lloyds TSB in the UK. This included various positions such as Head of Channels, Managing Director of Transaction Products and Payments, and Transaction Banking Director. Earlier in her career she worked at BNZ, ASB and the Prudential Group.

Catherine was raised in New Zealand. She graduated from Canterbury University with a Bachelor of Law and a Bachelor of Commerce.



Dr Andrew McMullan

PhD (Statistics)

Age: 49

CHIEF DATA, DIGITAL AND AI OFFICER

Dr Andrew McMullan joined Westpac in September 2025 to lead the transformation of the bank's data, digital and artificial intelligence capabilities. He plays a key role in driving innovation, improving customer and employee experiences, and supporting Westpac's strategic program, UNITE.

Andrew joined Westpac from CBA, where he was Chief Data and Analytics Officer. He previously served as Chief Analytics Officer, helping scale platforms that enhanced decision-making and customer outcomes. With a career spanning global financial institutions, Andrew is a recognised thought leader in responsible AI and data strategy. He brings deep expertise in delivering secure, scalable and customer-centric solutions that enable innovation, operational efficiency, and trust.

Andrew holds a PhD in Statistics from the University of Glasgow.

For personal use only



Dr Fiona Wild

PhD (Chemistry)

Age: 54

CHIEF CORPORATE AFFAIRS & SUSTAINABILITY OFFICER

Fiona was appointed Westpac's Chief Corporate Affairs & Sustainability Officer in 2026. She joined Westpac as Chief Sustainability Officer in March 2025 and now leads the Group's Corporate Affairs and Sustainability function, bringing together the bank's work across sustainability, corporate affairs, community, customer advocacy, climate, nature, social policy, human rights and Indigenous strategy and engagement.

Fiona has more than 25 years of experience working in sustainability and is a leading international voice on how companies can manage climate-related risks and support a low carbon transition.

Before joining Westpac, Fiona was the Group Sustainability and Social Value Officer at BHP, accountable for all climate and sustainability-related public policy issues. She joined BHP in 2010 and held a range of senior roles including Vice President Environment, Vice President Climate Change, and Group Climate and Sustainability Officer.

In December 2015, Fiona was appointed a permanent member of the Financial Stability Board's Task Force on Climate-related Financial Disclosures, reporting to the G20. She has also held several Board positions, including Deputy Chair of the Global Carbon Capture and Storage Institute (GCCSI).

Fiona holds a PhD in Chemistry from the University of Edinburgh.



Ryan Zanin

CFA, FICB

Age: 64

CHIEF RISK OFFICER

Ryan was appointed Chief Risk Officer in April 2022. Ryan is responsible for risk management across the Group, which includes credit risk, operational risk, financial crime, compliance and conduct.

Ryan has over 30 years' experience in financial services specialising in risk management. Prior to joining Westpac Group, Ryan was at Fannie Mae as Executive Vice President and Chief Risk Officer overseeing the company's governance and strategy for global risk management.

Prior to Fannie Mae, Ryan held senior positions at GE Capital, Wells Fargo & Company and Deutsche Bank. Ryan has also been on the Board of Fannie Mae and General Electric Capital Corporation. A Canadian, Ryan began his career at the Bank of Montreal in Credit Services before taking on various roles across Citibank Canada and Bankers Trust Company.

Ryan is a Chartered Financial Analyst and a Fellow of the Institute of Canadian Bankers.

For personal use only

DIRECTORS' REPORT

Operating and financial review

Principal activities

The principal activities of the Group during the financial year ended 30 September 2026 were the provision of financial services including lending, deposit taking, payments services, investment platforms, leasing finance, general finance, interest rate risk management and foreign exchange services.

There have been no significant changes in the nature of the principal activities of the Group during FY26.

Operations and financial performance

Net profit attributable to owners of Westpac decreased by 1% to $6,813 million. The decrease in net profit reflects higher credit impairment charges partly offset by an increase in net operating income. Basic earnings per share remained stable at 199.3 cents.

Net interest income increased by $202 million or 1%, driven by a 5% increase in average interest earning assets, which was tempered by a 7 basis point contraction in net interest margin.

The NIM decreased by 7 basis points to 1.86%. NIM comprises:

- Core NIM of 1.76%, down 5 basis points, mainly driven by tighter spreads in mortgages and business lending due to competition; and
- Treasury and Markets contribution of 11 basis points which was down 2 basis points due to lower Treasury income.
- Notable hedging items reduced NIM by 1 basis point, consistent with the prior period.

Average interest earning assets increased by 5% reflecting growth of business loans and housing loans.

Non-interest income was $16 million or 1% higher. Key movements included:

- Net fee income increased by 1% reflecting higher cards income from a reduction of rewards program costs as well as higher facility and underwriting fees.
- Net wealth management income increased by 7% mainly due to volume growth of funds under administration.
- Trading and other income decreased by 5% mainly due to lower foreign exchange income due to margin compressions and lower derivative valuation adjustments from the tightening of funding spreads.

Operating expenses remained flat. The key movements included:

- Lower staff cost of $28 million largely due to prior period impact of the 2025 Fit for Growth restructuring charge of $273 million, which supported targeted productivity initiatives. This was partly offset by higher employee remuneration mainly from wage growth;
- Lower technology cost of $15 million largely due to lower software costs partly offset by UNITE technology service expenses;
- Higher occupancy cost of $49 million mainly due to prior period benefit related to corporate property; and
- Higher other cost of $7 million mainly from professional services cost from the sale of the RAMS loan portfolio partly offset by a reduction due to prior period legal expenses relating to Auto Finance.

Credit impairment charges of $864 million represented 10 basis points of average gross loans compared to 5 basis points in 2025. The increase primarily reflected higher collectively assessed provisions largely from an increase in the severity of the downside scenario and an increase in overlays, as well as higher individually assessed provisions reflecting volume growth and downgrades across transport and storage sectors.

The effective tax rate of 30.38% in 2026 was slightly higher than the Australian corporate tax rate of 30%, mainly due to non tax deductible hybrid instrument distributions.

A review of the operations of the Group and its segments and the results of those operations, as well as information on the financial performance and financial position of the Group, for the financial year ended 30 September 2026 is set out in the Strategic Review (pages 4- 94) section which forms part of this Directors' report.

For personal use only

For personal use only

Dividends

Westpac has announced a final ordinary dividend of 77 cents per Westpac ordinary share, totalling $2.6 billion. The dividend will be fully franked and will be paid on 21 December 2026.

In 2026, an interim ordinary dividend of 77 cents per Westpac ordinary share totalling $2.6 billion was paid as a fully franked dividend on 26 June 2026 (2025: ordinary dividend of 76 cents per share totalling to $2.6 billion).

For the year ended 30 September 2025, a fully franked final dividend of 77 cents per ordinary share totalling $2.6 billion was paid on 19 December 2025.

Significant changes in state of affairs and events during and since the end of the 2026 financial year

There were no other significant changes in the state of affairs of the Group that occurred during the financial year under review that are not otherwise disclosed in Significant developments (pages 93-94) which forms part of this Directors' report.

The Directors are not aware of any other matter or circumstance that has occurred since 30 September 2026 that has significantly affected or may significantly affect the operations of the Group, the results of these operations or the state of affairs of the Group in subsequent financial years.

Business strategies, developments and expected results

Our business strategies, prospects and likely major developments in the Group's operations in future financial years and the expected results of those operations are discussed in the Strategic Review (pages 4- 94) and in Significant developments (pages 93-94) which form part of this Directors' report.

Further information on our business strategies and prospects for future financial years, and likely developments in our operations and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Risks to our financial performance, position and our operations

Our financial position, our anticipated future financial results, our operations and the success of our strategy are subject to a range of risks. These risks are set out and discussed in our risk disclosures in the Risk section (pages 40-47) which forms part of the Directors' report. For additional information on risks relating to Westpac, refer to 2026 Risk Factors as disclosed on the ASX on the same date as this report.

DIRECTORS' REPORT

Directors' interests

Directors' interests in securities

The following particulars for each Director (where applicable) are set out in the Remuneration Report (pages 62-90) of the Directors' report for the year ended 30 September 2026 and/or in the table below:

- Their relevant interests in our shares or the shares of any of our related bodies corporate;
- Their relevant interests in debentures of, or interests in, a registered scheme made available by us or any of our related bodies corporate;
- Their rights or options over shares in, debentures of, or interests in, any registered scheme made available by us or any of our related bodies corporate; and
- Any contracts:
  - To which the Director is a party or under which they are entitled to a benefit; and
  - That confer a right to call for or deliver shares in, debentures of, or interests in, a registered scheme made available by us or any of our related bodies corporate.

Directors' interests in Westpac and related bodies corporate as at 1 November 2026

	Number of Relevant Interests in Westpac Ordinary Shares	Number of Westpac Share Rights
Westpac Banking Corporation		
Current Directors		
Steven Gregg	75,208	-
Anthony Miller	301,277[a]	375,914[b]
Tim Burroughs	67,302	-
Nerida Caesar	13,583	-
David Cohen	1,253	-
Pip Greenwood	4,082	-
Debra Hazelton[c]	3,050	-
Andy Maguire	6,615	-
Margaret Seale[d]	10,438	-
Michael Ullmer[e]	12,570	-
Former Directors		
Peter Nash[f]	15,260	-

a. Anthony Miller's interest in Westpac ordinary shares includes 26,298 restricted shares held under the Equity Incentive Plan.
b. Share rights issued under the Long Term Variable Reward Plan and Equity Incentive Plan.
c. Debra Hazelton also holds a relevant interest in 10 Westpac Capital Notes 7 (ASX:WBCPJ), 16 Westpac Capital Notes 9 (ASX:WBCPL) and 2 Westpac Capital Notes 10 (ASX:WBCPM).
d. Margaret Seale also holds a relevant interest in 100 Westpac Capital Notes 7 (ASX:WBCPJ).
e. Michael Ullmer also holds a relevant interest in 300 Westpac Capital Notes 9 (ASX:WBCPL).
f. Figure displayed as at Peter Nash's retirement date of 1 July 2026.

Note: Certain subsidiaries of Westpac offer a range of registered schemes. The Directors may from time to time invest in these schemes and are required to provide a statement to the ASX when any of their interests in these schemes change. ASIC has exempted each Director from the obligation to notify the ASX of a relevant interest in a security that is an interest in BT Cash Management Trust (ARSN 087 531 539), BT Premium Cash Fund (ARSN 089 299 730) or BT Investor Choice Cash Management Trust (formerly Westpac Cash Management Trust) (ARSN 088 187 928).

For personal use only

For personal use only

Indemnities and insurance

Under the Westpac Constitution, unless it is forbidden or would be made void by statute, we indemnify any person who is or has been a Director or Company Secretary of Westpac and of each of our related bodies corporate (except related bodies corporate listed on a recognised stock exchange), any person who is or has been an employee of Westpac or our subsidiaries (except subsidiaries listed on a recognised stock exchange), and any person who is or has been acting as a responsible manager under the terms of an Australian Financial Services Licence of any of Westpac's wholly-owned subsidiaries against every liability (other than a liability for legal costs) incurred by each such person in their capacity as director, company secretary, employee or responsible manager, as the case may be; and all legal costs incurred in defending or resisting (or otherwise in connection with) proceedings, whether civil or criminal or of an administrative or investigatory nature, in which the person becomes involved because of that capacity.

Each of the Directors named in this Directors' report and the Company Secretary of Westpac has the benefit of this indemnity.

Consistent with shareholder approval at the 2000 Annual General Meeting, Westpac has entered into a Deed of Access and Indemnity with each of the Directors, which includes indemnification in identical terms to that provided in the Westpac Constitution.

Westpac also executed a deed poll in September 2009 providing indemnification equivalent to that provided under the Westpac Constitution to individuals who are or have been acting as:

- statutory officers (other than as a director) of Westpac;
- directors and other statutory officers of wholly-owned subsidiaries of Westpac; and
- directors and statutory officers of other nominated companies as approved by Westpac in accordance with the terms of the deed poll and Westpac's Contractual Indemnity Policy.

Some employees of Westpac's related bodies corporate and responsible managers of Westpac and its related bodies corporate are also currently covered by a deed poll that was executed in November 2004, which is on similar terms to the September 2009 deed poll.

The Westpac Constitution also permits us, to the extent permitted by law, to pay or agree to pay premiums for contracts insuring any person who is or has been a Director or Company Secretary of Westpac or any of its related bodies corporate against liability incurred by that person in that capacity, including a liability for legal costs, unless:

- we are forbidden by statute to pay or agree to pay the premium; or
- the contract would, if we paid the premium, be made void by statute.

Under the September 2009 deed poll, Westpac also agrees to provide directors' and officers' liability insurance to Directors of Westpac and Directors of Westpac's wholly-owned subsidiaries (except wholly-owned subsidiaries listed on a recognised stock exchange).

For the year ended 30 September 2026, the Group has insurance cover which, in certain circumstances, will provide reimbursement for amounts which we have to pay under the indemnities set out above. That cover is subject to the terms and conditions of the relevant insurance, including but not limited to the limit of indemnity provided by the insurance. The insurance policies prohibit disclosure of the premium payable and the nature of the liabilities covered.

Share rights outstanding

As at the date of this report there are 3,609,487 share rights outstanding in relation to Westpac ordinary shares, held by 122 holders. The latest dates for exercise of the share rights range between 15 November 2026 and 13 January 2041.

Holders of outstanding share rights in relation to Westpac ordinary shares do not have any rights under the share rights to participate in any share issue or interest of Westpac or any other body corporate.

Proceedings on behalf of Westpac

No application has been made and no proceedings have been brought or intervened in on behalf of Westpac under section 237 of the Corporations Act.

DIRECTORS' REPORT

Corporate Governance Statement

We have followed the ASX Corporate Governance Principles and Recommendations (fourth edition) throughout our 2026 financial year. For more information on our corporate governance framework, policies and practices as at 1 November 2026, refer to our Corporate Governance Statement available at westpac.com.au/corpgov.

Environmental disclosure

The Westpac Group's environmental disclosure is detailed in our 2026 Sustainability Report and our 2026 Sustainability Index and Datasheet which are available on our website.

Additional environmental disclosure is in our Climate Transition Plan which outlines how we are working to achieve our ambition to be a net-zero, climate resilient bank, our Nature Position which sets out our ambition and guiding principles, and our Nature Action Plan which outlines our aspirations, focus areas and the actions we plan to progressively take over the next four years (2027 to 2030) across our business and customers.

Our 2026 Sustainability Report contains climate-related disclosures that have been prepared in accordance with AASB S2 Climate-related Disclosures, the mandatory Australian Sustainability Reporting Standard issued by the Australian Accounting Standards Board and the Corporations Act 2001. Westpac New Zealand is also a climate reporting entity under the Financial Markets Conduct Act 2013 (NZ) and the 2026 Westpac New Zealand Climate Report complies with the Aotearoa New Zealand Climate Standards (NZCS).

In Australia we also report our scope 1 and 2 greenhouse gas emissions, energy consumption and production under the National Greenhouse and Energy Reporting (NGER) scheme for the period 1 July through 30 June each year.

Human rights disclosure

Our Human Rights Position and Human Rights Action Plan set out Westpac Group's commitments and approach to respecting and advancing human rights. It outlines our approach to respecting human rights across our roles as a financial services provider, lender, investor, purchaser of goods and services, employer, and supporter of communities, and integrates our position on child safeguarding. More information on our approach and the Group's salient human rights issues can be found on the Human Rights section of our website.

Under the Modern Slavery Act 2018 (Cth) and Modern Slavery Act 2015 (UK), Westpac is required to prepare an annual statement describing the risks of modern slavery across our operations and supply chain, and the actions taken to address the risks. Westpac published a joint statement for FY25 on behalf of itself and certain reporting entities that addressed the requirements of both Acts.

For more information, see the Westpac Group's 2025 Modern Slavery Statement, published in March 2026.

We will release the Group's FY26 Modern Slavery Statement in March 2027.

Rounding of amounts

Westpac is an entity to which ASIC Corporations Instrument 2026/183 dated 24 March 2026, relating to the rounding of amounts in directors' reports and financial reports, applies. Pursuant to this Instrument, amounts in this Directors' report and the accompanying financial report have been rounded to the nearest million dollars, unless indicated to the contrary.

Political engagement

In line with Westpac policy, no cash donations were made to political parties during the financial year ended 30 September 2026.

Westpac does participate in political engagement activities assessed as directly relevant to the bank and / or the banking industry. Such activities include business observer programs attached to annual party conferences, policy dialogue forums and other political engagement activities, such as speeches and events with industry participants. Westpac attends these events to put forward its position on policy matters of importance to customers, suppliers, shareholders and employees.

Political expenditure on these events in Australia for the financial year ended 30 September 2026 was $160,683.13. This included expenditure of $76,575.63 with the Australian Labor Party, $60,026.50 with the Liberal Party of Australia, and $24,081 with the National Party of Australia, across Australian state and federal government jurisdictions.

In New Zealand, political expenditure for the financial year ended 30 September 2026 was NZ$3,544.25.

For personal use only

For personal use only

Directors' meetings

The Westpac Banking Corporation Board met 10 times during the financial year ended 30 September 2026. In addition, Directors attended Board strategy sessions and special purpose committee meetings during the financial year.

The following table includes:

- Names of the Directors that held office at any time during, or since the end of, the financial year.
- The number of Board and Board Committee meetings held during the financial year that each Director, as a member of the Board or Board Committee, was eligible to attend, and the number of meetings attended by each Director.

The table excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

	Board		Board		Committees							
	Scheduled meetings		Unscheduled meetings[a]		Risk		Audit		Remuneration		Nominations & Governance	
	Held[b]	Attended[c]	Held[b]	Attended[c]	Held[b]	Attended[c]	Held[b]	Attended[c]	Held[b]	Attended[c]	Held[b]	Attended[c]
Director												
Steven Gregg[d]	9	9	1	1	n/a	n/a	n/a	n/a	n/a	n/a	4	4
Anthony Miller	9	9	1	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tim Burroughs[e]	9	9	1	1	8	8	n/a	n/a	6	6	1	1
Nerida Caesar[f]	9	9	1	1	8	8	8	8	n/a	n/a	n/a	n/a
David Cohen[g]	9	9	1	1	8	8	2	2	n/a	n/a	n/a	n/a
Pip Greenwood	9	9	1	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Debra Hazelton[h]	9	9	1	1	n/a	n/a	n/a	n/a	6	6	n/a	n/a
Andy Maguire[i]	9	9	1	1	n/a	n/a	n/a	n/a	6	6	n/a	n/a
Margaret Seale[j]	9	9	1	1	n/a	n/a	n/a	n/a	6	5	4	4
Michael Ullmer[k]	9	9	1	1	8	8	8	8	n/a	n/a	n/a	n/a
Former Director												
Peter Nash[l]	7	7	0	0	7	7	6	5	n/a	n/a	3	3

a. Out of cycle Board meetings typically called for a special purpose that does not form part of the Board's forward agenda.
b. The number of meetings held during the time the Director was a member of the Board or Board Committee and that the Director was eligible to attend as a member.
c. The number of Board or Board Committee meetings that the Director attended as a member.
d. Chairman of the Board and Chair of the Board Nominations & Governance Committee.
e. Member of the Board Risk Committee, Board Remuneration Committee. Appointed as a member of the Board Nominations & Governance Committee with the appointment taking effect on 2 July 2026.
f. Member of the Board Audit Committee and Board Risk Committee.
g. Appointed Chair of the Board Risk Committee and a member of the Board Audit Committee with the appointments taking effect on 2 July 2026.
h. Appointed Chair of the Board Remuneration Committee with the appointment taking effect on 12 December 2025.
i. Member of the Board Remuneration Committee.
j. Ceased as Chair of the Board Remuneration Committee on 12 December 2025, while remaining a member of the Board Remuneration Committee. Member of the Board Nominations & Governance Committee.
k. Ceased as Chair of the Board Risk Committee on 2 July 2026, while remaining a member of the Board Risk Committee. Appointed Chair of the Board Audit Committee with the appointment taking effect on 2 July 2026.
l. Retired as a Director on 1 July 2026.

Company Secretary

Our Company Secretary as at 30 September 2026 was Sarah Donnelly. Sarah assumed the Company Secretary role on 21 September 2026 after the previous Company Secretary, Tim Hartin, stepped down.

Sarah Donnelly (BBA, LLB, LLM, GAICD) joined Westpac in 2011 and has held various senior roles including Deputy Company Secretary, Head of Group Secretariat and Head of Wealth Secretariat. She also practised as a Lawyer in the Group Corporate Legal team within Westpac's Counsel & Secretariat function. Sarah was previously a Senior Adviser, Issuers at ASX Limited.

DIRECTORS' REPORT

Remuneration Report

LETTER FROM THE CHAIR

of the Board Remuneration Committee

Our 2026 remuneration outcomes reflect strategic progress, sound performance and momentum in our key markets.



Dear shareholders,

On behalf of the Board, I am pleased to present the 2026 Remuneration Report.

As Chair of the Board Remuneration Committee, my focus has been on ensuring remuneration outcomes reflect performance, risk management and the experience of our shareholders.

2026 has been a year of significant change. Global geopolitical uncertainty and changing local economic conditions have created a challenging operating environment. We have also seen the rapid adoption of AI begin to reshape how we deliver for our customers, and how we operate across the Group.

In this context, it is important that we recognise and reward strong performance and delivery, while maintaining high standards of risk management and a focus on sustainable outcomes. This balance has been a key consideration in our remuneration decisions this year.

Group performance

Financial performance

We delivered a sound financial result in 2026 and continued to invest in the company for the long term. We maintained a strong balance sheet, achieving growth in both lending and deposits, while controlling costs and strengthening our lending market share.

Our key financial outcomes for the year were:

- Net profit after tax of $6,992m excluding Notable Items, which was slightly above target.
- Return on tangible equity of 11.1% excluding Notable Items, which was above target.
- Cost to income ratio of 51.9% excluding Notable Items, which was slightly better than target.
- Common equity tier 1 capital ratio of 12.5%, which remained above our target ratio.

We are well positioned to build on this momentum and deliver sustainable value for shareholders.

Non-financial performance

We remained committed to becoming our customers' #1 bank, while investing in our people and maintaining a strong focus on risk management.

Consumer and Business NPS® both achieved greater year on year improvements than the other majors. Amongst the majors, we are now ranked outright number two in Consumer and number three in Business. Protecting customers remains a priority and we have expanded our use of AI to identify scams in real time, helping prevent more than $360 million in customer scam losses. Our main financial institution measure across Consumer and Business was below threshold, highlighting the progress still required to achieve our ambition of becoming our customers' #1 bank.

Our UNITE transformation program is creating a more efficient bank. We achieved important milestones during the year, including completion of the Asgard migration to BT Panorama and commencement of One Commercial Bank migrations. UNITE remains on track, with all key 2026 milestones delivered.

Our people engagement metric was 79, above target, reflecting our people's continued connection to the organisation and confidence in its direction. Gender diversity and building a strong and diverse leadership pipeline remain key areas of focus, with the representation of women at mid-career levels lower than we would like. While our median gender pay gap for total remuneration reduced from 28.1% to 26.5%, we recognise there is more work to do to improve these outcomes.

We set high standards for risk management as a foundation for safe and sustainable outcomes. We made further progress during the year in strengthening risk culture and risk management discipline. However, our assessment of risk culture remained at 'systematic', rather than progressing to our target of 'proactive'. This reflects our clear expectations for consistent and sustained risk management and control effectiveness across the Group.

Executive performance and remuneration outcomes

2026 short term variable reward (STVR)

The 2026 Group STVR Scorecard comprised six strategic pillars: Perform, Customer, Change, People, Risk and Sustainability.

For personal use only

For personal use only

Financial measures within the Perform pillar represented 50% of the Group STVR Scorecard, maintaining a strong focus on financial performance and shareholder value. The remaining 50% was allocated across the other pillars, including Risk, which was assessed as a standalone pillar.

We have added a leadership behaviours modifier to the Group Executive scorecards, reflecting our commitments to 'always deliver, safely', 'make an impact' and 'own it'. This recognises the importance of how we deliver outcomes, including how risk is managed and how our customers are supported.

The Board assessed the CEO's STVR outcome at 92% of target (74% of maximum). In reaching this outcome, the Board applied diligent judgement to ensure the scorecard outcome appropriately reflected the underlying quality of performance. The Board reduced the financial outcome in the scorecard from above target to slightly below target. A key consideration was that the 2026 financial targets were set in a different macroeconomic environment, with unexpected cash rate increases providing a benefit.

For Group Executives, STVR outcomes ranged from 90% to 98% of target (72% to 78% of maximum), reflecting the differentiation of performance outcomes for their respective divisions and accountabilities. This year, individual Group Executive Scorecard outcomes were multiplied by the Group STVR Scorecard outcome to strengthen the link between individual remuneration and Group performance. The Board also determined that a downward remuneration adjustment be applied to one Group Executive in relation to a risk and compliance matter.

2023 long term variable reward (LTVR)

The 2023 LTVR award was assessed against relative total shareholder return over the four year performance period to 30 September 2026. Westpac delivered a total shareholder return of 108%, resulting in a 75th percentile ranking against the financial services comparator group. Accordingly, 100% of the award vested for the CEO and eligible Group Executives.

The Board is satisfied that this outcome appropriately aligns executive remuneration with the returns experienced by shareholders over the performance period.

2027 total target remuneration

Following a review of market positioning, the Board approved increases to the 2027 total target remuneration for four Group Executives, ranging from 5% to 8%. These increases reflect market benchmarks, the scope and accountabilities of the roles and the need to maintain competitive positioning to retain executive talent.

CPS 511 effectiveness review

During the year, the first independent effectiveness review of our remuneration framework was completed under APRA Prudential Standard CPS 511 *Remuneration* (CPS 511). The review covered the 2023, 2024 and 2025 financial years and considered whether the framework was operating as intended by driving the right performance, risk and conduct outcomes.

The review concluded that the remuneration framework is effective, appropriate and fit for purpose. It also identified opportunities to further strengthen the framework, including closer alignment with our refreshed strategy, continued investment in people leader capability, and better integration of performance, remuneration and risk processes to improve efficiency.

Looking ahead

Strengthening our performance and remuneration frameworks

We are refreshing our performance management framework for all our people to make it simpler and clearer, with a stronger focus on what matters most. The changes will strengthen the connection between what our people deliver and how they deliver it, support regular conversations about growth and performance, and build greater confidence in how performance is assessed and rewarded.

We remain focused on ensuring our remuneration framework supports sustainable performance, sound risk management and alignment with shareholder outcomes.

On behalf of the Board, I welcome your feedback and hope you find this report clear and informative.



Debra Hazelton
CHAIR
BOARD REMUNERATION COMMITTEE

CONTENTS

1. Snapshot of remuneration for 2026 64
2. Key management personnel (KMP) 66
3. 2026 remuneration outcomes and alignment to performance 67
4. Remuneration governance 73
5. Further detail on executive remuneration arrangements 75
6. Non-executive Director remuneration 80
7. Statutory remuneration details 81

DIRECTORS' REPORT

1. Snapshot of remuneration for 2026

OUR REMUNERATION STRATEGY AND PRINCIPLES

Our remuneration strategy is to attract and retain talented employees. We reward them for achieving high performance and delivering superior long term results for our customers and shareholders.

- Promote our Commitments and Behaviours
- Align with our strategy and create sustainable shareholder value
- Offer market competitive and equitable pay
- Reward financial and non-financial performance including customer outcomes and risk excellence
- Reinforce our risk and conduct expectations

OUR EXECUTIVE REMUNERATION FRAMEWORK

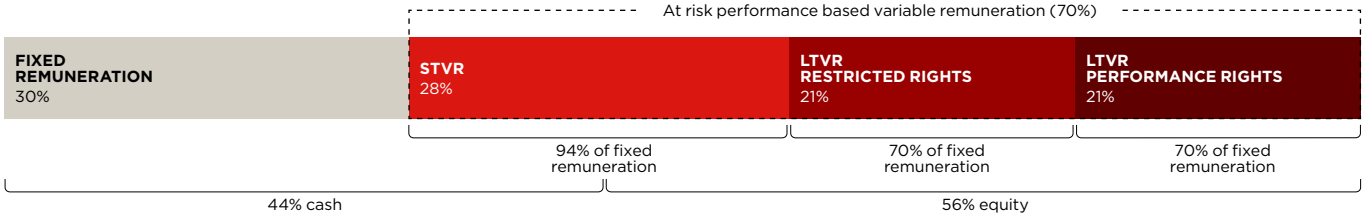
Our executive remuneration framework is designed to align with our strategy, market practice and investor expectations, and to comply with CPS 511.

Component	Purpose	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
FIXED REMUNERATION 100% cash (including superannuation)	Provide market competitive remuneration reflecting role scope and accountabilities	Salary and superannuation					Vesting point
SHORT TERM VARIABLE REWARD 50% cash 50% restricted shares	Reward executives for delivering financial and non-financial annual objectives	Performance assessed against a balanced scorecard	**Performance assessment and grant** 100% of cash is paid at Year 1 50% restricted shares vesting at Year 2 50% restricted shares vesting at Year 3				
		cash	shares	shares			
LONG TERM VARIABLE REWARD 50% restricted rights	Reward executives for sustainable risk culture and for creating shareholder value over the long term	**Pre-grant assessment** Performance assessed against risk culture at grant and at Year 4			rights	**Pre-vest assessment** CEO: 50% vesting at Year 4 and 50% at Year 5 Group Executives: 100% vesting at Year 4	rights
LONG TERM VARIABLE REWARD 50% performance rights	Reward executives for creating shareholder value over the long term	**Grant** Performance assessed against relative total shareholder return (TSR) at Year 4				**Performance assessment** CEO: 100% vesting at Year 6 Group Executives: 100% vesting at Year 5	rights rights

The minimum shareholding requirement is equivalent to three times fixed remuneration for the CEO and one times fixed remuneration for Group Executives. Refer to Section 5.6 for further details.

REMUNERATION MIX

The remuneration mix is designed so that a significant proportion of total remuneration is at risk and based on performance. The graphic below sets out the maximum remuneration mix[1] showing the relative proportion of each component in the executive remuneration framework as a percentage of total maximum opportunity. Refer to Section 5 for further details of executive remuneration arrangements.



1. The mix shown in the graphic above applies to all current KMP roles with the exception of the Chief Risk Officer (Ryan Zanin), whose maximum remuneration mix is 33% fixed remuneration, 31% STVR, 18% LTVR restricted rights and 18% LTVR performance rights. The Chief Risk Officer will transition to the above remuneration mix over time.

For personal use only

For personal use only

REMUNERATION OUTCOMES

92%

CEO STVR OUTCOME AS A % OF TARGET
(74% of maximum)

90% to 98%

GROUP EXECUTIVE STVR OUTCOME RANGE AS A % OF TARGET
(72% to 78% of maximum)

100%

2023 LTVR AWARD VESTING OUTCOME

PERFORMANCE SNAPSHOT

Perform	**$6,992m NPAT** excluding Notable Items	**11.1% ROTE** excluding Notable Items
Customer	**#2 in Consumer NPS®** **#3 in Business NPS®**	**Business lending at 1.1x system growth**
Change	**100% UNITE 2026 milestones delivered**	**100% of targeted legacy applications decommissioned**
People	**79 people engagement metric**	**40% women in senior leadership**
Risk	**Risk culture assessed as 'systematic'**	**Uplift in key preventative and automated risk controls**
Sustainability	**23% reduction in losses from scams**	**$7.1bn in lending TCE and $9.8bn in bond facilitation**



Performance achieved ▼ Target

DIRECTORS' REPORT

2. Key management personnel (KMP)

The remuneration of KMP for 2026 is disclosed in this report. KMP are defined as those persons that have the authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Name	Position	Term as KMP
Managing Director & Chief Executive Officer		
Anthony Miller	Managing Director & Chief Executive Officer	Full year
Group Executives		
Scott Collary[a]	Chief Information Officer	Full year
Kate Dee	Chief People Officer	Full year
Paul Fowler	Chief Executive, Business & Wealth	Full year
Nathan Goonan[b]	Chief Financial Officer	Commenced 8 October 2025
Peter Herbert[c]	Chief UNITE & Customer Operations Officer	Full year
Nell Hutton	Chief Executive, Westpac Institutional Bank	Full year
Carolyn McCann	Chief Executive, Consumer	Full year
Catherine McGrath	Chief Executive Officer, Westpac New Zealand	Full year
Ryan Zanin	Chief Risk Officer	Full year
Former Executives		
Carolyn Hoy[d]	Acting Group Executive, Customer & Corporate Services	Ceased 31 May 2026
Michael Rowland[e]	Chief Financial Officer	Ceased 7 October 2025
Current Non-executive Directors		
Steven Gregg	Chair	Full year
Tim Burroughs	Director	Full year
Nerida Caesar	Director	Full year
David Cohen	Director	Full year
Pip Greenwood	Director	Full year
Debra Hazelton	Director	Full year
Andy Maguire	Director	Full year
Margaret Seale	Director	Full year
Michael Ullmer AO	Director	Full year
Former Non-executive Directors		
Peter Nash	Director	Retired 1 July 2026

a. Scott Collary retired as Chief Information Officer on 30 September 2026.
b. Nathan Goonan was appointed as an Enterprise Executive, which is not a KMP role, on 22 September 2025 until his appointment to his current position of Chief Financial Officer. Nathan was not eligible for any variable remuneration while in the Enterprise Executive role.
c. Peter Herbert was the Chief Transformation Officer prior to the expansion of his responsibilities and appointment to his current position of Chief UNITE & Customer Operations Officer on 28 April 2026.
d. Carolyn Hoy ceased as Acting Group Executive, Customer & Corporate Services on 31 May 2026 and was appointed to the position of Chief Operations Officer, Westpac Institutional Bank, which is not a KMP role.
e. Michael Rowland was appointed as an Enterprise Executive, which is not a KMP role, on 8 October 2025. Michael provided transition support to Westpac until his retirement on 12 December 2025.

Summary of appointment and exit arrangements

KMP	Appointment arrangement
Nathan Goonan *Chief Financial Officer*	• Total target remuneration of $3,900,000. • Buy out award comprising cash and equity components of $7,830,089. • Pro rata 2026 LTVR grant and eligible for pro rata 2026 STVR.
Richard Heeley[a] *Chief Information Officer*	• Total target remuneration of $4,000,000. • Buy out award comprising cash and equity components of $3,790,834.

a. Richard Heeley commenced on 24 August 2026 as an Enterprise Executive, which is not a KMP role. For the period 24 August 2026 to 30 September 2026, Richard received fixed remuneration of $136,385. Richard was not eligible for any variable remuneration while in the Enterprise Executive role. Richard commenced as Chief Information Officer on 1 October 2026.

Former KMP	Exit arrangement
Scott Collary *Former Chief Information Officer*	• Notice period in line with contractual requirements. • Eligible for 2026 STVR. • Not eligible for 2027 STVR or LTVR. • Unvested equity remains on foot.
Michael Rowland *Former Chief Financial Officer*	• Notice period in line with contractual requirements. • Eligible for pro rata 2026 STVR. • Not eligible for 2026 LTVR. • Unvested equity remains on foot.

For personal use only

For personal use only

3. 2026 remuneration outcomes and alignment to performance

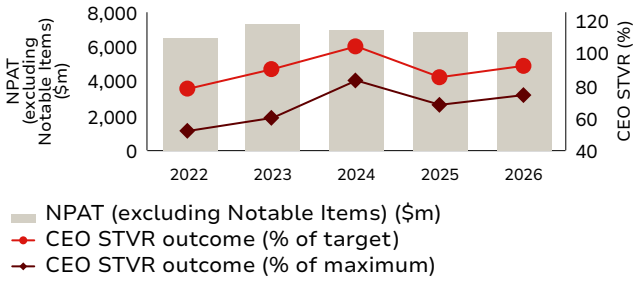
3.1. Group performance

The table below summarises variable reward outcomes and Group performance over the last five years.

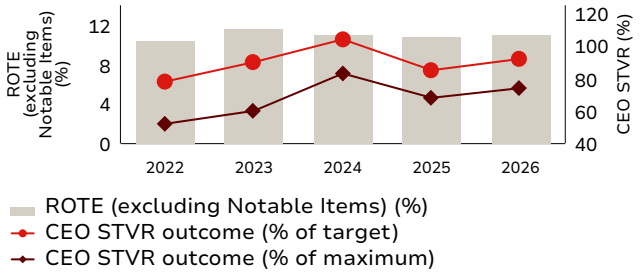
	Years ended 30 September				
	2026	2025	2024	2023	2022
CEO STVR outcome (% of maximum)[a]	74%	68%	83%	60%	52%
CEO STVR outcome (% of target)[a]	92%	85%	104%	90%	78%
Average Group Executive STVR outcome (% of maximum)[a]	76%	75%	82%	60%	53%
Average Group Executive STVR outcome (% of target)[a]	95%	94%	102%	89%	79%
LTVR outcome (% vested)	100%	75%	50%	0%	0%
Net profit after tax attributable to owners of WBC ($m)	6,813	6,916	6,990	7,195	5,694
Net profit after tax (excluding Notable Items) ($m)[b]	6,992	6,972	7,113	7,368	6,568
Return on tangible equity (ROTE) (statutory basis)	10.83%	10.89%	11.01%	11.39%	9.17%
Return on tangible equity (ROTE) (excluding Notable Items)[b]	11.11%	10.97%	11.21%	11.67%	10.58%
TSR – four years	107.92%	77.11%	113.10%	(9.27%)	(11.15%)
TSR – five years	82.73%	168.98%	34.24%	(4.05%)	(13.82%)
Total ordinary dividend (cents per share)	154	153	151	142	125
Special dividend (cents per share)	0	0	15	0	0
Share price – close	$35.07	$38.97	$31.72	$21.15	$20.64

a. From 2024, target STVR opportunity was reduced from approximately 100% to 75% of fixed remuneration for business roles, and maintained at 75% for functional roles. Maximum STVR opportunity was reduced from 150% to 125% of target STVR.
b. For additional information refer to the Non-AAS financial measures section of the Annual Report for a reconciliation of these measures.

NPAT (EXCLUDING NOTABLE ITEMS) AND CEO STVR OUTCOME

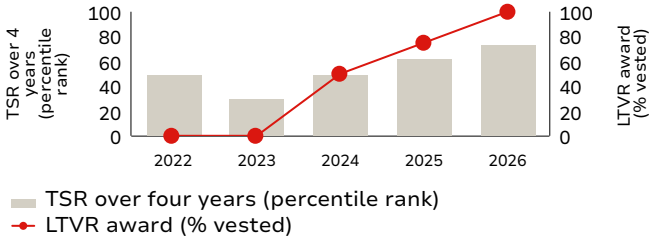


ROTE (EXCLUDING NOTABLE ITEMS) AND CEO STVR OUTCOME



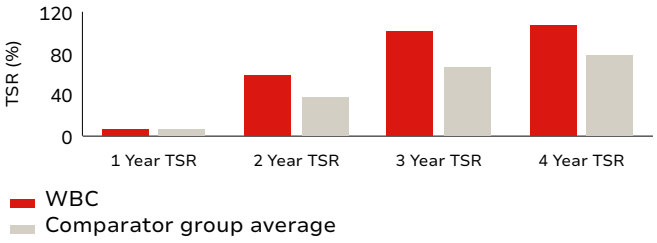
TSR AND LTVR VESTING OUTCOME

(Percentile rank over the prior four year period)



TSR

2023 LTVR award (period commencing 1 October 2022)



3.2. 2023 LTVR vesting outcome

We tested the 2023 LTVR on 1 October 2026. Our TSR for the four year performance period was 108% resulting in a 75th percentile ranking relative to the comparator group. This resulted in 100% of the 2023 LTVR award vesting.

Performance hurdle	Performance start date	Test date	Performance range		Outcome	% Vested	% Lapsed
			Threshold	Maximum			
Relative TSR (100% of award)	1 October 2022	1 October 2026	Percentile ranking is at the median	Percentile ranking is at the 75th percentile or higher	75th percentile ranking relative to the comparator group	100%	0%

DIRECTORS' REPORT

3.3. 2026 Group STVR Scorecard

The Group's priorities are set out in the Group STVR Scorecard, which forms part of the CEO's Scorecard. For 2026, we maintained a 50% weighting to financial measures in the Perform pillar with the remaining weightings of the Group STVR Scorecard focused on Customer, Change, People, Risk and Sustainability.

A summary of the performance assessment is provided below and is designed to be read over two pages. Where appropriate, individual measures have been assessed against a Threshold, Target and Stretch rating scale. Each strategic pillar has also been assessed in totality using the same rating scale.

Strategic pillar	Measure	50% Threshold	100% Target	125% Stretch	Outcome commentary
Perform (50%)	*Deliver current year financial performance (excluding Notable Items):* • *Net profit after tax*	-5%	$6,981m	+5%	$6,992m result was slightly above target.
	• *Return on tangible equity*	-5%	10.82%	+5%	11.1% result was above target.
	• *Cost to income ratio*	+2%	52.1%	-2%	51.9% result was slightly better than target.
Customer (20%)	*Improve customer experience of Westpac as measured through NPS®*	50%	100%	125%	Ranked #2 in Consumer NPS® and #3 in Business NPS® amongst major banks, achieving target.
	Grow 1st party mortgages and business lending market share	$4bn	$5bn	$6bn	Grew 1st party mortgages balance sheet by $9.0bn, which was at stretch.
		1.1x	1.2x	1.3x	Grew Australian business lending at 1.1x of ADI system growth, which was at threshold.
	Improve customer loyalty and market share as measured through MFI	50%	100%	125%	Consumer MFI increased slightly to 15.5% and Business MFI decreased slightly to 19.2%, resulting in below threshold performance.
Change (10%)	*Deliver UNITE migration and simplification success measures, including decommissioning legacy applications*	50%	100%	125%	100% of 24 targeted simplification milestones delivered, 100% of 15 targeted implementation milestones delivered and 100% of targeted legacy applications decommissioned with no negative risk impacts. This resulted in target performance.
People (10%)	*Build a high performing culture as measured by our people engagement metric*	-	75	-	People engagement metric was 79 which was above target.
	Support our gender diversity goal and gender representation	50%	100%	125%	Female representation at mid-career levels was at threshold, despite an improvement at the manager and senior manager levels.
Risk (5%)	*Progress risk priorities as measured through the assessment of risk culture and an uplift in our controls*	50%	100%	125%	Risk culture was assessed as 'systematic', which was below our target of 'proactive'. Our control maturity improved with an increase in preventative and automated controls, which was at target.
Sustainability (5%)	*Progress our sustainability strategies with a focus on sustainable finance and improving scam outcomes for customers*	50%	100%	125%	Increase of $7.1bn in lending TCE and $9.8bn in bond facilitation activities, which was at stretch. Customer losses from scams were reduced by 23%, which was at stretch.

For personal use only

Overview of how the CEO STVR outcome is determined

Target STVR	×	Scorecard assessment	±	Scorecard modifier	=	Final STVR outcome
75% of fixed remuneration		Performance against financial and non-financial measures		Accounts for any aspect of performance not reflected in the Scorecard		50% delivered as deferred equity for shareholder alignment

The Board has discretion to adjust all variable reward downwards, including to zero.
Significant risk, compliance and conduct matters are assessed against our guidelines, independent of the STVR assessment.

Performance assessment	Outcome
NPAT (excluding Notable Items) was slightly above target. Revenue grew by 1% and was below our expectations. Balance sheet momentum supported revenue growth. However, this was partially offset by lower margins, lower treasury and markets income, and impacts from movements in the New Zealand dollar. We managed our costs well, with growth of 1% (excluding the restructuring charge from 2H25) and our cost to income ratio (excluding Notable Items) was slightly better than target. Cost to income ratio remains a key focus for the Executive Team. Credit impairment charges increased to 10 basis points of average gross loans, compared to 5 basis points in the prior year. Our common equity tier 1 capital ratio remained strong at 12.5%, and our strong balance sheet supported dividends at the top of the payout range. ROTE (excluding Notable Items) was above target, primarily reflecting lower average tangible equity. The Board reduced the outcome from above target to slightly below target. A key consideration was that the 2026 financial targets were set in a different macroeconomic environment, with unexpected cash rate increases providing a benefit.	97%
Australian Consumer and Business NPS® both achieved greater year on year improvements than the other majors. Amongst the majors, we are now ranked outright number two in Consumer and number three in Business, achieving target. In New Zealand, Business Blended NPS® improved strongly, while Consumer NPS® decreased and remains below our aspirations. We continue to invest in our digital offering to improve the customer experience. Refer to the *Glossary* (pages 247-250) for more information on NPS®. The Institutional Banking Relationship Strength Index achieved stretch performance with its best result in over a decade, reflecting a strong uplift in client perceptions. However, our Consumer and Business main financial institution performance was below threshold, highlighting that there is more to do to become our customers' #1 bank. Australian mortgages (excluding RAMS) grew at 1.1x system. This reflects our investment in more frontline bankers while simplifying and enhancing the home lending experience. Business lending grew at 1.1x system, outperforming in the medium to large business segment. We also launched our Community Banking Service and extended the regional branch moratorium to 2030, strengthening our commitment to regional Australia.	80%
UNITE is fundamental to reshaping the bank to be simpler, faster and customer-centric. We are transforming the bank so that our people have one best way to deliver great outcomes for our customers. We achieved key large-scale customer migrations which included the consolidation to our single wealth management platform BT Panorama and, for our commercial customers, customer account migration to One Commercial Bank is underway. We are making solid progress on simplifying processes and consolidating technology, with 100% of targeted implementation milestones delivered and 100% of targeted legacy applications decommissioned. The BizEdge lending platform is supporting faster lending decisions and Westpac One launched to a number of key customers in 2026, laying the foundation for broader organisation-led migration in 2027.	100%
This year, we replaced the organisational health measure with a new people engagement measure. The new measure includes questions contained in our employee engagement index as well as broader questions. Our new approach captures real-time insights, enabling us to act faster on what matters to our people. Pleasingly, our people engagement improved, demonstrating that our people are committed to supporting and executing changes that improve the bank. We are committed to championing gender diversity and focused on sustained investment in the development and progression of women. Our representation of women at mid-career levels remains below our aspirations. We are focused on moving faster to build internal female talent pipelines and sponsoring our talent.	72%
We assessed our risk culture as 'systematic', which was below our target of 'proactive'. This reflects strengthening in risk culture maturity and an increase in proactive characteristics, while recognising that further evidence is required that improvements are consistently translating into sustained risk and customer outcomes. Internal assessments identified improvements in risk culture and risk management maturity, while also highlighting opportunities to strengthen consistency in execution discipline and control effectiveness. We saw improvement in key control measures with an uplift in automated controls, an improvement in preventative controls and fewer key controls assessed as requiring improvement.	75%
We continued to partner with our customers to implement sustainability initiatives and made progress against our climate transition plan, achieving our scope 1 and 2 emissions target. We exceeded our sustainable finance goals resulting in stretch performance and also improved our environmental, social and governance rating agency scores. We have continued to invest in defences against scams and fraud including expanding the use of AI to support customers in real time. Our stronger detection and prevention capabilities helped prevent more than $360 million in customer scam losses.	125%
GROUP STVR SCORECARD OUTCOME (% of target)	**92%**

The Group STVR Scorecard has a modifier that allows the Board to take into account risk and reputation and any other matters as determined by the Board. The Board determined that no adjustment was required for the Group or the CEO. Refer to Section 3.5 for further detail on individual outcomes.

For personal use only

DIRECTORS' REPORT

3.4. Total realised remuneration – Chief Executive Officer and Group Executives

The table below details the actual remuneration paid and equity[1] that vested or lapsed for KMP roles in relation to 2026 and 2025. For 2026, this includes the 2023 LTVR award and for 2025, this includes the 2022 LTVR award. Termination payments and buy out awards are not included. This table is not prepared in accordance with Australian Accounting Standards which differs from the disclosure in Section 7.

Name	Fixed remuneration $	Cash STVR payments $	Vesting of prior year deferred STVR awards $	Vesting of prior year LTVR awards $	Total realised remuneration $	Lapsing of prior year LTVR awards $
Managing Director & Chief Executive Officer						
Anthony Miller, Managing Director & Chief Executive Officer						
2026	2,502,877	862,500	583,277	3,551,562	7,500,216	-
2025	2,250,412	718,500	792,896	2,434,849	6,196,657	811,616
Group Executives						
Scott Collary, Chief Information Officer						
2026	1,304,586	436,000	474,524	3,716,756	5,931,866	-
2025	1,300,279	445,500	725,293	2,548,098	5,019,170	849,366
Kate Dee, Chief People Officer[a]						
2026	826,347	294,000	-	-	1,120,347	-
2025	129,809	-	-	-	129,809	-
Paul Fowler, Chief Executive, Business & Wealth[a]						
2026	1,133,340	410,000	69,345	-	1,612,685	-
2025	442,256	151,500	-	-	593,756	-
Nathan Goonan, Chief Financial Officer[a]						
2026	1,215,774	441,500	-	-	1,657,274	-
2025	---------- Not a KMP in 2025 ----------					-
Peter Herbert, Chief UNITE & Customer Operations Officer						
2026	861,978	305,500	117,946	-	1,285,424	-
2025	775,066	300,400	-	-	1,075,466	-
Nell Hutton, Chief Executive, Westpac Institutional Bank						
2026	1,287,967	468,500	479,520	-	2,235,987	-
2025	1,283,715	464,000	296,565	-	2,044,280	-
Carolyn McCann, Chief Executive, Consumer						
2026	1,280,201	455,500	433,313	2,296,131	4,465,145	-
2025	1,206,295	438,000	575,951	1,512,103	3,732,349	504,034
Catherine McGrath, Chief Executive Officer, Westpac New Zealand						
2026	1,005,985	338,355	347,351	2,678,658	4,370,349	-
2025	1,032,402	345,588	522,100	1,625,544	3,525,634	541,822
Ryan Zanin, Chief Risk Officer[a]						
2026	1,779,983	637,000	668,581	3,815,900	6,901,464	-
2025	1,774,107	677,000	818,858	1,182,603	4,452,568	394,175
Former Executives						
Carolyn Hoy, Acting Group Executive, Customer & Corporate Services						
2026	550,788	203,400	34,447	-	788,635	-
2025	323,561	112,800	-	-	436,361	-
Michael Rowland, Chief Financial Officer						
2026	25,045	-	471,645	2,874,309	3,370,999	-
2025	1,303,016	448,500	668,746	1,970,529	4,390,791	656,843

a. In addition, some individuals received remuneration in relation to a buy out award: Kate Dee received a deferred cash payment of $1,122,756 in March 2026; Paul Fowler had 24,371 restricted shares vest in September 2026; and Nathan Goonan received a deferred cash payment of $2,390,800 in December 2025. Separately, Ryan Zanin had 13,015 restricted shares vest in January 2026 in relation to the restricted shares granted in January 2024.

1. The value of deferred STVR and LTVR is based on the number of restricted shares or share rights multiplied by the five day volume weighted average price (VWAP) up to and including 1 October of the relevant year.

For personal use only

For personal use only

3.5. Variable reward awarded for 2026

The table below shows the variable reward awarded[1] to the CEO and Group Executives for 2026, including:

- STVR outcomes for 2026 (including the cash and deferred equity components); and
- equity granted in relation to 2026 LTVR awards. The 2026 LTVR grants are shown at face value in the table below and will be tested in October 2029.

	2026 STVR award						2026 LTVR award[a]	
Name	Target STVR opportunity ($)	Maximum STVR opportunity ($)	STVR outcome (% of target)	STVR outcome (% of maximum)	STVR outcome ($)	Maximum STVR foregone ($)	Restricted rights ($)[b,c]	Performance rights ($)[b]
Managing Director & Chief Executive Officer								
Anthony Miller	1,875,000	2,343,750	92%	74%	1,725,000	618,750	1,750,000	1,750,000
Group Executives								
Chief Information Officer								
Scott Collary[d]	968,600	1,210,750	90%	72%	872,000	338,750	904,000	904,000
Chief People Officer								
Kate Dee	619,047	773,809	95%	76%	588,000	185,809	577,778	577,778
Chief Executive, Business & Wealth								
Paul Fowler	845,238	1,056,548	97%	78%	820,000	236,548	788,889	788,889
Chief Financial Officer								
Nathan Goonan[e]	910,763	1,138,454	97%	78%	883,000	255,454	850,046	850,046
Chief UNITE & Customer Operations Officer								
Peter Herbert	642,857	803,571	95%	76%	611,000	192,571	600,000	600,000
Chief Executive, Westpac Institutional Bank								
Nell Hutton	956,250	1,195,313	98%	78%	937,000	258,313	892,500	892,500
Chief Executive, Consumer								
Carolyn McCann	959,048	1,198,810	95%	76%	911,000	287,810	895,111	895,111
Chief Executive Officer, Westpac New Zealand								
Catherine McGrath	735,467	919,334	92%	74%	676,710	242,624	686,437	686,437
Chief Risk Officer								
Ryan Zanin	1,327,500	1,659,375	96%	77%	1,274,000	385,375	973,500	973,500
Former Executives								
Acting Group Executive, Customer & Corporate Services								
Carolyn Hoy[e]	349,521	436,901	97%	78%	339,000	97,901	233,014	n/a
Chief Financial Officer								
Michael Rowland[e]	18,699	23,374	-	-	-	23,374	-	-
Average Group Executive STVR outcome			**95%**	**76%**				

a. In addition, some individuals received an additional grant of the 2026 LTVR award as a portion of a buy out award. Kate Dee was awarded a grant of restricted rights of $234,513 and performance rights of $234,513 on 13 January 2026 at an allocation price of $38.30. Nathan Goonan was awarded a grant of restricted rights of $919,998 and performance rights of $1,379,997 on 13 January 2026 at an allocation price of $31.98. Nathan also received a portion of his buy out as 2025 LTVR and was awarded $401,679 of restricted rights and $459,999 of performance rights on 13 January 2026 at an allocation price of $31.98.

b. The face value is calculated by multiplying the number of rights by the five day VWAP up to the commencement of the performance period. The five day VWAP was $38.30 for awards made in January 2026.

c. Includes LTVR awarded as restricted shares for Carolyn Hoy for her Acting Group Executive role at a face value of $37.88 per share.

d. Scott Collary's 2026 deferred STVR will be delivered as share rights.

e. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.

1. The final value of equity received will depend on the share price at the time of vesting and the number of restricted shares or share rights that vest subject to performance conditions (where applicable), service conditions and remuneration adjustments. The value of equity differs from the disclosure in Section 7 which provides the accounting value for unvested equity awards prepared in accordance with Australian Accounting Standards.

DIRECTORS' REPORT

2026 LTVR restricted rights pre-grant assessment

We awarded the 2026 LTVR restricted rights, outlined in Section 3.5, following the pre-grant assessment which was completed in October 2025. The Board determined that the award be granted in full. Further details are available in the 2025 Remuneration Report.

2027 LTVR restricted rights pre-grant assessment

The pre-grant assessment for the 2027 LTVR restricted rights was completed in October 2026. The Board determined that the 2027 LTVR restricted rights will be granted in full.

The prudential soundness gate was satisfied by reviewing the key capital and liquidity ratios (CET1, LCR and NSFR). The ratios are all above minimum prudential requirements.

Group risk culture maturity was assessed as 'maintained'. The Board determined that Group level risk culture remained at 'systematic' based on the totality of evidence considered, while acknowledging continued maturity improvements and increasingly proactive characteristics. Other considerations informing the CPS 220 Risk Management declaration included risk management framework maturity, root cause analyses, prudential attestations, audit and assurance findings and regulatory reviews.

There were no significant risk outcomes or serious misconduct issues that arose that were not sufficiently addressed elsewhere.

The LTVR restricted rights remain subject to the pre-vest assessment after the four year performance period ending 30 September 2030. The restricted rights also remain subject to remuneration adjustments during and after this period.

Pre-grant assessment	Outcome
Step 1: Assessment	
Prudential soundness gate: Has Westpac remained safe and secure, taking into account capital position and liquidity?	Met
Group risk culture: Has Group risk culture maturity been maintained or improved, considering both executive actions or inactions?	Maintained
Significant risk outcomes: Have risk outcomes arisen that have a significant and material impact on the Group, not sufficiently addressed elsewhere?	No adjustment
Serious misconduct: Has Westpac suffered from a serious misconduct issue, not sufficiently addressed elsewhere?	No adjustment
Step 2: Consider Board discretion	No adjustment
Overall pre-grant assessment	Grant in full

For personal use only

For personal use only

4. Remuneration governance

4.1. Group remuneration policy

The Group remuneration policy sets out information in relation to remuneration design, arrangements and outcomes across Westpac. The policy is supported by an established governance structure, plans and frameworks. The policy supports our compliance with legal and regulatory requirements.

Remuneration strategy

Our remuneration strategy is to attract and retain talented employees. We reward them for achieving high performance and delivering superior long term results for our customers and shareholders.

Remuneration principles

- Promote our Commitments and Behaviours;
- Align with our strategy and create sustainable shareholder value;
- Offer market competitive and equitable pay;
- Reward financial and non-financial performance, including customer outcomes and risk excellence; and
- Reinforce our risk and conduct expectations.

4.2. Group remuneration governance

Board

The Board has overall accountability for the Remuneration Framework and its application. As set out in the Board Charter (and as supported by the Board Remuneration Committee Charter), without limiting its role the Board approves (following recommendation from the Board Remuneration Committee): the Group remuneration policy; the size of the annual Group variable reward pool; performance objectives and remuneration outcomes for the CEO and Group Executives; remuneration arrangements and outcomes for Accountable Persons, specified roles and any other person the Board determines; and equity-based plans.

The Board has the absolute discretion to withdraw, defer or adjust aggregate and individual variable reward. Further detail is contained in the Board and Committee Charters which are available on Westpac's website: https://www.westpac.com.au/about-westpac/westpac-group/corporate-governance/constitution-board/

Board Remuneration Committee

The Board Remuneration Committee assists the Board to discharge its responsibility by overseeing the design, operation and monitoring of the Remuneration Framework. Members of the Board Remuneration Committee are independent Non-executive Directors.

The Board and the Board Remuneration Committee have free and unfettered access to internal and external personnel in carrying out their respective duties. Further detail is contained in the Board Remuneration Committee Charter which is available on Westpac's website: https://www.westpac.com.au/about-westpac/westpac-group/corporate-governance/constitution-board/

Management remuneration oversight

The Board and the Board Remuneration Committee receive support from internal groups and committees including, but not limited to, the Group Remuneration Oversight Committee and business-specific remuneration oversight committees.

Remuneration advisor

The Board or the Board Remuneration Committee may engage an independent remuneration advisor to directly provide specialist information on remuneration for key management personnel.

Use of remuneration advisors: The Board engaged EY to conduct an independent effectiveness review of the remuneration framework as required by CPS 511, which started in 2025 and concluded in 2026. EY did not provide any remuneration recommendations as prescribed under the *Corporations Act 2001* (Cth) (Corporations Act).

Other Board Committees

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 the 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.

Independent input is received from the Chief Risk Officer on risk, compliance and conduct matters that may need to be considered in remuneration outcomes.

The Board Remuneration Committee also consults with the Chief Risk Officer and Board Risk Committee on the reflection of risk management in remuneration for employees in specified roles.

DIRECTORS' REPORT

For personal use only

4.3. Our approach to remuneration adjustments

Remuneration adjustment is one of the ways we reinforce our risk, compliance and conduct expectations. This includes downward adjustments for adverse outcomes, as well as upward adjustments to reward positive risk behaviours. An upward adjustment in variable reward may be considered for exceptional risk performance not already reflected in the delivery of agreed performance objectives.

We have guidelines in place to support the consistent application of proportionate adjustments for significant risk, compliance and conduct matters. The graphic below provides an overview of our remuneration adjustment process and how it may potentially impact individual remuneration outcomes.

Remuneration adjustment process

Criteria

We consider remuneration adjustments when there are significant adverse outcomes for the Group or its customers, beneficiaries, shareholders, counterparties or people related to:

- Risk management
- Conduct
- Error or misstatement
- Regulatory obligations
- Unexpected events

The criteria can be applied at an individual or collective level.

Adjustment tools

In year[1]	Malus	Clawback

Indicative order of downward adjustments:

1. Current year STVR
2. Unvested deferred STVR (malus)
3. Unvested LTVR (malus)
4. Unvested retention awards (malus)
5. Unvested buy out awards (malus)
6. Vested or paid VR (clawback)

[1] In year adjustments can include adjustments made through the STVR scorecard modifier and the LTVR pre-grant and pre-vest assessment.

An assessment of severity of impact and individual accountability informs whether we trigger an adjustment.

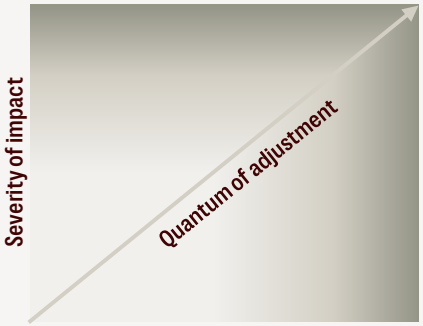
We apply judgement to consider whether the size of the adjustment is proportionate and fair.

We take into consideration various facts specific to the matter including (but not limited to) the individual's contribution and proximity to the direct and root causes of the matter, time in role, relative level of influence, findings of previous reviews and previous adjustments for related matters.

The quantum of the remuneration adjustment increases with the severity of impact and individual accountability and influences the adjustment tool(s) used.

Factors impacting severity may include:

- Customer
- Financial
- People
- Regulation
- Reputation



The Board can exercise discretion at any point when determining remuneration outcomes, including for variable remuneration awarded in prior years.

Individual variable remuneration outcomes

Outcomes reflect Group, divisional and individual performance outcomes (including risk and customer outcomes). May be adjusted downward (including to zero) for significant risk, compliance and conduct matters.

Adjustments and consequences (outcomes for 2025)

Executive Leadership Group[a] individuals that received downward remuneration adjustments	2
Executive Leadership Group[a] individuals that received upward remuneration adjustments	9
Employees identified as not having met all risk expectations during performance assessments	1,225
Employees that received downward remuneration adjustments	53
Employees leaving due to consequence outcomes	240
Actions to recognise positive risk management and risk behaviours through our recognition platform	98,051
Employees that received an additional variable reward for achieving exceptional risk outcomes	1,055

a. Includes the CEO, Group Executives, General Managers and other key leadership roles.

5. Further detail on executive remuneration arrangements

5.1. Fixed remuneration

The table below sets out the key design features of fixed remuneration.

	Fixed remuneration
Purpose	Provide market competitive remuneration reflecting role scope and accountabilities.
Opportunity and benchmarking	Set with reference to market benchmarks in the financial services industry and large corporates in Australia as appropriate. We also consider the responsibilities and scope of the role, and the skills and experience of the executive.

5.2. Short term variable reward

The table below sets out the key design features of the 2026 STVR.

	Short term variable reward
Purpose	Reward executives for delivering financial and non-financial annual objectives.
Structure and delivery	50% of STVR is awarded in cash and 50% is deferred into equity in the form of restricted shares (or unhurdled share rights for the Group Executive based outside of Australia). One restricted share provides the holder with one Westpac ordinary share at no cost subject to trading restrictions until the time of vesting. One unhurdled share right entitles the holder to one ordinary share at the time of vesting with no exercise cost. Dividends are paid on restricted shares from the grant date.
Target and maximum opportunity	The target opportunity for the CEO and Group Executives is expressed as a percentage of fixed remuneration and is set at 75% of fixed remuneration (inclusive of superannuation). The target opportunity is set considering a range of factors including market competitiveness. Target STVR: awarded for the delivery of agreed targets for financial and non-financial measures. A reduced outcome can be determined for threshold performance. Maximum STVR: up to 125% of target STVR, awarded in circumstances where outcomes are achieved over and above target.
Performance measures	STVR awards are determined based on meeting minimum behaviour and risk and compliance gate openers, and performance against a scorecard designed to align with shareholder interests. The STVR Scorecard comprises the following components: **Strategic pillars** Performance is assessed against a balance of financial and non-financial measures that support Westpac's key strategic pillars. For Group Executives, individual scorecard outcomes are multiplied by the Group STVR Scorecard outcome to determine the overall individual outcome, supporting alignment across the Executive Team. For the Chief Executive Officer, Westpac New Zealand, the Group STVR Scorecard and the individual scorecard are weighted at 15% and 85% respectively. **Modifier** • *Risk and Reputation:* The modifier allows adjustment upwards or downwards (including to zero), for risk and reputation and any other matters as determined by the Board. • *Leadership Behaviours:* For Group Executives, the modifier allows adjustment upwards or downwards (including to zero), based on an assessment of leadership behaviours aligned to our commitments to 'always deliver, safely', 'make an impact', and 'own it'. The modifier does not apply for the CEO. The CEO is expected to always role model exceptional Westpac behaviours. The Board can reduce CEO STVR (including to zero) for adverse leadership behaviours. Further information on the 2026 Group STVR Scorecard is provided in Section 3.3.
Deferral period	50% of STVR is deferred into equity for a period of up to two years, which aligns executive remuneration with shareholder interests and acts as a retention mechanism. Deferred STVR vests in equal portions after one and two years, subject to service conditions and adjustment.
Delayed vesting	Refer to Section 5.4 for further information.
Treatment of awards on cessation of employment	Refer to Section 5.4 for further information.
Remuneration adjustments	Refer to Section 5.4 for further information.

For personal use only

DIRECTORS' REPORT

5.3. Long term variable reward

LTVR comprises two equally weighted components, which are LTVR restricted rights and LTVR performance rights. The tables below set out the key design features of the 2026 LTVR award, as determined by the Board in October 2025.

5.3.1. Long term variable reward restricted rights for 2026

Long term variable reward restricted rights	
Purpose	Reward executives for sustainable risk culture and for creating shareholder value over the long term.
Structure and delivery	50% of the LTVR is awarded in restricted share rights (known as restricted rights). For the CEO, 50% vest after four years and 50% vest after five years. For Group Executives, 100% vest after four years. One restricted right provides the holder with one Westpac ordinary share at the time of vesting with no exercise cost. Executives receive dividend equivalent payments as outlined below.
Award opportunity	The value of LTVR restricted rights awarded to the CEO and Group Executives is expressed as a percentage of fixed remuneration. The value of LTVR restricted rights is set considering a range of factors including market competitiveness. The face value of the 2026 LTVR restricted rights opportunity for the CEO and Group Executives is 70% of fixed remuneration (inclusive of superannuation).
Allocation methodology	The number of restricted rights each executive receives is determined by dividing the dollar value of the LTVR restricted rights award by the face value of a restricted right. The face value of a restricted right is the five day VWAP of Westpac shares up to the commencement of the performance period (which is 1 October 2025 for the 2026 LTVR grant).
Performance condition	The restricted rights are subject to performance conditions which are assessed prior to the grant and prior to vesting. These assessments are known as the pre-grant assessment and the pre-vest assessment. The assessment is focused on maintaining or improving Group risk culture. The assessment will be primarily based on the assessment of collective Group risk culture as part of the Board's annual attestation to APRA required under Prudential Standard CPS 220 *Risk Management*, which is a multi-factorial, evidence-based process. A prudential soundness gate applies. The Board will also consider if there have been any significant risk outcomes or any serious misconduct that have not been sufficiently addressed through performance management or STVR outcomes. **Step 1: Assessment of risk factors** 1. *Prudential soundness gate:* Has Westpac remained safe and secure, taking into account capital position and liquidity? Prudential soundness is measured through the common equity tier 1 capital ratio, liquidity coverage ratio and the net stable funding ratio. 2. *Group risk culture:* Has Group risk culture maturity been maintained or improved, considering both executive actions or inactions? The risk culture assessment involves a series of inputs, a review process and a Board assessment of Group risk culture. 3. *Significant risk outcomes:* Have risk outcomes arisen that have a significant and material impact on the Group, not sufficiently addressed elsewhere? 4. *Serious misconduct:* Has Westpac suffered from a serious misconduct issue, not sufficiently addressed elsewhere? **Step 2: Consider Board discretion** Considerations to guide the application of discretion and the overall assessment include: • The materiality of the adverse impact on Westpac's financial position, or reputation, or customers, or shareholders, or employees or regulatory standing. • Whether the outcome was specific to Westpac, the banking industry or the broader market. • The extent to which performance and reward outcomes are already impacted (e.g. through remuneration adjustments), at a collective or individual level. • Whether any adjustment should be made on a collective or individual basis. Given the focus on maintaining or improving Group risk culture over the performance period, adjustments are unlikely at the pre-grant assessment and any potential adjustment is more likely at the pre-vest assessment.
Assessment of performance outcomes	LTVR restricted rights are assessed against risk culture at grant and following a four year performance period. The assessment of performance includes an assessment of risk factors and considers Board discretion.
Dividend equivalent payments	Dividend equivalent payments are payable to the extent that LTVR vests. For LTVR restricted rights, these are accrued for the performance period and the further deferral period after the performance period (if applicable), and paid at the end of the deferral period. Dividend equivalent payments are calculated by multiplying the number of LTVR restricted rights eligible to vest by the determined dividend amount on each respective record date during the applicable period. The calculation excludes franking credits.
Exercise period	Vested rights may be exercised up to a maximum of two years from the vesting date of the award and will be auto-exercised if not exercised within the period. The exercise price for the rights is zero.
No re-testing	There is no re-testing. Awards that have not vested after the performance period are lapsed.
Early vesting	Unvested awards may vest (unless prevented by law) before the performance test date in the event of a change of control in Westpac as determined at the discretion of the Board or where employment ceases due to death or disability.
Delayed vesting	Refer to Section 5.4 for further information.
Treatment of awards on cessation of employment	Refer to Section 5.4 for further information.
Remuneration adjustments	Refer to Section 5.4 for further information.

For personal use only

For personal use only

5.3.2. Long term variable reward performance rights for 2026

Long term variable reward performance rights	
Purpose	Reward executives for creating shareholder value over the long term.
Structure and delivery	50% of the LTVR is awarded in performance share rights (known as performance rights) which vest after six years for the CEO and after five years for Group Executives. One performance right provides the holder with one Westpac ordinary share at the time of vesting with no exercise cost. Executives receive dividend equivalent payments as outlined below.
Award opportunity	The value of LTVR performance rights awarded to the CEO and Group Executives is expressed as a percentage of fixed remuneration. The value of LTVR performance rights is set considering a range of factors including market competitiveness. The face value of the 2026 LTVR performance rights opportunity for the CEO and Group Executives is 70% of fixed remuneration (inclusive of superannuation).
Allocation methodology	The number of performance rights each executive receives is determined by dividing the dollar value of the LTVR performance rights award by the face value of a performance right. The face value of a performance right is the five day VWAP of Westpac shares up to the commencement of the performance period (which is 1 October 2025 for the 2026 LTVR grant).
Performance condition	LTVR performance rights are subject to an assessment of relative TSR against two comparator groups. The two comparator groups are equally weighted and tested independently against a percentile ranking vesting schedule as outlined below. The Board retains discretion to amend the comparator groups and determine the overall vesting outcome as appropriate. Relative TSR is a measure of the total return delivered to shareholders over the performance period assuming dividends are reinvested, relative to that of peers. The LTVR performance rights conditions aim to achieve long term growth in shareholder value and support alignment between executive reward and shareholder interests.

Westpac's TSR performance	**Indicative vesting percentage**
At the 75th percentile or higher	100%
Between the median and the 75th percentile	Pro-rata vesting between 50% and 100%
At the median	50%
Below the median	0%

	The banking comparator group of companies comprises ANZ Group Holdings Limited, Bank of Queensland Limited, Bendigo and Adelaide Bank Limited, Commonwealth Bank of Australia and National Australia Bank Limited. The general ASX comparator group comprises the 20 largest companies on the ASX by market capitalisation, excluding resource companies. The 20 companies are determined at the start of the performance period on 1 October 2025. The general ASX comparator group of companies comprises ANZ Group Holdings Limited, Aristocrat Leisure Limited, Brambles Limited, Coles Group Limited, Commonwealth Bank of Australia, CSL Limited, Goodman Group, Macquarie Group Limited, National Australia Bank Limited, Pro Medicus Limited, QBE Insurance Group Limited, REA Group Ltd, ResMed Inc, Sigma Healthcare Limited, Telstra Group Limited, Transurban Group, Wesfarmers Limited, WiseTech Global Limited, Woolworths Group Limited and Xero Limited. In the event of a merger, acquisition or de-listing of any of the 20 companies, that company will be removed from the comparator group.
Assessment of performance outcomes	LTVR performance rights are subject to relative TSR performance following a four year performance period. The relative TSR result is calculated independently for external objectivity before being provided to the Board to determine the vesting outcome. The Board may exercise discretion in determining the final vesting outcome.
Dividend equivalent payments	Dividend equivalent payments are payable to the extent that LTVR vests. For LTVR performance rights, these are only accrued for the further deferral period after the performance period and paid at the end of the deferral period. Dividend equivalent payments are calculated by multiplying the number of LTVR performance rights eligible to vest by the determined dividend amount on each respective record date during the applicable period. The calculation excludes franking credits.
Exercise period	Vested rights may be exercised up to a maximum of two years from the vesting date of the award and will be auto-exercised if not exercised within the period. The exercise price for the rights is zero.
No re-testing	There is no re-testing. Awards that have not vested after the performance period are lapsed.
Early vesting	Unvested awards may vest (unless prevented by law) before the performance test date in the event of a change of control in Westpac as determined at the discretion of the Board or where employment ceases due to death or disability.
Delayed vesting	Refer to Section 5.4 for further information.
Treatment of awards on cessation of employment	Refer to Section 5.4 for further information.
Remuneration adjustments	Refer to Section 5.4 for further information.

DIRECTORS' REPORT

5.4. Common design features for variable reward

Delayed vesting	The Board has discretion (subject to law) to delay vesting of variable reward if the individual is under investigation for adverse risk or conduct events including misconduct, is the subject of or implicated in legal or regulatory proceedings, if the Board considers it reasonable to delay vesting, or if delayed vesting is otherwise required by law.
Treatment of awards on cessation of employment	Unvested variable reward is forfeited or lapsed where the CEO or a Group Executive resigns or otherwise leaves the Group (except for the reasons listed below) before vesting occurs unless the Board determines that some or all of the unvested variable reward should remain on foot. If the CEO or a Group Executive ceases employment because of death or total and permanent disability, all unvested variable reward immediately vests or becomes exercisable unless prevented by law. If the CEO or a Group Executive ceases employment because they retire, are retrenched or by agreed separation, unvested variable reward stays on foot subject to applicable performance conditions and subject to any adjustment determined by the Board.
Remuneration adjustments	The Board has discretion to adjust variable reward (including current year STVR) downwards, including to zero, in specified circumstances including serious misconduct, if serious circumstances or new information come to light which mean that in the Board's view all or part of the award was not appropriate, or where required by law or prudential standards. The Board will typically apply the adjustment to unvested deferred STVR where an adjustment to current year STVR is considered insufficient or unavailable, followed by an adjustment to unvested LTVR where an adjustment to current and deferred STVR is considered insufficient or unavailable. Clawback may also apply to vested variable reward, to the extent legally permissible and practicable. Refer to Section 4.3 for further information on our approach to remuneration adjustments.

5.5. Acting Group Executive arrangements

Carolyn Hoy's appointment as Acting Group Executive, Customer & Corporate Services was on different remuneration arrangements due to the acting nature of the role.

STVR was delivered as 60% cash and 40% as deferred equity in the form of restricted shares vesting in equal portions after one and two years. Maximum STVR opportunity was 125% of target STVR. STVR awards are determined based on meeting minimum behaviour and risk and compliance gate openers, and performance is assessed against a scorecard designed to align with shareholder interests.

LTVR is service based with a pre-grant risk assessment. LTVR was awarded in restricted shares vesting over four and five years to satisfy CPS 511 deferral requirements. STVR and LTVR are subject to service conditions and remuneration adjustments.

For personal use only

For personal use only

5.6. Executive minimum shareholding requirement

The CEO and Group Executives are required to build and maintain a significant Westpac shareholding to strengthen alignment with shareholder interests. LTVR restricted rights and LTVR performance rights are not included in the calculation of shareholdings until performance conditions are met.

At 30 September 2026, the CEO and Group Executives comply with or are within the accumulation period.

Aspect of the requirement	Description
Requirement level	CEO: Three times fixed remuneration including superannuation. Group Executives: One times fixed remuneration including superannuation.
Sale restrictions	Executives are restricted from selling vested equity, other than for the purpose of meeting tax obligations, as follows: • For LTVR awards granted from 1 October 2021 onwards, until the required shareholding level is met; and • For STVR awards, where the required shareholding level is not met at the end of the accumulation period.
Accumulation period	Within five years of 1 October 2022 (i.e. by 1 October 2027), or appointment to their role, whichever is later. The Board Remuneration Committee retains discretion to make adjustments in exceptional circumstances.
Calculation of shareholdings	Shareholdings included in the calculation: • Shares held in an employee share plan (including deferred STVR); • Shares held outright in the individual's name either solely or jointly with another person; • Shares held in a family trust or a self-managed superannuation fund; and • LTVR share rights (including restricted rights and performance rights) held in an employee share plan that have met the performance conditions.

5.7. Hedging policy

Participants in Westpac's equity plans are prohibited from entering, either directly or indirectly, into hedging arrangements for unvested awards and vested awards subject to a holding lock. No financial products may be used to mitigate the risk associated with these awards. Any attempt to hedge awards will result in forfeiture and the Board may consider other disciplinary action. These restrictions satisfy the requirements of the Corporations Act which prohibits hedging of unvested awards.

5.8. Employment agreements

The remuneration and other terms of employment for the CEO and Group Executives are formalised in their employment agreements. Each agreement provides for the payment of fixed remuneration (including superannuation contributions), variable reward and other benefits such as death and disablement insurance cover.

The table below details the key terms including termination provisions of the employment agreements for the CEO and Group Executives.

Term	Conditions
Duration of agreement	Ongoing until notice given by either party.
Notice (by the executive or the Group) to terminate employment	Twelve months for Executives that commenced before January 2025. Six months for new Executives that commenced from January 2025.[a] In the event of redundancy, the greater of the relevant notice period or Westpac's general notice and severance entitlements applies.
Termination payments on termination without cause[b]	Deferred STVR (which may be awarded on a pro rata basis for the part year served) and unvested LTVR will be treated in accordance with the applicable equity plan rules, and will remain subject to remuneration adjustments if the award is retained.
Termination for cause	Occurs immediately for misconduct. Deferred STVR and LTVR is forfeited, noting the Board has discretion to determine otherwise.
Post-employment restraints	CEO: Twelve months non-compete and non-solicitation restraints. Group Executives: Six months non-compete and twelve months non-solicitation restraints.

a. Payment in lieu of notice may in certain circumstances be approved by the Board for some or all of the notice period.
b. The maximum aggregate liability for termination benefits in respect of notice periods for the CEO and Group Executives at 30 September 2026 was $10.2 million (2025: $11.2 million).

DIRECTORS' REPORT

6. Non-executive Director remuneration

6.1. Structure and policy

Non-executive Director fees are not related to Westpac's results. Fees are paid in cash and no discretionary payments are made for performance. Non-executive Directors are required to build and maintain a minimum shareholding from their own funds to align their interests with those of shareholders (refer to Section 6.3 for further details).

The table below sets out the components of Non-executive Director remuneration.

Non-executive Director remuneration	
Base fees	Relate to service on the Westpac Banking Corporation Board. The base fee for the Chair covers all responsibilities, including for Board Committees.
Committee fees	Additional fees are paid to Non-executive Directors (other than the Board Chair) for chairing or being a member of Board Committees, other than the Board Nominations & Governance Committee.
Employer superannuation contributions	Reflects statutory superannuation contributions which are capped at the superannuation maximum contributions base as prescribed under the superannuation guarantee legislation.

6.2. Non-executive Director remuneration in 2026

The table below sets out the annual Board and standing Committee fees (exclusive of superannuation). Changes in Board and Committee composition during the year are set out in the Directors' meetings section in the Directors' report.

For 2026, $3.97 million (88%) of the fee pool was used[1]. The fee pool of $4.5 million per annum was approved by shareholders at the 2008 Annual General Meeting and includes employer superannuation contributions.

The members of the Nominations & Governance Committee do not receive any fees for their roles on the Committee.

From time to time, Directors may undertake additional duties connected with critical strategic projects. Fees for additional duties may be paid to recognise the associated workload, as set out in the table below. There were no fees for additional duties paid for 2026.

During 2026, Directors received fees for two Oversight Groups:

- The UNITE Oversight Group was established in May 2024 to support the Board's oversight of the UNITE program. Its current members are Nerida Caesar, Debra Hazelton and Andy Maguire. Peter Nash was a member until he retired from the Westpac Board effective 1 July 2026, with Debra Hazelton joining the Oversight Group following his retirement.
- The Property Oversight Group was established in 2025 to support the Board's oversight of the development of Westpac's Sydney office property strategy for 2030 and beyond. Its members were Steven Gregg, David Cohen and Michael Ullmer AO. Fees for the Property Oversight Group were paid from 1 October 2025 and ceased on 30 September 2026. No additional fee was paid to Steven Gregg.

Base and Committee fees	Annual fee $ (exclusive of superannuation)
Base fees	
Chair	823,000
Other Non-executive Directors	215,000
Committee Chair fees	
Board Audit Committee	69,000
Board Risk Committee	69,000
Board Remuneration Committee	69,000
Committee membership fees	
Board Audit Committee	34,000
Board Risk Committee	34,000
Board Remuneration Committee	34,000
Other fees	
UNITE Oversight Group	34,000
Property Oversight Group	25,000
Additional duties Committee Chair fee (per meeting)	4,000
Additional duties Committee fee (per meeting)	2,000

6.3. Non-executive Director minimum shareholding requirement

Non-executive Directors are required to build and maintain a holding in Westpac ordinary shares with a value not less than the Board base fee (and in the case of the Chair, the Chair's fee), within five years of appointment to the Board.

At 30 September 2026, all Non-executive Directors comply with or are within the accumulation period.

1. This includes fees paid to Pip Greenwood in respect of her role as Chair of the Westpac New Zealand Limited Board in 2026 (NZD 330,000).

For personal use only

For personal use only

7. Statutory remuneration details

7.1. Details of Non-executive Director remuneration

The table below details Non-executive Director remuneration.

	Short-term benefits		Post-employment benefits	
Name	Westpac Banking Corporation Board fees[a] $	Non-monetary benefits[b] $	Superannuation $	Total $
Non-executive Directors				
Steven Gregg, Chair				
2026	826,165	12,100	45,671	883,936
2025	826,165	11,786	30,440	868,391
Tim Burroughs				
2026	284,089	-	30,468	314,557
2025	285,337	-	30,137	315,474
Nerida Caesar				
2026	318,219	-	31,425	349,644
2025	312,585	-	30,250	342,835
David Cohen				
2026	292,304	-	32,366	324,670
2025	125,458	-	14,753	140,211
Pip Greenwood[c]				
2026	215,827	1,140	25,899	242,866
2025	35,558	1,540	4,267	41,365
Debra Hazelton				
2026	283,323	-	31,253	314,576
2025	144,611	-	16,730	161,341
Andy Maguire				
2026	284,089	-	30,468	314,557
2025	282,009	23,409	30,223	335,641
Margaret Seale				
2026	256,958	-	28,776	285,734
2025	282,865	-	30,240	313,105
Michael Ullmer AO				
2026	344,319	-	32,239	376,558
2025	313,361	-	30,260	343,621
Former Non-executive Directors				
Peter Nash				
2026	265,354	-	21,850	287,204
2025	354,650	-	30,166	384,816
Total fees				
2026	3,370,647	13,240	310,415	3,694,302
2025[d]	3,064,958	36,735	253,971	3,355,664

a. Includes base fees, Committee fees and any other fees.
b. Non-monetary benefits are determined on the basis of the cost to the Group including associated fringe benefits tax (FBT) where applicable and includes bank funded car parking, taxation advice and relocation costs.
c. In addition, Pip Greenwood received an annual fee of NZD 330,000 for her role as Chair of the Westpac New Zealand Limited Board in 2026 (NZD 330,000 in 2025).
d. Total fees for 2025 shown as reported in the 2025 Annual Report. The total fees for 2025 include individuals that are not KMP in 2026 and therefore their individual remuneration is not included in the above table.

DIRECTORS' REPORT

7.2. Statutory remuneration details – Chief Executive Officer and Group Executives

The table below details remuneration for the CEO and Group Executives prepared and audited in accordance with Australian Accounting Standards.

	Short term benefits				Post-employment benefits	Other long term benefits	Share-based payments			
	Fixed remuneration[a]	Cash STVR award[b]	Non-monetary benefits[c]	Other payments[d]	Superannuation benefits[e]	Long service leave	Restricted shares[f]	Restricted rights[g,h]	Performance rights[g]	Total[i]
	$	$	$	$	$	$	$	$	$	$
Managing Director & Chief Executive Officer										
Anthony Miller, Managing Director & Chief Executive Officer										
2026	2,496,880	862,500	5,483	-	60,083	37,245	731,415	994,192	689,295	5,877,093
2025	2,293,520	718,500	5,039	17,386	42,556	107,886	593,423	538,282	636,411	4,953,003
Group Executives										
Scott Collary, Chief Information Officer[j]										
2026	1,316,461	436,000	4,584	1,163,470	59,924	19,637	388,889	2,563,462	1,469,131	7,421,558
2025	1,230,253	445,500	5,894	-	35,894	19,190	463,192	463,401	632,523	3,295,847
Kate Dee, Chief People Officer										
2026	817,141	294,000	3,226	947,422	44,831	12,155	583,826	234,854	106,025	3,043,480
2025	128,485	-	504	175,334	10,470	1,979	176,404	14,220	14,220	521,616
Paul Fowler, Chief Executive, Business & Wealth										
2026	1,098,111	410,000	3,226	158,180	55,602	16,671	1,325,680	273,794	109,997	3,451,261
2025	440,166	151,500	1,266	100,724	20,797	6,591	768,571	30,943	9,841	1,530,399
Nathan Goonan, Chief Financial Officer[k,l]										
2026	1,136,670	441,500	4,452	2,285,998	50,954	18,233	2,058,711	670,036	522,746	7,189,300
2025	---------- Not a KMP in 2025 ----------									
Peter Herbert, Chief UNITE & Customer Operations Officer										
2026	835,651	305,500	4,514	-	48,384	12,680	442,388	239,990	110,418	1,999,525
2025	718,273	300,400	5,042	-	29,501	20,816	390,850	53,579	30,832	1,549,293
Nell Hutton, Chief Executive, Westpac Institutional Bank										
2026	1,219,744	468,500	6,660	-	56,258	19,166	969,451	677,276	271,037	3,688,092
2025	1,271,484	464,000	4,606	-	37,030	18,946	1,168,985	457,506	175,213	3,597,770
Carolyn McCann, Chief Executive, Consumer										
2026	1,282,154	455,500	5,352	-	57,894	18,832	445,835	626,982	450,430	3,342,979
2025	1,334,025	438,000	5,894	-	39,024	54,728	410,402	401,849	433,132	3,117,054
Catherine McGrath, Chief Executive Officer, Westpac New Zealand										
2026	890,671	338,355	9,046	-	124,827	-	-	875,085	447,241	2,685,225
2025	877,583	345,588	10,613	-	127,886	-	-	674,684	442,664	2,479,018
Ryan Zanin, Chief Risk Officer										
2026	1,755,755	637,000	74,696	-	1,825	26,488	736,699	727,794	647,202	4,607,459
2025	1,795,959	677,000	88,792	5,964	2,027	28,630	857,798	488,077	608,097	4,552,344

For personal use only

	Short term benefits				Post-employment benefits	Other long term benefits	Share-based payments			
	Fixed remuneration[a]	Cash STVR award[b]	Non-monetary benefits[c]	Other payments[d]	Superannuation benefits[e]	Long service leave	Restricted shares[f]	Restricted rights[g,h]	Performance rights[g]	Total[i]
	$	$	$	$	$	$	$	$	$	$
Former Executives										
Carolyn Hoy, Acting Group Executive, Customer & Corporate Services[k]										
2026	508,591	203,400	1,074	-	62,999	(24,732)	248,382	-	-	999,714
2025	306,243	112,800	1,266	-	36,093	48,639	123,751	-	-	628,792
Michael Rowland, Chief Financial Officer[j,k,m]										
2026	23,331	-	62	1,165,919	1,805	-	82,701	878,445	557,496	2,709,759
2025	1,260,305	448,500	8,987	-	35,892	20,840	296,066	867,559	689,837	3,627,986

a. Fixed remuneration is the total cost of cash salary, salary sacrificed benefits and an accrual for annual leave. Superannuation in excess of the maximum contribution base that is paid as cash is also included.
b. The cash STVR award is typically paid in December following the end of the financial year.
c. Non-monetary benefits are determined on the basis of the cost to the Group (including associated FBT, where applicable) and may include annual health checks, bank funded car parking, executive life insurance and relocation costs.
d. Includes payments on termination or other contracted amounts. The cash portion of buy out arrangements is recognised as an expense from the individual's commencement date to the end of the deferral period. For Kate Dee, Paul Fowler and Nathan Goonan, the cash buy out is recognised as an expense over 12 months from their commencement date to reflect a minimum service period. For Kate Dee, the cash buy out arrangement was agreed on 5 September 2025 and was paid in March 2026. For Nathan Goonan, the cash buy out arrangement was agreed on 15 March 2025 and was paid in December 2025.
e. Includes Group life and salary continuance insurance cover provided at no cost to the individual. Superannuation benefits have been calculated consistent with AASB 119 *Employee Benefits*.
f. Restricted shares are amortised from the start of the performance and relevant service period. They are calculated based on the fair value at the grant date (being the invitation opt out date). A portion of the restricted shares held by Kate Dee, Paul Fowler and Nathan Goonan represents an allocation made to compensate them for remuneration foregone from their previous employer on resignation to join Westpac.
g. Share rights are amortised over the performance and relevant service period. For share rights granted during the year ended 30 September 2026, the fair value of performance rights and unhurdled share rights was independently calculated by PFS Consulting at the grant date. The fair value of restricted rights was calculated using the closing price on the grant date. The grant date for accounting purposes is the invitation opt out date.
h. The percentage of the 2026 restricted rights value which relates to deferred STVR awards was: Scott Collary 17%, Catherine McGrath 39% and Michael Rowland 22%.
i. The table includes remuneration details of individuals that are KMP for 2026, whereas the totals presented in Note 34 to the financial statements include former KMP who ceased as KMP in 2025. The percentage of total remuneration which is performance related (i.e. cash STVR plus relevant share-based payments) was: Anthony Miller 56%, Scott Collary 65%, Kate Dee 40%, Paul Fowler 61%, Nathan Goonan 51%, Peter Herbert 55%, Nell Hutton 65%, Carolyn McCann 59%, Catherine McGrath 62%, Ryan Zanin 60%, Carolyn Hoy 45% and Michael Rowland 56%. The percentage of total remuneration delivered in the form of share rights was: Anthony Miller 29%, Scott Collary 54%, Kate Dee 11%, Paul Fowler 11%, Nathan Goonan 17%, Peter Herbert 18%, Nell Hutton 26%, Carolyn McCann 32%, Catherine McGrath 49%, Ryan Zanin 30%, Carolyn Hoy 0% and Michael Rowland 53%.
j. The share-based payment values reflect the accruals for unvested equity up to the end of each relevant service period. Whilst the full value is being accrued in 2026 for all unvested equity, the awards may or may not vest subject to the relevant performance conditions.
k. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.
l. Nathan Goonan was appointed as an Enterprise Executive, which is not a KMP role, on 22 September 2025 until his appointment to his current position of Chief Financial Officer. For the period 1 October 2025 to 7 October 2025, Nathan received fixed remuneration of $23,746. Nathan was not eligible for any variable remuneration while in the Enterprise Executive role.
m. Michael Rowland commenced as an Enterprise Executive on 8 October 2025 and provided transition support to the Group until his retirement on 12 December 2025. For the period from 8 October 2025 to 12 December 2025, Michael received fixed remuneration of $240,429. This amount has been excluded from the table above as Michael was not a KMP during this period.

For personal use only

DIRECTORS' REPORT

7.3. Movement in equity-settled instruments during the year

The table below shows the movements in the number and value of equity instruments for the CEO and Group Executives during 2026.

Name	Type of equity-based instrument	Number granted[a]	Number vested[b]	Number exercised[c]	Value granted $[d]	Value exercised $[e]	Value forfeited or lapsed $[e]
Managing Director & Chief Executive Officer							
Anthony Miller	Restricted shares	18,967	20,584	-	738,575	-	-
	Restricted rights	45,691	-	-	1,779,208	-	-
	Performance rights	45,692	63,210	63,210	963,644	2,510,069	836,690
Group Executives							
Scott Collary	Restricted shares	11,760	18,829	-	457,934	-	-
	Restricted rights	23,603	-	-	919,101	-	-
	Performance rights	23,603	66,150	66,150	497,787	2,626,817	875,606
Kate Dee	Restricted shares	-	-	-	-	-	-
	Restricted rights	21,208	-	-	825,840	-	-
	Performance rights	21,209	-	-	447,297	-	-
Paul Fowler	Restricted shares	3,999	24,371	-	155,721	-	-
	Restricted rights	20,597	-	-	802,047	-	-
	Performance rights	20,598	-	-	434,412	-	-
Nathan Goonan[f]	Restricted shares	69,465	-	-	2,704,967	-	-
	Restricted rights	63,521	-	-	2,473,508	-	-
	Performance rights	79,730	-	-	1,757,885	-	-
Peter Herbert	Restricted shares	7,370	16,629	-	286,988	-	-
	Restricted rights	15,665	-	-	609,995	-	-
	Performance rights	15,666	-	-	330,396	-	-
Nell Hutton	Restricted shares	12,249	45,461	-	476,976	-	-
	Restricted rights	23,302	-	-	907,380	-	-
	Performance rights	23,303	-	-	491,460	-	-
Carolyn McCann	Restricted shares	11,562	14,952	-	450,224	-	-
	Restricted rights	23,371	-	-	910,067	-	-
	Performance rights	23,371	39,255	39,255	492,894	1,530,160	519,605
Catherine McGrath	Unhurdled share rights	9,690	13,554	36,485	357,375	1,533,829	-
	Restricted rights	19,426	-	-	756,448	-	-
	Performance rights	19,427	42,200	28,942	409,715	1,216,722	558,561
Ryan Zanin	Restricted shares	17,872	34,273	-	695,936	-	-
	Restricted rights	25,417	-	-	989,738	-	-
	Performance rights	25,418	30,701	-	536,066	-	408,194
Former Executives							
Carolyn Hoy[f]	Restricted shares	12,913	13,637	-	502,832	-	-
	Restricted rights	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-
Michael Rowland[f]	Restricted shares	-	9,685	-	-	-	-
	Restricted rights	-	-	-	-	-	-
	Performance rights	-	-	-	-	-	-

a. Restricted rights and performance rights granted to the CEO are approved by shareholders at the Annual General Meeting each year. We do not grant options. We award deferred STVR in the form of restricted shares (or unhurdled share rights for KMP in New Zealand). 2025 deferred STVR was granted on 29 December 2025 (based on the invitation opt out date) for the CEO and Group Executives. The deferral period commenced on 1 October 2025. 50% of the award will vest on 15 November 2026 and 50% will vest on 15 November 2027 (subject to service conditions and remuneration adjustments).

b. 75% of the 2022 LTVR performance rights vested in October 2025 when assessed against the relative TSR performance condition. 100% of the deferred STVR due to vest in 2025 vested at the end of the deferral period. For Paul Fowler, 24,371 of the 24,371 restricted shares that vested were in relation to a buy out award, representing 29% of the total number of shares allocated for that award with the remaining portions of the award due to vest through to May 2030. For Ryan Zanin, 13,015 of the 34,273 restricted shares that vested were in relation to the restricted shares granted in January 2024, representing 60% of the total number of shares allocated for that award and the remaining portions of the award are due to vest through to January 2029.

c. Vested share rights granted prior to September 2023 may be exercised up to a maximum of 15 years from their commencement date. Vested share rights granted after September 2023 may be exercised up to two years following the vesting date, otherwise the share rights will be auto-exercised at the end of the term.

d. For performance rights and unhurdled share rights, the value granted represents the number of securities granted multiplied by the fair value per instrument as set out in the table in the section titled 'Overview of unvested equity awards'. For restricted shares and restricted rights, the value granted represents the number of shares or rights granted multiplied by the closing price of a Westpac ordinary share on the date the awards were granted. These values, which represent the full value of the equity-based awards made to the CEO and Group Executives in 2026, do not reconcile with the amount shown in the table in Section 7.2 which shows the amount amortised in the current year. The minimum total value of the grants for future financial years is zero and an estimate of the maximum possible total value in future financial years is the fair value, as shown above.

e. The value of each share right exercised, forfeited or lapsed is calculated based on the closing price of a Westpac ordinary share on the date of exercise (or forfeiture or lapse). The overall values reflect forfeitures or lapses as a result of a failure to meet service or performance conditions.

f. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.

For personal use only

For personal use only

7.4. Overview of unvested equity awards

The table below outlines key details of unvested equity awards as at 30 September 2026 awarded to the CEO and Group Executives for KMP roles. All awards are subject to service conditions, performance conditions (where applicable), deferral periods and remuneration adjustments. Further details of the awards can be located in prior Annual Reports.

Fair values

Fair values are determined in accordance with the requirements of AASB 2 *Share-based Payment*.

For STVR and LTVR restricted rights, the fair value is calculated using the closing price of the grant date, which for accounting purposes is the invitation opt out date.

For LTVR performance rights and unhurdled share rights, fair values are independently calculated by PFS Consulting at the grant date (which is the invitation opt out date). For the LTVR performance rights, a Monte Carlo simulation pricing model is used.

Allocation values

The value granted to executives for remuneration purposes differs from the fair value used for accounting purposes.

For STVR grants prior to 2024, the allocation is determined by dividing the dollar value of the STVR award by the five day VWAP up to the grant date. For STVR grants from 2024 onwards, the allocation is determined by dividing the dollar value of the STVR award by the five day VWAP up to Westpac's variable reward payment date, which is typically in December each year. Refer to Section 5.2 for further details of STVR.

For LTVR grants, the allocation is determined by dividing the dollar value of the LTVR awards by the face value of a share right. The face value of a share right is the five day VWAP up to the commencement of the performance period. Refer to Section 5.3 for further details of LTVR.

Award name	Accounting grant date	Performance period start date	Performance period end date	Deferral period end date	Expiry	Fair value	Performance conditions
2025 STVR[a]	29 Dec 2025	1 Oct 2024	30 Sep 2025	15 Nov 2026 (tranche one) and 15 Nov 2027 (tranche two)	N/A	$38.94	Service (noting STVR Scorecard assessment was completed)
2024 STVR[b]	27 Dec 2024	1 Oct 2023	30 Sep 2024	15 Nov 2026 (tranche two)	N/A	$32.66	Service (noting STVR Scorecard assessment was completed)
2026 LTVR performance rights[c]	29 Dec 2025	1 Oct 2025	30 Sep 2029	CEO: 15 Nov 2031 Group Executives: 15 Nov 2030	CEO: 15 Nov 2033 Group Executives: 15 Nov 2032	$20.52 (Banking), $21.66 (General ASX)	Two equal tranches: Relative TSR – Banking comparators Relative TSR – General ASX comparators
2026 LTVR restricted rights[c]	29 Dec 2025	1 Oct 2025	30 Sep 2029	CEO: 50% on 15 Nov 2029 (tranche one) and 50% on 15 Nov 2030 (tranche two) Group Executives: 15 Nov 2029	CEO: 15 Nov 2031 (tranche one) and 15 Nov 2032 (tranche two) Group Executives: 15 Nov 2031	$38.94	Pre-vest assessment of risk culture (noting a pre-grant assessment was completed)
2025 LTVR performance rights	CEO: 27 Dec 2024 Group Executives: 6 Dec 2024	1 Oct 2024	30 Sep 2028	CEO: 15 Nov 2030 Group Executives: 15 Nov 2029	CEO: 15 Nov 2032 Group Executives: 15 Nov 2031	CEO: $12.98 (Banking), $15.16 (General ASX) Group Executives: $11.17 (Banking), $14.60 (General ASX)	Two equal tranches: Relative TSR – Banking comparators Relative TSR – General ASX comparators

DIRECTORS' REPORT

Award name	Accounting grant date	Performance period start date	Performance period end date	Deferral period end date	Expiry	Fair value	Performance conditions
2025 LTVR performance rights – part year KMP or additional award[d]	Paul Fowler: 7 Jul 2025 Peter Herbert: 27 Mar 2025 Carolyn McCann: 7 Jul 2025 and 5 Sep 2025 Nathan Goonan: 29 Dec 2025	1 Oct 2024	30 Sep 2028	Paul Fowler: 13 May 2030 Peter Herbert: 15 Nov 2029 Carolyn McCann: 15 Nov 2029 Nathan Goonan: 15 Nov 2029	Paul Fowler: 13 May 2032 Peter Herbert: 15 Nov 2031 Carolyn McCann: 15 Nov 2031 Nathan Goonan: 15 Nov 2031	Paul Fowler: $11.47 (Banking), $15.14 (General ASX) Peter Herbert: $14.02 (Banking), $14.96 (General ASX) Carolyn McCann: $11.47 (Banking), $15.14 (General ASX) and $20.93 (Banking), $22.35 (General ASX) Nathan Goonan: $24.53 (Banking), $28.27 (General ASX)	Two equal tranches: Relative TSR – Banking comparators Relative TSR – General ASX comparators
2025 LTVR restricted rights	CEO: 27 Dec 2024 Group Executives: 6 Dec 2024	1 Oct 2024	30 Sep 2028	CEO: 50% on 15 Nov 2028 (tranche one) and 50% on 15 Nov 2029 (tranche two) Group Executives: 15 Nov 2028	CEO: 15 Nov 2030 (tranche one) and 15 Nov 2031 (tranche two) Group Executives: 15 Nov 2030	CEO: $32.66 Group Executives: $32.76	Pre-vest assessment of risk culture (noting a pre-grant assessment was completed)
2025 LTVR restricted rights – part year KMP or additional award[d]	Paul Fowler: 7 Jul 2025 Peter Herbert: 27 Mar 2025 Carolyn McCann: 7 Jul 2025 and 5 Sep 2025 Nathan Goonan: 29 Dec 2025	1 Oct 2024	30 Sep 2028	Paul Fowler: 13 May 2029 Peter Herbert: 15 Nov 2028 Carolyn McCann: 15 Nov 2028 Nathan Goonan: 15 Nov 2028	Paul Fowler: 13 May 2031 Peter Herbert: 15 Nov 2030 Carolyn McCann: 15 Nov 2030 Nathan Goonan: 15 Nov 2030	Paul Fowler: $33.48 Peter Herbert: $31.65 Carolyn McCann: $33.48 and $38.17 Nathan Goonan: $38.94	Pre-vest assessment of risk culture (noting a pre-grant assessment was completed)
2024 LTVR performance rights	19 Jan 2024	1 Oct 2023	30 Sep 2027	Group Executives: 15 Nov 2028	Group Executives: 15 Nov 2030	$12.81	Relative TSR
2024 LTVR restricted rights	19 Jan 2024	1 Oct 2023	30 Sep 2027	Group Executives: 15 Nov 2027	Group Executives: 15 Nov 2029	$23.20	Pre-vest assessment of risk culture (noting a pre-grant assessment was completed)
2023 LTVR performance rights	15 Dec 2022	1 Oct 2022	30 Sep 2026	25 Oct 2026	1 Oct 2037	$11.90	Relative TSR
Other awards							
2026 LTVR restricted shares for Acting Group Executive role – Carolyn Hoy	29 Dec 2025	1 Oct 2025	30 Sep 2029	15 Nov 2029 (tranche one), 15 Nov 2030 (tranche two)	N/A	$38.94	Service with a pre-grant risk assessment
2026 Buy out restricted shares – Nathan Goonan[e]	29 Dec 2025	N/A	N/A	15 Nov 2026 (tranche one and three), 22 Dec 2026 (tranche five), 15 Nov 2027 (tranche two and four), 22 Dec 2027 (tranche six)	N/A	$38.94	Vesting of each tranche is subject to service to the relevant tranche deferral period end date.
2025 LTVR restricted shares for Acting Group Executive roles	Peter Herbert: 27 Dec 2024 Carolyn Hoy: 14 Aug 2025	1 Oct 2024	30 Sep 2028	Peter Herbert: 15 Nov 2028 (tranche one) and 15 Nov 2029 (tranche two) Carolyn Hoy: 13 May 2029 (tranche one) and 13 May 2030 (tranche two)	N/A	Peter Herbert: $32.66 Carolyn Hoy: $36.04	Service with a pre-grant risk assessment

For personal use only

Award name	Accounting grant date	Performance period start date	Performance period end date	Deferral period end date	Expiry	Fair value	Performance conditions
2025 Buy out restricted shares – Kate Dee[e]	12 Sep 2025	N/A	N/A	1 Mar 2027 (tranche one), 1 Mar 2028 (tranche two), 6 Aug 2029 (tranche three and four), 6 Aug 2030 (tranche five and six)	N/A	$38.48	Service to 1 Jan 2026 (tranche four and six), 1 Mar 2027 (tranche one, two, three and five)
2025 Buy out restricted shares – Paul Fowler[e]	7 Jul 2025	N/A	N/A	13 May 2029 (tranche three to five), 13 May 2030 (tranche six to eight)	N/A	$33.48	Service to 1 Sep 2026 (tranche three and six), 1 Sep 2027 (tranche four and seven), 1 Sep 2028 (tranche five and eight)
2024 UNITE share rights – Peter Herbert	31 Oct 2024	1 Oct 2024	30 Sep 2028	15 Nov 2029	15 Nov 2031	$25.12	UNITE program deliverables and performance metrics[f]
2023 restricted shares – Ryan Zanin	19 Jan 2024	N/A	N/A	24 Jan 2028 (tranche two) and 24 Jan 2029 (tranche three)	N/A	$23.20	Service to 22 Jan 2026

a. The 2025 STVR award for Catherine McGrath and Michael Rowland was granted as share rights with a fair value of $37.62 for tranche one and $36.17 for tranche two.
b. The 2024 STVR award for Catherine McGrath was granted as share rights with a fair value of $29.79 (tranche two).
c. A portion of the 2026 LTVR performance rights and restricted rights awarded to Kate Dee and Nathan Goonan was allocated to compensate them for remuneration foregone from their previous employer on resignation to join Westpac. These portions are on the same terms as other Group Executives.
d. The 2025 LTVR performance rights and restricted rights awarded to Nathan Goonan were allocated to compensate him for remuneration foregone from his previous employer on resignation to join Westpac. These awards are on the same terms as other Group Executives.
e. Buy out awards are subject to remuneration adjustments. Restricted shares granted as part of buy out awards are eligible to receive dividends.
f. Peter Herbert received the 2024 UNITE share rights in relation to a prior role. Upon appointment as the Chief Transformation Officer, this award was pro-rated and the majority of the award was lapsed, with 2,599 share rights remaining on foot. The 2024 UNITE share rights include measures regarding program cost, benefits delivered (run-rate benefits and cost reductions) and program completion.

For personal use only

DIRECTORS' REPORT

7.5. Details of Westpac equity holdings of Non-executive Directors

The table below sets out details of relevant interests in Westpac ordinary shares held by Non-executive Directors (including their related parties) during the year ended 30 September 2026[1].

	Number held at start of the year	Changes during the year	Number held at end of the year
Non-executive Directors			
Steven Gregg	75,208	-	75,208
Tim Burroughs	67,302	25	67,327
Nerida Caesar	13,583	-	13,583
David Cohen	1,253	-	1,253
Pip Greenwood	-	4,082	4,082
Debra Hazelton[a]	1,350	1,700	3,050
Andy Maguire	6,615	-	6,615
Margaret Seale[b]	26,158	-	26,158
Michael Ullmer AO[c]	12,570	-	12,570
Former Non-executive Directors			
Peter Nash[d]	15,360	-	n/a

a. In addition to holding ordinary shares, Debra Hazelton and her related parties held interests in 10 Westpac Capital Notes 7 (ASX:WBCPJ), 16 Westpac Capital Notes 9 (ASX:WBCPL) and 2 Westpac Capital Notes 10 (ASX:WBCPM) at year end.

b. In addition to holding ordinary shares, Margaret Seale and her related parties held interests in 100 Westpac Capital Notes 7 (ASX:WBCPJ) at year end.

c. In addition to holding ordinary shares, Michael Ullmer AO and his related parties held interests in 300 Westpac Capital Notes 9 (ASX:WBCPL) at year end.

d. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.

For personal use only

1. Other than as disclosed above, no share interests include non-beneficially held shares.

For personal use only

7.6. Details of Westpac equity holdings of executive Key Management Personnel

The table below details Westpac equity held and movement in that equity by the CEO and Group Executives (including their related parties) for the year ended 30 September 2026[1].

Name	Type of equity-based instrument	Number held at start of the year	Number granted during the year as remuneration	Received on exercise and/or exercised during the year	Number forfeited or lapsed during the year	Other changes during the year	Number held at end of the year	Number vested and exercisable at end of the year
Managing Director & Chief Executive Officer								
Anthony Miller	Ordinary shares	261,171	18,967	63,210	-	(42,071)	301,277	-
	Restricted rights	91,074	45,691	-	-	-	136,765	-
	Performance rights	277,737	45,692	(63,210)	(21,070)	-	239,149	-
Group Executives								
Scott Collary	Ordinary shares	216,448	11,760	66,150	-	(63,755)	230,603	-
	Restricted rights	70,911	23,603	-	-	-	94,514	-
	Performance rights	266,254	23,603	(66,150)	(22,050)	-	201,657	-
Kate Dee	Ordinary shares	19,351	-	-	-	-	19,351	-
	Restricted rights	-	21,208	-	-	-	21,208	-
	Performance rights	-	21,209	-	-	-	21,209	-
Paul Fowler	Ordinary shares	83,979	3,999	-	-	(22,700)	65,278	-
	Restricted rights	9,522	20,597	-	-	-	30,119	-
	Performance rights	9,522	20,598	-	-	-	30,120	-
Nathan Goonan[a]	Ordinary shares	-	69,465	-	-	-	69,465	-
	Restricted rights	-	63,521	-	-	-	63,521	-
	Performance rights	-	79,730	-	-	-	79,730	-
Peter Herbert	Ordinary shares	66,204	7,370	-	-	(34,488)	39,086	-
	Restricted rights	10,812	15,665	-	-	-	26,477	-
	Performance rights	13,412	15,666	-	-	-	29,078	-
Nell Hutton	Ordinary shares	153,984	12,249	-	-	(45,461)	120,772	-
	Restricted rights	70,009	23,302	-	-	-	93,311	-
	Performance rights	70,011	23,303	-	-	-	93,314	-
Carolyn McCann	Ordinary shares	160,476	11,562	39,255	-	-	211,293	-
	Restricted rights	61,332	23,371	-	-	-	84,703	-
	Performance rights	179,863	23,371	(39,255)	(13,085)	-	150,894	-
Catherine McGrath	Ordinary shares	-	-	65,427	-	(65,427)	-	-
	Unhurdled share rights	41,748	9,690	(36,485)	-	-	14,953	-
	Restricted rights	53,705	19,426	-	-	-	73,131	-
	Performance rights	187,188	19,427	(28,942)	(14,066)	-	163,607	13,258
Ryan Zanin	Ordinary shares	73,910	17,872	-	-	(27,156)	64,626	-
	Restricted rights	74,414	25,417	-	-	-	99,831	-
	Performance rights	225,350	25,418	-	(10,233)	-	240,535	30,701
Former Executives								
Carolyn Hoy[a]	Ordinary shares	70,937	12,913	-	-	(20,000)	n/a	n/a
	Restricted rights	-	-	-	-	-	n/a	n/a
	Performance rights	-	-	-	-	-	n/a	n/a
Michael Rowland[a]	Ordinary shares	70,868	-	-	-	-	n/a	n/a
	Restricted rights	55,341	-	-	-	-	n/a	n/a
	Performance rights	206,407	-	-	-	-	n/a	n/a

a. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.

1. The highest number of shares held by an individual in the table is 0.0088% of total Westpac ordinary shares outstanding as at 30 September 2026.

DIRECTORS' REPORT

7.7. Loans to Non-executive Directors and executive Key Management Personnel

Financial instrument transactions are provided in the ordinary course of business. These transactions are at arm's length on terms and conditions no more favourable than those provided to other employees and customers.

The table below details loans to KMP (including their related parties) of Westpac.

	Balance at start of the year $	Interest paid and payable for the year $[a]	Interest not charged during the year $	Balance at end of the year $	Number in Group at end of the year
Non-executive Directors	5,164,496	140,973	-	2,064,921	2
CEO and Group Executives	10,650,782	340,856	-	21,565,166	7
Total	15,815,278	481,829	-	23,630,087	9

a. Interest paid considers the impact of offset accounts.

The table below details KMP (including their related parties) with aggregate loans above $100,000 during 2026.

	Balance at start of the year $	Interest paid and payable for the year $[a]	Interest not charged during the year $	Balance at end of the year $	Highest indebtedness during the year $
Non-executive Directors					
Pip Greenwood	1,810,489	9,975	-	1,611,923	1,810,489
Margaret Seale	452,998	27,544	-	452,998	452,998
Former Non-executive Directors					
Peter Nash[b]	2,901,009	103,454	-	n/a	3,036,521
CEO and Group Executives					
Anthony Miller	1,255,659	73,854	-	11,498,000	12,773,821
Scott Collary	1,926,836	58,354	-	1,824,332	1,926,836
Kate Dee	2,397,798	112,808	-	2,351,981	2,397,798
Paul Fowler	3,330,621	108	-	3,346,993	3,350,454
Carolyn McCann	1,717,986	95,534	-	2,541,579	2,625,696

a. Interest paid considers the impact of offset accounts.
b. The information relates to the period the individual was a KMP. Refer to Section 2 for further details.

Other transactions relating to KMP

Accrual for dividend equivalent payments

The non-current liability owing as a result of dividend equivalent payments that have been accrued for the 2024, 2025 and 2026 LTVR restricted rights was $1,621,291 as at 30 September 2026. Details of the LTVR restricted rights can be found in Section 5.3.1.

Other financial instrument transactions

Other financial instrument transactions relating to personal banking activities occur from time to time in the ordinary course of business with KMP and their relevant related parties. These transactions principally involve personal banking and deposit transactions, and financial and investment services. These transactions are on normal commercial terms and conditions no more favourable than those provided to other employees and customers.

For personal use only

For personal use only

Lead Auditor's Independence Declarations under Section 307C of the Corporations Act 2001

To the Directors of Westpac Banking Corporation

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial report of Westpac Banking Corporation for the financial year ended 30 September 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Brendan Twining
Partner
Sydney
1 November 2026

I declare that, to the best of my knowledge and belief, in relation to the audit and review of specified sustainability disclosures in the sustainability report of Westpac Banking Corporation for the financial year ended 30 September 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

Adrian King
Partner
Sydney
1 November 2026

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

DIRECTORS' REPORT

Non-audit services

We engage KPMG on assignments additional to their statutory audit duties where their expertise or experience with Westpac or a controlled entity is important.

Details of the non-audit service amounts paid or payable for non-audit services provided by KPMG during the 2026 and 2025 financial years are set out in Note 33 (page 213) to the financial statements.

KPMG also provides audit and non-audit services to non-consolidated entities, non-consolidated trusts of which a Westpac Group entity is trustee, manager or responsible entity and non-consolidated superannuation funds or pension funds. The fees in respect of these services were approximately $4.1 million in total (2025: $0.2 million). KPMG may also provide audit and non-audit services to other entities in which Westpac holds a minority interest and which are not consolidated. Westpac is not aware of the amount of any fees paid to KPMG by those entities.

Westpac has a policy on engaging KPMG for audit and non-audit services, details of which are set out in its 2026 Corporate Governance Statement in the section 'Engagement of the external auditor'.

The Board has considered the position and, in accordance with the advice received from the Board Audit Committee, is satisfied that the provision of the non-audit services during 2026 by KPMG is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied, in accordance with advice received from the Board Audit Committee, that the provision of non-audit services by KPMG, as set out above, did not compromise the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services provided by KPMG for the year have been reviewed by the Board Audit Committee, which is of the view that they do not impact the impartiality and objectivity of KPMG; and
- based on quarterly independence declarations made by KPMG to the Board Audit Committee during the year, none of the services undermine the general principles relating to auditor independence including reviewing or auditing KPMG's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Responsibility statement

The Directors of Westpac Banking Corporation confirm that to the best of their knowledge:

- the consolidated financial statements for the financial year ended 30 September 2026, which have been prepared in accordance with the accounting policies described in Note 1 to the consolidated financial statements, being in accordance with Australian Accounting Standards (AAS), give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Annual Report from the section entitled About Westpac to and including the section entitled Information on Westpac and the subsection entitled 'Other Westpac business information' in the section entitled Additional Information includes a fair review of the information required by the Disclosure Guidance and Transparency Rules 4.1.8R to 4.1.11R of the United Kingdom Financial Conduct Authority, together with a description of the principal risks and uncertainties faced by the Group.

The Directors' Report is signed in accordance with a resolution of the Board of Directors.



Steven Gregg

Chairman

1 November 2026



Anthony Miller

Managing Director &
Chief Executive Officer

1 November 2026

For personal use only

For personal use only

INFORMATION ON WESTPAC

Significant developments

Westpac significant developments – Australia

Changes to the Board of Directors, Company Secretary and Executive Team

On 24 June 2026, Westpac announced the appointment of Richard Heeley as Chief Information Officer, following the retirement of Scott Collary. Mr Heeley commenced in his role on 1 October 2026.

On 1 July 2026, independent Non-executive Director Peter Nash retired from the Board.

On 21 September 2026, Timothy Hartin, Company Secretary of Westpac, stepped down from his role and from that date, Sarah Donnelly was appointed as Company Secretary.

On market buyback

As at 30 September 2026, Westpac had completed $2.5 billion of the $3.5 billion on market share buyback previously announced, with 88.8 million Westpac ordinary shares purchased at an average price of $28.01. During FY26, Westpac bought back 50,000 ordinary shares equating to $1.9 million at an average price of $38.25. The ordinary shares bought back were subsequently cancelled. The timing and actual number of shares purchased under the buyback will depend on market conditions and other considerations. Westpac reserves the right to vary, suspend or terminate the buyback at any time.

Regulatory and risk developments

Financial crime and Sanctions

Westpac continues to improve its financial crime risk management with significant ongoing work focusing on AML/CTF, Sanctions, Anti-Bribery and Corruption, the US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS). Through this work, we continue to undertake activities to strengthen and remediate any deficiencies identified in our Financial Crime Program and regulatory reporting, including in relation to Threshold Transaction Reports, Suspicious Matter Reports, International Funds Transfer Instructions, FATCA and CRS reporting and equivalent reports in jurisdictions outside Australia.

Significant reforms to the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (AML/CTF Act) to simplify and modernise the regime took effect from 31 March 2026, including provisions that apply to our permanent offshore establishments.

While Westpac has implemented measures to meet the new requirements, the scale and complexity of changes required to fully comply with the reforms mean Westpac is not yet fully compliant. A multi-year implementation program is underway across Westpac and its permanent offshore establishments to achieve compliance, including complex technology enhancements to customer due diligence, transaction monitoring and reporting. Timing and delivery challenges associated with implementation are being experienced across the industry. In recognition of the scale and complexity of changes required the *Anti-Money Laundering and Counter-Terrorism Financing Transitional Rules 2026 (Cth)* (Transitional Rules) commenced in 2026 alongside the new regime, providing legislative transitional arrangements for a limited subset of obligations applicable to existing reporting entities, including deferred commencement of certain requirements, subject to specified conditions. These Transitional Rules apply to Westpac but not to Westpac's permanent offshore establishments insofar as it relates to initial customer due diligence.

AUSTRAC has noted that it supports a risk based approach and does not expect immediate compliance, provided reporting entities have a documented implementation plan (endorsed by senior management and provided to the Board) to show sustained effort and reasonable progress against their implementation plans, and to exercise due care and diligence to manage money-laundering and terrorism-financing risks while working towards meeting new or changed obligations (including by continuing to implement current controls). During this period, AUSTRAC expects existing AML/CTF controls to continue to operate.

Westpac's multi-year implementation plan addresses both obligations subject to transitional arrangements and broader reforms not covered by the Transitional Rules, including those applicable to our permanent offshore establishments. We will continue to engage with AUSTRAC and provide updates on our implementation progress. Details about the consequences of failing to comply with financial crime obligations are set out in the 2026 Risk Factors.

Separately, in September 2026, the Australian Government commenced consultation on the Australian Sanctions legislation amendment reforms, including the exposure draft of the Autonomous Sanctions Bill 2026. Westpac is reviewing the proposed reforms and participating in industry consultation processes.

APRA capital requirements

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

INFORMATION ON WESTPAC

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.

Westpac significant developments – New Zealand

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 (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).
- 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 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.

General regulatory changes affecting our businesses

RBA review of merchant card payment costs and surcharging

On 31 March 2026, the RBA published its conclusions paper on the review of merchant card payment costs and surcharging. The RBA's decisions that surcharges on debit and credit cards should not be charged, to lower the cap on interchange fees paid by merchant acquirers to retail card issuers (including Westpac) and increase transparency on card payment fees through quarterly data publishing obligations came into effect on 1 October 2026.

Regulatory investigations and legal proceedings

Our entities are subject to regulatory enquiries and investigations and are parties to legal proceedings from time to time arising from the conduct of our business. Certain regulatory investigations, litigation, and class actions are further described as required in Note 25 to the financial statements (page 191) in this Annual Report.

On 26 May 2026, the Federal Court of Australia handed down judgment in the civil penalty proceedings commenced by ASIC against Westpac on 4 September 2023 (alleging contraventions under the National Credit Code and the *National Consumer Credit Protection Act 2009* (Cth)). Westpac was ordered to pay a $26 million penalty, which was paid during FY26.

For personal use only

FINANCIAL REPORT

For personal use only

Income statements
Statements of comprehensive income
Balance sheets
Statements of changes in equity
Cash flow statements

NOTES TO THE FINANCIAL STATEMENTS
Note 1. Financial statements preparation

FINANCIAL PERFORMANCE
Note 2. Segment reporting
Note 3. Net interest income and average balance sheet and interest rates
Note 4. Non-interest income
Note 5. Operating expenses
Note 6. Impairment charges
Note 7. Income tax
Note 8. Earnings per share

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Lending and credit risk
Note 9. Loans
Note 10. Provision for expected credit losses
Note 11. Credit risk management

Deposits and other funding arrangements
Note 12. Deposits and other borrowings
Note 13. Debt issues
Note 14. Loan capital
Note 15. Securitisation, covered bonds and other transferred assets

Other financial instrument disclosures
Note 16. Trading securities and financial assets measured at fair value through income statement (FVIS)
Note 17. Investment securities
Note 18. Other financial assets
Note 19. Other financial liabilities
Note 20. Derivative financial instruments
Note 21. Risk management, funding and liquidity risk and market risk
Note 22. Fair values of financial assets and financial liabilities
Note 23. Offsetting financial assets and financial liabilities

INTANGIBLE ASSETS, PROVISIONS, COMMITMENTS AND CONTINGENCIES
Note 24. Intangible assets
Note 25. Provisions, contingent liabilities, contingent assets and credit commitments

CAPITAL AND DIVIDENDS
Note 26. Shareholders' equity
Note 27. Capital adequacy
Note 28. Dividends

GROUP STRUCTURE
Note 29. Investments in subsidiaries and associates
Note 30. Structured entities

OTHER
Note 31. Share-based payments
Note 32. Superannuation commitments
Note 33. Auditor's remuneration
Note 34. Related party disclosures
Note 35. Notes to the cash flow statements
Note 36. Subsequent events

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

STATUTORY STATEMENTS
Directors' declaration
Independent auditor's report to the members of Westpac Banking Corporation
Limitation on Independent Registered Public Accounting Firm's Liability

INCOME STATEMENTS

for the years ended 30 September

Westpac Banking Corporation

		Consolidated		Parent Entity	
$m	Note	2026	2025	2026	2025
Interest income:					
Calculated using the effective interest method	3	53,688	53,054	50,754	48,851
Other	3	2,297	1,988	2,474	2,196
Total interest income		**55,985**	**55,042**	**53,228**	**51,047**
Interest expense	3	(36,403)	(35,662)	(36,778)	(34,949)
Net interest income		**19,582**	**19,380**	**16,450**	**16,098**
Non-interest income					
Net fees	4	1,752	1,732	1,576	1,543
Net wealth management	4	510	476	-	-
Trading	4	703	717	693	693
Other	4	55	79	1,600	1,546
Total non-interest income		**3,020**	**3,004**	**3,869**	**3,782**
Net operating income		**22,602**	**22,384**	**20,319**	**19,880**
Operating expenses	5	(11,929)	(11,916)	(10,559)	(10,455)
Impairment (charges)/benefits	6	(864)	(424)	(793)	(440)
Profit before income tax expense		**9,809**	**10,044**	**8,967**	**8,985**
Income tax expense	7	(2,980)	(3,111)	(2,414)	(2,489)
Profit after income tax expense		**6,829**	**6,933**	**6,553**	**6,496**
Net profit attributable to non-controlling interests (NCI)		(16)	(17)	-	-
Net profit attributable to owners of Westpac Banking Corporation (WBC)		**6,813**	**6,916**	**6,553**	**6,496**
Earnings per share (cents)					
Basic	8	199.3	201.9		
Diluted	8	198.9	199.4		

The above income statements should be read in conjunction with the accompanying notes.

For personal use only

STATEMENTS OF COMPREHENSIVE INCOME

for the years ended 30 September

Westpac Banking Corporation

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Profit after income tax expense	**6,829**	**6,933**	**6,553**	**6,496**
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to profit or loss				
Gains/(losses) recognised in equity on:				
Debt securities measured at fair value through other comprehensive income (FVOCI)	447	503	406	423
Cash flow hedging instruments	(4,365)	(233)	(4,526)	(154)
Cost of hedging reserve	(293)	-	(252)	-
Transferred to income statement:				
Debt securities measured at FVOCI	(123)	(19)	(123)	(19)
Cash flow hedging instruments	459	152	516	154
Cost of hedging reserve	71	-	72	-
Loss allowance on debt securities measured at FVOCI	-	-	1	(1)
Exchange differences on translation of foreign operations (net of associated hedges)	(752)	(254)	(135)	31
Income tax on items taken to or transferred from equity:				
Debt securities measured at FVOCI	(91)	(141)	(80)	(118)
Cash flow hedging instruments	1,174	22	1,203	-
Cost of hedging reserve	66	-	54	-
Items that will not be reclassified subsequently to profit or loss				
Gains/(losses) on equity securities measured at FVOCI (net of tax)	16	24	(13)	9
Own credit adjustment on financial liabilities designated at fair value (net of tax)	(29)	(21)	(29)	(21)
Remeasurement of defined benefit obligation recognised in equity (net of tax)	158	10	154	9
Net other comprehensive income/(expense) (net of tax)	**(3,262)**	**43**	**(2,752)**	**313**
Total comprehensive income	**3,567**	**6,976**	**3,801**	**6,809**
Attributable to:				
Owners of WBC	3,576	6,974	3,801	6,809
NCI	(9)	2	-	-
Total comprehensive income	**3,567**	**6,976**	**3,801**	**6,809**

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

For personal use only

BALANCE SHEETS

as at 30 September

Westpac Banking Corporation

		Consolidated		Parent Entity	
$m	Note	2026	2025	2026	2025
Assets					
Cash and balances with central banks	35	45,959	50,430	41,873	44,782
Collateral paid		7,649	4,590	7,415	4,562
Trading securities and financial assets measured at fair value through income statement (FVIS)	16	64,045	55,841	62,449	53,626
Derivative financial instruments	20	23,922	18,464	22,954	17,534
Investment securities	17	116,769	117,541	108,053	109,100
Loans	9	896,590	851,853	802,910	755,112
Other financial assets	18	9,432	10,766	8,897	10,126
Due from subsidiaries		-	-	57,163	48,830
Investment in subsidiaries		-	-	8,386	8,567
Property and equipment		2,190	2,266	1,799	1,805
Tax assets	7	3,179	2,078	2,968	1,843
Intangible assets	24	10,149	10,465	8,690	8,918
Other assets		1,295	1,062	1,155	916
Total assets		**1,181,179**	**1,125,356**	**1,134,712**	**1,065,721**
Liabilities					
Collateral received		3,676	3,187	2,827	2,364
Deposits and other borrowings	12	808,336	770,457	738,212	696,660
Other financial liabilities	19	49,034	41,488	48,377	38,935
Derivative financial instruments	20	26,136	20,630	25,961	20,492
Debt issues	13	178,611	171,404	150,149	142,622
Tax liabilities	7	72	137	7	61
Due to subsidiaries		-	-	59,380	52,566
Provisions	25	2,471	2,612	2,272	2,376
Other liabilities		2,275	2,378	1,851	1,854
Total liabilities excluding loan capital		**1,070,611**	**1,012,293**	**1,029,036**	**957,930**
Loan capital	14	39,278	39,970	38,303	38,891
Total liabilities		**1,109,889**	**1,052,263**	**1,067,339**	**996,821**
Net assets		**71,290**	**73,093**	**67,373**	**68,900**
Shareholders' equity					
Share capital:					
Ordinary share capital	26	37,261	37,263	37,261	37,263
Treasury shares	26	(1,023)	(845)	(1,080)	(902)
Reserves	26	(1,390)	1,880	(580)	2,176
Retained profits		36,141	34,468	31,772	30,363
Total equity attributable to owners of WBC		**70,989**	**72,766**	**67,373**	**68,900**
NCI	26	301	327	-	-
Total shareholders' equity and NCI		**71,290**	**73,093**	**67,373**	**68,900**

The above balance sheets should be read in conjunction with the accompanying notes.

For personal use only

STATEMENTS OF CHANGES IN EQUITY

for the years ended 30 September

Westpac Banking Corporation

Consolidated $m	Share capital (Note 26)	Reserves (Note 26)	Retained profits	Total equity attributable to owners of WBC	NCI (Note 26)	Total shareholders' equity and NCI
Balance as at 30 September 2024	**37,200**	**1,732**	**32,773**	**71,705**	**347**	**72,052**
Profit after income tax expense	**-**	**-**	**6,916**	**6,916**	**17**	**6,933**
Net other comprehensive income/(expense)	-	69	(11)	58	(15)	43
Total comprehensive income/(expense)	**-**	**69**	**6,905**	**6,974**	**2**	**6,976**
Transactions in capacity as equity holders:						
Dividends on ordinary shares[a]	-	-	(5,215)	(5,215)	-	(5,215)
Share buyback	(672)	-	-	(672)	-	(672)
Other equity movements:						
Share-based payment arrangements	**-**	94	-	94	-	94
Purchase of shares	(23)	-	-	(23)	-	(23)
Net acquisition of treasury shares	(87)	-	-	(87)	-	(87)
Acquisition of minority interest	-	-	-	-	(4)	(4)
Other	-	(15)	5	(10)	(18)	(28)
Total contributions and distributions	**(782)**	**79**	**(5,210)**	**(5,913)**	**(22)**	**(5,935)**
Balance as at 30 September 2025	**36,418**	**1,880**	**34,468**	**72,766**	**327**	**73,093**
Profit after income tax expense	**-**	**-**	**6,813**	**6,813**	**16**	**6,829**
Net other comprehensive income/(expense)	-	(3,366)	129	(3,237)	(25)	(3,262)
Total comprehensive income/(expense)	**-**	**(3,366)**	**6,942**	**3,576**	**(9)**	**3,567**
Transactions in capacity as equity holders:						
Dividends on ordinary shares[a]	-	-	(5,269)	(5,269)	-	(5,269)
Share buyback	(2)	-	-	(2)	-	(2)
Other equity movements:						
Share-based payment arrangements	-	121	-	121	-	121
Net acquisition of treasury shares	(178)	-	-	(178)	-	(178)
Other	-	(25)	-	(25)	(17)	(42)
Total contributions and distributions	**(180)**	**96**	**(5,269)**	**(5,353)**	**(17)**	**(5,370)**
Balance as at 30 September 2026	**36,238**	**(1,390)**	**36,141**	**70,989**	**301**	**71,290**

a. Relates to fully franked dividends at 30%:
- 2026: 2026 interim dividend of 77 cents per share ($2,634 million) and 2025 final dividend of 77 cents per share ($2,634 million); and
- 2025: 2025 interim dividend of 76 cents per share ($2,601 million) and 2024 final dividend of 76 cents per share ($2,614 million).

The above statements of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

STATEMENTS OF CHANGES IN EQUITY

for the years ended 30 September

Westpac Banking Corporation

Parent Entity $m	Share capital (Note 26)	Reserves (Note 26)	Retained profits	Total equity attributable to owners of WBC
Balance as at 30 September 2024	**37,142**	**1,757**	**29,089**	**67,988**
Profit after income tax expense	**-**	**-**	**6,496**	**6,496**
Net other comprehensive income/(expense)	-	325	(12)	313
Total comprehensive income/(expense)	**-**	**325**	**6,484**	**6,809**
Transactions in capacity as equity holders:				
Dividends on ordinary shares[a]	-	-	(5,215)	(5,215)
Share buyback	(672)	-	-	(672)
Other equity movements:				
Share-based payment arrangements	-	94	-	94
Purchase of shares	(23)	-	-	(23)
Net acquisition of treasury shares	(86)	-	-	(86)
Other	-	-	5	5
Total contributions and distributions	**(781)**	**94**	**(5,210)**	**(5,897)**
Balance as at 30 September 2025	**36,361**	**2,176**	**30,363**	**68,900**
Profit after income tax expense	**-**	**-**	**6,553**	**6,553**
Net other comprehensive income/(expense)	-	(2,877)	125	(2,752)
Total comprehensive income/(expense)	**-**	**(2,877)**	**6,678**	**3,801**
Transactions in capacity as equity holders:				
Dividends on ordinary shares[a]	-	-	(5,269)	(5,269)
Share buyback	(2)	-	-	(2)
Other equity movements:				
Share-based payment arrangements	-	121	-	121
Net acquisition of treasury shares	(178)	-	-	(178)
Total contributions and distributions	**(180)**	**121**	**(5,269)**	**(5,328)**
Balance as at 30 September 2026	**36,181**	**(580)**	**31,772**	**67,373**

a. Relates to fully franked dividends at 30%:
- 2026: 2026 interim dividend of 77 cents per share ($2,634 million) and 2025 final dividend of 77 cents per share ($2,634 million); and
- 2025: 2025 interim dividend of 76 cents per share ($2,601 million) and 2024 final dividend of 76 cents per share ($2,614 million).

The above statements of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

CASH FLOW STATEMENTS

for the years ended 30 September

Westpac Banking Corporation

$m	Note	Consolidated 2026	Consolidated 2025	Parent Entity 2026	Parent Entity 2025
Cash flows from operating activities					
Interest received		53,564	53,888	50,882	50,015
Interest paid		(35,240)	(35,638)	(35,540)	(34,723)
Dividends received		1	2	1,042	987
Other non-interest income received		4,586	2,241	4,041	2,173
Operating expenses paid		(10,737)	(10,096)	(9,346)	(9,004)
Income tax paid		(3,040)	(3,532)	(2,689)	(3,047)
Cash flows from operating activities before changes in operating assets and liabilities		**9,134**	**6,865**	**8,390**	**6,401**
Net (increase)/decrease in:					
Collateral paid		(3,396)	1,945	(3,180)	1,905
Trading securities and financial assets measured at FVIS		(11,906)	(6,107)	(12,331)	(6,054)
Derivative financial instruments		(10,612)	5,650	(11,205)	1,013
Loans		(69,360)	(50,182)	(64,598)	(45,997)
Other financial assets		46	(48)	79	(26)
Other assets		(55)	(29)	(4)	2
Net increase/(decrease) in:					
Collateral received		740	(5)	668	(709)
Deposits and other borrowings		45,715	51,853	43,438	50,803
Other financial liabilities		12,355	(457)	13,752	873
Other liabilities		2	4	1	-
Net cash provided by/(used in) operating activities	35	**(27,337)**	**9,489**	**(24,990)**	**8,211**
Cash flows from investing activities					
Proceeds from investment securities		111,830	63,356	110,314	61,168
Purchase of investment securities		(114,972)	(75,810)	(112,325)	(73,463)
Net movement in amounts due to/from controlled entities		-	-	(1,310)	3,797
Net (increase)/decrease in investments in controlled entities		-	-	105	478
Purchase of associates		-	(10)	-	(10)
Proceeds from sale of loans portfolio[a]		15,573	1,418	15,573	1,414
Proceeds from disposal of property and equipment		3	33	3	15
Purchase of property and equipment		(297)	(371)	(242)	(259)
Purchase of intangible assets		(761)	(776)	(636)	(674)
Net cash provided by/(used in) investing activities		**11,376**	**(12,160)**	**11,482**	**(7,534)**
Cash flows from financing activities					
Proceeds from debt issues (net of issue costs)		114,190	68,850	102,575	59,404
Redemption of debt issues		(97,249)	(76,010)	(87,022)	(68,590)
Payments for the principal portion of lease liabilities		(389)	(390)	(344)	(338)
Issue of loan capital (net of issue costs)		4,662	5,042	4,662	5,042
Redemption of loan capital		(3,257)	(4,122)	(3,258)	(4,127)
Payments for share buyback		(2)	(672)	(2)	(672)
Purchase of shares relating to share-based payment arrangements		-	(23)	-	(23)
Net purchase of treasury shares (including RSP and EIP restricted shares)		(178)	(87)	(178)	(86)
Payment of dividends		(5,267)	(5,215)	(5,267)	(5,215)
Dividends paid to NCI		(17)	(17)	-	-
Purchase of shares from NCI	35	-	(4)	-	-
Net cash provided by/(used in) financing activities		**12,493**	**(12,648)**	**11,166**	**(14,605)**
Net increase/(decrease) in cash and balances with central banks		**(3,468)**	**(15,319)**	**(2,342)**	**(13,928)**
Effect of exchange rate changes on cash and balances with central banks		(1,003)	82	(567)	310
Cash and balances with central banks as at beginning of year		50,430	65,667	44,782	58,400
Cash and balances with central banks as at end of year	35	**45,959**	**50,430**	**41,873**	**44,782**

a. 2026 relates to the sale of the RAMS loan portfolio which completed on 1 August 2026. No gain or loss arose on completion. 2025 relates to the sale of the auto finance loan portfolio which completed on 1 March 2025. A loss of $8 million was recognised in "Other" in Note 4.

The above cash flow statements should be read in conjunction with the accompanying notes.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Financial statements preparation

This financial report of Westpac Banking Corporation (the Parent Entity), together with its controlled entities (the Group or Westpac), for the year ended 30 September 2026, was authorised for issue by the Board of Directors on 1 November 2026. The Directors have the power to amend and reissue the financial report.

The material accounting policies are set out below and in the relevant notes to the financial statements. The accounting policy for the recognition, derecognition, classification and measurement basis of financial assets and financial liabilities precedes Note 9. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

(i) Basis of accounting

This financial report is a general purpose financial report prepared in accordance with:

- The requirements for an Authorised Deposit-taking Institution (ADI) under the Banking Act 1959 (as amended);
- Australian Accounting Standards (AAS) and Interpretations as issued by the Australian Accounting Standards Board (AASB); and
- The Corporations Act 2001.

Westpac Banking Corporation is domiciled and incorporated in Australia and is a for-profit entity for the purposes of preparing these financial statements.

The financial report also complies with International Financial Reporting Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC).

All amounts have been rounded in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, to the nearest million dollars, unless otherwise stated.

Westpac has elected to apply *ASIC Corporations (Annual and Half-year Reporting) Instrument 2026/468* and has presented both Parent Entity and Group financial statements in the financial report.

(ii) Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by applying fair value accounting to financial assets and financial liabilities (including derivative instruments) measured at fair value through income statement (FVIS) or in other comprehensive income (OCI).

(iii) Standards adopted during the year ended 30 September 2026

The Group commenced applying the AASB 9 Financial instruments hedge accounting requirements from 1 October 2025. As permitted by AASB 9, the adoption of these requirements is considered a change in accounting policy for the Group and is applied prospectively. As the accounting for macro hedging activities of interest rate risk is not explicitly addressed in AASB 9, the Group will continue to apply the AASB 139 hedge accounting principles for its portfolio-level fair value hedging of retail products.

AASB 9 simplifies hedge accounting by more closely aligning hedge relationships with the Group's risk management strategies. Under AASB 9, the Group may designate a broader range of hedged items and hedging instruments, including certain cost–of–hedging elements which may now be deferred in other comprehensive income (OCI) instead of recognised directly in the income statement. In addition, the hedge effectiveness testing is less prescriptive. Whereas AASB 139 requires hedge effectiveness to be within a range of 80%–125% or otherwise hedge accounting is discontinued, AASB 9 instead requires a qualitative assessment of whether an economic relationship exists between the hedged item and the hedging instrument and also permits rebalancing for hedge relationships where effectiveness levels have changed.

All the Group's existing hedge accounting relationships previously designated under AASB 139 continued to qualify for hedge accounting under AASB 9 and comparative information has not been restated. New relationships have been established for the Group's hedging of cross-currency basis risk on foreign currency term funding. The associated costs of hedging (cross-currency basis spreads) are being reflected in a new cost of hedging reserve (COHR) within OCI rather than in the income statement.

These changes did not have a material impact on the Group.

There have been no amendments to existing accounting standards that have had a material impact to the Group or the Parent Entity.

For personal use only

Note 1. Financial statements preparation (Continued)

(iv) Business combinations

Business combinations are accounted for using the acquisition method of accounting. Acquisition cost is measured as the aggregate of the fair value at the date of acquisition of the assets given, equity instruments issued or liabilities incurred or assumed. Acquisition-related costs are expensed as incurred (except for those costs arising on the issue of equity instruments which are recognised directly in equity).

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at fair value on the acquisition date. Goodwill is measured as the excess of the acquisition cost, the amount of any non-controlling interest and the fair value of any previous Westpac equity interest in the acquiree, over the fair value of the identifiable net assets acquired.

(v) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the Parent Entity's functional and presentation currency. The functional currency of offshore entities is usually the main currency of the economy they operate in.

Transactions and balances

Foreign currency transactions are translated into the functional currency of the relevant branch or subsidiary using the exchange rates prevailing at the dates of the transactions. Foreign exchange (FX) gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in OCI for qualifying cash flow hedges and qualifying net investment hedges.

Foreign operations

Assets and liabilities of foreign branches and subsidiaries that have a functional currency other than the Australian dollar are translated at exchange rates prevailing on the balance date. Income and expenses are translated at average exchange rates prevailing during the year. Equity balances are translated at historical exchange rates.

The resulting exchange differences are recognised in the foreign currency translation reserve in OCI.

Where Westpac hedges the currency translation risk arising from net investments in foreign operations, the gains or losses on the hedging instruments are also reflected in OCI to the extent the hedge is effective. When all or part of a foreign operation is disposed or borrowings that are part of the net investments are repaid, a proportionate share of such exchange differences is recognised in the income statement as part of the gain or loss on disposal or repayment of borrowing.

(vi) Comparative revisions

Comparative information has been revised where appropriate to conform to changes in presentation in the current year and to enhance comparability.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Financial statements preparation (Continued)

b. Critical accounting assumptions and estimates

Applying Westpac's accounting policies requires the use of judgement, assumptions and estimates which impact the financial information. The significant assumptions and estimates used are discussed in the relevant notes below:

Note 10	Provision for expected credit losses (ECL)
Note 22	Fair values of financial assets and financial liabilities
Note 25	Provisions, contingent liabilities, contingent assets and credit commitments

The Group has maintained the weighting of the downside scenario used in the estimate of expected credit losses at 47.5% reflecting the continued geopolitical uncertainty (refer to Note 10 for further details).

Impact of climate-related risks

Westpac has considered the potential risk of climate change on its financial statements including both physical risks and transition risks. Westpac has concluded that based on the information and methodologies currently used, climate-related risks did not have a material impact on the judgements, assumptions and estimates for the year ended 30 September 2026. This conclusion also reflects that, under the climate scenarios considered, the most significant impacts of climate change are expected to occur beyond the expected life of our exposures.

Key considerations in reaching this conclusion included assessing Westpac's exposure to:

- higher transition risk industries as a proportion of overall credit exposures; and
- physical risks that may arise from changing weather patterns and extreme weather events.

Climate change represents a significant source of uncertainty in the medium to long term which may affect our financial statements in the future. As approaches to measuring its financial impact evolve, Westpac will continue to update its climate scenario analysis and stress testing models to reflect those developments.

Details of the provision for ECL, including overlays held in relation to climate-related risks, are provided in Note 10.

c. Future developments

AASB 18 Presentation and Disclosure in Financial Statements (AASB 18) was issued on 7 June 2024 and will be effective for the 30 September 2028 year end unless early adopted. AASB 18 will replace *AASB 101 Presentation of Financial Statements*. This standard will not change the recognition and measurement of items in the financial statements, but will impact the presentation and disclosure in the financial statements, including:

- new categories and subtotals in the income statement to enhance comparability;
- enhancing the disclosure of management defined performance measures; and
- changes to the grouping of information in the financial statements to provide more useful information.

Westpac is continuing to assess the impact of adopting AASB 18.

For personal use only

Note 1. Financial statements preparation (Continued)

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments (AASB 2024-2) was issued on 29 July 2024 and is effective for the 30 September 2027 year end unless early adopted.

The amendments include:

- changes to disclosures for investments in equity instruments designated at fair value through other comprehensive income and additional disclosures for financial instruments with contingent features that do not relate directly to basic lending risks and costs;
- guidance on derecognition of financial liabilities criteria when using an electronic payments system; and
- guidance on assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features.

The amendments are not expected to have a material impact on the Group.

d. Other developments

AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information (AASB S1) and *AASB S2 Climate-related Disclosures* (AASB S2) were issued by the AASB on 20 September 2024.

AASB S1 is a voluntary standard and provides guidance on the application of AASB S2. AASB S2 became effective for the Group from 1 October 2025. These standards are Australian Sustainability Reporting Standards which are issued by the AASB and set out the sustainability-related and climate-related financial disclosures for sustainability reports and general purpose financial reports. The main features of these standards are described below.

AASB S1

This Standard applies to reporting sustainability-related financial information across a range of possible sustainability topics, including climate-related financial disclosures that form part of an entity's general-purpose financial reporting. It sets out general requirements for the presentation of those disclosures, guidelines for their structure and minimum requirements for their content (including disclosures on governance, strategy, risk management, and metrics and targets), the location of disclosures, the timing of reporting and disclosures relating to judgements, uncertainties and errors.

AASB S2

This standard sets out disclosure requirements in general purpose financial reports about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The main climate-related financial disclosure requirements relate to four key areas of governance, strategy, risk management, and metrics and targets. The standard also requires disclosures on scenario analysis and greenhouse gas emissions (Scope 1, 2 and 3). General requirements such as the conceptual foundations for reporting such information, the location of disclosures, the timing of reporting and disclosures relating to judgements, uncertainties and errors are also provided. The Group's climate-related financial disclosures to comply with the requirements of AASB S2 are included in the Group's 2026 Sustainability Report.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL PERFORMANCE

Note 2. Segment reporting

Accounting policy

Operating segments are presented on a basis consistent with information provided internally to Westpac's key decision makers and reflect the management of the business, rather than the legal structure of Westpac.

Internally, Westpac uses an adjusted AAS measure of performance which excludes Notable Items in assessing the financial performance of its segments.

Notable Items are items that management believes are not reflective of Westpac's ongoing business performance and are grouped into the following broad categories:

- Unrealised fair value gains and losses on economic hedges that do not qualify for hedge accounting
- Net ineffectiveness on qualifying hedges
- Large items that are not reflective of the Westpac's ordinary operations. In individual reporting periods large items may include:
  - Provisions for remediation, litigation, fines and penalties
  - The impact of asset sales and revaluations
  - The write-down of assets (including goodwill and capitalised software)
  - Restructuring costs

The performance of each operating segment reflects internal charges, transfer pricing adjustments and revenue and expenses resulting from inter-segment transactions. These are eliminated on consolidation in the Group Businesses segment. Inter-segment pricing is determined on an arm's length basis.

Reportable operating segments

We are one of Australia's leading providers of banking and selected financial services, operating under multiple brands, and predominantly in Australia and New Zealand, with a small presence in Europe, North America, Asia and the Pacific. We operate significant online capability supported by an extensive branch and ATM network, call centres and relationship bankers. Our operations comprise the following key segments:

- Consumer provides banking products and services to customers in Australia through three lines of business consisting of mortgages, consumer finance and cash and transactional banking.
- Business & Wealth comprises Business Banking, Wealth Management, Private Wealth and Westpac Pacific.
- Institutional delivers a broad range of financial products and services to corporate, institutional and government customers.
- New Zealand provides banking, and wealth products and services for consumer, business and institutional customers in New Zealand.
- Group Businesses includes Treasury, Enterprise services and other costs not directly attributable to segments including Corporate Affairs, Finance and Human Resource services, a portion of enterprise technology costs related to UNITE, certain customer remediation expenses and enterprise provisions. It also includes the RAMS business, which was sold during the period, and Group-wide consolidation entries.

Change to Segment Reporting

The Group entered into an agreement to sell the RAMS portfolio in November 2025 which was completed in August 2026. As it no longer represents an on-going business, its profit and loss, and balance sheet contribution were transferred from Consumer to Group Businesses. Comparative information has been restated to align with internally reported information.

The composition of our segments was revised to improve operational alignment. This involved centralising the Data, Digital and AI team as well as additional parts of the Human Resources and Finance functions from Consumer, Business & Wealth and Institutional to Group Businesses. As the impact of these changes on segment results were immaterial, comparatives were not revised.

For personal use only

For personal use only

Note 2. Segment reporting (Continued)

The following tables present the segment results for Westpac.

$m	Consumer	Business & Wealth	Institutional	New Zealand (A$)	Group Businesses	Total	Notable Items	Income Statement
2026								
Net interest income	7,832	5,744	2,660	2,362	1,089	19,687	(105)	19,582
Net fee income	567	235	815	149	(14)	1,752	-	1,752
Net wealth management income	-	467	-	44	(1)	510	-	510
Trading income	8	73	581	31	11	704	(1)	703
Other income	10	7	(25)	2	61	55	-	55
Net operating income	**8,417**	**6,526**	**4,031**	**2,588**	**1,146**	**22,708**	**(106)**	**22,602**
Operating expenses	(4,801)	(2,771)	(1,689)	(1,290)	(1,230)	(11,781)	(148)	(11,929)
Pre-provision profit	**3,616**	**3,755**	**2,342**	**1,298**	**(84)**	**10,927**	**(254)**	**10,673**
Impairment (charges)/benefits	(324)	(372)	(125)	(28)	(15)	(864)	-	(864)
Profit before income tax expense	**3,292**	**3,383**	**2,217**	**1,270**	**(99)**	**10,063**	**(254)**	**9,809**
Income tax (expense)/benefit	(991)	(1,016)	(587)	(355)	(106)	(3,055)	75	(2,980)
Net profit attributable to NCI	-	-	-	-	(16)	(16)	-	(16)
Net profit attributable to owners of WBC (excluding Notable Items)	**2,301**	**2,367**	**1,630**	**915**	**(221)**	**6,992**	**(179)**	**6,813**
Notable Items (post-tax)	-	-	-	2	(181)	(179)		
Net profit attributable to owners of WBC	**2,301**	**2,367**	**1,630**	**917**	**(402)**	**6,813**		
Balance sheet								
Loans	538,668	129,018	138,448	90,425	31	896,590		
Deposits and other borrowings	390,450	157,258	149,598	69,225	41,805	808,336		
2025								
Net interest income	7,723	5,346	2,413	2,568	1,423	19,473	(93)	19,380
Net fee income	540	256	773	170	(7)	1,732	-	1,732
Net wealth management income	-	434	-	43	(1)	476	-	476
Trading income	10	67	577	37	13	704	13	717
Other income	12	7	45	(4)	19	79	-	79
Net operating income	**8,285**	**6,110**	**3,808**	**2,814**	**1,447**	**22,464**	**(80)**	**22,384**
Operating expenses	(4,848)	(2,727)	(1,647)	(1,342)	(1,352)	(11,916)	-	(11,916)
Pre-provision profit	**3,437**	**3,383**	**2,161**	**1,472**	**95**	**10,548**	**(80)**	**10,468**
Impairment (charges)/benefits	(273)	(245)	1	41	52	(424)	-	(424)
Profit before income tax expense	**3,164**	**3,138**	**2,162**	**1,513**	**147**	**10,124**	**(80)**	**10,044**
Income tax (expense)/benefit	(953)	(952)	(587)	(423)	(220)	(3,135)	24	(3,111)
Net profit attributable to NCI	-	-	-	-	(17)	(17)	-	(17)
Net profit attributable to owners of WBC (excluding Notable Items)	**2,211**	**2,186**	**1,575**	**1,090**	**(90)**	**6,972**	**(56)**	**6,916**
Notable Items (post-tax)	-	-	-	(3)	(53)	(56)		
Net profit attributable to owners of WBC	**2,211**	**2,186**	**1,575**	**1,087**	**(143)**	**6,916**		
Balance sheet								
Loans	504,078	115,203	117,704	93,443	21,425	851,853		
Deposits and other borrowings	365,336	152,312	131,379	72,806	48,624	770,457		

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Segment reporting (Continued)

Notable Items after tax

$m	2026	2025
Hedging items	**(75)**	**(56)**
Asset sales, litigation matters and associated costs	(104)	-
Large items	**(104)**	**-**
Total Notable Items after tax	**(179)**	**(56)**

Revenue from products and services

Details of revenue from external customers by product or service are disclosed in Note 3 and Note 4. No single customer amounted to greater than 10% of the Group's revenue.

Geographic segments

Geographic segments are based on the location of the office where the following items were recognised:

	2026		2025	
	$m	%	$m	%
Revenue				
Australia	51,036	86.5	48,212	83.1
New Zealand	5,998	10.2	8,014	13.8
Other overseas[a]	1,971	3.3	1,820	3.1
Total	**59,005**	**100.0**	**58,046**	**100.0**
Non-current assets[b]				
Australia	11,099	90.0	11,322	89.0
New Zealand	1,101	8.9	1,252	9.8
Other overseas[a]	139	1.1	157	1.2
Total	**12,339**	**100.0**	**12,731**	**100.0**

a. Other overseas included Pacific Islands, Asia, the Americas and Europe.
b. Non-current assets represents property and equipment, and intangible assets.

For personal use only

For personal use only

Note 3. Net interest income and average balance sheet and interest rates

Net interest income

Accounting policy

Interest income and interest expense for all interest earning financial assets and interest bearing financial liabilities at amortised cost or FVOCI, detailed within the table below, are recognised using the effective interest method. Net income from treasury's interest rate and liquidity management activities and the cost of the Bank levy are included in net interest income.

The effective interest method calculates the amortised cost of a financial instrument by discounting the financial instrument's estimated future cash receipts or payments to their present value and allocates the interest income or interest expense, including any fees, costs, premiums or discounts integral to the instrument, over its expected life.

Interest income is calculated based on the gross carrying amount of financial assets in stages 1 and 2 of the Group's ECL model and on the carrying amount net of the provision for ECL for financial assets in stage 3.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Interest income				
Calculated using the effective interest method				
Cash and balances with central banks	1,992	2,533	1,876	2,260
Collateral paid	366	468	361	467
Investment securities	5,029	4,587	4,707	4,274
Loans	46,289	45,451	41,563	39,617
Other financial assets	12	15	8	11
Due from subsidiaries	-	-	2,239	2,222
Total interest income calculated using the effective interest method	**53,688**	**53,054**	**50,754**	**48,851**
Other				
Net ineffectiveness on qualifying hedges	48	(19)	45	(15)
Trading securities and financial assets measured at FVIS	2,249	2,007	2,179	1,911
Due from subsidiaries	-	-	250	300
Total other	**2,297**	**1,988**	**2,474**	**2,196**
Total interest income	**55,985**	**55,042**	**53,228**	**51,047**
Interest expense				
Calculated using the effective interest method				
Collateral received	(221)	(268)	(194)	(242)
Deposits and other borrowings	(21,095)	(21,121)	(19,579)	(18,743)
Debt Issues	(6,555)	(6,439)	(5,582)	(5,587)
Due to subsidiaries	-	-	(3,068)	(2,929)
Loan capital	(2,040)	(2,041)	(1,972)	(1,967)
Other financial liabilities	(292)	(334)	(291)	(246)
Total interest expense calculated using the effective interest method	**(30,203)**	**(30,203)**	**(30,686)**	**(29,714)**
Other				
Deposits and other borrowings	(2,085)	(2,125)	(2,047)	(2,046)
Trading liabilities[a]	(3,376)	(2,610)	(3,162)	(2,633)
Debt issues	(208)	(227)	(85)	(88)
Bank levy	(436)	(393)	(426)	(390)
Due to subsidiaries	-	-	(302)	2
Other interest expense	(95)	(104)	(70)	(80)
Total other	**(6,200)**	**(5,459)**	**(6,092)**	**(5,235)**
Total interest expense	**(36,403)**	**(35,662)**	**(36,778)**	**(34,949)**
Net interest income	**19,582**	**19,380**	**16,450**	**16,098**

a. Includes net impact of Treasury balance sheet management activities.

NOTES TO THE FINANCIAL STATEMENTS

Note 3. Net interest income and average balance sheet and interest rates (Continued)

Average balance sheet and interest rates

The daily average balances of Westpac's interest earning assets and interest bearing liabilities are shown below along with their interest income or expense.

	2026			2025		
Consolidated	Average balance $m	Interest income $m	Average rate %	Average balance $m	Interest income $m	Average rate %
Assets						
Interest earning assets						
Loans:						
Australia	704,131	40,996	5.8	660,395	39,151	5.9
New Zealand	90,758	4,539	5.0	93,509	5,680	6.1
Other overseas	14,065	754	5.4	10,456	620	5.9
Housing[a]						
Australia	458,972	25,901	5.6	445,860	25,527	5.7
New Zealand	60,253	2,855	4.7	61,975	3,564	5.8
Other overseas	362	15	4.1	374	16	4.3
Personal						
Australia	8,885	904	10.2	9,450	969	10.3
New Zealand	1,012	99	9.8	1,061	101	9.5
Other overseas	9	1	11.1	7	1	14.3
Business						
Australia	236,274	14,191	6.0	205,085	12,655	6.2
New Zealand	29,493	1,585	5.4	30,473	2,015	6.6
Other overseas	13,694	738	5.4	10,075	603	6.0
Trading securities and financial assets measured at FVIS:						
Australia	45,888	2,012	4.4	38,878	1,615	4.2
New Zealand	5,589	173	3.1	5,279	217	4.1
Other overseas	2,077	64	3.1	4,229	175	4.1
Investment securities:						
Australia	101,399	4,267	4.2	102,571	4,183	4.1
New Zealand	7,118	284	4.0	7,174	265	3.7
Other overseas	12,623	478	3.8	3,524	139	3.9
Other interest earning assets:[b]						
Australia	46,113	1,771	3.8	54,359	2,091	3.8
New Zealand	5,152	125	2.4	7,176	271	3.8
Other overseas	15,392	522	3.4	15,306	635	4.1
Total interest earning assets and interest income	**1,050,305**	**55,985**	**5.3**	**1,002,856**	**55,042**	**5.5**
Non-interest earning assets						
Derivative financial instruments	25,034			24,885		
All other assets[a,c]	95,500			83,338		
Total non-interest earning assets	**120,534**			**108,223**		
Total assets	**1,170,839**			**1,111,079**		

a. Certain portions of loans are non-interest earning and are presented in All other assets. The non-interest earning portion represents the impact of mortgage offset deposits which are taken into consideration when calculating interest charged on loans.
b. Interest income includes net ineffectiveness on qualifying hedges.
c. Includes property and equipment, intangible assets, deferred tax assets, non-interest earning loans relating to mortgage offset accounts and all other non-interest earning assets. Mortgage offset balances were $75,106 million (2025: $65,482 million).

For personal use only

Note 3. Net interest income and average balance sheet and interest rates (Continued)

	2026			2025		
Consolidated	Average balance $m	Interest expense $m	Average rate %	Average balance $m	Interest expense $m	Average rate %
Liabilities						
Interest bearing liabilities						
Deposits and other borrowings:						
Australia	553,792	20,818	3.8	513,451	19,865	3.9
New Zealand	61,291	1,551	2.5	65,233	2,454	3.8
Other overseas	21,402	811	3.8	20,705	927	4.5
Certificates of deposit						
Australia	35,573	1,512	4.3	31,926	1,390	4.4
New Zealand	1,386	38	2.7	1,914	78	4.1
Other overseas	12,887	527	4.1	13,487	654	4.8
Transactions						
Australia	128,846	4,268	3.3	119,953	4,051	3.4
New Zealand	8,630	137	1.6	9,136	242	2.6
Other overseas	960	17	1.8	853	13	1.5
Savings						
Australia	229,454	8,129	3.5	209,812	7,513	3.6
New Zealand	17,585	173	1.0	18,540	396	2.1
Other overseas	1,010	17	1.7	1,126	26	2.3
Term						
Australia	159,919	6,909	4.3	151,760	6,911	4.6
New Zealand	33,690	1,203	3.6	35,643	1,738	4.9
Other overseas	6,545	250	3.8	5,239	234	4.5
Repurchase agreements:						
Australia	13,407	673	5.0	14,032	683	4.9
New Zealand	615	15	2.4	2,529	98	3.9
Other overseas	1,060	39	3.7	1,099	49	4.5
Loan capital:						
Australia	38,724	1,880	4.9	40,130	1,869	4.7
New Zealand	2,812	160	5.7	3,021	172	5.7
Other interest bearing liabilities:[a]						
Australia	176,221	9,372	5.3	171,977	8,481	4.9
New Zealand	25,325	1,084	4.3	22,636	1,078	4.8
Other overseas	2,463	-	-	594	(14)	(2.4)
Total interest bearing liabilities and interest expense	**897,112**	**36,403**	**4.1**	**855,407**	**35,662**	**4.2**
Non-interest bearing liabilities						
Deposits and other borrowings:						
Australia	147,514			134,244		
New Zealand	11,069			10,755		
Other overseas	1,148			1,202		
Derivative financial instruments	29,633			26,751		
All other liabilities	13,146			10,835		
Total non-interest bearing liabilities	**202,510**			**183,787**		
Total liabilities	**1,099,622**			**1,039,194**		
Shareholders' equity	70,902			71,544		
NCI	315			341		
Total equity	**71,217**			**71,885**		
Total liabilities and equity	**1,170,839**			**1,111,079**		

a. Interest expense includes the net impact of Treasury balance sheet management activities and the bank levy.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 3. Net interest income and average balance sheet and interest rates (Continued)

Calculation of variances

Net interest income may vary from year to year due to changes in the volume of, and interest rates associated with, interest earning assets and interest bearing liabilities. Changes due to volume and rates are calculated at the balance sheet line items. Disaggregation into product classification includes the impact of compositional changes (mix) from prior periods. As such, calculations at a product level will result in a different outcome and will not sum to the balance sheet line item.

The following table allocates the change in net interest income between changes in volume and interest rate for those assets and liabilities:

- Volume changes are determined based on the movements in average asset and liability balances; and
- Interest rate changes are determined based on the change in interest rate associated with those assets and liabilities. Variances that arise due to a combination of volume and interest rate changes are allocated to interest rate changes.

For personal use only

Consolidated	2026 Change due to		
$m	Volume	Rate	Total
Interest earning assets			
Loans:			
Australia	2,604	(759)	1,845
New Zealand	(167)	(974)	(1,141)
Other overseas	214	(80)	134
Housing			
Australia	1,800	(1,426)	374
New Zealand	(105)	(604)	(709)
Other overseas	6	(7)	(1)
Personal			
Australia	65	(130)	(65)
New Zealand	(3)	1	(2)
Business			
Australia	739	797	1,536
New Zealand	(59)	(371)	(430)
Other overseas	208	(73)	135
Trading securities and financial assets measured at FVIS:			
Australia	291	106	397
New Zealand	13	(57)	(44)
Other overseas	(89)	(22)	(111)
Investment securities:			
Australia	(37)	121	84
New Zealand	(2)	21	19
Other overseas	359	(20)	339
Other interest earning assets:			
Australia	(327)	7	(320)
New Zealand	(78)	(68)	(146)
Other overseas	5	(118)	(113)
Total change in interest income	**2,786**	**(1,843)**	**943**

Note 3. Net interest income and average balance sheet and interest rates (Continued)

Consolidated	2026 Change due to		
$m	Volume	Rate	Total
Interest bearing liabilities			
Deposits and other borrowings:			
Australia	1,557	(604)	953
New Zealand	(149)	(754)	(903)
Other overseas	31	(147)	(116)
Certificates of deposits			
Australia	114	8	122
New Zealand	(5)	(35)	(40)
Other overseas	22	(149)	(127)
Transactions			
Australia	283	(66)	217
New Zealand	(15)	(90)	(105)
Other overseas	-	4	4
Savings			
Australia	512	104	616
New Zealand	(24)	(199)	(223)
Other overseas	1	(10)	(9)
Term			
Australia	648	(650)	(2)
New Zealand	(105)	(430)	(535)
Other overseas	8	8	16
Repurchase agreements:			
Australia	(26)	16	(10)
New Zealand	(75)	(8)	(83)
Other overseas	(2)	(8)	(10)
Loan capital:			
Australia	(64)	75	11
New Zealand	(12)	-	(12)
Other interest bearing liabilities:			
Australia	210	681	891
New Zealand	93	(87)	6
Other overseas	68	(54)	14
Total change in interest expense	**1,631**	**(890)**	**741**
Change in net interest income:			
Australia	854	(693)	161
New Zealand	(91)	(229)	(320)
Other overseas	392	(31)	361
Total change in net interest income	**1,155**	**(953)**	**202**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Non-interest income

Accounting policy

Non-interest income includes net fee income, net wealth management, trading income and other income.

Net fee income

When another party is involved in providing goods or services to a Westpac customer, Westpac assesses whether the nature of the arrangement with its customer is as a principal provider or an agent of another party. Where Westpac is acting as an agent for another party, the income earned by Westpac is the net consideration received (i.e. the gross amount received from the customer less amounts paid to a third-party provider). As an agent, the net consideration represents fee income for facilitating the transaction between the customer and the third-party provider with primary responsibility for fulfilling the contract.

Fee income

Fee income is recognised when the performance obligation is satisfied by transferring the promised good or service to the customer. Fee income includes facility fees, transaction fees and other non-risk fee income.

Facility fees include certain line fees, annual credit card fees and fees for providing customer bank accounts. They are recognised over the term of the facility/period of service on a straight-line basis.

Transaction fees are earned for facilitating banking transactions such as FX fees, telegraphic transfers and issuing bank cheques. Fees for these transactions are recognised when the service is completed which is typically when the transaction has occurred. Transaction fees are also recognised for credit card transactions including interchange fees net of scheme charges. These are recognised once the transaction has been completed; however, a component of interchange fees received is deferred as unearned income as Westpac has a future service obligation to customers under Westpac's credit card reward programs.

Other non-risk fee income includes advisory and underwriting fees which are recognised when the related service is completed.

Income which forms an integral part of the effective interest rate of a financial instrument is recognised using the effective interest method and recorded in interest income (for example, loan origination fees).

Fee expenses

Fee expenses include incremental external costs that vary directly with the provision of goods or services to customers. An incremental cost is one that would not have been incurred if a specific good or service had not been provided to a specific customer. Fee expenses which form an integral part of the effective interest rate of a financial instrument are recognised using the effective interest method and recorded in net interest income. Fee expenses include the costs associated with credit card loyalty programs which are recognised as an expense when the services are provided on the redemption of points as well as merchant transaction costs.

Net wealth management income

Wealth management fees earned for the ongoing management of customer funds and investments are recognised when the performance obligation is satisfied which is over the period of management.

Trading income

- Realised and unrealised gains or losses from changes in the fair value of trading assets, liabilities and derivatives are recognised in the period in which they arise (except day one profits or losses which are deferred, refer to Note 22); and
- Net income related to Treasury's interest rate and liquidity management activities is included in net interest income.

Other income - dividend income

- Dividends on quoted shares are recognised on the ex-dividend date; and
- Dividends on unquoted shares are recognised when the Company's right to receive payment is established.

For personal use only

Note 4. Non-interest income (Continued)

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Net fees				
Facility fees	811	795	765	746
Transaction fees	1,146	1,126	979	944
Other non-risk fee income	220	195	155	138
Fee income	**2,177**	**2,116**	**1,899**	**1,828**
Credit card loyalty programs	(142)	(130)	(117)	(103)
Transaction fee related expenses	(283)	(254)	(206)	(182)
Fee expenses	**(425)**	**(384)**	**(323)**	**(285)**
Net fees	**1,752**	**1,732**	**1,576**	**1,543**
Net wealth management	**510**	**476**	**-**	**-**
Trading	**703**	**717**	**693**	**693**
Other				
Dividends received from subsidiaries	-	-	1,042	986
Transactions with subsidiaries	-	-	442	453
Net gain/(loss) on derivatives held for risk management purposes[a]	6	12	6	12
Net gain/(loss) on financial instruments measured at fair value	(25)	38	(32)	31
Net gain/(loss) on hedging of overseas operations	-	-	79	42
Other[b]	74	29	63	22
Total other	**55**	**79**	**1,600**	**1,546**
Total non-interest income	**3,020**	**3,004**	**3,869**	**3,782**

a. Income from derivatives held for risk management purposes reflects the impact of economic hedges of earnings.
b. In 2026, the Group removed three immaterial lines and reallocated them into "Other". Comparatives have been revised to align with current period presentation.

Deferred income in relation to the credit card loyalty programs for Westpac was $263 million as at 30 September 2026 (2025: $329 million) and $26 million for the Parent Entity (2025: $37 million). This will be recognised as fee income as the credit card reward points are redeemed.

There were no other material contract assets or contract liabilities for Westpac or the Parent Entity.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Operating expenses

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Staff				
Employee remuneration, entitlements and on-costs	5,774	5,626	5,155	4,977
Superannuation	588	597	532	538
Share-based payments	123	95	118	91
Restructuring costs	72	267	64	234
Total staff	**6,557**	**6,585**	**5,869**	**5,840**
Occupancy				
Operating lease rentals	135	127	119	109
Depreciation and impairment of property and equipment	445	420	377	348
Other	121	105	112	97
Total occupancy	**701**	**652**	**608**	**554**
Technology				
Amortisation and impairment of software assets	1,008	1,018	864	887
Depreciation and impairment of IT equipment	123	121	93	85
Technology services	1,110	1,052	1,025	942
Software maintenance and licences	826	869	680	736
Telecommunications	54	76	37	55
Total technology	**3,121**	**3,136**	**2,699**	**2,705**
Other				
Professional and processing services	732	692	655	602
Postage and stationery	133	145	118	122
Advertising	228	220	201	194
Non-lending losses	120	147	109	102
Other expenses[a]	337	339	300	336
Total other	**1,550**	**1,543**	**1,383**	**1,356**
Total operating expenses	**11,929**	**11,916**	**10,559**	**10,455**

a. In 2026, the Group removed two immaterial lines and reallocated them into “Other expenses”. Comparatives have been revised to align with current period presentation.

For personal use only

For personal use only

Note 6. Impairment charges

Accounting policy

Impairment charges are based on an expected loss model which measures the difference between the current carrying amount and the present value of expected future cash flows taking into account past experience, current conditions and multiple probability-weighted macroeconomic scenarios for reasonably supportable future economic conditions. Further details of the calculation of ECL and the critical accounting assumptions and estimates relating to impairment charges are included in Note 10.

Impairment charges are recognised in the income statement, with a corresponding amount recognised as follows:

- Loans, debt securities at amortised cost and due from subsidiaries balances: as a reduction of the carrying value of the financial asset through an offsetting provision account (refer to Note 10);
- Debt securities at FVOCI: in reserves in OCI with no reduction of the carrying value of the debt security (refer to Note 26); and
- Credit commitments: as a provision (refer to Note 25).

Uncollectable loans

A loan may become uncollectable in full or part if, after following Westpac's loan recovery procedures, Westpac remains unable to collect that loan's contractual repayments. Uncollectable amounts are written off against their related provision for ECL, after all possible repayments have been received.

Where loans are secured, amounts are generally written off after receiving the proceeds from the security, or in certain circumstances, where the net realisable value of the security has been determined and this indicates that there is no reasonable expectation of full recovery, write-off may be earlier. Unsecured consumer loans are generally written off after 180 days past due.

Westpac may subsequently be able to recover cash flows from loans written off. In the period which these recoveries are made, they are recognised in the income statement.

The following table details impairment charges.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Provisions raised/(released)				
Performing	329	(36)	315	14
Non-performing	759	707	695	666
Recoveries	(224)	(247)	(217)	(240)
Impairment charges/(benefits)	**864**	**424**	**793**	**440**
of which relates to:				
Loans and credit commitments	864	427	796	466
Debt securities at amortised cost	-	(3)	-	(2)
Debt securities at FVOCI	-	-	1	(1)
Due from subsidiaries	-	-	(4)	(23)
Impairment charges/(benefits)	**864**	**424**	**793**	**440**

Further details are included in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Income tax

Accounting policy

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in OCI, in which case it is recognised in the statement of comprehensive income. As the Bank levy is not a levy on income, it is not included in income tax. It is included in interest expense in Note 3.

Current tax is the tax payable for the year using enacted or substantively enacted tax rates and laws for each jurisdiction. Current tax also includes adjustments to tax payable for previous years.

Deferred tax accounts for temporary differences between the carrying amounts of assets and liabilities in the financial statements and their values for taxation purposes.

Deferred tax is determined using the enacted or substantively enacted tax rates and laws for each jurisdiction which are expected to apply when the assets will be realised or the liabilities settled.

Deferred tax assets and liabilities have been offset where they relate to the same taxation authority, the same taxable entity or group, and where there is a legal right and intention to settle on a net basis.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to utilise the assets.

Deferred tax is not recognised for the following temporary differences:

- The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither the accounting nor taxable profit or loss;
- The initial recognition of goodwill in a business combination; and
- Retained earnings in subsidiaries which the Parent Entity does not intend to distribute for the foreseeable future.

The Parent Entity is the head entity of a tax consolidated group with its wholly owned Australian subsidiaries. All entities in the tax consolidated group have entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities in the case of a default by the Parent Entity.

Current and deferred tax are recognised using a 'group allocation basis'. As head entity, the Parent Entity recognises all current tax balances and deferred tax assets arising from unused tax losses and relevant tax credits for the tax-consolidated group. The Parent Entity fully compensates/is compensated by the other members for these balances.

For personal use only

For personal use only

Note 7. Income tax (Continued)

Income tax expense

The following table reconciles income tax expense to the profit before income tax expense.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Profit before income tax	**9,809**	**10,044**	**8,967**	**8,985**
Tax at the Australian company tax rate of 30%	**2,943**	**3,013**	**2,690**	**2,696**
The effect of amounts which are not deductible/(assessable) in calculating taxable income:				
Hybrid capital distributions	102	129	102	129
Dividend adjustments	-	1	(311)	(295)
Other non-assessable items	(2)	(1)	(1)	(1)
Other non-deductible items	19	24	17	16
Adjustment for overseas tax rates	(23)	(15)	(1)	6
Income tax (over)/under provided in prior years	(6)	-	(7)	-
Other items	(53)	(40)	(75)	(62)
Total income tax expense	**2,980**	**3,111**	**2,414**	**2,489**
Income tax expense comprises:				
Current income tax	2,991	3,128	2,428	2,559
Movement in deferred tax	(5)	(17)	(7)	(70)
Income tax (over)/under provision in prior years	(6)	-	(7)	-
Total income tax expense	**2,980**	**3,111**	**2,414**	**2,489**
Total Australia	2,604	2,614	2,397	2,449
Total Overseas	376	497	17	40
Total income tax expense	**2,980**	**3,111**	**2,414**	**2,489**

The effective tax rate was 30.38% in 2026 (2025: 30.97%).

International Tax Reform – Pillar Two Model Rules

Pillar Two introduced 'top-up' taxes for multinational enterprises (MNEs) within the scope of the rules to ensure that these MNEs pay a minimum effective rate of tax of 15% on profits in all jurisdictions.

Pillar Two legislation has been enacted in certain jurisdictions in which Westpac operates and became effective for the Group for the financial year beginning 1 October 2024.

The Group has assessed that there were no material Pillar Two income taxes for the current or prior period. The Group has applied the mandatory temporary exception from recognising and disclosing Pillar Two deferred taxes under AASB 112.

Tax assets

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Current tax assets	24	20	23	17
Deferred tax assets	3,155	2,058	2,945	1,826
Total tax assets	**3,179**	**2,078**	**2,968**	**1,843**

Tax liabilities

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Current tax liabilities	72	137	7	61
Total tax liabilities	**72**	**137**	**7**	**61**

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Income tax (Continued)

Deferred tax assets

The balance comprises temporary differences attributable to:

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Amounts recognised in the income statements and opening retained profits				
Provision for ECL on loans and credit commitments	1,542	1,481	1,371	1,312
Provision for long service leave, annual leave and other employee benefits	442	422	428	405
Property and equipment	197	190	200	192
Other provisions	133	195	106	172
Lease liabilities	462	518	415	456
All other liabilities	153	188	141	173
Total amounts recognised in the income statements and opening retained profits	**2,929**	**2,994**	**2,661**	**2,710**
Amounts recognised directly in OCI				
Investment securities	3	83	3	83
Cash flow hedges	1,029	-	1,043	-
Total amounts recognised directly in OCI	**1,032**	**83**	**1,046**	**83**
Gross deferred tax assets	**3,961**	**3,077**	**3,707**	**2,793**
Set-off of deferred tax assets and deferred tax liabilities	(806)	(1,019)	(762)	(967)
Net deferred tax assets	**3,155**	**2,058**	**2,945**	**1,826**
Movements				
Balance as at beginning of year	**2,058**	**2,147**	**1,826**	**1,883**
Recognised in the income statements	(65)	(100)	(49)	(38)
Recognised in OCI	949	(123)	963	(123)
Set-off of deferred tax assets and deferred tax liabilities	213	134	205	104
Balance as at end of year	**3,155**	**2,058**	**2,945**	**1,826**

Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Amounts recognised in the income statements and opening retained profits				
Finance lease transactions	19	18	15	12
Property and equipment	436	514	396	464
All other assets	240	233	245	236
Total amounts recognised in the income statements and opening retained profits	**695**	**765**	**656**	**712**
Amounts recognised directly in OCI				
Cash flow hedges	-	211	-	214
Defined benefit	111	43	106	41
Total amounts recognised directly in OCI	**111**	**254**	**106**	**255**
Gross deferred tax liabilities	**806**	**1,019**	**762**	**967**
Set-off of deferred tax assets and deferred tax liabilities	(806)	(1,019)	(762)	(967)
Net deferred tax liabilities	**-**	**-**	**-**	**-**
Movements				
Balance as at beginning of year	**-**	**-**	**-**	**-**
Recognised in the income statements	(70)	(117)	(56)	(108)
Recognised in OCI	(143)	(17)	(149)	4
Set-off of deferred tax assets and deferred tax liabilities	213	134	205	104
Balance as at end of year	**-**	**-**	**-**	**-**

For personal use only

Note 7. Income tax (Continued)

Unrecognised deferred tax balances

The following potential deferred tax balances have not been recognised. The tax effect of the gross balances disclosed below would be based on the corporate tax rates applicable in the relevant jurisdictions, which range between 15% and 40%.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Deductible temporary differences				
Tax losses on revenue account	508	414	508	414
Tax losses on capital account	482	424	438	380
Taxable temporary differences				
Retained earnings of subsidiaries that would be subject to withholding tax if distributed	419	401	-	-

Note 8. Earnings per share

Accounting policy

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to owners of WBC by the weighted average number of ordinary shares on issue during the year. These numbers are adjusted for treasury shares and dividends related to treasury shares. Diluted EPS is calculated by adjusting the basic EPS by assuming all dilutive potential ordinary shares are converted. Refer to Note 14 and Note 31 for further information on the potential dilutive instruments.

	2026		2025	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of WBC ($m)	**6,813**	**6,813**	**6,916**	**6,916**
Adjustment for restricted share dividends[a]	(7)	(7)	(6)	-
Adjustment for potential dilution:				
Distributions to convertible loan capital holders[b]	-	177	-	442
Adjusted net profit attributable to owners of WBC	**6,806**	**6,983**	**6,910**	**7,358**
Weighted average number of ordinary shares (# m)				
Weighted average number of ordinary shares on issue	3,420	3,420	3,427	3,427
Treasury shares (including RSP and EIP restricted shares)[a]	(5)	(5)	(5)	(5)
Adjustment for potential dilution:				
Share-based payments	-	3	-	7
Convertible loan capital[b]	-	92	-	261
Adjusted weighted average number of ordinary shares	**3,415**	**3,510**	**3,422**	**3,690**
Earnings per ordinary share (cents)	**199.3**	**198.9**	**201.9**	**199.4**

a. Restricted shares are explained in Note 31. Some shares under the RSP and EIP restricted shares have not vested and are not outstanding ordinary shares but do receive dividends. These RSP and EIP dividends are deducted to show the profit attributable to ordinary shareholders. In 2026, restricted shares were anti-dilutive (2025: dilutive).

b. The Group has issued convertible loan capital which may convert into ordinary shares in the future (refer to Note 14 for further details). These convertible loan capital instruments are potentially dilutive instruments, and diluted EPS is therefore calculated as if the instruments had been converted at the beginning of the year, or at the instruments' issue date, where issuance occurred partway through the year. In 2026, all convertible loan capital instruments, except WCN 7 and WCN 9, were dilutive (2025: all convertible loan capital instruments were dilutive).

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Accounting policy

Recognition

Financial assets and financial liabilities, other than regular way transactions, are recognised when Westpac becomes a party to the terms of the contract, which is generally on settlement date (the date payment is made or cash advanced). Purchases and sales of financial assets in regular way transactions are recognised on trade date (the date on which Westpac commits to purchase or sell an asset).

Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the asset have expired, or when Westpac has either transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full under a 'pass through' arrangement and transferred substantially all the risks and rewards of ownership.

There may be situations where Westpac has partially transferred the risks and rewards of ownership but has neither transferred nor retained substantially all the risks and rewards of ownership. In such situations, where Westpac retains control of the transferred asset, it will continue to be recognised in the balance sheet to the extent of Westpac's continuing involvement in the asset.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts recognised in the income statement.

The terms are deemed to be substantially different if the discounted present value of the cash flows under the new terms (discounted using the original effective interest rate) is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Qualitative factors such as a change in the currency the instrument is denominated in, a change in the interest rate from fixed to floating and conversion features are also considered.

Classification and measurement basis

Financial assets

Financial assets are grouped into the following classes: cash and balances with central banks, collateral paid, trading securities and financial assets measured at FVIS, derivative financial instruments, investment securities, loans and other financial assets.

Financial assets are classified based on a) the business model within which the assets are managed, and b) whether the contractual cash flows of the instrument represent solely payment of principal and interest (SPPI).

Westpac determines the business model at the level that reflects how groups of financial assets are managed. When assessing the business model Westpac considers factors including how performance and risks are managed, evaluated and reported and the frequency and volume of, and reason for, sales in previous periods and expectations of sales in future periods.

When assessing whether contractual cash flows are SPPI, interest is defined as consideration primarily for the time value of money and the credit risk of the principal outstanding. The time value of money is defined as the element of interest that provides consideration only for the passage of time and not consideration for other risks or costs associated with holding the financial asset. Terms that could change the contractual cash flows so that they may not meet the SPPI criteria include contingent and leverage features, non-recourse arrangements, and features that could modify the time value of money.

Debt instruments

If the debt instruments have contractual cash flows which represent SPPI on the principal balance outstanding they are classified at:

- Amortised cost if they are held within a business model whose objective is achieved through holding the financial asset to collect these cash flows; or
- FVOCI if they are held within a business model whose objective is achieved both through collecting these cash flows or selling the financial asset; or
- FVIS if they are held within a business model whose objective is achieved through selling the financial asset.

For personal use only

Debt instruments are classified and measured at FVIS where the contractual cash flows do not represent SPPI on the principal balance outstanding or where it is designated at FVIS to eliminate or reduce an accounting mismatch.

Equity securities

Equity securities are classified and measured at FVOCI where they:

- Are not held for trading; and
- An irrevocable election is made by Westpac.

Otherwise, they are measured at FVIS.

Financial liabilities

Financial liabilities are grouped into the following classes: collateral received, deposits and other borrowings, other financial liabilities, derivative financial instruments, debt issues and loan capital.

Financial liabilities are measured at amortised cost if they are not held for trading or designated at FVIS, otherwise they are measured at FVIS.

Financial assets and financial liabilities measured at FVIS are recognised initially at fair value. All other financial assets and financial liabilities are recognised initially at fair value plus or minus directly attributable transaction costs, respectively.

Further details of the accounting policy for each category of financial asset or financial liability mentioned above are set out in the note for the relevant item.

Westpac's policies for determining the fair value of financial assets and financial liabilities are set out in Note 22.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Lending and credit risk

Note 9. Loans

Accounting policy

Loans are financial assets initially recognised at fair value plus directly attributable transaction costs and fees.

Loans are subsequently measured at amortised cost using the effective interest method where they have contractual cash flows which represent SPPI on the principal balance outstanding and they are held within a business model whose objective is achieved through holding the loans to collect these cash flows. They are presented net of any provision for ECL.

Loans are subsequently measured at FVIS where they do not have cash flows which represent SPPI, are held within a business model whose objective is achieved by selling the financial asset, or are designated at FVIS to eliminate or reduce an accounting mismatch.

Refer to Note 22 for balances which are measured at fair value and amortised cost.

Loan products that have both mortgage and deposit facilities are presented gross in the balance sheet, segregating the asset and liability component, because they do not meet the criteria to be offset. Interest earned on these products is presented on a net basis in the income statement as this reflects how the customer is charged.

The loan portfolio is disaggregated by location of booking office and product type, as follows.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Australia				
Housing	531,945	518,654	531,945	518,654
Personal	8,864	9,043	8,864	9,043
Business	254,654	221,840	251,900	219,187
Total Australia	**795,463**	**749,537**	**792,709**	**746,884**
New Zealand				
Housing	60,390	62,672	-	-
Personal	986	1,043	-	-
Business	29,800	30,554	384	436
Total New Zealand	**91,176**	**94,269**	**384**	**436**
Total other overseas	**14,614**	**12,556**	**13,938**	**11,760**
Gross loans	**901,253**	**856,362**	**807,031**	**759,080**
Provision for ECL on loans (refer to Note 10)	(4,663)	(4,509)	(4,121)	(3,968)
Total loans[a,b,c]	**896,590**	**851,853**	**802,910**	**755,112**

a. Total loans included Australian securitised residential loans of $5,266 million (2025: $5,195 million) for the Group and $6,092 million (2025: $5,988 million) for the Parent Entity. The level of securitised loans excludes loans where Westpac is the holder of related debt securities.
b. Total loans included assets pledged for the covered bond programs of $42,129 million (2025: $35,106 million) for the Group and $37,325 million (2025: $29,762 million) for the Parent Entity.
c. Total loans included RAMS originated mortgage loans of $21,369 million as at 30 September 2025 which Westpac had entered into an agreement to sell. The sale was completed on 1 August 2026 and these loans were derecognised from the balance sheet on completion.

For personal use only

Note 9. Loans (Continued)

The following table shows Westpac's contractual maturity distribution of all loans as at 30 September 2026.

Consolidated $m	Up to 1 year	Over 1 year to 5 years	Over 5 years to 15 years	Over 15 years	Total
Australia					
Housing	4,630	882	20,561	505,872	531,945
Personal	6,004	2,280	580	-	8,864
Business	78,503	153,429	10,429	12,293	254,654
Total Australia	**89,137**	**156,591**	**31,570**	**518,165**	**795,463**
New Zealand					
Housing	107	567	3,951	55,765	60,390
Personal	761	219	6	-	986
Business	19,119	10,354	324	3	29,800
Total New Zealand	**19,987**	**11,140**	**4,281**	**55,768**	**91,176**
Total other overseas	**5,152**	**8,268**	**1,194**	**-**	**14,614**
Total loans	**114,276**	**175,999**	**37,045**	**573,933**	**901,253**

The following table shows Westpac's interest rate segmentation of loans maturing after one year as at 30 September 2026.

Consolidated $m	Loans at variable interest rates	Loans at fixed interest rates	Total
Interest rate segmentation of loans maturing after one year			
Australia			
Housing	501,730	25,585	527,315
Personal	1,346	1,514	2,860
Business	172,199	3,952	176,151
Total Australia	**675,275**	**31,051**	**706,326**
New Zealand			
Housing	6,028	54,255	60,283
Personal	225	-	225
Business	995	9,686	10,681
Total New Zealand	**7,248**	**63,941**	**71,189**
Total other overseas	**8,780**	**682**	**9,462**
Total loans maturing after one year	**691,303**	**95,674**	**786,977**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Provision for expected credit losses

Accounting policy

Note 6 provides details of impairment charges.

Impairment applies to all financial assets at amortised cost, lease receivables, debt securities measured at FVOCI, due from subsidiaries and credit commitments.

The ECL is recognised as follows:

- Loans (including lease receivables), debt securities at amortised cost and due from subsidiaries: as a reduction of the carrying value of the financial asset through an offsetting provision account (refer to Note 9 and Note 17);
- Debt securities at FVOCI: in reserves in OCI with no reduction of the carrying value of the debt security itself (refer to Note 17 and Note 26); and
- Credit commitments: as a provision (refer to Note 25).

Measurement

Westpac calculates the provision for ECL based on a three-stage approach. The provision for ECL is 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.

The models use three main components to determine the ECL (as well as the time value of money) including:

- Probability of default (PD): the probability that a counterparty will default;
- Loss given default (LGD): the loss that is expected to arise in the event of a default; and
- Exposure at default (EAD): the estimated outstanding amount of credit exposure at the time of the default.

Model stages

The three stages are as follows:

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 months ECL is recognised.

Stage 2: Lifetime ECL – performing

For financial assets where there has been a significant increase in credit risk since origination but where the asset is still performing, a provision for lifetime ECL is recognised. The indicators of a significant increase in credit risk are described on the following page.

Stage 3: Lifetime ECL – non-performing

Financial assets in Stage 3 are those that are in default. This is aligned to the regulatory definition of default applied in the calculation of credit risk weighted assets. A default occurs when:

- Westpac considers that the customer is unable to repay its credit obligations in full, irrespective of recourse by Westpac to actions such as realising security. Indicators include a breach of contract with Westpac such as a default on interest or principal payments, a borrower experiencing significant financial difficulties or observable economic conditions that correlate to defaults on an individual basis; or
- The customer is more than 90 days past due on any material credit obligation.

A provision for lifetime ECL is recognised on these financial assets.

Collective and individual assessment

Financial assets that are in Stages 1 and 2 are assessed on a collective basis. This means that they are grouped in pools of similar assets with similar credit risk characteristics including the type of product and the customer risk grade. Financial assets in Stage 3 are assessed on an individual basis or calculated collectively for those below a specified threshold.

Expected life

In considering the lifetime time frame for ECL in Stages 2 and 3, the standard generally requires use of the remaining contractual life adjusted, where appropriate, for prepayments, extension and other options. For certain revolving credit facilities which include both a drawn and undrawn component (e.g. credit cards and revolving lines of credit),

For personal use only

For personal use only

Note 10. Provision for expected credit losses (Continued)

Westpac's contractual ability to demand repayment and cancel the undrawn commitment does not limit the exposure to credit losses to the contractual notice period. For these facilities, lifetime is based on historical behaviour.

Movement between stages

Financial assets may move in both directions through the stages of the impairment model. Financial assets previously in Stage 2 may move back to Stage 1 if it is no longer considered that there has been a significant increase in credit risk. Similarly, financial assets in Stage 3 may move back to Stage 1 or Stage 2 if they are no longer assessed to be non-performing.

Critical accounting assumptions and estimates

Key judgements include when a significant increase in credit risk has occurred, the estimation of forward-looking macroeconomic information and overlays. Other factors which can impact the provision include the borrower's financial situation, the realisable value of collateral, Westpac's position relative to other claimants, the reliability of customer information and the likely cost and duration of recovering the loan.

Significant increase in credit risk (SICR)

Determining when a financial asset has experienced a SICR since origination is a critical accounting judgement which is based on 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.

Westpac does not rebut the presumption that instruments that are 30 days past due have experienced a SICR but this is used as a backstop rather than the primary indicator. In addition, providing a program-managed customer with a hardship arrangement or downgrading a transaction-managed exposure to a performing but weak credit risk grade of E (watchlist) or worse is generally treated as an indication of a SICR. Note 11.2 provides further details on the Group's credit risk rating system.

Forward-looking macroeconomic 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. The estimation of forward-looking information is a critical accounting judgement. Westpac considers three future macroeconomic scenarios including a base case scenario along with upside and downside scenarios.

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

- Base case scenario
  This scenario utilises the internal Westpac economics forecast used for strategic decision making and forecasting.
- Upside scenario
  This scenario represents a modest improvement on the base case scenario.
- Downside scenario
  The downside scenario is a more severe scenario with ECL higher than those under the base case scenario. This scenario assumes a recession with a combination of negative GDP growth, declines in commercial and residential property prices and an increase in the unemployment rate, which simultaneously impact ECL across all portfolios from the reporting date.

The three macroeconomic scenarios are probability weighted and together represent Westpac's view of the forward looking distribution of potential loss outcomes. The weighting applied to each of the three macroeconomic scenarios takes into account historical frequency, current trends, and forward-looking conditions.

The macroeconomic variables and probability weightings of the three macroeconomic scenarios are subject to the approval of the Group Chief Financial Officer and Group Chief Risk Officer with oversight from the Board of Directors (and its Committees).

Overlays

Where appropriate, adjustments will be made to modelled outcomes to reflect reasonable and supportable information 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.

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Provision for expected credit losses (Continued)

Loans and credit commitments

The following tables disclose the provision for ECL on loans and credit commitments by stage for Westpac and the Parent Entity.

	2026				2025			
	Performing		Non-Performing		Performing		Non-Performing	
$m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Consolidated								
Provision for ECL on loans								
Housing	236	662	576	1,474	186	804	615	1,605
Personal	59	171	65	295	59	179	84	322
Business	724	1,110	1,060	2,894	538	1,067	977	2,582
Total loans ECL provision (Note 9)	**1,019**	**1,943**	**1,701**	**4,663**	**783**	**2,050**	**1,676**	**4,509**
Provision for ECL on credit commitments								
Housing	12	14	-	26	11	21	-	32
Personal	14	18	-	32	14	20	-	34
Business	175	252	41	468	132	241	30	403
Total credit commitments ECL provision (Note 25)	**201**	**284**	**41**	**526**	**157**	**282**	**30**	**469**
Total provision for ECL on loans and credit commitments	**1,220**	**2,227**	**1,742**	**5,189**	**940**	**2,332**	**1,706**	**4,978**
Presented as provision for ECL on:								
Individually assessed provisions	-	-	658	658	-	-	539	539
Collectively assessed provisions	1,220	2,227	1,084	4,531	940	2,332	1,167	4,439
Total provision for ECL on loans and credit commitments	**1,220**	**2,227**	**1,742**	**5,189**	**940**	**2,332**	**1,706**	**4,978**
Gross loans	787,470	104,568	9,215	901,253	711,230	135,475	9,657	856,362
Credit commitments	210,150	16,764	410	227,324	200,393	20,306	470	221,169
Gross loans and credit commitments	**997,620**	**121,332**	**9,625**	**1,128,577**	**911,623**	**155,781**	**10,127**	**1,077,531**
Coverage ratio on loans (%)	0.13	1.86	18.46	0.52	0.11	1.51	17.36	0.53
Coverage ratio on loans and credit commitments (%)	0.12	1.84	18.10	0.46	0.10	1.50	16.85	0.46

For personal use only

For personal use only

Note 10. Provision for expected credit losses (Continued)

	2026				2025			
	Performing		Non-Performing		Performing		Non-Performing	
$m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Parent Entity								
Provision for ECL on loans								
Housing	208	586	498	1,292	155	712	540	1,407
Personal	52	151	58	261	52	159	77	288
Business	642	971	955	2,568	472	922	879	2,273
Total loans ECL provision (Note 9)	**902**	**1,708**	**1,511**	**4,121**	**679**	**1,793**	**1,496**	**3,968**
Provision for ECL on credit commitments								
Housing	8	10	-	18	7	16	-	23
Personal	12	15	-	27	12	16	-	28
Business	170	238	39	447	128	223	28	379
Total credit commitments ECL provision (Note 25)	**190**	**263**	**39**	**492**	**147**	**255**	**28**	**430**
Total provision for ECL on loans and credit commitments	**1,092**	**1,971**	**1,550**	**4,613**	**826**	**2,048**	**1,524**	**4,398**
Presented as provision for ECL on:								
Of which:								
Individually assessed provisions	-	-	567	567	-	-	459	459
Collectively assessed provisions	1,092	1,971	983	4,046	826	2,048	1,065	3,939
Total provision for ECL on loans and credit commitments	**1,092**	**1,971**	**1,550**	**4,613**	**826**	**2,048**	**1,524**	**4,398**
Gross loans	703,892	94,872	8,267	807,031	628,492	121,947	8,641	759,080
Credit commitments	187,695	14,973	390	203,058	177,414	17,852	438	195,704
Gross loans and credit commitments	**891,587**	**109,845**	**8,657**	**1,010,089**	**805,906**	**139,799**	**9,079**	**954,784**
Coverage ratio on loans (%)	0.13	1.80	18.28	0.51	0.11	1.47	17.31	0.52
Coverage ratio on loans and credit commitments (%)	0.12	1.79	17.90	0.46	0.10	1.46	16.79	0.46

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Provision for expected credit losses (Continued)

Movement in provision for ECL on loans and credit commitments

The reconciliation of the provision for ECL tables for loans and credit commitments has been determined by an aggregation of monthly movements over the year. The key line items in the reconciliation represent the following:

- "Transfers between stages" represents transfers between Stage 1, Stage 2 and Stage 3 prior to remeasurement of the provision for ECL;
- "Business activity during the year" represents new accounts originated during the year net of those that were de-recognised due to final repayments during the year;
- "Net remeasurement of provision for ECL" represents the impact on the provision for ECL due to changes in credit quality during the year (including transfers between stages), changes in portfolio overlays, changes due to forward-looking economic scenarios and partial repayments and additional draw-downs on existing facilities over the year; and
- "Write-offs" represents a reduction in the provision for ECL as a result of derecognition of exposures where there is no reasonable expectation of full recovery.

	Consolidated				Parent Entity			
	Performing		Non-Performing		Performing		Non-Performing	
$m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at 30 September 2024	**761**	**2,594**	**1,729**	**5,084**	**661**	**2,209**	**1,532**	**4,402**
Transfers to Stage 1	1,386	(1,299)	(87)	-	1,214	(1,132)	(82)	-
Transfers to Stage 2	(201)	807	(606)	-	(174)	720	(546)	-
Transfers to Stage 3	(4)	(596)	600	-	(4)	(530)	534	-
Business activity during the year	306	(409)	(277)	(380)	266	(385)	(229)	(348)
Net remeasurement of provision for ECL	(1,304)	1,281	1,077	1,054	(1,137)	1,202	989	1,054
Write-offs	-	-	(763)	(763)	-	-	(705)	(705)
Exchange rate and other adjustments	(4)	(46)	33	(17)	-	(36)	31	(5)
Balance as at 30 September 2025	**940**	**2,332**	**1,706**	**4,978**	**826**	**2,048**	**1,524**	**4,398**
Transfers to Stage 1	1,385	(1,320)	(65)	-	1,240	(1,177)	(63)	-
Transfers to Stage 2	(226)	676	(450)	-	(193)	589	(396)	-
Transfers to Stage 3	(4)	(530)	534	-	(4)	(481)	485	-
Business activity during the year	335	(339)	(224)	(228)	298	(303)	(197)	(202)
Net remeasurement of provision for ECL	(1,196)	1,548	964	1,316	(1,067)	1,416	866	1,215
Write-offs	-	-	(705)	(705)	-	-	(658)	(658)
Exchange rate and other adjustments[a]	(14)	(140)	(18)	(172)	(8)	(121)	(11)	(140)
Balance as at 30 September 2026	**1,220**	**2,227**	**1,742**	**5,189**	**1,092**	**1,971**	**1,550**	**4,613**

a. Includes the movement in the provision for ECL from the sale of the RAMS originated mortgage portfolio (refer Note 9 for further details).

For personal use only

For personal use only

Note 10. Provision for expected credit losses (Continued)

	Consolidated				Parent Entity			
	Performing		Non-Performing		Performing		Non-Performing	
$m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Housing								
Balance as at 30 September 2024	**169**	**897**	**639**	**1,705**	**142**	**757**	**575**	**1,474**
Transfers to Stage 1	377	(367)	(10)	-	305	(295)	(10)	-
Transfers to Stage 2	(46)	445	(399)	-	(42)	398	(356)	-
Transfers to Stage 3	-	(173)	173	-	-	(152)	152	-
Business activity during the year	81	(177)	(170)	(266)	71	(160)	(141)	(230)
Net remeasurement of provision for ECL	(385)	197	409	221	(314)	180	342	208
Write-offs	-	-	(52)	(52)	-	-	(44)	(44)
Exchange rate and other adjustments	1	3	25	29	-	-	22	22
Balance as at 30 September 2025	**197**	**825**	**615**	**1,637**	**162**	**728**	**540**	**1,430**
Transfers to Stage 1	435	(429)	(6)	-	385	(379)	(6)	-
Transfers to Stage 2	(42)	317	(275)	-	(38)	274	(236)	-
Transfers to Stage 3	-	(151)	151	-	-	(135)	135	-
Business activity during the year	98	(160)	(130)	(192)	89	(147)	(110)	(168)
Net remeasurement of provision for ECL	(432)	402	333	303	(377)	376	269	268
Write-offs	-	-	(72)	(72)	-	-	(54)	(54)
Exchange rate and other adjustments[a]	(8)	(128)	(40)	(176)	(5)	(121)	(40)	(166)
Balance as at 30 September 2026	**248**	**676**	**576**	**1,500**	**216**	**596**	**498**	**1,310**
Personal								
Balance as at 30 September 2024	**77**	**234**	**99**	**410**	**66**	**201**	**92**	**359**
Transfers to Stage 1	342	(340)	(2)	-	310	(309)	(1)	-
Transfers to Stage 2	(53)	92	(39)	-	(51)	85	(34)	-
Transfers to Stage 3	-	(127)	127	-	(1)	(119)	120	-
Business activity during the year	31	(15)	-	16	29	(15)	-	14
Net remeasurement of provision for ECL	(319)	368	360	409	(288)	337	347	396
Write-offs	-	-	(461)	(461)	-	-	(447)	(447)
Exchange rate and other adjustments	(5)	(13)	-	(18)	(1)	(5)	-	(6)
Balance as at 30 September 2025	**73**	**199**	**84**	**356**	**64**	**175**	**77**	**316**
Transfers to Stage 1	328	(326)	(2)	-	297	(296)	(1)	-
Transfers to Stage 2	(47)	85	(38)	-	(44)	78	(34)	-
Transfers to Stage 3	-	(101)	101	-	-	(92)	92	-
Business activity during the year	32	(13)	-	19	29	(11)	-	18
Net remeasurement of provision for ECL	(312)	347	316	351	(282)	312	309	339
Write-offs	-	-	(406)	(406)	-	-	(395)	(395)
Exchange rate and other adjustments	(1)	(2)	10	7	-	-	10	10
Balance as at 30 September 2026	**73**	**189**	**65**	**327**	**64**	**166**	**58**	**288**

a. Includes the movement in the provision for ECL from the sale of the RAMS originated mortgage portfolio (refer Note 9 for further details).

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Provision for expected credit losses (Continued)

	Consolidated				Parent Entity			
	Performing		Non-Performing		Performing		Non-Performing	
$m	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Business								
Balance as at 30 September 2024	**515**	**1,463**	**991**	**2,969**	**453**	**1,251**	**865**	**2,569**
Transfers to Stage 1	667	(592)	(75)	-	599	(528)	(71)	-
Transfers to Stage 2	(102)	270	(168)	-	(81)	237	(156)	-
Transfers to Stage 3	(4)	(296)	300	-	(3)	(259)	262	-
Business activity during the year	194	(217)	(107)	(130)	166	(210)	(88)	(132)
Net remeasurement of provision for ECL	(600)	716	308	424	(535)	685	300	450
Write-offs	-	-	(250)	(250)	-	-	(214)	(214)
Exchange rate and other adjustments	-	(36)	8	(28)	1	(31)	9	(21)
Balance as at 30 September 2025	**670**	**1,308**	**1,007**	**2,985**	**600**	**1,145**	**907**	**2,652**
Transfers to Stage 1	622	(565)	(57)	-	558	(502)	(56)	-
Transfers to Stage 2	(137)	274	(137)	-	(111)	237	(126)	-
Transfers to Stage 3	(4)	(278)	282	-	(4)	(254)	258	-
Business activity during the year	205	(166)	(94)	(55)	180	(145)	(87)	(52)
Net remeasurement of provision for ECL	(452)	799	315	662	(408)	728	288	608
Write-offs	-	-	(227)	(227)	-	-	(209)	(209)
Exchange rate and other adjustments	(5)	(10)	12	(3)	(3)	-	19	16
Balance as at 30 September 2026	**899**	**1,362**	**1,101**	**3,362**	**812**	**1,209**	**994**	**3,015**

Total provision for ECL

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Provision for ECL on loans and credit commitments	5,189	4,978	4,613	4,398
Provision for ECL on debt securities at amortised cost[a]	3	3	-	-
Provision for ECL on debt securities at FVOCI[b]	6	6	6	5
Total provision for ECL	**5,198**	**4,987**	**4,619**	**4,403**

a. Provision for ECL on debt securities at amortised cost is presented as part of investments securities.
b. Provision for ECL on debt securities at FVOCI forms part of equity reserves.

Reconciliation of impairment charges

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Loans and credit commitments:				
Business activity during the year	(228)	(380)	(202)	(348)
Net remeasurement of the provision for ECL	1,316	1,054	1,215	1,054
Impairment charges for debt securities at amortised cost	-	(3)	-	(2)
Impairment charges for debt securities at FVOCI	-	-	1	(1)
Impairment on due from subsidiaries	-	-	(4)	(23)
Recoveries	(224)	(247)	(217)	(240)
Impairment charges/(benefits) (Note 6)	**864**	**424**	**793**	**440**

For personal use only

Note 10. Provision for expected credit losses (Continued)

Total write-offs net of recoveries to average loans

	Consolidated	
%	2026	2025
Housing	0.01	0.01
Personal	2.33	2.66
Business	0.06	0.08
Total write-offs net of recoveries to average loans	**0.05**	**0.06**

Write-offs still under enforcement activity

Of the amount of current year write-offs, $671 million for the Group (2025: $664 million) and $626 million (2025: $609 million) for the Parent Entity represent balances that the Group was still entitled to recover.

Impact of overlays on the provision for ECL on loans and credit commitments

The following table attributes the provision for ECL on loans and credit commitments between individually assessed and collectively assessed provisions. Collectively assessed provisions are disaggregated into the modelled ECL provision and portfolio overlays.

Portfolio overlays are used to capture areas of potential risk and uncertainty in the portfolio, that are not captured in the underlying modelled ECL.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Individually assessed provisions	658	539	567	459
Modelled provision for ECL on loans and credit commitments	4,184	4,201	3,710	3,691
Overlays	347	238	336	248
Total provision for ECL on loans and credit commitments	**5,189**	**4,978**	**4,613**	**4,398**

Details of changes related to forward-looking economic inputs and portfolio overlays, based on reasonable and supportable information up to the date of this report, are provided below.

Modelled provision for ECL on loans and credit commitments

The modelled provision for ECL on loans and credit commitments is a probability weighted estimate based on three scenarios which together represent the Group's view of the forward-looking distribution of potential loss outcomes. Overlays are used to capture potential risk and uncertainty in the portfolio that are not captured in the underlying modelled ECL. Changes in the modelled provision for ECL and overlays are reflected through the "net remeasurement of provision for ECL" line item.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Provision for expected credit losses (Continued)

The base case scenario uses the following Westpac Economic forecasts:

Key economic assumptions for base case scenario	30 September 2026	30 September 2025
Annual GDP:		
Australia	Forecast growth of 1.5% for calendar year 2026 and 1.7% for calendar year 2027	Forecast growth of 1.9% for calendar year 2025 and 2.4% for calendar year 2026
New Zealand	Forecast growth of 2.6% for calendar year 2026 and 3.0% for calendar year 2027	Forecast growth of 1.7% for calendar year 2025 and 3.1% for calendar year 2026
Commercial property index, Australia	Forecast price growth of 2.1% for calendar year 2026 and 4.3% for calendar year 2027	Forecast price growth of 0.9% for calendar year 2025 and 3.8% for calendar year 2026
Residential property prices:		
Australia	Forecast price decrease of 6.0% for calendar year 2026 and growth of 3.0% for calendar year 2027	Forecast price growth of 5.6% for calendar year 2025 and 9.0% for calendar year 2026
New Zealand	Forecast price growth of 0.2% for calendar year 2026 and 2.0% for calendar year 2027	Forecast price growth of 0.6% for calendar year 2025 and 5.4% for calendar year 2026
Cash rate, Australia	Forecast cash rate of 4.85% at December 2026 and 4.10% at December 2027	Forecast cash rate of 3.35% at December 2025 and 2.85% at December 2026
Unemployment rate:		
Australia	Forecast rate of 4.7% at December 2026 and 4.7% at December 2027	Forecast rate of 4.4% at December 2025 and 4.5% at December 2026
New Zealand	Forecast rate of 5.4% at December 2026 and 4.9% at December 2027	Forecast rate of 5.3% at December 2025 and 4.6% at December 2026

The downside scenario is a more severe scenario with expected credit losses higher than the base case. This scenario assumes a recession with a combination of negative GDP growth, declines in commercial and residential property prices and an increase in the unemployment rate, which simultaneously impact expected credit losses across all portfolios from the reporting date. The assumptions used in this scenario and relativities to the base case will be monitored having regard to the emerging economic conditions and updated where necessary. The upside scenario represents a modest improvement to the base case.

The following sensitivity table shows the reported provision for ECL on loans and credit commitments based on the probability weighted scenarios and what the provision for ECL on loans and credit commitments would be assuming a 100% weighting to the base case scenario and to the downside scenario (with all other assumptions held constant).

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Reported probability-weighted ECL	5,189	4,978	4,613	4,398
100% base case ECL	3,144	3,031	2,774	2,673
100% downside ECL	7,462	7,143	6,658	6,316

If 1% of Stage 1 loans and credit commitments (calculated on a 12 month ECL) were transferred to Stage 2 (calculated on a lifetime ECL), the provision for ECL on loans and credit commitments would increase by $153 million

For personal use only

For personal use only

Note 10. Provision for expected credit losses (Continued)

(2025: $113 million) for the Group and $135 million (2025: $97 million) for the Parent Entity. If 1% of Stage 2 loans and credit commitments (calculated on a lifetime ECL) were transferred to Stage 1 (calculated on a 12 month ECL), the provision for ECL on loans and credit commitments would decrease by $20 million (2025: $20 million) for the Group and $18 million (2025: $17 million) for the Parent Entity. These estimates apply the average modelled provision coverage ratio by stage to the transfer of loans and credit commitments.

The following table discloses the economic weights applied by Westpac and the Parent Entity.

Scenario weightings (%)	2026	2025
Upside	2.5	2.5
Base	50.0	50.0
Downside	47.5	47.5

The Group's definition of default is aligned to the regulatory definition of default applied in the calculation of credit risk weighted assets.

Portfolio overlays

Portfolio overlays are used to address areas of risk, including significant uncertainties that are not captured in the underlying modelled ECL. Determination of portfolio overlays requires expert judgement and is subject to comprehensive internal governance and oversight. Overlays are continually reassessed and if the risk is judged to have changed (increased or decreased), or is subsequently captured in the modelled ECL, the overlay will be released or remeasured.

Westpac's total portfolio overlays as at 30 September 2026 were $347 million (2025: $238 million) for the Group and $336 million (2025: $248 million) for the Parent Entity and comprise:

- Climate-related risk: $71 million (2025: $71 million) for the Group and $70 million (2025: $71 million) for the Parent Entity for the expected impact of climate-related physical risk and transition risk to both retail and non-retail portfolios;
- Non-retail portfolios: $265 million (2025: $159 million) for the Group and $238 million (2025: $146 million) for the Parent Entity. $106 million of current period overlays relate to energy cost pressures and operational disruption in energy intensive industries. The remainder relates to the estimated effects of portfolio seasoning in business lending, as well as certain geographical areas and industries experiencing elevated stress; and
- Retail portfolios: $11 million (2025: $8 million) for the Group and $28 million (2025: $31 million) for the Parent Entity. Current period overlays relate to geographical areas experiencing higher stress and other risks not included in modelled outcomes.

Changes in portfolio overlays are reflected through the "net remeasurement of provision for ECL" line item.

Impact of changes in credit exposures on the provision for ECL on loans and credit commitments

- Stage 1 credit exposures increased by $86.0 billion (2025: increase of $90.4 billion) for Westpac and $85.7 billion (2025: net increase of $80.6 billion) for the Parent Entity, driven by new lending across the housing and business loan portfolios. This net volume growth, along with the introduction and revision of certain overlays, drove an increase in stage 1 ECL.
- Stage 2 credit exposures decreased by $34.4 billion (2025: decreased by $35.7 billion) for Westpac and $30.0 billion (2025: decreased by $27.1 billion) for the Parent Entity, driven by net runoff across the housing and business portfolios and the sale of the RAMS portfolio. This was partly offset by a slight deterioration in model economics and an increase in mortgage delinquencies. Overall, this resulted in a net decrease in stage 2 ECL.
- Stage 3 credit exposures decreased by $0.5 billion (2025: decreased by $0.6 billion) for Westpac and $0.4 billion (2025: decreased by $0.6 billion) for the Parent Entity. Excluding the RAMS sale, there was an $0.2bn increase in defaulted exposures driven by a slight increase in housing loan balances that are 90+ days past due.

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Credit risk management

Index	Note name	Note number
Credit risk The risk of financial loss where a customer or counterparty fails to meet their financial obligations to Westpac.	Credit risk management framework	11.1
	Credit risk ratings system	11.2
	Credit risk concentrations and maximum exposure to credit risk	11.3
	Credit quality of financial assets	11.4
	Credit risk mitigation, collateral and other credit enhancements	11.5

11.1. Credit risk management framework

Please refer to Note 21.1 for details of Westpac's overall risk management framework.

- Westpac maintains a Credit Risk Management Framework, Credit Risk Management Strategy, Credit Risk Appetite Statement, and a number of supporting policies that define roles and responsibilities, acceptable practices, limits and key controls.
- The Credit Risk Management Framework describes Westpac's approach to managing Credit Risk and to deliver fair customer outcomes. It includes the following components: business strategy, risk identification, risk appetite, stress testing and scenario analysis, people and infrastructure, controls, monitoring and reporting, and governance.
- The BRiskC, Westpac Group Executive Risk Committee (RISKCO) and Westpac Group Credit Risk Committee (CREDCO) monitor the risk profile, performance and management of Westpac's credit portfolio and the development and review of key credit risk policies.
- The Credit Risk Rating System Policy applies across the full credit risk ratings and risk estimates lifecycle (i.e. development, implementation, monitoring, validation, use, and independent review), helping us reliably assess the credit risk to which Westpac may be exposed. A senior management self-assessment is presented for discussion at BRiskC annually. An independent review is also completed annually.
- Model Risk independently assesses and approves all credit risk models, and periodically reviews these in line with the Group Model Risk Policy and governance. Models are approved under delegated authority from the Deputy Chief Risk Officer. Model Risk is overseen by Westpac's Model Risk Committee.
- In determining the provision for ECL, the forward-looking economic inputs and the probability weightings of the forward-looking scenarios as well as any adjustments made to the modelled outcomes are subject to the approval of the Chief Financial Officer and the Chief Risk Officer with oversight from the Board of Directors (and its Committees).
- Policies are in place for the delegation of credit approval authorities and formal limits for the extension of credit.
- Credit policies are established and maintained throughout Westpac covering the end-to-end credit lifecycle including origination, evaluation, approval, documentation, settlement and ongoing management of credit risks. Specific policies and limits are in place to manage concentration risks, including to large exposures, industry concentration, and country risk.
- Climate change-related credit risks are considered in line with our Positions, Action Plans, and Sustainability Customer Requirements. Climate change risks are managed in accordance with the Sustainability Risk Management Framework (SRMF); Climate Risk Policy, Environmental, Social and Governance (ESG) Credit Risk Policy; and Board Risk Appetite Statements (RAS). The Climate Change Credit Risk Committee oversees work to identify and manage the potential impact on credit exposures from climate change-related transition and physical risks across Westpac and is a sub-committee of CREDCO.
- Westpac's ESG Credit Risk Policy details Westpac's overall approach to managing ESG risks in the credit risk process for applicable customers and transactions in Business & Wealth and Institutional.

For personal use only

Note 11. Credit risk management (Continued)

11.2. Credit risk ratings system

The principal objective of the credit risk rating system is to assess the credit risk to which Westpac is exposed. Westpac has two main approaches to this assessment.

Transaction-managed customers

Transaction managed customers are generally customers with business lending exposures. They are individually assigned a Customer Risk Grade (CRG), corresponding to their expected PD. Each facility is assigned an LGD. Westpac's risk rating system has a tiered scale of risk grades for both non-defaulted customers and defaulted customers. Non defaulted CRGs are mapped to Moody's and S&P Global Ratings (S&P) external senior unsecured ratings.

The table below shows Westpac's high level CRGs for transaction-managed portfolios mapped to Westpac's credit quality disclosure categories and to their corresponding external rating.

	Transaction-managed		
Financial statement disclosure	Westpac CRG	Moody's Rating	S&P Rating
Strong	A	Aaa – Aa3	AAA – AA–
	B	A1 – A3	A+ – A–
	C	Baa1 – Baa3	BBB+ – BBB–
Good/satisfactory	D	Ba1 – B1	BB+ – B+
		Westpac Rating	
Weak	E	Watchlist	
	F	Special Mention	
	G	Substandard/Default	
	H	Doubtful/Default	

Program-managed portfolio

The program-managed portfolio generally includes retail products such as mortgages, personal lending (including credit cards) as well as certain small to medium sized enterprise lending. These credit exposures are grouped into pools of similar risk based on the analysis of characteristics that have historically predicted the likelihood of default, and a PD is assigned relative to the credit exposure's pool. The exposure is then assigned to strong, satisfactory or weak by benchmarking that PD against transaction-managed exposures, which are in turn mapped to external ratings per the above table. In addition, any program-managed exposures that are one or more days past due are classified as weak.

11.3. Credit risk concentrations and maximum exposure to credit risk

Credit risk concentrations

Credit risk is concentrated when a number of counterparties are engaged in similar activities, have similar economic characteristics and thus may be similarly affected by changes in economic or other conditions.

Westpac monitors its credit portfolio to manage risk concentrations and rebalance the portfolio.

Individual customers or groups of related customers

Westpac has large exposure limits governing the aggregate size of credit exposure normally acceptable to individual customers and groups of related customers. These limits are tiered by customer risk grade.

Specific industries

Exposures to businesses, governments and other financial institutions are classified into a number of industry clusters based on related Australian and New Zealand Standard Industrial Classification (ANZSIC) codes and are monitored against Westpac's industry risk appetite limits.

Individual countries

Westpac has limits governing risks related to individual countries, such as political situations, government policies and economic conditions that may adversely affect either a customer's ability to meet its obligations to Westpac, or Westpac's ability to realise its assets in a particular country.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Credit risk management (Continued)

Maximum exposure to credit risk

The maximum exposure to credit risk (excluding collateral received) is represented by the carrying amount of on-balance sheet financial assets (which comprise cash and balances with central banks, collateral paid, trading securities and financial assets measured at FVIS, derivative financial instruments, investment securities, loans, other financial assets, and undrawn credit commitments.

The following tables set out the credit risk concentrations to which Westpac and the Parent Entity are exposed for on-balance sheet financial assets and for undrawn credit commitments.

The balances for trading securities and financial assets measured at FVIS and investment securities exclude equity securities as the primary financial risk is not credit risk.

The credit concentrations for each significant class of financial asset are:

Trading securities and financial assets measured at FVIS (Note 16)	• 59% (2025: 58%) were issued by financial institutions for Westpac; 59% (2025: 59%) for the Parent Entity. • 39% (2025: 41%) were issued by government or semi-government authorities for Westpac; 39% (2025: 40%) for the Parent Entity. • 89% (2025: 87%) were held in Australia by Westpac; 91% (2025: 90%) by the Parent Entity.
Investment securities (Note 17)	• 15% (2025: 14%) were issued by financial institutions for Westpac; 16% (2025: 14%) for the Parent Entity. • 83% (2025: 85%) were issued by government or semi-government authorities for Westpac; 84% (2025: 86%) for the Parent Entity. • 82% (2025: 85%) were held in Australia by Westpac; 88% (2025: 92%) by the Parent Entity.
Loans (Note 9)	The following tables provides a detailed breakdown of loans by industry and geographic classification.
Derivative financial instruments (Note 20)	• 79% (2025: 78%) were issued by financial institutions for Westpac; 78% (2025: 77%) by the Parent Entity. • 80% (2025: 73%) were held in Australia by Westpac; 84% (2025: 76%) by the Parent Entity.

For personal use only

For personal use only

Note 11. Credit risk management (Continued)

Consolidated $m	2026 Loans	2026 Total all other on balance sheet	2026 Undrawn credit commitments	2026 Total	2025 Loans	2025 Total all other on balance sheet	2025 Undrawn credit commitments	2025 Total
Australia								
Accommodation, cafes and restaurants	12,969	38	1,855	14,862	11,517	29	1,681	13,227
Agriculture, forestry and fishing	20,125	54	3,613	23,792	16,640	47	3,102	19,789
Construction	8,989	66	5,762	14,817	8,642	25	4,907	13,574
Finance and insurance	39,233	107,989	17,208	164,430	31,608	99,150	17,399	148,157
Government, administration and defence	687	105,732	1,817	108,236	690	108,516	1,679	110,885
Manufacturing	12,177	241	7,862	20,280	10,483	331	8,065	18,879
Mining	4,234	584	3,617	8,435	3,656	430	3,157	7,243
Property	75,438	952	16,089	92,479	66,631	516	15,006	82,153
Property services and business services	16,832	118	9,131	26,081	15,194	136	8,269	23,599
Services	17,189	118	9,723	27,030	15,215	101	8,426	23,742
Trade	19,025	288	9,283	28,596	17,384	241	9,288	26,913
Transport and storage	14,626	880	7,199	22,705	12,812	691	6,076	19,579
Utilities	12,119	1,123	10,361	23,603	10,587	754	8,561	19,902
Retail lending	540,581	1,184	80,079	621,844	527,181	995	82,940	611,116
Other	1,239	769	1,303	3,311	1,297	614	1,356	3,267
Total Australia	**795,463**	**220,136**	**184,902**	**1,200,501**	**749,537**	**212,576**	**179,912**	**1,142,025**
New Zealand								
Accommodation, cafes and restaurants	368	1	28	397	305	3	31	339
Agriculture, forestry and fishing	7,249	33	650	7,932	7,838	47	565	8,450
Construction	500	1	484	985	508	1	528	1,037
Finance and insurance	4,292	11,588	1,662	17,542	4,066	13,101	1,951	19,118
Government, administration and defence	207	9,017	602	9,826	183	9,872	712	10,767
Manufacturing	1,414	126	1,485	3,025	1,846	100	1,424	3,370
Mining	38	-	137	175	91	1	124	216
Property	7,666	412	1,312	9,390	7,835	407	1,362	9,604
Property services and business services	1,110	23	509	1,642	972	54	497	1,523
Services	2,015	12	1,248	3,275	1,951	42	968	2,961
Trade	2,383	27	1,462	3,872	2,475	30	1,155	3,660
Transport and storage	585	20	359	964	581	55	521	1,157
Utilities	1,865	166	1,647	3,678	1,768	416	2,177	4,361
Retail lending	61,401	88	13,146	74,635	63,738	101	13,877	77,716
Other	83	77	141	301	112	99	146	357
Total New Zealand	**91,176**	**21,591**	**24,872**	**137,639**	**94,269**	**24,329**	**26,038**	**144,636**
Other overseas								
Accommodation, cafes and restaurants	85	-	9	94	76	-	15	91
Agriculture, forestry and fishing	1	-	1	2	2	-	1	3
Construction	52	-	74	126	35	-	82	117
Finance and insurance	5,499	11,299	6,901	23,699	6,056	9,000	5,669	20,725
Government, administration and defence	15	14,176	7	14,198	53	11,034	-	11,087
Manufacturing	1,025	3	2,929	3,957	1,498	4	2,313	3,815
Mining	87	-	909	996	38	-	961	999
Property	467	2	32	501	651	2	131	784
Property services and business services	2,436	12	1,618	4,066	962	30	936	1,928
Services	113	-	449	562	65	-	556	621
Trade	1,670	5	2,754	4,429	1,324	4	2,575	3,903
Transport and storage	1,202	19	574	1,795	741	17	422	1,180
Utilities	1,444	5	1,236	2,685	644	2	1,495	2,141
Retail lending	356	-	18	374	340	-	22	362
Other	162	25	39	226	71	161	41	273
Total other overseas	**14,614**	**25,546**	**17,550**	**57,710**	**12,556**	**20,254**	**15,219**	**48,029**
Total gross credit risk	**901,253**	**267,273**	**227,324**	**1,395,850**	**856,362**	**257,159**	**221,169**	**1,334,690**

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Credit risk management (Continued)

Parent Entity $m	2026 Loans	2026 Total all other on balance sheet	2026 Undrawn credit commitments	2026 Total	2025 Loans	2025 Total all other on balance sheet	2025 Undrawn credit commitments	2025 Total
Australia								
Accommodation, cafes and restaurants	12,933	38	1,855	14,826	11,482	29	1,681	13,192
Agriculture, forestry and fishing	20,021	54	3,613	23,688	16,551	47	3,102	19,700
Construction	8,118	64	5,762	13,944	7,835	24	4,907	12,766
Finance and insurance	39,187	159,972	17,208	216,367	31,561	143,639	17,399	192,599
Government, administration and defence	686	105,735	1,817	108,238	689	108,518	1,679	110,886
Manufacturing	11,983	241	7,862	20,086	10,289	331	8,065	18,685
Mining	4,191	584	3,617	8,392	3,609	430	3,157	7,196
Property	75,415	954	16,089	92,458	66,610	518	15,006	82,134
Property services and business services	16,540	118	9,131	25,789	14,879	135	8,269	23,283
Services	16,976	118	9,723	26,817	14,985	101	8,426	23,512
Trade	18,820	288	9,283	28,391	17,179	241	9,288	26,708
Transport and storage	14,151	880	7,199	22,230	12,424	691	6,076	19,191
Utilities	12,090	1,124	10,361	23,575	10,556	755	8,561	19,872
Retail lending	540,581	1,184	80,079	621,844	527,180	995	82,940	611,115
Other	1,017	695	1,303	3,015	1,055	559	1,356	2,970
Total Australia	**792,709**	**272,049**	**184,902**	**1,249,660**	**746,884**	**257,013**	**179,912**	**1,183,809**
New Zealand								
Accommodation, cafes and restaurants	-	-	-	-	-	2	-	2
Agriculture, forestry and fishing	-	14	4	18	-	27	3	30
Construction	3	-	60	63	1	-	38	39
Finance and insurance	3	8,699	104	8,806	-	8,207	109	8,316
Government, administration and defence	-	1,983	2	1,985	-	2,529	8	2,537
Manufacturing	28	122	58	208	29	96	83	208
Mining	-	-	53	53	2	1	-	3
Property	1	126	20	147	-	82	-	82
Property services and business services	3	20	36	59	2	51	18	71
Services	-	7	10	17	-	37	8	45
Trade	345	25	296	666	397	28	237	662
Transport and storage	1	19	14	34	1	56	30	87
Utilities	-	134	161	295	4	300	141	445
Retail lending	-	-	-	-	-	-	-	-
Other	-	-	1	1	-	5	1	6
Total New Zealand	**384**	**11,149**	**819**	**12,352**	**436**	**11,421**	**676**	**12,533**
Other overseas								
Accommodation, cafes and restaurants	73	-	9	82	67	-	14	81
Agriculture, forestry and fishing	1	-	1	2	1	-	1	2
Construction	38	-	61	99	23	-	66	89
Finance and insurance	5,499	11,474	6,893	23,866	6,051	8,926	5,656	20,633
Government, administration and defence	15	13,073	7	13,095	53	10,051	-	10,104
Manufacturing	913	3	2,832	3,748	1,409	4	2,309	3,722
Mining	79	-	907	986	15	-	959	974
Property	300	1	29	330	378	1	117	496
Property services and business services	2,381	12	1,616	4,009	894	30	932	1,856
Services	92	-	447	539	41	-	554	595
Trade	1,477	5	2,687	4,169	1,121	3	2,543	3,667
Transport and storage	1,148	19	562	1,729	705	17	419	1,141
Utilities	1,442	5	1,236	2,683	639	2	1,495	2,136
Retail lending	331	-	17	348	308	-	22	330
Other	149	14	33	196	55	90	29	174
Total other overseas	**13,938**	**24,606**	**17,337**	**55,881**	**11,760**	**19,124**	**15,116**	**46,000**
Total gross credit risk	**807,031**	**307,804**	**203,058**	**1,317,893**	**759,080**	**287,558**	**195,704**	**1,242,342**

For personal use only

For personal use only

Note 11. Credit risk management (Continued)

11.4. Credit quality of financial assets

Credit quality disclosures

The following tables show the credit quality of gross credit risk exposures measured at amortised cost or at FVOCI to which the impairment requirements apply. The credit quality is determined by reference to the credit risk ratings system (refer to Note 11.2) and expectations of future economic conditions under multiple scenarios.

Consolidated	2026				2025			
$m	Stage 1	Stage 2	Stage 3	Total[a]	Stage 1	Stage 2	Stage 3	Total[a]
Loans - housing								
Strong	367,261	19,774	-	387,035	332,203	27,057	-	359,260
Good/satisfactory	157,836	26,933	-	184,769	159,998	40,537	-	200,535
Weak	2,138	13,131	5,607	20,876	1,939	13,973	5,959	21,871
Total loans - housing	**527,235**	**59,838**	**5,607**	**592,680**	**494,140**	**81,567**	**5,959**	**581,666**
Loans - personal								
Strong	4,046	89	-	4,135	3,964	81	-	4,045
Good/satisfactory	4,353	633	-	4,986	4,561	744	-	5,305
Weak	160	450	130	740	127	465	152	744
Total loans - personal	**8,559**	**1,172**	**130**	**9,861**	**8,652**	**1,290**	**152**	**10,094**
Loans - business								
Strong	131,622	5,753	-	137,375	108,843	9,453	-	118,296
Good/satisfactory	119,888	31,937	-	151,825	99,300	37,145	-	136,445
Weak	166	5,868	3,478	9,512	295	6,020	3,546	9,861
Total loans - business	**251,676**	**43,558**	**3,478**	**298,712**	**208,438**	**52,618**	**3,546**	**264,602**
Investment securities								
Strong	115,783	-	-	115,783	116,574	-	-	116,574
Good/satisfactory	-	-	-	-	-	-	-	-
Weak	-	485	-	485	-	494	-	494
Total investment securities[b]	**115,783**	**485**	**-**	**116,268**	**116,574**	**494**	**-**	**117,068**
All other financial assets								
Strong	59,973	-	-	59,973	64,722	-	-	64,722
Good/satisfactory	2,855	-	-	2,855	848	-	-	848
Weak	212	-	-	212	216	-	-	216
Total all other financial assets	**63,040**	**-**	**-**	**63,040**	**65,786**	**-**	**-**	**65,786**
Undrawn credit commitments								
Strong	161,186	6,403	-	167,589	154,443	8,981	-	163,424
Good/satisfactory	48,763	9,013	-	57,776	45,778	9,984	-	55,762
Weak	201	1,348	410	1,959	172	1,341	470	1,983
Total undrawn credit commitments	**210,150**	**16,764**	**410**	**227,324**	**200,393**	**20,306**	**470**	**221,169**
Total strong	839,871	32,019	-	871,890	780,749	45,572	-	826,321
Total good/satisfactory	333,695	68,516	-	402,211	310,485	88,410	-	398,895
Total weak	2,877	21,282	9,625	33,784	2,749	22,293	10,127	35,169
Total on and off-balance sheet	**1,176,443**	**121,817**	**9,625**	**1,307,885**	**1,093,983**	**156,275**	**10,127**	**1,260,385**

a. This credit quality disclosure differs to that of credit risk concentration as it relates only to financial assets measured at amortised cost or at FVOCI and therefore excludes trading securities and financial assets measured at FVIS, and derivative financial instruments.

b. Excludes equity instruments. Includes $1,032 million (2025: $976 million) debt securities at amortised cost, of which $547 million (2025: $482 million) were classified as strong, nil (2025: nil) as good/satisfactory and $485 million (2025: $494 million) as weak.

Details of collateral held in support of these balances are provided in Note 11.5.

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Credit risk management (Continued)

Parent Entity	2026				2025			
$m	Stage 1	Stage 2	Stage 3	Total[a]	Stage 1	Stage 2	Stage 3	Total[a]
Loans - housing								
Strong	361,016	19,668	-	380,684	325,333	26,908	-	352,241
Good/satisfactory	110,134	22,273	-	132,407	112,497	34,157	-	146,654
Weak	1,878	12,352	4,945	19,175	1,661	13,153	5,253	20,067
Total loans - housing	**473,028**	**54,293**	**4,945**	**532,266**	**439,491**	**74,218**	**5,253**	**518,962**
Loans - personal								
Strong	3,690	78	-	3,768	3,588	70	-	3,658
Good/satisfactory	3,948	489	-	4,437	4,135	585	-	4,720
Weak	149	399	120	668	114	413	144	671
Total loans - personal	**7,787**	**966**	**120**	**8,873**	**7,837**	**1,068**	**144**	**9,049**
Loans - business								
Strong	118,932	5,387	-	124,319	96,856	8,462	-	105,318
Good/satisfactory	104,057	29,389	-	133,446	84,140	33,297	-	117,437
Weak	88	4,837	3,202	8,127	168	4,902	3,244	8,314
Total loans - business	**223,077**	**39,613**	**3,202**	**265,892**	**181,164**	**46,661**	**3,244**	**231,069**
Investment securities								
Strong	107,835	-	-	107,835	108,880	-	-	108,880
Total investment securities[b]	**107,835**	**-**	**-**	**107,835**	**108,880**	**-**	**-**	**108,880**
All other financial assets								
Strong	110,859	-	-	110,859	105,946	-	-	105,946
Good/satisfactory	2,710	-	-	2,710	708	-	-	708
Weak	64	-	-	64	58	-	-	58
Total all other financial assets	**113,633**	**-**	**-**	**113,633**	**106,712**	**-**	**-**	**106,712**
Undrawn credit commitments								
Strong	149,136	6,025	-	155,161	141,517	8,385	-	149,902
Good/satisfactory	38,363	7,706	-	46,069	35,731	8,259	-	43,990
Weak	196	1,242	390	1,828	166	1,208	438	1,812
Total undrawn credit commitments	**187,695**	**14,973**	**390**	**203,058**	**177,414**	**17,852**	**438**	**195,704**
Total strong	851,468	31,158	-	882,626	782,120	43,825	-	825,945
Total good/satisfactory	259,212	59,857	-	319,069	237,211	76,298	-	313,509
Total weak	2,375	18,830	8,657	29,862	2,167	19,676	9,079	30,922
Total on and off-balance sheet	**1,113,055**	**109,845**	**8,657**	**1,231,557**	**1,021,498**	**139,799**	**9,079**	**1,170,376**

a. This credit quality disclosure differs to that of credit risk concentration as it relates only to financial assets measured at amortised cost or at FVOCI and therefore excludes trading securities and financial assets measured at FVIS, and derivative financial instruments.
b. Excludes equity instruments.

Details of collateral held in support of these balances are provided in Note 11.5.

For personal use only

For personal use only

Note 11. Credit risk management (Continued)

11.5. Credit risk mitigation, collateral and other credit enhancements

Westpac uses a variety of techniques to reduce the credit risk arising from its lending activities. This includes Westpac establishing that it has direct, irrevocable and unconditional recourse to collateral and other credit enhancements through obtaining legally enforceable documentation.

Collateral

The table below describes the nature of collateral or security held for each relevant class of financial asset.

Loans – housing and personal[a]	Housing loans are secured by a mortgage over property and additional security may take the form of guarantees and deposits. Personal lending (including credit cards and overdrafts) is predominantly unsecured. Where security is taken, it is restricted to eligible motor vehicles, caravans, campers, motor homes and boats. Personal lending also includes margin lending which is secured primarily by shares or managed funds.
Loans – business	Business loans may be secured, partially secured or unsecured. Security is typically taken by way of a mortgage over property and/or a general security agreement over business assets or other assets. Other security such as guarantees, standby letters of credit or derivative protection may also be taken as collateral, if appropriate.
Trading securities, financial assets measured at FVIS and derivatives	These exposures are carried at fair value which reflects the credit risk. For trading securities, no collateral is sought directly from the issuer or counterparty; however this may be implicit in the terms of the instrument (such as an asset-backed security). The terms of debt securities may include collateralisation. For derivatives, master netting agreements are typically used to enable the effects of derivative assets and liabilities with the same counterparty to be offset when measuring these exposures. Additionally, collateralisation agreements are also typically entered into with major institutional counterparties to avoid the potential build-up of excessive mark-to-market positions. Derivative transactions are increasingly being cleared through central clearers.

a. This includes collateral held in relation to associated credit commitments.

Management of risk mitigation

Westpac mitigates credit risk through controls covering:

Collateral and valuation management	The estimated realisable value of collateral held in support of loans is based on a combination of: • Formal valuations currently held for such collateral; and • Management's assessment of the estimated realisable value of all collateral held. This analysis also takes into consideration any other relevant knowledge available to management at the time. Updated valuations are obtained when appropriate. Westpac revalues collateral related to financial markets positions on a daily basis. For large clearing entities and entities covered by APRA standard CPS226, there are formal processes in place to promptly call for collateral top-ups, if required. These processes include margining for non-centrally cleared customer derivatives as regulated by Australian Prudential Standard CPS226. The collateralisation arrangements are documented via the Credit Support Annex of the ISDA dealing agreements and Global Master Repurchase Agreements (GMRA) for repurchase transactions. In relation to financial markets positions, Westpac only recognises collateral which is: • Cash, primarily in Australian dollars (AUD), New Zealand dollars (NZD), US dollars (USD), Canadian dollars (CAD), British pounds (GBP) or European Union euro (EUR); • Bonds issued by Australian Commonwealth, State and Territory governments or their Public Sector Enterprises, provided these attract a zero risk-weighting under Australian Prudential Standard (APS) 112; • Securities issued by other sovereign governments and supranationals as approved by an authorised credit officer; or • Protection bought via credit-linked notes (provided the proceeds are invested in cash or other eligible collateral).
Other credit enhancements	Westpac only recognises guarantees, standby letters of credit, or credit derivative protection from entities meeting minimum eligibility requirements (provided they are not related to the entity with which Westpac has a credit exposure) including but not limited to: • Sovereign; • Australia and New Zealand public sector; • ADIs and overseas banks with a minimum risk grade equivalent of A3 / A–; and • Others with a minimum risk grade equivalent of A3 / A–. Credit Portfolio Management (CPM) manages Westpac's corporate, sovereign and bank credit portfolios through monitoring the exposure and any offsetting hedge positions. CPM purchases credit protection from entities that meet minimum eligibility requirements.
Offsetting	Creditworthy customers domiciled in Australia and New Zealand may enter into formal agreements with Westpac, permitting Westpac to set-off gross credit and debit balances in their nominated accounts. Cross-border set-offs are not permitted. Close-out netting is undertaken with counterparties with whom the Group has entered into a legally enforceable master netting agreement for their off-balance sheet financial market transactions in the event of default. Further details of offsetting are provided in Note 23.
Central clearing	Westpac executes derivative transactions through central clearing counterparties. Central clearing counterparties mitigate risk through stringent membership requirements, the collection of margin against all trades placed, the default fund, and an explicitly defined order of priority of payments in the event of default.

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Credit risk management (Continued)

Collateral held against loans

Westpac analyses the coverage of the loan portfolio which is secured by the collateral that it holds. Coverage is measured as follows:

Coverage	Secured loan to collateral value ratio
Fully secured	Less than or equal to 100%
Partially secured	Greater than 100% but not more than 150%
Unsecured	Greater than 150%, or no security held (e.g. can include credit cards, personal loans, and exposure to highly rated corporate entities)

Westpac and the Parent Entity's loan portfolio have the following coverage from collateral held:

	2026				2025			
%	Housing loans[a]	Personal loans	Business loans	Total	Housing loans[a]	Personal loans	Business loans	Total
Performing loans								
Consolidated								
Fully secured	100.0	10.9	69.0	88.8	100.0	10.2	67.3	88.9
Partially secured	-	4.3	15.2	5.1	-	4.6	14.7	4.6
Unsecured	-	84.8	15.8	6.1	-	85.2	18.0	6.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Parent Entity								
Fully secured	100.0	12.1	69.6	89.0	100.0	11.3	67.5	89.1
Partially secured	-	4.7	14.8	4.9	-	5.2	14.6	4.5
Unsecured	-	83.2	15.6	6.1	-	83.5	17.9	6.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Non-performing loans								
Consolidated								
Fully secured	75.7	-	48.6	64.4	88.8	-	54.6	74.9
Partially secured	24.3	5.4	28.9	25.8	11.2	4.6	27.9	17.2
Unsecured	-	94.6	22.5	9.8	-	95.4	17.5	7.9
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Parent Entity								
Fully secured	74.8	-	50.6	64.3	89.4	-	57.9	76.1
Partially secured	25.2	5.8	28.3	26.1	10.6	4.9	26.1	16.3
Unsecured	-	94.2	21.1	9.6	-	95.1	16.0	7.6
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

a. For the purpose of collateral classification, housing loans are classified as fully secured, unless they are non-performing in which case they may be classified as partially secured.

Details of the carrying value and associated provision for ECL are disclosed in Note 9 and Note 10, respectively. The credit quality of loans is disclosed in Note 11.4.

Collateral held against financial assets other than loans

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Cash, primarily for derivatives	3,677	3,188	2,828	2,365
Securities under reverse repurchase agreements[a]	32,382	28,269	32,382	28,269
Securities under derivatives[a]	826	679	611	452
Total other collateral held	**36,885**	**32,136**	**35,821**	**31,086**

a. Securities received as collateral are not recognised in the Group and Parent Entity's balance sheet.

For personal use only

For personal use only

Deposits and other funding arrangements

Note 12. Deposits and other borrowings

Accounting policy

Deposits and other borrowings are initially recognised at fair value and subsequently either measured at amortised cost using the effective interest method or at fair value.

Deposits and other borrowings are designated at fair value if they are managed on a fair value basis, reduce or eliminate an accounting mismatch or contain an embedded derivative.

Where they are measured at fair value, any changes in fair value (except those due to changes in credit risk) are recognised in the income statement. The change in the fair value that is attributable to changes in credit risk is recognised in OCI except where it would create an accounting mismatch, in which case it is also recognised in the income statement.

Refer to Note 22 for balances measured at fair value and amortised cost.

Interest expense incurred is recognised in net interest income using the effective interest method.

Non-interest bearing relates to instruments which do not carry an entitlement to interest.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Australia				
Certificates of deposit	29,125	33,940	29,125	33,940
Non-interest bearing, repayable at call	151,720	140,842	151,720	140,842
Other interest bearing - transactions	127,190	120,830	127,175	120,830
Other interest bearing - savings	233,526	223,216	233,526	223,216
Other interest bearing term	175,863	157,675	175,863	157,675
Total Australia	**717,424**	**676,503**	**717,409**	**676,503**
New Zealand				
Certificates of deposit	797	1,593	-	-
Non-interest bearing, repayable at call	11,034	10,700	-	-
Other interest bearing - transactions	7,851	7,884	-	-
Other interest bearing - savings	16,026	18,502	-	-
Other interest bearing term	33,517	34,128	-	-
Total New Zealand	**69,225**	**72,807**	**-**	**-**
Other overseas				
Certificates of deposit	12,227	11,953	12,227	11,953
Non-interest bearing, repayable at call	1,120	1,147	591	546
Other interest bearing - transactions	1,106	910	962	729
Other interest bearing - savings	1,176	1,254	1,093	1,161
Other interest bearing term	6,058	5,883	5,930	5,768
Total other overseas	**21,687**	**21,147**	**20,803**	**20,157**
Total deposits and other borrowings	**808,336**	**770,457**	**738,212**	**696,660**

NOTES TO THE FINANCIAL STATEMENTS

Note 13. Debt issues

Accounting policy

Debt issues are bonds, notes, commercial paper and debentures that have been issued by entities in Westpac.

Debt issues are initially measured at fair value and subsequently either measured at amortised cost using the effective interest method or at fair value.

Debt issues are designated at fair value if they reduce or eliminate an accounting mismatch or contain an embedded derivative.

Where they are measured at fair value, any changes in fair value (except those due to changes in credit risk) are recognised in the income statement. The change in the fair value that is attributable to changes in credit risk is recognised in OCI except where it would create an accounting mismatch, in which case it is also recognised in the income statement.

Refer to Note 22 for balances measured at fair value and amortised cost.

Interest expense incurred is recognised within net interest income using the effective interest method.

In the following table, the distinction between short-term (12 months or less) and long-term (greater than 12 months) debt is based on the original maturity of the underlying security.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Short-term debt				
Own issuances	46,111	34,665	43,393	32,252
Total short-term debt	**46,111**	**34,665**	**43,393**	**32,252**
Long-term debt				
Covered bonds	38,418	37,671	33,264	31,911
Senior	88,516	93,489	73,492	78,459
Securitisation	5,566	5,579	-	-
Total long-term debt	**132,500**	**136,739**	**106,756**	**110,370**
Total debt issues	**178,611**	**171,404**	**150,149**	**142,622**
Movement reconciliation				
Balance as at beginning of year	**171,404**	**169,284**	**142,622**	**143,882**
Issuances	114,190	68,850	102,575	59,404
Maturities, repayments, buybacks and reductions	(97,249)	(76,010)	(87,022)	(68,590)
Total cash movements	**16,941**	**(7,160)**	**15,553**	**(9,186)**
FX translation impact	(9,018)	8,442	(7,613)	7,295
Fair value adjustments	(207)	(125)	(205)	(118)
Fair value hedge accounting adjustments	(1,435)	396	(1,046)	265
Other	926	567	838	484
Total non-cash movements	**(9,734)**	**9,280**	**(8,026)**	**7,926**
Balance as at end of year	**178,611**	**171,404**	**150,149**	**142,622**

For personal use only

Note 13. Debt issues (Continued)

Consolidated $m	2026	2025
Short-term debt		
Own issuances:		
US commercial paper	35,156	25,958
EUR commercial paper	4,454	4,014
Senior Debt:		
AUD	1,600	1,199
GBP	1,969	1,834
USD	143	152
Other	2,789	1,508
Total short-term debt	**46,111**	**34,665**
Long-term debt (by currency):		
AUD	44,223	38,398
CHF	2,482	2,853
EUR	34,588	36,605
GBP	6,360	5,705
NZD	3,079	3,104
USD	40,646	48,583
Other[a]	1,122	1,491
Total long-term debt	**132,500**	**136,739**

a. In 2026, the Group removed one immaterial line and reallocated it into "Other". Comparatives have been revised to align with current period presentation.

Westpac manages FX exposure from debt issuances as part of its hedging activities. Further details of Westpac's hedge accounting are in Note 20.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 14. Loan capital

Accounting policy

Loan capital are instruments issued by Westpac which qualify for inclusion as regulatory capital under the standards issued by the prudential regulator in the relevant jurisdiction. Loan capital is initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense incurred is recognised in net interest income.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Additional Tier 1 (AT1) loan capital				
Westpac capital notes	6,706	6,697	6,706	6,697
USD AT1 securities	1,748	1,838	1,748	1,838
Total AT1 loan capital	**8,454**	**8,535**	**8,454**	**8,535**
Tier 2 loan capital				
Subordinated notes	30,824	31,435	29,849	30,356
Total Tier 2 loan capital	**30,824**	**31,435**	**29,849**	**30,356**
Total loan capital	**39,278**	**39,970**	**38,303**	**38,891**
Movement reconciliation				
Balance as at beginning of year	**39,970**	**37,883**	**38,891**	**36,770**
Issuances	4,662	5,042	4,662	5,042
Maturities, repayments, buybacks and reductions	(3,257)	(4,122)	(3,258)	(4,127)
Total cash movements	**1,405**	**920**	**1,404**	**915**
FX translation impact	(1,407)	1,219	(1,325)	1,267
Fair value hedge accounting adjustments	(711)	(68)	(686)	(74)
Other	21	16	19	13
Total non-cash movements	**(2,097)**	**1,167**	**(1,992)**	**1,206**
Balance as at end of year	**39,278**	**39,970**	**38,303**	**38,891**

Additional Tier 1 loan capital

A summary of the key terms and common features of AT1 instruments is provided below.

Consolidated and Parent Entity

$m	Distribution or interest rate	Potential scheduled conversion date[a]	Optional redemption date[b]	2026	2025
Westpac capital notes (WCN)					
AUD 1,723 million WCN7	(3-month BBSW rate + 3.40% p.a.) x (1 - Australian corporate tax rate)	22 March 2029	22 March 2027	1,722	1,719
AUD 1,750 million WCN8	(3-month BBSW rate + 2.90% p.a.) x (1 - Australian corporate tax rate)	21 June 2032	21 September 2029	1,744	1,742
AUD 1,509 million WCN9	(3-month BBSW rate + 3.40% p.a.) x (1 - Australian corporate tax rate)	22 June 2031	22 September 2028	1,503	1,501
AUD 1,750 million WCN10	(3-month BBSW rate + 3.10% p.a.) x (1 - Australian corporate tax rate)	22 June 2034	22 September 2031	1,737	1,735
Total WCN				**6,706**	**6,697**
USD AT1 securities					
USD 1,250 million USD AT1 securities	Fixed 5.00% p.a.[c]	n/a	21 September 2027	1,748	1,838
Total USD AT1 securities				**1,748**	**1,838**

a. Conversion is subject to the satisfaction of the scheduled conversion conditions. If the conversion conditions are not satisfied on the relevant scheduled conversion date, conversion will not occur until the next distribution payment date on which the scheduled conversion conditions are satisfied, if ever.

b. Certain AT1 instruments may have more than one optional redemption date and for the purposes of the table above the first optional redemption date is shown. Westpac may elect to redeem the relevant AT1 instrument on the optional redemption date or dates, subject to APRA's prior written approval.

c. Until but excluding 21 September 2027 (first reset date). If not redeemed, converted or written-off earlier, from, and including, each reset date to, but excluding, the next succeeding reset date, at a fixed rate p.a. equal to the prevailing 5-year USD mid-market swap rate plus 2.89% p.a.

For personal use only

For personal use only

Note 14. Loan capital (Continued)

Common features of AT1 instruments issued by Westpac Banking Corporation

Payment conditions

Distributions and interest payments on the AT1 instruments are discretionary and will only be paid if the payment conditions are satisfied, including that the payment will not result in a breach of Westpac's capital requirements under APRA's prudential standards; not result in Westpac becoming, or being likely to become, insolvent; and if APRA does not object to the payment.

Broadly, if for any reason a distribution or interest payment has not been paid in full on the relevant payment date, Westpac must not determine or pay any dividends on Westpac ordinary shares or undertake a discretionary buyback or capital reduction of Westpac ordinary shares, unless the unpaid amount is paid in full within 20 business days of the relevant payment date or in certain other circumstances.

The AT1 instruments convert into Westpac ordinary shares in the following circumstances:

- Scheduled Conversion
  On the scheduled conversion date, provided certain conversion conditions are satisfied, the relevant AT1 instrument[1] will convert and holders will receive a variable number of Westpac ordinary shares calculated using the face value of the relevant AT1 instrument and the Westpac ordinary share price determined over the 20 business day period prior to the scheduled conversion date, including a 1% discount.
- Capital Trigger Event or Non-Viability Trigger Event
  Westpac will be required to convert some or all AT1 instruments upon the occurrence of:
  - A capital trigger event, when Westpac determines, or APRA notifies Westpac in writing that it believes, Westpac's Common Equity Tier 1 Capital ratio is equal to or less than 5.125% (on a Level 1 or Level 2 basis[2]); or
  - A non-viability trigger event, when APRA notifies Westpac in writing that it believes conversion, write-off or write-down of capital instruments of Westpac, or public sector injection of capital (or equivalent support), in each case is necessary because without it, Westpac would become non-viable

  For each AT1 instrument converted, holders will receive a variable number of Westpac ordinary shares calculated using the face value of the relevant AT1 instrument and the Westpac ordinary share price over the five business day period prior to the capital trigger event date or non-viability trigger event date and includes a 1% discount, subject to a maximum conversion number. The maximum conversion number is based on an ordinary share price broadly equivalent to 20% of the Westpac ordinary share price at the time of issue.

  Following the occurrence of a capital trigger event or non-viability trigger event, if conversion does not occur within five business days, holders' rights in relation to the relevant AT1 instrument will be immediately and irrevocably terminated.

- Conversion in other circumstances
  Westpac is able to elect to convert[1], or may be required to convert[1], AT1 instruments early in certain circumstances. The terms of conversion are broadly similar to scheduled conversion, however, the maximum conversion number will depend on the conversion event.
- Early Redemption
  Westpac is able to elect to redeem the relevant AT1 instrument on the optional redemption dates or for certain taxation or regulatory reasons, subject to APRA's prior written approval.

1. Excludes USD AT1 securities.
2. Level 1 comprises Westpac Banking Corporation and its subsidiary entities that have been approved by APRA as being part of a single 'Extended Licensed Entity' for the purpose of measuring capital adequacy. Level 2 is 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.

NOTES TO THE FINANCIAL STATEMENTS

Note 14. Loan capital (Continued)

Tier 2 loan capital

A summary of the key terms and common features of Westpac's Tier 2 instruments (subordinated notes) is provided below:

$m	Interest rate[a]	Maturity date	Optional redemption date[b]	2026	2025
Subordinated notes issued by Westpac Banking Corporation					
USD 100 million	Fixed	23 February 2046	n/a	88	107
JPY 20,000 million	Fixed	19 May 2026	n/a	-	204
JPY 10,200 million	Fixed	2 June 2026	n/a	-	104
JPY 10,000 million	Fixed	9 June 2026	n/a	-	102
USD 1,500 million	Fixed	23 November 2031	23 November 2026	2,143	2,227
AUD 185 million	Fixed	24 January 2048	n/a	184	184
AUD 130 million	Fixed	2 March 2048	n/a	130	130
USD 1,000 million	Fixed	24 July 2039	n/a	1,029	1,205
USD 1,250 million	Fixed	24 July 2034	24 July 2029	1,650	1,782
USD 1,500 million	Fixed	15 November 2035	15 November 2030	1,819	1,978
USD 1,000 million	Fixed	16 November 2040	n/a	861	1,013
AUD 1,250 million	Floating	29 January 2031	29 January 2026	-	1,249
EUR 1,000 million	Fixed	13 May 2031	13 May 2026	-	1,753
USD 1,000 million	Fixed	18 November 2041	n/a	888	1,054
USD 1,250 million	Fixed	18 November 2036	18 November 2031	1,504	1,660
JPY 26,000 million	Fixed	8 June 2032	8 June 2027	235	262
USD 1,000 million	Fixed	10 August 2033	10 August 2032	1,268	1,425
SGD 450 million	Fixed	7 September 2032	7 September 2027	510	544
AUD 1,500 million	Floating	23 June 2033	23 June 2028	1,500	1,500
AUD 300 million	Fixed/Floating	23 June 2033	23 June 2028	299	299
AUD 1,100 million	Fixed/Floating	23 June 2038	23 June 2033	1,099	1,093
AUD 1,500 million	Fixed/Floating	15 November 2038	n/a	1,492	1,495
USD 750 million	Fixed	17 November 2033	n/a	1,025	1,177
AUD 650 million	Floating	3 April 2034	3 April 2029	647	648
AUD 600 million	Fixed/Floating	3 April 2034	3 April 2029	600	600
AUD 1,000 million	Floating	10 July 2034	10 July 2029	1,000	1,000
AUD 500 million	Fixed/Floating	10 July 2034	10 July 2029	500	500
USD 1,500 million	Fixed	20 November 2035	20 November 2034	2,015	2,318
AUD 850 million	Floating	12 February 2035	12 February 2030	850	843
AUD 400 million	Fixed/Floating	12 February 2035	12 February 2030	400	400
AUD 1,500 million	Fixed/Floating	4 June 2040	4 June 2035	1,489	1,500
AUD 1,000 million	Fixed	13 November 2045	n/a	1,000	-
AUD 1,500 million	Fixed/Floating	12 February 2041	12 February 2036	1,481	-
SGD 500 million	Fixed	19 May 2038	19 May 2033	544	-
JPY 13,000 million	Fixed	10 June 2036	10 June 2031	116	-
AUD 250 million	Fixed/Floating	20 August 2036	20 August 2031	246	-
AUD 1,250 million	Floating	20 August 2036	20 August 2031	1,237	-
Total subordinated notes issued by Westpac Banking Corporation				**29,849**	**30,356**
Subordinated notes issued by Westpac New Zealand Limited[c]					
NZD 600 million	Fixed/Floating	16 September 2032	16 September 2027	485	525
NZD 600 million	Fixed/Floating	14 February 2034	14 February 2029	490	554
Total subordinated notes issued by Westpac New Zealand Limited				**975**	**1,079**
Total subordinated notes				**30,824**	**31,435**

a. Certain subordinated notes have a fixed interest rate for the period up to the optional redemption date and a floating interest rate thereafter.

b. Certain subordinated notes may have more than one optional redemption date and for the purposes of the table above the first optional redemption date is shown. Westpac Banking Corporation may elect to redeem the relevant subordinated notes on the optional redemption date or dates, subject to APRA's prior written approval.

c. For subordinated notes issued by Westpac New Zealand Limited, it may elect to redeem all or some of the Tier 2 instruments for their face value together with accrued interest (if any) on the optional redemption date or any interest payment date thereafter, subject to RBNZ's prior written approval. Early redemption of all of the Tier 2 instruments for certain tax or regulatory reasons is permitted on an interest payment date subject to the RBNZ's prior written approval.

For personal use only

Note 14. Loan capital (Continued)

Common features of subordinated notes

Issued by Westpac Banking Corporation

Interest payments are subject to Westpac being solvent at the time of, and immediately following, the interest payment.

Non-viability trigger event

The definition of non-viability trigger event is described under AT1 loan capital. Upon the occurrence of a non-viability trigger event, Westpac will be required to convert some or all subordinated notes into a variable number of Westpac ordinary shares calculated in a manner similar to that described under AT1 loan capital.

Following the occurrence of a non-viability trigger event, if conversion of a subordinated note does not occur within five business days, holders' rights in relation to the relevant subordinated note will be immediately and irrevocably terminated.

Issued by Westpac New Zealand Limited

Interest payments are subject to Westpac New Zealand Limited being solvent at the time of, and immediately following, the interest payment.

Non-viability trigger event

Tier 2 instruments issued by Westpac New Zealand Limited do not have a non-viability trigger event. These instruments qualify as Tier 2 capital under the RBNZ capital adequacy framework but not under APRA's capital adequacy framework.

Note 15. Securitisation, covered bonds and other transferred assets

Westpac enters into transactions in the normal course of business by which financial assets are transferred to counterparties or structured entities. Depending on the circumstances, these transfers may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer. For Westpac's accounting policy on derecognition of financial assets refer to the Financial Assets and Financial Liabilities.

Securitisation

Securitisation is the transferring of assets (or an interest in either the assets or the cash flows arising from the assets) to a structured entity which then issues the majority of interest bearing debt securities to third party investors for funding deals and to Westpac for liquidity deals. The Group transfers residential mortgages to these structured entities, however the Group retains the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets.

Securitisation of its own assets is used by Westpac as a funding and liquidity tool. For securitisation structured entities which Westpac controls, as defined in Note 30, the structured entities are classified as subsidiaries and consolidated. When assessing whether Westpac controls a structured entity, it considers its exposure to and ability to affect variable returns. Westpac may have variable returns from a structured entity through ongoing exposures to the risks and rewards associated with the assets, the provision of derivatives, liquidity facilities, trust management and operational services.

Undrawn funding and liquidity facilities of $211 million (2025: $251 million) were provided by Westpac for the securitisation of its own assets.

Covered bonds

Westpac has two covered bond programs relating to Australian residential mortgages (Australian Program) and New Zealand residential mortgages (New Zealand Program). Under these programs, selected pools of residential mortgages are assigned to bankruptcy remote structured entities which provide guarantees on the payments to bondholders. The Group retains the majority of the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets. Through the guarantees and derivatives with the structured entities, Westpac has variable returns from these structured entities and consolidates them.

Repurchase agreements

Where securities are sold subject to an agreement to repurchase at a predetermined price, they remain recognised in the balance sheet in their original category (i.e. Trading securities or Investment securities).

The cash consideration received is recognised as a liability (Repurchase agreements). Refer to Note 19 for further details.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 15. Securitisation, covered bonds and other transferred assets (Continued)

The following tables present Westpac's assets transferred and their associated liabilities.

			For those liabilities that only have recourse to the transferred assets:		
$m	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of transferred liabilities	Net fair value position
Consolidated					
2026					
Securitisation[a]	5,620	5,575	5,618	5,588	30
Covered bonds[b]	49,466	38,808	n/a	n/a	n/a
Repurchase agreements	24,080	23,807	n/a	n/a	n/a
Total	**79,166**	**68,190**	**5,618**	**5,588**	**30**
2025					
Securitisation[a]	5,627	5,587	5,627	5,617	10
Covered bonds[b]	42,890	37,671	n/a	n/a	n/a
Repurchase agreements	15,230	14,664	n/a	n/a	n/a
Total	**63,747**	**57,922**	**5,627**	**5,617**	**10**
Parent Entity					
2026					
Securitisation[a]	6,447	6,403	6,446	6,416	30
Covered bonds[b]	43,357	33,607	n/a	n/a	n/a
Repurchase agreements	24,080	23,807	n/a	n/a	n/a
Total	**73,884**	**63,817**	**6,446**	**6,416**	**30**
2025					
Securitisation[a]	6,420	6,380	6,421	6,410	11
Covered bonds[b]	36,264	31,911	n/a	n/a	n/a
Repurchase agreements	13,379	13,183	n/a	n/a	n/a
Total	**56,063**	**51,474**	**6,421**	**6,410**	**11**

a. The carrying amount of assets securitised exceeds the amount of notes issued primarily because the carrying amount includes both principal and income received from the transferred assets.

b. The difference between the carrying values of covered bonds and the assets pledged reflects the over-collateralisation required to maintain the ratings of the covered bonds and also additional assets to allow immediate issuance of additional covered bonds if required. These additional assets can be repurchased by Westpac at its discretion, subject to the conditions set out in the transaction documents.

For personal use only

For personal use only

Other financial instrument disclosures

Note 16. Trading securities and financial assets measured at fair value through income statement (FVIS)

Accounting policy

Trading securities

Trading securities include portfolios of actively traded debt and equity instruments, pledged instruments and instruments acquired for sale in the near term, including those backed by government and semi-government securities. The instruments are measured at fair value.

As part of its trading activities, Westpac also lends and borrows securities on a collateralised basis. Securities lent remain on Westpac's balance sheet and securities borrowed are not reflected on Westpac's balance sheet, as the risks and rewards of ownership remain with the initial holder. Where cash is provided as collateral, the amount advanced to or received from third parties is recognised as a receivable in collateral paid or as a borrowing in collateral received respectively.

Reverse repurchase agreements

Securities purchased under these agreements are not recognised in the balance sheet, as Westpac has not obtained the risks and rewards of ownership. The cash consideration paid is recognised as a reverse repurchase agreement, which forms part of a portfolio that is measured at fair value.

Other financial assets measured at FVIS

Other financial assets measured at FVIS include:

- Non-trading portfolio securities measured at fair value where this eliminates or significantly reduces an accounting mismatch, or they are part of a group of instruments that are managed on a fair value basis;
- Non-trading debt securities that do not have contractual cash flows that represent SPPI on the principal balance outstanding; or
- Non-trading equity securities for which we have not made irrevocable designation to be measured at FVOCI.

Fair value gains and losses on these financial assets are recognised in the income statement. Interest earned from debt securities is recognised in interest income (Note 3) while dividends on equity securities are recognised in non-interest income (Note 4).

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Trading securities				
Government and semi-government securities	15,209	10,429	15,209	10,429
Other debt securities	6,207	4,124	6,207	4,124
Other	380	376	380	376
Total trading securities	**21,796**	**14,929**	**21,796**	**14,929**
Reverse repurchase agreements	**32,410**	**28,304**	**32,410**	**28,304**
Other financial assets measured at FVIS				
Government and semi-government securities	9,021	11,681	8,125	10,250
Other debt securities	816	927	118	143
Equity securities	2	-	-	-
Total other financial assets measured at FVIS	**9,839**	**12,608**	**8,243**	**10,393**
Total trading securities and financial assets measured at FVIS	**64,045**	**55,841**	**62,449**	**53,626**

NOTES TO THE FINANCIAL STATEMENTS

Note 17. Investment securities

Accounting policy

Investment securities include debt securities and equity securities. It includes debt and equity securities that are measured at FVOCI and debt securities measured at amortised cost. These instruments are classified based on the criteria disclosed under the heading "Financial assets and financial liabilities" prior to Note 9.

Debt securities measured at FVOCI

Includes debt instruments that have contractual cash flows which represent SPPI on the principal balance outstanding and are held within a business model whose objective is achieved both through collecting these cash flows or selling the financial asset.

These securities are measured at fair value with unrealised gains and losses recognised in OCI except for interest income, impairment charges, FX gains and losses and fair value hedge adjustments which are recognised in the income statement.

Impairment is measured using the same ECL model applied to financial assets measured at amortised cost. Impairment is recognised in the income statement with a corresponding amount in OCI with no reduction of the carrying value of the debt security which remains at fair value. Refer to Note 6 and Note 10 for further details.

The cumulative gain or loss recognised in OCI is subsequently recognised in the income statement when the instrument is disposed.

Debt securities measured at amortised cost

Includes debt instruments that have contractual cash flows which represent SPPI on the principal balance outstanding and are held within a business model whose objective is achieved through holding the financial asset to collect these cash flows.

These securities are initially recognised at fair value plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method and are presented net of any provision for ECL, determined using the ECL model.

Equity securities

Equity securities are measured at FVOCI where they are not held for trading, Westpac does not have control or significant influence over the investee and where an irrevocable election is made to measure them at FVOCI.

These securities are measured at fair value with unrealised gains and losses recognised in OCI except for dividend income which is recognised in the income statement. The cumulative gain or loss recognised in OCI is not subsequently recognised in the income statement when the instrument is disposed.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Investment securities				
Investments securities measured at FVOCI				
Government and semi-government debt securities	96,014	98,456	90,977	93,639
Other debt securities	19,222	17,636	16,858	15,241
Equity securities	504	476	218	220
Total investment securities measured at FVOCI[a]	**115,740**	**116,568**	**108,053**	**109,100**
Investment securities measured at amortised cost				
Government and semi-government debt securities	1,032	976	-	-
Total investment securities measured at amortised cost	**1,032**	**976**	**-**	**-**
Provision for ECL on debt securities at amortised cost	(3)	(3)	-	-
Total net investment securities measured at amortised cost	**1,029**	**973**	**-**	**-**
Total investment securities	**116,769**	**117,541**	**108,053**	**109,100**

a. Impairment is recognised in the income statement with a corresponding amount in OCI (refer to Note 26). There is no reduction of the carrying value of the debt securities which remains at fair value.

For personal use only

Note 17. Investment securities (Continued)

The following table shows the maturities and the weighted average yield of Westpac's outstanding investment securities as at 30 September 2026. There are no tax-exempt securities.

2026	Up to 1 year $m	%	Over 1 year to 5 years $m	%	Over 5 years to 10 years $m	%	Over 10 years $m	%	No specific maturity $m	%	Total $m	Weighted average %
Carrying Amount												
Government and semi-government securities	34,858	4.2	29,355	3.8	31,458	4.8	1,372	5.5	-	-	97,043	4.3
Other debt securities	5,021	4.6	13,844	5.0	357	4.4	-	-	-	-	19,222	4.9
Equity securities	-	-	-	-	-	-	-	-	504	-	504	-
Total by maturity	**39,879**		**43,199**		**31,815**		**1,372**		**504**		**116,769**	

The maturity profile is determined based upon contractual terms for investment securities.

Note 18. Other financial assets

$m	Consolidated 2026	Consolidated 2025	Parent Entity 2026	Parent Entity 2025
Accrued interest receivable	2,318	1,921	2,149	1,735
Securities sold not delivered	5,525	7,048	5,444	7,041
Trade debtors	316	430	283	255
Interbank lending	113	319	53	246
Clearing and settlement balances	535	530	469	474
Accrued fees and commissions	506	401	382	258
Other	119	117	117	117
Total other financial assets	**9,432**	**10,766**	**8,897**	**10,126**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 19. Other financial liabilities

Accounting policy

Other financial liabilities include liabilities measured at amortised cost as well as liabilities which are measured at FVIS. Financial liabilities measured at FVIS include:

- Trading liabilities (i.e. securities sold short); and
- Liabilities designated at FVIS (i.e. certain repurchase agreements).

Refer to Note 22 for balances measured at fair value and amortised cost.

Repurchase agreements

Where securities are sold subject to an agreement to repurchase at a predetermined price, they remain recognised in the balance sheet in their original category (i.e. 'Trading securities' or 'Investment securities').

The cash consideration received is recognised as a liability ('Repurchase agreements'). Repurchase agreements are designated at fair value where this eliminates or significantly reduces an accounting mismatch, or they are part of a group of instruments that are managed on a fair value basis. Otherwise they are measured on an amortised cost basis.

Where a repurchase agreement is designated at fair value, any changes in fair value (except those due to changes in credit risk) are recognised in the income statement as they arise. The change in fair value that is attributable to credit risk is recognised in OCI except where it would create an accounting mismatch, in which case it is also recognised in the income statement.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Repurchase agreements	23,807	14,664	23,807	13,183
Interbank placements	8,526	6,405	8,525	6,402
Accrued interest payable	4,570	4,235	4,188	3,684
Securities purchased not delivered	3,032	7,574	2,997	7,574
Trade creditors and other accrued expenses	2,100	2,363	1,943	1,887
Settlement and clearing balances	1,123	869	1,056	848
Securities sold short	4,742	4,215	4,742	4,215
Other	1,134	1,163	1,119	1,142
Total other financial liabilities	**49,034**	**41,488**	**48,377**	**38,935**

For personal use only

For personal use only

Note 20. Derivative financial instruments

Accounting policy

Derivative financial instruments are instruments whose values are derived from the value of an underlying asset, reference rate or index and include forwards, futures, swaps and options.

Westpac uses derivative financial instruments for meeting customers' needs, our risk management activities, and undertaking market making and positioning activities.

Trading derivatives

Derivatives which are used in our risk management activities but are not designated into a hedge accounting relationship are considered economic hedges. These derivatives, along with derivatives used for meeting customers' needs and undertaking market making and positioning activities, are measured at FVIS and are disclosed as trading derivatives.

Hedging derivatives

Hedging derivatives are those which are used in our risk management activities and have also been designated into one of three hedge accounting relationships: fair value hedge; cash flow hedge; or hedge of a net investment in a foreign operation. These derivatives are measured at fair value. These hedge designations and the associated accounting treatment are detailed below.

From 1 October 2025, the Group commenced applying the hedge accounting requirements of AASB 9 to its hedge accounting relationships (with the exception of portfolio-level fair value hedges of retail products, to which AASB 139 continues to be applied). For further details refer to Note 1.

If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued. Voluntary discontinuation of hedge accounting is not permitted under AASB 9.

For more details regarding Westpac's risk management activities, refer to Note 21.

Fair value hedges

Fair value hedges are used to hedge the exposure to changes in the fair value of an asset or liability.

Changes in the fair value of derivatives and the hedged asset or liability in fair value hedges are recognised in net interest income. The carrying value of the hedged asset or liability is adjusted for the changes in fair value related to the hedged risk.

A hedging relationship is discontinued only when it no longer qualifies for hedge accounting. Any fair value hedge adjustments to the carrying amount of the asset or liability that was hedged is recognised in net interest income over the remaining life of the asset or liability. If the asset or liability is sold or otherwise derecognised, any unamortised adjustment is immediately recognised in net interest income.

Cash flow hedges

Cash flow hedges are used to hedge the exposure to variability of cash flows attributable to an asset, liability or future forecast transaction.

For qualifying hedges, the effective component of the changes in the fair value of derivatives are recognised in the cash flow hedge reserve through OCI and subsequently recognised in net interest income when the cash flows attributable to the asset or liability that was hedged impact the income statement. The changes in the fair value relating to the ineffective portion are immediately recognised in net interest income.

If a hedging relationship no longer qualifies for hedge accounting or if a hedge of a forecast transaction is no longer expected to occur, any cumulative gain or loss in OCI is released to net interest income.

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Derivative financial instruments (Continued)

Net investment hedges

Net investment hedges are used to hedge FX risks arising from a net investment of a foreign operation.

For qualifying hedges, the effective component of the changes in the fair value of derivatives are recognised in the foreign currency translation reserve through OCI. The changes in the fair value of the derivatives relating to the ineffective portion are immediately recognised in non-interest income.

If a foreign operation is disposed of, any cumulative gain or loss in OCI is immediately recognised in non-interest income.

Hedge effectiveness

Hedge effectiveness is tested prospectively at inception and during the lifetime of hedge relationships. For one-to-one hedge relationships this testing uses a qualitative assessment of matched terms where the critical terms of the derivatives used as the hedging instrument match the terms of the hedged item. In addition, a quantitative effectiveness test is performed for all hedges which could include regression analysis, dollar offset and/or sensitivity analysis.

For hedge relationships under AASB 9, the hedge effectiveness assessment is required to demonstrate that an economic relationship exists between the hedged item and the hedging instrument, credit risk does not dominate the changes in value of either the hedged item or the hedging instrument, and the hedge ratio reflects the Group's actual risk management activities. The hedge ratio may be rebalanced during the life of the relationship by adjusting the designated quantities of the hedged item or hedging instrument.

For hedging relationships under AASB 139, retrospective testing is also performed to determine whether the hedge relationship remains highly effective so that hedge accounting can continue to be applied and also to determine any ineffectiveness. These tests are performed using the dollar offset method.

Cost of hedging

Certain components of a hedging instrument including the forward points on a forward contract and cross-currency basis spreads may be excluded from hedge designations. Changes in fair value that arise from these components of the hedging instrument are recognised in the cost of hedging reserve and amortised to the income statement over the life of the hedge.

For personal use only

Note 20. Derivative financial instruments (Continued)

Total derivatives

The carrying values of derivative instruments are set out in the tables below.

Consolidated	Trading		Hedging		Total derivatives carrying value	
$m	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
2026						
Interest rate contracts						
Swap agreements	81,163	(86,493)	6,004	(7,462)	87,167	(93,955)
Options	437	(234)	-	-	437	(234)
Total interest rate contracts	**81,600**	**(86,727)**	**6,004**	**(7,462)**	**87,604**	**(94,189)**
FX contracts						
Spot and forward contracts	10,317	(9,869)	86	(9)	10,403	(9,878)
Cross currency swap agreements	7,473	(8,514)	2,018	(984)	9,491	(9,498)
Options	58	(81)	-	-	58	(81)
Total FX contracts	**17,848**	**(18,464)**	**2,104**	**(993)**	**19,952**	**(19,457)**
Credit default swaps						
Credit protection bought	-	(398)	-	-	-	(398)
Credit protection sold	361	-	-	-	361	-
Total credit default swaps	**361**	**(398)**	**-**	**-**	**361**	**(398)**
Commodity contracts	163	(277)	-	-	163	(277)
Total of gross derivatives	**99,972**	**(105,866)**	**8,108**	**(8,455)**	**108,080**	**(114,321)**
Impact of netting arrangements	(78,470)	80,890	(5,688)	7,295	(84,158)	88,185
Total of net derivatives	**21,502**	**(24,976)**	**2,420**	**(1,160)**	**23,922**	**(26,136)**
2025						
Interest rate contracts						
Swap agreements	48,585	(51,397)	5,301	(5,334)	53,886	(56,731)
Options	256	(109)	-	-	256	(109)
Total interest rate contracts	**48,841**	**(51,506)**	**5,301**	**(5,334)**	**54,142**	**(56,840)**
FX contracts						
Spot and forward contracts	7,141	(6,963)	83	(37)	7,224	(7,000)
Cross currency swap agreements	5,596	(9,460)	1,830	(104)	7,426	(9,564)
Options	134	(126)	-	-	134	(126)
Total FX contracts	**12,871**	**(16,549)**	**1,913**	**(141)**	**14,784**	**(16,690)**
Credit default swaps						
Credit protection bought	-	(408)	-	-	-	(408)
Credit protection sold	353	-	-	-	353	-
Total credit default swaps	**353**	**(408)**	**-**	**-**	**353**	**(408)**
Commodity contracts	151	(50)	-	-	151	(50)
Total of gross derivatives	**62,216**	**(68,513)**	**7,214**	**(5,475)**	**69,430**	**(73,988)**
Impact of netting arrangements	(45,845)	48,218	(5,121)	5,140	(50,966)	53,358
Total of net derivatives	**16,371**	**(20,295)**	**2,093**	**(335)**	**18,464**	**(20,630)**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Derivative financial instruments (Continued)

Parent Entity	Trading		Hedging		Total derivatives carrying value	
$m	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
2026						
Interest rate contracts						
Swap agreements	81,277	(86,563)	5,582	(7,274)	86,859	(93,837)
Options	437	(234)	-	-	437	(234)
Total interest rate contracts	**81,714**	**(86,797)**	**5,582**	**(7,274)**	**87,296**	**(94,071)**
FX contracts						
Spot and forward contracts	10,331	(9,870)	72	(7)	10,403	(9,877)
Cross currency swap agreements	7,984	(8,506)	847	(935)	8,831	(9,441)
Options	58	(81)	-	-	58	(81)
Total FX contracts	**18,373**	**(18,457)**	**919**	**(942)**	**19,292**	**(19,399)**
Credit default swaps						
Credit protection bought	-	(398)	-	-	-	(398)
Credit protection sold	361	-	-	-	361	-
Total credit default swaps	**361**	**(398)**	**-**	**-**	**361**	**(398)**
Commodity contracts	163	(277)	-	-	163	(277)
Total of gross derivatives	**100,611**	**(105,929)**	**6,501**	**(8,216)**	**107,112**	**(114,145)**
Impact of netting arrangements	(78,593)	80,967	(5,565)	7,217	(84,158)	88,184
Total of net derivatives	**22,018**	**(24,962)**	**936**	**(999)**	**22,954**	**(25,961)**
2025						
Interest rate contracts						
Swap agreements	48,751	(51,819)	4,960	(4,777)	53,711	(56,596)
Options	256	(109)	-	-	256	(109)
Total interest rate contracts	**49,007**	**(51,928)**	**4,960**	**(4,777)**	**53,967**	**(56,705)**
FX contracts						
Spot and forward contracts	7,179	(6,963)	45	(37)	7,224	(7,000)
Cross currency swap agreements	6,589	(9,457)	83	(104)	6,672	(9,561)
Options	133	(126)	-	-	133	(126)
Total FX contracts	**13,901**	**(16,546)**	**128**	**(141)**	**14,029**	**(16,687)**
Credit default swaps						
Credit protection bought	-	(408)	-	-	-	(408)
Credit protection sold	353	-	-	-	353	-
Total credit default swaps	**353**	**(408)**	**-**	**-**	**353**	**(408)**
Commodity contracts	151	(50)	-	-	151	(50)
Total of gross derivatives	**63,412**	**(68,932)**	**5,088**	**(4,918)**	**68,500**	**(73,850)**
Impact of netting arrangements	(46,014)	48,645	(4,952)	4,713	(50,966)	53,358
Total of net derivatives	**17,398**	**(20,287)**	**136**	**(205)**	**17,534**	**(20,492)**

For personal use only

For personal use only

Note 20. Derivative financial instruments (Continued)

Hedge accounting

Westpac designates derivatives into hedge accounting relationships in order to manage the volatility in earnings and capital that would otherwise arise from interest rate and FX risks that may result from differences in the accounting treatment of derivatives and underlying exposures. These hedge accounting relationships and the risks they are used to hedge are described below.

Westpac enters into one-to-one hedge relationships to manage specific exposures where the terms of the hedged item closely align with the terms of the hedging instrument. Westpac also uses dynamic hedge accounting where the hedged items are part of a portfolio of assets and/or liabilities that frequently change. In this hedging strategy, the exposure being hedged and the hedging instruments may change frequently rather than there being a one-to-one hedge accounting relationship for a specific exposure.

Fair value hedges

Interest rate risk

Westpac hedges its interest rate risk to reduce exposure to changes in fair value due to interest rate fluctuations over the hedging period. Interest rate risk arising from fixed rate debt issuances and fixed rate bonds classified as investment securities at FVOCI is hedged with single currency fixed to floating interest rate derivatives. Westpac also hedges its benchmark interest rate risk from fixed rate foreign currency denominated debt issuances using interest rate swaps and cross currency swaps. In applying fair value hedge accounting, Westpac primarily uses one-to-one hedge accounting to manage specific exposures.

Westpac also uses a dynamic hedge accounting strategy for fair value portfolio hedge accounting of some fixed rate mortgages (portfolio fair value hedge) to reduce exposure to changes in fair value due to interest rate fluctuations over the hedging period. AASB 139 continues to be applied to this hedge accounting strategy. The fixed rate mortgages are allocated to time buckets based on their expected repricing dates and the fixed-to-floating interest rate derivatives are designated accordingly to the capacity in the relevant time buckets.

Westpac hedges the benchmark interest rate which generally represents the most significant component of the changes in fair value. The benchmark interest rate is a component of interest rate risk that is observable in the relevant financial markets, for example, BBSW and AONIA for AUD interest rates, SOFR for USD interest rates and BKBM for NZD interest rates. Ineffectiveness may arise from timing or discounting differences on repricing between the hedged item and the derivative. For the portfolio fair value hedges, ineffectiveness also arises from prepayment risk (i.e. the difference between actual and expected prepayment of loans). In order to manage the ineffectiveness from early repayments and accommodate new originations the portfolio hedges are de-designated and re-designated periodically.

For hedging relationships under AASB 9, voluntary discontinuation of hedge accounting is not permitted.

Cash flow hedges

Interest rate risk

Westpac's exposure to the volatility of interest cash flows from customer deposits and loans is hedged with interest rate derivatives through the use of macro cash flow hedge designation strategies. Customer deposits and loans are allocated to time buckets based on their expected repricing dates. The interest rate derivatives are designated accordingly to the gross asset or gross liability positions for the relevant time buckets. Westpac hedges the benchmark interest rate which generally represents the most significant component of the changes in fair value. The benchmark interest rate is a component of interest rate risk that is observable in the relevant financial markets, for example, BBSW and AONIA for AUD interest rates, SOFR for USD interest rates and BKBM for NZD interest rates. Ineffectiveness may arise from timing or discounting differences on repricing between the hedged item and the interest rate derivative. Ineffectiveness also arises if the notional values of the interest rate derivatives exceed the capacity for the relevant time buckets. The hedge accounting relationship is reviewed on a monthly basis and the hedging relationships are rebalanced if necessary.

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Derivative financial instruments (Continued)

FX risk

Westpac uses cross currency swaps in one-to-one hedging relationships to hedge the FX risk on both principal and interest cash flows for all New Zealand-related and certain Australia-related foreign currency issuances to manage the changes between foreign currency and the relevant functional currency of NZD and AUD respectively. In addition, for the remaining Australian foreign currency issuances Westpac uses a combination of foreign exchange derivative contracts in one-to-one hedging relationships and cross currency swaps in macro cash flow hedges[1] to manage the exposure to foreign currency principal and credit margin cash flows from fixed and floating rate foreign currency debt issuances to our AUD functional currency.

For qualifying hedging instruments, foreign currency basis spreads are excluded from the hedge designation and deferred in the cost of hedging reserve, and amortised to the income statement over the life of the hedge.

Ineffectiveness may arise from timing or discounting differences on repricing between the hedged item and the cross currency derivative.

Net investment hedges

FX risk

Structural FX risk results from Westpac's capital deployed in offshore branches and subsidiaries, where it is denominated in currencies other than Australian dollars. As exchange rates move, the Australian dollar equivalent of offshore capital is subject to change that could introduce significant variability to Westpac's reported financial results and capital ratios. Westpac uses FX forward contracts when hedging the currency translation risk arising from net investments in foreign operations. Westpac currently applies hedge accounting, predominantly to its net investment in New Zealand operations which is the most material offshore operation and therefore the hedged risk is the movement of the NZD against the AUD. Ineffectiveness only arises if the notional values of the FX forward contracts exceed the net investment.

Economic hedges

As part of Westpac's ALM activities, economic hedges may be entered into to hedge New Zealand future earnings. These hedges do not qualify for hedge accounting and therefore are not included in the hedging instrument disclosures below.

For personal use only

1. The Group commenced applying the hedge accounting requirements of AASB 9 from 1 October 2025. As a result, the Group now applies macro cash flow hedging to the FX risk of a portfolio of foreign currency debt issuances. For further details refer to Note 1.

For personal use only

Note 20. Derivative financial instruments (Continued)

Hedging instruments

The following tables show the carrying value of hedging instruments and a maturity analysis of the notional amounts of the hedging instruments categorised by the types of hedge relationships and the hedged risk.

Consolidated			Notional amounts				Carrying value	
$m	Hedging instrument	Hedged risk	Within 1 year	Over 1 year to 5 years	Over 5 years	Total	Assets	Liabilities
2026								
One-to-one hedge relationships								
Fair value hedges	Interest rate swap	Interest rate risk	25,371	66,498	55,586	147,455	5,095	(4,884)
	Cross currency swap	Interest rate risk	4,955	11,878	564	17,397	(254)	(227)
Cash flow hedges	Cross currency swap	FX risk	4,955	12,955	564	18,474	1,439	138
	Foreign exchange forwards and swaps	FX risk	3,037	-	-	3,037	38	(5)
Net investment hedges	Forward contracts	FX risk	3,186	-	-	3,186	48	(4)
Total one-to-one hedge relationships			**41,504**	**91,331**	**56,714**	**189,549**	**6,366**	**(4,982)**
Macro hedge relationships								
Portfolio fair value hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	22,418	56	(59)
Macro cash flow hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	547,157	853	(2,519)
Macro cash flow hedges[a]	Cross currency swap	FX risk	n/a	n/a	n/a	112,226	833	(895)
Total macro hedge relationships			**n/a**	**n/a**	**n/a**	**681,801**	**1,742**	**(3,473)**
Total of gross hedging derivatives			**n/a**	**n/a**	**n/a**	**871,350**	**8,108**	**(8,455)**
Impact of netting arrangements			n/a	n/a	n/a	n/a	(5,688)	7,295
Total of net hedging derivatives			**n/a**	**n/a**	**n/a**	**n/a**	**2,420**	**(1,160)**
2025								
One-to-one hedge relationships								
Fair value hedges	Interest rate swap	Interest rate risk	21,314	83,617	67,516	172,447	3,766	(4,398)
	Cross currency swap	Interest rate risk	3,484	15,127	1,079	19,690	(89)	(23)
Cash flow hedges	Cross currency swap	FX risk	3,484	15,127	1,079	19,690	1,919	(81)
	Foreign exchange forwards and swaps	FX risk	3,623	-	-	3,623	2	(37)
Net investment hedges	Forward contracts	FX risk	4,106	-	-	4,106	81	-
Total one-to-one hedge relationships			**36,011**	**113,871**	**69,674**	**219,556**	**5,679**	**(4,539)**
Macro hedge relationships								
Portfolio fair value hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	16,776	3	(220)
Macro cash flow hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	607,343	1,532	(716)
Macro cash flow hedges[a]	Cross currency swap	FX risk	n/a	n/a	n/a	-	-	-
Total macro hedge relationships			**n/a**	**n/a**	**n/a**	**624,119**	**1,535**	**(936)**
Total of gross hedging derivatives			**n/a**	**n/a**	**n/a**	**843,675**	**7,214**	**(5,475)**
Impact of netting arrangements			n/a	n/a	n/a	n/a	(5,121)	5,140
Total of net hedging derivatives			**n/a**	**n/a**	**n/a**	**n/a**	**2,093**	**(335)**

a. The Group commenced applying the hedge accounting requirements of AASB 9 from 1 October 2025. As a result, the Group now applies macro cash flow hedging to the FX risk of a portfolio of foreign currency debt issuances. For further details refer to Note 1.

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Derivative financial instruments (Continued)

Parent Entity $m	Hedging instrument	Hedged risk	Notional amounts: Within 1 year	Over 1 year to 5 years	Over 5 years	Total	Carrying value: Assets	Liabilities
2026								
One-to-one hedge relationships								
Fair value hedges	Interest rate swap	Interest rate risk	25,278	60,754	52,673	138,705	4,853	(4,802)
	Cross currency swap	Interest rate risk	-	637	238	875	5	(73)
Cash flow hedges	Cross currency swap	FX risk	-	637	238	875	9	33
	Foreign exchange forwards and swaps	FX risk	3,037	-	-	3,037	38	(5)
Net investment hedges	Forward contracts	FX risk	2,243	-	-	2,243	34	(2)
Total one-to-one hedge relationships			**30,558**	**62,028**	**53,149**	**145,735**	**4,939**	**(4,849)**
Macro hedge relationships								
Portfolio fair value hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	-	-	-
Macro cash flow hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	529,521	729	(2,472)
Macro cash flow hedges	Cross currency swap	FX risk	n/a	n/a	n/a	112,226	833	(895)
Total macro hedge relationships			**n/a**	**n/a**	**n/a**	**641,747**	**1,562**	**(3,367)**
Total of gross hedging derivatives			**n/a**	**n/a**	**n/a**	**787,482**	**6,501**	**(8,216)**
Impact of netting arrangements			n/a	n/a	n/a	n/a	(5,565)	7,217
Total of net hedging derivatives			**n/a**	**n/a**	**n/a**	**n/a**	**936**	**(999)**
2025								
One-to-one hedge relationships								
Fair value hedges	Interest rate swap	Interest rate risk	21,226	79,652	65,475	166,353	3,602	(4,270)
	Cross currency swap	Interest rate risk	815	213	723	1,751	(6)	(23)
Cash flow hedges	Cross currency swap	FX risk	815	213	723	1,751	89	(81)
	Foreign exchange forwards and swaps	FX risk	3,623	-	-	3,623	2	(37)
Net investment hedges	Forward contracts	FX risk	3,107	-	-	3,107	43	-
Total one-to-one hedge relationships			**29,586**	**80,078**	**66,921**	**176,585**	**3,730**	**(4,411)**
Macro hedge relationships								
Portfolio fair value hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	100	3	-
Macro cash flow hedges	Interest rate swap	Interest rate risk	n/a	n/a	n/a	579,797	1,355	(507)
Macro cash flow hedges	Cross currency swap	FX risk	n/a	n/a	n/a	-	-	-
Total macro hedge relationships			**n/a**	**n/a**	**n/a**	**579,897**	**1,358**	**(507)**
Total of gross hedging derivatives			**n/a**	**n/a**	**n/a**	**756,482**	**5,088**	**(4,918)**
Impact of netting arrangements			n/a	n/a	n/a	n/a	(4,952)	4,713
Total of net hedging derivatives			**n/a**	**n/a**	**n/a**	**n/a**	**136**	**(205)**

The following tables show the weighted average FX rate related to significant hedging instruments in one-to-one hedge relationships.

	Hedging instrument	Hedged risk	Currency pair	Weighted average rate: 2026	2025
Consolidated					
Cash flow hedges	Cross currency swap	FX risk	EUR:NZD	0.5670	0.5846
			USD:NZD	0.6033	0.6071
	Foreign exchange swap	FX risk	USD:AUD	0.6680	0.6658
			EUR:AUD	0.5950	-
Net investment hedges	Forward contracts	FX risk	NZD:AUD	1.2119	1.1113
			USD:AUD	0.6904	0.6537
Parent Entity					
Cash flow hedges	Cross currency swap	FX risk	EUR:AUD	0.6650	0.6650
			JPY:AUD	-	79.6448
			CNH:AUD	4.7698	4.7418
			HKD:AUD	5.7726	5.5978
	Foreign exchange swap	FX risk	USD:AUD	0.6680	0.6658
			EUR:AUD	0.5950	-
Net investment hedges	Forward contracts	FX risk	NZD:AUD	1.2104	1.1185
			USD:AUD	0.6904	0.6537

For personal use only

For personal use only

Note 20. Derivative financial instruments (Continued)

Impact of hedge accounting in the balance sheets and reserves

The following tables show the carrying amount of hedged items in a fair value hedge relationship and the component of the carrying amount related to accumulated fair value hedge accounting adjustments (FVHA).

	2026		2025	
$m	Carrying amount of hedged item	FVHA	Carrying amount of hedged item	FVHA
Consolidated				
Interest rate risk				
Investment securities[a]	64,064	(2,397)	83,382	494
Loans	22,705	(145)	17,234	117
Debt issues and loan capital	(90,276)	5,567	(102,521)	3,421
Parent Entity				
Interest rate risk				
Investment securities[a]	58,482	(2,317)	78,771	284
Loans	408	(25)	442	1
Debt issues and loan capital	(71,331)	5,073	(83,381)	3,341

a. The carrying amount of investment securities at fair value through other comprehensive income does not include a fair value hedge adjustment as the hedged asset is measured at fair value. The fair value hedge accounting adjustment results in a transfer from other comprehensive income to the income statement.

There were nil FVHA gains/losses (2025: Nil) included in the above carrying amounts relating to hedged items that have ceased to be adjusted for hedging gains and losses.

The pre-tax impact of cash flow and net investment hedges on cash flow hedge reserves is detailed below:

	2026			2025		
$m	Interest rate risk	FX risk	Total	Interest rate risk	FX risk	Total
Consolidated						
Balance as at beginning of year	**694**	**5**	**699**	**978**	**(198)**	**780**
Net gains/(losses) from changes in fair value	(4,256)	(109)	(4,365)	(364)	131	(233)
Transferred to interest income	491	(32)	459	80	72	152
Balance as at end of year	**(3,071)**	**(136)**	**(3,207)**	**694**	**5**	**699**
Parent Entity						
Balance as at beginning of year	**676**	**40**	**716**	**852**	**(136)**	**716**
Net gains/(losses) from changes in fair value	(4,313)	(213)	(4,526)	(305)	151	(154)
Transferred to interest income	471	45	516	129	25	154
Balance as at end of year	**(3,166)**	**(128)**	**(3,294)**	**676**	**40**	**716**

There were nil net gains/losses (2025: Nil) remaining in the cash flow hedge reserve relating to hedge relationships for which hedge accounting is no longer applied for Westpac and the Parent Entity.

As disclosed in Note 26, the net gains from changes in the fair value of net investment hedges were $276 million (2025: net gain $95 million) for Westpac and $198 million (2025: net gain $53 million) for the Parent Entity. Included in the foreign currency translation reserve is a loss of $104 million (2025: $158 million loss) for Westpac and $108 million (2025: $162 million loss) for the Parent Entity relating to discontinued hedges of our net investment in USD operations. This would only be transferred to the income statement on disposal of the related USD operations.

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Derivative financial instruments (Continued)

Hedge effectiveness

The following tables provide information regarding the determination of hedge effectiveness:

$m	Hedging instrument	Hedged risk	Change in fair value of hedging instrument used for calculating ineffectiveness	Change in value of the hedged item used for calculating ineffectiveness	Hedge ineffectiveness recognised in interest income	Hedge ineffectiveness recognised in non-interest income
Consolidated						
2026						
Fair value hedges	Interest rate swap	Interest rate risk	1,297	(1,330)	(33)	n/a
	Cross currency swap	Interest rate risk	(320)	323	3	n/a
Cash flow hedges	Interest rate swap	Interest rate risk	(3,766)	3,766	-	n/a
	Cross currency swap	FX risk	(98)	176	78	n/a
	Foreign exchange forwards and swaps	FX risk	(185)	185	-	n/a
Net investment hedges	Forward contracts	FX risk	276	(276)	n/a	-
Total			**(2,796)**	**2,844**	**48**	**-**
2025						
Fair value hedges	Interest rate swap	Interest rate risk	(526)	491	(35)	n/a
	Cross currency swap	Interest rate risk	117	(120)	(3)	n/a
Cash flow hedges	Interest rate swap	Interest rate risk	(249)	268	19	n/a
	Cross currency swap	FX risk	21	(21)	-	n/a
	Foreign exchange forwards and swaps	FX risk	182	(182)	-	n/a
Net investment hedges	Forward contracts	FX risk	95	(95)	n/a	-
Total			**(360)**	**341**	**(19)**	**-**
Parent Entity						
2026						
Fair value hedges	Interest rate swap	Interest rate risk	897	(921)	(24)	n/a
	Cross currency swap	Interest rate risk	(27)	26	(1)	n/a
Cash flow hedges	Interest rate swap	Interest rate risk	(3,852)	3,843	(9)	n/a
	Cross currency swap	FX risk	(83)	162	79	n/a
	Foreign exchange forwards and swaps	FX risk	(185)	185	-	n/a
Net investment hedges	Forward contracts	FX risk	198	(198)	n/a	-
Total			**(3,052)**	**3,097**	**45**	**-**
2025						
Fair value hedges	Interest rate swap	Interest rate risk	(455)	420	(35)	n/a
	Cross currency swap	Interest rate risk	7	(10)	(3)	n/a
Cash flow hedges	Interest rate swap	Interest rate risk	(136)	159	23	n/a
	Cross currency swap	FX risk	(6)	6	-	n/a
	Foreign exchange forwards and swaps	FX risk	182	(182)	-	n/a
Net investment hedges	Forward contracts	FX risk	53	(53)	n/a	-
Total			**(355)**	**340**	**(15)**	**-**

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk

Financial instruments are fundamental to Westpac's business of providing banking and financial services. The associated financial risks (including credit risk, funding and liquidity risk and market risk) are a significant proportion of the total risks faced by Westpac.

This note details the financial risk management policies, practices and quantitative information of Westpac's principal financial risk exposures.

Index	Note Name	Note number
Overview	Risk management frameworks	21.1
Credit risk	Refer to Note 11 Credit risk management	11
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.	Liquidity modelling	21.2.1
	Sources of funding	21.2.2
	Assets pledged as collateral	21.2.3
	Contractual maturity of financial liabilities	21.2.4
	Expected maturity	21.2.5
Market risk The risk of an adverse impact on Westpac's financial performance or financial position resulting from changes in market factors, such as foreign exchange rates, commodity prices and equity prices, credit spreads and interest rates. This includes interest rate risk in the banking book which is the risk of loss in earnings or economic value in the banking book as a consequence of movements in interest rates.	Quantitative risk measures	21.3.1
	Traded market risk	21.3.2
	Non-traded market risk	21.3.3

21.1. Risk management frameworks

The Board is responsible for approving Westpac's Risk Management Strategy (incorporating the Risk Management Framework) and Board Risk Appetite Statement and for monitoring the effectiveness of risk management by Westpac. The Board has delegated to the Board Risk Committee (BRiskC) responsibility to:

- Review and recommend Westpac's Risk Management Strategy (incorporating the Risk Management Framework) and Board Risk Appetite Statement to the Board for approval;
- Review and monitor Westpac's risk profile and controls for consistency with the Board Risk Appetite Statement;
- Approve frameworks, policies and processes for managing risk (consistent with the Risk Management Strategy and Board Risk Appetite Statement); and
- Review and, where appropriate, approve risks beyond the approval discretion provided to management.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

For each of its material risks, Westpac maintains risk management frameworks and a number of supporting policies that define roles and responsibilities, acceptable practices, limits and key controls:

Risk	Risk management framework and controls
Funding and liquidity risk	• 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 Group ALCO and Treasury Risk. • Westpac's 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. • Treasury undertakes an annual funding review that outlines Westpac's balance sheet funding strategy over a five year period. 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 and estimations of asset and liability growth rates. • Westpac monitors the composition and stability of its funding so that it remains within Westpac's funding risk appetite. This includes compliance with both the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). • Westpac holds a portfolio of liquid assets for several purposes, including as a buffer against unforeseen funding requirements. The level of liquid assets held takes into account the liquidity requirements of Westpac's balance sheet under normal and stress conditions. • Treasury maintains a contingent funding plan that outlines the steps that should be taken by Westpac in the event of an emerging 'funding crisis'. The plan is aligned with Westpac's broader Liquidity Crisis Management Policy which is approved annually by the Board. • Daily liquidity risk reports are reviewed by Westpac's Treasury and Treasury Risk teams. Liquidity reports are presented to Group ALCO monthly and to the Board quarterly.
Market risk	• The Market Risk Framework describes Westpac's approach to managing traded and non- traded market risk. • Traded market risk includes interest rate, FX, commodity, equity price, credit spread and volatility risks. Non-traded market risk includes interest rate and credit spread risks. • Market risk is managed using VaR and Stressed VaR (SVaR) limits, Expected Shortfall (ES), Net interest income at risk (NaR) and structural risk limits (including credit spread and interest rate basis point value limits) as well as scenario analysis and stress testing. • The BRiskC approves the risk appetite for traded and non-traded risks through the use of VaR, SVaR, ES, NaR and specific structural risk limits. This includes separate VaR sub-limits for the trading activities of Financial Markets and Treasury and for non-traded ALM activities. • Market risk limits are assigned to business management based upon the Bank's risk appetite and business strategies in addition to the consideration of market liquidity and concentration. • Market risk positions are managed by the trading desks and ALM unit consistent with their delegated authorities and the nature and scale of the market risks involved. • Daily monitoring of current exposure and limit utilisation is conducted independently by Market Risk teams, which monitor market risk exposures against VaR and structural risk limits. Daily VaR position reports are produced by risk type, by product lines and by geographic region. Quarterly reports are produced for the Westpac Group Market Risk Committee (MARCO), RISKCO and the BRiskC. • Daily stress testing and back testing of VaR results are performed to support model integrity and to analyse extreme or unexpected movements, and the Head of Market, Capital & Liquidity Risk has ratified an approved stress escalation framework. • The BRiskC has approved a framework for profit or loss escalation which considers both single day and 20 day cumulative results. • Treasury's ALM unit is responsible for managing the non-traded interest rate risk including risk mitigation through hedging using derivatives. This is overseen by the Market Risk unit and reviewed by Treasury Financial Risk Committee (TRFC), MARCO, RISKCO and BRiskC. The Group ALCO provides additional oversight of non-traded market risk and alignment with Group strategy in reviewing NaR and the durations of capital and non-rate sensitive deposit hedges.

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

21.2. Funding and liquidity risk

21.2.1. Liquidity modelling

In managing liquidity for Westpac, Treasury utilises balance sheet forecasts and the maturity profile of Westpac's wholesale funding portfolio to project liquidity outcomes. Local liquidity limits are also used by Westpac in applicable jurisdictions to ensure liquidity is managed efficiently and prudently.

In addition, Westpac conducts regular stress testing to assess its ability to meet cash flow obligations under a range of market conditions and scenarios. These scenarios inform liquidity limits and strategic planning.

21.2.2. Sources of funding

Sources of funding are regularly reviewed to maintain a wide diversification by currency, geography, product and term. Sources include, but are not limited to:

- Deposits;
- Debt issues;
- Proceeds from sale of marketable securities;
- Repurchase agreements with central banks;
- Principal repayments on loans;
- Interest income; and
- Fee income.

Liquid assets

Treasury holds a portfolio of high-quality liquid assets as a buffer against unforeseen funding requirements. These assets are held in cash, or are otherwise eligible for repurchase agreements with the Reserve Bank of Australia or another central bank and include Government, State Government and highly rated investment grade securities. The level of liquid asset holdings is reviewed frequently and is consistent with both the requirements of the balance sheet and market conditions.

A summary of Westpac's liquid asset holdings is as follows:

	Consolidated				Parent Entity			
	2026		2025		2026		2025	
$m	Actual	Average	Actual	Average	Actual	Average	Actual	Average
Cash	45,655	58,026	50,157	66,322	41,655	52,568	44,607	58,836
Trading securities and financial assets measured at FVIS	38,759	38,018	40,840	31,936	37,311	35,775	39,257	29,702
Investment securities	116,265	120,909	117,065	113,488	107,835	112,796	108,880	105,065
Other financial assets	113	293	319	273	53	224	246	240
Total on-balance sheet liquid assets	**200,792**	**217,246**	**208,381**	**212,019**	**186,854**	**201,363**	**192,990**	**193,843**

In addition, Westpac has $85,981 million (2025: $81,653 million) and the Parent Entity has $78,712 million (2025: $76,094 million) of loans that are self-originated AAA rated mortgage backed securities which are eligible for repurchase with the RBA and Reserve Bank of New Zealand under certain circumstances. Average year-to-date balances amount to $87,689 million (2025: $76,439 million) for Westpac and $81,727 million (2025: $70,708 million) for the Parent Entity.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

Westpac's funding composition

Westpac monitors the composition and stability of its funding so that it remains within Westpac's funding risk appetite. This includes compliance with both the LCR and NSFR.

%	2026	2025
Customer deposits	69.1	68.1
Wholesale term funding with residual maturity greater than 12 months	12.3	12.9
Wholesale funding with a residual maturity less than 12 months	11.4	11.6
Equity	6.7	6.9
Securitisation	0.5	0.5
Group's total funding	**100.0**	**100.0**

Movements in Westpac's funding composition in 2026 included:

- Customer deposits increased by $43.2 billion and now account for 69.1% of Westpac's total funding (including equity) at 30 September 2026, up from 68.1% at 30 September 2025;
- Long-term funding with a residual maturity greater than 12 months accounted for 12.3% of Westpac's total funding at 30 September 2026, down from 12.9% at 30 September 2025. Funding from securitisation accounted for a further 0.5% of total funding. Westpac raised $40.0 billion of long-term wholesale funding in 2026. The weighted average maturity of the long term wholesale funding raised in 2026 was 5.5 years;
- Wholesale funding with a residual maturity less than 12 months accounted for 11.4% of Westpac's total funding at 30 September 2026, down from 11.6% at 30 September 2025. This portfolio, including long-term funding with a residual maturity less than one year, had a weighted average maturity of 150 days; and
- Funding from equity increased by $1.6 billion in 2026 and made up 6.7% of total funding at 30 September 2026, down from 6.9% at 30 September 2025, with lower contribution reflecting growth in other funding sources.

Borrowings and outstanding issuances from existing debt programs at 30 September 2026 can be found in Note 12, Note 13, Note 14 and Note 19.

Funding for Lending Programme (FLP)

The Funding for Lending Programme ('FLP') provided eligible New Zealand banks with three-year funding at the prevailing OCR, secured by high-quality collateral. The FLP closed to new funding on 6 December 2022, and all funding under the programme has since matured. The FLP is therefore no longer an available source of funding. As at 30 September 2025, Westpac New Zealand Limited had a balance of NZ$1,110 million under the FLP which was fully repaid during the year ended 30 September 2026.

Credit ratings

As at 30 September 2026 the Parent Entity's credit ratings were:

2026	Short-term	Long-term	Outlook
Fitch Ratings	F1+	AA-	Stable
Moody's Ratings	P-1	Aa2	Stable
S&P Global Ratings	A-1+	AA-	Stable

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

21.2.3. Assets pledged as collateral

Westpac and the Parent Entity are required to provide collateral (predominantly to other financial institutions), as part of standard terms, to secure liabilities. In addition to assets supporting securitisation and covered bond programs disclosed in Note 15, the carrying value of these financial assets pledged as collateral is:

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Cash	7,649	4,590	7,415	4,562
Securities (including certificates of deposit)	1,582	2,535	1,367	2,307
Securities pledged under repurchase agreements	24,080	15,230	24,080	13,379
Securities pledged on contingent liabilities	98	119	98	119
Total amount pledged to secure liabilities/contingent liabilities	**33,409**	**22,474**	**32,960**	**20,367**

Westpac's New York branch is federally licensed and supervised by the US Office of the Comptroller of the Currency (OCC). As a US federal branch, it is required to maintain and pledge to the OCC a capital equivalency deposit equal to at least 5% of its total third-party liabilities.

At 30 September 2026, eligible securities of $1,239 million (2025: $1,043 million) for the Group and Parent Entity were held in the capital equivalency deposit and pledged to the OCC.

21.2.4. Contractual maturity of financial liabilities

The following tables present cash flows associated with financial liabilities, payable at the balance sheet date, by remaining contractual maturity. The amounts disclosed in the table are the future contractual undiscounted cash flows, whereas Westpac manages inherent liquidity risk based on expected cash flows.

Cash flows associated with financial liabilities include both principal payments as well as fixed or variable interest payments incorporated into the relevant coupon period. Principal payments reflect the earliest contractual maturity date. Derivative liabilities designated in hedge accounting relationships and used as economic hedges are expected to be held for their remaining contractual lives, and reflect gross cash flows over the remaining contractual term.

Derivatives held for trading (excluding economic hedges) and certain liabilities classified in "Other financial liabilities" which are measured at FVIS are not managed for liquidity purposes on the basis of their contractual maturity, and accordingly these liabilities are presented in the up to 1 month column. Only the liabilities that Westpac manages based on their contractual maturity are presented on a contractual undiscounted basis in the following tables.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

Consolidated $m	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
2026						
Financial liabilities						
Collateral received	3,682	-	-	-	-	3,682
Deposits and other borrowings	588,326	68,889	130,579	25,121	3,107	816,022
Other financial liabilities	36,463	3,186	5,081	9	-	44,739
Derivative financial instruments:						
Held for trading	21,424	-	-	-	-	21,424
Held for hedging purposes (net settled)	(12)	(78)	(3)	161	582	650
Held for hedging purposes (gross settled):						
Cash outflow	11,385	10,293	40,741	94,468	31,422	188,309
Cash inflow	(10,883)	(9,170)	(39,858)	(91,599)	(29,078)	(180,588)
Debt issues	9,052	11,413	56,505	108,022	16,560	201,552
Total financial liabilities excluding loan capital	**659,437**	**84,533**	**193,045**	**136,182**	**22,593**	**1,095,790**
Loan capital	41	502	1,172	10,182	48,466	60,363
Total undiscounted financial liabilities	**659,478**	**85,035**	**194,217**	**146,364**	**71,059**	**1,156,153**
Total contingent liabilities and commitments						
Financial guarantees, letters of credit and other credit substitutes	18,595	-	-	-	-	18,595
Performance-related contingencies	7,281	-	-	-	-	7,281
Remaining commitments to extend credit	201,448	-	-	-	-	201,448
Total undiscounted contingent liabilities and commitments	**227,324**	**-**	**-**	**-**	**-**	**227,324**
2025						
Financial liabilities						
Collateral received	3,194	-	-	-	-	3,194
Deposits and other borrowings	564,053	77,359	125,412	9,924	62	776,810
Other financial liabilities	30,575	2,445	4,724	8	-	37,752
Derivative financial instruments:						
Held for trading	15,915	-	-	-	-	15,915
Held for hedging purposes (net settled)	18	(39)	(42)	239	391	567
Held for hedging purposes (gross settled):						
Cash outflow	15,370	19,254	56,774	103,183	40,431	235,012
Cash inflow	(14,750)	(17,974)	(56,043)	(100,546)	(38,150)	(227,463)
Debt issues	3,401	10,307	57,360	102,381	16,597	190,046
Total financial liabilities excluding loan capital	**617,776**	**91,352**	**188,185**	**115,189**	**19,331**	**1,031,833**
Loan capital	56	456	1,433	7,874	48,506	58,325
Total undiscounted financial liabilities	**617,832**	**91,808**	**189,618**	**123,063**	**67,837**	**1,090,158**
Total contingent liabilities and commitments						
Financial guarantees, letters of credit and other credit substitutes	15,721	-	-	-	-	15,721
Performance-related contingencies	6,709	-	-	-	-	6,709
Remaining commitments to extend credit	198,739	-	-	-	-	198,739
Total undiscounted contingent liabilities and commitments	**221,169**	**-**	**-**	**-**	**-**	**221,169**

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

Parent Entity $m	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
2026						
Financial liabilities						
Collateral received	2,833	-	-	-	-	2,833
Deposits and other borrowings	551,062	63,953	121,862	8,092	63	745,032
Other financial liabilities	36,188	3,186	5,081	9	-	44,464
Derivative financial instruments:						
Held for trading	21,424	-	-	-	-	21,424
Held for hedging purposes (net settled)	(20)	(93)	(17)	49	609	528
Held for hedging purposes (gross settled):						
Cash outflow	11,385	10,293	40,741	89,092	31,422	182,933
Cash inflow	(10,883)	(9,170)	(39,858)	(86,313)	(29,078)	(175,302)
Debt issues	8,184	9,706	48,408	88,440	14,796	169,534
Due to subsidiaries	15,264	642	3,223	13,037	53,778	85,944
Total financial liabilities excluding loan capital	**635,437**	**78,517**	**179,440**	**112,406**	**71,590**	**1,077,390**
Loan capital	41	487	1,125	9,933	47,382	58,968
Total undiscounted financial liabilities	**635,478**	**79,004**	**180,565**	**122,339**	**118,972**	**1,136,358**
Total contingent liabilities and commitments						
Financial guarantees, letters of credit and other credit substitutes	18,081	-	-	-	-	18,081
Performance-related contingencies	7,167	-	-	-	-	7,167
Remaining commitments to extend credit	177,810	-	-	-	-	177,810
Total undiscounted contingent liabilities and commitments	**203,058**	**-**	**-**	**-**	**-**	**203,058**
2025						
Financial liabilities						
Collateral received	2,371	-	-	-	-	2,371
Deposits and other borrowings	519,315	66,463	108,989	7,295	62	702,124
Other financial liabilities	28,910	1,804	4,703	8	-	35,425
Derivative financial instruments:						
Held for trading	15,915	-	-	-	-	15,915
Held for hedging purposes (net settled)	18	(39)	(46)	143	353	429
Held for hedging purposes (gross settled):						
Cash outflow	15,370	19,254	56,774	103,183	40,431	235,012
Cash inflow	(14,750)	(17,974)	(56,043)	(100,546)	(38,150)	(227,463)
Debt issues	2,425	8,961	50,517	79,968	15,381	157,252
Due to subsidiaries	16,022	572	2,957	10,337	41,308	71,196
Total financial liabilities excluding loan capital	**585,596**	**79,041**	**167,851**	**100,388**	**59,385**	**992,261**
Loan capital	56	439	1,382	7,633	47,295	56,805
Total undiscounted financial liabilities	**585,652**	**79,480**	**169,233**	**108,021**	**106,680**	**1,049,066**
Total contingent liabilities and commitments						
Financial guarantees, letters of credit and other credit substitutes	15,254	-	-	-	-	15,254
Performance-related contingencies	6,484	-	-	-	-	6,484
Remaining commitments to extend credit	173,966	-	-	-	-	173,966
Total undiscounted contingent liabilities and commitments	**195,704**	**-**	**-**	**-**	**-**	**195,704**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

21.2.5. Expected maturity

The financial liability balances in the following tables will not agree to the contractual maturity tables (Note 21.2.4) due to the impact of discounting and the exclusion of interest accruals beyond the reporting period. Assets and liabilities that have no specific maturity (such as equity securities) are generally included in the 'Greater than 12 months' column. Loans and deposits are presented in the following table on a contractual basis, however the behavioural life may differ. Loans may be repaid earlier than their contractual maturity and Westpac would expect a large proportion of deposit balances to be retained.

	2026			2025		
Consolidated $m	Due within 12 months	Greater than 12 months	Total	Due within 12 months	Greater than 12 months	Total
Assets						
Cash and balances with central banks	45,959	-	45,959	50,430	-	50,430
Collateral paid	7,649	-	7,649	4,590	-	4,590
Trading securities and financial assets measured at FVIS	54,968	9,077	64,045	43,742	12,099	55,841
Derivative financial instruments	21,416	2,506	23,922	15,983	2,481	18,464
Investment securities	39,879	76,890	116,769	17,168	100,373	117,541
Loans (net of provisions)	112,790	783,800	896,590	100,242	751,611	851,853
Other financial assets	9,332	100	9,432	10,663	103	10,766
All other assets	1,022	15,791	16,813	1,016	14,855	15,871
Total assets	**293,015**	**888,164**	**1,181,179**	**243,834**	**881,522**	**1,125,356**
Liabilities						
Collateral received	3,676	-	3,676	3,187	-	3,187
Deposits and other borrowings	797,738	10,598	808,336	761,063	9,394	770,457
Other financial liabilities	49,025	9	49,034	41,481	7	41,488
Derivative financial instruments	22,654	3,482	26,136	17,137	3,493	20,630
Debt issues	70,855	107,756	178,611	66,785	104,619	171,404
All other liabilities	2,159	2,659	4,818	2,409	2,718	5,127
Total liabilities excluding loan capital	**946,107**	**124,504**	**1,070,611**	**892,062**	**120,231**	**1,012,293**
Loan capital	4,610	34,668	39,278	3,412	36,558	39,970
Total liabilities	**950,717**	**159,172**	**1,109,889**	**895,474**	**156,789**	**1,052,263**
Net assets/(liabilities)	**(657,702)**	**728,992**	**71,290**	**(651,640)**	**724,733**	**73,093**

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

Parent Entity $m	2026 Due within 12 months	2026 Greater than 12 months	2026 Total	2025 Due within 12 months	2025 Greater than 12 months	2025 Total
Assets						
Cash and balances with central banks	41,873	-	41,873	44,782	-	44,782
Collateral paid	7,415	-	7,415	4,562	-	4,562
Trading securities and financial assets measured at FVIS	53,707	8,742	62,449	42,284	11,342	53,626
Derivative financial instruments	21,205	1,749	22,954	15,979	1,555	17,534
Investment securities	37,881	70,172	108,053	15,699	93,401	109,100
Loans (net of provisions)	92,860	710,050	802,910	79,253	675,859	755,112
Other financial assets	8,797	100	8,897	10,023	103	10,126
Due from subsidiaries	13,575	43,588	57,163	12,286	36,544	48,830
Investment in subsidiaries	-	8,386	8,386	-	8,567	8,567
All other assets	837	13,775	14,612	821	12,661	13,482
Total assets	**278,150**	**856,562**	**1,134,712**	**225,689**	**840,032**	**1,065,721**
Liabilities						
Collateral received	2,827	-	2,827	2,364	-	2,364
Deposits and other borrowings	730,485	7,727	738,212	689,722	6,938	696,660
Other financial liabilities	48,368	9	48,377	38,928	7	38,935
Derivative financial instruments	22,633	3,328	25,961	17,130	3,362	20,492
Debt issues	61,204	88,945	150,149	58,590	84,032	142,622
Due to subsidiaries	16,517	42,863	59,380	17,678	34,888	52,566
All other liabilities	1,900	2,230	4,130	2,105	2,186	4,291
Total liabilities excluding loan capital	**883,934**	**145,102**	**1,029,036**	**826,517**	**131,413**	**957,930**
Loan capital	4,610	33,693	38,303	3,412	35,479	38,891
Total liabilities	**888,544**	**178,795**	**1,067,339**	**829,929**	**166,892**	**996,821**
Net assets/(liabilities)	**(610,394)**	**677,767**	**67,373**	**(604,240)**	**673,140**	**68,900**

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

21.3. Market risk

21.3.1. Quantitative risk measures

Westpac uses quantitative risk measures as part of its framework for monitoring and controlling both traded and non-traded market risk. Traded market risk is measured using Value-at-Risk (VaR), while non-traded market risk is measured using Expected Shortfall (ES).

VaR is a statistical estimate of the potential loss in portfolio value over a specified period and confidence level based on historical market movements. ES estimates the average loss that could occur in market conditions beyond a specified confidence level.

These measures seek to capture the impact of movements in key market variables, including interest rates, foreign exchange rates, market prices, volatility and correlations between these variables. Daily monitoring of current exposures, quantitative risk measures and structural concentration limit utilisation is conducted independently by the Market Risk unit. These limits are supplemented by escalation triggers for material profit or loss outcomes and stress testing to assess risks arising from severe but plausible market events.

The key parameters of quantitative risk measures are:	Traded market risk	Non-traded market risk
Holding period	1 day	1 year
Confidence level	99%	97.5%
Period of historical data used	1 year	8 years

21.3.2. Traded market risk

The following table depicts the aggregate VaR, by risk type:

Consolidated and Parent Entity	2026			2025		
$m	High	Low	Average	High	Low	Average
Interest rate risk	21.8	8.0	12.9	16.7	4.3	8.6
FX risk	6.8	0.9	2.6	4.4	1.1	2.1
Equity risk	-	-	-	-	-	-
Commodity risk	4.2	0.2	0.8	1.2	0.3	0.5
Other market risks[a]	8.2	3.1	4.5	7.4	2.3	4.3
Diversification effect	n/a	n/a	(6.9)	n/a	n/a	(5.8)
Net market risk	**22.7**	**8.4**	**13.9**	**17.9**	**6.6**	**9.7**

a. Includes prepayment risk and credit spread risk (exposure to movements in generic credit rating bands).

For personal use only

Note 21. Risk management, funding and liquidity risk and market risk (Continued)

21.3.3. Non-traded market risk

Non-traded market risk includes Interest Rate Risk in the Banking Book (IRRBB) – the risk to net interest income or the economic value on banking book items as a result of interest rate changes.

Net interest income-at-Risk

Net interest income (NII) sensitivity is monitored using the Net interest income-at-Risk (NaR) model. The NaR model combines the underlying balance sheet data with assumptions about runoffs, new business, and expected repricing behaviour. This simulates a series of potential NII outcomes, over a one year time horizon subject to 100 basis point shift up and down from the current market interest rates in Australia and New Zealand.

The following table depicts potential NII outcomes assuming a worst-case outcome over a 12-month time horizon:

	2026				2025			
$m decrease	As at	Maximum exposure	Minimum exposure	Average exposure	As at	Maximum exposure	Minimum exposure	Average exposure
Consolidated	196.6	371.8	191.8	261.3	202.7	316.0	111.1	238.0
Parent Entity	121.1	271.3	106.3	170.6	89.5	233.7	30.9	155.5

Economic value - IRRBB

On 1 October 2025, the Group adopted the revised APS 117 Capital Adequacy: Interest Rate Risk in the Banking Book (APS 117). Disclosures have been updated to align more closely with the regulatory capital methodology. Reported risk measures are therefore higher, reflecting a calibration of market shocks to a one-year horizon rather than 20 days.

Economic value is determined using a 1-year holding period 97.5% Expected Shortfall (ES) approach to measure the economic impact to the banking book of changes in interest rates. The table below depicts economic value for IRRBB[1]:

	2026			
$m	As at	High	Low	Average
Consolidated	2,944.5	2,944.5	2,040.1	2,709.6

Risk mitigation

IRRBB stems from the ordinary course of banking activities, including structural interest rate risk (the mismatch between the duration of assets and liabilities) and capital management.

Westpac hedges its exposure to such interest rate risk using derivatives. Further details on Westpac's hedge accounting are discussed in Note 20.

The same controls used to monitor traded market risk allow management to monitor and manage IRRBB.

FX risk

FX risk results from the generation of foreign currency denominated earnings and from Westpac's capital deployed in offshore branches and subsidiaries, where it is denominated in currencies other than Australian dollars. As exchange rates move, the Australian dollar equivalent of offshore earnings and capital is subject to change that could introduce significant variability to the Bank's reported financial results and capital ratios.

Note 20 includes details on the net investment hedges related to structural FX risk and economic hedges of New Zealand future earnings.

1. Following revised APS 117 adoption from 1 October 2025, prior period comparatives are not presented as they were prepared using methodologies that are not consistent with the current disclosure.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 22. Fair values of financial assets and financial liabilities

Accounting policy

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

On initial recognition, the transaction price generally represents the fair value of the financial instrument unless there is observable information from an active market to the contrary. Where unobservable information is used, the difference between the transaction price and the fair value (day one profit or loss) is recognised in the income statement over the life of the instrument or when the inputs become observable.

Critical accounting assumptions and estimates

The majority of valuation models used by Westpac employ only observable market data as inputs. However, for certain financial instruments data may be employed which is not readily observable in current markets.

The availability of observable inputs is influenced by factors such as:

- Product type;
- Depth of market activity;
- Maturity of market models; and
- Complexity of the transaction.

Where unobservable market data is used, more judgement is required to determine fair value. The significance of these judgements depends on the significance of the unobservable input to the overall valuation. Unobservable inputs are generally derived from other relevant market data and adjusted against:

- Standard industry practice;
- Economic models; and
- Observed transaction prices.

In order to determine a reliable fair value for a financial instrument, management may apply adjustments to the techniques previously described. These adjustments reflect Westpac's assessment of factors that market participants would consider in setting the fair value.

These adjustments incorporate bid/offer spreads, credit valuation adjustments (CVA) and funding valuation adjustments (FVA).

Fair Valuation Control Framework

Westpac uses a Fair Valuation Control Framework where the fair value is either determined or validated by a function independent of the transaction. This framework formalises the policies and procedures used to achieve compliance with relevant accounting, industry and regulatory standards. The framework includes specific controls relating to:

- The revaluation of financial instruments;
- Independent price verification;
- Fair value adjustments; and
- Financial reporting.

A key element of the framework is the Valuation Committee, comprising senior stakeholders from within Westpac. The Valuation Committee reviews the application of the agreed policies and procedures to assess that a fair value measurement basis has been applied.

The method of determining fair value differs depending on the information available.

Fair value hierarchy

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement.

Westpac categorises all fair value instruments according to the hierarchy described below.

Valuation techniques

Westpac applies market accepted valuation techniques in determining the fair valuation of over the counter (OTC) derivatives. This includes CVA and FVA, which incorporate credit risk and funding costs and benefits that arise primarily in relation to uncollateralised derivative positions, respectively.

The specific valuation techniques, the observability of the inputs used in valuation models and the subsequent classification for each significant product category are outlined as follows:

For personal use only

For personal use only

Note 22. Fair values of financial assets and financial liabilities (Continued)

Level 1 instruments (Level 1)

The fair value of financial instruments traded in active markets is based on recent unadjusted quoted prices. These prices are based on actual arm's length basis transactions.

The valuation of Level 1 instruments require little or no management judgement.

Instrument	Balance sheet category	Includes	Valuation
Exchange traded products	Derivatives	Exchange traded interest rate futures and options and commodity and carbon futures	All these instruments are traded in active markets where prices are readily observable. No modelling or assumptions are used in the valuation.
FX products	Derivatives	FX spot and futures contracts	
Debt instruments	Trading securities and financial assets measured at FVIS Investment securities Other financial liabilities	Australian government and certain semi-government bonds, New Zealand government bonds, US Treasury Securities	

Level 2 instruments (Level 2)

The fair value for financial instruments that are not actively traded is determined using valuation techniques which maximise the use of observable market prices. Valuation techniques include:

- The use of market standard discounting methodologies;
- Option pricing models; and
- Other valuation techniques widely used and accepted by market participants.

Instrument	Balance sheet category	Includes	Valuation
Interest rate products	Derivatives	Interest rate and inflation swaps, swaptions, caps, floors, collars and other non-vanilla interest rate derivatives	Industry standard valuation models are used to calculate the expected future value of payments by product, which is discounted back to a present value. The model's interest rate inputs are benchmark and actively quoted interest rates in the swap, bond and futures markets. Interest rate volatilities are sourced from brokers and consensus data providers. If consensus prices are not available, these are classified as Level 3 instruments.
FX products	Derivatives	FX swaps, FX forward contracts, FX options and other non-vanilla FX derivatives	Derived from market observable inputs or consensus pricing providers using industry standard models. If consensus prices are not available, these are classified as Level 3 instruments.
Other credit products	Derivatives	Single name and index credit default swaps	Valued using an industry standard model that incorporates the credit spread as its principal input. Credit spreads are obtained from consensus data providers. If consensus prices are not available, these are classified as Level 3 instruments.

NOTES TO THE FINANCIAL STATEMENTS

Note 22. Fair values of financial assets and financial liabilities (Continued)

Instrument	Balance sheet category	Includes	Valuation
Commodity products	Derivatives	Commodity and carbon derivatives	Valued using industry standard models. The models calculate the expected future value of deliveries and payments and discount them back to a present value. The model inputs include forward curves, volatilities implied from market observable inputs, discount curves and underlying spot and futures prices. The significant inputs are market observable or available through a consensus data service. If consensus prices are not available, these are classified as Level 3 instruments.
Equity products	Derivatives	Exchange traded equity options, OTC equity options and equity warrants	Due to low liquidity, exchange traded equity options are Level 2. Valued using industry standard models based on observable parameters such as stock prices, dividends, volatilities and interest rates.
Asset backed debt instruments	Trading securities and financial assets measured at FVIS Investment securities	Australian residential mortgage backed securities (RMBS) and other asset backed securities (ABS)	Valued using an industry approach to value floating rate debt with prepayment features. Australian RMBS are valued using prices sourced from a consensus data provider. If consensus prices are not available, these are classified as Level 3 instruments.
Non-asset backed debt instruments	Trading securities and financial assets measured at FVIS Investment securities Other financial liabilities	State and other government bonds, corporate bonds and commercial paper Repurchase agreements and reverse repurchase agreements over non-asset backed debt securities	Valued using observable market prices, which are sourced from independent pricing services, broker quotes or inter-dealer prices. If prices are not available from these sources, these are classified as Level 3 instruments.
Loans at fair value	Loans	Syndicated and other loans held for distribution	Discounted cash flow approach, using a discount rate which reflects the terms of the instrument and the timing of cash flows, adjusted for creditworthiness, or expected sale amount.
Certificates of deposit	Deposits and other borrowings	Certificates of deposit	Discounted cash flow models based on deposit type and maturity.
Debt issues at fair value	Debt issues	Debt issues	Discounted cash flows, using a discount rate which reflects the terms of the instrument and the timing of cash flows adjusted for market observable changes in Westpac's implied credit worthiness.

Level 3 instruments (Level 3)

Financial instruments valued where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data due to illiquidity or complexity of the product. These inputs are generally derived and extrapolated from other relevant market data and calibrated against current market trends and historical transactions.

These valuations are calculated using a high degree of management judgement.

Instrument	Balance sheet category	Includes	Valuation
Debt instruments	Trading securities and financial assets measured at FVIS Investment securities	Certain debt securities with low observability	These securities are evaluated by an independent pricing service or based on third party revaluations. Due to their illiquidity and/or complexity these are classified as Level 3 assets.
Equity instruments	Investment securities	Strategic equity investments	Valued using valuation techniques appropriate to the instrument, including the use of recent arm's length transactions where available, discounted cash flow approach or reference to the net assets of the entity. Due to their illiquidity, complexity and/or use of unobservable inputs into valuation models, they are classified as Level 3 assets.

For personal use only

For personal use only

Note 22. Fair values of financial assets and financial liabilities (Continued)

The following tables summarise the attribution of financial instruments measured at fair value to the fair value hierarchy.

	2026				2025			
$m	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Consolidated								
Financial assets measured at fair value on a recurring basis								
Trading securities and financial assets measured at FVIS	17,656	46,369	20	64,045	17,431	38,408	2	55,841
Derivative financial instruments	13	23,906	3	23,922	16	18,442	6	18,464
Investment securities	58,250	56,986	504	115,740	77,044	39,049	475	116,568
Loans	-	167	-	167	-	51	15	66
Total financial assets measured at fair value on a recurring basis	**75,919**	**127,428**	**527**	**203,874**	**94,491**	**95,950**	**498**	**190,939**
Financial liabilities measured at fair value on a recurring basis								
Deposits and other borrowings[a]	-	42,152	-	42,152	-	47,514	-	47,514
Other financial liabilities[b]	4,514	24,035	-	28,549	3,740	14,143	-	17,883
Derivative financial instruments	12	26,111	13	26,136	7	20,619	4	20,630
Debt issues[c]	-	4,466	-	4,466	-	4,478	-	4,478
Total financial liabilities measured at fair value on a recurring basis	**4,526**	**96,764**	**13**	**101,303**	**3,747**	**86,754**	**4**	**90,505**
Parent Entity								
Financial assets measured at fair value on a recurring basis								
Trading securities and financial assets measured at FVIS	17,635	44,794	20	62,449	17,196	36,428	2	53,626
Derivative financial instruments	13	22,938	3	22,954	16	17,512	6	17,534
Investment securities	54,360	53,475	218	108,053	73,589	35,291	220	109,100
Loans	-	167	-	167	-	51	-	51
Due from subsidiaries	-	933	-	933	-	806	-	806
Total financial assets measured at fair value on a recurring basis	**72,008**	**122,307**	**241**	**194,556**	**90,801**	**90,088**	**228**	**181,117**
Financial liabilities measured at fair value on a recurring basis								
Deposits and other borrowings[a]	-	41,356	-	41,356	-	45,920	-	45,920
Other financial liabilities[b]	4,514	24,035	-	28,549	3,740	13,659	-	17,399
Derivative financial instruments	12	25,936	13	25,961	7	20,481	4	20,492
Debt issues[c]	-	1,748	-	1,748	-	2,064	-	2,064
Due to subsidiaries	-	708	-	708	-	1,190	-	1,190
Total financial liabilities measured at fair value on a recurring basis	**4,526**	**93,783**	**13**	**98,322**	**3,747**	**83,314**	**4**	**87,065**

a. The contractual outstanding amount payable at maturity was $42,629 million (2025: $47,838 million) for the Group and $41,830 million (2025: $46,239 million) for the Parent Entity.

b. The contractual outstanding amount payable at maturity for the Group is $32,736 million (2025: $20,032 million) and $32,736 million for the Parent Entity (2025: $19,548 million).

c. The contractual outstanding payable at maturity was $5,082 million (2025: $4,877 million) for the Group and $2,333 million (2025: $2,446 million) for the Parent Entity. The cumulative change in the fair value of debt issues attributable to changes in Westpac's own credit risk was $8 million decrease (2025: $37 million decrease) for the Group and Parent Entity.

There were no transfers between Level 1 and Level 2 in 2026 (2025: $48,184 million of assets and $274 million of liabilities were transferred from Level 2 to Level 1). Transfers in and out are reported using the end of period values.

NOTES TO THE FINANCIAL STATEMENTS

Note 22. Fair values of financial assets and financial liabilities (Continued)

Reconciliation of non-market observables

The following tables summarise the changes in financial instruments measured at fair value derived from non-market observable valuation techniques (Level 3).

$m	Trading securities and financial assets measured at FVIS	Investment securities	Derivative and other assets	Total Level 3 assets	Derivative liabilities	Total Level 3 liabilities
Consolidated						
Balance as at 30 September 2024	**6**	**447**	**22**	**475**	**5**	**5**
Gains/(losses) on assets/(gains)/losses on liabilities recognised in:						
Income statements	-	-	1	1	7	7
OCI	-	25	-	25	-	-
Acquisitions and issues	8	1	4	13	14	14
Disposals and settlements	(12)	(1)	(4)	(17)	(3)	(3)
Transfer into or out of non-market observables	-	-	(1)	(1)	(19)	(19)
Foreign currency translation impacts	-	3	(1)	2	-	-
Balance as at 30 September 2025	**2**	**475**	**21**	**498**	**4**	**4**
Gains/(losses) on assets/(gains)/losses on liabilities recognised in:						
Income statements	(1)	-	5	4	7	7
OCI	-	20	-	20	-	-
Acquisitions and issues	49	19	21	89	4	4
Disposals and settlements	(24)	(6)	(20)	(50)	(2)	(2)
Transfer into or out of non-market observables	(6)	-	(23)	(29)	-	-
Foreign currency translation impacts	-	(4)	(1)	(5)	-	-
Balance as at 30 September 2026	**20**	**504**	**3**	**527**	**13**	**13**
Unrealised gains/(losses) recognised in the income statements for financial instruments held as at:						
30 September 2025	-	-	1	1	(2)	(2)
30 September 2026	-	-	(2)	(2)	(7)	(7)

For personal use only

For personal use only

Note 22. Fair values of financial assets and financial liabilities (Continued)

$m	Trading securities and financial assets measured at FVIS	Investment securities	Derivative and other assets	Total Level 3 assets	Derivative liabilities	Total Level 3 liabilities
Parent Entity						
Balance as at 30 September 2024	**5**	**206**	**7**	**218**	**5**	**5**
Gains/(losses) on assets/(gains)/losses on liabilities recognised in:						
Income statements	-	-	1	1	7	7
OCI	-	10	-	10	-	-
Acquisitions and issues	8	1	2	11	14	14
Disposals and settlements	(11)	-	(3)	(14)	(3)	(3)
Transfer into or out of non-market observables	-	-	(1)	(1)	(19)	(19)
Foreign currency translation impacts	-	3	-	3	-	-
Balance as at 30 September 2025	**2**	**220**	**6**	**228**	**4**	**4**
Gains/(losses) on assets/(gains)/losses on liabilities recognised in:						
Income statements	(1)	-	5	4	7	7
OCI	-	(9)	-	(9)	-	-
Acquisitions and issues	49	17	20	86	3	3
Disposals and settlements	(24)	(6)	(5)	(35)	(1)	(1)
Transfer into or out of non-market observables	(6)	-	(23)	(29)	-	-
Foreign currency translation impacts	-	(4)	-	(4)	-	-
Balance as at 30 September 2026	**20**	**218**	**3**	**241**	**13**	**13**
Unrealised gains/(losses) recognised in the income statements for financial instruments held as at:						
30 September 2025	-	-	1	1	(2)	(2)
30 September 2026	-	-	(2)	(2)	(7)	(7)

Transfers into and out of Level 3 have occurred due to changes in observability in the significant inputs into the valuation models used to determine the fair value of the related financial instruments. Transfers in and transfers out are reported using the end of period fair values.

Significant unobservable inputs

Sensitivities to reasonably possible changes in non-market observable valuation assumptions would not have a material impact on Westpac's reported results.

Day one profit or loss

The closing balance of unrecognised day one profit for both Westpac and the Parent Entity as at 30 September 2026 was $3 million (2025: $2 million).

Financial instruments not measured at fair value

For financial instruments not measured at fair value on a recurring basis, fair value has been derived as follows:

Instrument	Valuation
Loans	Where available, the fair value of loans is based on observable market transactions, otherwise fair value is estimated using discounted cash flow models. For variable rate loans, the discount rate used is the current effective interest rate. The discount rate applied for fixed rate loans reflects the market rate for the maturity of the loan and the credit worthiness of the borrower.
Investment securities	The carrying value approximates the fair value. The balance principally relates to government securities from illiquid markets. Fair value is monitored by reference to recent issuances.
Deposits and other borrowings	Fair values of deposit liabilities payable on demand (non-interest bearing, interest bearing and savings deposits) approximate their carrying value. Fair values for term deposits are estimated using discounted cash flow models based on deposit type and maturity.
Debt issues and loan capital	Fair values are calculated using a discounted cash flow model. The discount rates applied reflect the terms of the instruments, the timing of the estimated cash flows and are adjusted for any changes in Westpac's credit spreads.
All other financial assets and liabilities	For all other financial assets and liabilities, the carrying value approximates the fair value. These items are either short-term in nature, re-price frequently or are of a high credit rating.

NOTES TO THE FINANCIAL STATEMENTS

Note 22. Fair values of financial assets and financial liabilities (Continued)

The following tables summarise the estimated fair value and fair value hierarchy of financial instruments not measured at fair value.

Consolidated $m	Carrying amount	Estimated fair value			
		Level 1	Level 2	Level 3	Total
2026					
Financial assets not measured at fair value					
Cash and balances with central banks	45,959	45,959	-	-	45,959
Collateral paid	7,649	7,649	-	-	7,649
Investment securities	1,029	7	537	482	1,026
Loans	896,423	-	-	895,682	895,682
Other financial assets	9,432	-	9,432	-	9,432
Total financial assets not measured at fair value	**960,492**	**53,615**	**9,969**	**896,164**	**959,748**
Financial liabilities not measured at fair value					
Collateral received	3,676	3,676	-	-	3,676
Deposits and other borrowings	766,184	-	763,688	3,234	766,922
Other financial liabilities	20,485	-	20,485	-	20,485
Debt issues[a]	174,145	-	172,860	1,756	174,616
Loan capital[a]	39,278	-	40,204	-	40,204
Total financial liabilities not measured at fair value	**1,003,768**	**3,676**	**997,237**	**4,990**	**1,005,903**
2025					
Financial assets not measured at fair value					
Cash and balances with central banks	50,430	50,430	-	-	50,430
Collateral paid	4,590	4,590	-	-	4,590
Investment securities	973	-	482	491	973
Loans	851,787	-	-	852,108	852,108
Other financial assets	10,766	-	10,766	-	10,766
Total financial assets not measured at fair value	**918,546**	**55,020**	**11,248**	**852,599**	**918,867**
Financial liabilities not measured at fair value					
Collateral received	3,187	3,187	-	-	3,187
Deposits and other borrowings	722,943	-	720,311	3,360	723,671
Other financial liabilities	23,605	-	23,605	-	23,605
Debt issues[a]	166,926	-	165,969	1,762	167,731
Loan capital[a]	39,970	-	41,731	-	41,731
Total financial liabilities not measured at fair value	**956,631**	**3,187**	**951,616**	**5,122**	**959,925**

a. The estimated fair values of debt issues and loan capital include the impact of changes in Westpac's credit spreads since origination.

For personal use only

For personal use only

Note 22. Fair values of financial assets and financial liabilities (Continued)

Parent Entity $m	Carrying amount	Estimated fair value Level 1	Level 2	Level 3	Total
2026					
Financial assets not measured at fair value					
Cash and balances with central banks	41,873	41,873	-	-	41,873
Collateral paid	7,415	7,415	-	-	7,415
Loans	802,743	-	-	802,272	802,272
Due from subsidiaries[a]	55,448	-	6,882	48,566	55,448
Other financial assets	8,897	-	8,897	-	8,897
Total financial assets not measured at fair value	**916,376**	**49,288**	**15,779**	**850,838**	**915,905**
Financial liabilities not measured at fair value					
Collateral received	2,827	2,827	-	-	2,827
Deposits and other borrowings	696,856	-	695,927	1,585	697,512
Other financial liabilities	19,828	-	19,828	-	19,828
Debt issues[b]	148,401	-	148,723	-	148,723
Due to subsidiaries	58,672	-	2,549	56,123	58,672
Loan capital[b]	38,303	-	39,217	-	39,217
Total financial liabilities not measured at fair value	**964,887**	**2,827**	**906,244**	**57,708**	**966,779**
2025					
Financial assets not measured at fair value					
Cash and balances with central banks	44,782	44,782	-	-	44,782
Collateral paid	4,562	4,562	-	-	4,562
Loans	755,061	-	-	755,074	755,074
Due from subsidiaries[a]	47,242	-	6,528	40,714	47,242
Other financial assets	10,126	-	10,126	-	10,126
Total financial assets not measured at fair value	**861,773**	**49,344**	**16,654**	**795,788**	**861,786**
Financial liabilities not measured at fair value					
Collateral received	2,364	2,364	-	-	2,364
Deposits and other borrowings	650,740	-	649,873	1,522	651,395
Other financial liabilities	21,536	-	21,536	-	21,536
Debt issues[b]	140,558	-	141,181	-	141,181
Due to subsidiaries	51,376	-	2,541	48,835	51,376
Loan capital[b]	38,891	-	40,623	-	40,623
Total financial liabilities not measured at fair value	**905,465**	**2,364**	**855,754**	**50,357**	**908,475**

a. Due from subsidiaries excluded $782 million (2025: $782 million) of long-term debt instruments with equity-like characteristics which are part of the total investment in subsidiaries.

b. The estimated fair values of debt issues and loan capital include the impact of changes in Westpac's credit spreads since origination.

NOTES TO THE FINANCIAL STATEMENTS

Note 23. Offsetting financial assets and financial liabilities

Accounting policy

Financial assets and liabilities are presented net in the balance sheet when Westpac has a legally enforceable right to offset them in all circumstances and there is an intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The gross assets and liabilities behind the net amounts reported in the balance sheet are disclosed in the following tables.

Some of Westpac's offsetting arrangements are not enforceable in all circumstances. The amounts in the tables below may not tie back to the balance sheet if there are balances which are not subject to offsetting or enforceable netting arrangements. The amounts presented in this note do not represent the credit risk exposure of Westpac or Parent Entity. Refer to Note 11 for information on credit risk management. The offsetting and collateral arrangements and other credit risk mitigation strategies used by Westpac are further explained in the 'Management of risk mitigation' section of Note 11.5.

For personal use only

	Amounts subject to enforceable netting arrangements						
	Effects of offsetting in the balance sheet			Amounts subject to enforceable netting arrangements but not offset			
Consolidated $m	Gross amounts	Amounts offset	Net amounts reported in the balance sheet	Other recognised financial instruments	Cash collateral[a,b]	Financial instrument collateral	Net amount
2026							
Assets							
Collateral paid[c]	6,094	(6,046)	48	-	-	-	48
Derivative financial instruments[d]	105,296	(84,158)	21,138	(13,935)	(3,433)	(826)	2,944
Reverse repurchase agreements[e]	36,592	(4,182)	32,410	-	(244)	(32,166)	-
Loans[f]	30,048	(29,968)	80	-	-	-	80
Total assets	**178,030**	**(124,354)**	**53,676**	**(13,935)**	**(3,677)**	**(32,992)**	**3,072**
Liabilities							
Collateral received	2,096	(2,020)	76	-	-	-	76
Derivative financial instruments[d]	112,083	(88,184)	23,899	(13,935)	(7,153)	(1,582)	1,229
Repurchase agreements[g]	27,989	(4,182)	23,807	-	(79)	(23,728)	-
Deposits and other borrowings[f]	56,710	(29,968)	26,742	-	-	-	26,742
Total liabilities	**198,878**	**(124,354)**	**74,524**	**(13,935)**	**(7,232)**	**(25,310)**	**28,047**
2025							
Assets							
Collateral paid[c]	5,014	(4,994)	20	-	-	-	20
Derivative financial instruments[d]	67,954	(50,966)	16,988	(11,320)	(3,068)	(679)	1,921
Reverse repurchase agreements[e]	30,453	(2,149)	28,304	-	(120)	(28,184)	-
Loans[f]	26,809	(26,784)	25	-	-	-	25
Total assets	**130,230**	**(84,893)**	**45,337**	**(11,320)**	**(3,188)**	**(28,863)**	**1,966**
Liabilities							
Collateral received	2,684	(2,603)	81	-	-	-	81
Derivative financial instruments[d]	72,525	(53,358)	19,167	(11,320)	(4,256)	(2,535)	1,056
Repurchase agreements[g]	16,813	(2,149)	14,664	-	(17)	(14,647)	-
Deposits and other borrowings[f]	52,146	(26,784)	25,362	-	-	-	25,362
Total liabilities	**144,168**	**(84,894)**	**59,274**	**(11,320)**	**(4,273)**	**(17,182)**	**26,499**

a. $3,676 million (2025: $3,187 million) of cash collateral on derivative financial assets and reverse repurchase agreements, is disclosed as collateral received in the balance sheet. The remainder is included in term deposits recognised in deposits and other borrowings within Note 12.

b. $7,232 million (2025: $4,273 million) of cash collateral, subject to enforceable netting arrangements with derivative financial liabilities and repurchase agreements, forms part of collateral paid as disclosed in the balance sheet. The remainder of collateral paid, as disclosed in the balance sheet, consists of $417 million (2025: $317 million) in futures margin that does not form part of this column.

c. Gross amounts consist of variation margin held directly with central clearing counterparties. Where variation margin is receivable it is reported as part of collateral paid. Where variation margin is payable it is reported as part of collateral received. Amounts offset relate to variation margin.

d. $2,784 million (2025: $1,476 million) of derivative financial assets and $2,237 million (2025: $1,463 million) of derivative financial liabilities are not subject to enforceable netting arrangements.

e. Reverse repurchase agreements form part of trading securities and financial assets measured at FVIS in Note 16.

f. Gross amounts consist of debt and interest set-off accounts which meet the requirements for offsetting as described above. These accounts form part of business loans in Note 9 and part of deposits and other borrowings in Note 12.

g. Repurchase agreements form part of other financial liabilities in Note 19.

For personal use only

Note 23. Offsetting financial assets and financial liabilities (Continued)

	Amounts subject to enforceable netting arrangements						
	Effects of offsetting in the balance sheet			Amounts subject to enforceable netting arrangements but not offset			
Parent Entity $m	Gross amounts	Amounts offset	Net amounts reported in the balance sheet	Other recognised financial instruments	Cash collateral[a,b]	Financial instrument collateral	Net amount
2026							
Assets							
Collateral paid[c]	6,094	(6,046)	48	-	-	-	48
Derivative financial instruments[d]	104,329	(84,158)	20,171	(13,778)	(2,584)	(611)	3,198
Reverse repurchase agreements[e]	36,592	(4,182)	32,410	-	(244)	(32,166)	-
Loans[f]	30,048	(29,968)	80	-	-	-	80
Total assets	**177,063**	**(124,354)**	**52,709**	**(13,778)**	**(2,828)**	**(32,777)**	**3,326**
Liabilities							
Collateral received	2,096	(2,020)	76	-	-	-	76
Derivative financial instruments[d]	111,919	(88,184)	23,735	(13,778)	(6,919)	(1,367)	1,671
Repurchase agreements[g]	27,989	(4,182)	23,807	-	(79)	(23,728)	-
Deposits and other borrowings[f]	56,710	(29,968)	26,742	-	-	-	26,742
Total liabilities	**198,714**	**(124,354)**	**74,360**	**(13,778)**	**(6,998)**	**(25,095)**	**28,489**
2025							
Assets							
Collateral paid[c]	5,014	(4,994)	20	-	-	-	20
Derivative financial instruments[d]	67,025	(50,966)	16,059	(11,199)	(2,245)	(452)	2,163
Reverse repurchase agreements[e]	30,453	(2,149)	28,304	-	(120)	(28,184)	-
Loans[f]	26,809	(26,784)	25	-	-	-	25
Total assets	**129,301**	**(84,893)**	**44,408**	**(11,199)**	**(2,365)**	**(28,636)**	**2,208**
Liabilities							
Collateral received	2,684	(2,603)	81	-	-	-	81
Derivative financial instruments[d]	72,391	(53,358)	19,033	(11,199)	(4,228)	(2,307)	1,299
Repurchase agreements[g]	15,332	(2,149)	13,183	-	(17)	(13,166)	-
Deposits and other borrowings[f]	52,146	(26,784)	25,362	-	-	-	25,362
Total liabilities	**142,553**	**(84,894)**	**57,659**	**(11,199)**	**(4,245)**	**(15,473)**	**26,742**

a. $2,827 million (2025: $2,364 million) of cash collateral on derivative financial assets and reverse repurchase agreements, is disclosed as collateral received in the balance sheet. The remainder is included in term deposits recognised in deposits and other borrowings within Note 12.

b. $6,998 million (2025: $4,245 million) of cash collateral, subject to enforceable netting arrangements with derivative financial liabilities and repurchase agreements, forms part of collateral paid as disclosed in the balance sheet. The remainder of collateral paid, as disclosed in the balance sheet, consists of $417 million (2025: $317 million) in futures margin that does not form part of this column.

c. Gross amounts consist of variation margin held directly with central clearing counterparties. Where variation margin is receivable it is reported as part of collateral paid. Where variation margin is payable it is reported as part of collateral received. Amounts offset relate to variation margin.

d. $2,783 million (2025: $1,475 million) of derivative financial assets and $2,226 million (2025: $1,459 million) of derivative financial liabilities are not subject to enforceable netting arrangements.

e. Reverse repurchase agreements form part of trading securities and financial assets measured at FVIS in Note 16.

f. Gross amounts consist of debt and interest set-off accounts which meet the requirements for offsetting as described above. These accounts form part of business loans in Note 9 and part of deposits and other borrowings in Note 12.

g. Repurchase agreements form part of other financial liabilities in Note 19.

Other recognised financial instruments

These financial assets and liabilities are subject to master netting agreements which are not enforceable in all circumstances, so they are recognised gross in the balance sheet. The offsetting rights of the master netting arrangements can only be enforced if a predetermined event occurs in the future, such as a counterparty defaulting.

Cash collateral and financial instrument collateral

These amounts are received or pledged under master netting arrangements against the gross amounts of assets and liabilities. Financial instrument collateral typically comprises securities which can be readily liquidated in the event of counterparty default. The offsetting rights of the master netting arrangement can only be enforced if a predetermined event occurs in the future, such as a counterparty defaulting.

NOTES TO THE FINANCIAL STATEMENTS

INTANGIBLE ASSETS, PROVISIONS, COMMITMENTS AND CONTINGENCIES

Note 24. Intangible assets

Accounting policy

Indefinite life intangible assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost, generally being the excess of:

(i) The consideration paid; over

(ii) The net fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Subsequently, goodwill is not amortised but rather tested for impairment. Impairment is tested at least annually or whenever there is an indication of impairment. An impairment charge is recognised when a cash generating unit's (CGU) carrying value exceeds its recoverable amount. Recoverable amount means the higher of the CGU's fair value less costs to sell and its value-in-use.

Westpac's CGUs represent the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. They reflect the level at which Westpac monitors and manages its operations.

Brand names

Brand names acquired in a business combination, including St.George, BT and BankSA, are initially recognised at cost. As these assets have been assessed as having indefinite useful lives they are not amortised but tested for impairment at least annually or whenever there is an indication of impairment. The useful life of each brand name intangible asset is also reviewed each period to determine whether events and circumstances continue to support the indefinite useful life assessment.

Finite life intangible assets

Finite life intangibles, such as computer software, are recognised initially at cost and subsequently at amortised cost less any impairment.

Intangible	Useful life	Depreciation method
Goodwill	Indefinite	Not applicable
Brand names	Indefinite	Not applicable
Computer software	3 to 10 years	Straight-line or the diminishing balance method (using the Sum of the Years Digits)

For personal use only

Note 24. Intangible assets (Continued)

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Goodwill				
Balance as at beginning of year	**7,413**	**7,433**	**6,253**	**6,253**
Other adjustments	(37)	(20)	-	-
Balance as at end of year	**7,376**	**7,413**	**6,253**	**6,253**
Computer software				
Balance as at beginning of year	**2,414**	**2,675**	**2,029**	**2,242**
Additions	761	776	636	674
Impairment	-	(23)	-	(23)
Amortisation	(1,008)	(995)	(864)	(864)
Other adjustments	(32)	(19)	-	-
Balance as at end of year	**2,135**	**2,414**	**1,801**	**2,029**
Cost	9,306	8,705	7,898	7,303
Accumulated amortisation and impairment	(7,171)	(6,291)	(6,097)	(5,274)
Carrying amount	**2,135**	**2,414**	**1,801**	**2,029**
Brand names	**638**	**638**	**636**	**636**
Total intangible assets	**10,149**	**10,465**	**8,690**	**8,918**
Goodwill has been allocated to the following CGUs:				
Consumer	4,829	4,829	4,484	4,484
Business & Wealth[a]	2,122	2,122	1,769	1,769
New Zealand	425	462	-	-
Total goodwill	**7,376**	**7,413**	**6,253**	**6,253**
Brand names has been allocated to the following CGUs:[b]				
Consumer	636	350	636	350
Business & Wealth	2	288	-	286
Total brand names	**638**	**638**	**636**	**636**

a. The Business & Wealth segment comprises individual CGUs (Business, Platforms, Margin Lending and HealthPoint) to which goodwill has been allocated. The carrying amount of goodwill for Business was $1,812m as at 30 September 2026 and 30 September 2025. The carrying amount of goodwill allocated to the remaining individual CGUs in this segment is not significant compared to total Group goodwill.

b. During 2026, the Group has reallocated brand names from the Business & Wealth division to the Consumer division to reflect the ongoing brand usage by the Group.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 24. Intangible assets (Continued)

Impairment testing and results

Impairment testing is performed at least once a year, or whenever there is an indication of impairment, by comparing the recoverable amount of each CGU with the carrying amount. For assets other than goodwill management also assess whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated. The primary test for recoverable amount is determined based on value-in-use which refers to the present value of expected cash flows under its current use. Fair value less costs to sell is also considered for those CGUs where value-in-use is lower than carrying value. In the current year, this was not required to be considered.

Significant assumptions used in recoverable amount calculations

The assumptions made for the impairment testing of indefinite life of intangibles for each relevant significant CGU are provided in the following table and are based on past experience and management's expectations for the future. In the current year and given the present economic environment, Westpac has reassessed these assumptions and revised them where necessary in order to provide a reasonable estimate of the value-in-use of the CGUs and Group.

	Discount rate Post-tax rate/Pre-tax rate		Cash flows Forecast period/terminal growth rate	
	2026	2025	2026	2025
Australian CGUs[a]	9% / 11.9%-12.1%	9% / 11.8%-12.8%	3 years / 2%	5 years / 2%
New Zealand	9% / 11.5%-11.7%	9% / 11.4%	3 years / 2%	5 years / 2%

a. Australian CGUs comprise Consumer and the CGUs within Business & Wealth.

Westpac discounts the projected cash flows by its adjusted pre-tax equity rate.

The cashflows used are based on approved forecasts. These forecasts utilise information about current and future economic conditions, observable historical information and management expectations of future business performance. The terminal growth rate represents the growth rate applied to extrapolate cash flows beyond the forecast period and reflects the lower end of the RBA's target long-term inflation rate band. For all CGUs tested, the recoverability of goodwill is not reliant on any one particular assumption. There are no reasonably possible changes in assumptions for any significant CGU that would result in an indication of impairment or have a material impact on Westpac's reported results.

For personal use only

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments

Accounting policy

Provisions

Provisions are recognised for present obligations arising from past events where a payment (or other economic transfer) is likely to be necessary to settle the obligation and can be reliably estimated.

Employee benefits – long service leave provision

Long service leave is granted to certain employees in Australia and New Zealand. The provision is calculated based on the expected payments. When payments are expected to be more than one year in the future, the provision is discounted to present value using assumptions for expected employee service, utilisation and average salary increases.

Provisions carried for long service leave are supported by an independent actuarial report.

Employee benefits – annual leave and other employee benefits provision

The provision for annual leave and other employee benefits (including wages and salaries, inclusive of non-monetary benefits, and any associated on-costs (e.g. payroll tax)) is calculated based on expected payments.

Provision for ECL on credit commitments

Westpac is committed to provide facilities and guarantees as explained below. The provision for ECL is calculated using the methodology described in Note 10.

Compliance, Regulation and Remediation provisions

The compliance, regulation and remediation provisions relate to matters of potential misconduct in providing services to customers identified both as a result of regulatory action and internal reviews. An assessment of the likely cost of these matters to Westpac (including applicable customer refunds) is made on a case-by-case basis and specific provisions are made where appropriate.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the balance sheet but are disclosed unless the outflow of economic resources is remote.

Undrawn credit commitments

Westpac enters into various arrangements with customers which are only recognised in the balance sheet when called upon. These arrangements include commitments to extend credit, bill endorsements, financial guarantees, standby letters of credit and underwriting facilities.

Contingent assets

Contingent assets are possible assets whose existence will be confirmed only by uncertain future events. Contingent assets are not recognised in the balance sheet but are disclosed if an inflow of economic benefits is probable.

Critical accounting assumptions and estimates

The financial reporting of provisions for litigation and non-lending losses and for compliance, regulation and remediation matters involves a significant degree of judgement in relation to identifying whether a present obligation exists and also in estimating the probability, timing, nature and quantum of the outflows that may arise from past events. These judgements are made based on the specific facts and circumstances relating to individual events.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments (Continued)

Provisions

$m	Long service leave	Annual leave and other employee benefits	Provision for ECL on credit commitments	Lease restoration obligations	Restructuring and other provisions	Litigation, non-lending losses and remediation provisions	Total
Consolidated							
Balance as at 30 September 2025	**494**	**930**	**469**	**159**	**283**	**277**	**2,612**
Additions	94	1,316	116	17	246	125	1,914
Utilisation	(65)	(1,212)	-	(8)	(257)	(270)	(1,812)
Reversal of unutilised provisions	(45)	(4)	(59)	(1)	(99)	(35)	(243)
Balance as at 30 September 2026	**478**	**1,030**	**526**	**167**	**173**	**97**	**2,471**
Parent Entity							
Balance as at 30 September 2025	**482**	**855**	**430**	**137**	**265**	**207**	**2,376**
Additions	92	1,271	112	16	237	73	1,801
Utilisation	(64)	(1,167)	-	(6)	(238)	(211)	(1,686)
Reversal of unutilised provisions	(45)	(4)	(50)	-	(99)	(21)	(219)
Balance as at 30 September 2026	**465**	**955**	**492**	**147**	**165**	**48**	**2,272**

Legislative liabilities

Westpac had the following assessed liabilities as at 30 September 2026:

- $26 million (2025: $26 million) based on an actuarial assessment as a self-insurer under the *Workers' Compensation Act 1987* and the *Workplace Injury Management and Workers' Compensation Act 1998* (New South Wales);
- $7 million (2025: $7 million) based on actuarial assessment as a self-insurer under the *Accident Compensation Act 1985* (Victoria);
- $7 million (2025: $7 million) based on actuarial assessment as a self-insurer under the *Workers' Rehabilitation and Compensation Act 1986* (South Australia);
- $1 million (2025: $2 million) based on an actuarial assessment as a self-insurer under the *Workers' Compensation and Rehabilitation Act 2003* (Queensland);
- nil (2025: nil) based on an actuarial assessment as a self-insurer under the *Workers' Compensation Act 1951* (Australian Capital Territory);
- nil (2025: nil) based on an actuarial assessment as a self-insurer under the *Return to Work Act 1986* (Northern Territory);
- $1 million (2025: $1 million) based on an actuarial assessment as a self-insurer under the *Workers' Compensation and Injury Management Act 1981* (Western Australia); and
- $1 million (2025: $2 million) based on an actuarial assessment as a self-insurer under the *Workers' Rehabilitation and Compensation Act 1988* (Tasmania).

Appropriate provision has been made for these liabilities in the provision for annual leave and other employee benefits above.

For personal use only

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments (Continued)

Litigation, non-lending losses and remediation provisions

Provisions for the financial year 2026 include estimates of:

- Customer refunds associated with matters of potential historical misconduct;
- Costs of completing remediation programs; and
- Potential non-lending losses and costs connected with certain litigation and regulatory investigations.

It is possible that the final outcome could be below or above the provision, if the actual outcome differs from the assumptions used in estimating the provision. Remediation processes may change over time as further facts emerge and such changes could result in a change to the final exposure.

Certain litigation and regulatory matters

As at 30 September 2026, the Group held provisions in respect of potential non-lending losses and costs connected with certain litigation and regulatory matters, including:

- Potential non-lending losses and costs connected with certain litigation and regulatory matters, including a class action brought by 15 franchisees in May 2024, who were exited by RAMS Financial Group Pty Limited (RFG). The Court heard the class action from 31 August 2026. The parties agreed a settlement on 17 September 2026, which was subsequently approved by the Court and has been provisioned for.

Where matters have not been resolved, there remains uncertainty as to the expense that may be associated with these matters, including the approach that the relevant counterparty or Courts may take in relation to these matters, and the Court's assessment of applicable fines, penalties, loss or damages. It is possible that the actual aggregate expense to Westpac associated with a Court determined resolution of matters may be higher or lower than the provision made for such resolution.

Restructuring provisions

Westpac carries restructuring provisions for committed business restructures and branch closures. The provisions held primarily relate to separation costs and redundancies.

Lease restoration obligations

The lease restoration provision reflects an estimate of the cost of making good leasehold premises at the end of Westpac's property leases.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments (Continued)

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events and present obligations where the transfer of economic resources is not probable or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the outflow of economic resource is remote.

Regulatory investigations, reviews and inquiries

Domestic regulators, statutory authorities and other bodies, such as ASIC, the ACCC, APRA, AUSTRAC, BCCC, AFCA, the OAIC, the ATO and the Fair Work Ombudsman (FWO), as well as certain international regulators and other bodies such as the Reserve Bank of New Zealand, New Zealand Financial Markets Authority, New Zealand Commerce Commission, BPNG and its Financial Analysis & Supervision Unit, Reserve Bank of Fiji, and the SEC, from time to time conduct investigations, reviews or inquiries (some of which may be industry wide). These activities can cover a range of matters (including potential contraventions and non-compliance) that involve, or may in the future involve, the Group.

These currently include:

- An investigation by ASIC in relation to BT Funds Management Limited's monitoring of adviser conduct in utilising its superannuation platform;
- An ASIC industry review which identified delays and/or failures by Westpac to link offset accounts to eligible mortgage accounts;
- Regulatory investigations, reviews or inquiries into other areas such as the AML/CTF Program and associated processes and procedures; use of our products for an improper purpose; products and services governance; derivative reporting obligations; unsuccessful ATM transactions; bond hedging activity; loan fraud; and hardship processes.

It is uncertain what (if any) actions will result following the conclusion of these investigations or matters. No provisions have yet been made in relation to any financial liability that might arise, or costs that may be incurred in the event proceedings are pursued in relation to the matters outlined above. Such investigations, reviews or inquiries, or risk-based decisions taken by Westpac regarding relevant businesses, have previously resulted, and/or may in the future result in litigation (including class action proceedings and criminal proceedings), significant fines and penalties, infringement notices, enforcement action including enforceable undertakings, requirement to undertake a review, referral to the relevant Commonwealth or State Director of Public Prosecutions for consideration for criminal prosecution, imposition of capital or liquidity requirements, licence revocation, suspension or variation, customer remediation or other sanctions or actions being taken by regulators or other parties. Investigations have in some instances resulted, and could in the future result, in findings of a significant number of breaches of obligations. This in turn could lead to significant financial and other penalties, particularly for large financial institutions as specific or industry-wide deterrence. Prior penalties and contraventions by Westpac in relation to similar issues can also affect penalties that may be imposed. Reliance on third parties and any contributing actions of third parties may not mitigate penalties.

Litigation

There are ongoing Court proceedings, claims and possible claims against the Group. Contingent liabilities exist in respect of actual and potential claims and proceedings, including the proceeding listed below.

Class action

- Westpac is defending a class action proceeding which was commenced in December 2019 in the Federal Court of Australia on behalf of certain investors who acquired an interest in Westpac securities between 30 June 2014 and 19 November 2019. The proceeding involves allegations relating to market disclosure issues connected to Westpac's monitoring of financial crime over the relevant period and matters which were the subject of the AUSTRAC civil proceedings. The total damages sought on behalf of members of the class have not been specified. However, in the course of a procedural hearing in August 2022, the applicant indicated that a preliminary estimate of the losses that may be alleged in respect of a subset of potential group members exceeded $1 billion. While it remains unclear how any damages awarded (if the applicant succeeded) would be determined and its size, it is possible that the claim may be higher or lower than the amount referred to above. Given the time period and the nature of the allegations, along with the reduction in our market capitalisation at the time of the commencement of the AUSTRAC civil proceedings, it is likely that any total alleged damages sought by the applicant will be significant. Westpac continues to deny both that its disclosure was inappropriate and, as such, that any group member has incurred damage. The Court has made orders for a hearing to commence on 5 April 2027 with an estimated duration of six weeks.

For personal use only

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments (Continued)

Internal reviews and remediation

As in prior periods, the Group is continuing to undertake a number of reviews to identify and resolve issues that have the potential to impact us, our customers, employees, other stakeholders and our reputation. These internal reviews continue to identify issues, in respect of which, we are taking, or will take, action so that the Group, our customers and employees (as applicable) are not disadvantaged from certain past practices, including by making compensation/ remediation payments and providing refunds where appropriate. These issues include, among other things, AML/CTF Program and associated processes and procedures; use of our products or services for an improper purpose; product disclosure; protection and destruction of personal information; impacts from inadequate product governance and the way some product terms and conditions are operationalised, including package benefits; and management of powers of attorney.

By undertaking these reviews, we can also improve our processes and controls, including those of our contractors, agents, and authorised credit representatives. An assessment of the Group's likely loss has been made on a case-by-case basis for the purpose of the financial statements but cannot always be reliably estimated. Even where the Group has remediated or compensated customers, employees or issues, there can still be the risk of regulators challenging the basis, scope or pace of remediation, taking enforcement action (including seeking enforceable undertakings and contrition payments), or imposing fines/penalties or other sanctions, including civil or criminal prosecutions. Contingent liabilities may exist in respect of actual or potential claims or proceedings (which could be brought by customers, individuals, employees/unions, regulators or criminal prosecutors), compensation/remediation payments and/or refunds identified as part of these reviews.

Contingent levies

The Group is subject to a number of regulatory levies, which may be imposed at the discretion of the relevant regulating body. These include levies that fund the Financial Claims Scheme and the Compensation Scheme of Last Resort.

Exposures to third parties relating to divested businesses

The Group has potential exposures relating to warranties, indemnities and other commitments it has provided to third parties in connection with various divestments of entities, businesses and assets. The warranties, indemnities and other commitments cover a range of matters, conduct and risks. We are in discussions with one or more parties in relation to claims made, and potential claims, under these arrangements. Provisions have been raised for matters where a present obligation exists, and a probable settlement can be reliably estimated.

Contingent tax risk

Tax and regulatory authorities in Australia and in other jurisdictions review, in the normal course of business, the direct and indirect taxation treatment of transactions (both historical and present-day transactions) undertaken by the Group. The Group also responds to various notices and requests for information it receives from tax and regulatory authorities.

These reviews, notices and requests may result in additional tax liabilities (including interest and penalties).

Westpac has assessed these and other taxation matters arising in Australia and elsewhere, including seeking independent advice.

Clearing and settlement obligations

Westpac is subject to the rules governing clearing and settlement activities under which loss sharing arrangements may arise. This includes the requirements of central clearing houses where the Group has made contributions to a default fund. In the event of a default of another clearing member, the Group could be required to make additional default fund contributions.

Parent entity guarantees and undertakings to subsidiaries

Westpac Banking Corporation, as the parent entity of Westpac, provides letters of comfort in respect of certain subsidiaries in the normal course of business. These recognise that Westpac has a responsibility that those subsidiaries continue to meet their obligations.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 25. Provisions, contingent liabilities, contingent assets and credit commitments (Continued)

Contingent assets

The credit commitments shown in the following table also constitute contingent assets. These commitments would be classified as loans in the balance sheet on the contingent event occurring.

Undrawn credit commitments

Westpac enters into various arrangements with customers that constitute contingent assets. If a specified contingent event occurs, these commitments will be called upon and recognised on the balance sheet as loans.

Any associated cash outflows expose Westpac to liquidity risk, while the resulting receivable exposes Westpac to credit risk should the counterparty fail to repay amounts owed as they become due. Westpac's maximum exposure to credit losses is the contractual or notional amount of the arrangement, noting that some credit commitments can be cancelled by Westpac at any time, and a significant portion are expected to expire without being drawn upon. As a result, notional amounts do not necessarily reflect future cash requirements.

Westpac applies the same credit policies when entering into these arrangements as it does for on balance sheet instruments. Refer to Note 11 and Note 21 of the 2026 Annual Report for further details of credit risk and liquidity risk management, respectively.

Undrawn credit commitments, excluding derivatives, are disclosed in the below table:

- Financial guarantees, letters of credit and other credit substitutes support the financial obligations of customers to third parties. Utilisation of these contracts is generally dependent on the creditworthiness of the customer. The Group may hold cash as collateral for certain financial guarantees issued;
- Performance-related contingencies support the non-monetary obligations of customers to third parties, where payment will generally need to be made if a customer fails to fulfil a non-monetary contractual obligation to that third party;
- Remaining commitments to extend credit mainly comprises various forms of credit facilities.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Undrawn credit commitments				
Financial guarantees, letters of credit and other credit substitutes	18,595	15,721	18,081	15,254
Performance-related contingencies	7,281	6,709	7,167	6,484
Remaining commitments to extend credit[a]	201,448	198,739	177,810	173,966
Total undrawn credit commitments	**227,324**	**221,169**	**203,058**	**195,704**

a. Commitments to extend credit include all obligations on the part of the Group to provide credit facilities. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. In addition to the commitments disclosed above, $6.1 billion (2025: $7.4 billion) for the Group and $4.9 billion (2025: $6.3 billion) for the Parent Entity of credit exposures were offered and accepted but still revocable. These represent part of Westpac Group's maximum credit exposure to credit risk.

For personal use only

CAPITAL AND DIVIDENDS

Note 26. Shareholders' equity

Accounting policy

Share capital

Ordinary shares are recognised at the amount paid up per ordinary share, net of directly attributable issue costs. Treasury shares are shares in the Parent Entity, purchased by the Parent Entity or other entities within Westpac. These shares are adjusted against share capital as the net of the consideration paid to purchase the shares and, where applicable, any consideration received from the subsequent sale or reissue of these shares.

Non-controlling interests

Non-controlling interests represent the share in the net assets of subsidiaries attributable to equity interests that are not owned directly or indirectly by the Parent Entity.

Reserves

Debt securities at FVOCI reserve

This reserve comprises the changes in fair value of debt securities measured at FVOCI (except for interest income, impairment charges and FX gains and losses which are recognised in the income statement), net of any related hedge accounting adjustments and tax. These changes are transferred to the income statement when the asset is disposed.

Equity securities at FVOCI reserve

This reserve comprises the changes in fair value of equity securities measured at FVOCI, net of tax. These changes are not transferred to the income statement when the asset is disposed.

Share-based payment reserve

This comprises the fair value of equity-settled share-based payments recognised as an expense.

Cash flow hedge reserve

This comprises the fair value gains and losses associated with the effective portion of designated cash flow hedging instruments, net of tax.

Cost of hedging reserve

The cost of hedging reserve records fair value movements arising from forward points on a forward contract and cross-currency basis on cross-currency swaps which have been excluded from designated hedge relationships. These amounts are amortised to the income statement over the life of the hedge. The cumulative movements will reduce to nil by maturity of the hedging instrument.

Foreign currency translation reserve

Exchange differences arising on translation of Westpac's foreign operations, and any offsetting gains or losses on hedging the net investment are reflected in the foreign currency translation reserve. A cumulative credit balance in this reserve would not normally be regarded as being available for payment of dividends until such gains are realised and recognised in the income statement on sale or disposal of the foreign operation.

Other reserves

Other reserves for the Parent Entity relate to certain historic internal group restructurings performed at fair value. The reserve is eliminated on consolidation.

Other reserves for Westpac consist of transactions relating to changes in the Parent Entity's ownership of a subsidiary that do not result in a loss of control.

The amount recorded in other reserves reflects the difference between the amount by which NCI are adjusted and the fair value of any consideration paid or received.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 26. Shareholders' equity (Continued)

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Share capital				
Ordinary share capital, fully paid	37,261	37,263	37,261	37,263
Treasury shares[a]	(1,023)	(845)	(1,080)	(902)
Total share capital	**36,238**	**36,418**	**36,181**	**36,361**
Non-controlling interest				
Perpetual Preference Shares	299	324	-	-
Other	2	3	-	-
Total non-controlling interests	**301**	**327**	**-**	**-**

a. 2026: 6,619,941 unvested RSP and EIP treasury shares held (2025: 5,789,312).

Perpetual Preference Shares (PPS)

Westpac New Zealand Limited (WNZL), a wholly-owned subsidiary of Westpac, has NZD375 million of PPS with external investors. The PPS is recognised as a non-controlling interests to the Group at the amount paid up per share, net of directly attributable issue costs (NZD6 million). Discretionary distributions on PPS are recognised in equity when paid.

Ordinary shares

Westpac does not have authorised capital and the ordinary shares have no par value. Ordinary shares entitle the holder to participate in dividends and, in the event of Westpac winding up, to a share of the proceeds in proportion to the number of and amounts paid on the shares held.

Each ordinary share entitles the holder to one vote, either in person or by proxy, at a shareholder meeting.

Reconciliation of movement in number of ordinary shares

Consolidated and Parent Entity (number)	2026	2025
Opening balance	**3,420,353,305**	**3,441,411,361**
Share buyback[a]	(50,000)	(21,058,056)
Closing balance	**3,420,303,305**	**3,420,353,305**

a. Westpac previously announced its intention to undertake a $3.5 billion on market buyback of WBC ordinary shares. During 2026 Westpac bought back and cancelled 50,000 ordinary shares ($1.9 million) at an average price of $38.25 (2025: 21,058,056 ordinary shares ($672 million) at an average price of $31.93).

Ordinary shares purchased on market

	2026	
Consolidated and Parent Entity	Number	Average Price ($)
For share-based payment arrangements:		
Employee Share Plan (ESP)	670,100	39.50
Equity Incentive Plan (EIP) - restricted shares[a]	2,239,647	38.86
Westpac Performance Plan (WPP) - share rights exercised	61,442	39.71
EIP - unhurdled share rights exercised	131,553	39.60
Long Term Variable Reward (LTVR) - share rights exercised	138,757	39.06
Westpac on-market share purchase for future share rights exercises and restricted shares allocations[b]	1,698,211	35.04
Total number of ordinary shares purchased on market	**4,939,710**	

a. Ordinary shares allocated to employees under the EIP as restricted shares are classified as treasury shares until the shares vest.
b. Unallocated shares in the Westpac Employee Equity Plans Trust that are classified as treasury shares.

For details of the share-based payment arrangements refer to Note 31.

For personal use only

For personal use only

Note 26. Shareholders' equity (Continued)

Reconciliation of movement in reserves

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Debt securities at FVOCI reserve				
Balance as at beginning of year	**(225)**	**(568)**	**(177)**	**(462)**
Net gains/(losses) from changes in fair value	446	500	408	423
Income tax effect	(134)	(147)	(123)	(124)
Transferred to income statements	(123)	(19)	(123)	(19)
Income tax effect	43	6	43	6
Loss allowance on debt securities measured at FVOCI	-	-	1	(1)
Other	1	3	(2)	-
Balance as at end of year	**8**	**(225)**	**27**	**(177)**
Equity securities at FVOCI reserve				
Balance as at beginning of year	**151**	**127**	**(9)**	**(18)**
Net gains/(losses) from changes in fair value	18	25	(11)	10
Exchange differences on translation	(4)	2	(4)	2
Income tax effect	2	(3)	2	(3)
Balance as at end of year	**167**	**151**	**(22)**	**(9)**
Share-based payment reserve				
Balance as at beginning of year	**2,173**	**2,079**	**2,064**	**1,970**
Share-based payment expense	121	94	121	94
Balance as at end of year	**2,294**	**2,173**	**2,185**	**2,064**
Cash flow hedge reserve				
Balance as at beginning of year	**489**	**548**	**501**	**501**
Net gains/(losses) from changes in fair value	(4,365)	(233)	(4,526)	(154)
Income tax effect	1,313	68	1,358	46
Transferred to income statements	459	152	516	154
Income tax effect	(139)	(46)	(155)	(46)
Balance as at end of year	**(2,243)**	**489**	**(2,306)**	**501**
Cost of hedging reserve				
Balance as at beginning of year	**-**	**-**	**-**	**-**
Net gains/(losses) from changes in fair value	(293)	-	(252)	-
Income tax effect	87	-	76	-
Transferred to income statement	71	-	72	-
Income tax effect	(21)	-	(22)	-
Balance as at end of year	**(156)**	**-**	**(126)**	**-**
Foreign currency translation reserve				
Balance as at beginning of year	**(692)**	**(438)**	**(244)**	**(275)**
Exchange differences on translation of foreign operations	(1,028)	(349)	(333)	(22)
Gains/(losses) on net investment hedges	276	95	198	53
Balance as at end of year	**(1,444)**	**(692)**	**(379)**	**(244)**
Other reserves				
Balance as at beginning of year	**(16)**	**(16)**	**41**	**41**
Transactions with owners	-	-	-	-
Balance as at end of year	**(16)**	**(16)**	**41**	**41**
Total reserves	**(1,390)**	**1,880**	**(580)**	**2,176**

NOTES TO THE FINANCIAL STATEMENTS

Note 27. Capital adequacy

APRA is the prudential regulator of ADIs including Westpac. APRA measures an ADI's regulatory capital using the following measures:

Level of capital	Definition
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.
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.
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.
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.

Under APRA's Prudential Standards, Australian ADIs, including Westpac, are required to maintain minimum Prudential Capital Requirements expressed as a percentage of total risk weighted assets as follows:

- CET1 Capital ratio of at least 4.5%;
- Tier 1 Capital ratio of at least 6.0%; and
- Total Capital ratio of at least 8.0%.

APRA may also require ADIs, including Westpac, to meet Prudential Capital Requirements above the industry minimum. APRA does not allow the Prudential Capital Requirements for individual ADIs to be disclosed. APRA also requires ADIs to hold additional CET1 buffers comprising of:

- A capital conservation buffer of 4.75% that includes a 1% surcharge for ADIs designated by APRA as D-SIBs. APRA has determined that Westpac is a D-SIB; and
- Countercyclical capital buffer of 1.0%. The countercyclical buffer is set on a jurisdictional basis and APRA is responsible for setting the requirement in Australia. The countercyclical buffer requirement is currently set to the default of 1.0% for Australian exposures, however this may be varied by APRA in the range of 0% to 3.5%.

Collectively, the above buffers are referred to as the "Capital Buffer". Should the CET1 Capital Ratio fall within the capital buffer range, restrictions on the distribution of earnings will apply. This includes restrictions on the amount of earnings that can be distributed through dividends, AT1 Capital distributions and discretionary staff bonuses.

The Total CET1 Requirement for Westpac is at least 10.25%, (based on an industry minimum CET1 requirement of 4.5% plus a Capital Buffer of at least 5.75% applicable to D-SIBs), the Tier 1 Capital Ratio requirement is at least 11.75% and the Total Capital Ratio requirement is at least 13.75%[1].

In addition, APRA's capital framework also requires an ADI to maintain a minimum leverage ratio of 3.5%. APRA may also vary the minimum leverage ratio for an individual ADI.

Westpac's capital adequacy was compliant with APRA's requirements throughout 2026.

APRA has announced changes to banks' capital requirements with effect from 1 January 2027. This includes changes to CET1, Tier 1, Total capital and the Leverage ratio. The RBNZ has also announced changes to key capital settings for deposit takers, including revised minimum capital requirements, removal of AT1 capital instruments, introduction of additional loss-absorbing capacity (LAC) requirements for large deposit takers, and changes to standardised risk weights for certain asset classes. Further details are included in the Significant developments section.

1. Noting that APRA may apply higher requirements for an individual ADI.

For personal use only

Note 27. Capital adequacy (Continued)

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;
- 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.

Note 28. Dividends

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Dividends not recognised at year end				
Since year end the Directors have proposed the following dividends:				
Final dividend 77 cents per share (2025: 77 cents) all fully franked at 30%	2,634	2,634	2,634	2,634
Total dividends not recognised at year end	**2,634**	**2,634**	**2,634**	**2,634**

The Board has determined a final fully franked dividend of 77 cents per share, to be paid on 21 December 2026 to shareholders on the register at the record date of 6 November 2026.

Shareholders can choose to receive their dividends as cash or reinvest their dividend in additional shares under the Dividend Reinvestment Plan.

The Board has determined to satisfy the Dividend Reinvestment Plan (DRP) for the 2026 final ordinary dividend by arranging for the purchase of shares in the market by a third party. The market price used to determine the number of shares provided to DRP participants will be set over the 15 trading days commencing 11 November 2026 and will not include a discount.

Details of dividends recognised during the year are provided in the statement of changes in equity.

Australian franking credits available to the Parent Entity for subsequent years are $3,905 million (2025: $3,714 million). This is calculated as the year end franking credit balance, adjusted for the Australian current tax liability and the proposed 2026 final dividend.

New Zealand imputation credits

New Zealand imputation credits of NZ$0.06 (2025: NZ$0.06) per share will be attached to the proposed 2026 final dividend. New Zealand imputation credits available to the Parent Entity for subsequent years are NZ$219 million (2025: NZ$332 million). This is calculated on the same basis as the Australian franking credits but using the New Zealand current tax liability.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

GROUP STRUCTURE

Note 29. Investments in subsidiaries and associates

Accounting policy

Subsidiaries

Westpac's subsidiaries are entities which it controls and consolidates as it is exposed to, or has rights to, variable returns from the entity, and can affect those returns through its power over the entity.

When Westpac ceases to control a subsidiary, any retained interest in the entity is remeasured to fair value, with any resulting gain or loss recognised in the income statement.

Changes in Westpac's ownership interest in a subsidiary which do not result in a loss of control are accounted for as transactions with equity holders in their capacity as equity holders.

In the Parent Entity's financial statements, investments in subsidiaries are initially recorded at cost and are subsequently held at the lower of cost and recoverable amount.

All transactions between Westpac entities are eliminated on consolidation.

Associates

Associates are entities in which Westpac has significant influence, but not control, over the operating and financial policies. Westpac accounts for associates using the equity method. The investments are initially recognised at cost (except where recognised at fair value due to a loss of control of a subsidiary), and increased (or decreased) each year by Westpac's share of the associate's profit (or loss). Dividends received from the associate reduce the investment in the associate.

Overseas companies predominantly carry on business in the country of incorporation. For unincorporated entities, 'Country of incorporation' refers to the country where business is carried on. The financial years of all controlled entities are the same as that of Westpac unless otherwise stated. From time to time, Westpac consolidates a number of unit trusts where Westpac has variable returns from its involvement with the trusts, and has the ability to affect those returns through its power over the trusts. These unit trusts are excluded from the table.

A complete list of controlled entities can be found in the Consolidated Entity Disclosure Statement. The following table includes the material controlled entities of Westpac as at 30 September 2026.

Name	Country of incorporation	Name	Country of incorporation
BT Portfolio Services Limited	Australia	Westpac Equity Holdings Pty Limited	Australia
Capital Finance Australia Limited	Australia	Westpac Financial Services Group Pty Limited	Australia
Crusade Trust No.2P of 2008	Australia	Westpac New Zealand Group Limited	New Zealand
Series 2008-1M WST Trust	Australia	Westpac New Zealand Limited	New Zealand
Series 2022-1P WST Trust	Australia	Westpac NZ Covered Bond Limited[a]	New Zealand
Series 2024-1 WST Trust	Australia	Westpac NZ Securitisation Limited[a]	New Zealand
Series 2024-2 WST Trust	Australia	Westpac Overseas Holdings No. 2 Pty Limited	Australia
Series 2026-1 WST Trust	Australia	Westpac Securities NZ Limited	New Zealand
Westpac Bank - PNG - Limited	Papua New Guinea	Westpac Securitisation Holdings Pty Limited	Australia
Westpac Covered Bond Trust	Australia	Westpac Term PIE Fund	New Zealand

a. The Group indirectly owns 19% of these entities, however, due to contractual and structural arrangements both these entities are considered to be controlled entities within the Group.

The following controlled entities have been granted relief from compliance with the balance date synchronisation provisions in the Corporations Act 2001:

- Westpac Cash PIE Fund;
- Westpac Notice Saver PIE Fund; and
- Westpac Term PIE Fund.

For personal use only

Note 29. Investments in subsidiaries and associates (Continued)

Non-controlling interests

The following material controlled entities are not wholly owned:

Percentage Owned	2026	2025
Westpac Bank - PNG - Limited	99.7%	98.7%
Westpac NZ Covered Bond Limited	19.0%	19.0%
Westpac NZ Securitisation Limited	19.0%	19.0%

Details of the balance of NCIs are set out in Note 26. There are no NCIs that are material to Westpac.

Significant restrictions

There were no significant restrictions on the ability to transfer cash or other assets, pay dividends or other capital distributions, provide or repay loans and advances between the entities within Westpac. There were also no significant restrictions on Westpac's ability to access or use the assets and settle the liabilities of Westpac resulting from protective rights of NCIs.

Associates

There are no associates that are material to Westpac.

Changes in ownership of subsidiaries or other businesses

Businesses acquisitions

During the year ended 30 September:

2026 - no businesses were acquired.

2025

- Westpac Banking Corporation acquired 58,000 shares from a minority shareholder of Westpac Bank - PNG - Limited (WPNG), which would raise its controlling interest to 99.73%. As at 30 September 2025, the registration of the share transfer was pending. The shares transfer was registered in 2026. On behalf of the Parent Entity, the acquisition cost of PGK8 million was paid by WPNG to the minority shareholder, in lieu of the Parent Entity receiving unpaid dividends and as a result was a non-cash transaction for the Parent Entity.

Businesses disposals

During the year ended 30 September:

2026 - no businesses were sold.

2025 - no businesses were sold.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 30. Structured entities

Accounting policy

Structured entities are generally created to achieve a specific, defined objective and their operations are restricted such as only purchasing specific assets. Structured entities are commonly financed by debt or equity securities that are collateralised by and/or indexed to their underlying assets. The debt and equity securities issued by structured entities may include tranches with varying levels of subordination.

Structured entities are classified as subsidiaries and consolidated if they meet the definition in Note 29. If Westpac does not control a structured entity then it will not be consolidated.

Westpac engages in various transactions with both consolidated and unconsolidated structured entities that are mainly involved in securitisations, asset backed and other financing structures and managed funds.

Consolidated structured entities

Securitisation and covered bonds

Westpac uses structured entities to securitise its financial assets, including two covered bond programs, to assign pools of residential mortgages to bankruptcy remote structured entities. Refer to Note 15 for further details.

Westpac managed funds

Westpac acts as the responsible entity and/or fund manager for various investment management funds. As fund manager, if Westpac is deemed to be acting as a principal rather than an agent then it consolidates the fund. The principal versus agent decision requires judgement of whether Westpac has sufficient exposure to variable returns.

Non-contractual financial support

Westpac does not provide non-contractual financial support to these consolidated structured entities.

Unconsolidated structured entities

Westpac has interests in various unconsolidated structured entities including debt or equity instruments, guarantees, liquidity and other credit support arrangements, lending, loan commitments, certain derivatives and investment management agreements.

Interests exclude non-complex derivatives (e.g. interest rate or currency swaps), instruments that create, rather than absorb, variability in the entity (e.g. credit protection under a credit default swap), and lending to a structured entity with recourse to a wider operating entity, not just the structured entity.

Westpac's main interests in unconsolidated structured entities, which arise in the normal course of business, are:

Trading securities	Westpac actively trades interests in structured entities and normally has no other involvement with the structured entity. Westpac earns interest income on these securities and also recognises fair value changes through trading income in non-interest income.
Investment securities	Westpac holds mortgage-backed securities for liquidity purposes and Westpac normally has no other involvement with the structured entity. These assets are highly-rated, investment grade and eligible for repurchase agreements with the RBA or another central bank. Westpac earns interest income and net gains or losses on selling these assets are recognised in the income statements.
Loans and other credit commitments	Westpac lends to unconsolidated structured entities, subject to Westpac's collateral and credit approval processes, in order to earn interest and fee income. The structured entities are mainly property trusts, securitisation entities and those associated with project and property financing transactions.
Investment management agreements	Westpac manages funds that provide customers with investment opportunities. Westpac earns management fee income which is recognised in non-interest income. Westpac may also retain units in these investment management funds. Westpac earns fund distribution income and recognises fair value movements through non-interest income.

For personal use only

For personal use only

Note 30. Structured entities (Continued)

The following tables show Westpac's interests in unconsolidated structured entities and its maximum exposure to loss in relation to those interests. The maximum exposure does not take into account any collateral or hedges that will reduce the risk of loss.

- For on-balance sheet instruments, including debt and equity instruments in and loans to unconsolidated structured entities, the maximum exposure to loss is the carrying value.
- For off-balance sheet instruments, including liquidity facilities, loan and other credit commitments and guarantees, the maximum exposure to loss is the notional amounts.

Consolidated $m	Investment in third party mortgage and other asset-backed securities[a]	Financing to securitisation vehicles	Group managed funds	Interest in other structured entities	Total
2026					
Assets					
Trading securities and financial assets measured at FVIS	853	-	3	7,375	8,231
Investment securities	11,132	-	-	-	11,132
Loans	-	35,734	-	31,567	67,301
Other financial assets	2	-	60	-	62
Total on-balance sheet exposures	**11,987**	**35,734**	**63**	**38,942**	**86,726**
Total notional amounts of off-balance sheet exposures	-	8,181	-	10,779	18,960
Maximum exposure to loss	**11,987**	**43,915**	**63**	**49,721**	**105,686**
Size of structured entities[b]	**119,969**	**43,915**	**15,716**	**49,721**	**229,321**
2025					
Assets					
Trading securities and financial assets measured at FVIS	795	-	1	6,483	7,279
Investment securities	9,162	-	-	-	9,162
Loans	-	28,274	-	27,602	55,876
Other financial assets	1	-	57	-	58
Total on-balance sheet exposures	**9,958**	**28,274**	**58**	**34,085**	**72,375**
Total notional amounts of off-balance sheet exposures	-	10,355	-	9,848	20,203
Maximum exposure to loss	**9,958**	**38,629**	**58**	**43,933**	**92,578**
Size of structured entities[b]	**102,946**	**38,629**	**16,318**	**43,933**	**201,826**

a. The Group's interests in third-party mortgages and other asset-backed securities are primarily senior tranches of notes and investment grade rated.
b. Represents either the total assets or market capitalisation of the entity, or if not available, the Group's total committed exposure (for lending arrangements and external debt and equity holdings), funds under management (for Group managed funds) or the total value of notes on issue (for investments in third-party asset-backed securities).

Non-contractual financial support

Westpac does not provide non-contractual financial support to these unconsolidated structured entities.

NOTES TO THE FINANCIAL STATEMENTS

OTHER

Note 31. Share-based payments

Accounting policy

Westpac enters into various share-based payment arrangements with its employees as a component of overall compensation for services provided. Share-based payment arrangements comprise rights to receive shares at no cost (share rights) and restricted shares (granted at no cost). Share-based payment arrangements typically require a specified period of continuing employment (the service period or vesting period) and may include performance targets (vesting conditions). Specific details of each arrangement are provided below.

Share-based payments must be classified as either cash-settled or equity-settled arrangements. Westpac's significant arrangements are equity-settled, as Westpac is not obliged to settle in cash.

Share rights

Share rights are equity-settled arrangements. The fair value is measured at grant date and is recognised as an expense over the service period, with a corresponding increase in the share-based payment reserve in equity.

The fair values of share rights are estimated at grant date using a Monte Carlo simulation pricing model which incorporates the vesting and market-related performance targets of the grants. For share rights without market-related performance targets, a formulaic approach is used to estimate fair value. The fair value of share rights excludes non-market vesting conditions such as employees' continuing employment by Westpac. The non-market vesting conditions are instead incorporated in estimating the number of share rights that are expected to vest and are therefore recognised as an expense. At each reporting date the non-market vesting assumptions are revised and the expense recognised each year takes into account the most recent estimates. The market-related assumptions are not revised each year as the fair value is not re-estimated after the grant date.

Up to 1 January 2023, share rights were issued under the Westpac Long Term Variable Reward Plan (LTVR) and Westpac Performance Plan (WPP). From 1 January 2023, share rights have been issued under the Equity Incentive Plan (EIP). Refer below for further details.

Restricted shares

Restricted shares are accounted for as an equity-settled arrangement. The fair value of shares granted to employees for nil consideration is recognised as an expense over the vesting period with a corresponding increase in the share-based payments reserve in equity. The fair value of ordinary shares issued to satisfy the obligation to employees is measured at grant date and is recognised as a separate component of equity.

Up to 1 January 2023, restricted shares were granted under the Restricted Share Plan (RSP). From 1 January 2023, restricted shares have been granted under the EIP. Refer below for further details.

Equity Incentive Plan

The EIP was introduced effective 1 January 2023 and is a consolidated plan that replaced the RSP, WPP and LTVR plans. Existing grants under the RSP, WPP and LTVR continue to be governed by their respective plan rules, however, all grants from 1 January 2023 are made under the EIP. Securities granted under the EIP include restricted shares, unhurdled share rights, performance rights and restricted rights. The underlying terms of the EIP are similar to RSP, WPP and LTVR and are accounted for as equity-settled arrangements in line with the share rights and restricted shares specified above.

In respect of the above-mentioned plans, the Board has discretion to adjust unvested allocations, including to zero, in specified circumstances. Clawback may also apply to vested awards, to the extent legally permissible and practicable.

Employee Share Plan (ESP)

The value of shares expected to be granted to employees for nil consideration is recognised as an expense over the financial year and provided for as other employee benefits. The fair value of any ordinary shares purchased on market or issued to satisfy the obligation to employees is recognised in equity.

For personal use only

For personal use only

Note 31. Share-based payments (Continued)

Scheme name	LTVR/ EIP LTVR - Performance Rights and Restricted Rights	WPP/ EIP – Unhurdled Share Rights	RSP/ EIP - Restricted Shares	ESP
Type of share-based payment	Share rights (granted at no cost).	Share rights (granted at no cost).	Westpac ordinary shares (granted at no cost).	Westpac ordinary shares (granted at no cost) of up to $1,000 per employee per year.
How it is used	Aligns executive remuneration and accountability with shareholder interests over the long term.	Primarily used for mandatory deferral of a portion of short-term variable reward for New Zealand employees and key employees based outside Australia.	Primarily used to reward key employees and for mandatory deferral of a portion of short-term variable reward for certain Australian employees and some other offshore jurisdictions.	To reward eligible Australian employees (unless they have already been provided instruments under another scheme for the previous year).
Exercise price	Nil	Nil	n/a	n/a
Performance conditions	Awards from 2022 to 2023: Relative Total Shareholder Return (TSR) over a four-year performance period. Awards from 2024 onwards: 50% of the award is measured against TSR over a four-year performance period (performance rights) and the remaining 50% is measured against risk culture and other internal measures (restricted rights). After the testing period, further deferral periods are applicable for performance rights granted to all participants and for restricted rights granted to the CEO.	None[a]	None	None
Service conditions[b]	Continued employment throughout the vesting period or as determined by the Board.	Continued employment throughout the vesting period or as determined by the Board.	Continued employment throughout the restriction period or as determined by the Board.	Shares must normally remain within the ESP for three years from granting unless the employee leaves Westpac.
Vesting period (period over which expenses are recognised)[c]	Awards from 2022 to 2023: 4 years Awards from 2024 onwards: CEO performance rights: 6 years GE performance rights: 5 years CEO restricted rights: 50% over 4 years and 50% over 5 years GE restricted rights: 4 years	Defined period set out at time of grant[c]	Defined period set out at time of grant	1 year
Treatment at end of term	Automatically exercised at the end of the term.	Automatically exercised at the end of the term.	Shares are released at the end of the restriction period.	Shares are released at the end of the restriction period or when the employee leaves Westpac (whichever occurs first).
Does the employee receive dividends and voting rights during the vesting period?[d]	No	No	Yes	Yes

a. Excluding the UNITE Award that is granted as share rights under the EIP and is subject to internal performance measures.
b. The Board has discretion to adjust the number of restricted shares, unhurdled share rights, performance rights and restricted rights downwards, including to zero, in specified circumstances including serious misconduct, if serious circumstances or new information come to light which mean that in the Board's view all or part of the award was not appropriate, or where required by law or prudential standards. The Board will typically apply the adjustment to unvested LTVR where an adjustment to current and deferred STVR is considered insufficient or unavailable. Clawback may also apply to vested awards, to the extent legally permissible and practicable.
c. Vested share rights granted after July 2015 under the 2020 to 2023 LTVR awards and unhurdled WPP/EIP awards may be exercised up to a maximum of 15 years (generally 10 years for NZ) from their commencement date. Vested share rights under the EIP LTVR plan (performance rights and restricted rights) are exercisable up to 2 years after the vesting date.
d. For LTVR restricted rights, dividend equivalent payments (DEP) are accrued for the vesting period. For LTVR performance rights, DEP are only accrued for the further deferral period after the performance period. These DEP are calculated by multiplying the number of LTVR restricted or performance rights eligible to vest by the declared dividend price on each respective record date during the applicable period. The calculation excludes franking credits. DEP are paid at the end of the deferral period.

NOTES TO THE FINANCIAL STATEMENTS

Note 31. Share-based payments (Continued)

Each share-based payment scheme is quantified below.

i. EIP - Unhurdled Share Rights

	Outstanding as at beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at end of year	Outstanding and exercisable as at end of year
2026						
Share rights						
One-year vesting period	94,749	82,172	82,781	468	93,672	9,313
Two-year vesting period	139,655	79,649	78,640	1,071	139,593	11,932
Three-year vesting period	67,275	24,607	2,862	507	88,513	-
Four-year vesting period	142,263	83,221	-	-	225,484	-
Five-year vesting period	248,965	4,756	-	14,479	239,242	-
Six-year vesting period	14,038	-	-	-	14,038	-
Seven-year vesting period	14,849	-	-	-	14,849	-
Total share rights	**721,794**	**274,405**	**164,283**	**16,525**	**815,391**	**21,245**
Weighted average remaining contractual life	**13.3 years**				**12.9 years**	
2025						
Share rights	350,388	556,399	90,641	94,352	721,794	30,737

The weighted average fair value at grant date of EIP service-based share rights granted during the year was $35.19 (2025: $27.13).

ii. EIP LTVR - Performance Rights and Restricted Rights

	Outstanding as at beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at end of year	Outstanding and exercisable as at end of year
2026						
Share rights	**1,473,473**	**607,640**	**-**	**-**	**2,081,113**	**-**
Weighted average remaining contractual life	**5.2 years**				**4.6 years**	
2025						
Share rights	898,756	574,717	-	-	1,473,473	-

The weighted average fair value at grant date of EIP LTVR Performance Rights and Restricted Rights granted during the year was $29.90 (2025: $22.94).

iii. LTVR - Performance Rights

	Outstanding as at beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at end of year	Outstanding and exercisable as at end of year
2026						
Share rights	**2,065,921**	**-**	**692,500**	**239,501**	**1,133,920**	**79,471**
Weighted average remaining contractual life	**11.5 years**				**10.9 years**	
2025						
Share rights	3,383,798	-	630,069	687,808	2,065,921	53,460

For personal use only

For personal use only

Note 31. Share-based payments (Continued)

iv. WPP

	Outstanding as at beginning of year	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at end of year	Outstanding and exercisable as at end of year
2026						
Share rights						
One-year vesting period	36,217	-	21,610	-	14,607	14,607
Two-year vesting period	44,896	-	25,156	904	18,836	18,836
Three-year vesting period	23,713	-	7,192	-	16,521	6,999
Four-year vesting period	106,200	-	48,616	-	57,584	-
Five-year vesting period	6,927	-	-	-	6,927	-
Six-year vesting period	6,576	-	-	-	6,576	-
Seven-year vesting period	6,977	-	-	-	6,977	-
Total share rights	**231,506**	**-**	**102,574**	**904**	**128,028**	**40,442**
Weighted average remaining contractual life	**10.8 years**				**10.6 years**	
2025						
Share rights	434,770	-	178,055	25,209	231,506	82,005

v. EIP - Restricted Shares

Allocation date	Outstanding as at beginning of year	Granted during the year	Released	Forfeited during the year	Outstanding as at end of year
2026	**3,673,657**	**2,490,192**	**1,374,176**	**194,681**	**4,594,992**
2025	2,550,472	2,083,370	838,759	121,426	3,673,657

The weighted average fair value at grant date of EIP restricted shares granted during the year was $38.10 (2025: $32.46).

vi. RSP

Allocation date	Outstanding as at beginning of year	Granted during the year	Released	Forfeited during the year	Outstanding as at end of year
2026	**1,349,501**	**-**	**798,944**	**62,233**	**488,324**
2025	2,738,389	-	1,382,492	6,396	1,349,501

vii. ESP

	Allocation date	Number of participants	Average number of shares granted per participant	Total number of shares granted	Market price per share[a]	Total fair value
2026	**19 November 2025**	**26,804**	**25**	**670,100**	**$39.12**	**$26,214,312**
2025	20 November 2024	26,916	30	807,480	$32.82	$26,501,494

a. The market price per share for the ESP grant is based on the five day volume-weighted average price up to the grant date.

The 19 November 2025 ESP award was satisfied through the purchase of shares on market.

The liability accrued for the ESP at 30 September 2026 was $28 million (2025: $28 million) and was provided for as other employee benefits.

viii. Fair value assumptions

The fair value of share rights have been independently calculated at their respective grant dates.

The fair value of share rights with performance targets based on relative TSR takes into account the average TSR outcome determined using a Monte Carlo simulation pricing model.

The fair value of share rights without TSR based performance targets (i.e. unhurdled share rights and restricted rights) have been determined with reference to the share price at grant date. A discount rate reflecting the expected dividend yield over their vesting periods also applies to unhurdled share rights and LTVR performance rights.

Other significant assumptions include:

- Risk-free rates of return of 4.1%-4.2% applied to TSR-hurdled grants;
- The dividend yield on Westpac shares applied to TSR-hurdled grants was 4.0% for those issued under the LTVR and for those issued under the EIP;
- Volatility in Westpac's TSR of 20%, applied to TSR-hurdled grants; and
- Volatilities of, and correlation factors between, TSR of the comparator group and Westpac for TSR-hurdled grants.

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Superannuation commitments

Accounting policy

Westpac recognises an asset or a liability for its defined benefit schemes, being the net of the defined benefit obligations and the fair value of the schemes' assets. The defined benefit obligation is calculated as the present value of the estimated future cash flows, discounted using high-quality long dated corporate bond rates.

The superannuation expense is recognised in operating expenses and remeasurements are recognised through OCI.

Westpac had the following defined benefit plans at 30 September 2026:

Name of plan	Type	Form of benefit	Date of last actuarial assessment of the funding status[a]
Westpac Group Plan (WGP)	Defined benefit and accumulation	Indexed pension and lump sum	30 June 2025
Westpac New Zealand Superannuation Scheme (WNZS)	Defined benefit and accumulation	Indexed pension and lump sum	30 June 2023
Westpac Banking Corporation UK Staff Superannuation Scheme (UKSS)	Defined benefit	Indexed pension and lump sum	5 April 2024
Westpac UK Medical Benefits Scheme	Defined benefit	Medical benefits	n/a

a. The WGP funding actuarial valuation is performed annually, while the WNZS and UKSS funding actuarial valuations are performed triennially. The final 30 June 2026 report for both the WGP and the WNZS will be available in December 2026.

The defined benefit sections of the schemes are closed to new members. Westpac has no obligation beyond the annual contributions for the accumulation or defined contribution sections of the schemes.

The WGP is Westpac's principal defined benefit plan and is managed and administered in accordance with the terms of its trust deed and relevant legislation in Australia. Its defined benefit liabilities are based on salary and length of membership for active members and inflation in the case of pensioners.

The defined benefit schemes expose Westpac to the following risks:

- Discount rate – reductions in the discount rate would increase the present value of the future payments;
- Inflation rate – increases in the inflation rate would increase the payments to pensioners;
- Investment risk – lower investment returns would increase the contributions needed to offset the shortfall;
- Mortality risk – members may live longer than expected extending the cash flows payable by Westpac;
- Behavioural risk – higher proportion of members taking some of their benefits as a pension rather than a lump sum would increase the cash flows payable by Westpac; and
- Legislative risk – legislative changes could be made which increase the cost of providing defined benefits.

Investment risk is managed by setting benchmarks for the allocation of plan assets between asset classes. The long-term investment strategy will often adopt relatively high levels of equity investment in order to:

- Secure attractive long-term investment returns; and
- Provide an opportunity for capital appreciation and dividend growth, which gives some protection against inflation.

Funding recommendations for the WGP, WNZS and the UKSS are made based on actuarial valuations. The funding valuations of the defined benefit plans are based on different assumptions to the calculation of the defined benefit surplus/deficit for accounting purposes. Based on the most recent valuations, the defined benefit plan assets are adequate to cover the present value of the accrued benefits of all members with a combined surplus of $293 million (2025: $161 million). Current contribution rates are as follows:

- WGP – contributions are made to the WGP at the rate of 16.9% of members' salaries;
- WNZS – contributions are made to the WNZS at the rate of 17.4% of members' salaries; and
- UKSS – not required to make contributions under the 2024 actuarial assessment.

For personal use only

Note 32. Superannuation commitments (Continued)

Contributions

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Employer contributions	23	29	23	28
Member contributions	6	6	6	6

Expected employer contributions for the year ending 30 September 2027 are $21 million.

Expense recognised

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Current service cost	22	23	22	23
Net interest cost on net benefit liability	(10)	(9)	(11)	(10)
Total defined benefit expense	**12**	**14**	**11**	**13**

Defined benefit balances recognised

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Benefit obligation as at end of year	1,978	2,282	1,943	2,238
Fair value of plan assets as at end of year	2,454	2,525	2,414	2,481
Net surplus/(deficit)	**476**	**243**	**471**	**243**
Defined benefit surplus included in other assets	479	247	474	247
Defined benefit deficit included in other liabilities	(3)	(4)	(3)	(4)
Net surplus/(deficit)	**476**	**243**	**471**	**243**

The average duration of the defined benefit obligation is 11 years (2025: 12 years).

Significant assumptions

	2026		2025	
Consolidated and Parent Entity	Australian funds	Overseas funds	Australian funds	Overseas funds
Discount rate	6.5%	4.7%-6.5%	5.4%	4.2%-5.7%
Salary increases	3.4%	3.0%-4.1%	3.4%	3.0%-4.0%
Inflation rate (pensioners received inflationary increase)	2.4%	2.0%-3.3%	2.4%	2.0%-3.1%
Life expectancy of a 60-year-old male	32.1	27.8-28.4	32.1	27.7-27.9
Life expectancy of a 60-year-old female	34.9	29.8-30.1	34.6	29.5-29.8

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Superannuation commitments (Continued)

Sensitivity to changes in significant assumptions

The following table shows the impact of changes in assumptions on the defined benefit obligation for the WGP. No reasonably possible changes in the assumptions of Westpac's other defined benefit plans would have a material impact on the defined benefit obligation.

	Increase in obligation	
$m	2026	2025
0.5% decrease in discount rate	113	136
0.5% increase in annual salary increases	1	2
0.5% increase in inflation rate (pensioners receive inflationary increase)	112	133
1 year increase in life expectancy	43	48

Asset allocation

The table below provides a breakdown of the schemes' investments by asset class.

	2026		2025	
%	Australian funds	Overseas funds	Australian funds	Overseas funds
Cash	3%	7%	5%	4%
Equity instruments	46%	10%	44%	9%
Debt instruments	27%	30%	26%	5%
Property	8%	1%	8%	1%
Other assets	16%	52%	17%	81%
Total	**100%**	**100%**	**100%**	**100%**

Equity and debt instruments are mainly quoted assets while property and other assets are mainly unquoted. Other assets include infrastructure funds and private equity funds.

For personal use only

For personal use only

Note 33. Auditor's remuneration

The fees payable to the auditor, KPMG, and overseas firms belonging to the KPMG network of firms were:

	Consolidated		Parent Entity	
$'000	2026	2025	2026	2025
Audit and audit-related fees				
Audit fees				
Australia	24,722	23,977	24,350	23,605
Overseas	5,334	5,197	536	708
Total audit fees	**30,056**	**29,174**	**24,886**	**24,313**
Audit-related fees				
Australia	2,465	2,221	2,465	2,221
Overseas	503	464	99	102
Total audit-related fees	**2,968**	**2,685**	**2,564**	**2,323**
Total audit and audit-related fees	**33,024**	**31,859**	**27,450**	**26,636**
Tax fees				
Overseas	7	395	7	300
Total tax fees	**7**	**395**	**7**	**300**
Total audit and non-audit fees	**33,031**	**32,254**	**27,457**	**26,936**

Fees payable to the auditor have been categorised as follows:

Audit	The year end audit, half-year review and comfort letters associated with debt issues and capital raisings.
Audit-related	Consultations regarding accounting standards and reporting requirements, regulatory compliance reviews and assurance related to debt and capital offerings.
Tax	Tax compliance services.

It is Westpac's policy to engage KPMG on assignments additional to its statutory audit duties only if its independence is not impaired or seen to be impaired and where its expertise and experience with Westpac is important. All services were approved by the Board Audit Committee in accordance with Westpac's Pre-Approval of Engagement of the External Auditor for Audit or Non-Audit Services Policy.

KPMG also received fees of $4.1 million (2025: $0.2 million) for various entities which are related to Westpac but not consolidated. These non-consolidated entities include entities sponsored by Westpac, trusts of which a Westpac entity is trustee, manager or responsible entity, superannuation funds and pension funds.

NOTES TO THE FINANCIAL STATEMENTS

Note 34. Related party disclosures

Related parties

Westpac's related parties are those it controls or can exert significant influence over. Examples include subsidiaries, associates, joint ventures and superannuation plans as well as key management personnel and their related parties.

Key management personnel (KMP)

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of Westpac, directly or indirectly, including any director (whether executive or otherwise).

Parent Entity

Westpac Banking Corporation is the ultimate parent company of the Group.

Subsidiaries - Note 29

The Parent Entity has the following related party transactions and balances with subsidiaries:

Type of transaction/balance	Details disclosed in
Balances due to/from subsidiaries	Balance Sheet
Dividend income/Transactions with subsidiaries	Note 4
Interest income and Interest expense	Note 3
Tax consolidated group transactions and undertakings	Note 7
Guarantees and undertakings	Note 25

The balances due to/from subsidiaries include a wide range of banking and other financial facilities.

The terms and conditions of related party transactions between the Parent Entity and subsidiaries are sometimes different to commercial terms and conditions. Related party transactions between the Parent Entity and subsidiaries eliminate on consolidation.

Associates - Note 29

Westpac provides a wide range of banking and other financial facilities and funds management activities to its associates on commercial terms and conditions.

Superannuation plans

Westpac contributed $576 million (2025: $583 million) to defined contribution plans and $23 million (2025: $29 million) to defined benefit plans. Refer to Note 32.

Remuneration of KMP

Total remuneration of the KMP was:

$	Short-term benefits	Post employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Consolidated						
2026	**25,131,277**	**935,801**	**156,375**	**2,329,389**	**22,156,905**	**50,709,747**
2025	22,058,824	731,736	362,316	4,518,632	23,176,814	50,848,322
Parent Entity						
2026	**23,893,205**	**810,974**	**156,375**	**2,329,389**	**20,834,579**	**48,024,522**
2025	20,825,040	603,850	362,316	4,518,632	22,059,466	48,369,304

For personal use only

Note 34. Related party disclosures (Continued)

Other transactions with KMP

KMP receive personal banking and financial investment services from Westpac in the ordinary course of business. The terms and conditions, for example interest rates and collateral, and the risks to Westpac are comparable to transactions with other employees and did not involve more than the normal risk of repayment or present other unfavourable features.

Details of loans provided and the related interest charged to KMP and their related parties are as follows:

$	Interest payable for the year	Closing loan balance	Number of KMP with loans
2026	**481,829**	**23,630,087**	**9**
2025	1,003,143	15,815,278	11

Share rights holdings

The following table sets out certain details of the performance share rights, restricted share rights and unhurdled share rights held at 30 September 2026 by the CEO and other key management personnel (including their related parties):

	Latest Date of Exercise	Number of Share Rights
Managing Director and Chief Executive Officer		
Anthony Miller	Ranges from 15 November 2029 to 1 October 2037	375,914
Group Executives[a]		
Scott Collary	Ranges from 25 October 2027 to 15 November 2031	296,171
Kate Dee	Ranges from 15 November 2031 to 15 November 2032	42,417
Paul Fowler	Ranges from 13 May 2031 to 15 November 2032	60,239
Nathan Goonan	Ranges from 15 November 2030 to 15 November 2032	143,251
Peter Herbert	Ranges from 15 November 2030 to 15 November 2032	55,555
Nell Hutton	Ranges from 15 November 2029 to 15 November 2032	186,625
Carolyn McCann	Ranges from 15 November 2029 to 1 October 2037	235,597
Catherine McGrath	Ranges from 15 November 2028 to 1 October 2037	251,691
Ryan Zanin	Ranges from 15 November 2029 to 1 October 2037	340,366
Former Group Executives		
Michael Rowland	Ranges from 25 October 2027 to 15 November 2030	205,380

a. References to Group Executives are only to those who are KMP.

Westpac has not issued any options during the year and there are no outstanding options as at 30 September 2026.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

Note 35. Notes to the cash flow statements

Accounting policy

Cash and balances with central banks include cash held at branches and in ATMs, balances with overseas banks in their local currency and balances with central banks including accounts with the RBA and accounts with overseas central banks.

Reconciliation of net cash provided by/(used in) operating activities to net profit for the year is set out below.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Profit after income tax expense	**6,829**	**6,933**	**6,553**	**6,496**
Adjustments:				
Depreciation, amortisation and impairment	1,577	1,561	1,342	1,331
Impairment charges/(benefits)	1,088	671	1,010	680
Net decrease/(increase) in current and deferred tax	(60)	(421)	(275)	(558)
(Increase)/decrease in accrued interest receivable	(397)	302	(414)	252
(Decrease)/increase in accrued interest payable	335	(705)	504	(410)
(Decrease)/increase in provisions	(141)	107	(104)	105
Unrealised (gain)/loss in trading income	1,317	(498)	1,048	(498)
Other non-cash items	(1,414)	(1,085)	(1,274)	(997)
Cash flows from operating activities before changes in operating assets and liabilities	**9,134**	**6,865**	**8,390**	**6,401**
Net (increase)/decrease in:				
Collateral paid	(3,396)	1,945	(3,180)	1,905
Trading securities and financial assets measured at FVIS	(11,906)	(6,107)	(12,331)	(6,054)
Derivative financial instruments	(10,612)	5,650	(11,205)	1,013
Loans	(69,360)	(50,182)	(64,598)	(45,997)
Other financial assets	46	(48)	79	(26)
Other assets	(55)	(29)	(4)	2
Net increase/(decrease) in:				
Collateral received	740	(5)	668	(709)
Deposits and other borrowings	45,715	51,853	43,438	50,803
Other financial liabilities	12,355	(457)	13,752	873
Other liabilities	2	4	1	-
Net cash provided by/(used in) operating activities	**(27,337)**	**9,489**	**(24,990)**	**8,211**

Non-cash investing activities

There were no material non-cash investing activities in 2026 and 2025.

Non-cash financing activities

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Increase in lease liabilities	225	223	207	181

There were no material non-cash financing activities in 2026.

On 10 September 2025, Westpac Bank - PNG - Limited (WPNG) paid PGK8 million to a minority shareholder, on behalf of the Parent Entity, to acquire 1.09% in WPNG. This was in lieu of the Parent Entity receiving unpaid dividends from WPNG and as a result was a non-cash transaction for the Parent Entity.

For personal use only

Note 35. Notes to the cash flow statements (Continued)

Cash and balances with central banks

The following table provides the breakdown of cash and cash balances with central banks.

	Consolidated		Parent Entity	
$m	2026	2025	2026	2025
Cash and cash at bank	11,160	10,141	10,640	9,805
Exchange settlement accounts	34,497	40,017	31,017	34,802
Regulatory deposits with central banks	302	272	216	175
Total cash and balances with central banks	**45,959**	**50,430**	**41,873**	**44,782**

Restricted cash

Certain of our foreign operations are required to maintain reserves or minimum balances with central banks in their respective countries of operation, totalling $304 million (2025: $273 million) for Westpac and $218 million (2025: $175 million) for the Parent Entity which are included in cash and balances with central banks.

Note 36. Subsequent events

Since 30 September 2026, the Board has determined to pay a fully franked final dividend of 77 cents per fully paid ordinary share. The dividend is expected to be $2,634 million. The dividend is not recognised as a liability at 30 September 2026. The proposed payment date of the dividend is 21 December 2026.

The Board has determined to satisfy the DRP for the 2026 final dividend by arranging for the purchase of shares in the market by a third party. The market price used to determine the number of shares provided to DRP participants will be set over the 15 trading days commencing 11 November 2026 and will not include a discount.

No other matters have arisen since the year ended 30 September 2026 which are not otherwise dealt with in this report, that have significantly affected or may significantly affect the operations of Westpac, the results of its operations or the state of affairs of Westpac in subsequent periods.

For personal use only

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The following table includes details of the controlled entities of Westpac. The entity's role as a trustee, partner or participant in a joint venture (if applicable), of an entity within the Group is disclosed in 'Type of entity'. Overseas companies predominantly carry on business in the country of incorporation. For unincorporated entities, 'Country of incorporation' refers to the country where business is carried on. Where the tax residency of an entity is foreign (as defined in the Income Tax Assessment Act 1997), the relevant country of tax residency is disclosed.

Name of entity	Type of entity	% of share capital held	Country of incorporation	Tax residency
1925 (Commercial) Pty Limited	Body Corporate	100	Australia	Australia
1925 (Industrial) Pty Limited	Body Corporate	100	Australia	Australia
1925 Advances Pty Limited	Body Corporate	100	Australia	Australia
Altitude Administration Pty Limited	Body Corporate, trustee	100	Australia	Australia
Altitude Rewards Pty Limited	Body Corporate	100	Australia	Australia
Asgard Capital Management Ltd	Body Corporate	100	Australia	Australia
BT (Queensland) Pty. Limited	Body Corporate	100	Australia	Australia
BT Financial Group (NZ) Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
BT Financial Group Pty Limited	Body Corporate	100	Australia	Australia
BT Funds Management (NZ) Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
BT Funds Management Limited	Body Corporate	100	Australia	Australia
BT Funds Management No. 2 Limited	Body Corporate	100	Australia	Australia
BT Portfolio Services Ltd	Body Corporate	100	Australia	Australia
BT Securities Ltd	Body Corporate	100	Australia	Australia
Capital Finance Australia Limited	Body Corporate	100	Australia	Australia
CBA Pty Limited	Body Corporate	100	Australia	Australia
Challenge Pty Limited	Body Corporate	100	Australia	Australia
Crusade Trust No.2P of 2008	Trust	N/A	Australia	Australia
General Credits Pty Limited	Body Corporate	100	Australia	Australia
GIS Private Nominees Pty Limited	Body Corporate	100	Australia	Australia
HealthPoint Claims Pty. Limited	Body Corporate	100	Australia	Australia
Hyde Potts Insurance Services Pte. Limited	Body Corporate	100	Singapore	Foreign - Singapore
Number 120 Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Pendal Short Term Income Fund	Trust	N/A	Australia	Australia
PIMCO Wholesale Plus Short Term Active Yield Fund	Trust	N/A	Australia	Australia
Qvalent Pty Ltd	Body Corporate	100	Australia	Australia
RAMS Financial Group Pty Limited	Body Corporate	100	Australia	Australia
Red Bird Ventures Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Reinventure Fund, I.L.P.	Limited Partnership	N/A	Australia	Australia
Reinventure Fund II I.L.P.	Limited Partnership	N/A	Australia	Australia
Reinventure Fund III I.L.P	Limited Partnership	N/A	Australia	Australia
Reinventure Special Purpose Investment Unit Trust	Trust	N/A	Australia	Australia
RMS Warehouse Trust 2007-1	Trust	N/A	Australia	Australia
Securitor Financial Group Pty Limited	Body Corporate	100	Australia	Australia
Series 2008-1M WST Trust	Trust	N/A	Australia	Australia
Series 2019-1 WST Trust	Trust	N/A	Australia	Australia
Series 2020-1 WST Trust	Trust	N/A	Australia	Australia

For personal use only

For personal use only

Name of entity	Type of entity	% of share capital held	Country of incorporation	Tax residency
Series 2021-1 WST Trust	Trust	N/A	Australia	Australia
Series 2022-1P WST Trust	Trust	N/A	Australia	Australia
Series 2023-1P WST Trust	Trust	N/A	Australia	Australia
Series 2024-1 WST Trust	Trust	N/A	Australia	Australia
Series 2024-2 WST Trust	Trust	N/A	Australia	Australia
Series 2026-1 WST Trust	Trust	N/A	Australia	Australia
Sixty Martin Place (Holdings) Pty Ltd	Body Corporate	100	Australia	Australia
St.George Finance Holdings Pty Limited	Body Corporate	100	Australia	Australia
St. George Finance Pty Limited	Body Corporate	100	Australia	Australia
The Home Mortgage Company Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Value Nominees Pty. Limited	Body Corporate	100	Australia	Australia
Vinva Wholesale Plus Global Alpha Extension Fund	Trust	N/A	Australia	Australia
Westpac (NZ) Investments Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Administration 2 Pty Limited	Body Corporate	100	Australia	Australia
Westpac Administration 3 Pty Limited	Body Corporate	100	Australia	Australia
Westpac Administration 4 Pty. Limited	Body Corporate	100	Australia	Australia
Westpac Administration Pty. Limited	Body Corporate	100	Australia	Australia
Westpac Altitude Rewards Trust	Trust	N/A	Australia	Australia
Westpac Americas Inc.	Body Corporate	100	United States	Foreign - United States
Westpac Bank - PNG - Limited[a]	Body Corporate	99.73	Papua New Guinea	Foreign - Papua New Guinea
Westpac Banking Corporation	Body Corporate, Partner	N/A	Australia	Australia
Westpac Capital Markets Holding Corp.	Body Corporate	100	United States	Foreign - United States
Westpac Capital Markets LLC	Body Corporate	100	United States	Foreign - United States
Westpac Cash PIE Fund[b]	Trust	N/A	New Zealand	Foreign - New Zealand
Westpac Covered Bond Trust	Trust	N/A	Australia	Australia
Westpac Equity Holdings Pty Ltd	Body Corporate	100	Australia	Australia
Westpac Europe GmbH	Body Corporate	100	Germany	Foreign - Germany
Westpac Financial Services Group Pty Limited	Body Corporate	100	Australia	Australia
Westpac Financial Services Group-NZ-Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Financial Services Limited	Body Corporate	100	Australia	Australia
Westpac Holdings - NZ - Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Investment Capital Corporation	Body Corporate	100	United States	Foreign - United States
Westpac New Zealand Group Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac New Zealand Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac New Zealand Staff Superannuation Scheme Trustee Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Notice Saver PIE Fund[b]	Trust	N/A	New Zealand	Foreign - New Zealand
Westpac NZ Covered Bond Holdings Limited[c]	Body Corporate	19	New Zealand	Foreign - New Zealand
Westpac NZ Covered Bond Limited[c]	Body Corporate	19	New Zealand	Foreign - New Zealand
Westpac NZ Operations Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac NZ Securitisation Holdings Limited[c]	Body Corporate	19	New Zealand	Foreign - New Zealand
Westpac NZ Securitisation Limited[c]	Body Corporate	19	New Zealand	Foreign - New Zealand
Westpac Overseas Holdings No. 2 Pty Limited	Body Corporate	100	Australia	Australia
Westpac Overseas Holdings Pty Ltd	Body Corporate	100	Australia	Australia
Westpac Properties Pty Limited	Body Corporate	100	Australia	Australia
Westpac Securities Administration Pty Limited	Body Corporate	100	Australia	Australia

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	% of share capital held	Country of incorporation	Tax residency
Westpac Securities Limited	Body Corporate	100	Australia	Australia
Westpac Securities NZ Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Securitisation Holdings Pty Limited	Body Corporate	100	Australia	Australia
Westpac Securitisation Management NZ Limited	Body Corporate	100	New Zealand	Foreign - New Zealand
Westpac Securitisation Management Pty Limited	Body Corporate	100	Australia	Australia
Westpac Term PIE Fund[b]	Trust	N/A	New Zealand	Foreign - New Zealand

a. Refer to Note 29 for further details.
b. The Group has funding agreements in place with these entities and is deemed to have exposure to the associated risks and rewards. These entities are consolidated where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
c. The Group indirectly owns 19% of these entities, however, due to contractual and structural arrangements these entities are considered to be controlled entities within the Group.

For personal use only

STATUTORY STATEMENTS

Directors' declaration

In the Directors' opinion:

(a) the financial statements and notes set out in 'Financial report' for the year ended 30 September 2026 are in accordance with the Corporations Act 2001, including:

  (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of Westpac Banking Corporation and the Group's financial position as at 30 September 2026 and of their performance for the financial year ended on that date.

(b) The Consolidated Entity Disclosure Statement included in 'Financial report' as at 30 September 2026 has been prepared in accordance with the Corporations Act 2001 and is true and correct.

(c) there are reasonable grounds to believe that Westpac Banking Corporation will be able to pay its debts as and when they become due and payable.

Note 1(a) includes a statement that the financial report also complies with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board.

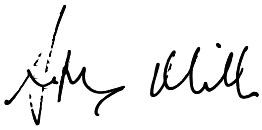
The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

For and on behalf of the Board.



Steven Gregg
Chairman



Anthony Miller
Managing Director and Chief Executive Officer

Sydney
1 November 2026

For personal use only

STATUTORY STATEMENTS

For personal use only

Independent Auditor's Report

To the shareholders of Westpac Banking Corporation

Report on the audit of the respective Financial Reports

Opinion

We have audited the consolidated Financial Report of Westpac Banking Corporation (the Group Financial Report). We have also audited the Financial Report of Westpac Banking Corporation (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report gives a true and fair view, including of the Group's and of the Company's financial position as at 30 September 2026 and of their financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective Financial Reports of the Group and the Company comprise:

- Balance sheets as at 30 September 2026;
- Income statements, Statements of comprehensive income, Statements of changes in equity, and Cash flow statements for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 September 2026;
- Notes, including material accounting policies; and
- Directors' declaration.

The Group consists of Westpac Banking Corporation (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards* and *International Standards on Auditing*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for each opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Reports* section of our report.

We are independent of the Group and Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the respective Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The Key Audit Matters we identified for the Group and Company (together referred to as the Group in the Key Audit Matters set out below) are:

- Provisions for expected credit losses on loans and credit commitments (ECL); and
- Information Technology (IT) systems and controls over financial reporting.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the respective Financial Reports of the current period.

These matters were addressed in the context of our audit of the respective Financial Reports as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

Provisions for expected credit losses on loans and credit commitments (ECL)

As discussed in Note 10 to the Financial Reports, provisions for ECL were $5,189 million for the Group and $4,978 million for the Company at 30 September 2026. The Group uses models that estimate ECL using three main components: probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group applies forward-looking economic scenarios and associated probability weights to their models when determining an ECL estimate.

The key audit matter

We identified the assessment of provisions for ECL as a key audit matter. A high degree of audit effort, including specialised skills and knowledge, was required because of the significant measurement uncertainty involved in the Group's estimation of ECL. Subjective and complex auditor judgement was required to assess the following:

- the Group's modelled estimations of ECL due to the inherently judgemental and complex nature of the models, namely those used to derive the PD, LGD and EAD, and key associated model assumptions. Certain models and model assumptions are the key drivers of complexity and measurement uncertainty, and minor changes to the model assumptions could have a significant effect on the Group's calculations of the provisions for ECL; and
- the Group's economic judgements, including the severity of the forward-looking downside economic scenario and the probability weightings used in the models.

How the matter was addressed in our audit

The following are the primary procedures we performed to address this key audit matter:

- We evaluated the design and tested the operating effectiveness of certain internal controls related to the ECL estimation process. This included certain controls relating to:
  - inputs to the ECL model;
  - model validation and monitoring; and
  - the selection of the downside economic scenario and probability weightings.
- We involved our credit risk professionals with specialised skills and knowledge who assisted in evaluating the Group's models and associated model assumptions as follows:
  - evaluating the Group's methodology used in the models to derive the PD, LGD and EAD and associated model assumptions against criteria in the accounting standards and industry practice;
  - inspecting model code for the calculation of certain model components to assess its consistency with the Group's modelling methodology;
  - reperforming the model output for a selection of models using the Group's documented methodology and comparing our output with the Group's outputs; and
  - reperforming model monitoring for a selection of the current models to evaluate the models' performance.
- For a selection of customers in the business portfolios, we challenged the Group's assessment of customer risk grades (CRG) using relevant information in the loan file including the customer's financial position to inform our overall assessment of the CRG against the Group's policies.
- We involved our economic and credit risk professionals with specialised skills and knowledge, who assisted in challenging the macroeconomic variable forecasts against external economic data, evaluating the severity of the downside economic scenario and evaluating the probability weights.

STATUTORY STATEMENTS

For personal use only

Information Technology (IT) systems and controls over financial reporting

There are no related disclosures in the Financial Reports in respect of this matter.

The key audit matter

The Group's banking business and financial reporting are highly dependent on the effective operation of IT general controls in complex and interdependent IT systems to process and record a high volume of transactions. The controls include those relating to user access management, change management, program development and computer operations, as well as automated controls.

The IT systems and controls over financial reporting are a key audit matter as there is a risk that gaps in the IT general controls relating to change management, user access management, computer operations and program development may undermine the integrity in recording financial information and the preparation of the Group's Financial Reports. Our audit approach could significantly differ depending on the effective operations of the Group's IT general and automated controls and reliability of system generated reports.

We involved IT specialists in assessing this key audit matter.

How the matter was addressed in our audit

Working with our IT specialists, the following are the primary procedures we performed to address this key audit matter:

- We obtained an understanding of the Group's IT environment to the extent it relates to financial reporting.
- We evaluated the risks to the Group's Financial Reports resulting from, among other things, unauthorised access or changes to financial reporting systems and data at the IT application, database, and operating system layers.
- We tested key automated controls and IT general controls underlying the relevant financial processes and system generated reports. We did this by:
  - Testing key controls relevant to the provisioning, maintenance and termination of user access, including the identification and authentication mechanisms important to user access;
  - Testing key controls relevant to change management, including the approval, testing and deployment of changes across the layers of technology relevant to financial reporting;
  - Testing key program development controls for new in-scope applications including testing and approval;
  - Testing key computer operation controls relevant to in-scope interfaces, including those relating to job processing, maintenance and monitoring; and
  - Testing certain automated controls relevant to key business processes and system generated reports, including system calculations and configuration controls.
- Where deficiencies were identified related to IT general controls or automated controls, we tested compensating controls or performed additional procedures.

Other Information

Other Information is financial and non-financial information in Westpac Banking Corporation's annual report which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for Other Information.

Our opinion on the Financial Reports does not cover Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the respective Financial Reports, our responsibility is to read Other Information. In doing so, we consider whether Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information. Based on the work we have performed on Other Information that we obtained prior to the date of this Auditor's Report, we have nothing to report.

For personal use only

Responsibilities of the Directors for the Financial Reports

The Directors are responsible for:

- preparing the Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of each of the Group and Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001;*
- implementing necessary internal controls to enable the preparation of the Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of each of the Group and Company, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether each of the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion on the respective Financial Reports.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* and *International Standards on Auditing* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the respective Financial Reports is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report. These responsibilities also apply to our audit of the respective Financial Reports performed in accordance with *International Standards on Auditing*.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Westpac Banking Corporation for the year ended 30 September 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of Westpac Banking Corporation are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 62 to 90 of the Directors' report for the year ended 30 September 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Brendan Twining
Partner
Sydney
1 November 2026

STATUTORY STATEMENTS

Limitation on Independent Registered Public Accounting Firm’s Liability

The liability of KPMG in relation to the performance of their professional services provided to Westpac including, without limitation, KPMG's audits and reviews of Westpac's financial statements, is limited under the Chartered Accountants Australia and New Zealand Scheme approved by the New South Wales Professional Standards Council or such other applicable scheme approved pursuant to the Professional Standards Act 1994 (NSW) (the "Professional Standards Act"), as amended from time to time (the "Accountants Scheme"). Specifically, the Accountants Scheme limits the liability of an accountant to a maximum amount of AU$75 million for audit. The Accountants Scheme does not limit liability for a breach of trust, fraud or dishonesty.

For personal use only

ADDITIONAL INFORMATION

READING THIS REPORT
SHAREHOLDER INFORMATION
OTHER WESTPAC BUSINESS INFORMATION
GLOSSARY OF ABBREVIATIONS AND DEFINED TERMS
CONTACT US

For personal use only

READING THIS REPORT

Disclosure regarding forward-looking statements

This 2026 Annual 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 2026 Annual Report and include statements regarding our current intent, belief or expectations with respect to our 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', 'assumption', 'projection', 'target', 'goal', 'guidance', 'objective', 'ambition', 'pursue', or other similar words, are used to identify forward-looking statements. These statements reflect our 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 our control (and the control of our 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.

Forward-looking statements may also be made, verbally or in writing, by members of Westpac's management or Board in connection with this 2026 Annual Report. Such statements are subject to the same limitations, uncertainties, assumptions and disclaimers set out in this document.

There can be no assurance that future developments or performance will align with our expectations or that the effect of future developments on us will be those anticipated. Actual results could differ materially from those we expect or which are expressed or implied in forward-looking statements, depending on various factors including, but not limited to:

- geopolitical events, conflicts, trade tensions (including the adoption of protectionist trade measures, tariffs or sanctions) or other changes in countries in which Westpac, its customers or suppliers operate
- the failure to comply with financial crime obligations, including anti-money laundering and counter-terrorism financing laws, anti-bribery and corruption laws, sanctions laws and tax transparency laws
- information security breaches, including cyberattacks
- the effect of, and changes in, laws, regulations, policies, supervisory activities, regulator expectations and industry codes
- actual or alleged failure to comply with laws, regulations or regulatory policy
- the effectiveness of our risk management, including our framework, policies, controls and processes, governance, accountability and risk culture
- the reliability and security of Westpac's technology and risks associated with changes to technology systems
- climate-related risks (including physical and transition risks) that may arise from changing climate patterns, and risks associated with the transition to a lower carbon economy (including Westpac's ambition to become a net-zero, climate resilient bank) or risks from legal and regulatory action, or risks from other sustainability factors such as failure to identify and manage human rights and natural capital risks
- internal and external events which may adversely impact our reputation
- litigation and other legal proceedings and regulator investigations and enforcement actions, including the liability of Westpac to pay significant monetary settlements and legal costs in order to resolve a dispute
- adverse funding market conditions including market volatility, disruptions and decreased liquidity
- inadequate capital levels
- material downturn or shock to the economies of Australia or New Zealand, or a slowdown in economic growth or change in policy settings of Australia's major trading partners
- declines in asset markets or an increase in impairments and provisioning
- failure to maintain our credit ratings
- the effects of market competition and competition regulatory policy impacting the areas in which we operate
- operational risks resulting from inadequate or failed internal processes, people and systems or from external events
- market risk resulting from changes in market factors, such as foreign exchange rates, commodity prices, credit spreads and interest rates
- poor data quality, data availability, data controls, data retention or data destruction
- evaluation and implementation of strategic decisions, priorities and objectives including to simplify, streamline, diversify, innovate, separate, divest, retain, acquire, invest and integrate
- failure to recruit and retain key executives, employees and Directors
- changes to our critical accounting assumptions and estimates; and
- various other factors including those beyond Westpac's control.

For personal use only

Disclosure regarding forward-looking statements (Continued)

The above list is not exhaustive. For certain other factors that may impact on forward-looking statements made by Westpac, refer to Risk Management Framework (page 42), the 2026 Risk Factors, and in relation to climate and other sustainability-related forward-looking statements, the assumptions, uncertainties and other information described in the 2026 Sustainability Report. When relying on forward-looking statements to make decisions with respect to Westpac, investors and others relying on information in this 2026 Annual Report should carefully consider the foregoing factors and other uncertainties and events.

Except as required by law, we assume no obligation to revise or update any forward-looking statements in this 2026 Annual Report, whether from new information, future events, conditions, or otherwise, after the date of this 2026 Annual Report.

For personal use only

READING THIS REPORT

Non-AAS financial measures

Westpac's statutory results are prepared in accordance with AAS and are also compliant with IFRS.

In assessing Westpac's performance and that of our operating segments, we use a number of financial measures, including amounts, measures and ratios that are presented on a non-AAS basis, as described below.

Non-AAS financial measures and ratios do not have standardised meanings under AAS. As such they are unlikely to be directly comparable to similar measures presented by other companies and should not be viewed in isolation from, or as a substitute for, the AAS results.

Our non-AAS measures fall within the following categories:

Measure/ratio	Description	Further information
Income statement measures excluding Notable Items	Certain performance measures have been reported excluding Notable Items. Notable Items are items that management believes are not reflective of Westpac's ongoing business performance. Details of Notable Items are included in Impact of Notable Items (page 232). Performance measures which are adjusted for one or more of these items include: • Net interest income • Non-interest income (including net fee income, net wealth management income, trading income and other income) • Net operating income (including net interest incomes and non-interest income) • Operating expenses (including staff expenses, occupancy expenses, technology expenses and other expenses) • Pre-provision profit • Income tax (expense)/benefit • Net profit • Net profit attributable to owners of WBC • Net profit attributable to owners of WBC (adjusted for restricted share (RS) dividends) • Core net interest income • Core NIM Management considers this information useful as these measures provide a view that reflects Westpac's ongoing business performance.	See pages 233-234
Pre-provision profit	Pre-provision profit is net profit/(loss) excluding credit impairment (charges)/benefits and income tax (expense)/benefit. This is calculated as net interest income plus non-interest income less operating expenses. This includes (charges)/benefits relating to provisions and impairment other than from expected credit losses. Management considers this information useful as this measure provides readers with a view of the operating performance of Westpac.	See page 234
Basic earnings per share excluding Notable Items and Diluted earnings per share excluding Notable Items	Basic earnings per share excluding Notable Items is calculated as net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items divided by the weighted average number of ordinary shares on issue during the period, adjusted for treasury shares. Diluted earnings per share is calculated by adjusting the basic earnings per share excluding Notable Items by assuming all dilutive potential ordinary shares are converted. Management considers this information useful as these measures provide a view of the basic and diluted earnings per share based on the ongoing operating performance of Westpac.	See pages 233-234

For personal use only

Non-AAS financial measures (Continued)

Measure/ratio	Description	Further information
Core net interest income and Core net interest margin (NIM)	Core net interest income is calculated as net interest income excluding Treasury and Markets income. Core NIM is calculated as core net interest income (annualised where applicable) divided by average interest earning assets. Management considers this information useful as these measures provide a view of the underlying performance of Westpac's net interest income and margin, for lending, deposit and wholesale funding.	See page 234
Adjusted dividend payout ratio	Calculated as ordinary dividend paid/declared on issued shares(net of Treasury shares)divided by the net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items. Management considers this information useful as it provides a view of the dividend payout ratio based on the ongoing operating performance of Westpac.	See pages 233-234
Expense to income ratio excluding Notable Items	Calculated as operating expenses excluding Notable Items divided by net operating income excluding Notable Items. Management considers this information useful as this measure provides a view of the efficiency of the ongoing operating performance of Westpac.	See page 233
Average tangible ordinary equity and Return on average tangible ordinary equity (ROTE) and ROTE excluding Notable Items	Average tangible ordinary equity is calculated as average ordinary equity less average intangible assets (excluding capitalised software). Return on average tangible ordinary equity is calculated as net profit attributable to owners of WBC adjusted for RS dividends (annualised where applicable) divided by average tangible ordinary equity. ROTE excluding Notable Items is calculated as net profit attributable to owners of WBC adjusted for RS dividends (annualised where applicable) excluding Notable Items divided by average tangible ordinary equity. Management considers this information useful as these measures are commonly used as a performance measure by WBC, investors, analysts and others in assessing Westpac's application of equity.	See pages 233-234
Return on average ordinary equity (ROE) excluding Notable Items	ROE excluding Notable Items is calculated as net profit attributable to owners of WBC adjusted for RS dividends (annualised where applicable) excluding Notable Items divided by average ordinary equity. Management considers this information useful as this measure provides a view that reflects Westpac's ongoing business performance.	See pages 233-234

For personal use only

READING THIS REPORT

Non-AAS financial measures (Continued)

Impact of Notable Items

To assist in explaining our financial performance, we report Notable Items, which represent certain items that are not considered to be reflective of Westpac's ongoing business performance.

Notable Items fall into the following categories:

- Hedging items which represent a timing difference but do not affect profits over time:
  - Unrealised fair value gains/(losses) on economic hedges that do not qualify for hedge accounting
  - Net ineffectiveness on qualifying hedges
- Large items that are not reflective of Westpac's ordinary operations. In individual reporting periods large items may include:
  - Provisions for remediation, litigation, fines and penalties
  - The impact of asset sales and revaluations
  - The write-down of assets (including goodwill and capitalised software)
  - Restructuring costs

In determining dividends, the impact of Notable Items is typically excluded.

Notable Items reduced net profit after tax in 2026 by $179 million (2025: $56 million).

Details of Notable Items (post tax) impacting on 2026 and 2025 results are presented below:

Category	Net profit impact	Detail
2026		
Hedging items	$75 million reduction	The impact of unrealised fair value loss on hedges of accrual accounted term funding and hedge ineffectiveness was a reduction of $75 million after tax.
Large items	$104 million reduction	Separation and transaction costs associated with the sale of RAMS loan portfolio and costs associated with RAMS litigation matters were $104 million after tax.
Total Notable Items	**$179 million reduction**	
2025		
Hedging items	$56 million reduction	The impact of unrealised fair value loss on hedges of accrual accounted term funding and hedge ineffectiveness was a reduction of $56 million after tax.
Total Notable Items	**$56 million reduction**	

A summary of 2026 and 2025 Notable Items is presented below:

$m	Hedging items	Large items	Total
2026			
Net interest income	(105)	-	(105)
Non-interest income	(1)	-	(1)
Net operating income	**(106)**	**-**	**(106)**
Operating expenses	-	(148)	(148)
Pre-provision profit	**(106)**	**(148)**	**(254)**
Income tax (expense)/benefit and NCI	31	44	75
Net profit/(loss)	**(75)**	**(104)**	**(179)**
2025			
Net interest income	(93)	-	(93)
Non-interest income	13	-	13
Net operating income	**(80)**	**-**	**(80)**
Operating expenses	-	-	-
Pre-provision profit	**(80)**	**-**	**(80)**
Income tax (expense)/benefit and NCI	24	-	24
Net profit/(loss)	**(56)**	**-**	**(56)**

For personal use only

Non-AAS financial measures (Continued)

Calculation of Non-AAS financial measures

Details of the calculation of non-AAS financial measures not disclosed elsewhere are provided below:

Reconciliation of statutory income statement performance measures to performance measures excluding Notable Items

$m	Statutory measure	Hedging items	Large items	Ex Notable Items measure
2026				
Net interest income	19,582	105	-	19,687
Trading income	703	1	-	704
Operating expenses	(11,929)	-	148	(11,781)
Income tax (expense)/benefit and NCI	(2,996)	(31)	(44)	(3,071)
2025				
Net interest income	19,380	93	-	19,473
Trading income	717	(13)	-	704
Income tax (expense)/benefit and NCI	(3,128)	(24)	-	(3,152)

Expense to income ratio (excluding Notable Items)

$m	2026	2025
Operating expenses	11,929	11,916
Less: Notable Items (operating expenses)	(148)	-
Operating expenses excluding Notable Items	**11,781**	**11,916**
Net operating income	22,602	22,384
Add/(less): Notable Items (net interest income)	105	93
Add/(less): Notable Items (non-interest income)	1	(13)
Net operating income excluding Notable Items	**22,708**	**22,464**
Expense to income ratio (excluding Notable Items)	**51.88%**	**53.04%**

Net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items

$m	2026	2025	2024	2023	2022
Net profit attributable to owners of WBC	6,813	6,916	6,990	7,195	5,694
Adjustment for restricted share dividends	(7)	(6)	(7)	(5)	(3)
Net profit attributable to owners of WBC (adjusted for RS dividends)	6,806	6,910	6,983	7,190	5,691
Add/(less): Notable Items (post tax)	179	56	123	173	874
Net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items	**6,985**	**6,966**	**7,106**	**7,363**	**6,565**

Average tangible ordinary equity and Return on average tangible ordinary equity (ROTE)

$m	2026	2025	2024	2023	2022
Net profit attributable to owners of WBC (adjusted for RS dividends)	6,806	6,910	6,983	7,190	5,691
Average ordinary equity	70,902	71,544	71,493	71,229	70,268
Less: Intangible assets (average)	(10,231)	(10,586)	(10,758)	(10,664)	(10,182)
Add: Computer software (average)	2,199	2,518	2,680	2,552	1,992
Average tangible ordinary equity	**62,870**	**63,476**	**63,415**	**63,117**	**62,078**
Return on average tangible ordinary equity (ROTE)	**10.83%**	**10.89%**	**11.01%**	**11.39%**	**9.17%**

For personal use only

READING THIS REPORT

Non-AAS financial measures (Continued)

ROE (excluding Notable Items) and ROTE (excluding Notable Items)

$m	2026	2025	2024	2023	2022
Net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items	6,985	6,966	7,106	7,363	6,565
Average ordinary equity	70,902	71,544	71,493	71,229	70,268
Average tangible ordinary equity	62,870	63,476	63,415	63,117	62,078
Return on average ordinary equity (excluding Notable Items)	**9.85%**	**9.74%**	**9.94%**	**10.34%**	**9.34%**
Return on average tangible ordinary equity (excluding Notable Items)	**11.11%**	**10.97%**	**11.21%**	**11.67%**	**10.58%**

Pre-provision profit

$m	2026	2025
Net interest income	19,582	19,380
Non-interest income	3,020	3,004
Operating expenses	(11,929)	(11,916)
Pre-provision profit	**10,673**	**10,468**

Adjusted dividend payout ratio

$m	2026	2025
Ordinary dividend paid/declared on issued shares (net of Treasury shares)	5,258	5,227
Divided by: Net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items	6,985	6,966
Adjusted dividend payout ratio (excluding Notable Items)[a]	**75.28%**	**75.04%**

a. Dividend used in calculation not subjected to rounding.

Core net interest income (excluding Notable Items) and core NIM (excluding Notable Items)

$m	2026	2025
Net interest income	19,582	19,380
Less: Treasury[a]	(755)	(946)
Less: Markets	(283)	(243)
Core net interest income	**18,544**	**18,191**
Add: Non-hedging Notable Items[a]	-	-
Core net interest income (excluding Notable Items)	**18,544**	**18,191**
Average interest earning assets	1,050,305	1,002,856
Core NIM	**1.76%**	**1.81%**
Core NIM (excluding Notable Items)	**1.76%**	**1.81%**

a. Hedging Notable Items are included in the Treasury net interest income.

Earnings per ordinary share (excluding Notable Items)

	2026		2025	
	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of WBC (adjusted for RS dividends) ($m)	6,806	6,983	6,910	7,358
Add/(less): Notable Items ($m)	179	179	56	56
Adjusted net profit attributable to owners of WBC (adjusted for RS dividends) (excluding Notable Items) ($m)	6,985	7,162	6,966	7,414
Adjusted weighted average number of ordinary shares	3,415	3,510	3,422	3,690
Earnings per ordinary share (excluding Notable Items) (cents)	**204.5**	**204.0**	**203.6**	**200.9**

For personal use only

For personal use only

Currency of presentation, exchange rates and certain definitions

In this Annual Report, 'financial statements' means our audited consolidated balance sheets as at 30 September 2026 and 30 September 2025 and income statements, statements of comprehensive income, changes in equity and cash flows for each of the years ended 30 September 2026 and 2025 together with accompanying notes which are included in this Annual Report.

Our financial year ends on 30 September. As used throughout this Annual Report, the financial year ended 30 September 2026 is referred to as 2026 and other financial years are referred to in a corresponding manner.

All dollar values in this report are in Australian dollars unless otherwise noted 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 and references to 'GBP' are to British Pound Sterling. Refer to Exchange rates (page 235) for information regarding the rates of exchange between the Australian dollar and the US dollar applied by Westpac as part of its operating activities for 2026 and 2025.

Any discrepancies between totals and sums of components in tables contained in this Annual Report are due to rounding. Percentage (%) movements are shown as % unless otherwise stated to all the tables in this document and represent the percentage change between 2026 and 2025.

Information on terms, acronyms and calculations used in this report are provided in the Glossary of Abbreviations and Defined Terms (pages 247-250).

Exchange rates

Exchange rates against A$

Twelve months to/as at 30 Sept	2026		2025	
Currency	Average	Spot	Average	Spot
US$	0.6919	0.6976	0.6442	0.6599
GBP	0.5159	0.5263	0.4932	0.4907
NZ$	1.1881	1.2335	1.0981	1.1377

Exchange rate risk on future NZ$ earnings

Westpac's policy in relation to the hedging of the future earnings of the Group's New Zealand division is to manage the economic risk for volatility of the NZ$ against A$. Westpac manages these flows over a time horizon under which up to 100% of the expected earnings for the following 12 months and 50% of the expected earnings for the subsequent 12 months can be hedged.

NZ Future Earnings hedges are only implemented when AUD/NZD is trading at the low end of the range or is expected to move higher over the next 6 months.

As at 30 September 2026, Westpac has one hedge in place covering one month of forecasts up to October 2026, for NZ$80 million, with an average all-in rate of 1.1952.

Selected consolidated financial and operating data

KPMG has audited the Financial Report (pages 95-226) as of and for the years ended 30 September 2026 and 2025, and the Remuneration Report (pages 62-90) contained in the Directors' Report of this document and has issued an unmodified audit report. All other sections of this document have not been subject to audit by KPMG. The financial information contained in this document includes information extracted from the audited Financial Report, except for certain data that are derived from filings with our regulators or data that are specifically attributed to other sources. This information is not audited and should be read together with our audited information contained in the Financial Report section of this document.

Presentation changes

Comparative information has been revised where appropriate to conform to changes in presentation in the current year and to enhance comparability.

References to websites

Information contained in or accessible through the websites mentioned in this Annual Report does not form part of this Annual Report unless we specifically state that it is incorporated by reference and forms part of this Annual Report.

SHAREHOLDER INFORMATION

Westpac ordinary shares

Top 20 ordinary shareholders as at 30 September 2026

	Number of Fully Paid Ordinary Shares	% Held
HSBC Custody Nominees (Australia) Limited	856,351,997	25.04
J P Morgan Nominees Australia Pty Limited	578,888,226	16.93
Citicorp Nominees Pty Limited	330,393,571	9.66
BNP Paribas NOMS Pty Ltd	74,612,818	2.18
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	66,107,227	1.93
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	25,550,418	0.75
Pacific Custodians Pty Limited <WBC Plans Ctrl A/C>	18,940,806	0.55
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	18,714,766	0.55
Netwealth Investments Limited <Wrap Services A/C>	18,681,786	0.55
Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	11,571,499	0.34
Australian Foundation Investment Company Limited	11,307,000	0.33
BNP Paribas NOMS (NZ) Ltd	7,076,994	0.21
IOOF Investment Services Limited <IPS Superfund A/C>	6,651,179	0.20
IOOF Investment Services Limited <IOOF IDPS A/C>	5,416,550	0.16
Argo Investments Limited	5,335,976	0.16
BNP Paribas Nominees Pty Ltd <Clearstream>	4,920,542	0.14
Mutual Trust Pty Ltd	4,688,806	0.14
HSBC Custody Nominees (Australia) Limited - A/C 2	3,401,056	0.09
UBS Nominees Pty Ltd	3,268,760	0.09
Citicorp Nominees Pty Limited <143212 NMMT Ltd A/C>	3,262,326	0.09
Total of Top 20 registered shareholders[a]	**2,055,142,303**	**60.09**

a. As recorded on the holder register by holder reference number.

As at 30 September 2026, there were 532,063 holders of our ordinary shares compared to 571,807 in 2025. Ordinary shareholders with a registered address in Australia held approximately 99% of our fully paid share capital at 30 September 2026 (approximately 99% in 2025).

Substantial shareholders as at 30 September 2026

As at 30 September 2026, BlackRock Group (comprised of BlackRock Inc. and its subsidiaries), State Street Corporation (comprised of State Street Corporation and its subsidiaries), and The Vanguard Group (comprised of The Vanguard Group, Inc. and its controlled entities) had a 'substantial holding' of our shares within the meaning of the Corporations Act. A person has a substantial holding of our shares if the total votes attached to our voting shares in which they or their associates have relevant interests is 5% or more of the total number of votes attached to all our voting shares. The above table of the Top 20 ordinary shareholders includes shareholders that may hold shares for the benefit of third parties.

BlackRock Group has been a substantial shareholder since 4 April 2017 (221,964,794 equity securities as at 24 March 2020). State Street Corporation has been a substantial shareholder since 20 July 2022 (265,555,767 equity securities as at 12 May 2026). The Vanguard Group has been a substantial shareholder since 12 May 2022 (239,523,444 equity securities as at 17 September 2026).

Analysis by range of holdings of ordinary shares as at 30 September 2026

Number of Shares	Number of Holders of Fully Paid Ordinary Shares	%	Number of Fully Paid Ordinary Shares	%	Number of Holders of Share Options and Rights	%
1 – 1,000	301,283	56.62	103,695,459	3.03	24,552	97.48
1,001 – 5,000	173,056	32.53	402,549,938	11.77	425	1.69
5,001 – 10,000	34,300	6.45	240,865,393	7.04	65	0.26
10,001 – 100,000	22,883	4.30	481,176,454	14.07	128	0.51
100,001 and over	541	0.10	2,192,016,061	64.09	16	0.06
Totals	**532,063**	**100.00**	**3,420,303,305**	**100.00**	**25,186**	**100.00**

For personal use only

Westpac ordinary shares (Continued)

There were 12,563 shareholders holding less than a marketable parcel ($500) based on a market price of $35.07 per share at the close of trading on 30 September 2026.

Voting rights of ordinary shares

Holders of our fully paid ordinary shares have, at general meetings (including special general meetings), one vote on a show of hands and, upon a poll, one vote for each fully paid ordinary share held by them.

Westpac Capital Notes 7

Top 20 holders of Westpac Capital Notes 7 as at 30 September 2026

	Number of Westpac Capital Notes 7	% Held
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	1,266,881	7.35
HSBC Custody Nominees (Australia) Limited	894,245	5.19
Citicorp Nominees Pty Limited	786,060	4.56
Citicorp Nominees Pty Limited <143212 NMMT Ltd A/C>	610,999	3.55
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	564,894	3.28
Netwealth Investments Limited <Wrap Services A/C>	262,203	1.52
Mutual Trust Pty Ltd	173,347	1.01
Netwealth Investments Limited <Super Services A/C>	151,664	0.88
HSBC Custody Nominees (Australia) Limited-GSI EDA	145,000	0.84
IOOF Investment Services Limited <IPS Superfund A/C>	122,574	0.71
HSBC Custody Nominees (Australia) Limited - A/C 2	117,859	0.69
IOOF Investment Services Limited <IOOF IDPS A/C>	114,947	0.67
Bond Street Custodians Limited <BENQLD - D79772 A/C>	100,000	0.58
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	88,309	0.51
Pamdale Investments Pty Ltd	86,744	0.50
BNP Paribas NOMS Pty Ltd	82,260	0.48
Eastcote Pty Ltd <The Van-Lieshout Family A/C>	72,419	0.42
A R E Investments Pty Limited	62,310	0.36
Bond Street Custodians Limited <CVI - Y04140 A/C>	55,000	0.32
Ferris Investments (SA) Pty Ltd <Ferris Investments A/C>	54,109	0.31
Total of Top 20 registered shareholders[a]	**5,811,824**	**33.73**

a. As recorded on the holder register by holder reference number.

Analysis by range of holdings of Westpac Capital Notes 7 as at 30 September 2026

Number of Shares	Number of Holders of Westpac Capital Notes 7	%	Number of Westpac Capital Notes 7	%
1 – 1,000	14,061	87.28	4,941,665	28.68
1,001 – 5,000	1,821	11.30	3,916,151	22.73
5,001 – 10,000	140	0.87	1,050,176	6.10
10,001 – 100,000	76	0.47	2,110,698	12.25
100,001 and over	12	0.08	5,210,673	30.24
Totals	**16,110**	**100.00**	**17,229,363**	**100.00**

There were 6 security holders holding less than a marketable parcel ($500) of Westpac Capital Notes 7 based on a market price of $100.630 at the close of trading on 30 September 2026.

For personal use only

SHAREHOLDER INFORMATION

Westpac Capital Notes 8

Top 20 holders of Westpac Capital Notes 8 as at 30 September 2026

	Number of Westpac Capital Notes 8	% Held
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	3,911,794	22.35
HSBC Custody Nominees (Australia) Limited	1,437,656	8.21
Citicorp Nominees Pty Limited	730,014	4.17
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	554,693	3.17
Netwealth Investments Limited <Wrap Services A/C>	288,624	1.65
Mutual Trust Pty Ltd	261,909	1.50
HSBC Custody Nominees (Australia) Limited - A/C 2	197,394	1.13
IOOF Investment Services Limited <IPS Superfund A/C>	164,207	0.94
Netwealth Investments Limited <Super Services A/C>	121,706	0.69
IOOF Investment Services Limited <IOOF IDPS A/C>	99,306	0.57
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	73,019	0.42
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	63,335	0.36
MEGT (Australia) Ltd	61,516	0.35
J P Morgan Nominees Australia Pty Limited	58,219	0.33
Pamdale Investments Pty Ltd	57,220	0.33
Invia Custodian Pty Limited <Wehi - Investment Pool A/C>	43,735	0.25
Adirel Holdings Pty Ltd	33,000	0.19
Retford Pty Ltd	30,926	0.18
HSBC Custody Nominees (Australia) Limited-GSI EDA	30,000	0.17
Bond Street Custodians Limited <RVK - D93096 A/C>	29,684	0.17
Total of Top 20 registered shareholders[a]	**8,247,957**	**47.13**

a. As recorded on the holder register by holder reference number.

Analysis by range of holdings of Westpac Capital Notes 8 as at 30 September 2026

Number of Shares	Number of Holders of Westpac Capital Notes 8	%	Number of Westpac Capital Notes 8	%
1 – 1,000	12,925	87.83	4,532,323	25.90
1,001 – 5,000	1,608	10.93	3,172,194	18.13
5,001 – 10,000	122	0.83	875,125	5.00
10,001 – 100,000	51	0.35	1,252,361	7.15
100,001 and over	9	0.06	7,667,997	43.82
Totals	**14,715**	**100.00**	**17,500,000**	**100.00**

There were 4 security holders holding less than a marketable parcel ($500) of Westpac Capital Notes 8 based on a market price of $104.000 at the close of trading on 30 September 2026.

For personal use only

Westpac Capital Notes 9

Top 20 holders of Westpac Capital Notes 9 as at 30 September 2026

	Number of Westpac Capital Notes 9	% Held
BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	3,832,626	25.40
HSBC Custody Nominees (Australia) Limited	1,155,382	7.66
Citicorp Nominees Pty Limited	562,110	3.72
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	496,079	3.29
Netwealth Investments Limited <Wrap Services A/C>	291,185	1.93
Bond Street Custodians Limited <BENQLD - D79696 A/C>	275,000	1.82
HSBC Custody Nominees (Australia) Limited - A/C 2	232,818	1.54
Mutual Trust Pty Ltd	161,642	1.07
Netwealth Investments Limited <Super Services A/C>	142,600	0.94
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	84,200	0.56
Royal Freemasons' Benevolent Institution	82,000	0.54
IOOF Investment Services Limited <IPS Superfund A/C>	59,393	0.39
IOOF Investment Services Limited <IOOF IDPS A/C>	43,145	0.29
Bond Street Custodians Limited <BENQLD - D80279 A/C>	38,468	0.25
Sir Moses Montefiore Jewish Home <Income A/C>	30,000	0.20
HSBC Custody Nominees (Australia) Limited-GSI EDA	30,000	0.20
Morris Commercial P/L	30,000	0.20
Nancris Pty Ltd	30,000	0.20
Passini Pty Ltd	30,000	0.20
Eastcote Pty Ltd <The Van-Lieshout Family A/C>	27,000	0.18
Total of Top 20 registered shareholders[a]	**7,633,648**	**50.58**

a. As recorded on the holder register by holder reference number.

Analysis by range of holdings of Westpac Capital Notes 9 as at 30 September 2026

Number of Securities	Number of Holders of Westpac Capital Notes 9	%	Number of Westpac Capital Notes 9	%
1 – 1,000	8,832	86.13	3,468,840	22.99
1,001 – 5,000	1,264	12.33	2,628,086	17.41
5,001 – 10,000	97	0.94	700,968	4.64
10,001 – 100,000	52	0.51	1,143,544	7.58
100,001 and over	9	0.09	7,149,442	47.38
Totals	**10,254**	**100.00**	**15,090,880**	**100.00**

There were 4 security holders holding less than a marketable parcel ($500) of Westpac Capital Notes 9 based on a market price of $103.211 at the close of trading on 30 September 2026.

For personal use only

SHAREHOLDER INFORMATION

Westpac Capital Notes 10

Top 20 holders of Westpac Capital Notes 10 as at 30 September 2026

	Number of Westpac Capital Notes 10	% Held
HSBC Custody Nominees (Australia) Limited	1,754,911	10.03
Citicorp Nominees Pty Limited	957,904	5.47
HSBC Custody Nominees (Australia) Limited - A/C 2	551,723	3.15
BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	495,936	2.83
Netwealth Investments Limited <Wrap Services A/C>	411,766	2.35
Mutual Trust Pty Ltd	226,857	1.30
Bond Street Custodians Limited <BENQLD - D79696 A/C>	200,000	1.14
Netwealth Investments Limited <Super Services A/C>	161,202	0.92
IOOF Investment Services Limited <IPS Superfund A/C>	156,383	0.89
Tandom Pty Ltd	125,499	0.72
Pamdale Investments Pty Ltd	117,309	0.67
Elmore Super Pty Ltd <The Peabody Super Fund A/C>	105,900	0.60
BNP Paribas Nominees Pty Ltd <Pitcher Partners>	101,489	0.58
J P Morgan Nominees Australia Pty Limited	96,381	0.55
IOOF Investment Services Limited <IOOF IDPS A/C>	92,684	0.53
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	60,455	0.35
J C Family Investments Pty Limited <J Herrington Super Fund A/C>	54,007	0.31
John E Gill Trading Pty Ltd	50,000	0.29
Willimbury Pty Ltd	50,000	0.29
Yongquan Pty Ltd <Yongquan Family A/C>	48,234	0.28
Total of Top 20 registered shareholders[a]	**5,818,640**	**33.25**

a. As recorded on the holder register by holder reference number.

Analysis by range of holdings of Westpac Capital Notes 10 as at 30 September 2026

Number of Securities	Number of Holders of Westpac Capital Notes 10	%	Number of Westpac Capital Notes 10	%
1 – 1,000	10,911	82.27	4,489,935	25.66
1,001 – 5,000	2,070	15.61	4,390,252	25.09
5,001 – 10,000	183	1.38	1,342,712	7.67
10,001 – 100,000	85	0.64	1,910,222	10.91
100,001 and over	13	0.10	5,366,879	30.67
Totals	**13,262**	**100.00**	**17,500,000**	**100.00**

There were 3 security holders holding less than a marketable parcel ($500) of Westpac Capital Notes 10 based on a market price of $106.670 at the close of trading on 30 September 2026.

Voting rights of Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac Capital Notes 10

In accordance with the terms of issue, holders of Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac Capital Notes 10 have no right to vote at any general meeting of Westpac before conversion into Westpac ordinary shares.

If conversion occurs (in accordance with the applicable terms of the relevant AT1 instrument), holders of Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 or Westpac Capital Notes 10 (as applicable) will become holders of Westpac ordinary shares and have the voting rights that attach to Westpac ordinary shares.

Unquoted securities

Westpac also has the following unquoted securities on issue: USD 1.25 billion AT1 securities (comprised of 3 individual notes) which are all held by Cede & Co. as nominee for the Depository Trust Company. See Note 14 (page 148) to the financial statements for further information.

For personal use only

For personal use only

Financial calendar

Westpac shares are listed on the securities exchanges in Australia (ASX) and New Zealand (NZX). Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac Capital Notes 10 are listed on the ASX.

Important dates to note are set out below, subject to change. Payment of any distribution, dividend or interest payment is subject to the relevant payment conditions and the key dates for each payment will be confirmed to the ASX for securities listed on the ASX.

Westpac Ordinary Shares (ASX code: WBC, NZX code: WBC)

Ex-dividend date for final dividend	5 November 2026
Record date for final dividend	6 November 2026
Annual General Meeting	16 December 2026
Final dividend payable	21 December 2026
Financial Half Year end	31 March 2027
Interim Results and dividend announcement	3 May 2027
Ex-dividend date for interim dividend	6 May 2027
Record date for interim dividend	7 May 2027
Interim dividend payable	1 July 2027
Financial Year end	30 September 2027
Final Results and dividend announcement	8 November 2027
Ex-dividend date for final dividend	11 November 2027
Record date for final dividend	12 November 2027
Annual General Meeting	15 December 2027[a]
Final dividend payable	22 December 2027

a. Details regarding the location of the meeting and the business to be dealt with will be contained in a Notice of Meeting sent to shareholders in November before the meeting.

Westpac Capital Notes 7 (ASX code: WBCPJ)

Ex-date for quarterly distribution	11 December 2026
Record date for quarterly distribution	14 December 2026
Payment date for quarterly distribution	22 December 2026
Ex-date for quarterly distribution	11 March 2027
Record date for quarterly distribution	12 March 2027[a]
Payment date for quarterly distribution	22 March 2027
Ex-date for quarterly distribution	10 June 2027
Record date for quarterly distribution	11 June 2027[a]
Payment date for quarterly distribution	22 June 2027
Ex-date for quarterly distribution	13 September 2027
Record date for quarterly distribution	14 September 2027
Payment date for quarterly distribution	22 September 2027
Ex-date for quarterly distribution	13 December 2027
Record date for quarterly distribution	14 December 2027
Payment date for quarterly distribution	22 December 2027

a. Adjusted to immediately preceding business day as record date falls on a non-ASX business day or a date on which banks are not open for general business in Sydney.

SHAREHOLDER INFORMATION

Financial calendar (Continued)

Westpac Capital Notes 8 (ASX code: WBCPK)

Ex-date for quarterly distribution	10 December 2026
Record date for quarterly distribution	11 December 2026[a]
Payment date for quarterly distribution	21 December 2026
Ex-date for quarterly distribution	11 March 2027
Record date for quarterly distribution	12 March 2027[a]
Payment date for quarterly distribution	22 March 2027[b]
Ex-date for quarterly distribution	10 June 2027
Record date for quarterly distribution	11 June 2027[a]
Payment date for quarterly distribution	21 June 2027
Ex-date for quarterly distribution	10 September 2027
Record date for quarterly distribution	13 September 2027
Payment date for quarterly distribution	21 September 2027
Ex-date for quarterly distribution	10 December 2027
Record date for quarterly distribution	13 December 2027
Payment for quarterly distribution	21 December 2027

a. Adjusted to immediately preceding business day as record date falls on a non-ASX business day or a date on which banks are not open for general business in Sydney.
b. Adjusted to next business day as payment date falls on a non-ASX business day or a date on which banks are not open for general business in Sydney.

Westpac Capital Notes 9 (ASX code: WBCPL)

Ex-date for quarterly distribution	11 December 2026
Record date for quarterly distribution	14 December 2026
Payment date for quarterly distribution	22 December 2026
Ex-date for quarterly distribution	11 March 2027
Record date for quarterly distribution	12 March 2027[a]
Payment date for quarterly distribution	22 March 2027
Ex-date for quarterly distribution	10 June 2027
Record date for quarterly distribution	11 June 2027[a]
Payment date for quarterly distribution	22 June 2027
Ex-date for quarterly distribution	13 September 2027
Record date for quarterly distribution	14 September 2027
Payment date for quarterly distribution	22 September 2027
Ex-date for quarterly distribution	13 December 2027
Record date for quarterly distribution	14 December 2027
Payment date for quarterly distribution	22 December 2027

a. Adjusted to immediately preceding business day as record date falls on a non-ASX business day or a date on which banks are not open for general business in Sydney.

For personal use only

Financial calendar (Continued)

Westpac Capital Notes 10 (ASX code: WBCPM)

Ex-date for quarterly distribution	11 December 2026
Record date for quarterly distribution	14 December 2026
Payment date for quarterly distribution	22 December 2026
Ex-date for quarterly distribution	11 March 2027
Record date for quarterly distribution	12 March 2027[a]
Payment date for quarterly distribution	22 March 2027
Ex-date for quarterly distribution	10 June 2027
Record date for quarterly distribution	11 June 2027[a]
Payment date for quarterly distribution	22 June 2027
Ex-date for quarterly distribution	13 September 2027
Record date for quarterly distribution	14 September 2027
Payment date for quarterly distribution	22 September 2027
Ex-date for quarterly distribution	13 December 2027
Record date for quarterly distribution	14 December 2027
Payment date for quarterly distribution	22 December 2027

a. Adjusted to immediately preceding business day as record date falls on a non-ASX business day or a date on which banks are not open for general business in Sydney.

For personal use only

SHAREHOLDER INFORMATION

Dividend reinvestment plan

The Board has determined a fully franked final ordinary dividend of 77 cents per share, to be paid on 21 December 2026 to shareholders on the register at the record date of 6 November 2026. The 2026 final and interim ordinary dividend represents a payout ratio of 77.26%. In addition to being fully franked, the final ordinary dividend will carry NZ$0.06 in New Zealand imputation credits that may be used by New Zealand tax residents.

Westpac operates a DRP that is available to holders of fully paid ordinary shares who are resident in, or whose address on the register of shareholders is in Australia or New Zealand. Shareholders can choose to receive their 2026 final ordinary dividend as cash or reinvest it in additional ordinary shares under the DRP. As noted in Note 28 (page 201) to the financial statements, the Board has made certain determinations in relation to the DRP for the 2026 final ordinary dividend only, including that the market price will be set over 15 trading days commencing 11 November 2026 and will not include a discount.

Shareholders who wish to commence participation in the DRP, or to vary their current participation election, must do so by 5.00pm (Sydney time) on 9 November 2026.

Shareholders can provide these instructions:

- Online for shareholders with holdings that have a market value of less than $1,000,000 within their MUFG Corporate Markets portfolio, by logging into or creating a Portfolio via the Westpac share registry's website at au.investorcentre.mpms.mufg.com and electing the DRP or amending their existing instructions online; or
- By completing and returning a DRP application or variation form to Westpac's share registry. Registry contact details are listed in the Useful information section (page 245).

Information on related entities

a. Changes in control of Westpac entities

During the twelve months ended 30 September 2026 the following entities were acquired, formed, or incorporated:

- Series 2026 - 1 WST (formed 14 November 2025)
- Westpac Securities Administration Pty Limited (incorporated 19 February 2026)
- PIMCO Wholesale Plus Short Term Active Yield Fund (formed 17 June 2026)
- Vinva Wholesale Plus Global Alpha Extension Fund (formed 17 June 2026)

During the twelve months ended 30 September 2026, the following controlled entities ceased to be controlled:

- Westpac Capital-NZ-Limited (amalgamated into Westpac Holdings - NZ - Limited 25 August 2026)
- Westpac Equity Investments NZ Limited (amalgamated into Westpac Holdings - NZ - Limited 25 August 2026)
- Westpac Group Investment-NZ-Limited (amalgamated into Westpac Holdings - NZ - Limited 25 August 2026)
- Net Nominees Pty Limited (deregistered 17 September 2026)
- St.George Motor Finance Pty Limited (deregistered 17 September 2026)
- Mortgage Management Pty Limited (deregistered 21 September 2026)
- Bill Acceptance Corporation Pty Limited (deregistered 21 September 2026)

b. Associates

As at 30 September 2026	Ownership Interest Held (%)
Akahu Technologies Ltd	33.0%
OpenAgent Pty Ltd	22.3%
mx51 Group Pty Ltd	21.9%
Lawpath Holdings Pty Ltd	15.1%
Safe Will Pty Ltd	12.6%

For personal use only

For personal use only

Useful information

Key sources of information for shareholders

We report our full year performance to shareholders, in late October or early November, in the following forms: an Annual Report; a Sustainability Report; an Investor Discussion Pack and earnings releases.

Electronic communications

Shareholders can elect to receive the following communications electronically:

- Annual Report;
- Dividend statements when paid by direct credit or via Westpac's Dividend Reinvestment Plan (DRP);
- Notices of Meetings and proxy forms; and
- Major company announcements.

Opt for electronic communications by logging into Westpac's Share Registrar's Investor Centre at au.investorcentre.mpms.mufg.com.

Online information

Australia

Westpac's website www.westpac.com.au provides information for shareholders and customers, including:

- access to internet banking and online investing services;
- details on Westpac's products and services;
- company history, results, market releases and news; and
- corporate responsibility and Westpac in the community activities.

New Zealand

Westpac's New Zealand website www.westpac.co.nz provides:

- access to internet banking services;
- details on products and services;
- economic updates, news and information, key financial results; and
- sponsorships and other community activities.

Stock exchange listings

Westpac ordinary shares are listed on:

- Australian Securities Exchange (code WBC);
- New Zealand Exchange Limited (code WBC).

We do not sponsor or endorse and are not affiliated in any way with trading in our equity securities in any market or under any facility other than direct trading in our ordinary shares listed on the Australian Securities Exchange and New Zealand Exchange Limited.

Westpac Investor Relations

Investors can access the Investor Centre at www.westpac.com.au/investorcentre. The Investor Centre includes the current Westpac share price and links to the latest ASX announcements.

Information other than that relating to your shareholding can be obtained from:

- Westpac Investor Relations
  275 Kent Street
  Sydney NSW 2000 Australia
  Telephone: +61 2 9178 2977
  Email: investorrelations@westpac.com.au

Westpac sustainability

For further information on Westpac's sustainability approach, policies and performance please visit westpac.com.au/sustainability
Email: sustainability@westpac.com.au

Share registrars

Shareholders can check and update their information in Westpac's Share Registrars' online Investor Centres, see details below. In Australia, broker sponsored holders must contact their broker to amend their address.

Australia – Ordinary shares on the main register, Westpac Capital Notes 7, Westpac Capital Notes 8, Westpac Capital Notes 9 and Westpac Capital Notes 10.

MUFG Corporate Markets (AU) Limited

Liberty Place
Level 41
161 Castlereagh Street
Sydney NSW 2000 Australia

Postal address: Locked Bag A6015,
Sydney South NSW 1235, Australia

Website: au.investorcentre.mpms.mufg.com
Email: westpac@cm.mpms.mufg.com
Telephone: 1800 804 255 (free call within Australia)
International: +61 1800 804 255
Facsimile: +61 2 9287 0303

New Zealand – Ordinary shares
MUFG Pension & Market Services (NZ) Limited

Level 30 PwC Tower
15 Customs Street West
Auckland 1010, New Zealand

Postal address:
P.O. Box 91976,
Auckland 1142, New Zealand

Website: nz.investorcentre.mpms.mufg.com
Email: enquiries.nz@cm.mpms.mufg.com
Telephone: 0800 002 727 (free call within New Zealand)
International: +64 9 375 5998

OTHER WESTPAC BUSINESS INFORMATION

Related party disclosures

Details of our related party disclosures are set out in Note 34 (page 214) to the financial statements and details of Directors' interests in securities are set out in the Remuneration Report (page 62) included in the Directors' Report.

Other than as disclosed in Note 34 (page 214) to the financial statements and the Remuneration Report (page 62), if applicable, loans made to parties related to Directors and other key management personnel of Westpac are made in the ordinary course of business on normal terms and conditions (including interest rates and collateral). Loans are made on the same terms and conditions (including interest rates and collateral) as they apply to other employees and certain customers in accordance with established policy. These loans do not involve more than the normal risk of collectability or present any other unfavourable features.

Auditor's remuneration

Auditor's remuneration, to the external auditor for the years ended 30 September 2026 and 2025 is provided in Note 33 (page 213) to the financial statements.

Audit related services

Westpac's Group Finance function monitors the application of the pre-approval process in respect of audit, audit-related and non-audit services provided by KPMG under Westpac's Pre-Approval of Engagement of KPMG for Audit or Non-Audit Services Policy ('Pre-Approval Policy').

The Pre-Approval Policy is communicated to Westpac's divisions through publication on the Westpac intranet.

Westpac debt programs and issuing shelves

Access in a timely and flexible manner to a diverse range of debt markets and investors is provided by the following programs and issuing shelves as at 30 September 2026:

Program Limit	Issuer(s)	Program/Issuing Shelf Type
Australia		
No limit	WBC	Debt Issuance Program
No limit	WBC	Capital Notes Program
New Zealand		
No limit	WNZL	Medium Term Note Program
Euro Market		
No limit	WBC	Euro Commercial Paper and Certificate of Deposit Program
USD 70 billion	WBC	Euro Medium Term Note Program
USD 15 billion	WNZL and WSNZL[a]	Euro Medium Term Note Program
USD 40 billion	WBC[b]	Global Covered Bond Program
EUR 7.5 billion	WSNZL[c]	Global Covered Bond Program
Japan		
JPY 750 billion	WBC	Samurai shelf
JPY 750 billion	WBC	Uridashi shelf
United States[d]		
USD 45 billion	WBC	US Commercial Paper Program
USD 10 billion	WSNZL[a]	US Commercial Paper Program
USD 50 billion	WBC	US Medium Term Note Program
USD 10 billion	WNZL	US Medium Term Note Program
No limit	WBC (NY Branch)	Certificate of Deposit Program
USD 25 billion	WBC (NY Branch)	US Senior Medium Term Note Program

a. Notes issued under this program by Westpac Securities NZ Limited, London branch are guaranteed by Westpac New Zealand Limited, its parent company.
b. Notes issued under this program are guaranteed by BNY Trust Company of Australia Limited as trustee of the Westpac Covered Bond Trust.
c. Notes issued under this program by Westpac Securities NZ Limited, London branch are guaranteed by Westpac New Zealand Limited, its parent company, and Westpac NZ Covered Bond Limited.
d. In 2026, WBC voluntarily deregistered from the US Securities and Exchange Commission (SEC) and now maintains access to the long-term USD funding markets through its non-SEC registered debt programs.

For personal use only

GLOSSARY OF ABBREVIATIONS AND DEFINED TERMS

For personal use only

Shareholder value

Adjusted dividend payout ratio	Ordinary dividend paid/declared on issued shares (net of Treasury shares) divided by the net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items.
Average ordinary equity	Average total equity less average non-controlling interests.
Average tangible ordinary equity	Average ordinary equity less intangible assets (excluding capitalised software).
Average total equity	The average balance of shareholders' equity, including non-controlling interests.
Basic earnings per share excluding Notable Items and Diluted earnings per share excluding Notable Items	• Basic earnings per share excluding Notable Items is calculated as net profit attributable to owners of WBC (adjusted for RS dividends) excluding Notable Items divided by the weighted average number of ordinary shares on issue during the period, adjusted for treasury shares. • Diluted earnings per share is calculated by adjusting the basic earnings per share excluding Notable Items by assuming all dilutive potential ordinary shares are converted.
Dividend payout ratio	Ordinary dividend paid/declared on issued shares (net of Treasury shares) divided by the net profit attributable to owners of WBC (adjusted for RS dividends).
Earnings per ordinary share	• Basic earnings per ordinary share is calculated by dividing the net profit attributable to owners of WBC (adjusted for RS dividends) by the weighted average number of ordinary shares on issue during the period, adjusted for treasury shares. • Diluted earnings per ordinary share is calculated by adjusting the basic earnings per ordinary share by assuming all dilutive potential ordinary shares are converted.
Fully franked ordinary dividends per share (cents)	Dividends paid out of retained profits which carry a credit for Australian company income tax paid by Westpac.
Net tangible assets per ordinary share	Net tangible assets (total equity less goodwill and other intangible assets less non-controlling interests) divided by the number of ordinary shares on issue (less Treasury shares held).
Pre-provision profit	Net interest income plus non-interest income less operating expenses.
Return on average ordinary equity (ROE)	Net profit attributable to the owners of WBC adjusted for RS dividends (annualised where applicable) divided by average ordinary equity.
Return on average tangible ordinary equity (ROTE)	Net profit attributable to the owners of WBC adjusted for RS dividends (annualised where applicable) divided by average tangible ordinary equity.
ROE excluding Notable Items	Net profit attributable to owners of WBC adjusted for RS dividends excluding Notable Items (annualised where applicable) divided by average ordinary equity.
ROTE excluding Notable Items	Net profit attributable to owners of WBC adjusted for RS dividends excluding Notable Items (annualised where applicable) divided by average tangible ordinary equity.
Weighted average ordinary shares	Weighted average number of fully paid ordinary shares listed on the Australian Securities Exchange for the relevant period less Westpac shares held by Westpac ('Treasury shares').

Productivity and efficiency

Expense to income ratio	Operating expenses divided by net operating income.
Expense to income ratio excluding Notable Items	Operating expenses excluding Notable Items divided by net operating income excluding Notable Items.
Full time equivalent employees (FTE)	A calculation based on the number of hours worked by full and part-time employees as part of their normal duties. For example, the full time equivalent of one FTE is 76 hours paid work per fortnight.

Business Performance

Average	Where possible, daily balances are used to calculate the average balance for the period.
Average interest bearing liabilities	The average balance of liabilities owed by Westpac that incur an interest expense. Where possible, daily balances are used to calculate the average balance for the period.
Average interest earning assets	The average balance of assets held by Westpac that generate interest income. Where possible, daily balances are used to calculate the average balance for the period.
Core net interest income excluding Notable Items	Net interest income excluding Notable Items and Treasury & Markets.
Core NIM	Calculated by dividing core net interest income (annualised where applicable) by average interest earning assets.
Net interest margin (NIM)	Calculated by dividing net interest income (annualised where applicable) by average interest earning assets.
Net profit	Net profit attributable to owners of WBC.
TSR	Total shareholder return.

GLOSSARY OF ABBREVIATIONS AND DEFINED TERMS

Capital Adequacy

Australian Prudential Regulation Authority (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.
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.
CET1 capital ratio	Common equity tier 1 (CET1) capital divided by risk weighted assets, as defined by APRA.
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.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk but excluding strategic or reputational risk.
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.
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

Deposit to loan ratio	Customer deposits divided by loans.
Funding for Lending Programme (FLP)	A facility that was established by the RBNZ in December 2020 to provide 3 year term funding to eligible New Zealand institutions via repurchase transactions, subject to qualifying conditions, to help support lending to New Zealand customers. The facility closed to new draw downs in December 2022.
High Quality Liquid Assets (HQLA)	Assets which meet APRA's criteria for inclusion as HQLA in the numerator of the LCR.
Liquid assets	HQLA and non LCR qualifying liquid assets, but excludes internally securitised assets that are eligible for a repurchase agreement with the RBA and the RBNZ.
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.
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. ADIs must maintain an NSFR of at least 100%.
Term funding from central banks	Term funding from central banks includes the drawn balance of the RBNZ Term Lending Facility.
Wholesale funding	Wholesale funding includes debt issues, loan capital, certificates of deposit, term funding from central banks and Treasury-related interbank placements.

Credit quality

Collectively assessed provisions (CAPs)	Collectively assessed provisions for expected credit loss under AASB 9 represent the Expected Credit Loss (ECL) which is collectively assessed in pools of similar assets with similar risk characteristics. This incorporates forward-looking information and does not require an actual loss event to have occurred for an impairment provision to be recognised.
Defaulted	Credit exposures that are non-performing.
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.
Impairment charges/(benefit) to average loans	Calculated as impairment charges/(benefit) (annualised where applicable) divided by average gross loans.
Individually assessed provisions (IAPs)	Expected credit losses under AASB 9 assessed on an individual basis for specific credit exposures, based on an assessment of the customer's financial position, expected future cash flows and the net realisable value of assets to which recourse is held.
Loss given default (LGD)	The loss that is expected to arise in the event of a default.
Performing exposures	Credit exposures that are not non-performing.
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.
Provision for 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.

For personal use only

For personal use only

Credit quality

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 months expected credit losses is recognised. Interest revenue is calculated on the gross carrying amount of the financial asset.
Stage 2: Lifetime ECL - performing	For financial assets where there has been a significant increase in credit risk since origination but where the asset is still performing a provision for lifetime expected losses is recognised. Interest revenue is calculated on the gross carrying amount of the financial asset.
Stage 3: Lifetime ECL - non-performing	For financial assets that are non-performing a provision for lifetime expected losses is recognised. Interest revenue is calculated on the carrying amount net of the provision for ECL rather than the gross carrying amount.
Stressed exposures	Watchlist and substandard credit exposures plus non-performing exposures.
Total committed exposure (TCE)	Represents the sum of the committed portion of direct lending (including funds placement overall and deposits placed), contingent and pre-settlement risk plus the committed portion of secondary market trading and underwriting risk.
Watchlist and substandard	Loan facilities where customers are experiencing operating weakness and financial difficulty but are not expected to incur loss of interest or principal.

Sustainability

ESG	Environment, social and governance

Other

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABA	Australian Banking Association
ACCC	Australian Competition and Consumer Commission
ADI	Authorised Deposit-taking Institution
AGM	Annual General Meeting
AI	Artificial Intelligence
ALM	Asset and Liability Management
AML	Anti-Money Laundering
APRA	Australian Prudential Regulation Authority
APS	Australian Prudential Standard
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AT1	Additional Tier 1
ATM	Automated Teller Machine
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
BBSW	Bank bill swap rate
BCCC	The Banking Code Compliance Committee
bps	Basis points
BRiskC	Board Risk Committee
CORE program	Customer Outcomes and Risk Excellence
Credit Value Adjustment (CVA)	CVA adjusts the fair value of over-the-counter derivatives for credit risk. CVA is employed on the majority of derivative positions and reflects the market view of the counter party credit risk. A Debit Valuation Adjustment is employed to adjust for our own credit risk.
CTF	Counter-Terrorism Financing
DRP	Dividend Reinvestment Plan
D-SIB	Domestic systemically important bank
EIP	Equity Incentive Plan
FATCA	Foreign Account Tax Compliance Act
First Half 2026	Six months ended 31 March 2026
Full Year 2025 (FY25)	Twelve months ended 30 September 2025
Full Year 2026 (FY26)	Twelve months ended 30 September 2026
Funding Value Adjustment (FVA)	FVA relates to the funding cost or benefit associated with the uncollateralised portion of the derivative portfolio.
FVIS	Fair value through income statement
FVOCI	Fair value through other comprehensive income
FX	Foreign exchange
IFRS	International Financial Reporting Accounting Standards
IRRBB	Interest Rate Risk in the Banking Book
LTVR	Long term variable reward
LVR	Loan to value ratio
NaR	Net interest income at risk
NCI	Non-controlling interests
Non-interest earning/bearing	Instruments which do not carry an entitlement to interest

GLOSSARY OF ABBREVIATIONS AND DEFINED TERMS

Other	
NPS®	Net Promoter® Score. Source: RFI Consumer Atlas and Business Atlas (Sep-25 and Sep-26), 6MMA. Consumer: Australian MFI consumers aged 14+; Business MFI Australian businesses, including Small Business, SME and Commercial customers, weighted by numbers of businesses in each segment. Ranks are based on the rounded values. Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ and Net Promoter System℠ are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. WNZL source: Consumer – Insights HQ Limited Retail Market Monitor, Jul-Sep 2026. Business Blended (WNZL Internal Metric) comprises: Corporate – Kantar BFM: NZ business, annual turnover $5m to $150m, with a dedicated relationship manager with their primary business bank, Apr-Sep 2026, WNZL sample size: n=120; Small Business – RFI Global SME Market Monitor: NZ business panels, annual turnover $30,000 to $5m, Apr-Sep 2026; Agribusiness – Key Research: NZ farming business, annual farmgate turnover $200k+, majority with debt $1m+, with a dedicated relationship manager, 12 months to Sep 2026; and Institutional – Coalition Greenwich 2026 NZ Large Corporate Relationship Banking Study: sample of customers from the NZ major banks.
OAIC	The Office of the Australian Information Commissioner
OCC	US Office of the Comptroller of the Currency
OCI	Other comprehensive income
RBA	Reserve Bank of Australia
RBNZ	Reserve Bank of New Zealand
RISKCO	Westpac Group Executive Risk Committee
RSP	Restricted Share Plan
Runoff	Scheduled and unscheduled repayments and debt repayments (for example property sales and external refinancing), net of redraws.
Second Half 2026	Six months ended 30 September 2026
Segment reporting	Segment reporting is presented on a management reporting basis. Internal charges and transfer pricing adjustments are included in the performance of each segment reflecting the management structure rather than the legal entity (these results cannot be compared to results for individual legal entities). Where management reporting structures or accounting classifications have changed, financial results for comparative periods have been restated and may differ from results previously reported. Overhead costs are allocated to revenue generating segments. Westpac's internal transfer pricing frameworks facilitate risk transfer, profitability measurement, capital allocation and segment alignment, tailored to the jurisdictions in which Westpac operates. Transfer pricing allows Westpac to measure the relative contribution of products and segments to Westpac's interest margin and other dimensions of performance. Key components of Westpac's transfer pricing frameworks are funds transfer pricing for interest rate and liquidity risk and allocation of basis and contingent liquidity costs, including capital allocation.
SME	Small to medium size enterprises
SPPI	Solely payments of principal and interest
STVR	Short term variable reward
UNITE program	A business-led, technology-enabled simplification program
Value at Risk (VaR)	A statistical estimate of the potential loss in earnings over a specified period of time and to a given level of confidence based on historical market movements.
WNZL	Westpac New Zealand Limited

For personal use only

CONTACT US

WESTPAC GROUP
Head Office
275 Kent Street,
Sydney NSW 2000 Australia
Tel: +61 2 9155 7713
International payments Tel: +61 2 9155 7700
Website: westpac.com.au/westpacgroup

Westpac
Telephone - Consumer 132 032
Telephone - Business 132 142
From outside Australia: +61 2 9155 7700
Website: westpac.com.au

St.George Bank
St.George House
4-16 Montgomery Street
Kogarah NSW 2217 Australia
Mail: Locked Bag 1
Kogarah NSW 1485 Australia
Tel: 13 33 30
website: stgeorge.com.au

Bank of Melbourne
150 Collins Street
Melbourne VIC 3000 Australia
Tel: (03) 8662 5000
From outside Australia: +61 3 8536 7870
Website: bankofmelbourne.com.au

BankSA
Level 11, Festival Tower, Station Road
Adelaide, 5000, SA Australia
Mail: GPO Box 399,
Adelaide SA 5001 Australia
Tel: 13 13 76
From outside Australia: +61 2 9155 7850
Website: banksa.com.au

BT
Level 10, 275 Kent Street
Sydney NSW 2000
Mail: GPO Box 2861
Adelaide SA 5001
Tel: 1300 881 716
From outside Australia: +61 2 9155 4030
Email: support@panorama.com.au
Website: bt.com.au

Westpac Institutional Bank
Tel: 132 032
Website: westpac.com.au

Institutional Bank Locations
Germany- Frankfurt
New Zealand - Auckland
Republic of Singapore - Singapore
United States of America - New York
United Kingdom - London

Westpac Bank - PNG - Limited
Level 5, Harbourside West
Stanley Esplanade,
Downtown, Port Moresby
Papua New Guinea
Tel: +675 322 0930
Email: westpacpngcommunication@westpac.com.au
Website: www.westpac.com.pg

Westpac Fiji
Level 1, Westpac House
1 Thomson Street
Suva, Fiji
Tel: +67 9 132 032
From overseas: (679) 321 7800
Email: westpacfiji@westpac.com.au

Westpac NZ Limited
Westpac On Takutai Square
16 Takutai Square
Auckland 1010, New Zealand
Tel: +64 9 912 8000
Email: customer_support@westpac.co.nz
Website: westpac.co.nz

Global locations
See our website at westpac.com.au for the contact details of our global locations.

Share Registrar
MUFG Corporate Markets
161 Castlereagh Street
Sydney NSW 2000 Australia
Mail: Locked Bag A6015, Sydney South NSW 1235
Tel: 1800 804 255
Facsimile: +61 2 9287 0303
Email: westpac@cm.mpms.mufg.com
Website: au.investorcentre.mpms.mufg.com

Westpac Group Sustainability
For further information on Westpac's sustainability strategy, policies and performance please visit westpac.com.au/sustainability
Email: sustainability@westpac.com.au

PEFC Certified
Paper from sustainably managed forests and controlled sources
PEFC
PEFC/21-31-119
pefcaustralia.org.au

The 2026 Westpac Annual Report is printed on PEFC certified paper. Compliance with the certification criteria set out by the Programme for the Endorsement of Forest Certification (PEFC) means that the paper fibre is sourced from sustainable forests.

For personal use only

For personal use only

WESTPAC.COM.AU

