Westpac GROUP

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

9 MAY 2022

Westpac 1H22 Presentation and Investor Discussion Pack

Westpac Banking Corporation ("Westpac") today provides the attached Westpac 1H22 Presentation and Investor Discussion Pack.

For further information:

Hayden Cooper
Group Head of Media Relations
0402 393 619

Andrew Bowden
Head of Investor Relations
0438 284 863

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

Presentation and Investor Discussion Pack

2022 INTERIM FINANCIAL RESULTS

For the six months ended 31 March 2022

Westpac Banking Corporation
ABN 33 007 457 141

Cover image: Westpac employees at our portable 'Bank in a box' in Lismore, NSW, after the floods.

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Financial results throughout this presentation are in Australian dollars and are based on cash earnings unless otherwise stated. Refer page 41 for definition. Results principally cover the 1H22, 2H21 and 1H21 periods. Comparison of 1H22 versus 2H21 (unless otherwise stated).

Westpac 2022 Interim Results Index

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Peter King

Chief Executive Officer

1H22 Good progress on strategic priorities.

Priorities	Outcomes
Fix Address outstanding issues	• Lifting risk management - CORE program on track • Resolved significant regulatory investigations
Simplify Streamline and focus the business	• Two more businesses sold, six sold in total • Significant progress on digital
Perform Sustainable long term returns	• Earnings higher, with core earnings up • Cost reset delivering • NIM lower, pressure eased over the half

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1H22 Earnings snapshot.

	1H21	2H21	1H22	Change 1H22–2H21	Change 1H22–1H21
Reported net profit	$3,443m	$2,015m	$3,280m	63%	(5%)
Cash earnings[1]	$3,537m	$1,815m	$3,095m	71%	(12%)
Cash earnings[1] basis excluding notable items[2]					
Core earnings	$5,120m	$4,338m	$4,589m	6%	(10%)
Impairment (charge)/benefit	$372m	$218m	($139m)	Large	Large
Cash earnings	$3,819m	$3,134m	$3,101m	(1%)	(19%)
Net interest margin	2.07%	1.98%	1.85%	(13bps)	(22bps)
Expenses	$5,236m	$5,700m	$5,135m	(10%)	(2%)
Return on equity[3]	11.01%	8.67%	8.75%	8bps	(226bps)

1 Cash earnings is a measure of profit generated from ongoing operations for further detail see page 41 and 121. 2 References to notable items in this page include provisions related to estimated customer refunds, costs and litigation; write-down of intangible items; and asset sales/revaluations. 3 Return on equity is cash earnings divided by average ordinary equity.

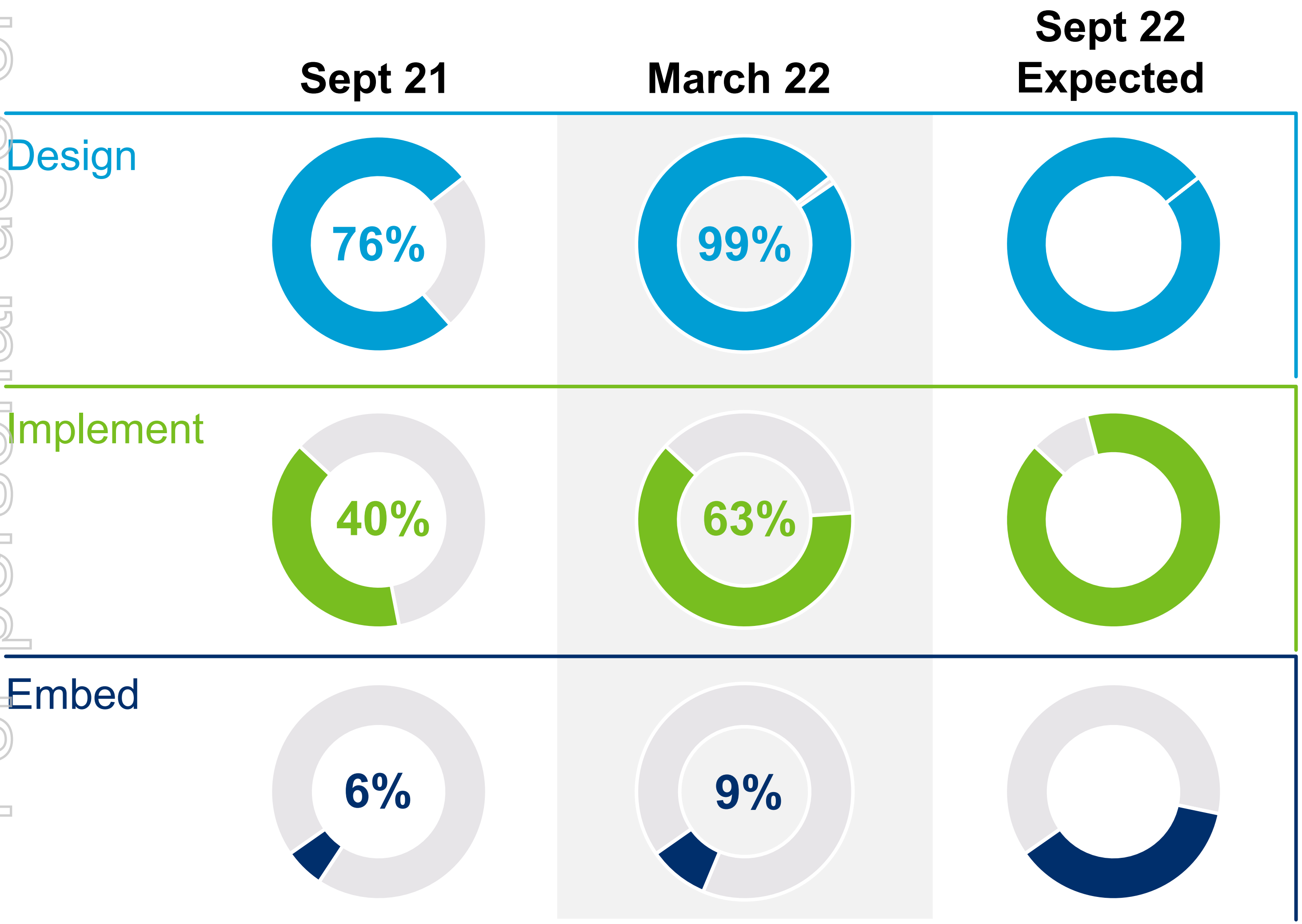
1H22 Segment core earnings.

Core earnings excl. notable items ($m)	2H21	1H22	Change 1H22–2H21	
Consumer	2,495	2,332	(7%)	• Margins down, mortgage competition • Costs down 5%[1]
Business	371	504	36%	• Improved loan growth, margins down • Costs down 15%[1]
WIB	353	492	39%	• Good loan growth, improved markets • Costs down 21%[1]
Westpac NZ	640	651	2%	• Steady performance
Group BU	57	296	Large	• Treasury managed volatility well
Specialist Businesses	422	314	(26%)	• Business exits, lower life insurance
Group Total	**4,338**	**4,589**	**6%**	

1 Excluding notable items.

FIX – CORE program on track after first year.

Progress on CORE activities by stage (% complete[1])



Fifth Promontory report highlights our progress, and while it indicates the potential for disruption following our recent organisational changes, the report states:

"The program nevertheless remains on track in terms of completing activities within the planned timeframes. The design stage of the program has laid down a solid foundation from which Westpac can address the root causes of its shortcomings…. However, much remains to be done…"

Promontory Australia
Independent Review of Westpac Banking Corporation's Integrated Plan for the Court Enforceable Undertaking.
3 May 2022

1 Completed means the activity has been finalised by Westpac. Not all complete projects have been submitted to the Independent Reviewer, Promontory Australia, for assessment. Refer to page 48 for more detail on the status of the CORE Program at 31 March 2022.

Consumer – franchise progress.

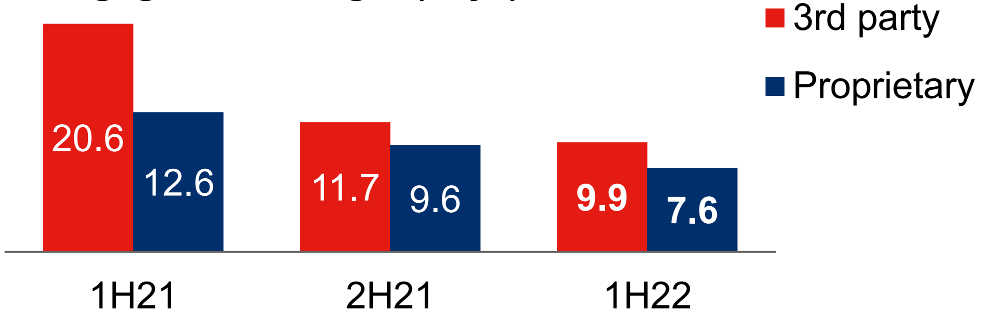
Simplify

- Reduced mortgage time to right
- New app rolled out to android users after iOS completed in 2021
- Tripled number of deposit accounts opened digitally
- Enhanced security, blocking suspect transactions/threats/gambling

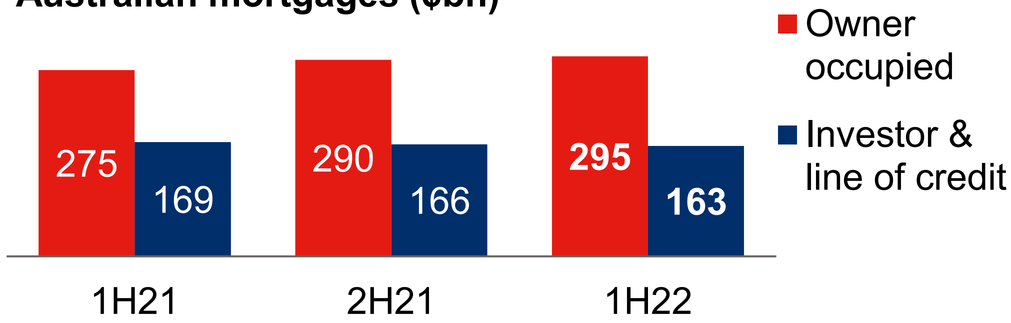
Perform

- Transaction deposits up 11%
- Added ~200 bankers last 12 months
- Consolidated 70 branches
- Acquired MoneyBrilliant

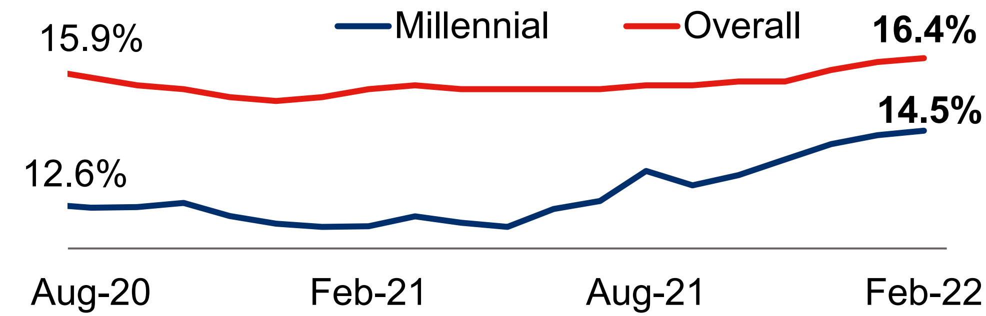
Mortgage time to right (days)[1]



Australian mortgages ($bn)



MFI share (%)[2]



1 Based on time from application start (for 1st party) or application submitted (for 3rd party) to unconditional approval and is the median time for applications approved within the month. 2 Main Financial Institution for Consumer customers at February 2022. Refer page 130 for details of metric provider.

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Business – returning to growth.

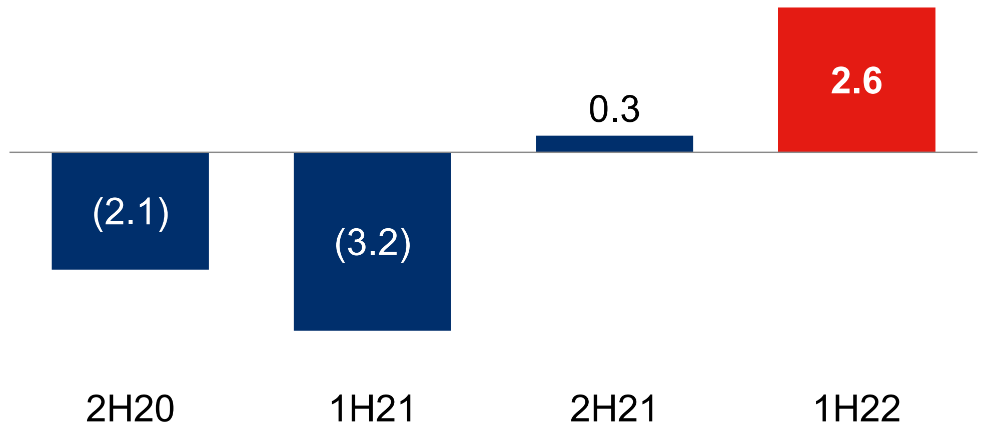
Simplify

- New digital lending application process
- Reduced products for sale by 17
- New SME risk grade model
- Streamlined the annual review process

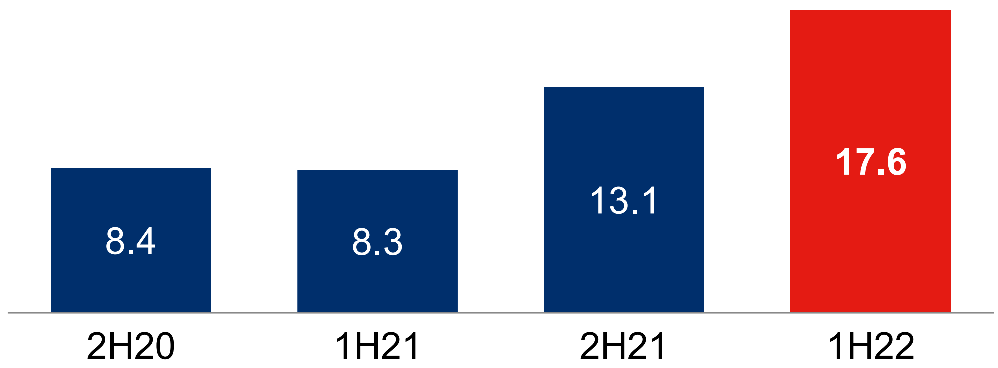
Perform

- Business lending return to growth
- Next generation merchant terminals
- Digitisation has given bankers an extra day per week to spend with customers
- Supported 6,000 small businesses with SME government guarantee

Net movements in business lending ($bn)



Business lending settlements ($bn)



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WIB – improving returns.

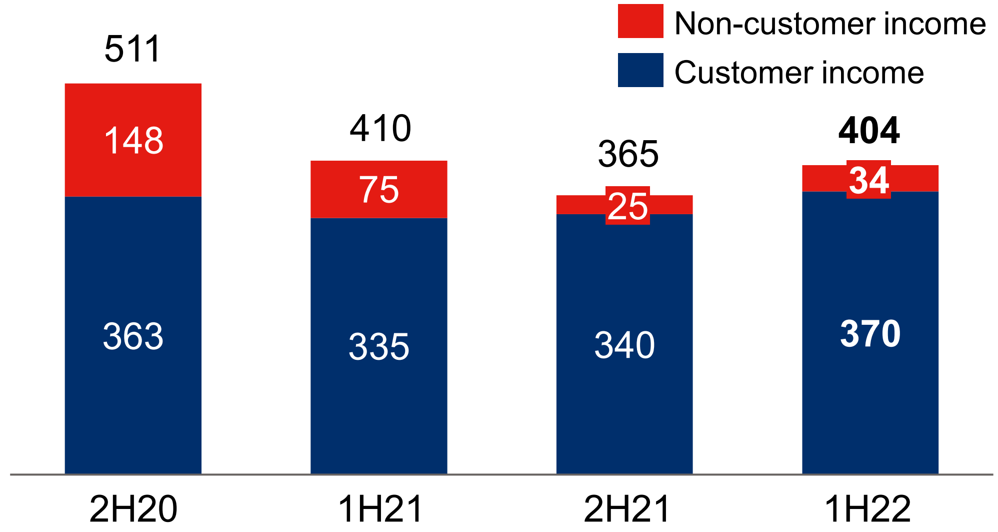
Simplify

- New online FX pricing calculator
- 11,000 hours of manual work saved from reengineering processes
- Consolidating international – no direct loan exposure in our China offices

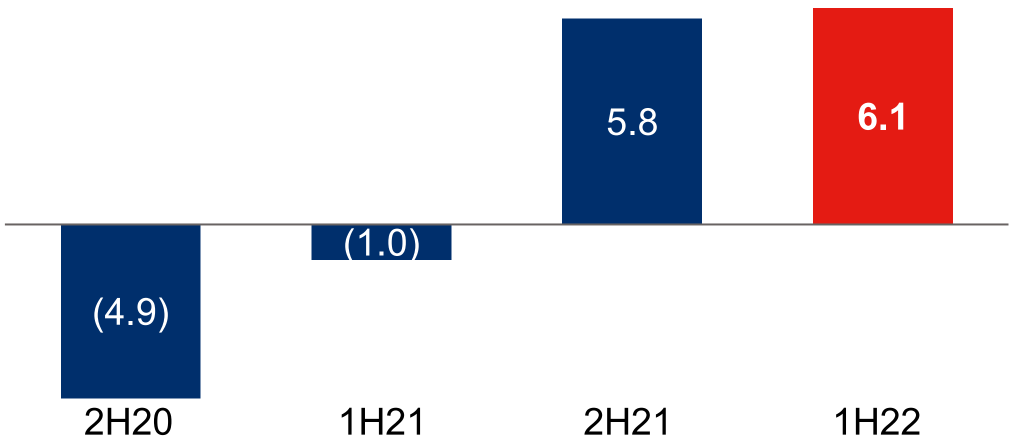
Perform

- Loans up 9%
- Lifted sustainability capability
  - 39 sustainable transactions
  - New carbon trading desk

Markets income ($m)[1]



Net WIB onshore lending movements ($bn)



1 Markets income excludes DVA.

NZ – steady progress.

Fix

- Significant risk and regulatory projects underway – BS11, Liquidity, risk governance

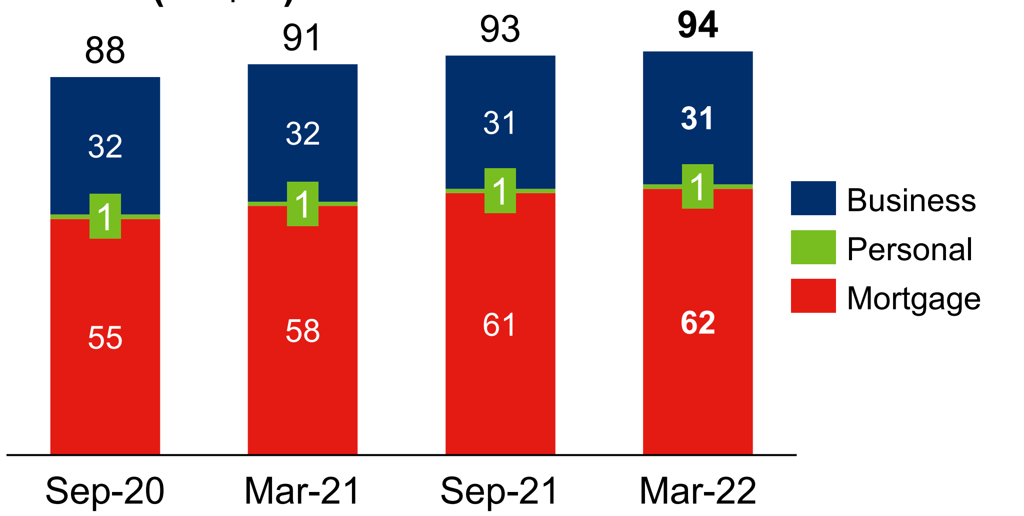
Simplify

- Completed sale of Westpac Life NZ
- Products for sale down 4%

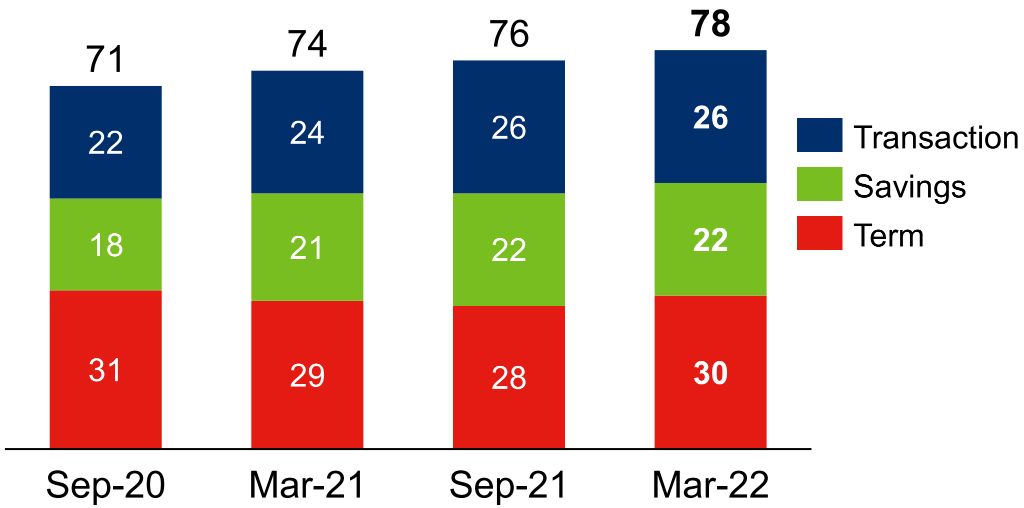
Perform

- Participated in around one third of all sustainable transactions in NZ
- KiwiSaver default provider (one of only six providers) – 37k new customers
- Agri market share up 17bps

Loans (NZ$m)



Deposits (NZ$m)



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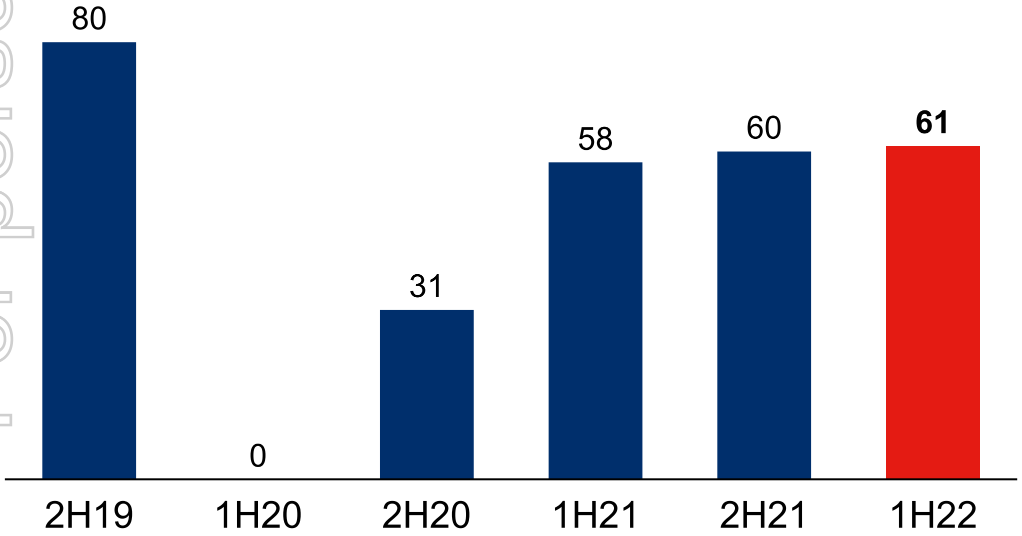
Fully franked interim dividend – 61 cps.

Dividend considerations

- Medium term outlook for return and growth
- Sustainable payout ratio ~60-75% (ex notable items)
- Dividend yield 5%[1], fully franked 7.2%[1]
- Seek to neutralise DRP with no discount on DRP market price

Dividends per ordinary share (cents)



1 Based on 31 March 2022 closing price of $24.24.

Dividend payout ratio (%)

	1H21	2H21	1H22
Cash earnings	60	121	**69**
Cash earnings (ex notable items)	56	70	**69**

Michael Rowland

Chief Financial Officer

1H22 results summary.

Core earnings ex notable items up 6% on 2H21

- Reduced costs by 10%, good progress on simplification, headcount down over 4,000
- Revenue down 3%, lower margins, impact of businesses sold

Balance sheet strong

- Credit quality continues to improve, most metrics back around pre-COVID levels
- Well funded – higher deposits, well timed wholesale issuance
- CET1 capital ratio 11.3%, pro forma[1] 11.5%, $5.5bn returned to shareholders
- New CET1 operating range 11.0% – 11.5% from 1 Jan 23

1 Following the exit of Life Insurance expected in 2H22 of approximately 16bps.

Notable items and simplification impacts.

Notable items

($m after tax)	2H21	1H22
Remediation and litigation	(172)	**(65)**
Write-down of goodwill & other assets	(965)	**(154)**
Asset sales / revaluations	(182)	**213**
Total cash earnings impact	**(1,319)**	**(6)**

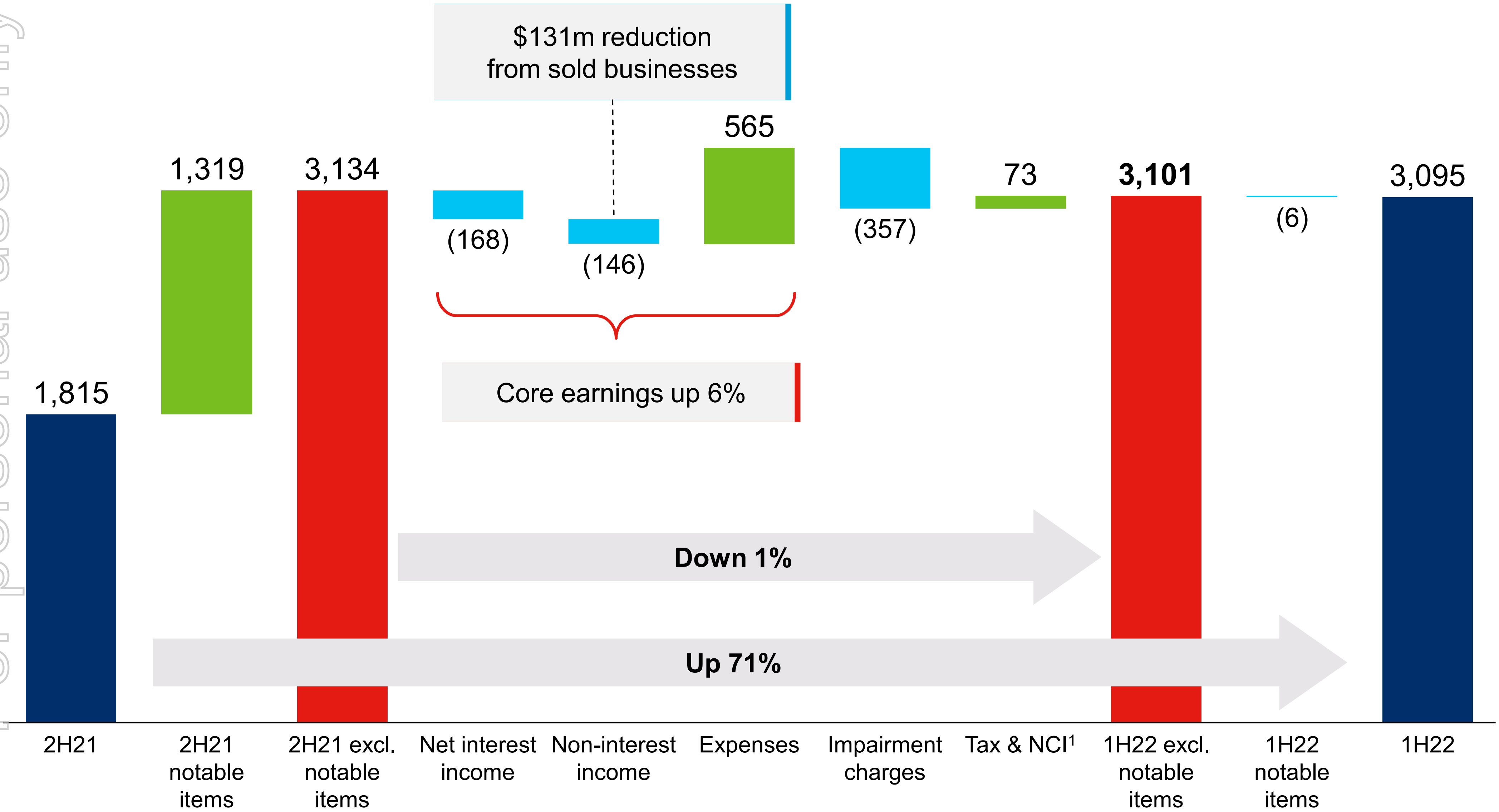
Contribution of businesses sold[1]

($m)	1H21	2H21	1H22
Core earnings	88	152	**25**
Cash earnings	72	115	**23**

Included in businesses sold	FY21	1H22
General Insurance	✓	–
Lenders Mortgage Insurance	✓	–
Vendor Finance	✓	–
Auto Finance & novated leasing	✓	✓
NZ Life Insurance	✓	✓

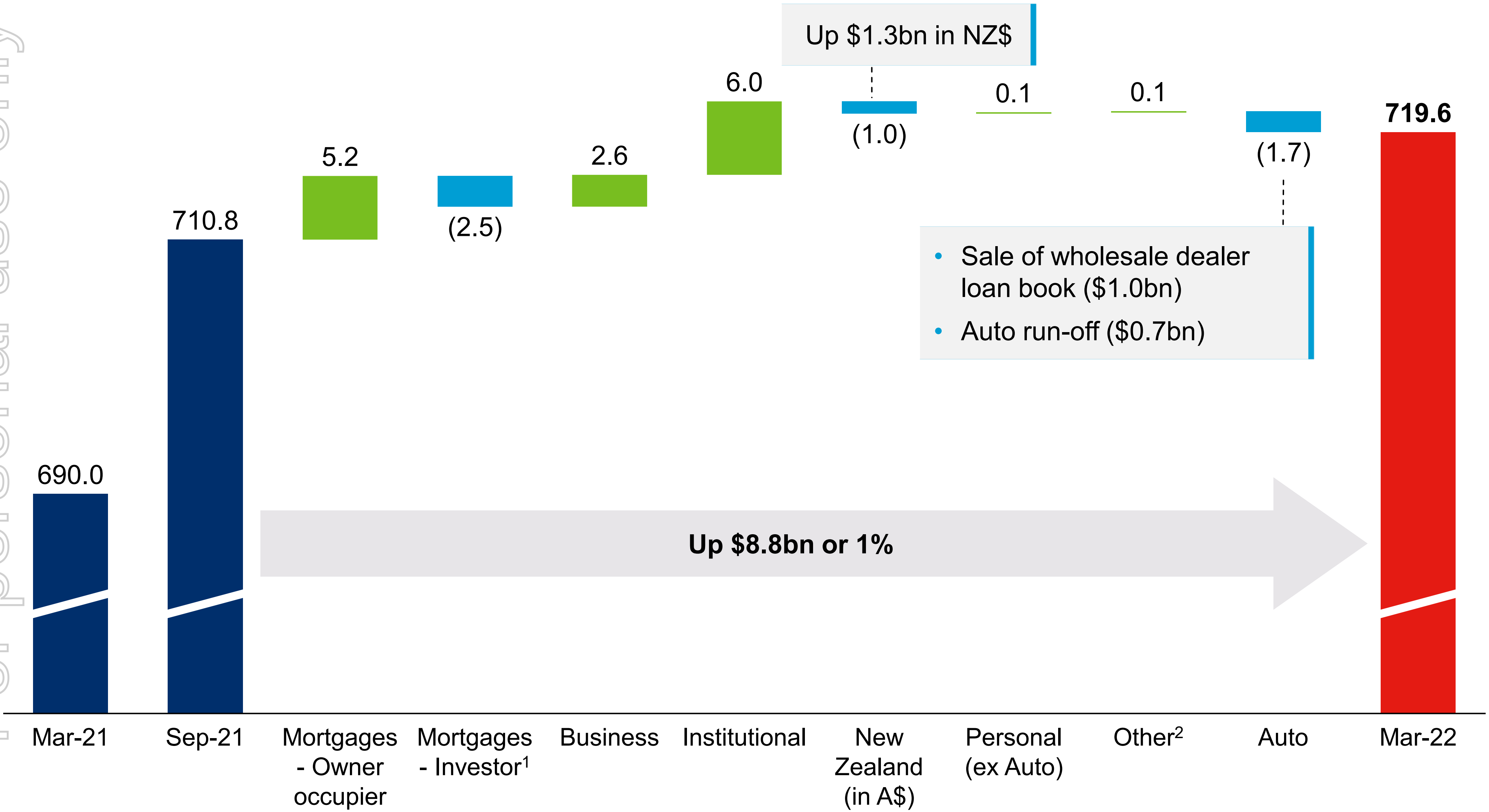
1 Contribution of businesses sold in respective period. For detail on the contribution of business under sale agreement and presented as Held for Sale refer to Westpac's 2022 Interim Financial Results Announcement Section 5 Note 8.

1H22 Cash earnings ($m) 1H22 – 2H21.



1 NCI is non-controlling interests.

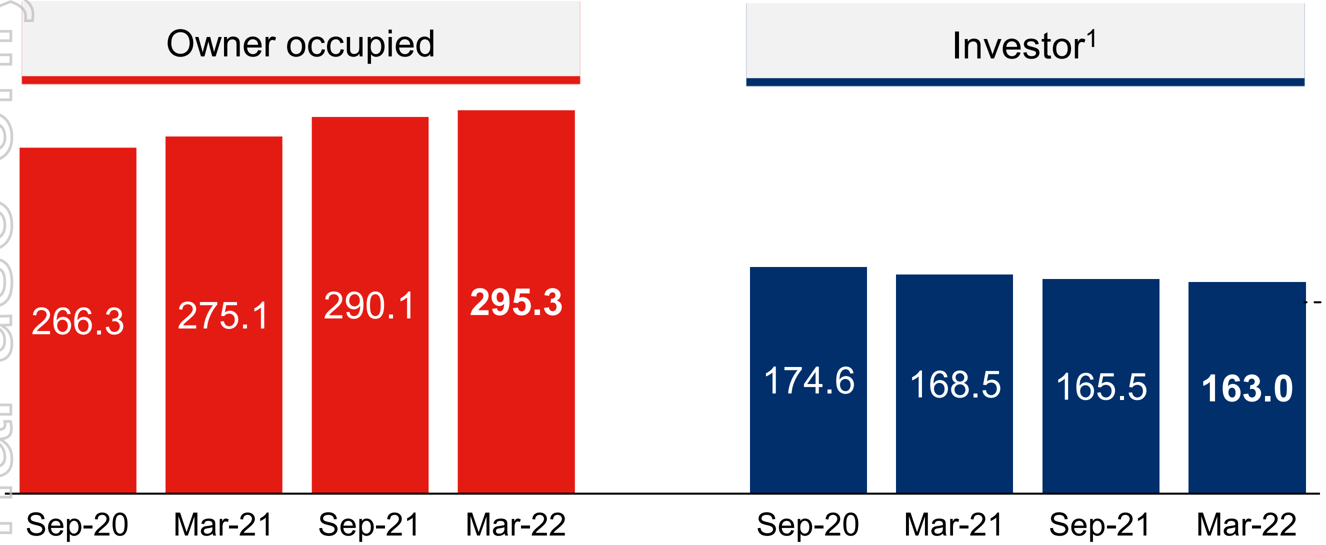
Lending composition ($bn).



1 Includes Line of Credit and other mortgage movements. 2 Includes provisions.

Australian mortgages.

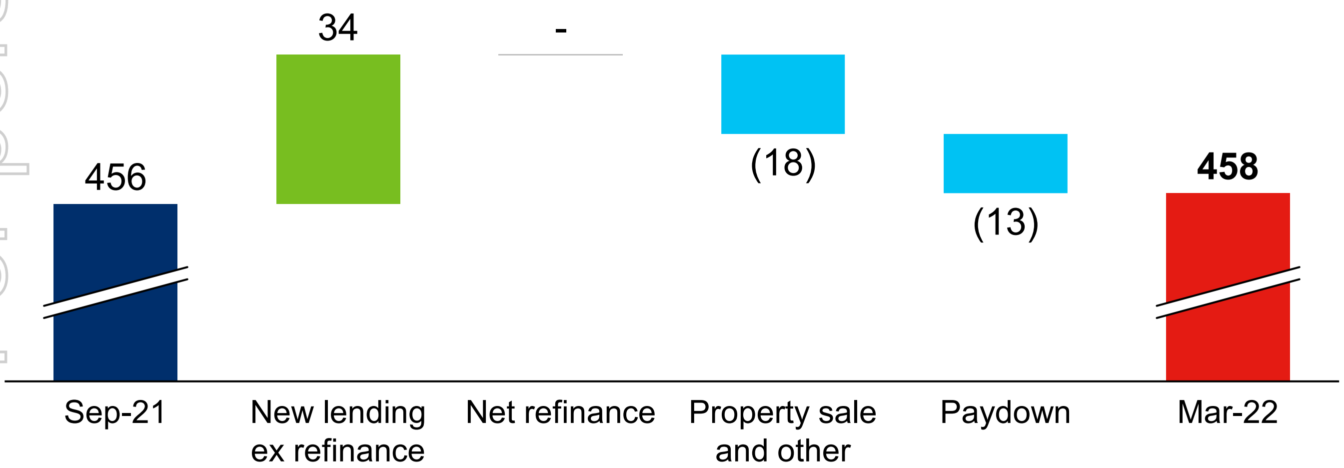
Mortgage balances ($bn)



Investor contraction reflects:

- Continued high run-off in interest only
- Reduction in non-standard products i.e SMSF, reverse mortgage and foreign
- Current policies and processes

Lending flows ($bn)[2]



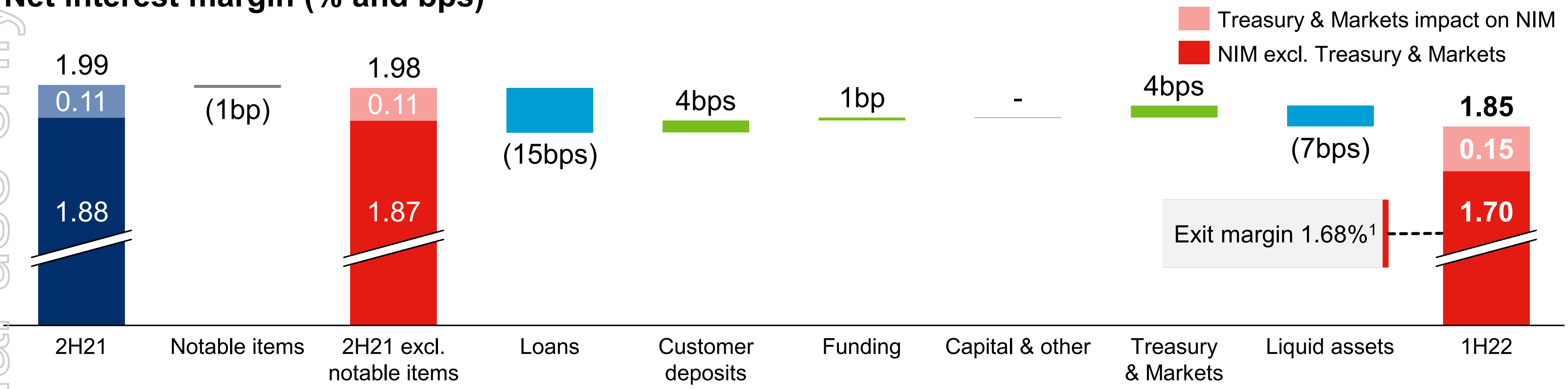
Composition (% of total)

	Stock Sep-21	Stock Mar-22	Flow 1H22
Interest only	16	14	16
Fixed rate	38	40	39
Investor[1]	36	35	31

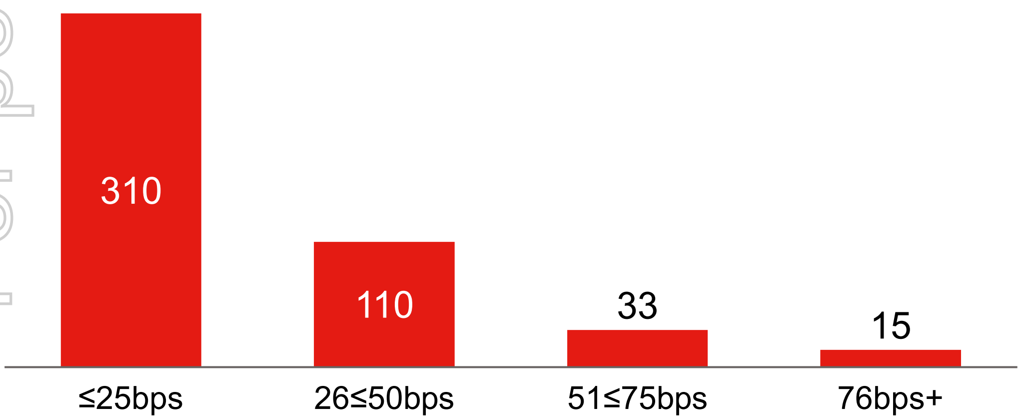
1 Includes Line of Credit and other non owner occupied mortgages. 2 Chart may not add through due to rounding.

Margins down from low rates & intense competition.

Net interest margin (% and bps)

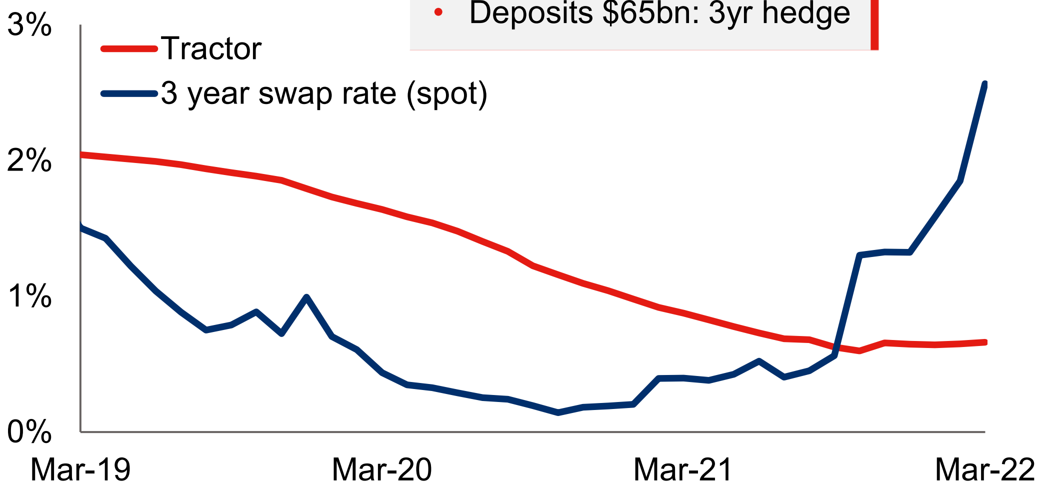


Australian deposits[2] by interest rate bands ($bn)



Tractor rate[3] (%)

- Capital $54bn: 3yr hedge
- Deposits $65bn: 3yr hedge



1 Exit margin refers to margin for the month of March-22 excluding Treasury & Markets. 2 Excludes mortgage offset balances. 3 Tractor is the blended average rate earned on hedged capital and low rate deposits.

Margin drivers – ex Treasury & Markets.[1]

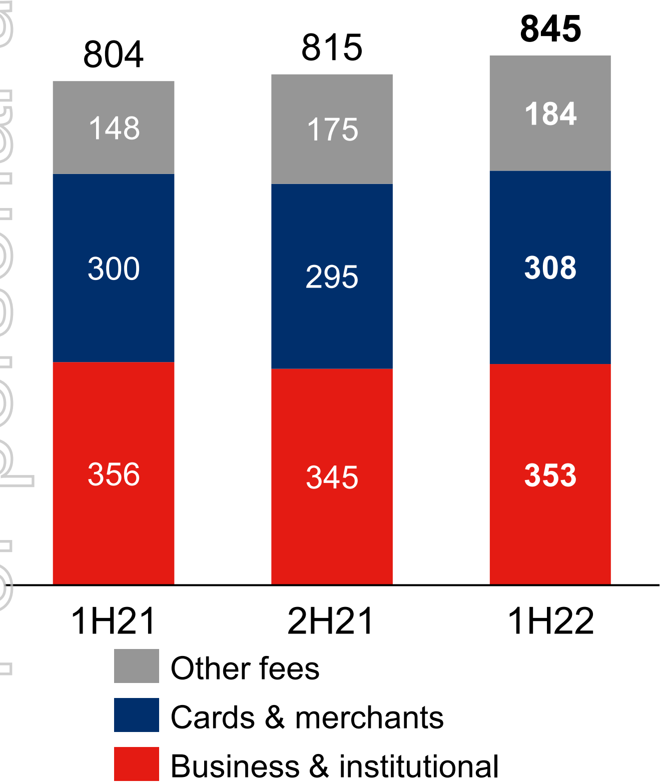
	1H22 movement detail	2H22 considerations
Interest rates	• Cash rate 10bps • 3yr swap rates increased ~200bps to 2.57%	• Rising rate environment, Westpac Economics' forecast cash rate of 1.75% by end of CY22
Lending *1H22 (15bps)*	• (4bps) fixed rate mortgages (rate and mix) • (4bps) variable mortgages competition and front book/back book pressure • (3bps) business & institutional lending • (2bps) New Zealand mortgages	• Fixed rate impact dissipating, March flow ~24% • Very competitive environment • Business and NZ pressure reducing
Deposits *1H22 4bps*	• At call and term deposit repricing in 2Q22	• Full period impact of repricing
Hedged balances *1H22 (~1bp)*	• Tractor drag ~1bp in 1H22 • Lengthened capital hedge back to 3 years (from 1 year) provided benefit compared to deposits	• Tractor to be a benefit as higher rates roll through – Deposit tractor 60bps in 1H22 – Capital tractor 69bps in 1H22
Liquidity *1H22 (7bps)*	• Liquidity build for CLF phase out	• Minimal impact – liquidity build largely complete

1 The information on this page contains 'forward-looking statements' and statements of expectation reflecting Westpac's current views on future events. They are subject to change without notice and certain risks, uncertainties and assumptions which are, in many instances, beyond its control. They have been based upon management's expectations and beliefs concerning future developments and their potential effect on Westpac. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may differ materially from those expressed or implied in such statements. Investors should not place undue reliance on forward-looking statements and statements of expectation. Except as required by law, Westpac is not responsible for updating, or obliged to update, any matter arising after the date of this presentation. The information in this page is subject to the information in Westpac's ASX filings, including in its 2022 Interim Financial Results and elsewhere in this presentation.

Non-interest income excluding notable items.[1]

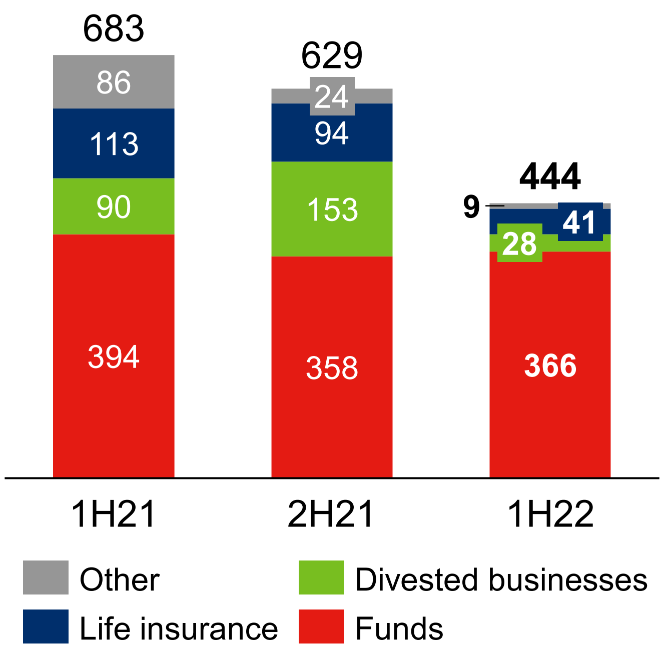
Net fees[1] up $30m ▲ 4%

- Increased card spend $19m



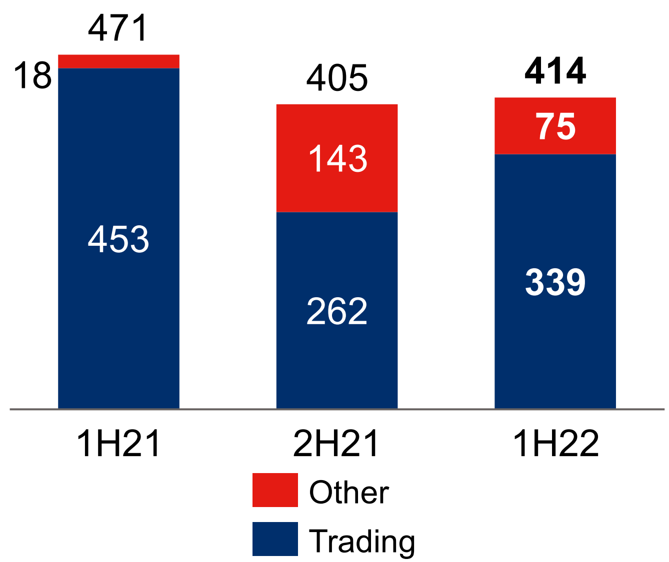
Wealth & insurance[1] down $185m ▼ 29%

- Insurance business exits ($125m)
- Funds income down from lower fees following Panorama migration
- Revaluation of Life policyholder liabilities



Trading and other[1] up $9m ▲ 2%

- Increased customer demand in fixed income and FX
- Lower DVA - wider credit spreads $73m
- GI distribution payment $25m (one off)



1 Excluding notable items. References to notable items in this page include provisions related to estimated customer refunds, payments, and asset sales/revaluations.

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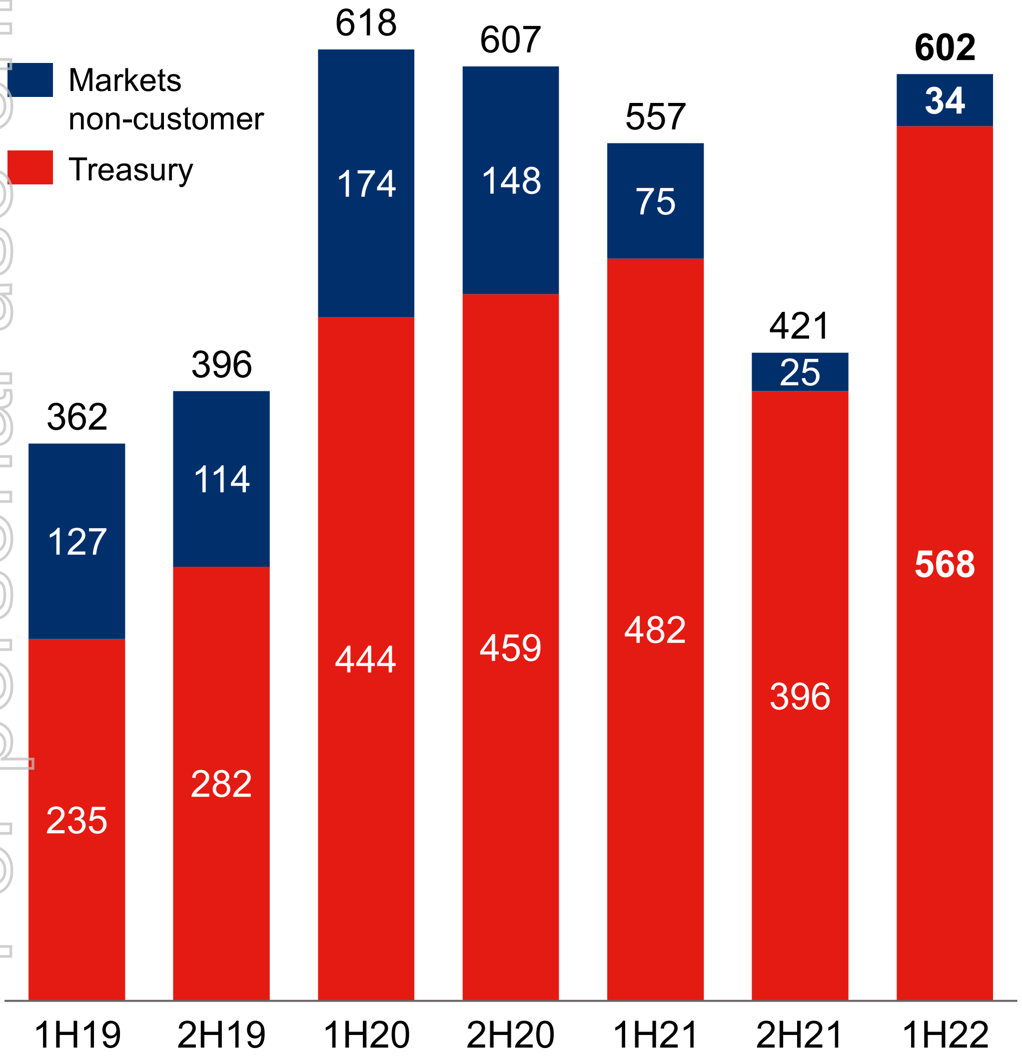
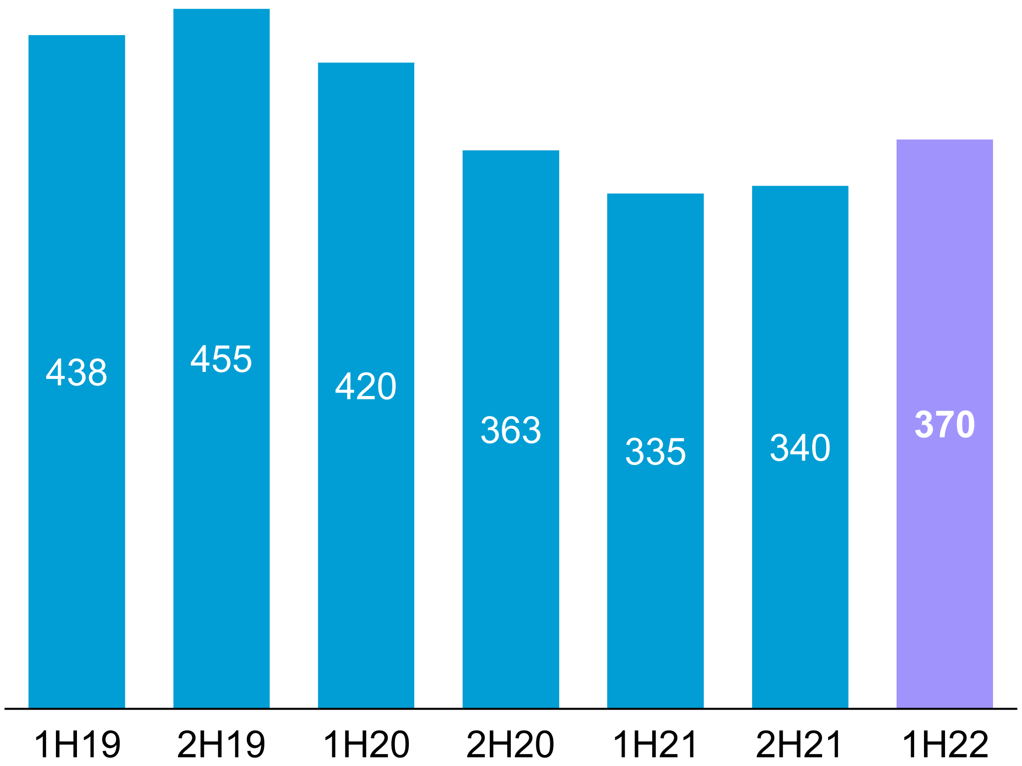
Markets & Treasury income.[1]

Up 28% in 1H22 from stronger Treasury contribution.

Markets non-customer and Treasury income ($m)



Markets customer income ($m)



1 Markets income includes net interest income and non-interest income but excludes derivative valuation adjustments.

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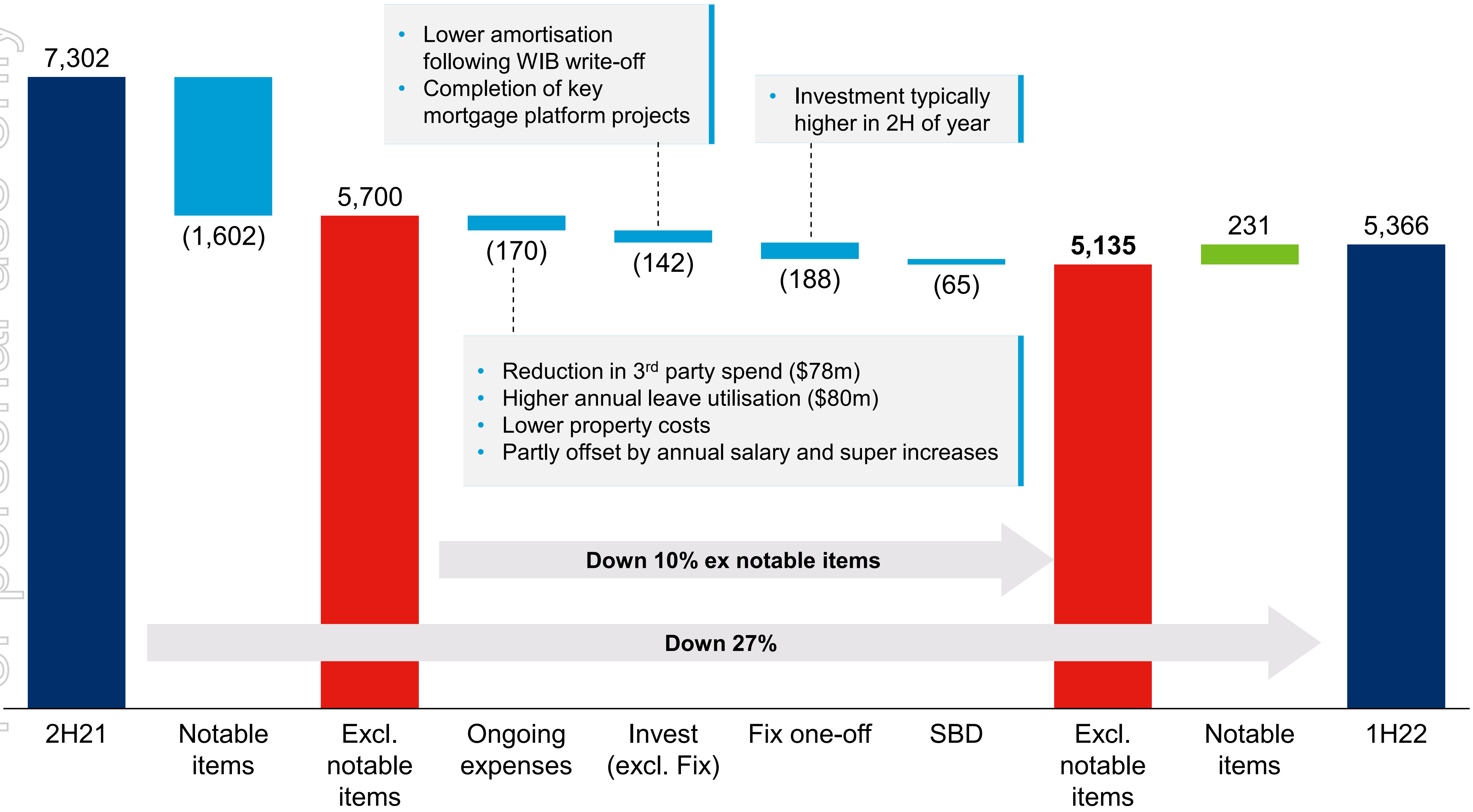
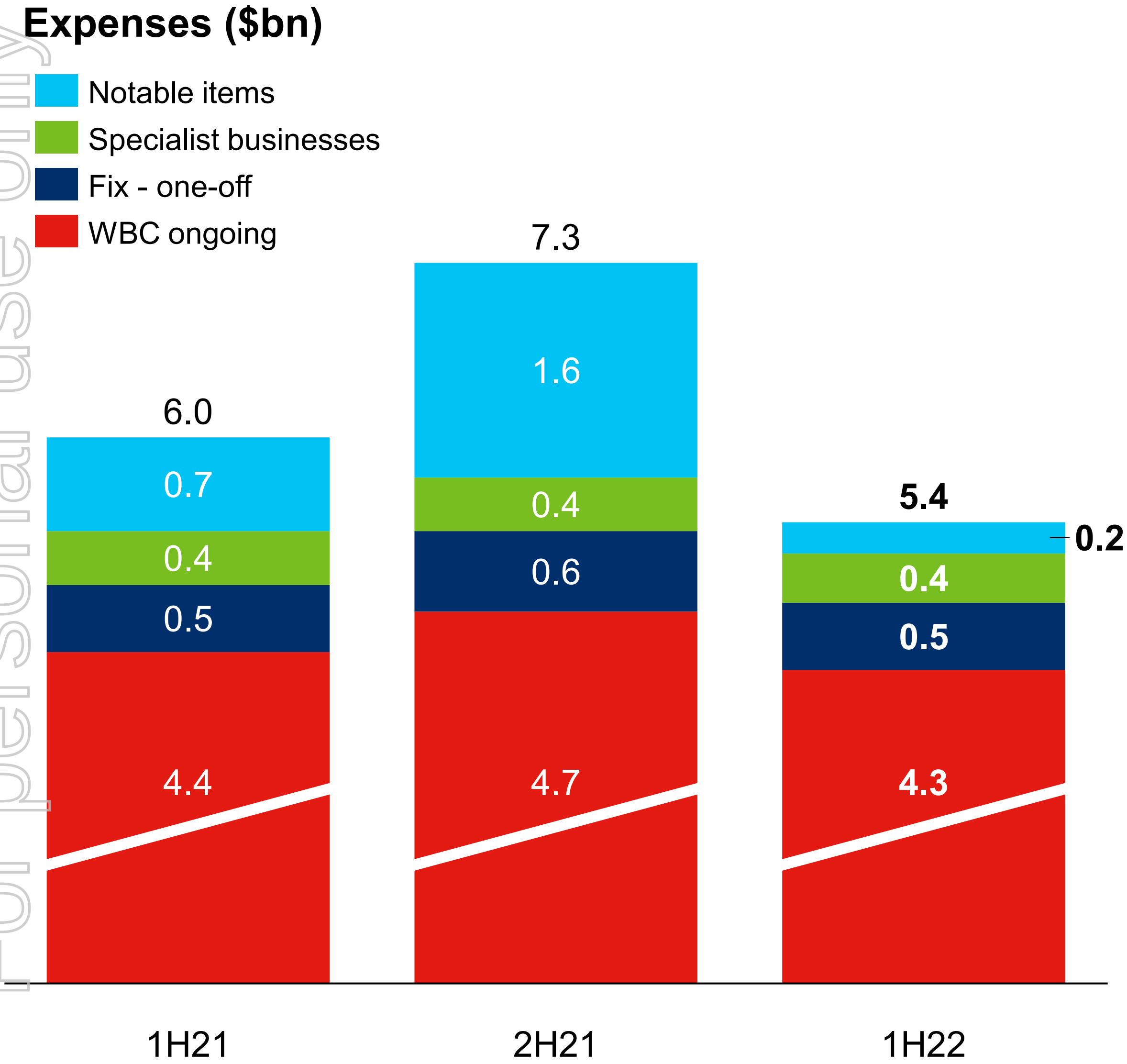
1H22 – 2H21 expenses ($m).



Progress on $8bn cost target.[1]



2H22 costs expected to be 0 - 2% lower than 1H22 ex-notable items

Full period impact of reduced headcount and office space

Seasonality in investment spend – typically higher in second half

Small rise in Fix spending, particularly in NZ

1 This page contains 'forward-looking statements' and statements of expectation. Please refer to the disclaimer on page 132. The $8bn FY24 cost target is subject to completion of sales of specialist business by end of FY23 which will depend on final terms with counterparties and regulatory approvals.

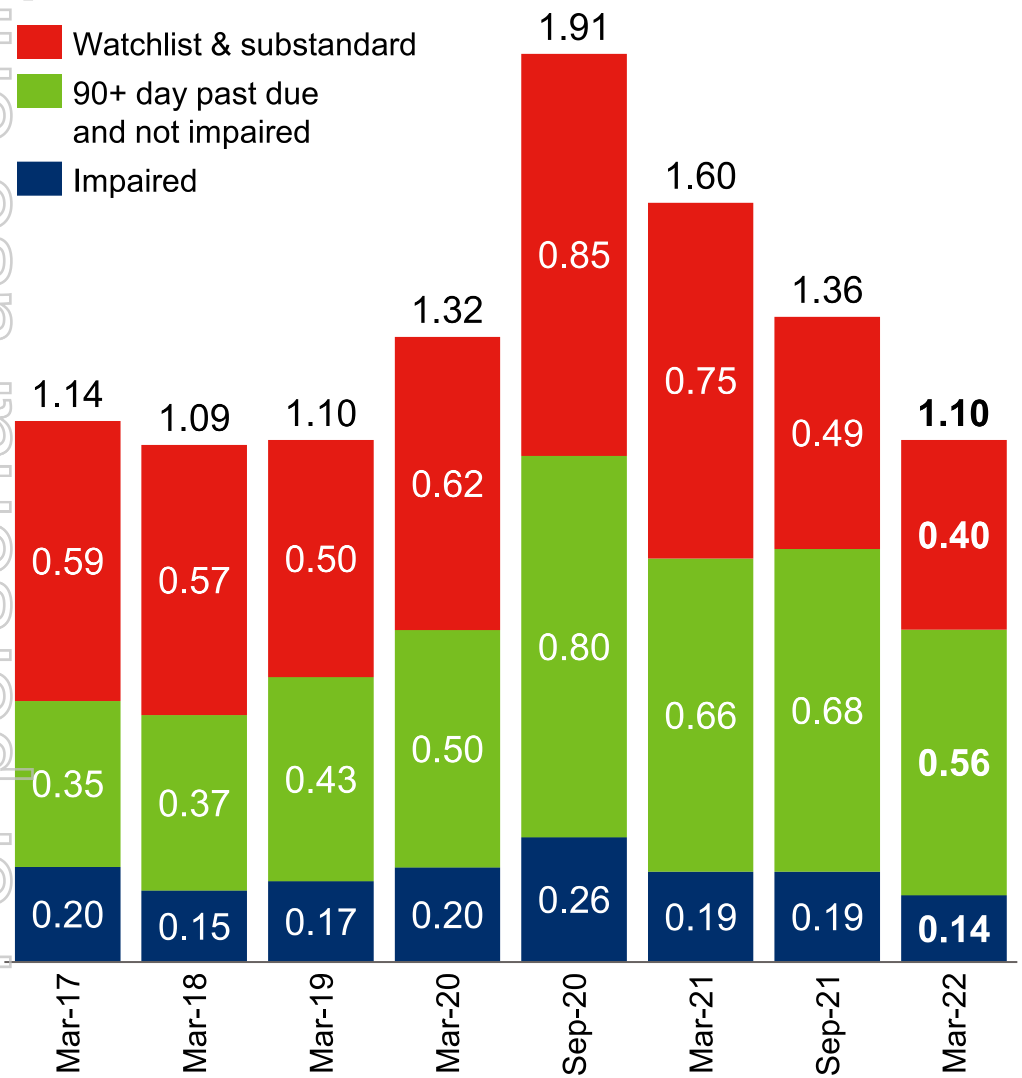
Select cost reset targets.[1]

	Metric	FY20 Baseline	1H22	FY24
Portfolio simplification	• Sale of non-core businesses • Completion of sales	1 under sale agreement	1 under sale agreement 6 completed	9 transactions completed
Business simplification	• Mortgages processed on digital origination platform[2]	32%[2]	82%	100%
	• Consumer sales via digital[3]	42%	45%	70%
	• Branch transactions[4]	29 million	22.2 million ann.	~40% less
	• Number of products[5]	1,191	959	~450
Organisational simplification	• Complete Fix spend	$1.1bn	$0.5bn	-
	• Offshore locations[6]	8	6	4
	• Reduce third party and contractor spend >$200m per annum		$78m	$200m p.a
	• Reduce head office roles and corporate space ~ more than 20%[7]		(8%)	(20%)

1 This page contains 'forward-looking statements' and statements of expectation. Please refer to the disclaimer on page 132. 2 Percentage of home loan applications through digital mortgage origination platform for 1st party lending (excl. RAMS). FY24 target refers to both 1st and 3rd party across Consumer and Business. 3 Refer to page 130 for definition. 4 Reduction to FY24 represents decrease on baseline. 5 Includes products for sale and not for sale across Australia and New Zealand, except for business lending and institutional products which are for sale only. 6 Represents international locations excluding New Zealand and Westpac Pacific. 7 Corporate space represents head office and operations and excludes branches and business banking centres.

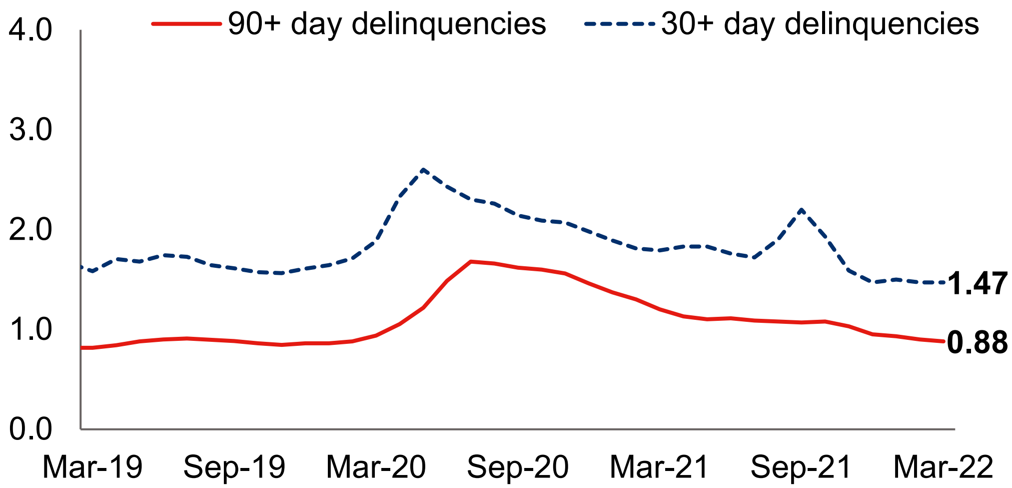
Credit quality metrics improved.

Stressed exposures as a % of TCE[1]

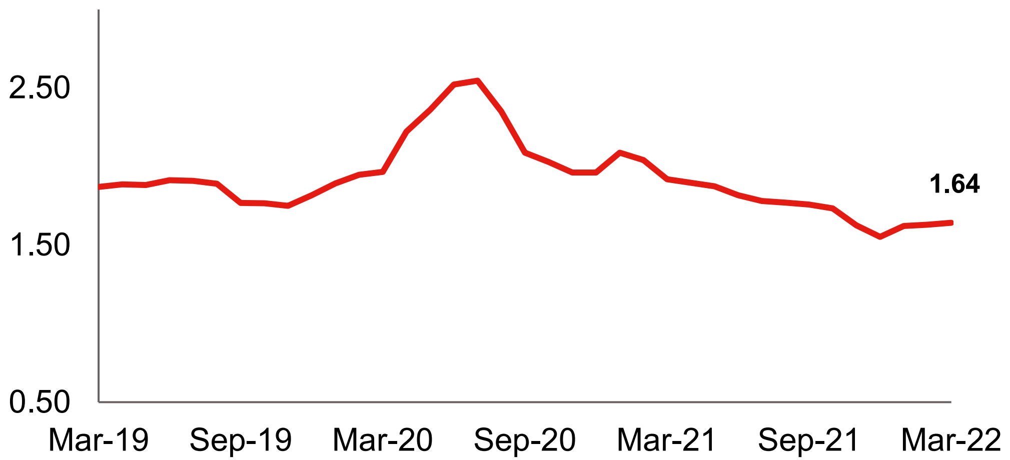


1 TCE is total committed exposure.

Australian mortgage delinquencies (%)

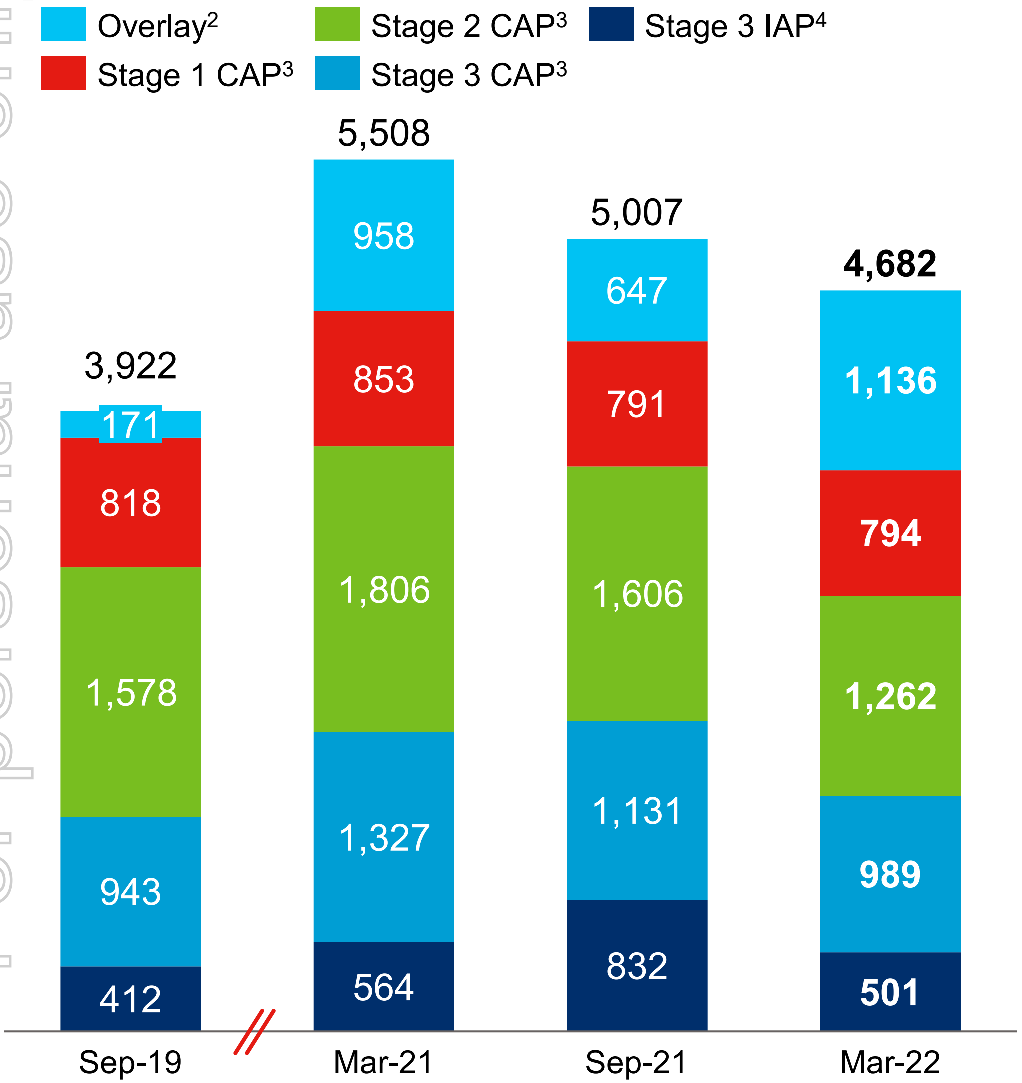


Australian unsecured 90+ day delinquencies (%)



Impairment provisions.

Total impairment provisions[1] ($m)



Provision coverage

	Sep-20	Mar-21	Sep-21	Mar-22
Provisions to Credit RWA	171bps	159bps	140bps	**130bps**
Provisions to TCE	58bps	51bps	44bps	**40bps**
IAP to impaired assets	41%	47%	54%	**48%**

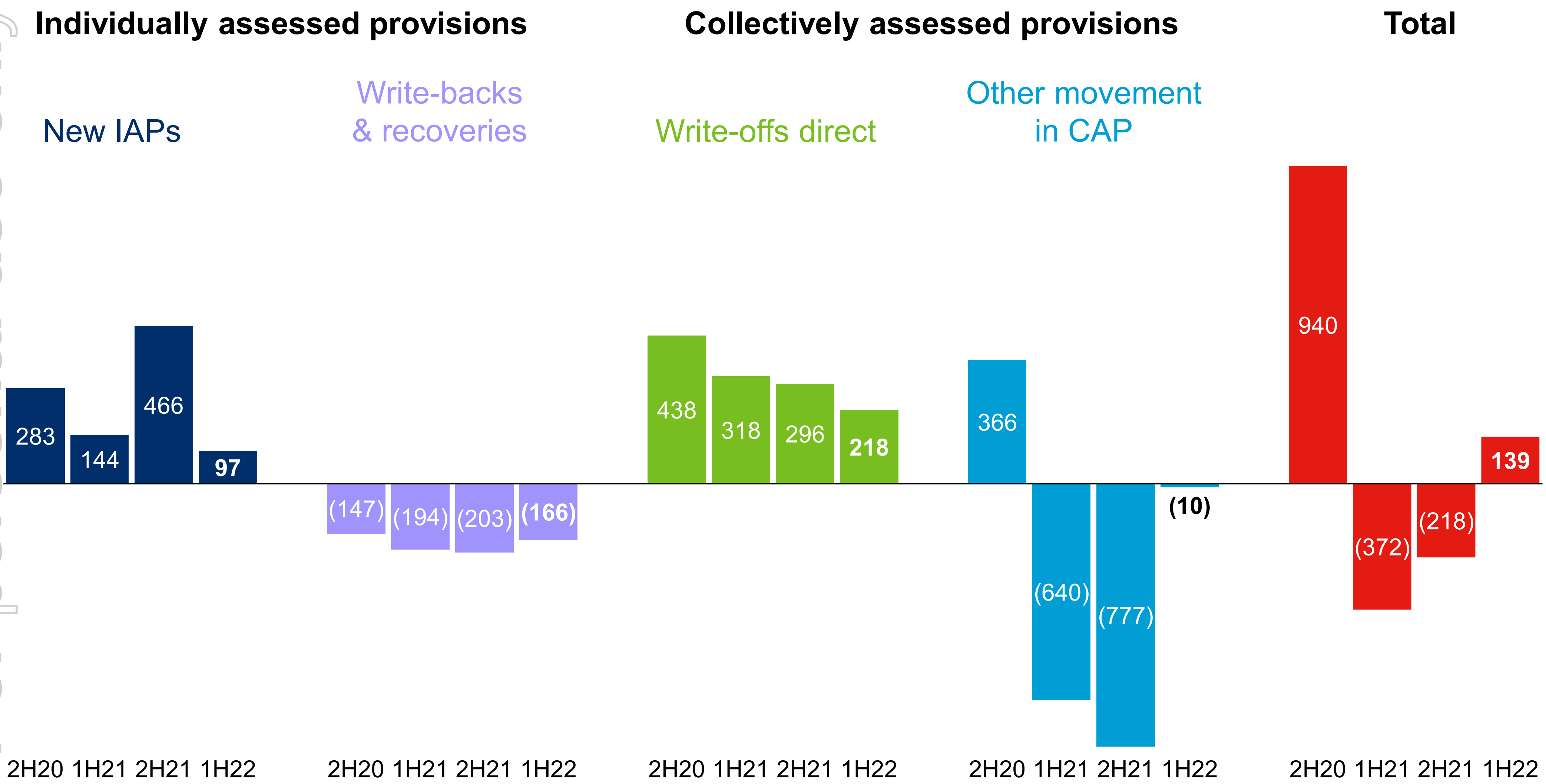
Forecasts used in base case economic scenario[5]

	At Sep 2021	At Mar 2022	
Forecast period	**2022**	**2022**	**2023**
GDP growth	7.4%	5.5%	2.7%
Unemployment	4.0%	3.8%	3.9%
Residential property price increase/(decrease)	5.0%	1.6%	(7.0%)

1 Includes provisions for debt securities. 2 Overlay from Mar-20 includes New Zealand overlay. Overlay from Sep-21 shows portfolio overlays. 3 CAP is Collectively Assessed Provision. 4 IAP is Individually Assessed Provision. 5 GDP and Residential property price growth is annual growth to December each year. Unemployment rate forecast is at year end. Forecast date is 21 February 2022.

Credit impairment charge / (benefit) composition.

($m).



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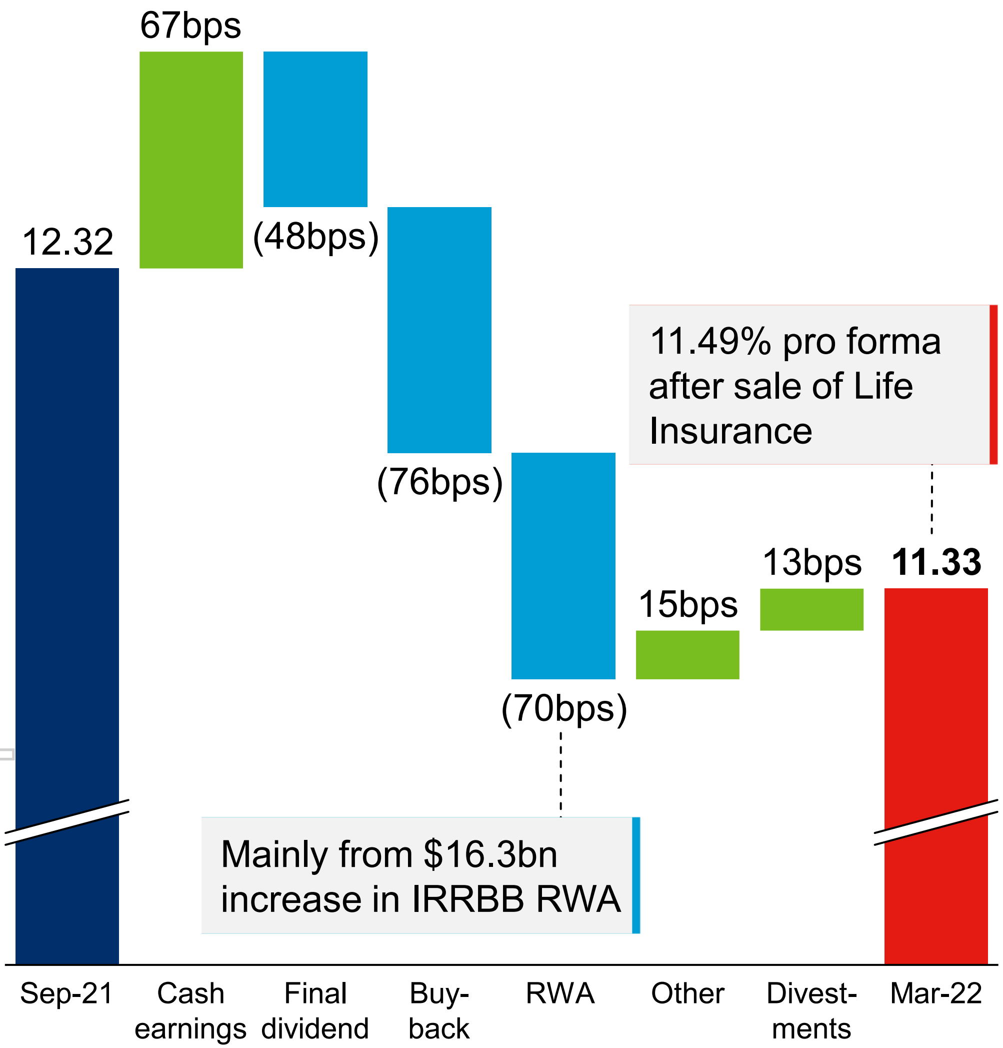
Capital – returned $5.5bn to shareholders.

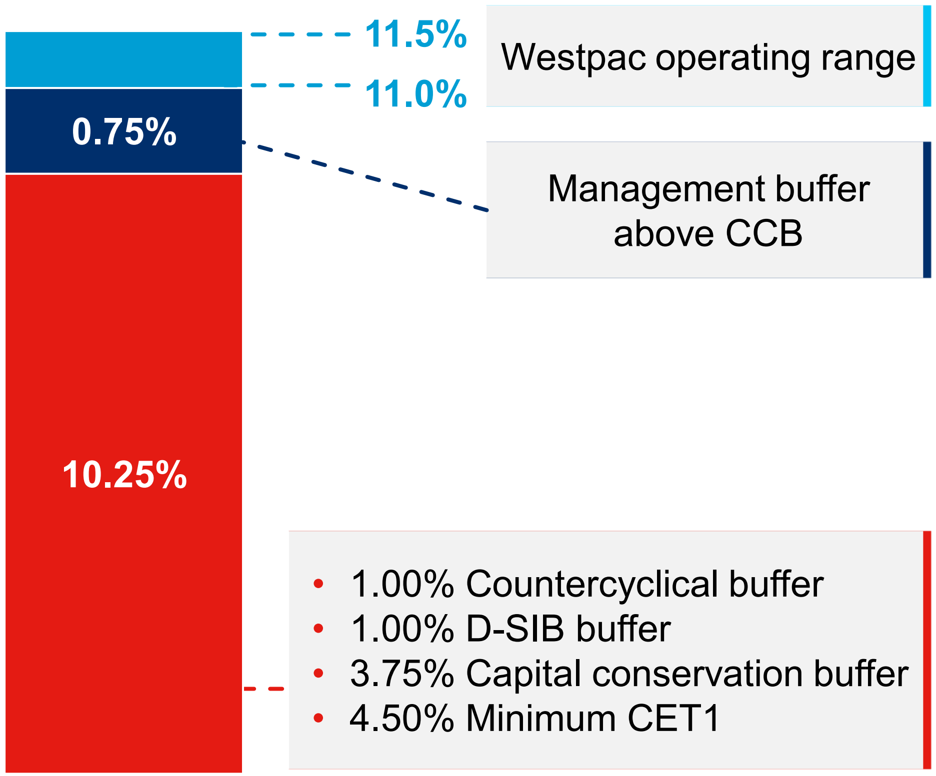
CET1 Capital (%, bps)



New CET1 operating range 11.0% - 11.5%

(From 1 Jan 2023)

- Minimal RWA impact expected from updated Basel III standards



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2H22 Considerations.[1]

Net interest income	• Owner occupied mortgage growth to continue; improve investor lending performance • Exit margin[2] excl. Tsy & Markets for March 2022 ~1.68%
Non-interest income	• Increased economic activity to benefit • Life divestment releases 16bps of capital but sees a $1bn notable item
Expenses	• 2H22 costs (ex notable items) expected to be 0% – 2% lower than 1H22
Credit quality	• Credit metrics expected to remain healthy

1 This page contains 'forward-looking statements' and statements of expectation. Please refer to the disclaimer on page 132. 2 Exit margin is net interest margin excluding Treasury and Markets for the month of March 2022.

Westpac GROUP

Peter King

Chief Executive Officer

Westpac GROUP

Supporting the transition to a net zero economy.

Improving our direct climate performance

- On track to reduce scope 1 and 2 emissions by 65% by the end of FY22[1]
- On track to reduce scope 3 supply chain emissions by 35% by 2030[1]
- Targeting 100% of our electricity consumption from renewables by 2025
- Carbon neutral[2] in Australia since 2012
- Moving vehicle fleet to hybrid / electric
- 2,900+ employees trained on ESG fundamentals
- 200+ employees completed ESG program with Monash University and Climateworks Centre

Helping customers transition to net zero

- 39 new sustainable finance transactions Group-wide in 1H22 with a total market value of $36 billion[3]
- Largest bank lender to greenfield renewable energy projects in Australia for past 5 years[4]
- NZ structured 32% of sustainable finance transactions from local borrowers in 1H22
- Engaging institutional customers on their transition plans
- Progressing portfolio targets and financing strategies for sectors representing the majority of our financed emissions to support a net zero economy by 2050
- Exiting thermal coal mining[5] by 2030

Collaborating for impact

- Reporting in line with TCFD and SASB[6]
- Commenced reporting financed emissions in 2021
- Joined the Australian Industry Energy Transitions Initiative
- Participating in the Clean Energy Regulator's Corporate Emissions Reductions Transparency reporting pilot
- Joined the TNFD[7] Forum to support the development of a nature-related financial disclosure framework

New or completed in 1H22

1 Against 2016 baselines. 2 Accredited by Climate Active. 3 Sustainable finance transactions refers to green, social, sustainability, sustainability-linked and re-linked loans and bonds. The $36 billion represents the full amount of the transactions we participated in, not an amount held on our balance sheet.. 4 IJGlobal and Westpac Research data. 5 Thermal coal customers defined as those generating more than 25% of revenues from thermal coal, or in the case of a stand-alone mine, more than 35% of volumes from thermal coal. 6 Taskforce on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB), since 2017. 7 Taskforce on Nature-related Financial Disclosures (TNFD).

FY22 – Solid outlook, some economic uncertainty.

- GDP growth above average in 2022, slowing in 2023
- Unemployment to hit historic lows
- Credit growth to remain sound but moderating
- Housing prices likely to moderate

Australian economic forecasts[1]	Dec-22	Dec-23
Cash rate	1.75%	2.25%
GDP	4.5%	2.5%
Unemployment rate	3.2%	3.4%
Inflation	5.6%	2.6%
Credit growth	5.7%	4.3%
Housing price forecasts	(2%)	(8%)

1 Forecasts from Westpac Economics.

2H22 Areas of focus.

Fix

- Complete CORE program ‘implement’ activities

Simplify

- Announce transactions for Super and Platforms
- Continue digital transformation

Perform

- Build on loan momentum
  - Continue progress in Business/Institutional
  - Improve performance in investor mortgages
- Deliver on cost reset
- Finalise climate pathways for top emitting sectors

Westpac GROUP

Investor Discussion Pack

Fix. Simplify. Perform.

Westpac GROUP

Overview

Westpac GROUP

Westpac Group at a glance.

Our Purpose: Helping Australians and New Zealanders succeed.

- Australia's first bank and oldest company founded in 1817
- Australia's 3rd largest bank and 31st largest bank in the world, ranked by market capitalisation[1]
- Strong market share in key products
- Capital ratios are in the top quartile globally
- Credit ratings[2] AA- / Aa3 / A+
- Supporting the transition to a net zero economy by 2050

Westpac Group

Key statistics at 31 March 2022

Customers	**12.6m**
Australian household deposit market share[3]	**21%**
Australian mortgage market share[4]	**21%**
Australian business credit market share[4]	**15%**
New Zealand deposit market share[5]	**18%**
New Zealand consumer lending market share[5]	**18%**

Key financial data for 1H22

Reported net profit after tax	**$3,280m**
Cash earnings	**$3,095m**
Expense to income ratio[6]	**53.9%**
Common equity Tier 1 capital ratio (APRA basis)	**11.3%**
Return on equity[6]	**8.7%**
Total assets	**$964.7bn**
Total liabilities	**$894.4bn**
Market capitalisation[7]	**$85bn**

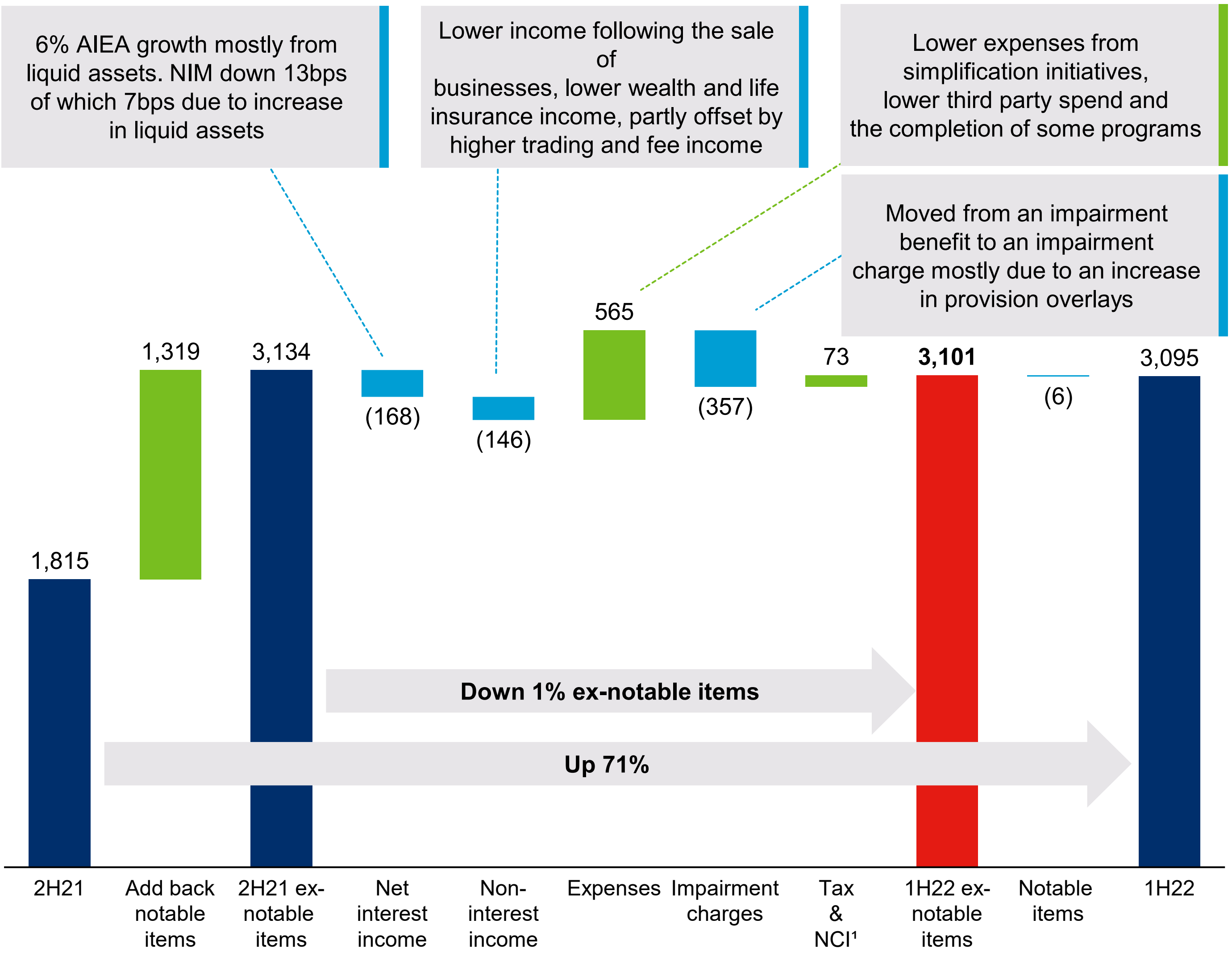
1 31 March 2022 Source: S&P Capital IQ, based in US$. 2 S&P Global Ratings, Moody's Investors Service and Fitch Ratings respectively. All three credit rating agencies have Westpac Banking Corporation on a stable outlook. 3 APRA Banking Statistics, March 2022. 4 RBA Financial Aggregates, March 2022. 5 RBNZ, March 2022. 6 Cash earnings basis. 7 Based on share price at 31 March 2022 of $24.24.

1H22 cash earnings.

	2H21 ($m)	1H22 ($m)	Change 1H22-2H21 (%)
Net interest income	8,245	**8,028**	(3)
Non-interest income	1,994	**1,931**	(3)
Expenses	(7,302)	**(5,366)**	(27)
Core earnings	2,937	**4,593**	56
Impairment benefit/(charge)	218	**(139)**	(Large)
Tax and non-controlling interests (NCI)	(1,340)	**(1,359)**	1
Cash earnings	1,815	**3,095**	71
Add back notable items (after tax)	1,319	**6**	(100)
Cash earnings ex-notable items	3,134	**3,101**	(1)
Reported net profit	2,015	**3,280**	63

1 NCI is non-controlling interests.

Cash earnings 1H22 – 2H21 ($m)

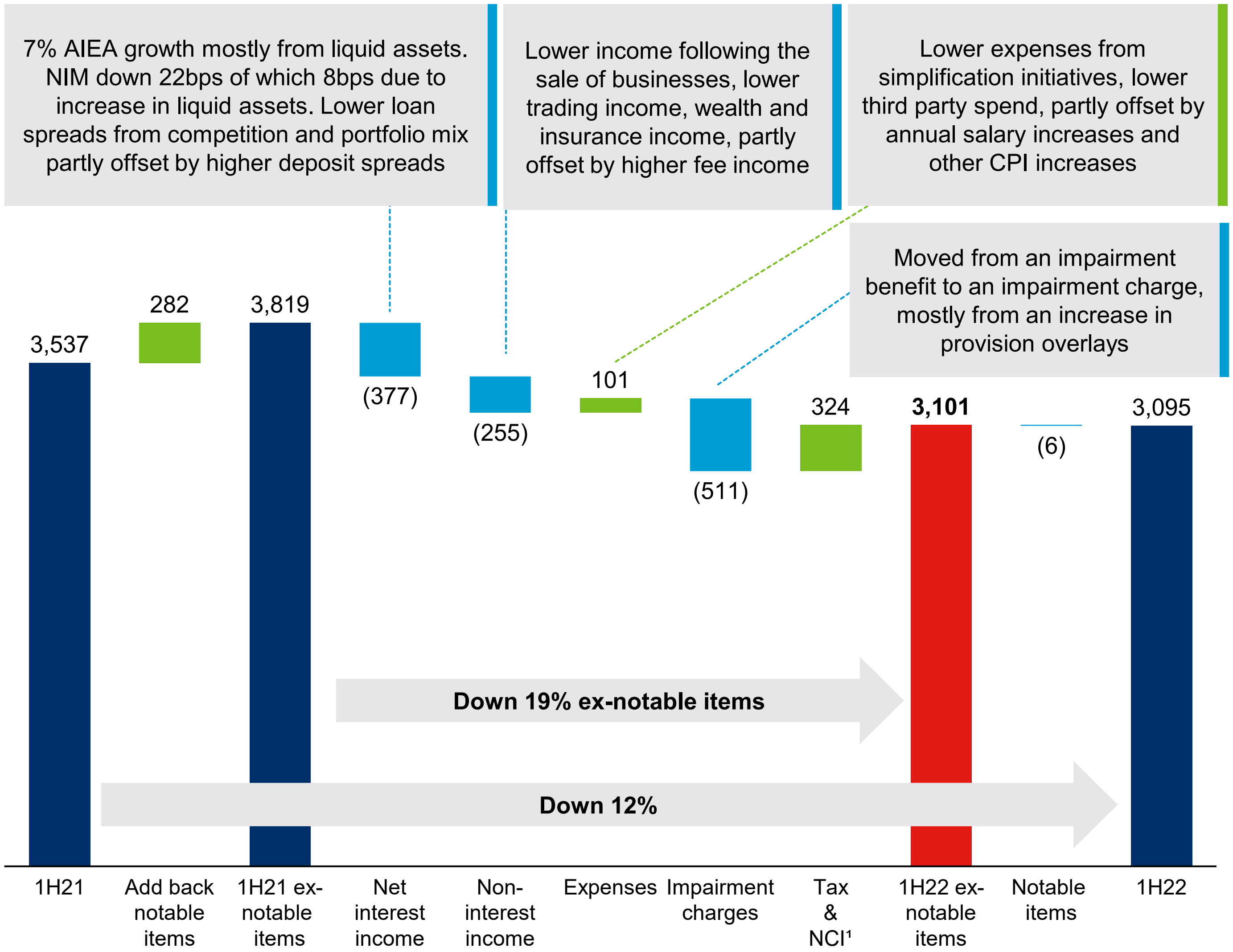


1H22 cash earnings.

	1H21 ($m)	1H22 ($m)	Change 1H22-1H21 (%)
Net interest income	8,469	**8,028**	(5)
Non-interest income	2,330	**1,931**	(17)
Expenses	(5,981)	**(5,366)**	(10)
Core earnings	4,818	**4,593**	(5)
Impairment benefit/(charge)	372	**(139)**	(Large)
Tax and non-controlling interests (NCI)	(1,653)	**(1,359)**	(18)
Cash earnings	**3,537**	**3,095**	**(12)**
Add back notable items (after tax)	282	**6**	(98)
Cash earnings ex-notable items	**3,819**	**3,101**	**(19)**
Reported net profit	**3,443**	**3,280**	**(5)**

1 NCI is non-controlling interests.

Cash earnings 1H22 – 1H21 ($m)



1H22 financial snapshot.

	1H22	Change 1H22 – 2H21	Change 1H22 – 1H21
Earnings[1]			
Earnings per share (cents)	**85.4**	73%	(12%)
Core earnings ($m)	**4,593**	56%	(5%)
Cash earnings ($m)	**3,095**	71%	(12%)
Return on equity (%)	**8.73**	371bps	(146bps)
Dividend (cents per share)	**61**	2%	5%
Expense to income ratio (%)	**53.88**	(Large)	(150bps)
Net interest margin (%)	**1.85**	(14bps)	(24bps)
Credit quality			
Impairment charge/(benefit) to average gross loans (bps)	**4**	(10bps)	(15bps)
Impaired assets to gross loans (bps)	**23**	(7bps)	(7bps)
Impaired provisions to impaired assets (%)	**48.0**	(6ppts)	1ppt
Total provisions to credit RWA (bps)	**130**	(10bps)	(29bps)
Collectively assessed provisions to credit RWA (bps)	**116**	(1bp)	(26bps)

	1H22	Change 1H22 – 2H21	Change 1H22 – 1H21
Balance sheet			
Total assets ($bn)	**964.7**	3%	8%
Common equity Tier 1 (CET1) capital ratio (APRA basis) (%)	**11.33**	(99bps)	(101bps)
CET1 capital ratio (Internationally comparable[2]) (%)	**17.36**	(81bps)	(72bps)
CET1 capital ($bn)	**52.1**	(3%)	(2%)
Risk weighted assets (RWA) ($bn)	**460.0**	5%	7%
Average interest-earning assets ($bn)	**872.1**	6%	7%
Loans[3] ($bn)	**719.6**	1%	4%
Customer deposits[3] ($bn)	**600.9**	4%	9%
Net tangible assets per share ($)	**17.2**	2%	4%
Funding and liquidity			
Customer deposit to loan ratio (%)	**83.5**	186bps	375bps
Net stable funding ratio[4] (%) (NSFR)	**125**	-	2ppts
Liquidity coverage ratio[5] (%) (LCR)	**137**	8ppts	13ppts
Total liquid assets[6] ($bn)	**244.1**	7%	25%

1 All measures on a cash earnings basis. 2 Internationally comparable methodology aligns with the APRA study titled 'International Capital Comparison Study' dated 13 July 2015. 3 Includes items classified as held for sale. 4 NSFR is reported on a spot basis. 5 LCR is reported on a quarterly average basis. 6 Total liquid assets represent cash, interbank deposits and assets eligible for existing repurchase agreements with a central bank.

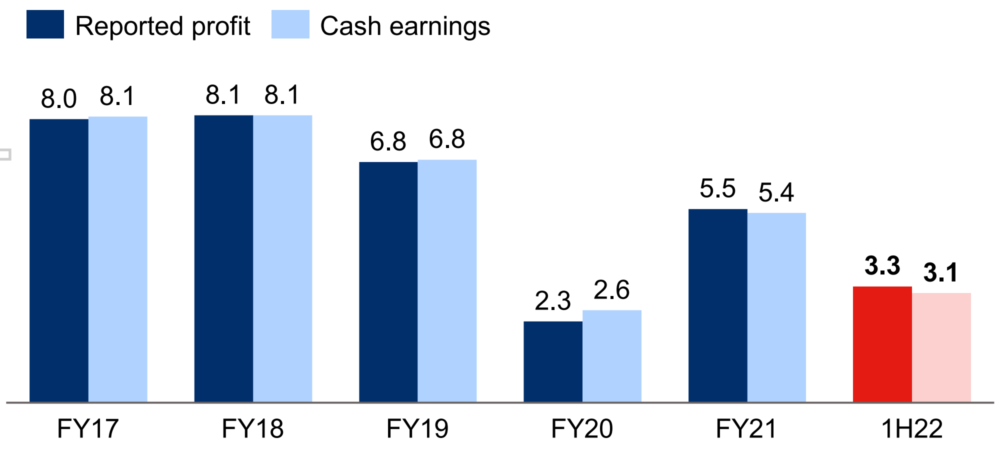
Cash earnings and reported net profit reconciliation.

Cash earnings[1] policy

- Westpac uses a measure of performance referred to as cash earnings to assess financial performance at both a Group and segment level
- This measure has been used in the Australian banking market for over 15 years and management believes it is currently an effective way to assess performance for the current period against prior periods and to compare performance across segments and across peer companies
- To calculate cash earnings, reported net profit is adjusted for:
  - Material items that key decision makers at Westpac believe do not reflect our operating performance
  - Items that are not normally considered when dividends are recommended, such as the impact of economic hedges
  - Accounting reclassifications between individual line items that do not impact reported results

	1H22 ($m)	Change 1H22 - 2H21 (%)	Change 1H22 - 1H21 (%)
Cash earnings	**3,095**	71	(12)
Cash EPS (cents)	**85.4**	73	(12)
Reported net profit	**3,280**	63	(5)
Reported EPS (cents)	**90.5**	65	(4)

Reported net profit and cash earnings ($bn)



Reported net profit and cash earnings adjustments ($m)

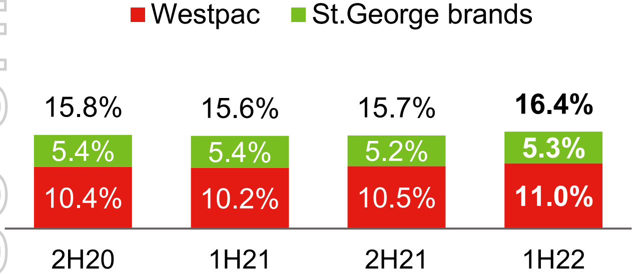
	2H21	1H22
Reported net profit	2,015	**3,280**
Fair value (gain)/loss on economic hedges	(184)	**(204)**
Ineffective hedges	(16)	**19**
Cash earnings	1,815	**3,095**

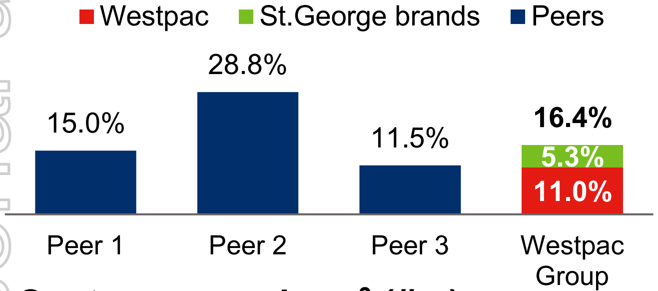
1 Cash earnings is not a measure of cash flow or net profit determined on a cash accounting basis, as it includes non-cash items reflected in net profit determined in accordance with AAS (Australian Accounting Standards). The specific adjustments outlined include both cash and non-cash items. Cash earnings is reported net profit adjusted for material items to ensure they appropriately reflect profits available to ordinary shareholders. All adjustments shown are after tax. For further details refer to page 121.

Westpac GROUP

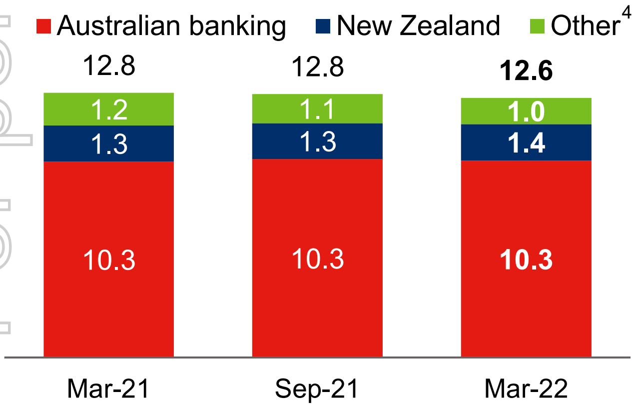
Customer franchise.

MFI share[1,2]





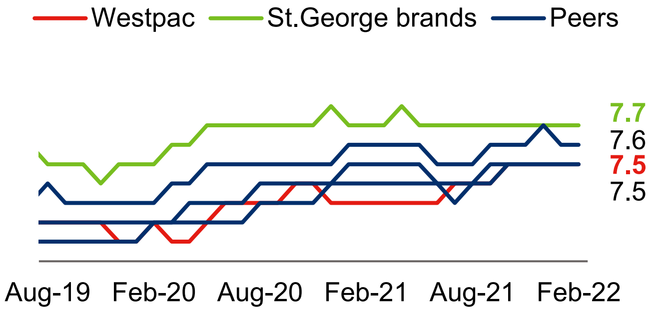
Customer numbers[3] (#m)

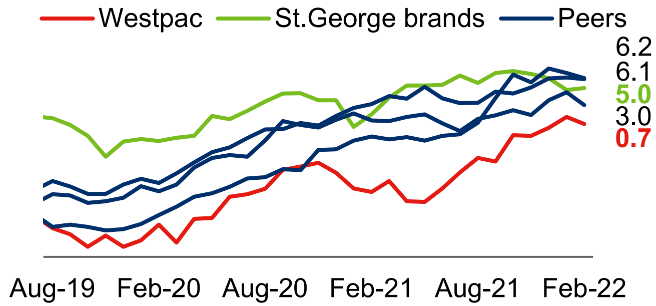


Customer satisfaction (CSAT)[2]

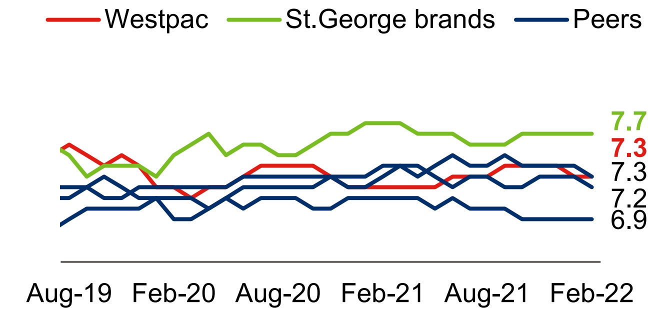
Net Promoter Score (NPS)[2]

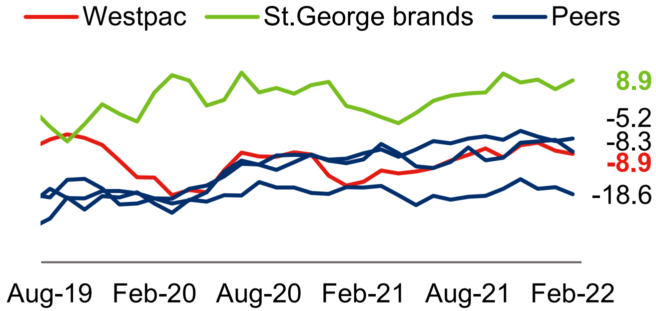
Consumer



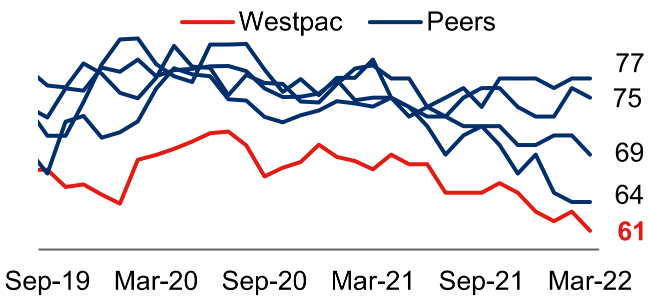


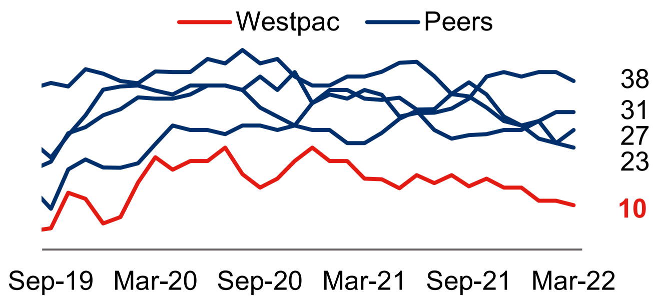
Business





New Zealand





Charts may not add due to rounding

1 Main Financial Institution for Consumer customers. Data at February 2022. 2 Refer page 130 for details of the metric provider. 3 Customer numbers related to businesses sold, held for sale or in run-off at March 2022 have been excluded from prior periods. 4 Other includes WIB, Westpac Pacific and, Platforms, Investments and Superannuation customers.

Supporting customers.

Customers at the centre of what we do.

Helping customers

- Supported around 24,000 customers[1] through hardship
- ~1,900 consumer and 395 business customers with total loans of $403m have been granted flood-related hardship support[2]
- 647 customers in hardship with a savings buffer[3]
- Established $2m fund to support flood-affected small businesses
- 12,700 customers assisted through specialist vulnerable customer teams

Migrating to digital

- Acquisition of MoneyBrilliant with capability available in Westpac's app by end-2022
- New digital business lending process established
- New Westpac app released to Android device users
- Customers applied gambling stops on over 21,000 credit and debit cards in 1H22

Insight / expertise / security

- Over 25,000 payments with abusive messages stopped in 1H22
- Real-time blocking of potential scams saving $6m for 69,000 customers since January 2022
- Digitising 400+ manual processes by end-2022 allowing customers to do more online

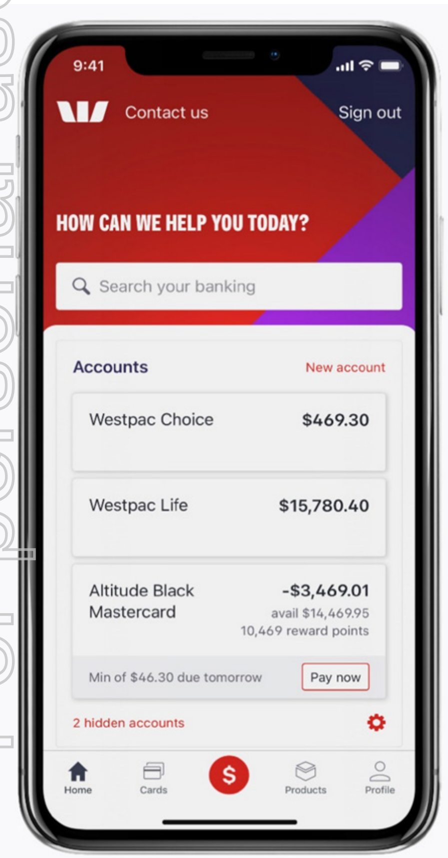
1 Includes business and consumer customers as of end-April 2022. 2 As of end-April 2022. 3 In May 2021, Westpac announced a new policy that allows customers entering hardship arrangements to build a savings buffer. Westpac will work with customers to introduce a short-term savings buffer of at least $100 per month when calculating hardship payments, freeing up some money for urgent expenses, paying off higher interest debts or saving for a rainy day.

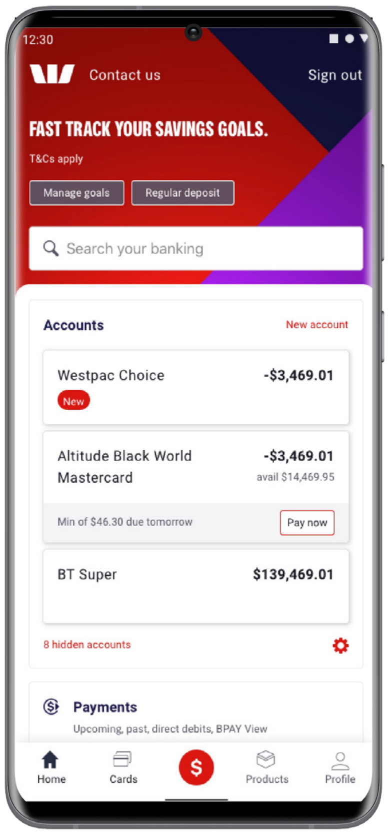
Investing in the Westpac digital experience.

The Westpac app.

New app experience enabled for Android and iOS

- 200+ features and capabilities
- 2.5m customers using the app
- Rolling out to business customers by end-2022





Protect me

- Introduced behavioural pattern scam and fraud prevention capabilities[1]
- Dynamic CVC capability reducing rate of fraud by more than 50%[2] since 2021
- Real-time scam blocks for suspect online transactions from overseas retailers, with 69k customers saving $6m since January 2022, and continuing to scale-up
- Strengthened Electronic Verification to help detect identity fraud
- Expanded gambling stop functionality

Help manage my money

- Net financial position available on home screen
- Enhanced personalised daily payment limits in the app
- Helping customers to plan their spend with upcoming payments visibility
- Cross-account transaction search capability
- Cashflow and spend analysis tools into the app by end-2022

Improve my digital experience

- Fast sign-ins
- Tap on the mobile to activate card
- Enhanced quick balance and cardless cash capability
- Personalised messages helping customers effectively use their banking products
- Supporting customers to adopt digital services via QR codes[3]

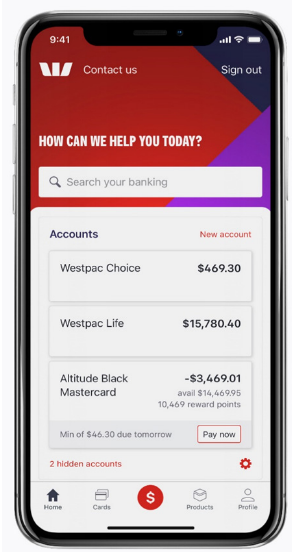
1 Behavioural biometrics currently available for St.George, Bank of Melbourne, and BankSA. 2 Compared to customers using static CVC. 3 QR codes available to bankers.

Investing in the Westpac digital experience.

The Westpac app.

More functionalities through the app

- More self-service opportunities for customers with capability to better manage daily payment limits within the app, usage up 8% in 1H22 reducing calls to contact centres
- New digital onboarding experience for new to bank customers opening deposit accounts
- Term deposit renewal instructions now available through the app[1]
- Ability to apply online for mortgages and top ups[2], track applications, accept offer letters and monitor settlement via the app
- Introduction of Digital Finance Application for business lending

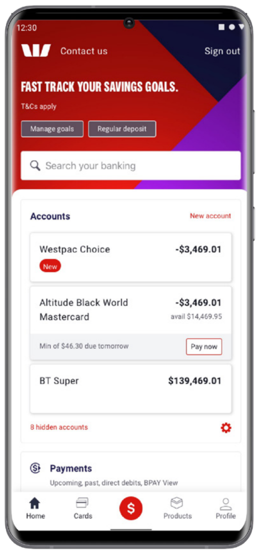


Developments in 2H22 and beyond

- New app experience to Westpac business customers by end-2022
- Money management functionality available by end-2022 and will provide customers with:
  - Transaction categorisation including personal categories
  - Financial education
  - Spend analysis with trends
  - Cash flow analysis of income and expenses
- Digitising more than 400 manual processes by end-2022

Improving digital sales and services

- 22% increase in mobile only active customers since iOS launch (February 2021)
- Dynamic CVC used on average by 10,000 customers per day in March 2022
- Apply for and manage credit cards via the app, with 83% of credit cards sold via digital in 1H22, up from 71% in 2H21
- Customers can choose which channel to use across a larger product and service range
- 2.1m digital password resets in the app in 1H22, up 10% on 2H21



Digital experience recognition

- 2022 Mozo Experts Choice Awards for Excellent Banking App: Bank of Melbourne, BankSA, and St.George
- 2022 DBM Australian Financial Awards for Best Major Digital Business Bank: Westpac
- Paris Design Awards Gold Place for new Digital Service or Application: Westpac & Meld CX for their Viana (visual analytics) concept
- Customer satisfaction: iOS App Store rating of 4.3 out of 5

1 Capability for customers to manage their term deposit through provision of pre-maturity instructions currently available for St.George, Bank of Melbourne, and BankSA. 2 Top Ups currently available for St.George, Bank of Melbourne, and BankSA.

Investing in the Westpac digital experience.

Other improvements and developments.

Merchant support

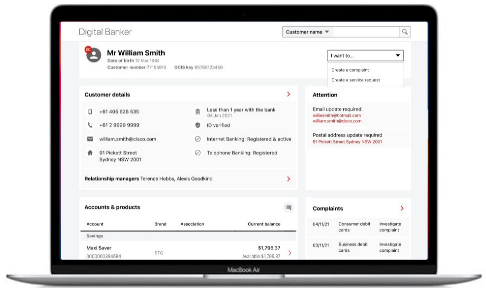
Next generation smart terminals

- Improved experience for merchants and their customers from
  - Enhanced user accessibility
  - Simple fee structure
  - Fast payments and access to funds through instant settlement
- Android-based with potential of add-on services and apps coming later in 2022
- Smoother experience for vision impaired customers
- Ability to add a surcharge to manage cost of payments acceptance
- ~100,000 existing terminals will be upgraded in the next 24 months

Mortgages

- Continued roll-out of our mortgage origination platform:
  - Completed roll-out to all brands[1] in FY21, commenced roll-out to brokers in 1H22
  - Roll-out of business mortgages[2] by end-2022
- Continuing to improve capabilities including digital verification using biometrics, updated calculators, and auto-income verification

% of loans settled via platform[3]	1H21	2H21	1H22
1st party	29	42	**64**
Broker	-	-	**6**



Better support customers

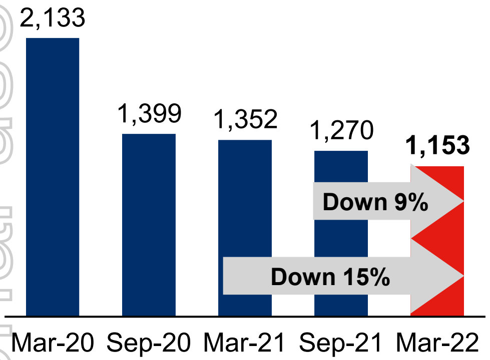
- Digital Banker provides a holistic view of customers, enabling bankers to serve customers more efficiently, with:
  - 360 degree visibility of a customer including accounts and products across brands
  - Identification and service guides for vulnerable customers
  - Better search capabilities across brand and segment
  - Ability for bankers to more easily record complaints
- Launch of Digital Credit Assessment Tool to provide business customers with faster lending application outcomes

1 Excluding RAMS. 2 For standalone business mortgages. 3 Percentage of home loan settlements (cumulative for the reporting period) through mortgage origination platform for 1st party lending (excl. RAMS) and broker.

Continued migration to digital.

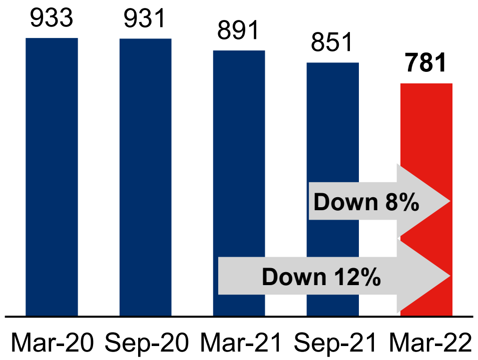
Less physical

Australian ATMs (#)



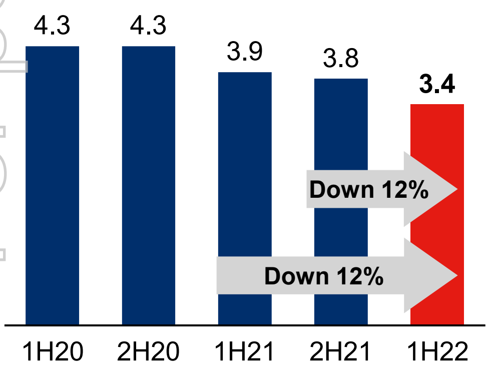
Australian branches (#)[1]

At 31 March 2022 we had 10 co-located branches[2]

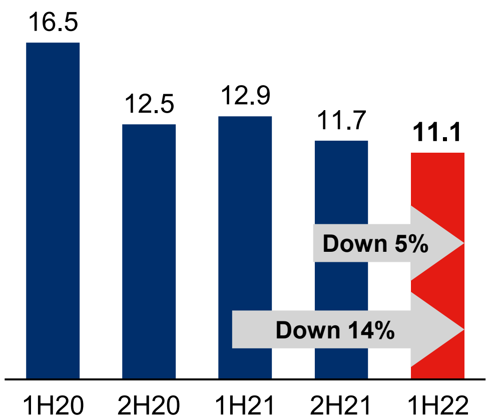


Call Centre Volume (#m)

Increased Westpac mobile app self-serve capability

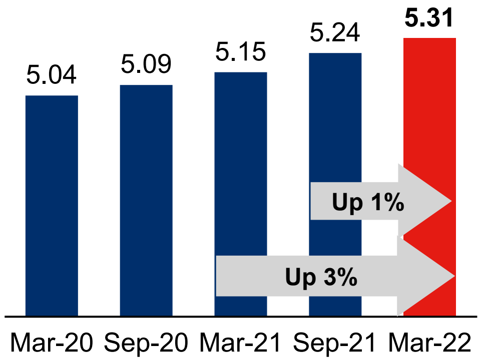


Branch OTC[3] transactions (#m)

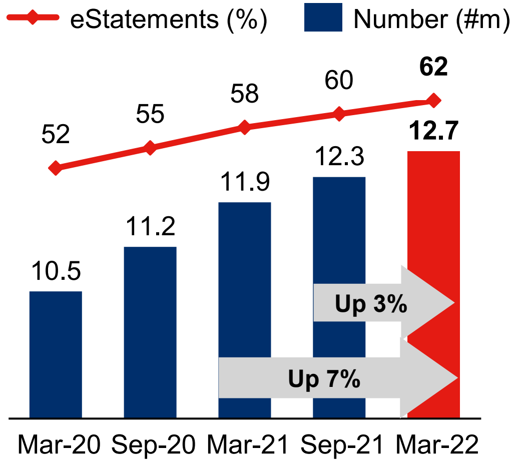


More digital

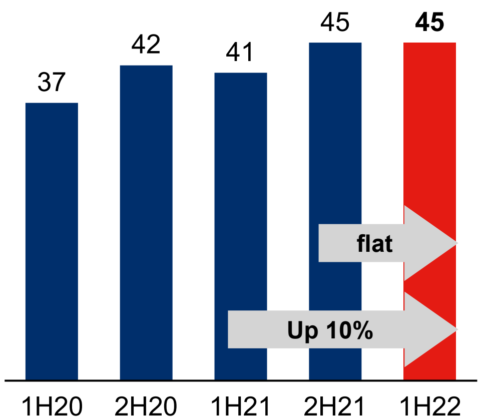
Digitally active customers (#m)



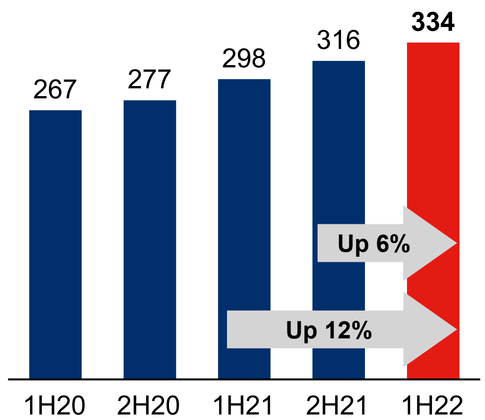
Accounts with eStatements[5]



Sales via digital (%)[4]



Digital transactions[6] (#m)

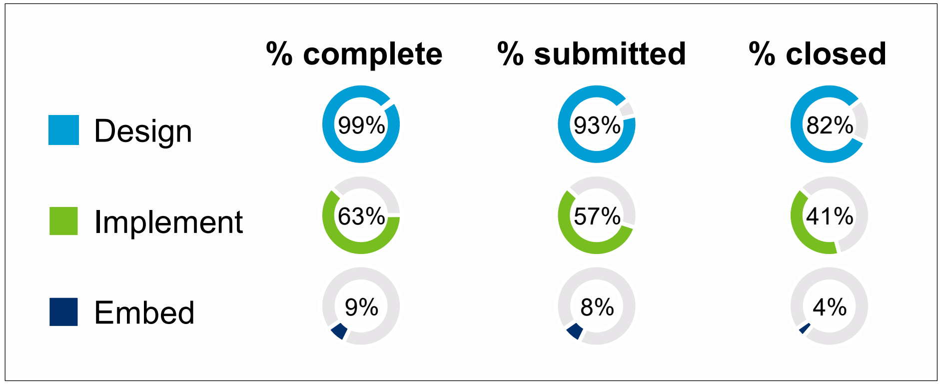


1 Includes all points of presence including Advisory, Community Banking Centres and Kiosks. Kiosks have been restated in comparatives. 2 Co-located branches refers to a single branch location where more than one brand operates. 3 Over the counter. 4 Refer to page 130 for definition 5. Numbers have been restated from prior periods as the methodology has been changed to increase the accuracy of account numbers and digital transactions. 6 Digital transactions include all payment transactions (Transfer Funds, Pay Anyone and BPAY) within Westpac Live and Compass, excl. Corporate Online and Business Banking online.

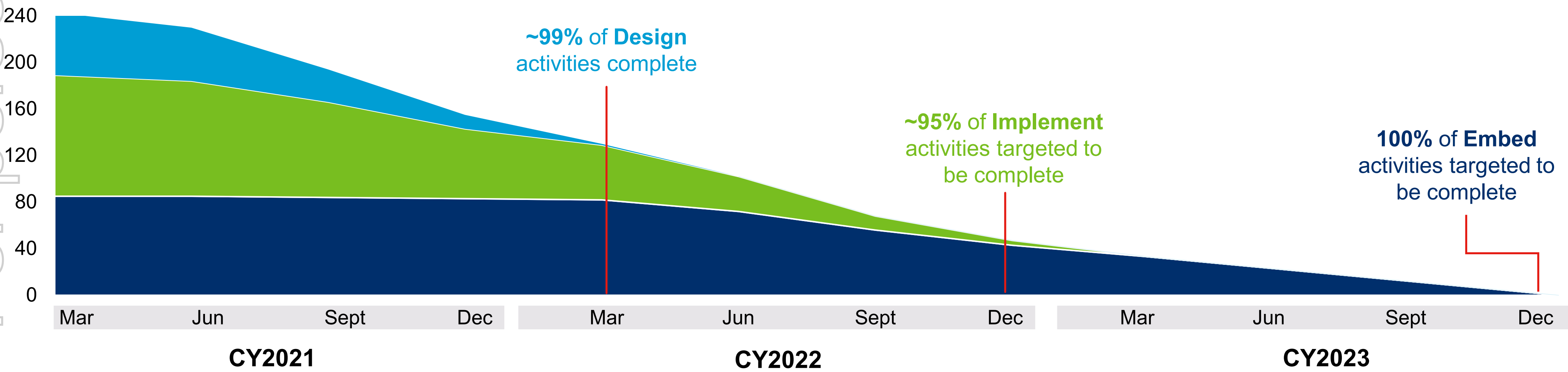
Customer Outcomes and Risk Excellence (CORE) program.

- CORE is a three-year program of work to strengthen risk governance, improve accountability and enhance our risk culture
- CEO and Group Executive accountability for program delivery
  - performance measures in remuneration scorecards as agreed with regulators
- Quarterly independent assurance by Promontory Australia
- 19 workstreams, 82 deliverables and 343 activities
  - 210 (61%) activities **completed**, 194 (57%) activities **submitted**, and 157 (46%) activities **closed**[1]
  - In 1H22 two deliverables and 16 activities added to program to further strengthen accountability, end-to-end processes and data management

Classification of activities and % progress [1]



Delivery of CORE activities yet to be completed



1 At 31 March 2022. Definitions of Completed, Submitted and Closed are as following: Completed means activities have been finalised but not yet submitted to Promontory Australia for assessment. Submitted means activities have been completed and submitted to Promontory Australia for assessment. Closed means activities have been completed and assessed by Promontory Australia as complete and effective.

1H22 CORE progress.

CULTURE AND CLEAR ACCOUNTABILITIES

Employees have a greater understanding of their **accountabilities** in the context of **end-to-end customer processes** and **across the organisation**

All senior leaders have **defined risk accountabilities**

95% of employees **have a risk goal**

99% completion rate for **Code of Conduct** learning modules

Employee survey results on **risk culture** questions improved over last 18 months:

↑**6%** Constructive challenge
↑**4%** Safe to call out risks and/or concerns
↑**3%** Role clarity

END-TO-END RISK MANAGEMENT

Proactive risk management. Focus on **root cause analysis** and **emerging risks** to provide insights to management and the Board

~99% of **key controls** assessed in 1H22 assessed in accordance with **strengthened control standard requirements**

33% reduction in the six-month average of **severe, very high or high rated incidents**

88% of complaints resolved at first point

EMBEDDING THREE LINES OF DEFENCE (3LOD)

100% of **Second Line roles** hired against target capacity

Consistent implementation of **Control Self Assessments** by Line 1 and assurance processes from Line 2 and Line 3

Defined **First Line capability uplift requirements** for financial and non-financial risk classes

Implemented processes to **maintain and refresh the 3LOD target-state models and guides**

DATA QUALITY AND MANAGEMENT

Improving data through the identification of **~1,700 Critical Data Elements (CDEs)**

Dedicated management of a further **~100 CDEs** (~700 CDEs currently under management)

>99% of data incidents and problems have owners, defined action plans and due dates that are being tracked

23% improvement in the **Data Quality Management rating**

Consolidation of legacy complaints systems onto **one platform**

STRONGER OVERSIGHT AND IMPROVING EXECUTION

98% of technology investments aligned to initiatives agreed in our **strategic roadmaps**

>97% of new incidents owned within 8 days of recording

99% completion rate for **Risk in Change** learning modules by **change leaders and practitioners**

Tracking to plan on delivery of **key technology roadmaps**

Westpac GROUP

Our commitment to sustainability.

Helping Australians and New Zealanders succeed.

Helping when it matters most

- Supported **1,500+ customers** with a **natural disaster relief package**
- **$1.3 million in payments to approx. 450 small business customers** impacted by the floods in NSW and QLD
- **100,000+ people accessed our Recovery Hub** – resources to manage financial stress
- **12,000+ cases** assisted by our specialist vulnerability teams
- **Partnership with Head Start Homes** extended – a not-for-profit aiming to provide secure and stable homes to those living in community housing
- **Financial education resources** offered through our Davidson Institute
- Improved banking accessibility for **9,200+ Indigenous and remote Australians** since the beginning of FY21 through Yuri Ingkarninthi, our Indigenous Connection Team

Backing a stronger Australia and NZ

- **$2.8 billion in new lending to climate change solutions** (TCE)[1]
- Westpac Scholars Trust **awarded 100 new scholarships**[2]
- Westpac NZ structured **32%** of sustainable finance transactions executed by local borrowers in 1H22
- Completed a **$250 million structured auto finance facility to fund electric vehicles** and related features such as recharge equipment for consumer fintech lender, Plenti
- **Engaging institutional customers in high emitting sectors** on their ambitions for climate change mitigation and their transition plans
- Continued **support for Indigenous-owned businesses**, including spend on carbon credits from savannah fire management projects in Arnhem Land

Collaborating for impact

- **Sustainability disclosures** in line with **TCFD**[3] and **SASB**[3] since 2017
- Reported financed emissions in 2021
- Joined the **Australian Industry Energy Transitions Initiative**
- Joined the **TNFD**[4] **Forum** to support the development of a nature-related financial disclosure framework
- Safer Children, Safer Communities program – **$18.4 million committed in multi-year funding to over 50 child safeguarding organisations since 2020** including partnerships with Save the Children and International Justice Mission
- **Child Safeguarding Position Statement** released in 1H22
- **Westpac's fifth Reconciliation Action Plan** (RAP) to be released in 2H22

1 Cumulative since 2020. See 2021 Sustainability Appendix for glossary. 2 Westpac Scholars Trust (ABN 35 600 251 071) is administered by Westpac Scholars Limited (ABN 72 168 847 041) as trustee for the Westpac Scholars Trust. Westpac Scholars Trust is a private charitable trust and neither the Trust nor the Trustee are part of the Westpac Group. Westpac provides administrative support, skilled volunteering, and funding for operational costs of Westpac Scholars Trust. 3 Taskforce on Climate-related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB). 4 Taskforce on Nature-related Financial Disclosures (TNFD).

Taking action on climate change.

Progressing our Climate Change Position Statement and 2023 Action Plan.

Our principles

- A transition to a **net zero** emissions economy is required **by 2050**
- Economic growth and emissions reductions are **complementary goals**
- Addressing climate change creates **opportunities**
- Climate-related risk is a **financial risk**
- **Collective action, transparency** and **disclosure** matter

Our commitments and actions

Improving our direct climate performance

- **On track to reduce scope 1 and 2 emissions** by **65%** by the end of FY22[1]
- **On track to reduce scope 3 supply chain emissions** by 35% by 2030[1]
- On track to source **100%** our global electricity consumption from **renewables by 2025**
- **Carbon neutral**[2] in Australia since 2012
- **2,900+ employees trained on ESG fundamentals.** 200+ also completed a half day ESG program with Monash University and Climateworks Centre

Helping customers transition to net zero

- **39 new sustainable finance transactions** Group-wide in 1H22 with a total market value of $36 billion[3]
- **Largest bank lender to greenfield renewable energy projects** in Australia for the past 5 years[4]
- Developing **products/services to help customers transition** to a net zero economy
- **Progressing portfolio targets and financing strategies** for sectors representing the majority of our financed emissions to support a net zero economy by 2050
- **Exiting thermal coal**[5] **mining by 2030**; on an attributable basis, currently finance less than 0.5% of Australia's total thermal coal production

Collaborating for climate and nature-related impact

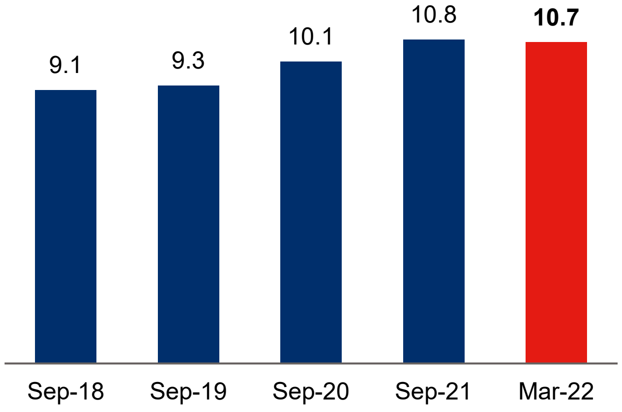
- Working with peer organisations, industry groups and NGOs including:
  - **Australian Industry Energy Transitions Initiative**
  - **Clean Energy Regulator's Corporate Emissions Reductions Transparency** reporting pilot
  - **UNEP**[6] **FI's** Principles for Responsible Banking
  - **TNFD**[7] **Forum**

1 Against 2016 baselines. 2 Accredited by Climate Active. 3 Sustainable finance transactions refers to green, social, sustainability, sustainability-linked and re-linked loans and bonds. The $36 billion represents the full value of the transactions we participated in, not an amount held on our balance sheet. 4 IJGlobal and Westpac Research data. 5 Thermal coal customers defined as those generating more than 25% of revenues from thermal coal, or in the case of a stand-alone mine, more than 35% of volumes from thermal coal. 6 UNEP is the United Nations Environment Programme. 7 Taskforce on Nature-related Financial Disclosures.

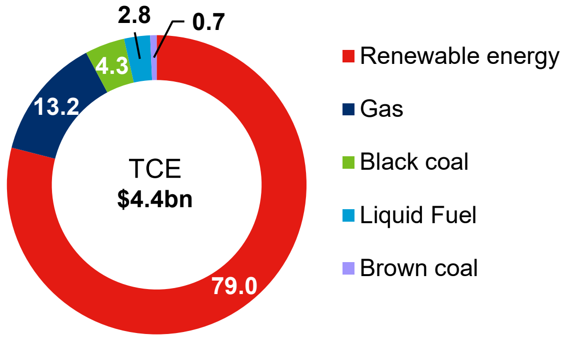
Climate Change Action Plan and Position Statement – westpac.com.au/sustainability

Climate-related metrics.

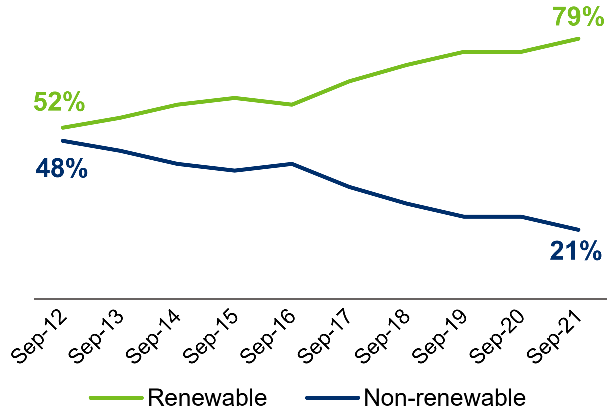
Lending to climate change solutions
($bn, TCE)[1,2]



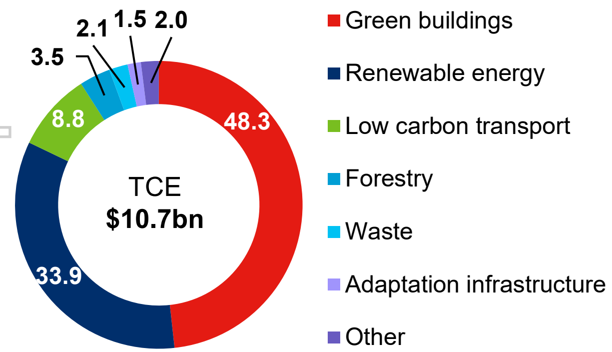
Electricity generation exposure
(% of TCE)[3]



Lending to electricity generation
in Australia and New Zealand (% of total)

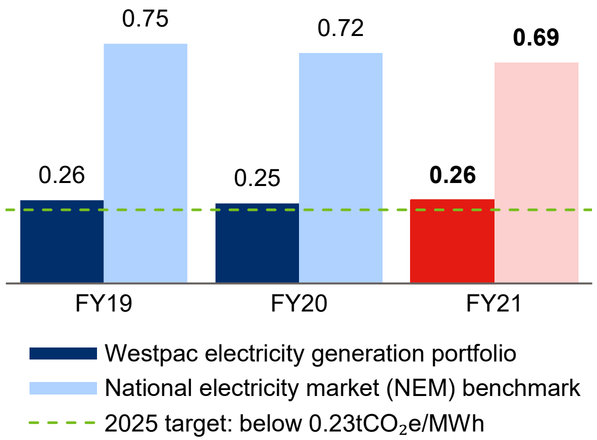


Climate change solutions exposure
(% of TCE)[1]



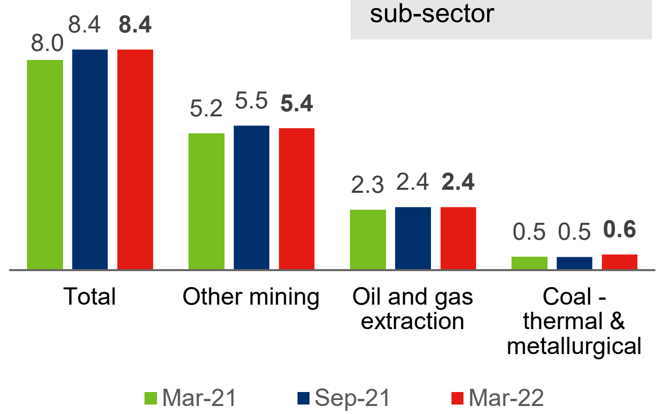
Charts does not add to 100 due to rounding

Emissions intensity
(tCO_2-e/MWh)[3,4]



Mining exposure
($bn, TCE)[5]

Increase in coal exposure attributed to the metallurgical coal sub-sector



1 Climate solutions definition is available in our 2021 Sustainability Appendix. TCE is Total Committed Exposure. 2 Reduction in TCE due to amortisation of a number of significant project finance facilities. 3 Exposures in Westpac Institutional Bank only, at 30 September 2021. 4 Australia only. NEM benchmark is sourced from Australian Energy Market Operator. 5 Other mining includes iron ore, metal ore, construction material, exploration and services. Lending to thermal coal mining is 36% of total coal mining in Westpac Institutional Bank. Thermal coal customers defined as those generating more than 25% of revenues from thermal coal, or in the case of a stand-alone mine, more than 35% of volumes from thermal coal. All other coal customers or mines are deemed as metallurgical.

Sustainable financing solutions.

Helping customers transition to a low carbon future.

Supporting our customers' transition to net zero

- 39 sustainable finance transactions Group-wide with a total market value of $36 billion[1]
  - Over 70% of the transactions were loans and the majority of these were Sustainability Linked Loans (SLLs) where pricing is linked to the customer's sustainability performance against targets
  - Up from eight transactions in 1H21 with a total value of $5 billion
- Financing 23 projects with combined capacity to power 2.6 million homes

Sustainable finance highlights

- Joint Green Bond Coordinator and Joint Lead Manager for GPT Wholesale Office Fund's (GWOF) inaugural $250 million green bond which will refinance GWOF assets that meet Climate Bonds Initiative's Low Carbon Buildings Criteria
- Sole Sustainability Coordinator for Genesis Energy's NZ$100 million SLL which was the first SLL in New Zealand aligned to the Climate Transition Finance Handbook

Green tailored deposits

Green term deposit balances up $1 billion in 1H22 to $2.1 billion

Assets supporting the green deposit pool are externally verified and certified annually, and can include renewable energy, low carbon transport, low carbon buildings and water infrastructure

Carbon trading and sales

Established carbon trading desk in Australia

Launched AUD spot carbon and Renewable Energy Certificates and progressed AUD carbon forwards trading capabilities, complementing our franchise in the NZ carbon market

1 Sustainable finance transactions refers to green, social, sustainability, sustainability-linked and re-linked loans and bonds. The $36 billion represents the full value of the transactions we participated in, not an amount held on our balance sheet.

Strengthening diversity and inclusion.

Building a workforce that reflects the customers we serve through three areas of focus.

GENDER EQUALITY

Targets

- Maintain **50% (+/- 2%) women in leadership**[1] across Westpac; 49% at 1H22
- **40:40:20[2] gender balance for Board, Executives and General Managers** by 2030 women represent: 40% Board; 36% Executives; 42% General Mangers at 1H22
- **40% female Senior Executives**[3]; 41% at 1H22
- Leadership representation targets, including **50:50 gender shortlists**

Focus on pay equity

- **97% to 102%** pay comparison between genders across majority of levels
- **>5% pay gaps** between genders in same roles with same experience is being investigated and addressed

Recent policy changes

- Increased pay transparency[4]
- Increased paid parental leave for primary and support carers; special paid parental leave for premature births and pregnancy loss

CULTURAL DIVERSITY

Group-wide survey to understand cultural diversity of workforce

- **Inclusion & Diversity survey** conducted in 1H22
- **Results** to be finalised in 2H22 and used to better understand the diversity of our people and to inform future **policy, strategy and targets**

Awareness, training and development

- **300+** employees participated in leadership shadowing program in 1H22
- **1,000+** Cultural Diversity Employee Action Group members (representing 62 cultures) help promote awareness and advocate for greater cultural diversity in leadership

INDIGENOUS REPRESENTATION

Targeted development programs and career pathways

- **5th Reconciliation Action Plan** to be released in 2H22
- **Early career engagement** with Indigenous talent through traineeships and Career Trackers internship programs
- **4,800+** employees completed refreshed cultural competency training
- **'Join our mob'** campaign launched to attract new Indigenous employees
- **900+** Employee Action Group members working towards a shared vision of building a workplace that understands, respects and celebrates Indigenous employees

1 Women in Leadership refers to women in leadership roles. It includes the CEO, Group Executives, General Managers, senior leaders with significant influence on business outcomes (direct reports to General Managers and their direct reports), large (3+) team people leaders three levels below General Manager, and Bank and Assistant Bank Managers. 2 40:40 Vision is an initiative led by HESTA and supported by various industry partners including some large Australian fund managers, Chief Executive Women, the Workplace Gender Equality Agency and ACSI. Refers to 40% female, 40% male and 20% of any gender. 3 Defined as a combined Executive and General Manager population. 4 Employees can disclose salaries to other employees.

Westpac GROUP

Comprehensive sustainability reporting.

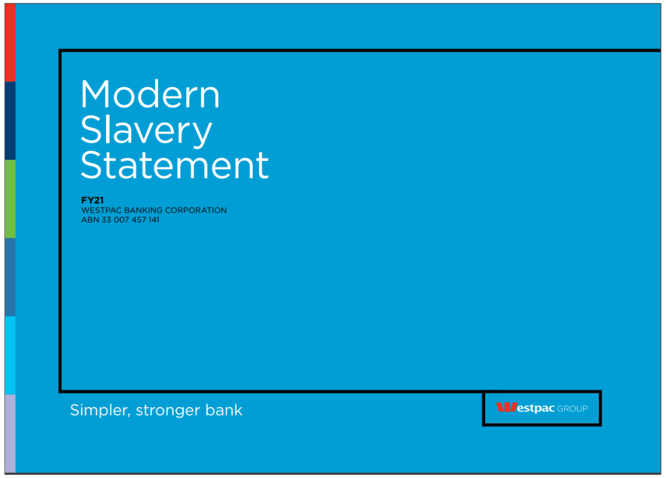
A suite of disclosures for more information and depth.

2021 Annual Report

2021 Sustainability Supplement

FY21 Disclosure Standards

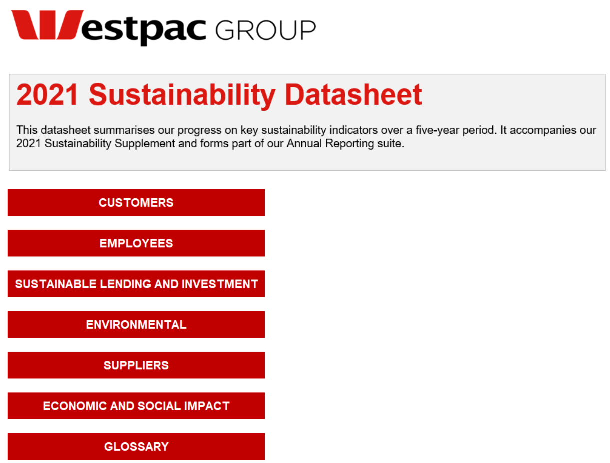
FY21 Modern Slavery Statement



Climate Change Position Statement and Action Plan

Human Rights Position Statement and Action Plan

FY21 Sustainability Datasheet



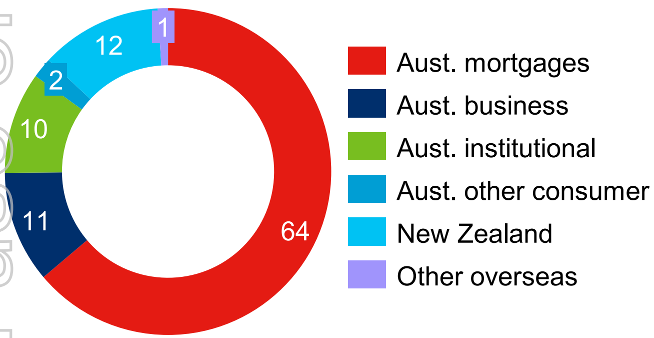
Available at westpac.com.au/sustainability

Earnings drivers

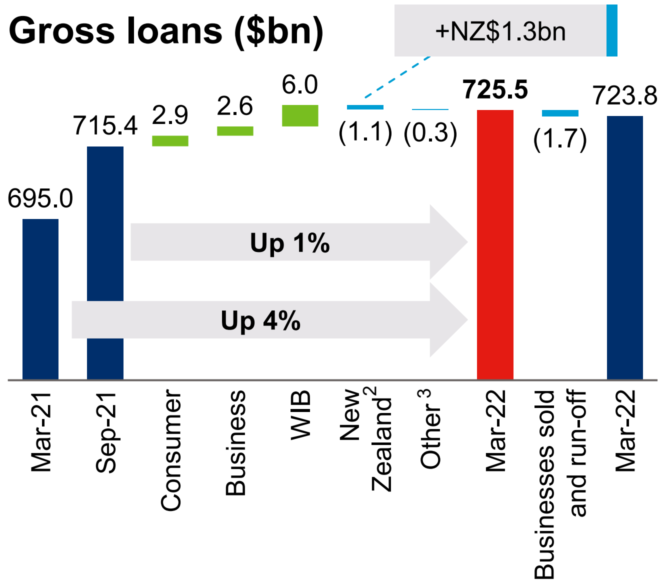
Composition of lending and deposits.

Lending up 1% and deposits grew 4% over the half.

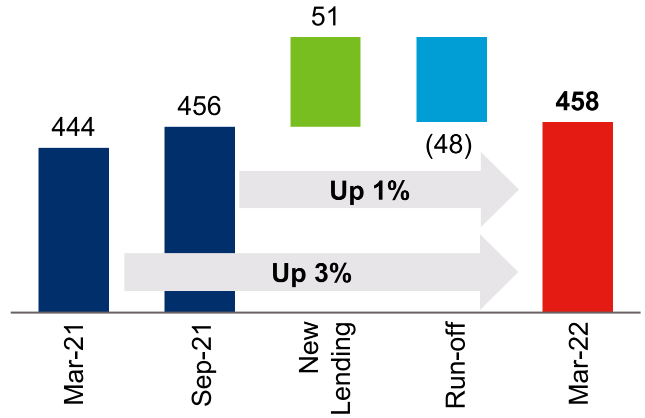
Composition of loans[1] (% of total)



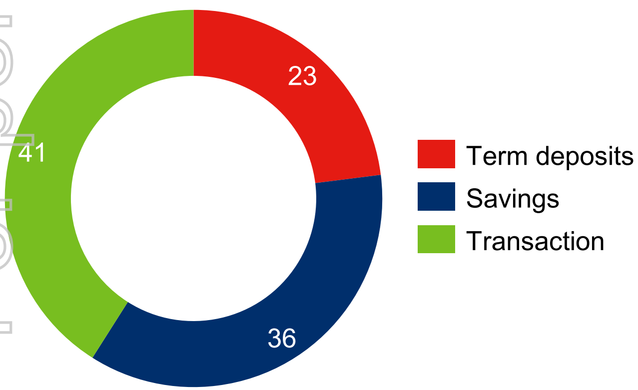
Gross loans ($bn)



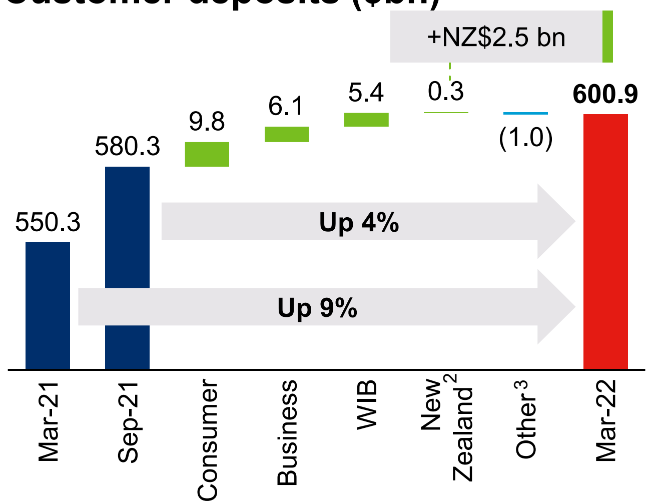
Australian mortgage lending[1] ($bn)



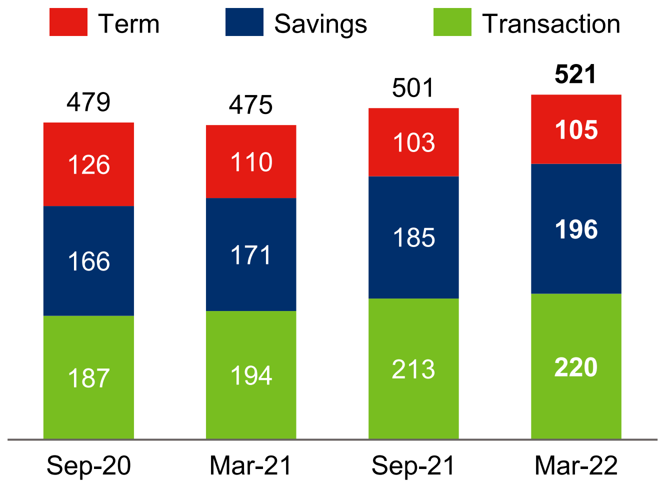
Composition of deposits (% of total)



Customer deposits ($bn)



Australian deposits ($bn)

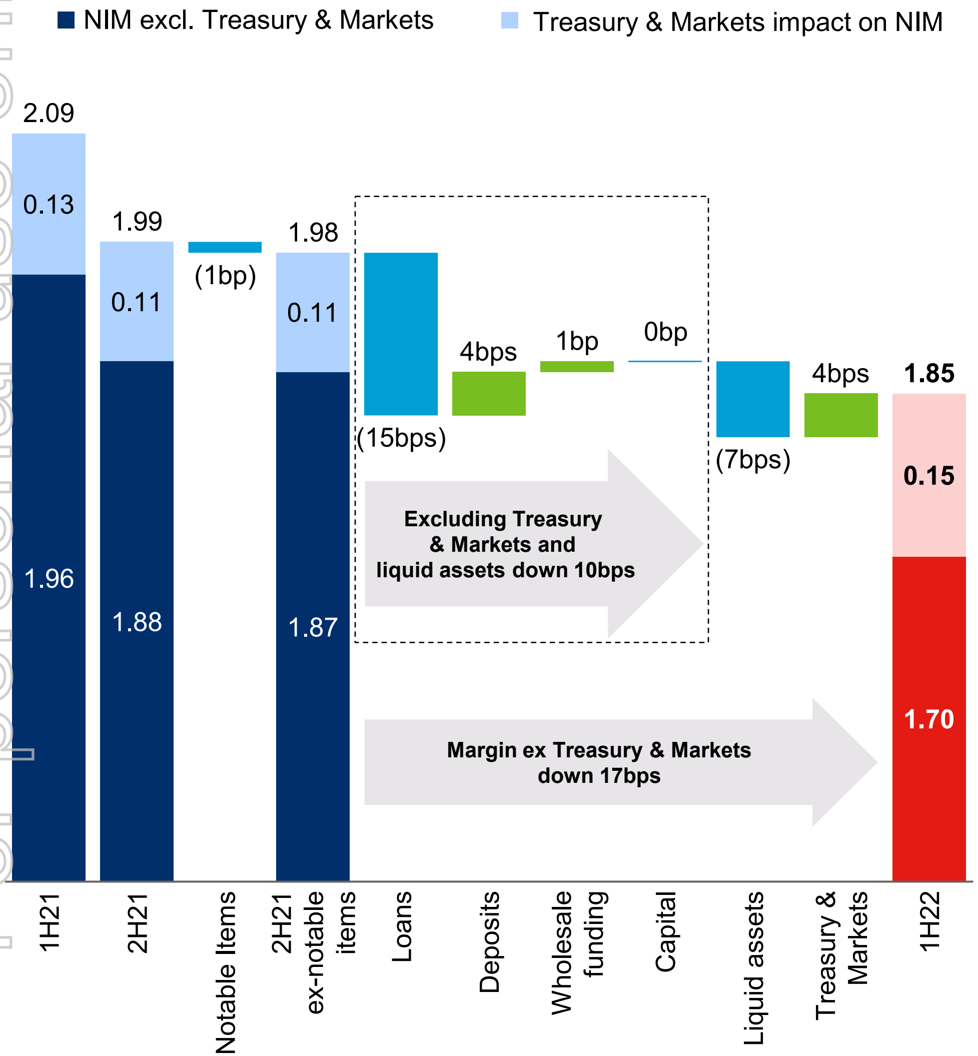


Charts may not add due to rounding.

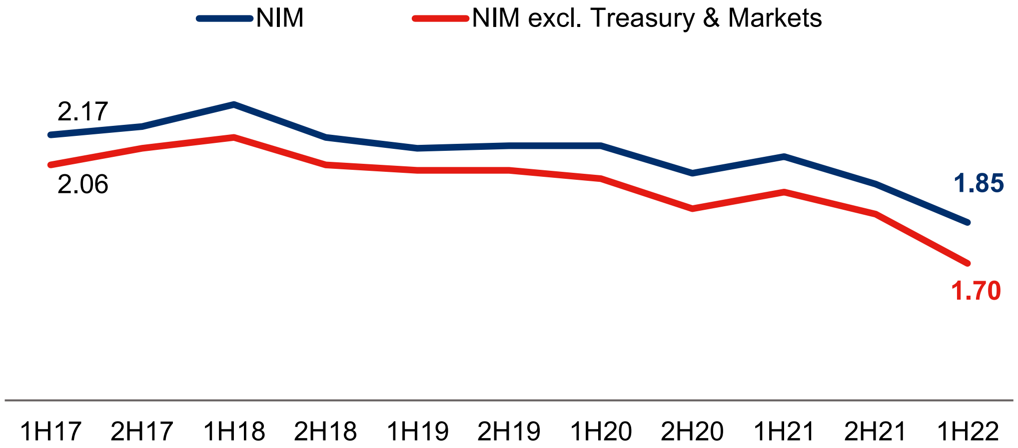
1 Gross loans. 2 In AUD. The large difference between the NZD and AUD movement is due to a ~3% change in the exchange rate over the period; March 2022: 1.0759, September 2021: 1.0477. 3 Includes Group Businesses and Specialist Businesses, for gross loans excluding businesses sold and from run-off.

Net interest margin.

Net interest margin (NIM) movement (%, bps)



Net interest margin (%)



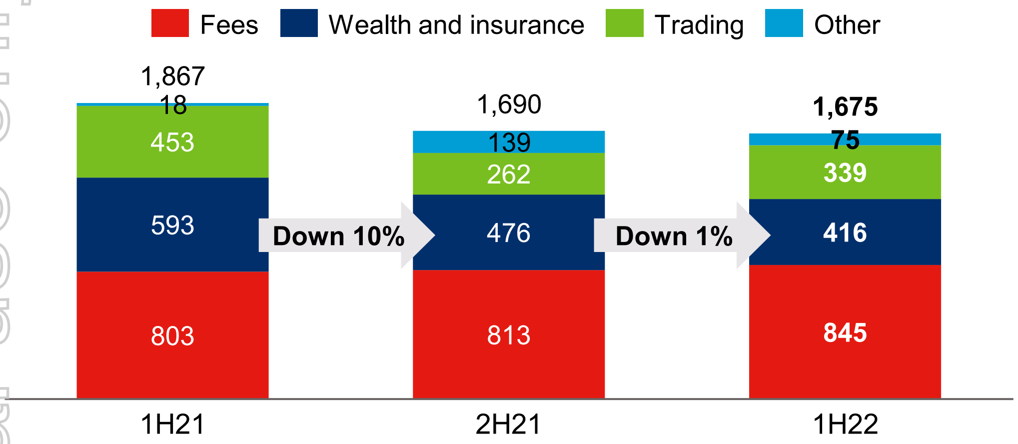
Net interest margin by division (%)

	NIM			NIM ex notable items		
	1H21	2H21	1H22	1H21	2H21	1H22
Consumer	2.34	2.27	**2.09**	2.34	2.27	**2.09**
Business	3.86	3.69	**3.33**	3.68	3.43	**3.33**
WIB	1.26	1.24	**1.17**	1.26	1.24	**1.17**
NZ	2.06	1.94	**1.98**	2.07	2.00	**1.96**

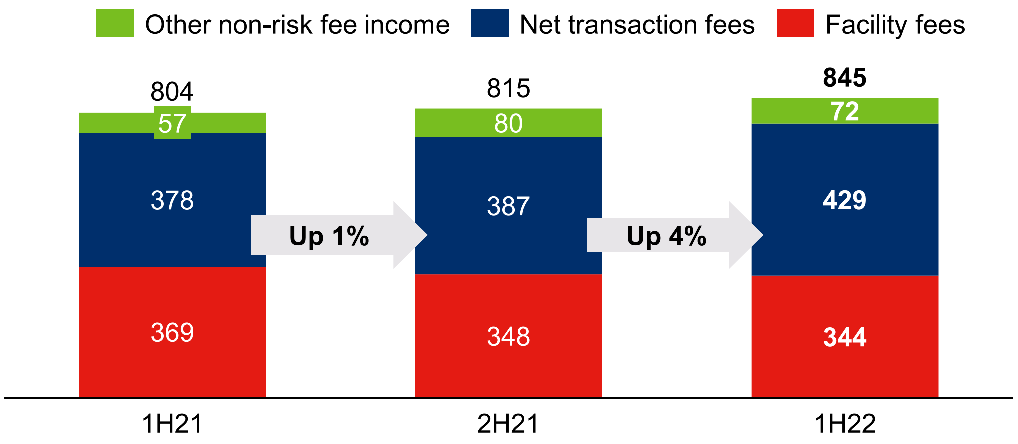
Non-interest income.

Non-interest income contributors excluding notable items and businesses sold.[1]

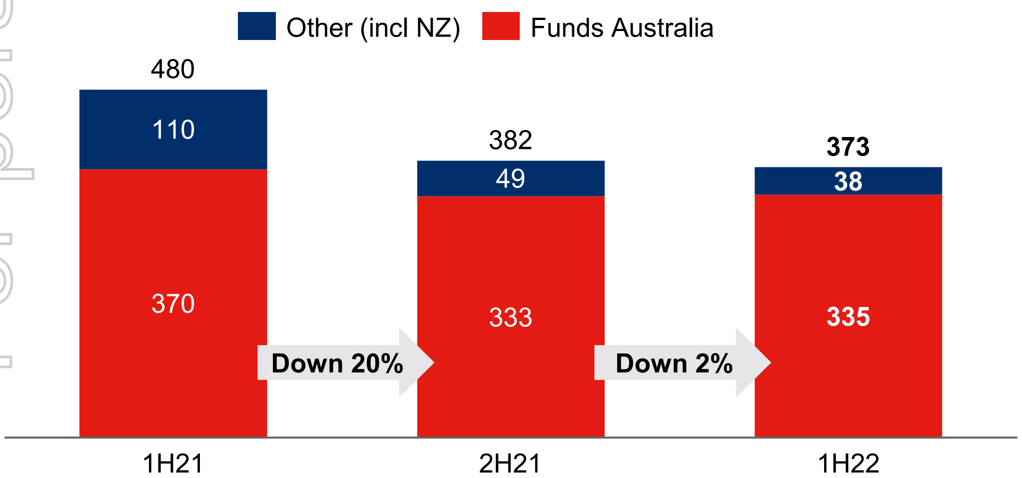
Non-interest income contributors ($m)



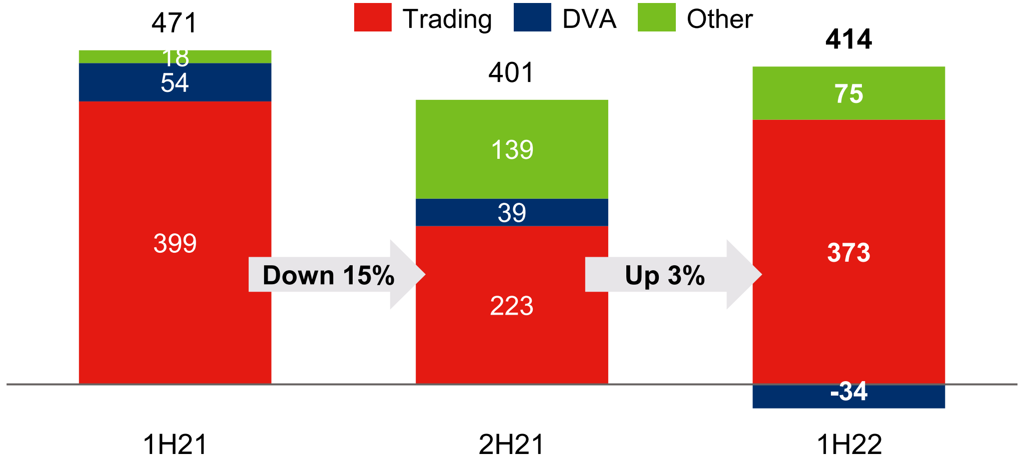
Net fee income ($m)



Wealth management income ($m)



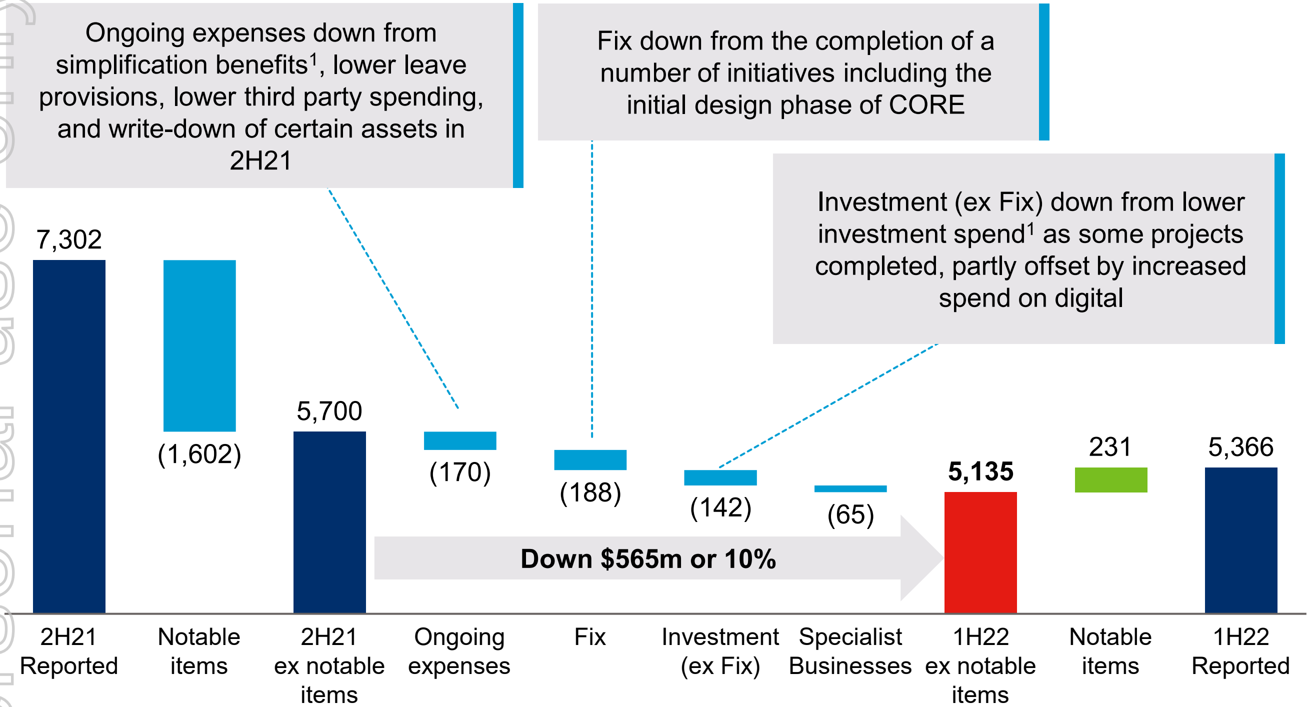
Trading and other ($m)



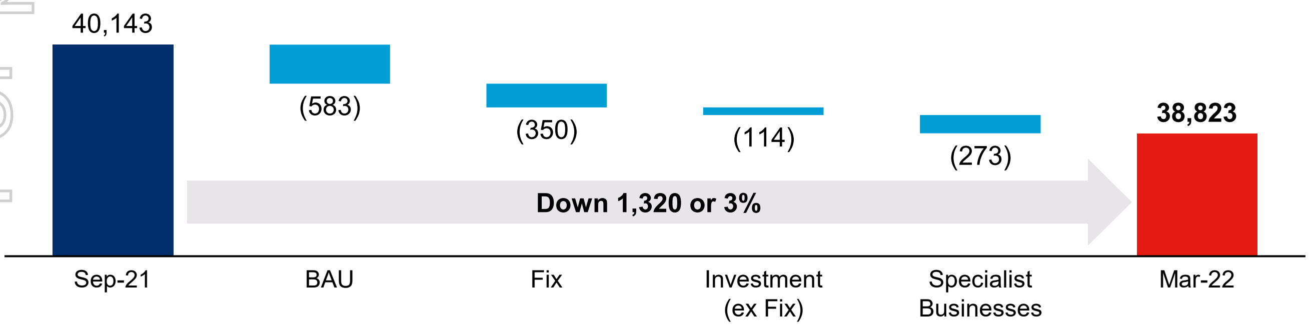
1 Income for Businesses sold includes General Insurance, Lenders Mortgage Insurance, NZ Life Insurance and Vendor Finance, prior figures have been aligned to current presentation for comparability.

Expenses.

Expense movements 1H22 – 2H21 ($m)



FTE (#)



FY24 $8bn cost target supporting assumptions

In setting an FY24 $8bn cost target we made certain economic and business exit assumptions:

- Inflation of 2.5% FY22-FY24
- Completion of sales of specialist businesses by end of FY23, which will depend on final terms with counterparties and regulatory approvals
- No material new regulatory costs/requirements
- Exchange rates: $1.09 NZD/AUD, $0.77 USD/AUD

Headcount (#)[2]	Mar-21	Sep-21	Mar-22
Direct	41,661	43,447	**41,088**
Third party	17,470	19,357	**17,442**
Total	59,131	62,804	**58,530**

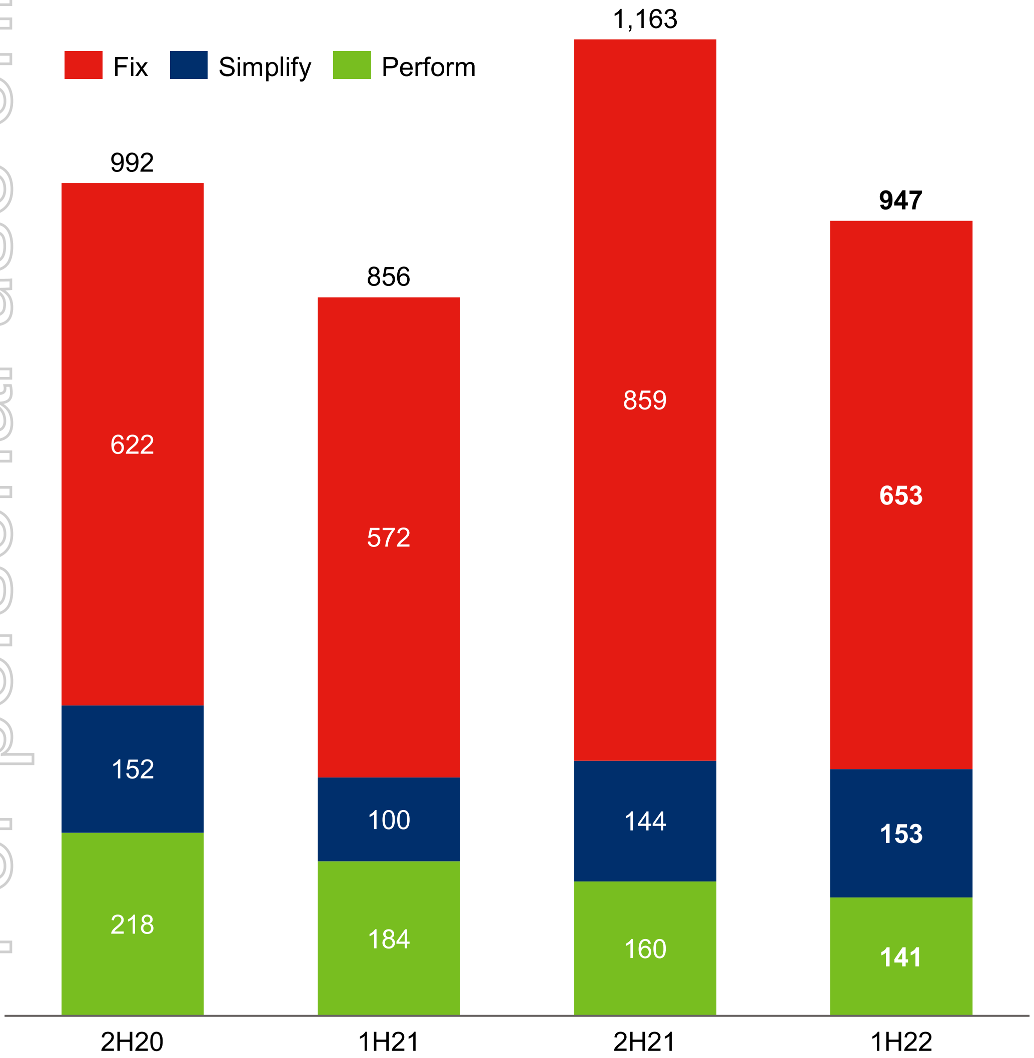
1 Details of initiatives on page 61. 2 Headcount refers to total number of people. Direct includes people employed directly by Westpac including permanent and temporary staff, and contractors. Third party includes consultants and processing services.

Westpac GROUP

Expenses.

Total investment spending.

Investment spend mix ($m)



Fix
- Continued investment in our CORE program[1]
- Updated our AML/CTF systems
- Rectification of our electronic security register for business customers
- Expanded open banking capability to all brands and products
- Regulatory change updates across our systems and processes for DDO, anti-hawking and Basel III
- RBNZ's requirements including BS11 and Section 95

Simplify
- Continued to eliminate and rationalise the number of fees and products
- Launched new digital mortgage application process
- Launched an automated credit assessment tool, which helps to speed-up approval times for SME, Commercial and Private Wealth customers
- Further digitisation and automation of processes

Perform
- Completed the roll-out of Westpac mobile banking app to android users
- Increased digital self-serve options for customers
- Deployment of next generation merchant terminals

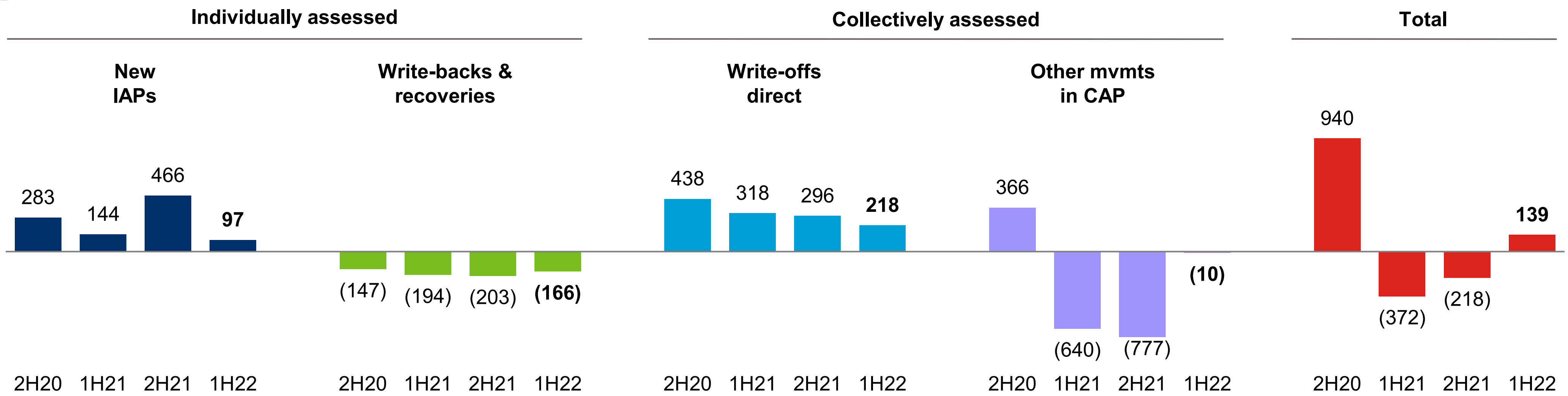
Investment spend ($m)	2H20	1H21	2H21	1H22
Expensed	384	502	720	**528**
Capitalised[2]	608	354	443	**419**
Total investment spend	992	856	1,163	**947**
Investment spend expensed	39%	59%	62%	**56%**

1 Refer page 48 for further detail on our progress on CORE. 2 Includes capitalised software, fixed assets and prepayments.

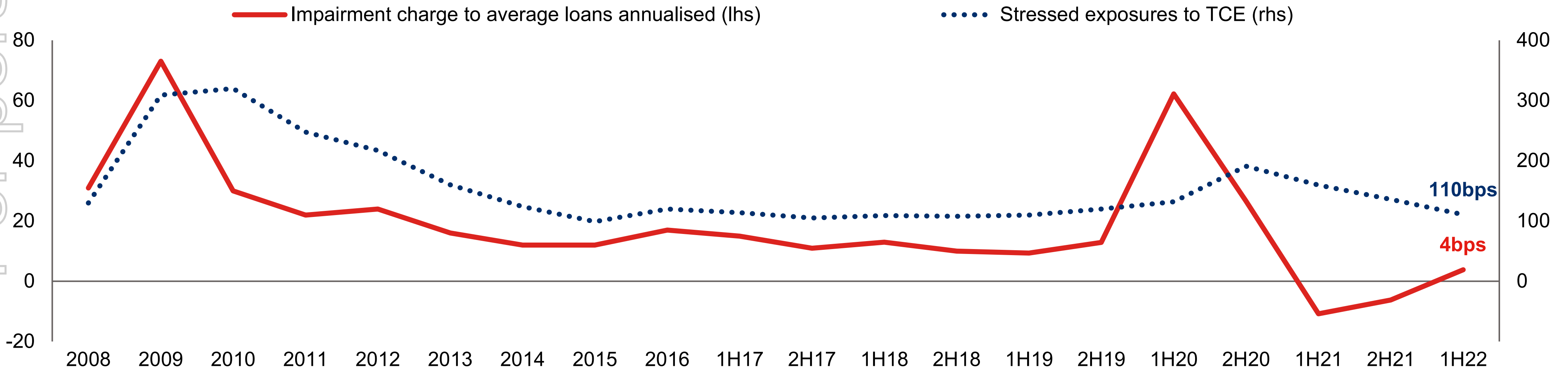
1H22 impairment charge of $139m.

Charge driven by higher overlays and increased weight to downside scenario.

Impairment charges ($m)



Impairment charges and stressed exposures (bps)



Credit quality and provisions

Westpac GROUP

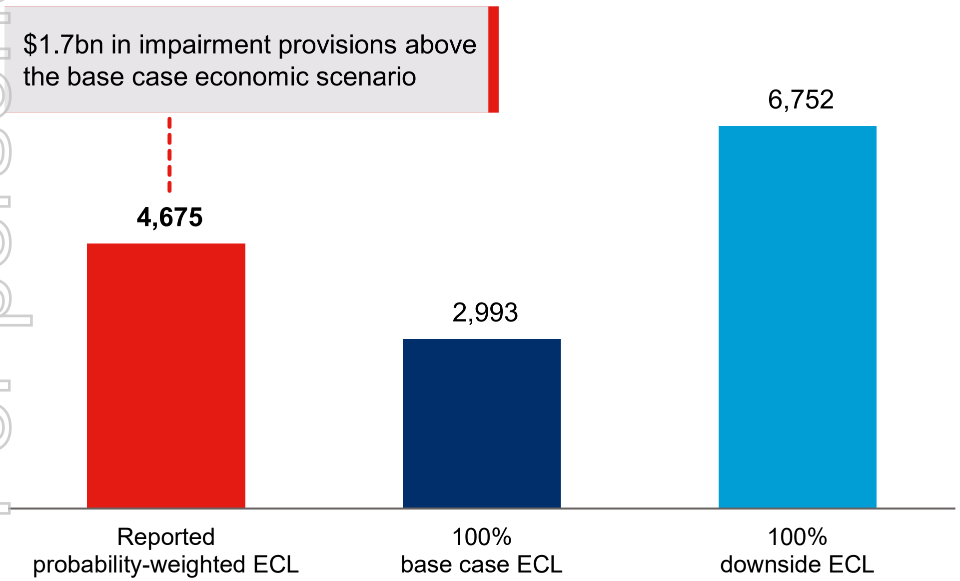
Provisions.

Sound coverage; increase in overlays for uncertainties and floods.

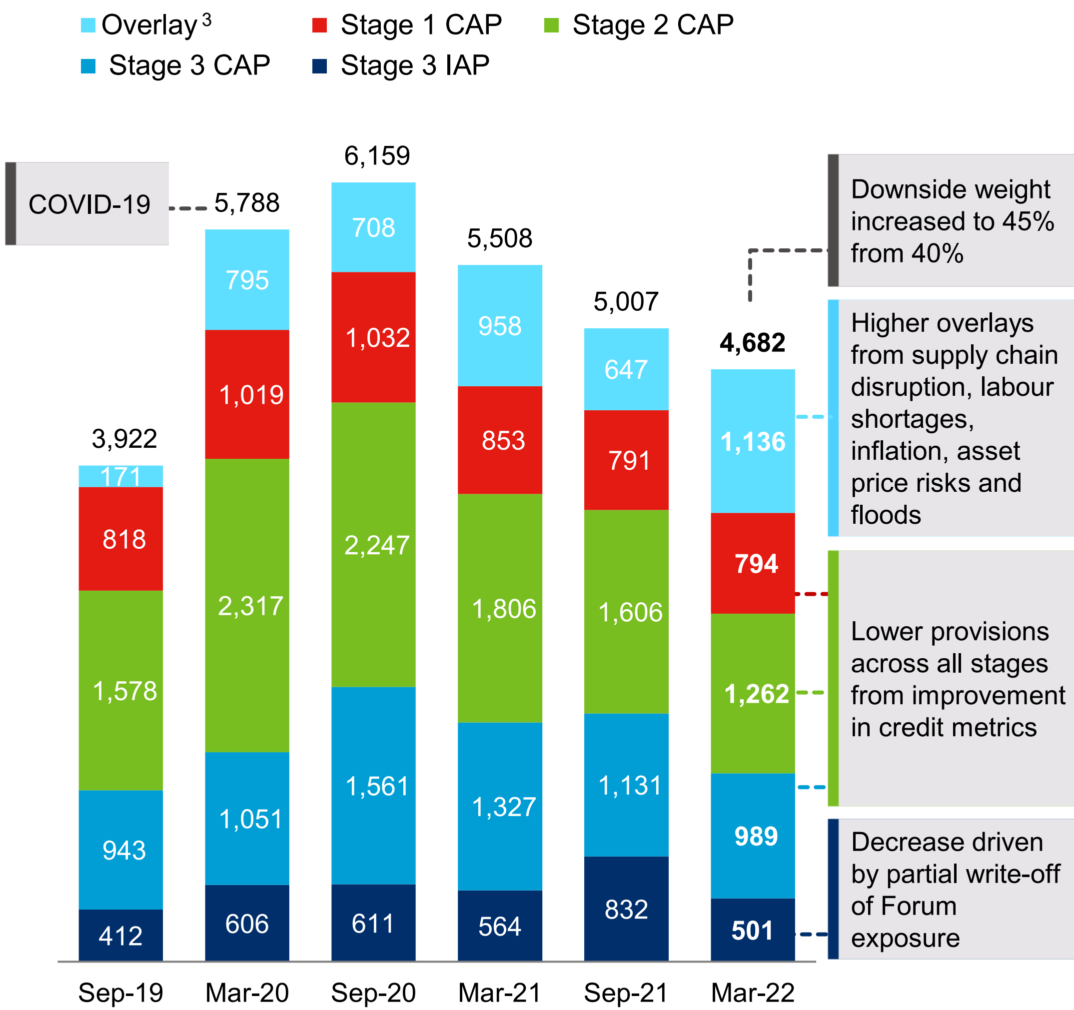
Provisions for impairments

	Mar-21	Sep-21	Mar-22
Provisions to gross loans (bps)	79	70	**65**
Impaired asset provisions to impaired assets (%)	47	54	**48**
Collectively assessed provisions to credit RWA (bps)	142	117	**116**

Expected Credit Loss[1] (ECL) ($m)



Total impairment provisions[2] ($m)

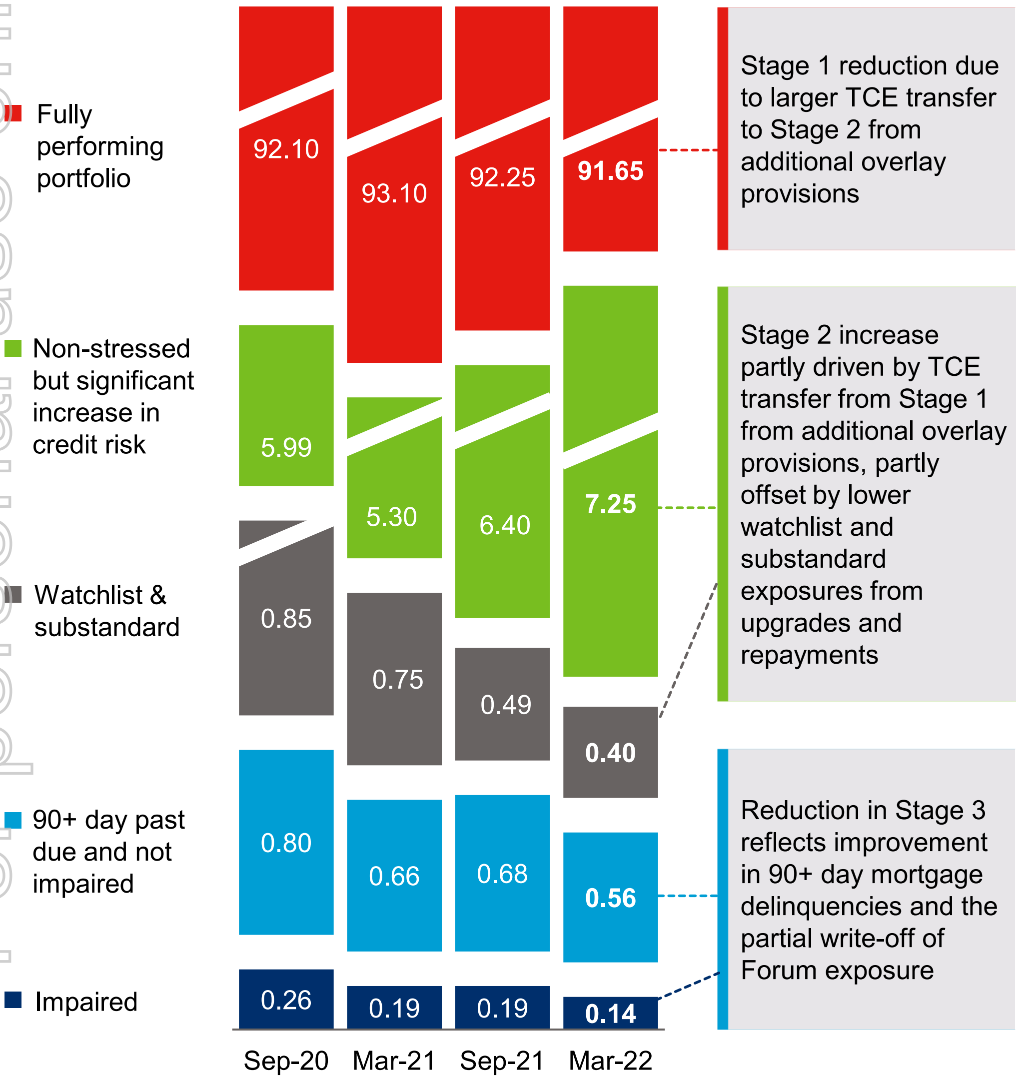


1 Includes ECL Overlays and IAP. Excludes provisions for debt securities. 2 Includes provisions for debt securities. 3 Overlay from Mar-20 includes New Zealand overlay. Overlay from Sep-21 shows portfolio overlays.

Provision cover by portfolio category.

Increase in portfolio overlays reflected in higher Stage 2 exposures.

Exposures as a % of TCE



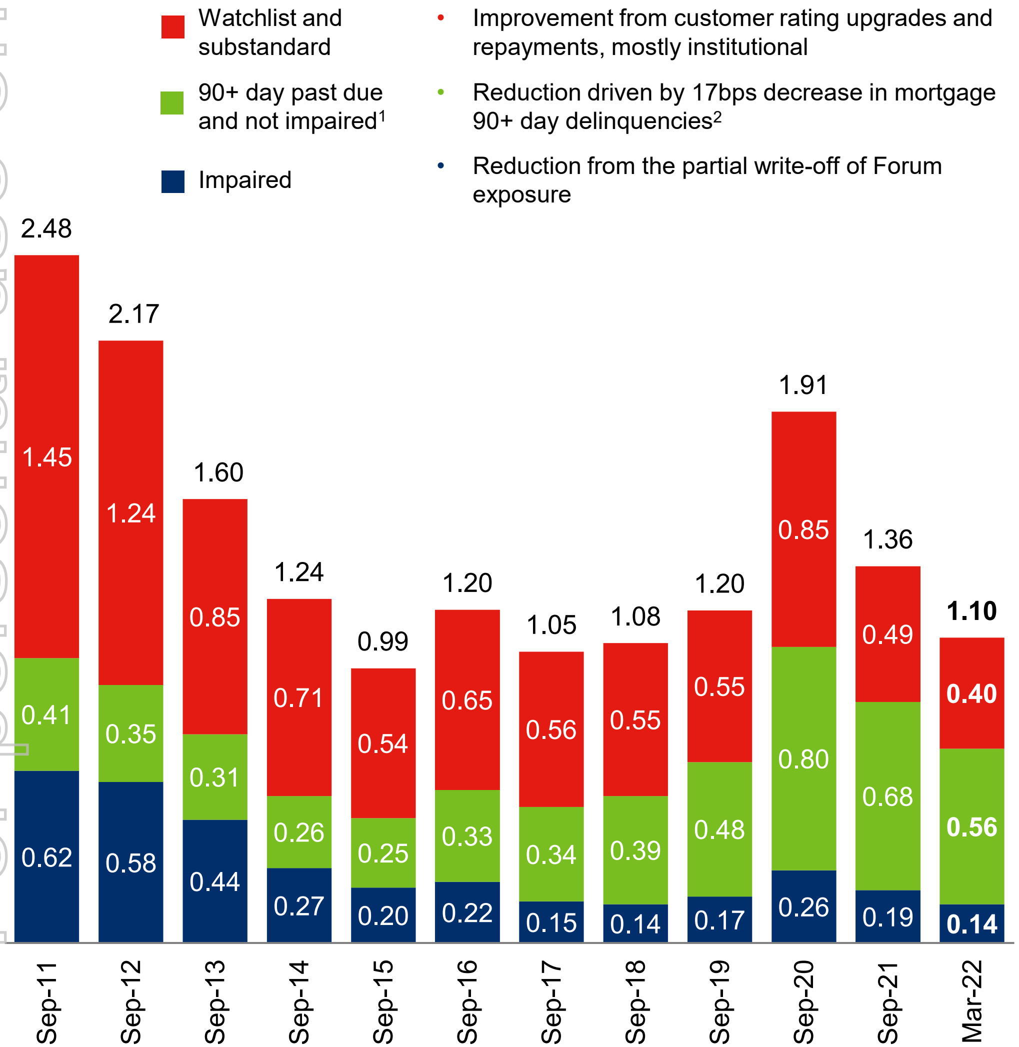
Provisioning to TCE (%)

	Sep-20	Mar-21	Sep-21	Mar-22
Stage 1 provisions				
Fully performing portfolio				
Small cover as low probability of default (PD)	0.11	0.10	0.09	**0.10**
Stage 2 provisions (includes portfolio overlays)				
Non-stressed but significant increase in credit risk				
Lifetime expected loss based on future economic conditions	3.41	3.29	2.16	**1.92**
Watchlist & substandard				
Still performing but higher cover reflects deterioration	8.25	9.07	9.80	**10.95**
Stage 3 provisions				
90+ day past due and not impaired				
In default but strong security	11.98	12.91	10.57	**10.62**
Impaired assets				
In default. High provision cover reflects expected recovery	41.45	47.03	54.43	**48.03**

Credit quality metrics improved.

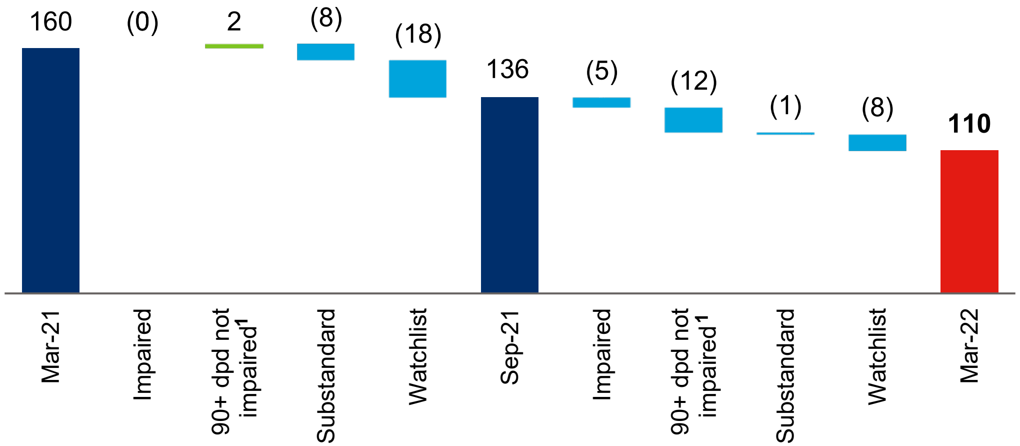
Stressed exposures down 26bps.

Stressed exposures as a % of TCE

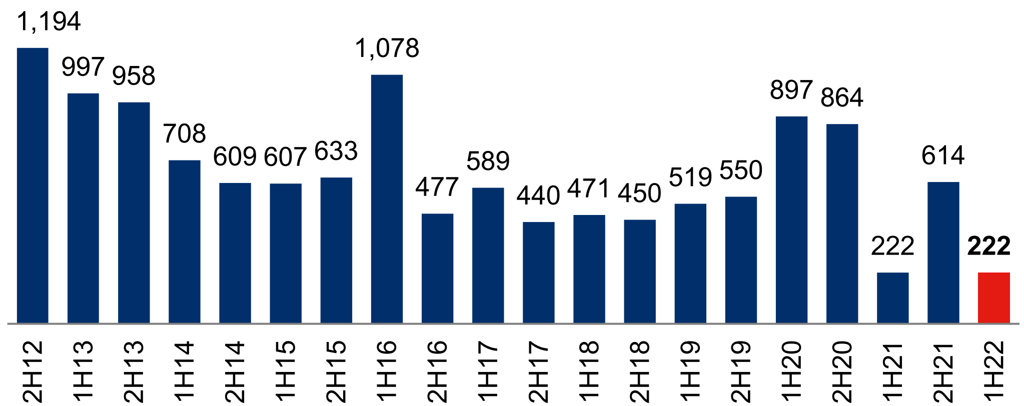


- Improvement from customer rating upgrades and repayments, mostly institutional
- Reduction driven by 17bps decrease in mortgage 90+ day delinquencies[2]
- Reduction from the partial write-off of Forum exposure

Movement in stress categories (bps)



New and increased gross impaired assets ($m)[3]



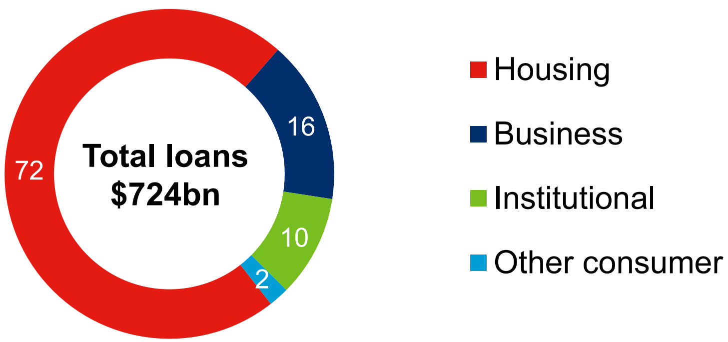
1 Facilities 90 days or more past due date not impaired. These facilities, while in default, are not treated as impaired for accounting purposes. 2 Group 90+ day mortgage delinquencies, Australian 90+ day mortgage delinquencies decreased by 19bps. 3 Includes exposures that are managed on a facility by facility basis.

Portfolio composition.

Total committed exposure (TCE) by risk grade at 31 March 2022 ($m)

Standard and Poor's Risk Grade[1]	Australia	NZ / Pacific	Asia	Americas	Europe	Group	% of Total
AAA to AA-	194,296	22,152	570	11,787	842	**229,647**	**18%**
A+ to A-	38,430	5,802	1,246	3,188	4,155	**52,821**	**5%**
BBB+ to BBB-	67,151	12,652	2,681	3,212	1,379	**87,075**	**8%**
BB+ to BB	73,947	14,305	518	200	133	**89,103**	**8%**
BB- to B+	55,892	7,832	301	238	241	**64,504**	**6%**
<B+	5,981	1,939	30	-	-	**7,950**	**1%**
Mortgages	525,512	68,424	-	-	-	**593,936**	**51%**
Other consumer products	31,646	3,882	-	-	-	**35,528**	**3%**
TCE	**992,855**	**136,988**	**5,346**	**18,625**	**6,750**	**1,160,564**	
TCE at 30 September 2021	*959,067*	*132,925*	*5,974*	*21,092*	*6,224*	*1,125,282*	
Exposure by region[2] (%)	85%	12%	<1%	2%	<1%		**100%**

Loan composition at 31 March 2022 (% of total)

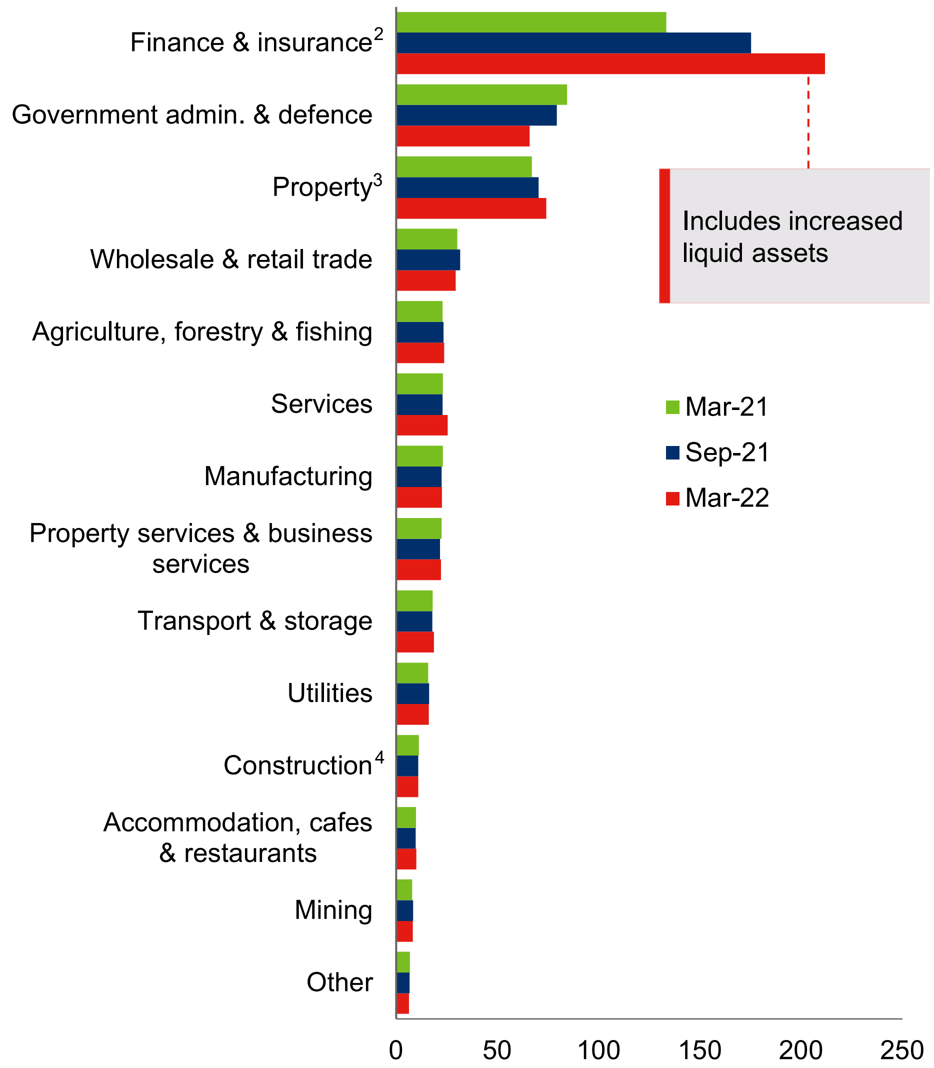


No direct exposure to Russia or Ukraine

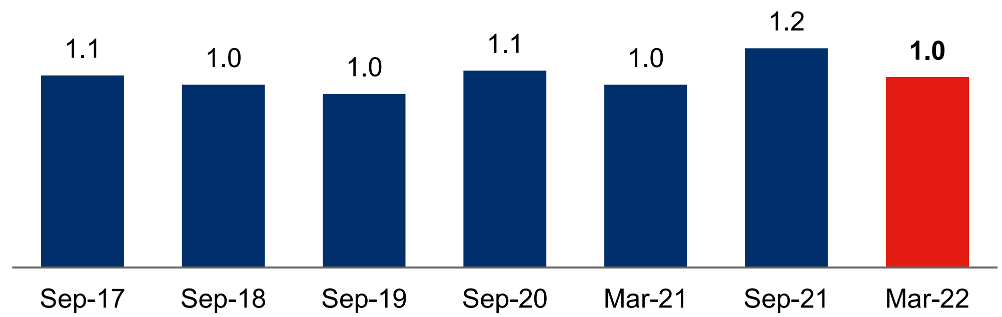
1 Risk grade equivalent. 2 Exposure by booking office.

Loan portfolio composition.

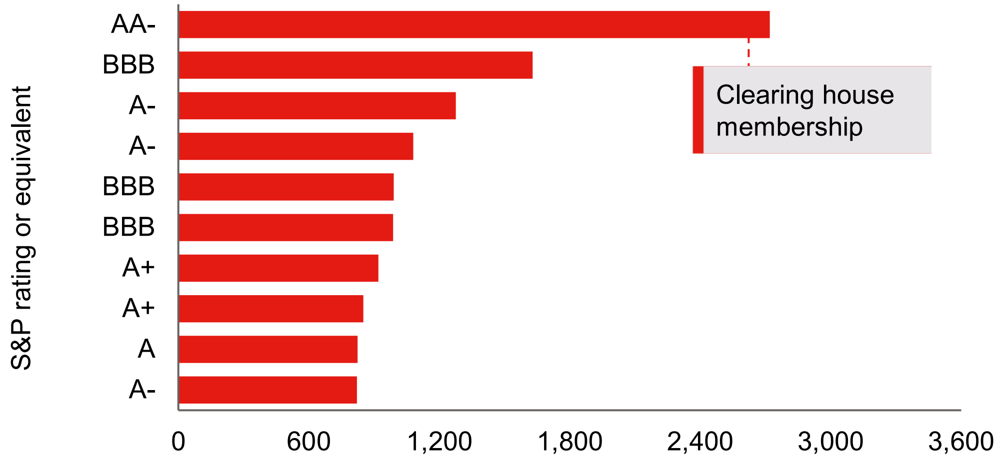
Exposures at default[1] by sector ($bn)



Top 10 exposures to corporations and NBFIs[5] (% of TCE)



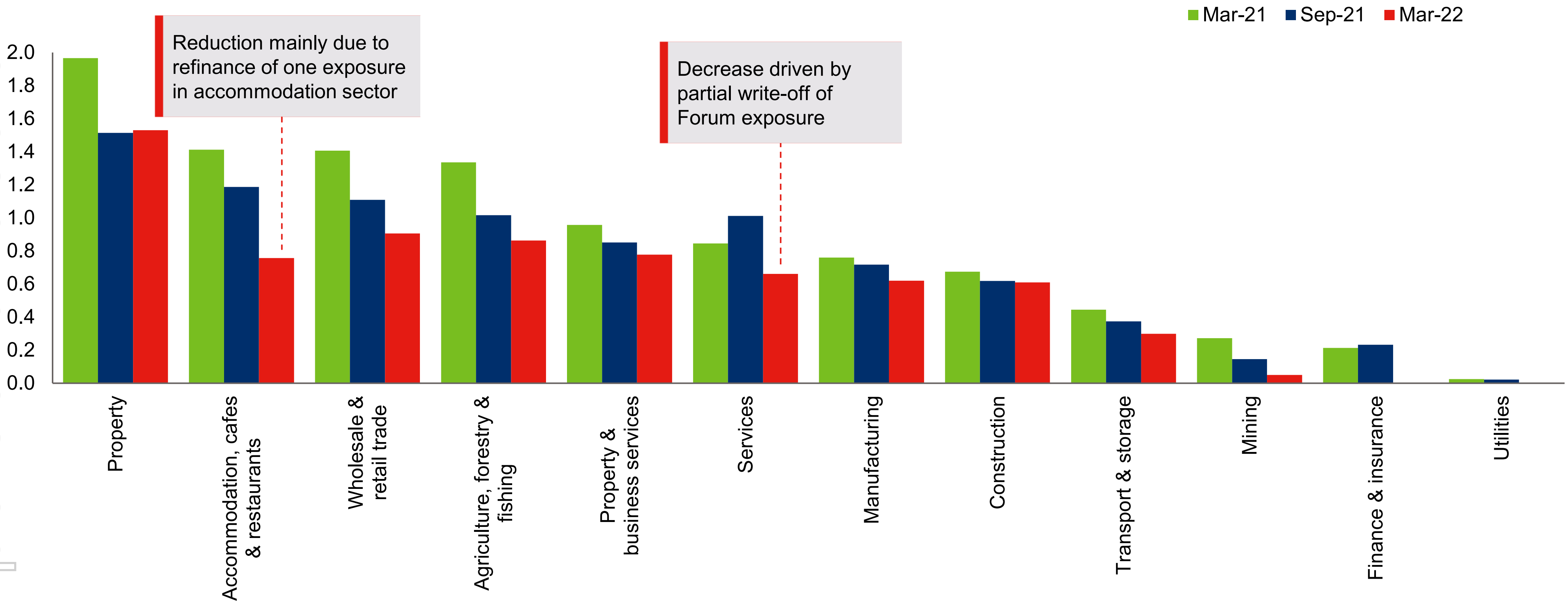
Top 10 exposures to corporations & NBFIs at 31 March 2022 ($m)



1 Exposures at default is an estimate of the committed exposure expected to be drawn by a customer at the time of default. Excludes consumer lending. 2 Finance and insurance includes banks, non-banks, insurance companies and other firms providing services to the finance and insurance sectors. 3 Property includes both residential and non-residential property investors and developers and excludes real estate agents. 4 Construction includes building and non-building construction, and industries serving the construction sector. 5 NBFI is non-bank financial institutions.

Credit quality improved across most sectors.

Corporate and business stressed exposures by industry sector ($bn)



Stress to TCE by sector

Sector	Property	Accomm., cafes & restaurants	Wholesale & retail trade	Agriculture, forestry & fishing	Property & business services	Services[1]	Manufacturing	Construction	Transport & storage	Mining	Finance & Insurance	Utilities
Sep-21 (%)	2.2	12.4	3.6	4.4	4.0	4.5	3.2	5.5	2.3	1.7	0.2	0.2
Mar-22 (%)	**2.1**	**7.6**	**3.1**	**3.7**	**3.6**	**2.8**	**2.7**	**5.5**	**1.7**	**0.6**	**0.1**	**0.2**

1 Services includes education, health & community services, cultural & recreational and personal & other services.

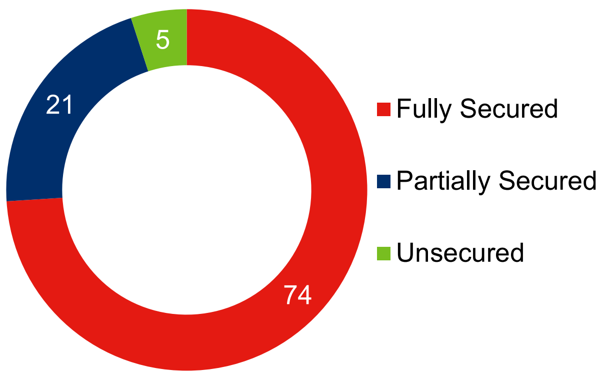
Sectors in focus.

Accommodation, cafes & restaurants and Construction.

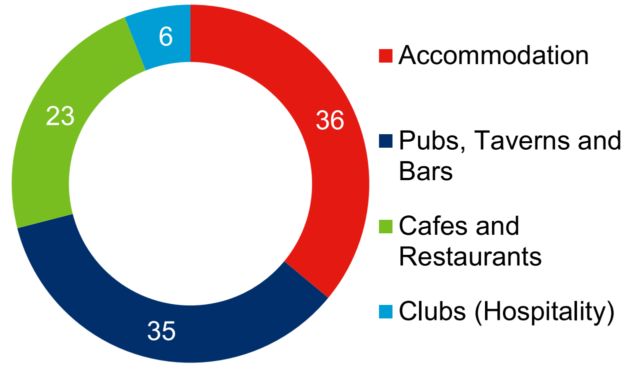
Accommodation, cafes and restaurants

	Mar-21	Sep-21	Mar-22
Total committed exposure (TCE) ($bn)	9.7	9.6	**9.9**
Lending ($bn)	8.3	8.2	**8.1**
As a % of Group TCE	0.91	0.85	**0.85**
% of portfolio graded as stressed[1,2]	14.55	12.38	**7.64**
% of portfolio impaired[2]	0.67	0.94	**0.68**

Portfolio security composition[3] (TCE) (%)



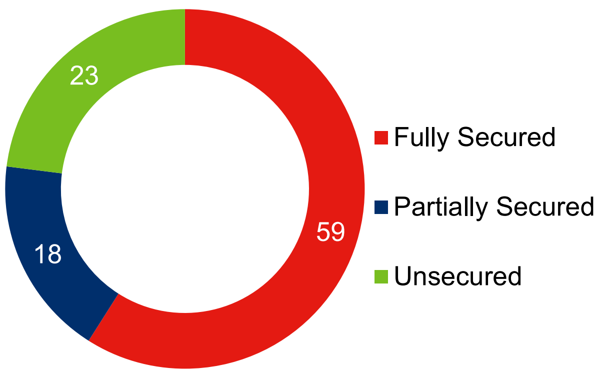
Portfolio by sub-sector (TCE) (%)



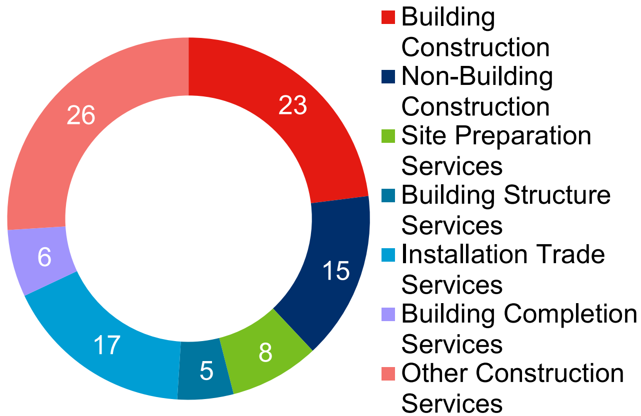
Construction

	Mar-21	Sep-21	Mar-22
TCE ($bn)	11.1	11.2	**11.2**
Lending ($bn)	7.6	6.7	**6.8**
As a % of Group TCE	1.04	1.00	**0.96**
% of portfolio graded as stressed[1,2]	6.06	5.51	**5.46**
% of portfolio impaired[2]	1.11	0.86	**0.80**

Portfolio security composition[3] (TCE) (%)



Portfolio by sub-sector (TCE) (%)



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

Westpac GROUP

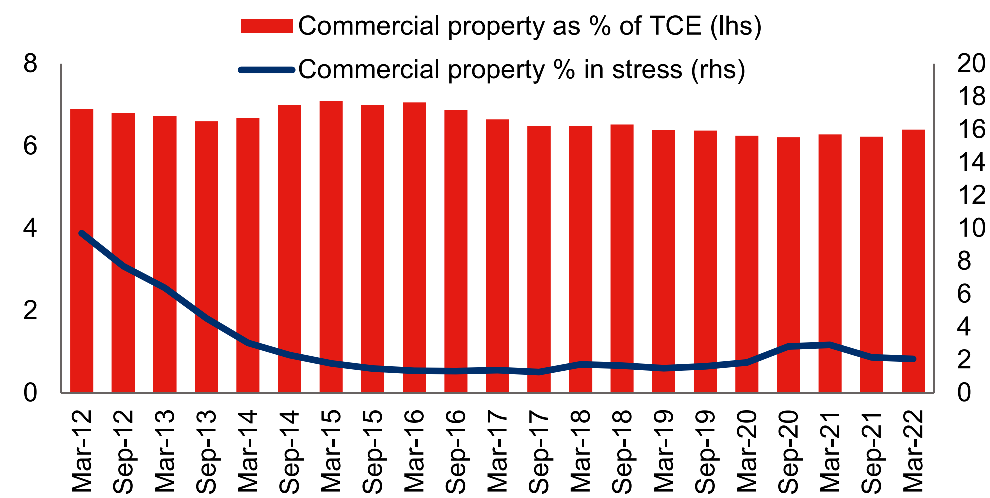
Sectors in focus.

Commercial property.

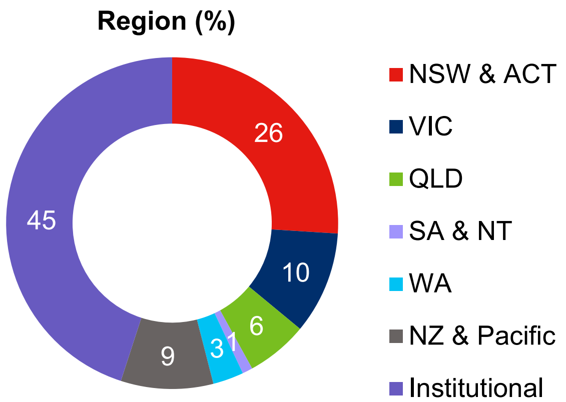
Commercial property

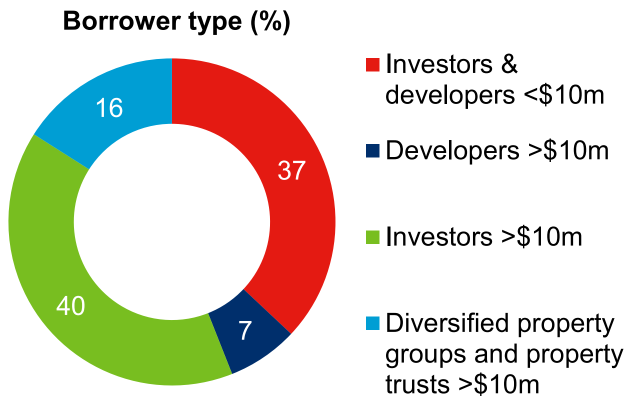
	Mar-21	Sep-21	Mar-22
TCE ($bn)	67.4	70.0	**74.3**
Lending ($bn)	52.2	51.7	**56.5**
As a % of Group TCE	6.28	6.22	**6.40**
Median risk grade (S&P equivalent)	BB+	BB+	**BB+**
% of portfolio graded as stressed[1,2]	2.92	2.16	**2.06**
% of portfolio impaired[2]	0.14	0.21	**0.16**

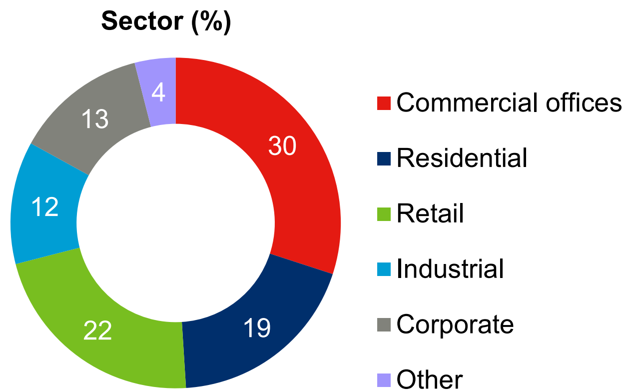
Commercial property exposures % of TCE and % in stress



Commercial property portfolio composition (TCE) (%)







1 Includes impaired exposures. 2 Percentage of commercial property portfolio TCE.

Sectors in focus.

Australian Agriculture; Mining incl. oil and gas; Retail trade.

Australian Agriculture

	Mar-21	Sep-21	Mar-22
TCE ($bn)	12.6	13.0	**13.4**
Lending ($bn)	9.9	10.5	**10.6**
As a % of Group TCE	1.17	1.15	**1.16**
% of portfolio graded as stressed[1,2]	4.68	3.30	**1.96**
% of portfolio in impaired[2]	0.34	0.41	**0.40**

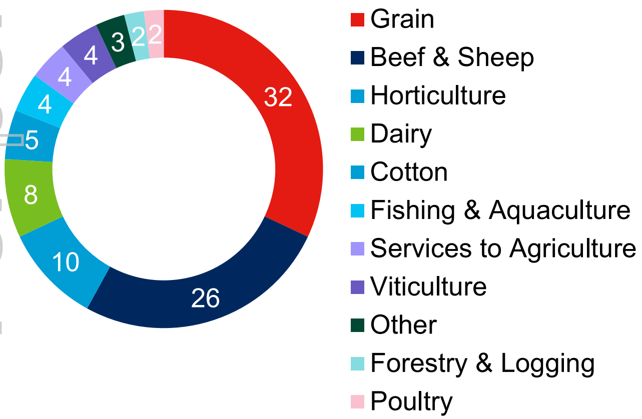
Mining (incl. oil and gas)

	Mar-21	Sep-21	Mar-22
TCE ($bn)	8.0	8.4	**8.4**
Lending ($bn)	4.4	3.6	**3.4**
As a % of Group TCE	0.75	0.75	**0.72**
% of portfolio graded as stressed[1,2]	3.42	1.73	**0.60**
% of portfolio in impaired[2]	0.25	0.17	**0.14**

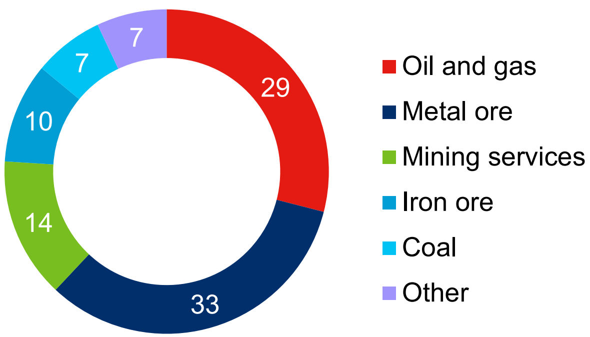
Retail trade

	Mar-21	Sep-21	Mar-22
TCE ($bn)	13.9	14.0	**12.5**
Lending ($bn)	8.7	8.6	**8.3**
As a % of Group TCE	1.30	1.24	**1.08**
% of portfolio graded as stressed[1,2]	5.48	3.68	**3.69**
% of portfolio impaired[2]	1.82	1.55	**1.42**

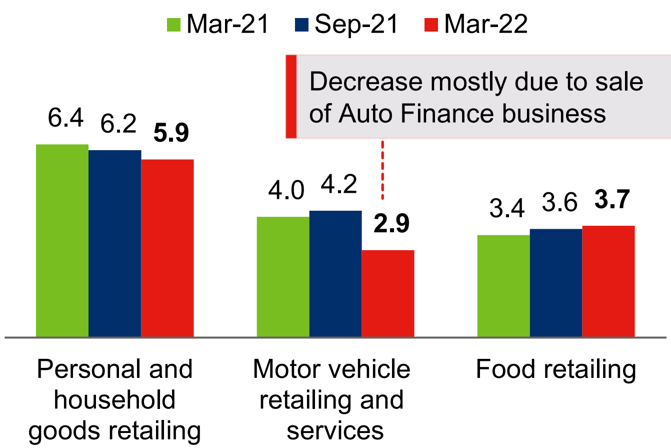
Australian Agriculture portfolio by sub-sector (TCE) (%)



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



Retail trade exposure by sub-sector (TCE) ($bn)



1 Includes impaired exposures. 2 Percentage of portfolio TCE.

Australian consumer finance.

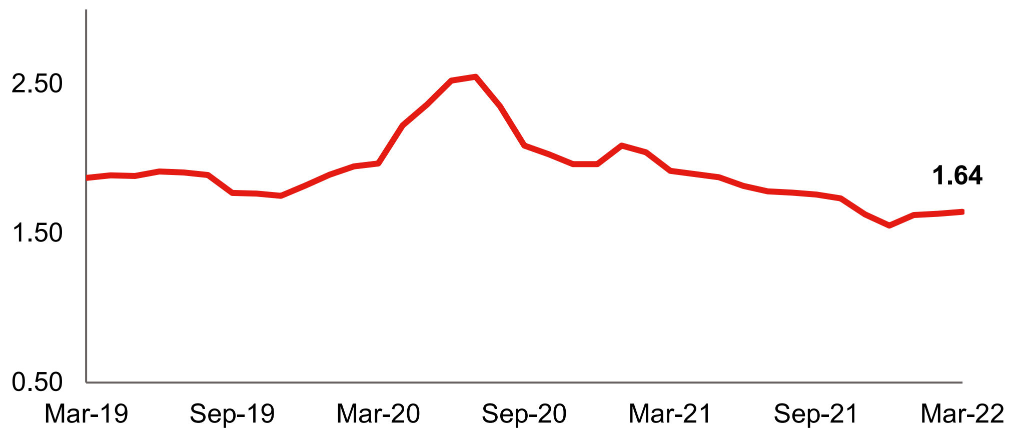
Higher credit card balances from spending lift; consumer auto loans in run-off.

Australian consumer finance portfolio[1]

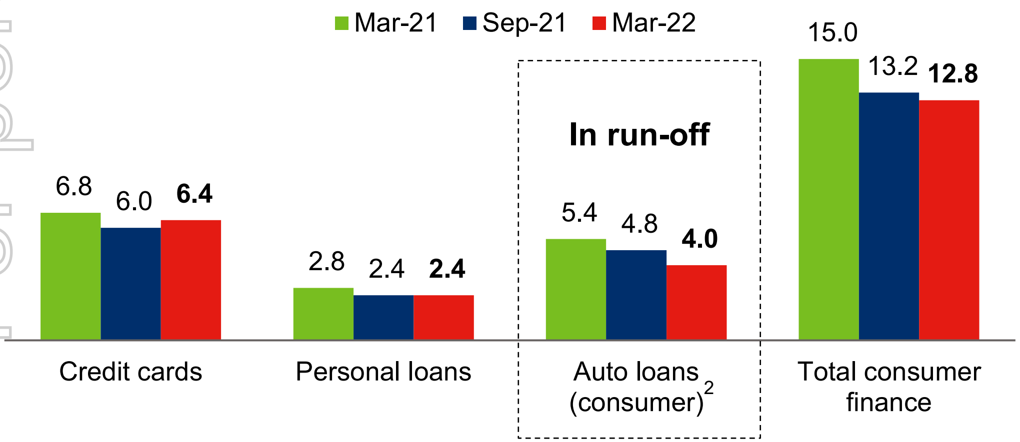
	Mar-21	Sep-21	Mar-22
Lending ($bn)	15.0	13.2	**12.8**
As a % of Group loans	2.0	1.8	**1.8**
30+ day delinquencies (%)	3.58	3.26	**3.06**
90+ day delinquencies (%)	1.92	1.76	**1.64**

90+ day delinquencies down 12bps over the period, reflecting 15bps improvement in portfolio, partly offset by 3bps from contraction in portfolio

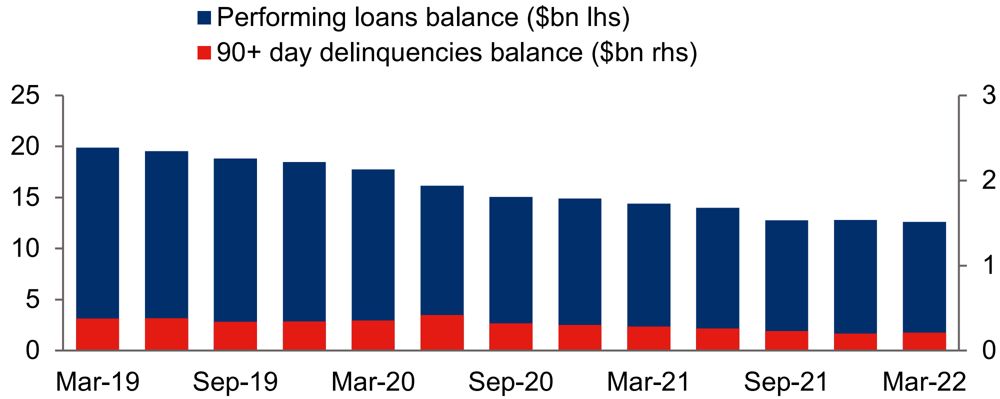
Australian consumer finance 90+ day delinquencies (%)



Australian consumer finance portfolio ($bn)



Australian consumer finance portfolio ($bn)



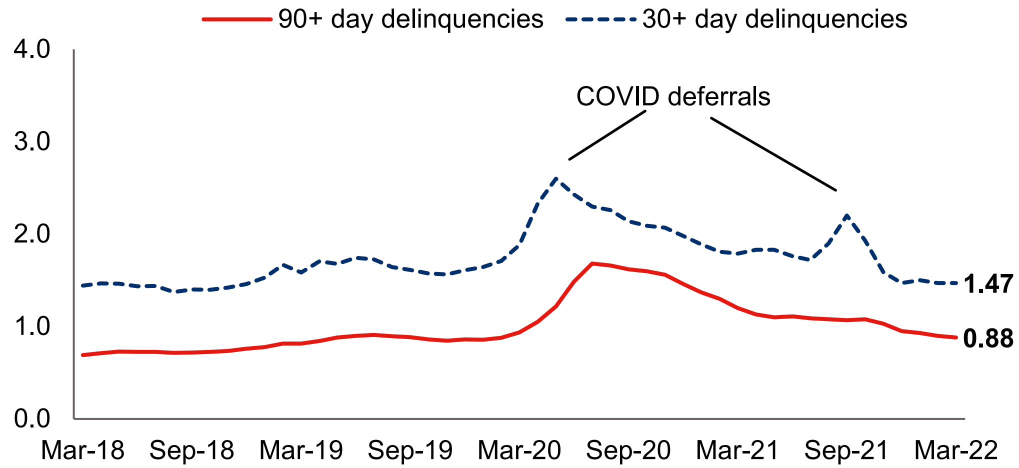
1 Does not include Margin Lending. 2 Loans to customers through dealers in Specialist Businesses. These loans will be run-down over their contractual term.

Australian mortgage delinquencies.

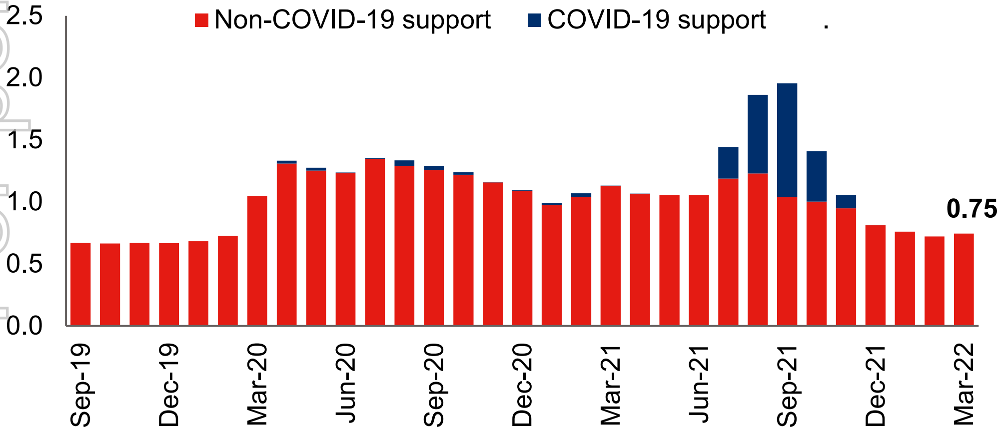
Improvement in delinquencies across the portfolio.

Australian mortgage portfolio	Mar-21	Sep-21	Mar-22
Total portfolio 30+ day delinquencies (bps)	179	220	**147**
Total portfolio 90+ day delinquencies, including impaired mortgages (bps)	120	107	**88**
Investment property loans 90+ day delinquencies (bps)	118	109	**89**
Interest only loans 90+ day delinquencies (bps)	91	82	**66**
Customers in hardship[1] including 6mth serviceability period (by balances, bps)	113	196	**75**
Consumer properties in possession (number)	180	224	**201**
Impaired mortgages (by balances, bps)	6	6	**5**

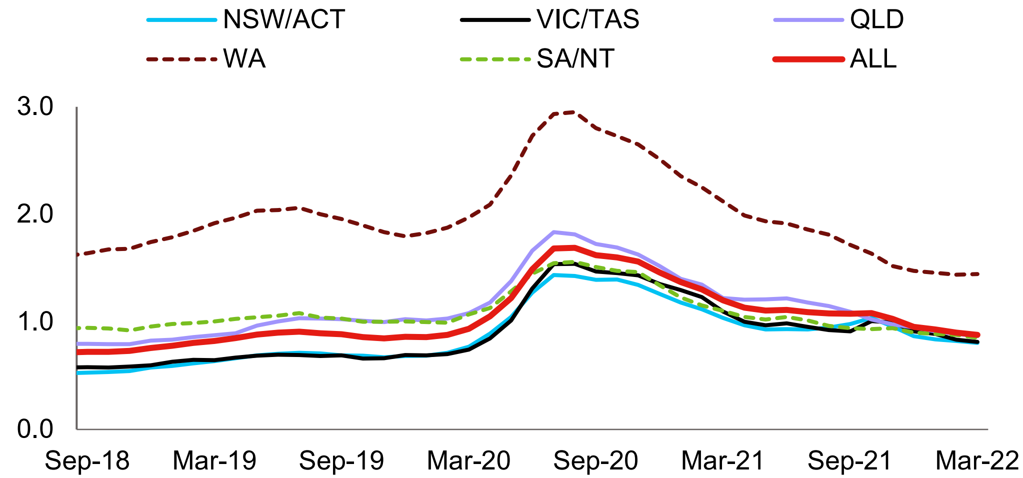
Australian mortgage delinquencies (%)



Australian mortgage hardship[1] balances (% of portfolio)



Australian mortgage 90+ day delinquencies by State (%)



1 Financial hardship assistance is available to customers experiencing unforeseen events, including changes in income due to illness, a relationship breakdown or natural disasters. Hardship assistance often takes the form of a reduction or deferral of repayments for a short period. Customer requesting financial hardship assistance, excluding those seeking COVID-19 related support, must provide a statement of financial position and an assessment is made regarding the customer's eligibility.

Australian mortgage portfolio composition.

Australian mortgage portfolio	Mar-21 balance	Sep-21 balance	Mar-22 balance	1H22 Flow[1]
Total portfolio ($bn)	443.6	455.6	**458.3**	**50.8**
Owner occupied (OO) (%)	62.0	63.7	**64.8**	**69.4**
Investment property loans (IPL) (%)	35.2	33.8	**33.4**	**30.5**
Portfolio loan/line of credit (LOC) (%)	2.3	1.9	**1.7**	**0.1**
Variable rate / Fixed rate (%)	68/32	62/38	**60/40**	**61/39**
Interest only (I/O) (%)	18.2	15.8	**14.2**	**16.4**
Proprietary channel (%)	54.2	52.8	**52.7**	**48.2**
First home buyer (%)	9.4	9.6	**9.7**	**11.7**
Mortgage insured (%)	16.1	15.8	**15.4**	**14.0**

	Mar-21	Sep-21	Mar-22	1H22 Flow[1]
Average loan size[2] ($'000)	284	277	**280**	**420**
Customers ahead on repayments including offset account balances[3] (%)	72	70	**70**	
Actual mortgage losses net of insurance ($m, for 6 months ending)	44	27	**28**	
Actual mortgage loss rate annualised[4] (bps)	2	2	**1**	

Australian mortgage portfolio and 1H22 flow by product and repayment type (%)

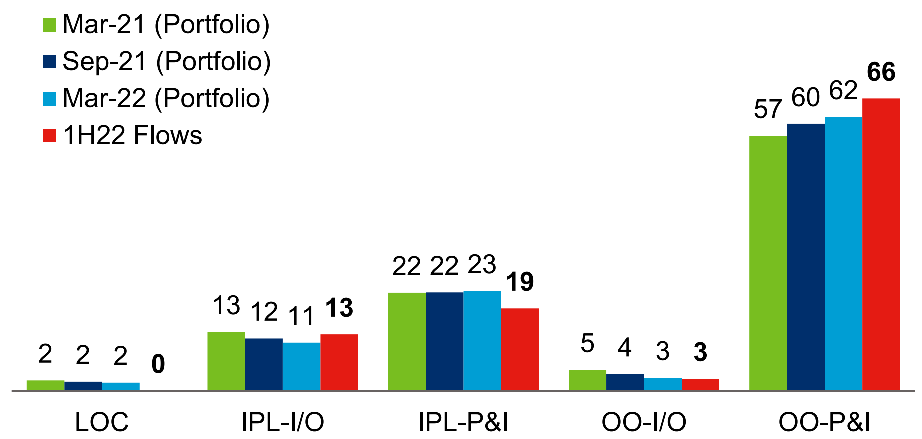
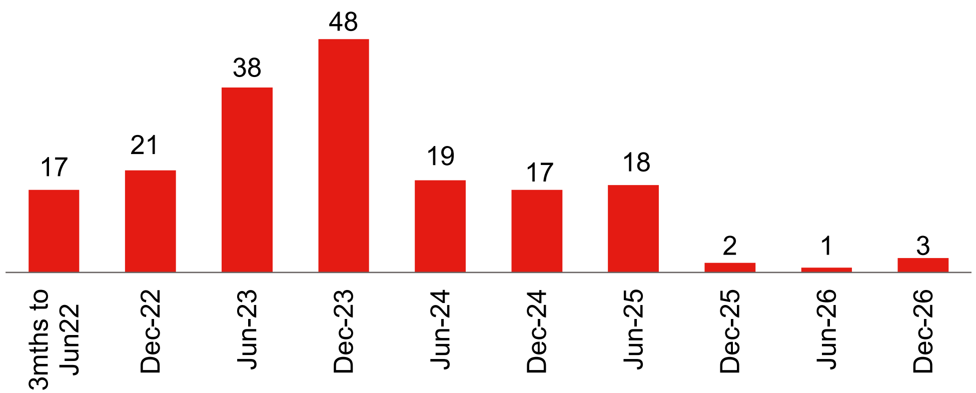


Chart does not add to 100 due to rounding.

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



1 Flow is new mortgages settled in the 6 months ended 31 March 2022. 2 Includes amortisation. Calculated at account level, where split loans represent more than one account. 3 Loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments. 4 Mortgage loss rates for March balances are annualised, based on losses for the 6 months. Mortgage loss rates for September are actual losses for the 12 months ending.

Australian mortgage portfolio.

Equity increased for existing loans.

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

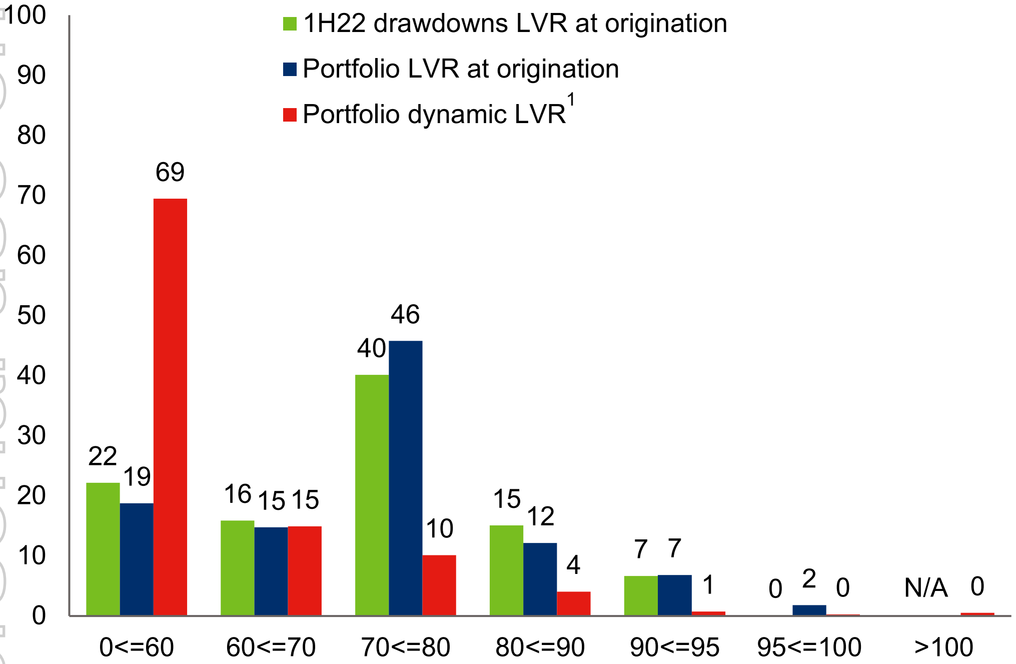


Chart does not add to 100 due to rounding.

Australian mortgage portfolio LVRs		Mar-21 balance	Sep-21 balance	Mar-22 balance
Weighted averages[2]	LVR at origination (%)	73	73	**73**
	Dynamic LVR[1] (%)	54	50	**47**
	LVR of new loans[3] (%)	72	71	**71**

Serviceability assessment creates a buffer for borrowers

- Loans are assessed at the higher of
  - The customer rate, including any life-of-loan discounts, plus the serviceability buffer of 3.0% (up from 2.50% in October 2021);

  or

  - The minimum assessment rate, called the “floor rate”, currently 5.05%
- Interest only (I/O) loans are assessed based on the residual principal and interest (P&I) term using the applicable P&I rate
- Fixed rate loans are assessed on the variable rate to which the loan will revert after the fixed period

Applicant gross income band (1H22 drawdowns, % by approved limits)

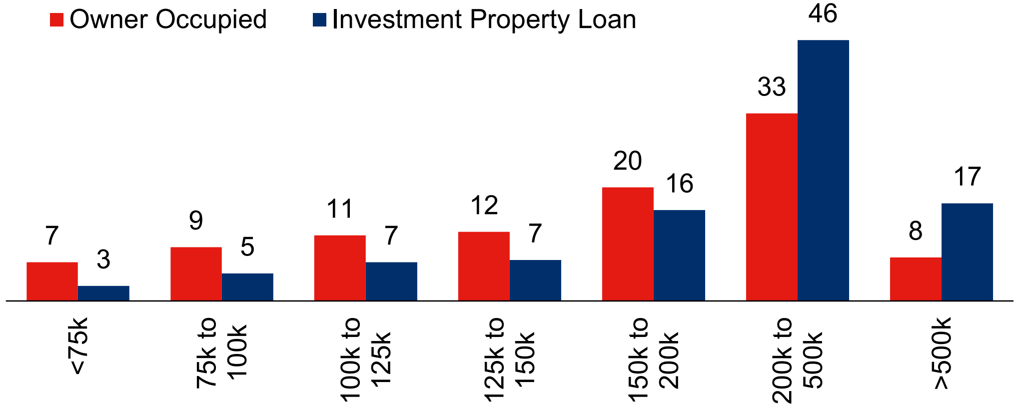


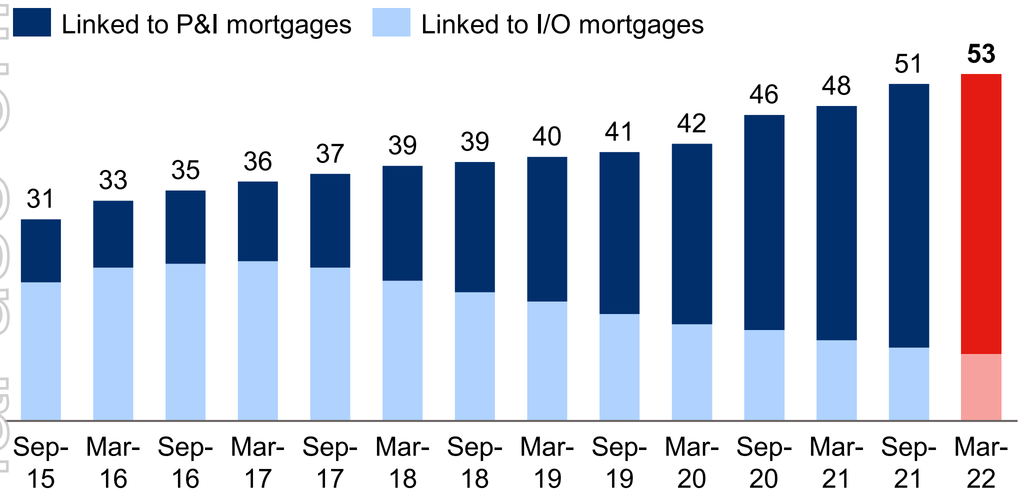
Chart does not add to 100 due to rounding.

1 Dynamic LVR is the loan-to-value ratio taking into account the current loan balance, changes in security value, offset account balances and other loan adjustments. Property valuation source CoreLogic. 2 Weighted average LVR calculation considers size of outstanding balances. 3 Average LVR of new loans is on rolling 6 months.

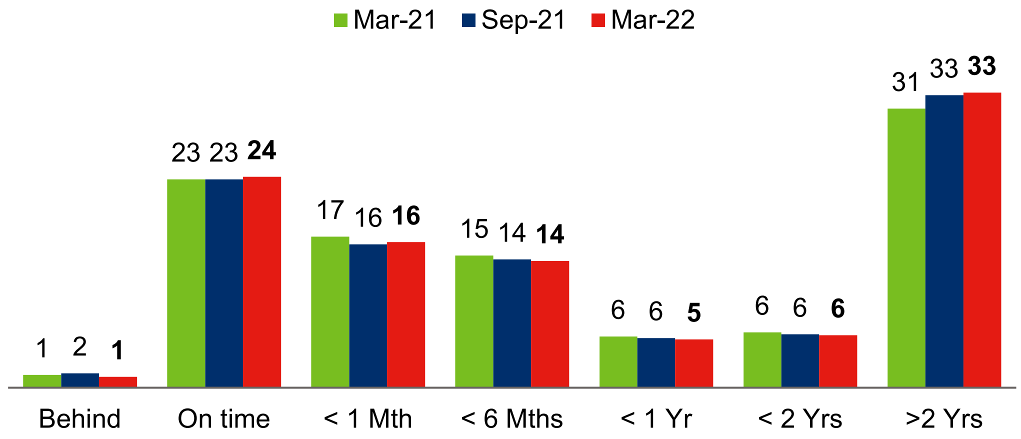
Australian mortgage portfolio repayment buffers.

Offset account balances continue to increase.

Offset account balances[1] ($bn)



Australian home loan customers ahead on repayments[2] (% by accounts)



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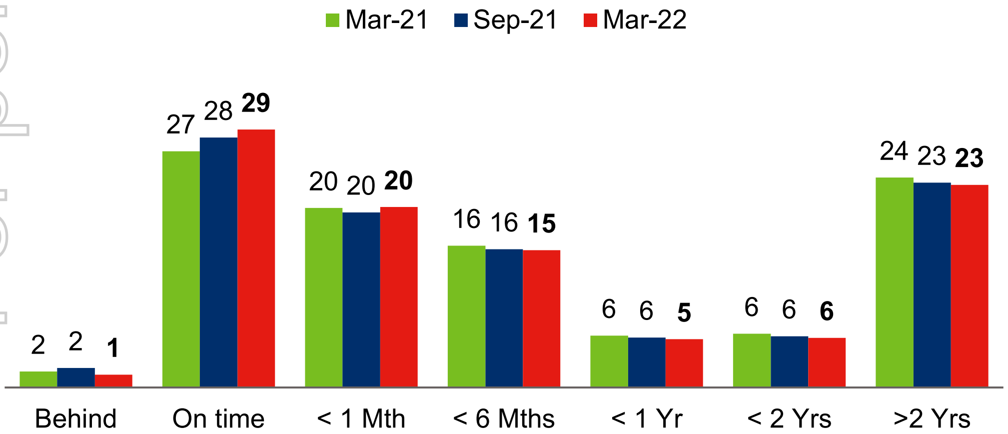
Australian home loan customers ahead on repayments[2] (% by balances)



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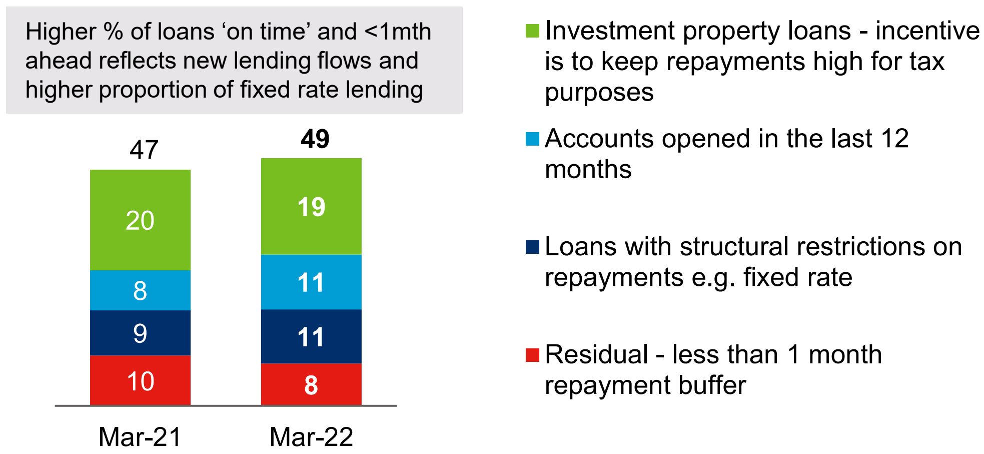
Loans 'on time' and <1 mth ahead (% of balances)



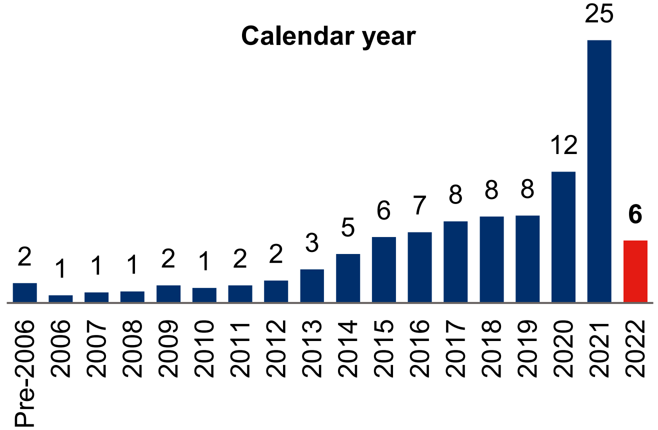
1 Includes RAMS from September 2020 onwards. 2 Customer loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments. Includes mortgage offset accounts. 'Behind' is more than 30 days past due. 'On time' includes up to 30 days past due.

Australian mortgage portfolio underwriting.

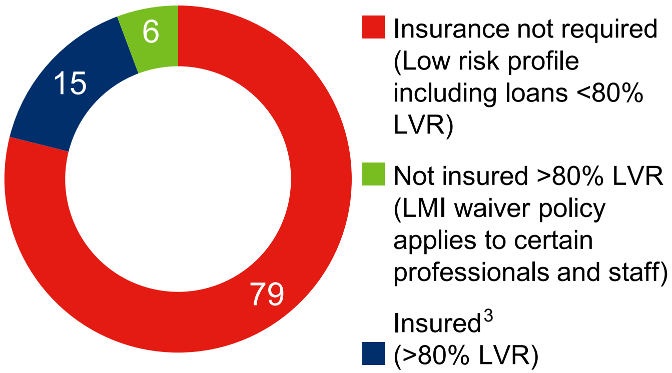
Credit policy at April 2022

Income	• Verified via payslips, tax returns or salary credits, with other supporting documentation such as PAYG payment summaries or ATO Statements (minimum standards apply) • Shading of at least 20% applies to less certain income sources i.e. overtime, bonuses
Credit Score & Credit Bureau	• Bespoke application scorecards segmented by new and existing customers • Credit and score override rates tracked and capped • Credit bureau checks required
Expenses	• Assessed as the higher of a borrower's HEM[1] comparable expenses or HEM, plus any expenses that are not comparable to HEM (e.g. private school fees, life insurance) • HEM is applied by income bands, post settlement postcode location, marital status and dependants • 17 expense categories used, aligned with Melbourne Institute guidelines and LIXI standards
Serviceability assessment	• For serviceability assessment, loans are assessed at the higher of: - The customer rate, including any life-of-loan discounts, plus the serviceability buffer of 3.0% (up from 2.50% in October 2021), or - The minimum assessment rate, called the "floor rate", currently 5.05% (from October 2020, previously 5.35%) • For I/O Loans, serviceability is assessed on a P&I basis over the residual term • Fixed rate loans assessed on the variable rate to which the loan will revert after fixed period • All existing customer commitments are verified • Review Westpac Group accounts and Comprehensive Credit Reporting (CCR) to identify customer commitments • Limits apply to higher debt-to-income lending; above 7x referred for manual credit assessment • Credit card repayments assessed at 3.8% of limit
Genuine savings deposit requirements	• Minimum 5% proof of genuine savings for higher LVR loans (typically LVR >90%). Any Home Owners Grants are not considered genuine savings
Security	• LVR restrictions apply depending on location, property value and nature of security • Restrictions on high-density apartments based in postcode defined areas (generally capital city CBD's) and properties in towns heavily reliant on a single industry (e.g. mining, tourism)
LMI	• Mortgage insurance for higher risk loans, such as LVRs >80%. Exception policy applies for certain professionals and Westpac staff

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



Australian mortgage portfolio by insurance profile[2] (%)



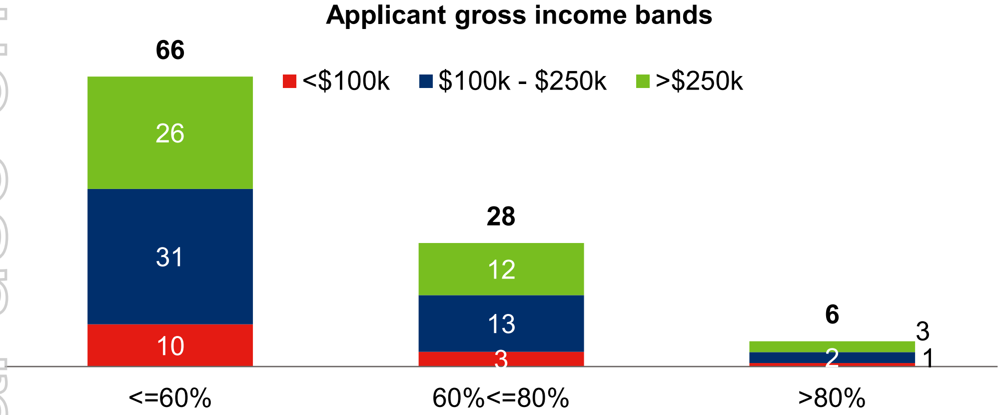
1 HEM is the Household Expenditure Measure, produced by the Melbourne Institute. 2 In Second Half 2021 Westpac Lender's Mortgage Insurance Limited was sold to Arch Capital Group. The sale was completed on 31 August 2021. Westpac has entered into a 10-year exclusive supply agreement for Arch to provide lenders mortgage insurance to the Group. 3 Includes loans where LMI applies to >70% LVR loans, for example, single industry towns.

Australian mortgages.

Mortgage credit quality

Interest only and Investment property lending.

I/O lending by dynamic LVR[1] and income band (% of total I/O lending)



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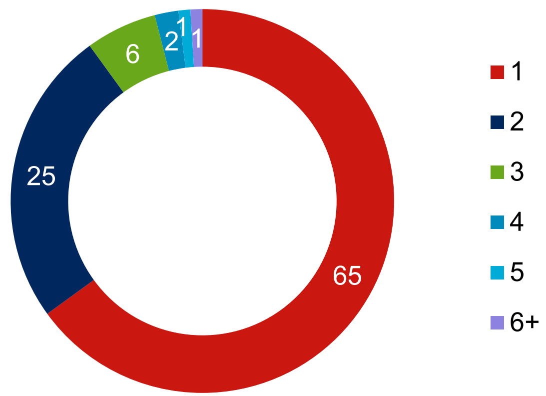
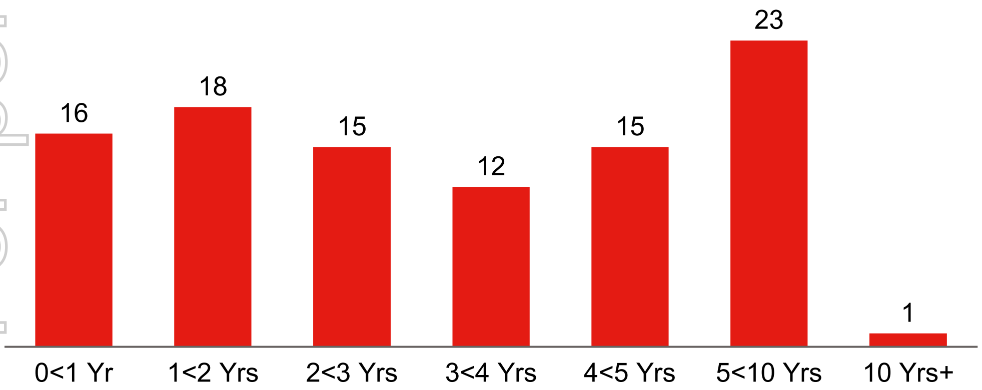
Investment property portfolio by number of properties per customer (%)



Scheduled I/O term expiry[2] (% of total I/O loans)



Investment property lending (IPL) portfolio		Mar-21	Sep-21	Mar-22
Investment property loans ($bn)		157	154	**153**
Weighted averages	LVR of IPL loans at origination (%)	72	72	**71**
	LVR of new IPL loans in the period (%)	70	70	**70**
	Dynamic LVR[1] of IPL loans (%)	54	50	**47**
Average loan size[3] ($'000)		320	318	**321**
Customers ahead on repayments including offset accounts[4] (%)		63	61	**61**
90+ day delinquencies (bps)		118	109	**89**
Annualised loss rate (net of insurance claims) (bps)		3	2	**2**

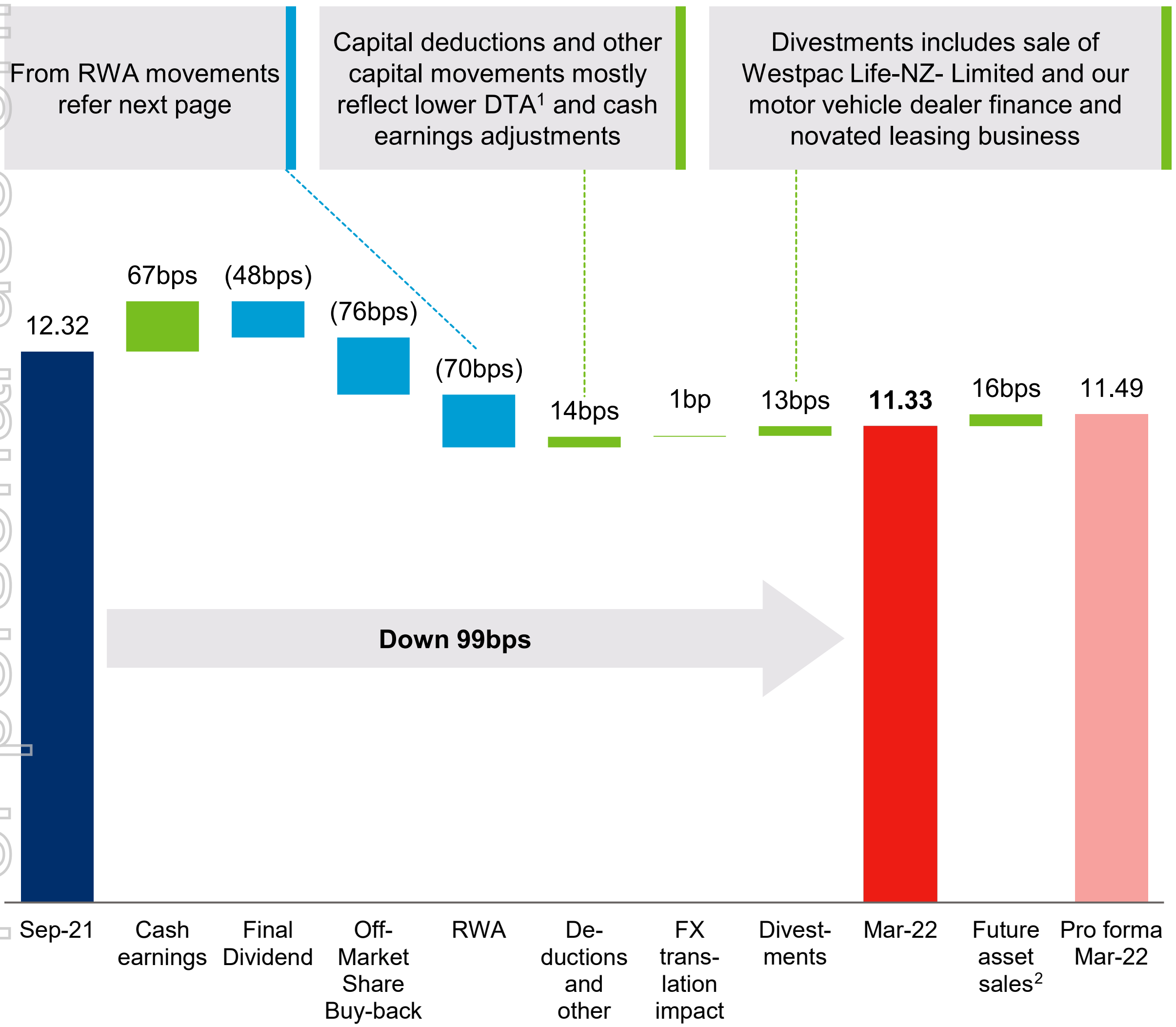
1 Dynamic LVR is the loan-to-value ratio taking into account the current loan balance, changes in security value, offset account balances and other loan adjustments. Property valuation source CoreLogic. 2 Based on outstanding balance. Excludes line of credit loans, I/O loans without date (including bridging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

Capital, funding and liquidity

Westpac GROUP

CET1 capital ratio 11.33%.

Level 2 CET1 capital ratio movements (%, bps)



Key capital ratios (%)	Mar-21	Sep-21	Mar-22
Level 2 CET1 capital ratio	12.3	12.3	**11.3**
Additional Tier 1 capital ratio	2.2	2.3	**2.1**
Tier 1 capital ratio	14.5	14.6	**13.4**
Tier 2 capital ratio	3.9	4.2	**4.3**
Total regulatory capital ratio	18.4	18.9	**17.7**
Risk weighted assets (RWA) ($bn)	429	437	**460**
Leverage ratio	6.3	6.0	**5.6**
Level 1 CET1 capital ratio	12.6	12.6	**11.2**
Internationally comparable ratios[3]			
Leverage ratio (internationally comparable)	6.9	6.6	**6.1**
CET1 capital ratio (internationally comparable)	18.1	18.2	**17.4**

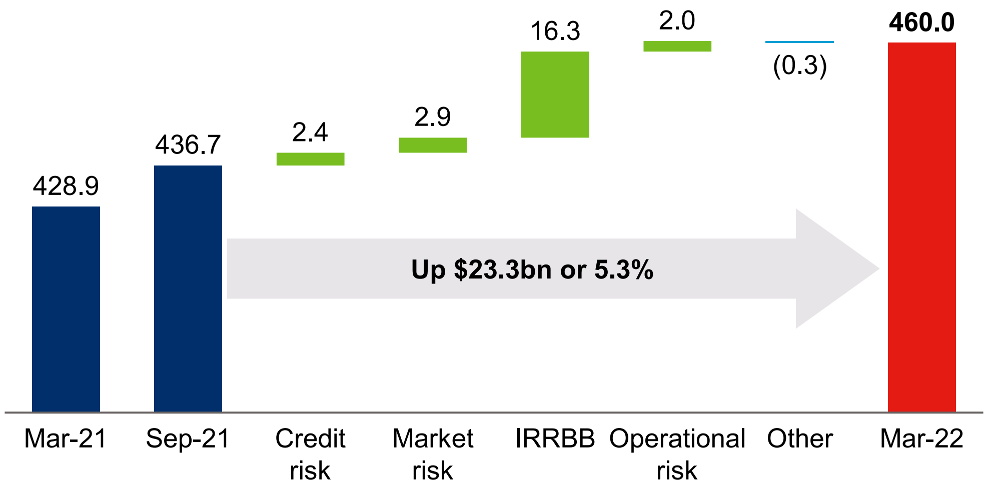
The Level 1 CET1 capital ratio decreased 18bps following the implementation of the final revised standards for APS 111 Capital Adequacy: Measurement of Capital and APS 222 Associations with Related Entities on 1 January 2022

1 Deferred tax assets. 2 Subject to completion occurring as expected. 3 Internationally comparable methodology aligns with the APRA study titled 'International Capital Comparison Study' dated 13 July 2015.

Risk weighted assets.

Increase mostly from higher non-credit risk RWA.

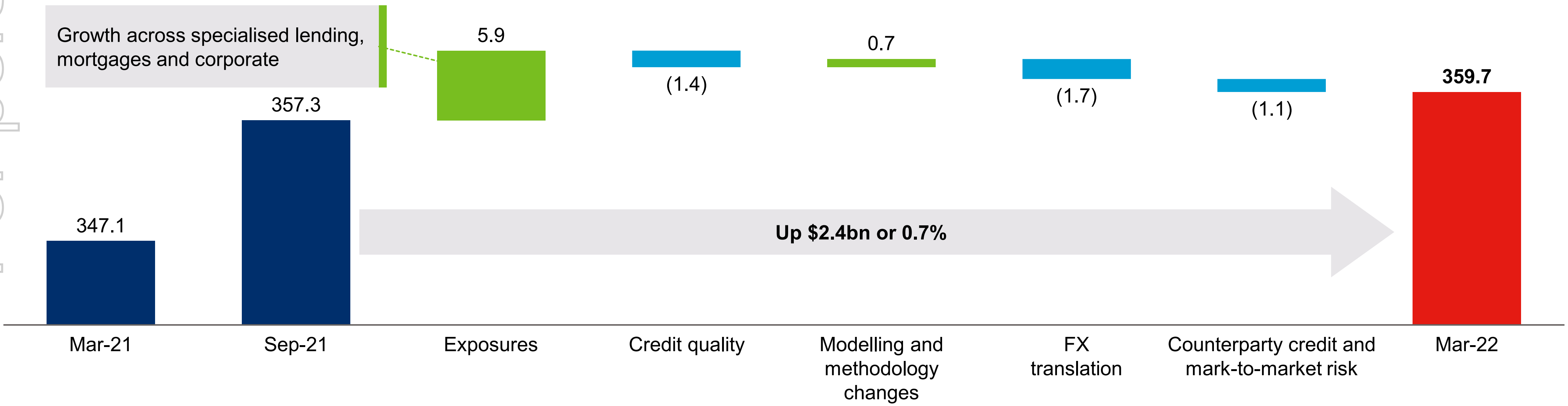
Risk weighted assets (RWA) ($bn)



Commentary

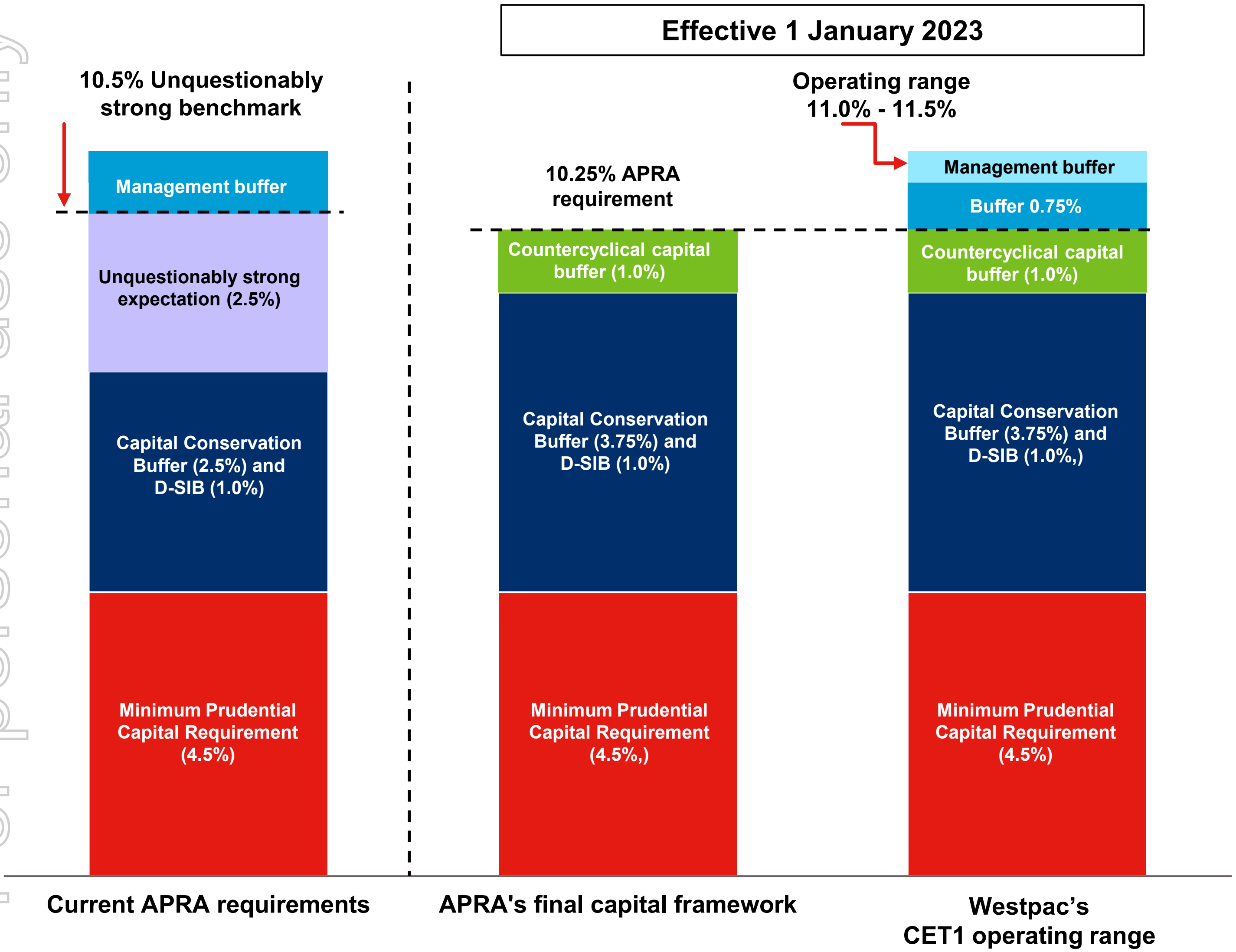
- RWA increased $23.3bn over 1H22, mostly from higher IRRBB RWA
- Interest rate risk in the banking book (IRRBB) RWA increased $16.3bn as Westpac invests its capital over a three year term. Increased interest rate volatility and the widening in two and three year market swap rates resulted in valuation differences to capital invested over a one year term
- Market risk RWA increased $2.9bn mainly due to the introduction of an industry-wide overlay for updated market risk models pending regulatory approval
- Operational risk RWA increased $2.0bn from adopting the standardised measurement approach

Movement in credit risk weighted assets ($bn)



Update on capital management.

APRA's revisions to capital framework and our new operating range.



CET1 capital operating range

- We will seek to operate with a CET1 capital ratio of between 11.0% and 11.5% (including to account for dividend payments) under the new capital framework from 1 January 2023
- On 29 November 21, APRA finalised its capital framework, which increased the CET1 capital ratio requirement for Domestic Systemically Important Banks (D-SIBs) from 8% to 10.25% from 1 January 2023
- Under the framework, the capital conservation buffer increases from 2.5% to 3.75% and a base level for the countercyclical capital buffer of 1.0% was introduced
- APRA also indicated that it expects the major banks will likely operate with a CET1 capital ratio above 11% under the new framework

Regulatory capital changes.

Key regulatory changes and timeline.

Implementation	Change	Details
Current and finalised by 1 Jul 2028	**RBNZ Capital Review**	• Implementation from 1 January 2022 with a transitional period of ~6 years • RWA of IRB banks including WNZL increased to 90% of that required under a standardised approach through the introduction of an 85% output floor and increasing IRB scalar from 1.06 to 1.2 • D-SIB Tier 1 capital requirement of 16% with at least 13.5% in the form of CET1
1 Jan 2023	**APRA's revisions to the ADI capital framework**	APRA's final capital standard includes: • Increasing the CET1 capital requirement for D-SIBs from 8.0% to 10.25% through higher regulatory buffers, with an increase in the capital conservation buffer (to 4.75% from 3.5%)[1] and the introduction of a base level countercyclical capital buffer of 1.0% • Adjustments to RWA calculations for certain assets (residential mortgages, non-retail lending) • Implementing a 72.5% output floor to limit the capital benefit for Advanced ADIs relative to Standardised ADIs • RWA for New Zealand subsidiaries to be determined under RBNZ rules at the consolidated group level
1 Jan 2024	**CPS 190 Financial Contingency Planning** **CPS 900 Resolution Planning**	APRA has released two draft prudential standards for consultation for: • Bank's to develop plans to responding to financial stress • Bank's to prepare for resolution with limited adverse impacts on the community and financial system, in the event of their failure
1 Jan 2023	**Leverage ratio**	• Proposed minimum 3.5%. At 31 March 2022, our leverage ratio was 5.6%
1 Jan 2024 and 1 Jan 2026	**Loss Absorbing Capacity (LAC)**	• APRA requires D-SIBs to lift the total capital ratio by 3% of RWA by 1 January 2024. Increasing a further 1.5 to 4.5% by 1 January 2026 • At 31 March 2022 our Tier 2 capital ratio was 4.3%
1 Jan 2024 1 Jan 2025	**APS117 - IRRBB** **APS116 - Market Risk**	• Non-traded: standardising aspects of the calculation of IRRBB capital to reduce volatility over time and variation between ADIs • Traded: APRA is yet to commence consultation on Fundamental Review of the Trading Book

1 Includes 1% D-SIB buffer.

Westpac GROUP

Internationally comparable capital ratio reconciliation.

APRA's Basel III capital requirements are more conservative than those of the Basel Committee on Banking Supervision (BCBS), leading to lower reported capital ratios by Australian banks. In July 2015, APRA published a study that compared the major banks' capital ratios against a set of international peers[1]. The following details the adjustments from this study and how Westpac's APRA Basel III CET1 capital ratio aligns to an internationally comparable ratio.

Westpac's CET1 capital ratio (APRA basis)		**11.3**
Equity investments	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements	0.3
Deferred tax assets	Balances below prescribed threshold are risk weighted, compared to a 100% CET1 deduction under APRA's requirements	0.4
Interest rate risk in the banking book (IRRBB)	APRA requires capital to be held for IRRBB. The BCBS does not have a Pillar 1 capital requirement for IRRBB	0.9
Residential mortgages	Loss given default (LGD) of 15%, compared to the 20% LGD floor under APRA's requirements. APRA also applies a correlation factor for mortgages higher than the 15% factor prescribed in the Basel rules	2.1
Unsecured non-retail exposures	LGD of 45%, compared to the 60% or higher LGD under APRA's requirements	0.7
Non-retail undrawn commitments	Credit conversion factor of 75%, compared to 100% under APRA's requirements	0.5
Specialised lending	Use of internal-ratings based (IRB) probabilities of default (PD) and LGDs for income producing real estate and project finance exposures, reduced by application of a scaling factor of 1.06. APRA applies higher risk weights under a supervisory slotting approach, but does not require the application of the scaling factors	0.6
Currency conversion threshold	Increase in the A$ equivalent concessional threshold level for small business retail and small to medium enterprise corporate exposures	0.2
Capitalised expenses	APRA requires these items to be deducted from CET1. The BCBS only requires exposures classified as intangible assets under relevant accounting standards to be deducted from CET1	0.4
Internationally comparable CET1 capital ratio		**17.4**
Internationally comparable Tier 1 capital ratio		**20.2**
Internationally comparable total regulatory capital ratio		**26.2**

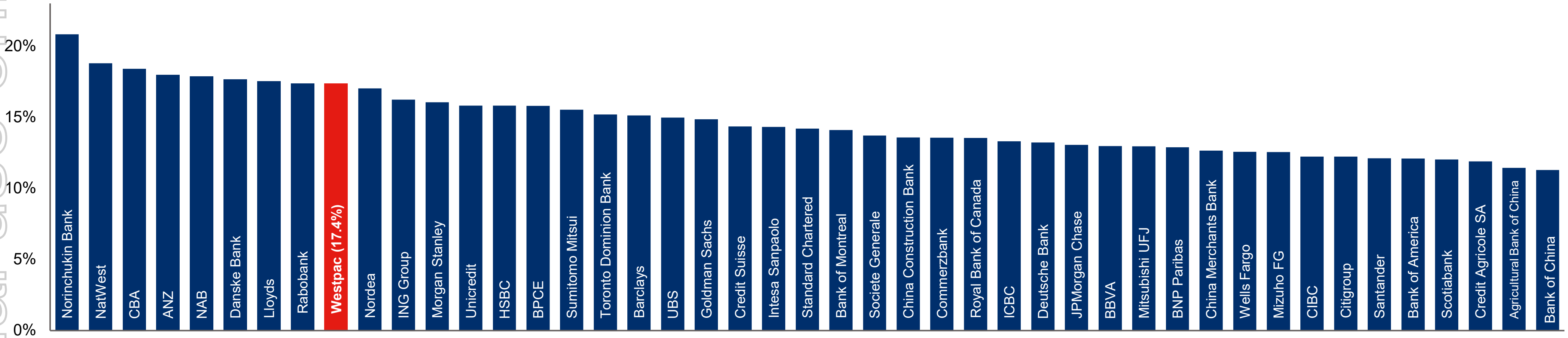
1 Methodology aligns with the APRA study titled "International capital comparison study", dated 13 July 2015.

Capital, funding and liquidity

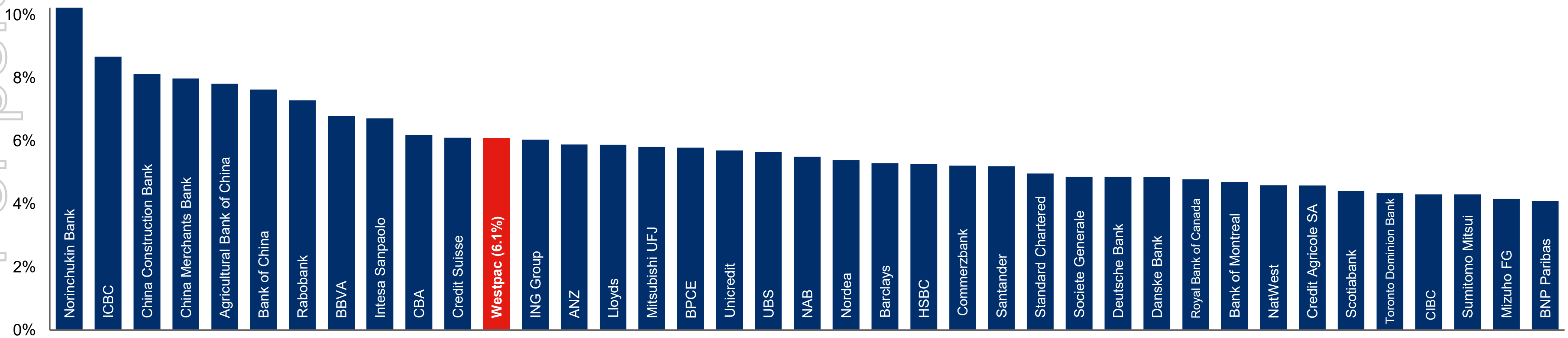
Well placed on internationally comparable.

CET1 and leverage ratios.

Common equity Tier 1 ratio (%)[1]



Leverage ratio (%)[1]



1 Comparison group comprises listed commercial banks with assets in excess of A$700bn and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure to estimate. Based on company reports/ presentations. Ratios at 31 December 2021, except for Westpac, ANZ and NAB which are at 31 March 2022 and Bank of Montreal, Scotiabank, Royal Bank of Canada, CIBC and Toronto Dominion are at 31 January 2022. Leverage ratio is on a transitional basis. Where accrued expected dividends have been deducted and disclosed, these have been added back for comparability. US banks are excluded from leverage ratio analysis due to business model differences, for example from loans sold to US Government sponsored enterprises. NAB has not disclosed an internationally comparable leverage ratio since September 2017. Shows ratios at the last reporting date, which may take account of measures taken by jurisdictions in response to COVID-19.

Balance sheet funding and liquidity.

Customer deposits provide 66% of the Group's funding.

Funding composition (%)

By residual maturity

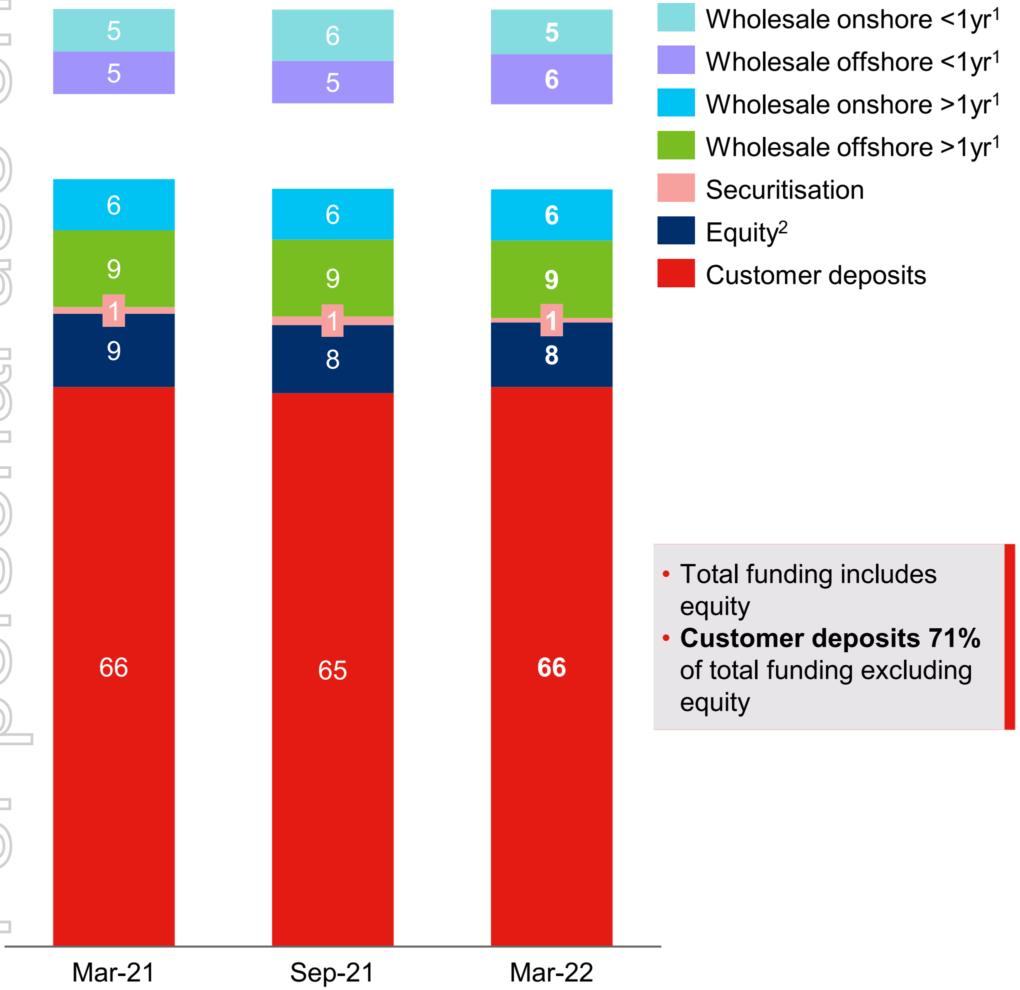
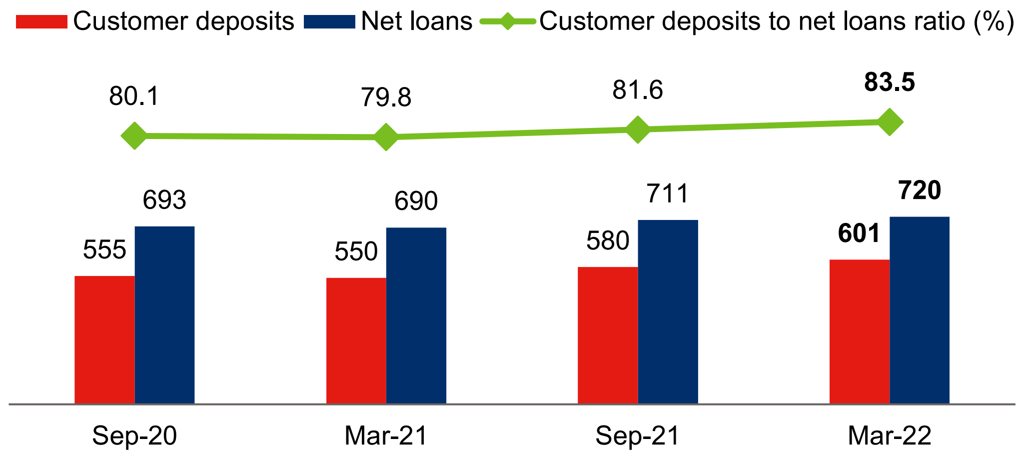
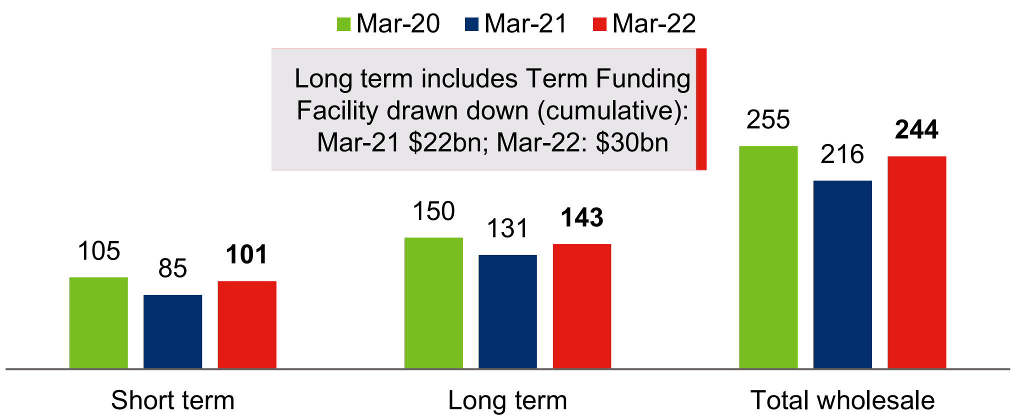


Chart does not add to 100 due to rounding

Customer deposits and net loans ($bn)



Wholesale funding by residual maturity[3] ($bn)

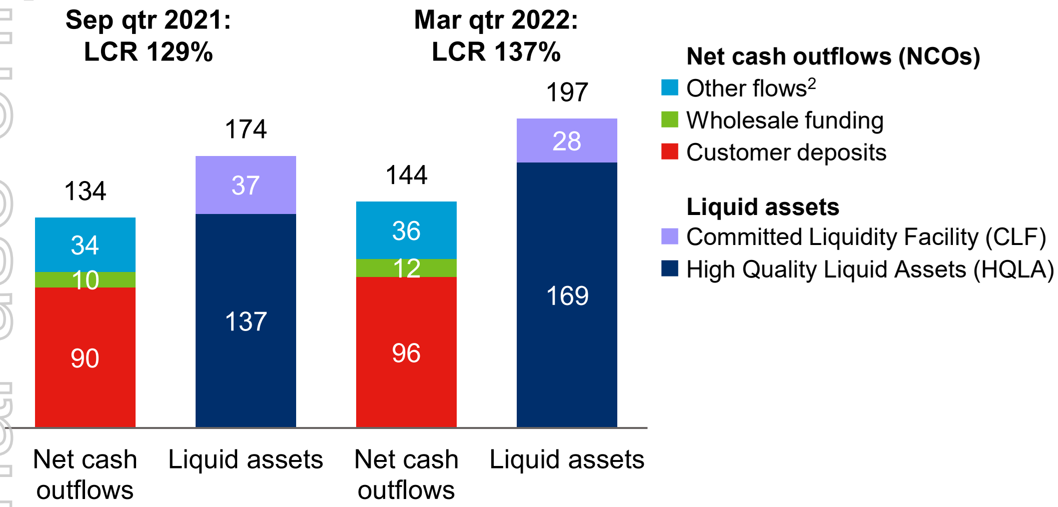


1 Includes long term wholesale funding with a residual maturity less than or equal to 1 year. 2 Equity excludes FX translation, Available-for-Sale securities and Cash Flow Hedging Reserves. 3 Short term funding includes wholesale funding with an original maturity greater than 12 months that now has a residual maturity less than 12 months. Long term includes securitisation.

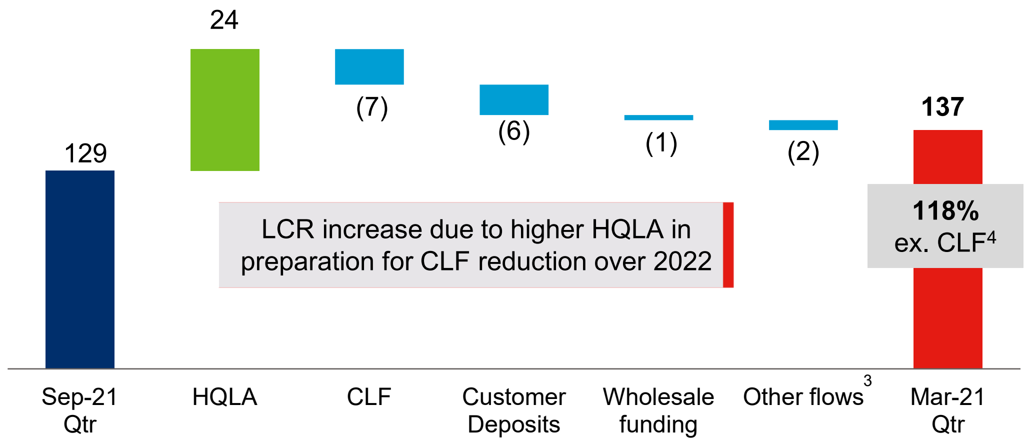
Funding and liquidity ratios.

Increase in LCR reflects higher liquid assets; NSFR unchanged.

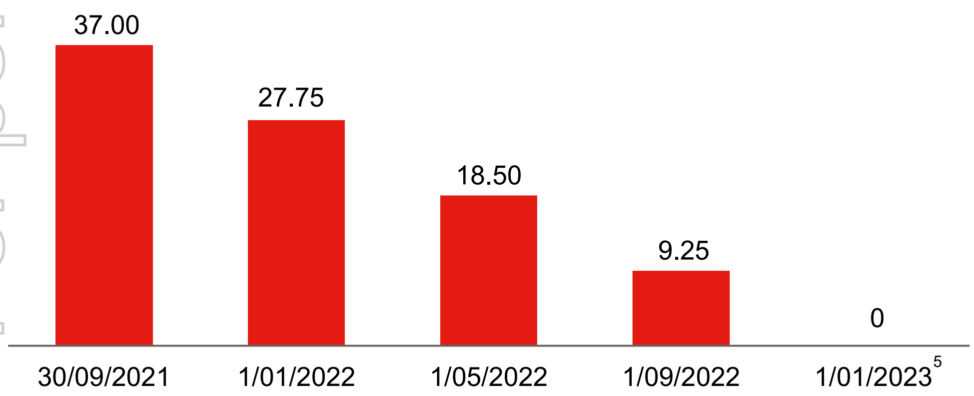
Liquidity coverage ratio[1] (LCR) (quarterly average, $bn)



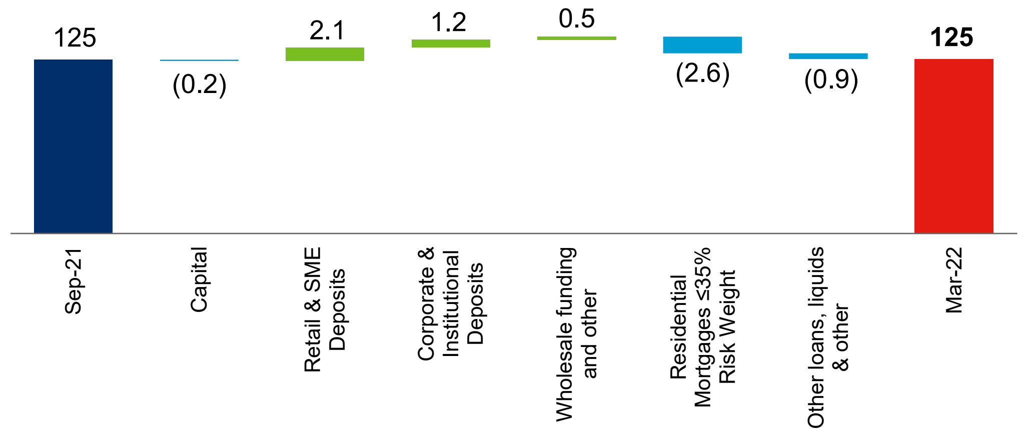
Liquidity coverage ratio[1] (quarterly average, %)



Westpac CLF phase-out ($bn)



Net stable funding ratio (%)

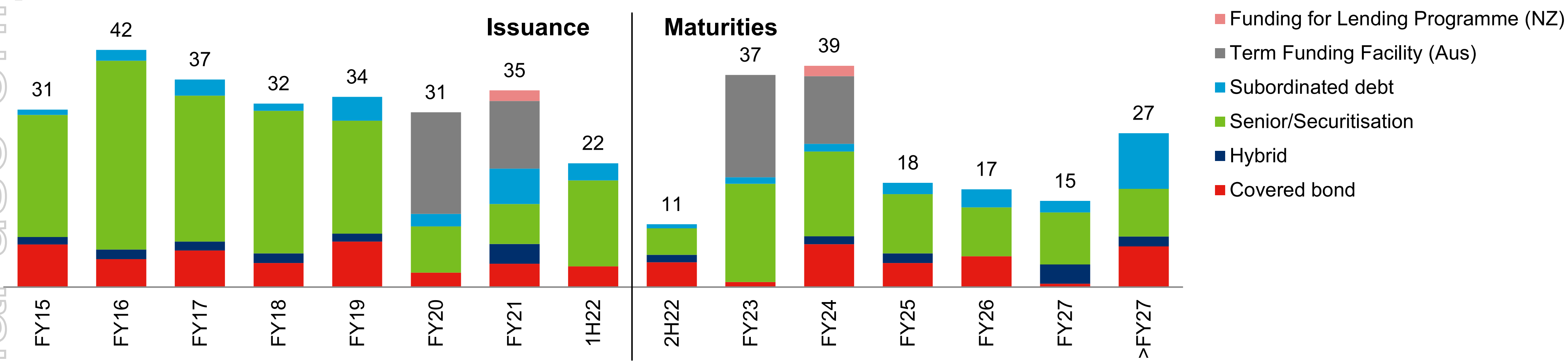


1 LCR is calculated as the percentage ratio of stock of liquid assets over the total net cash outflows in a modelled 30 day defined stressed scenario. Liquid assets include HQLA as defined in APS 210, RBNZ eligible liquids, CLF eligible securities less RBA open repos funding end of day ESA balances with the RBA. CLF and TFF are made available to Australian Authorised Deposit-taking Institutions by the RBA that, subject to qualifying conditions, can be accessed to meet LCR requirements under APS210 – Liquidity. Other flows include credit and liquidity facilities, collateral outflows and inflows from customers. 2 Other flows includes net cash outflow overlay. Effective 1 January 2021, the Group is required to increase the value of its net cash outflows by 10% for the purpose of calculating LCR, in response to action taken by APRA for breaches of Westpac's liquidity requirements predominantly relating to WNZL. This reduces the average LCR for the quarter ended 31 March 2022 by 14 percentage points. 3 Other flows includes derivatives and other assets. 4 Calculated on a spot basis at 31 March 2022. 5 APRA updated guidance CLF will now cease to exist by 1/01/2023 instead of 31/12/2022.

Long term wholesale funding.

Return to normal funding activities post TFF conclusion.

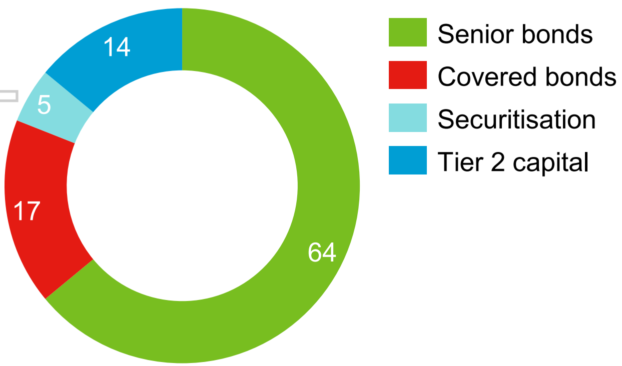
Term debt issuance and maturity profile[1] ($bn)



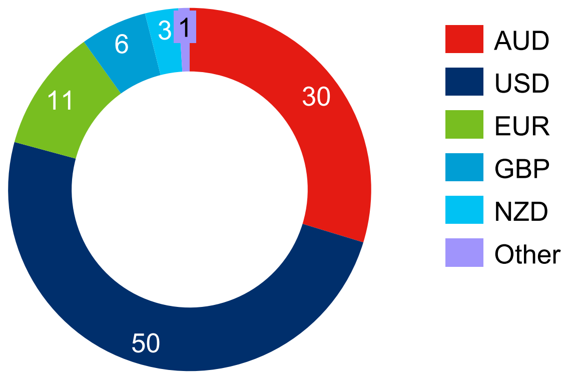
1H22 term debt issuance (%)

Charts do not add to 100 due to rounding

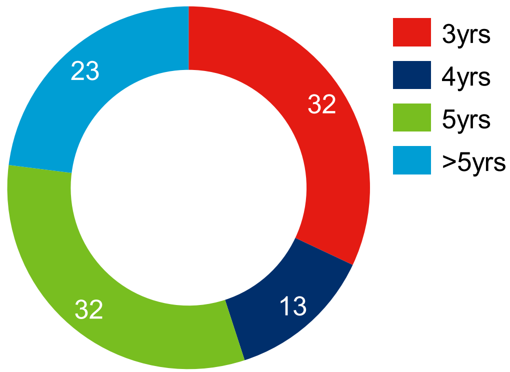
By program (%)



By currency (%)



By tenor (%)

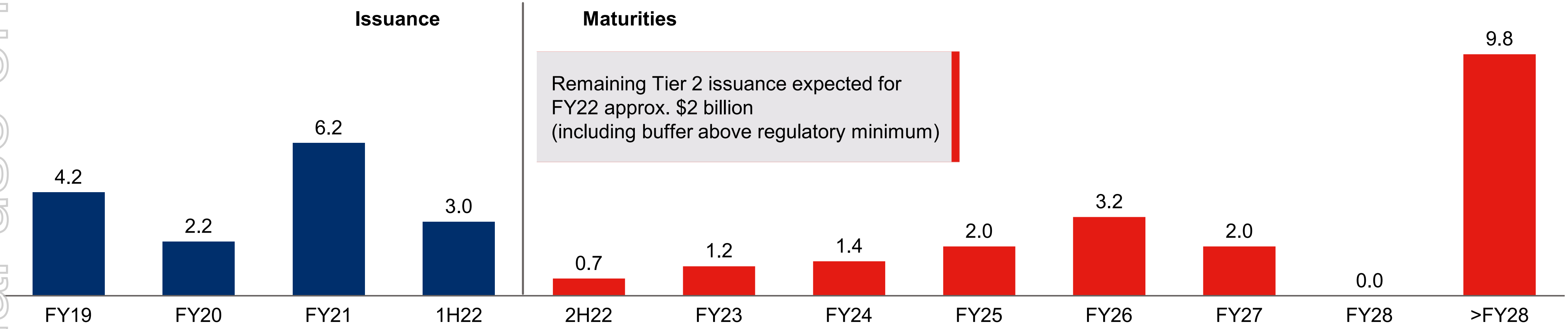


1 Based on residual maturity and FX spot currency translation. Includes all debt issuance with contractual maturity greater than 13 months excluding US Commercial Paper and Yankee Certificates of Deposit. Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled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

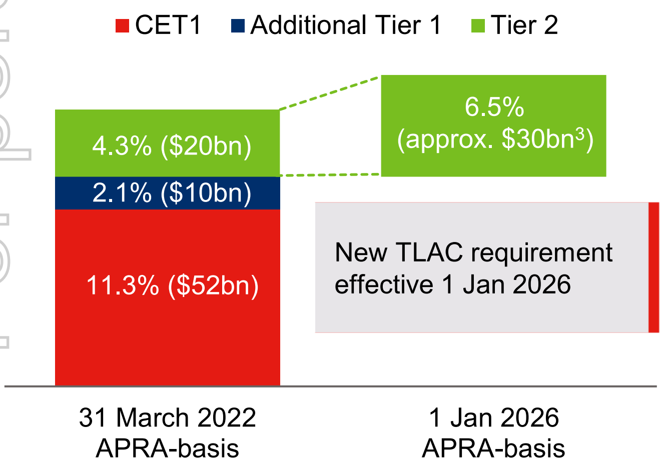
Tier 2 capital issuance.

Well positioned to meet increased TLAC requirements.

Westpac Tier 2 issuance and calls/maturities[1,2] (notional amount, A$bn)

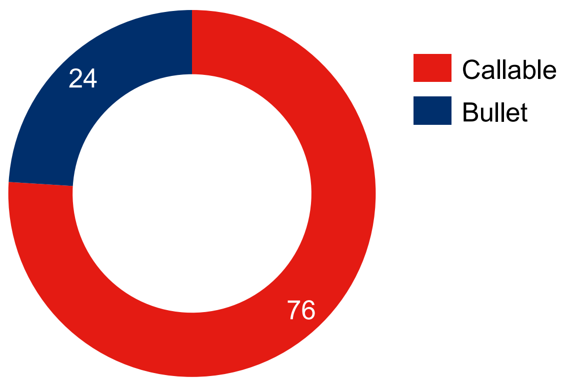


Westpac Total Regulatory Capital

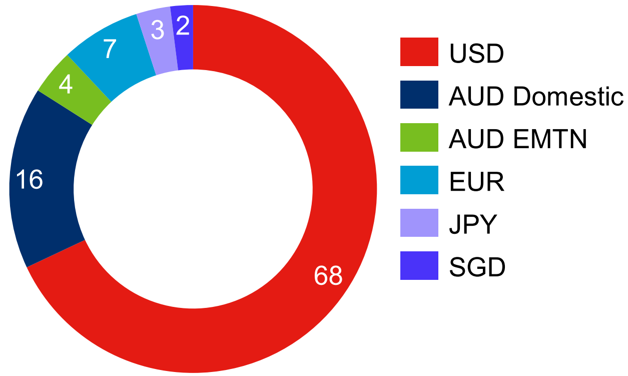


Westpac Tier 2 capital (notional amount, %)

By format[4]



By currency[4]



1 Represents AUD equivalent notional amount using spot FX translation at date of issue for issuance and spot FX translation at 31 March 2022 for maturities. 2 Securities in callable format profiled to first call date. Securities in bullet format profiled to maturity date. 3 Based on capital regulation at 31 March 2022. Does not include balance sheet growth or management buffer. 4 Represents AUD equivalent notional amount using spot FX translation at 31 March 2022.

Segment results

Westpac GROUP

Segment[1] contributions.

Cash earnings and notable items.

1H22 cash earnings ($m)	Consumer	Business	WIB	NZ[2]	Specialist Businesses	Group Businesses	Group
Net interest income	4,377	1,323	481	1,041	242	564	**8,028**
Non-interest income	324	163	588	270	550	36	**1,931**
Expenses	(2,369)	(982)	(577)	(534)	(584)	(320)	**(5,366)**
Core earnings	**2,332**	**504**	**492**	**777**	**208**	**280**	**4,593**
Impairment (charges)/benefits	27	(158)	(58)	9	38	3	**(139)**
Tax & non-controlling interests	(713)	(107)	(128)	(189)	(114)	(108)	**(1,359)**
Cash earnings	**1,646**	**239**	**306**	**597**	**132**	**175**	**3,095**
Cash earnings contribution	53%	8%	10%	19%	4%	6%	

1H22 notable items ($m)	Consumer	Business	WIB	NZ[2]	Specialist Businesses	Group Businesses	Group
Net interest income	-	-	-	7	-	-	**7**
Non-interest income	-	-	-	119	109	-	**228**
Expenses	-	-	-	-	(215)	(16)	**(231)**
Core earnings	**-**	**-**	**-**	**126**	**(106)**	**(16)**	**4**
Impairment charges	-	-	-	-	-	-	**-**
Tax and non-controlling interests	-	-	-	(2)	(8)	-	**(10)**
Cash earnings impact	**-**	**-**	**-**	**124**	**(114)**	**(16)**	**(6)**

1 Refer to segment descriptions, page 129. 2 NZ in A$.

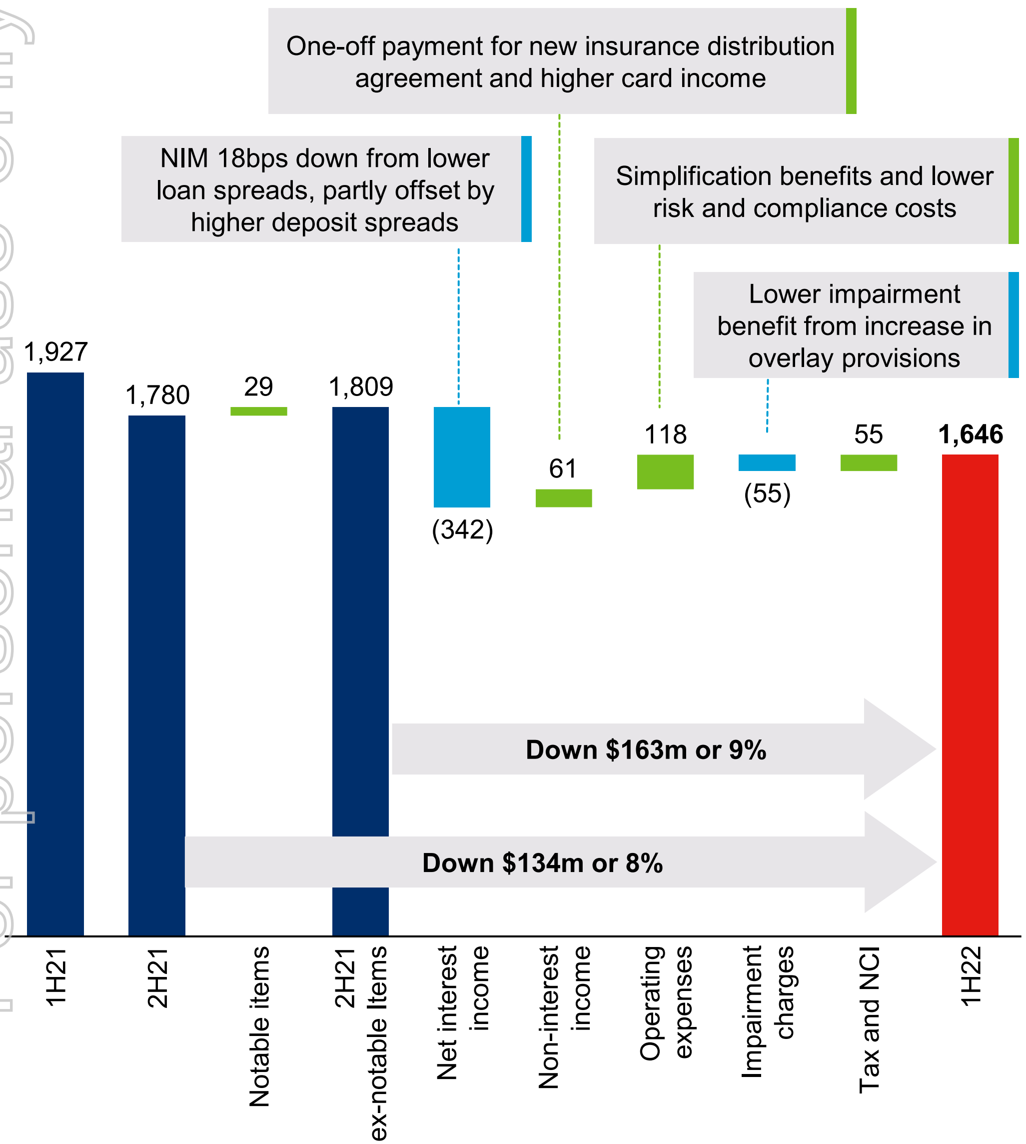
Segment reporting change from 1H22.

Segment		Lines of Business (LOB)	Major changes
Consumer & Business Banking	Consumer	• Mortgages • Consumer finance • Consumer deposits	• All Australian mortgages (both business and consumer) now included in Mortgage LOB • Ceased revenue sharing from sale of certain institutional products (ie FX and interest rate hedging). Reduces non-interest income across Consumer and Business segments with all income for these products recorded in WIB • Addition of share broking business in Consumer
	Business	• Business lending • Business deposits	
Westpac Institutional Bank		• Financial markets • Corporate and institutional banking • Global transaction services	• Ceased revenue sharing for sale of institutional products to Consumer and Business customers. All non-interest income from these products is now reported in WIB
Westpac New Zealand		• Consumer banking and wealth • Corporate and institutional banking	• No major changes
Specialist Businesses		• Life Insurance (under sale agreement) • Superannuation and Platforms • Westpac Pacific • Retail Auto (in run-off)	• Share broking business moved to Consumer as it is no longer expected to be exited
Group Businesses		• Treasury • Head office activities	• Small changes related to establishment of the Consumer and Business segments

Westpac GROUP

Consumer 1H22 performance.

Cash earnings ($m)



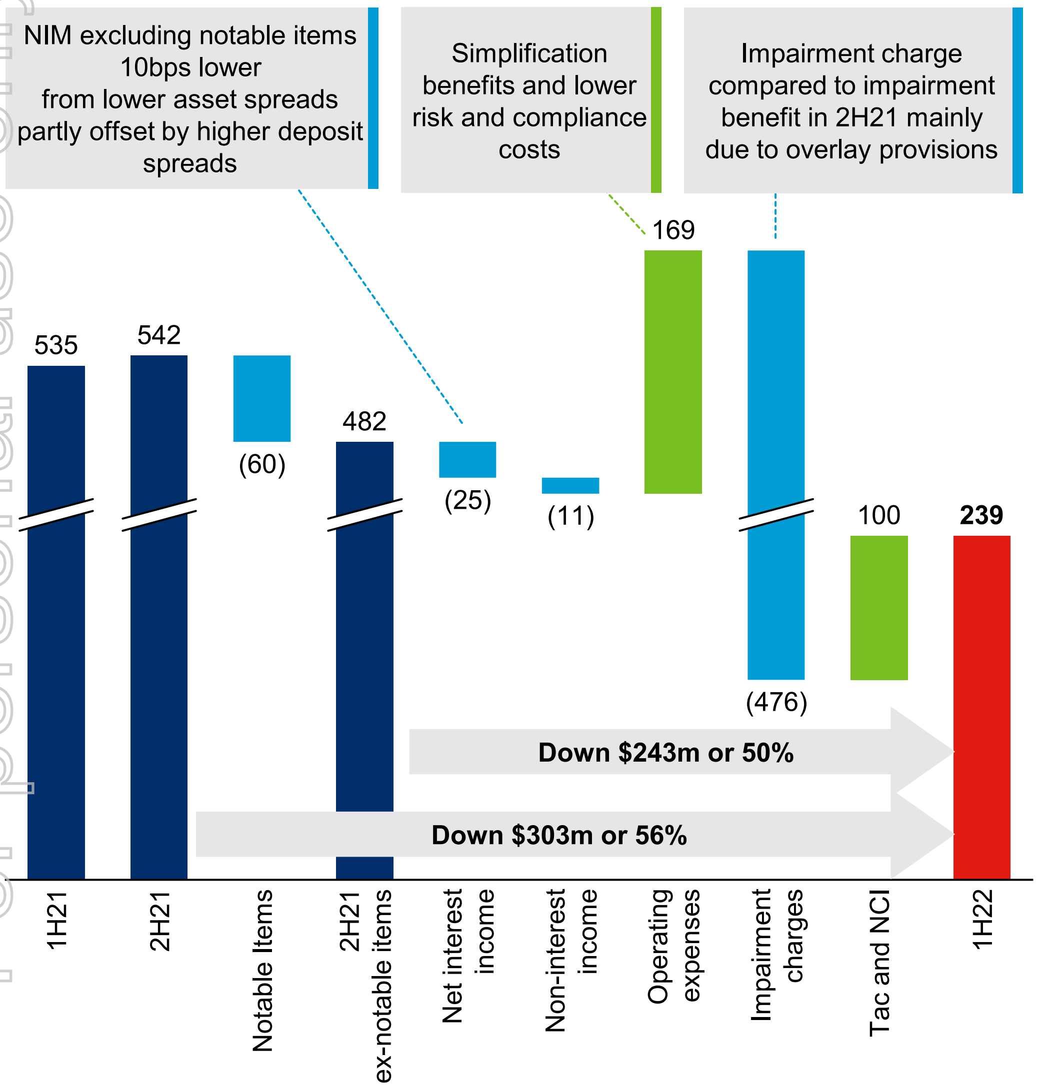
Key financial metrics	1H21	2H21	1H22	Change on 2H21
Revenue ($m)	5,019	4,985	**4,701**	(6%)
Net interest margin (%)	2.34	2.27	**2.09**	(18 bps)
Expense to income (%)	47.3	50.6	**50.4**	(20 bps)
Customer deposit to loan ratio (%)	56.3	57.6	**59.3**	172 bps
Stressed exposures to TCE (%)	1.06	0.98	**0.81**	(17 bps)
Mortgage 90+ day delinquencies (%)	1.20	1.07	**0.88**	(19 bps)

Key operating metrics	1H21	2H21	1H22	Change on 2H21
Main financial institution[1] (%)	15.6	15.7	**16.4**	70bps
Active digital banking customers[2] (#m)	4.58	4.67	**4.74**	1%
Active new Westpac app users[3] (#m)	1.3	1.7	**2.5**	47%
Branches (#)[4]	891	851	**781**	(70)
ATMs (#)	1,352	1,270	**1,153**	(117)

1 Refer page 130 for metric definitions and details of provider. 2 Includes all brands. 3 Users of the new Westpac app only. 4 Includes all points of presence including Advisory, Community Banking Centres and Kiosks. Kiosks have been restated in comparatives.

Business 1H22 performance.

Cash earnings ($m)



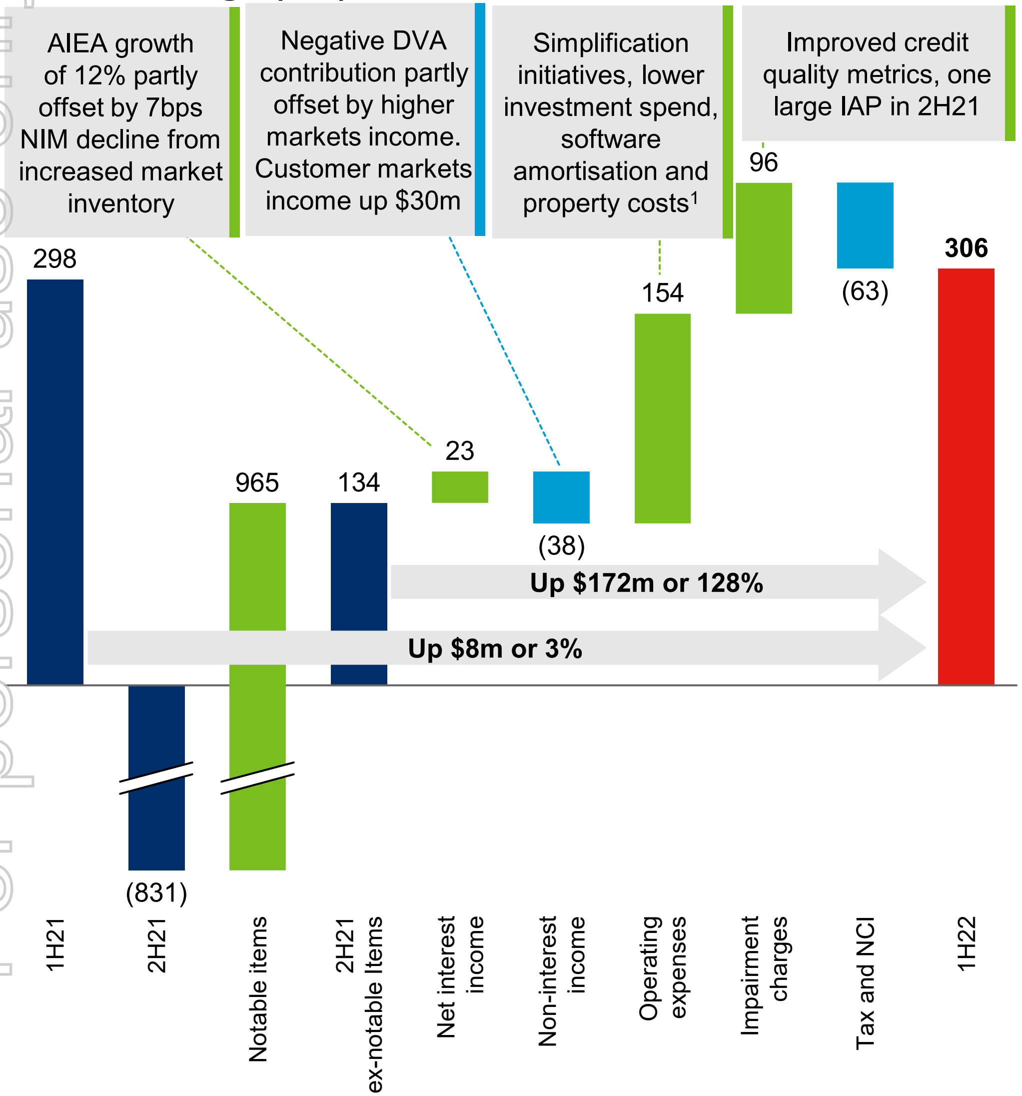
Key financial metrics	1H21	2H21	1H22	Change on 2H21
Revenue ($m)	1,711	1,625	**1,486**	(9%)
Net interest margin (%)[1]	3.86	3.69	**3.33**	(36 bps)
Expense to income (%)	61.5	71.7	**66.1**	(Large)
Customer deposit to loan ratio (%)	159.2	164.0	**166.4**	242 bps
Stressed exposures to TCE (%)	7.02	5.90	**5.07**	(83 bps)

Key operating metrics	1H21	2H21	1H22	Change on 2H21
Main financial institution[2] (%)	21.2	20.8	**21.5**	70bps
Customer satisfaction[2] (rank) – Westpac Brand	#3	=#2	**=#1**	Up 1
Customer satisfaction – SME[2] (rank) Westpac Brand	=#2	=#2	**=#1**	Up 1
Digital sales[3] (%)	27	30	**28**	(2ppt)

1 NIM includes the benefit of notable items provision write-backs. 2 Refer page 130 for metric definitions and details of provider. 3 Share of sales made digitally for eligible products, alignment of definition with Consumer share of bank wide sales. Refer page 130 for metric definitions.

WIB 1H22 performance.

Cash earnings ($m)



Key financial metrics	1H21	2H21	1H22	Change on 2H21
Revenue ($m)	1,154	1,084	**1,069**	(1%)
Net interest margin (%)	1.26	1.24	**1.17**	(7bps)
Expense to income ratio excluding notable items (%)	58.1	67.4	**54.0**	(Large)
Net loans	63.1	67.7	**74.0**	9%
Customer deposits	92.7	99.3	**104.7**	5%
Customer deposit to loan ratio (%)	146.8	146.6	**141.5**	(Large)
Stressed exposures to TCE (%)	0.56	0.64	**0.20**	(44bps)

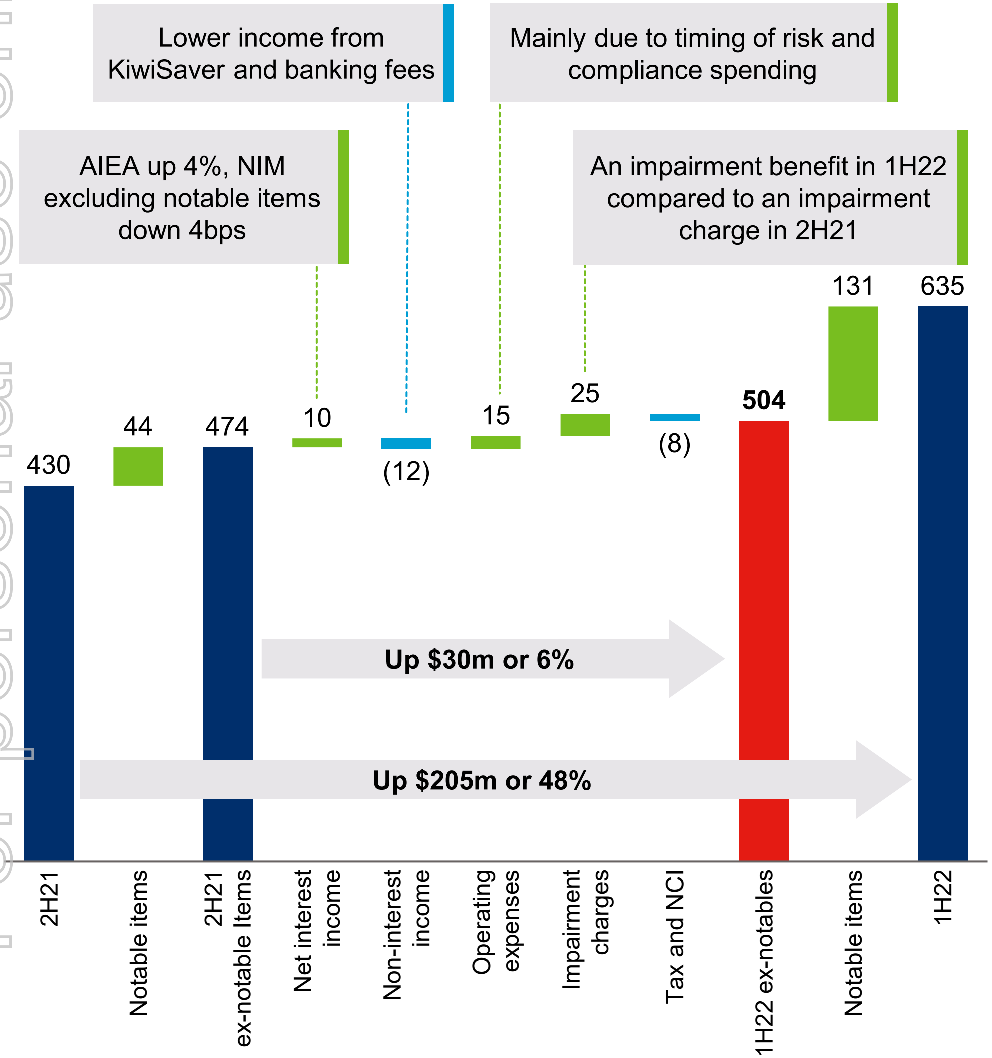
Key operating metrics	1H21	2H21	1H22	Change on 2H21
Customer revenue[2] ($m)	1,065	1,073	**1,127**	5%
Derivative valuation adjustment (DVA) ($m)	53	44	**(29)**	(Large)
Trading revenue (non-customer) ($m)	75	25	**34**	36%
Other[3]	(39)	(58)	**(63)**	(9%)
Revenue per FTE ($'000)	589	567	**555**	(2%)

1 Software amortisation and property costs were lower from a write-down of assets in 2H21. 2 WIB customer revenue is lending revenue, deposit revenue, sales and fee income. 3 Other is bank levy and capital benefit.

Westpac GROUP

New Zealand 1H22 performance.[1]

Cash earnings (NZ$m)



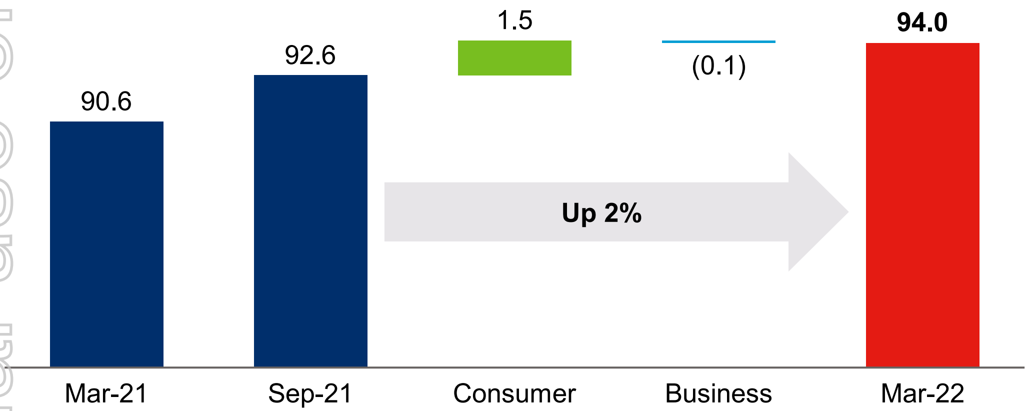
Key financial metrics	1H21	2H21	1H22	Change on 2H21
Revenue (NZ$m)	1,245	1,218	**1,389**	14%
Net interest margin (%)	2.06	1.94	**1.98**	4 bps
Expense to income (%)	43.1	48.9	**40.6**	Large
Customer deposit to loan ratio (%)	81.8	82.0	**83.4**	143 bps
Stressed exposures to TCE (%)	1.56	1.19	**1.14**	(5 bps)

Key operating metrics	Mar-21	Sep-21	Mar-22	Change Sep-21
Customers (#m)	1.33	1.33	**1.35**	2%
Branches (#)	134	116	**114**	(2)
ATMs (#)	482	464	**446**	(18)
Consumer NPS[2]	+16	+14	**+10**	(4)
Business NPS[2]	(1)	(14)	**(6)**	+8
Agri NPS[2]	+8	+13	**+33**	+20
Funds (NZ$bn) (spot)	11.9	12.0	**11.7**	(3%)

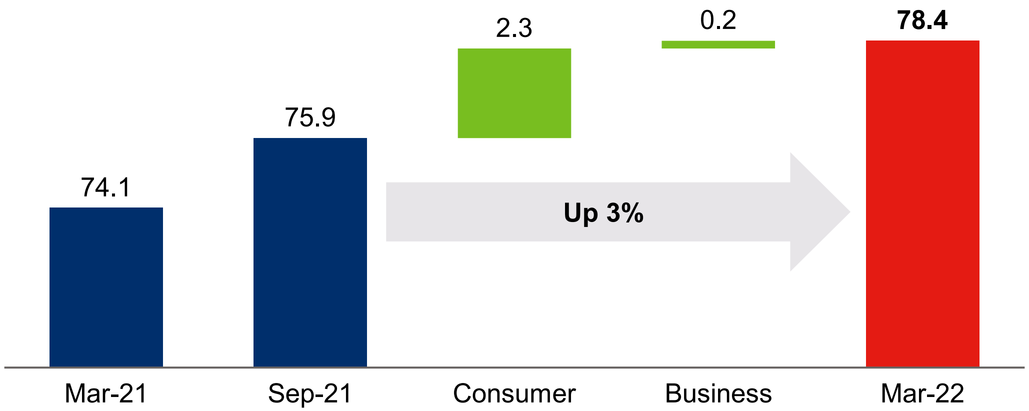
1 In NZ$ unless otherwise noted. 2 Refer to page 130 for details of metric definition and provider.

New Zealand balance sheet.

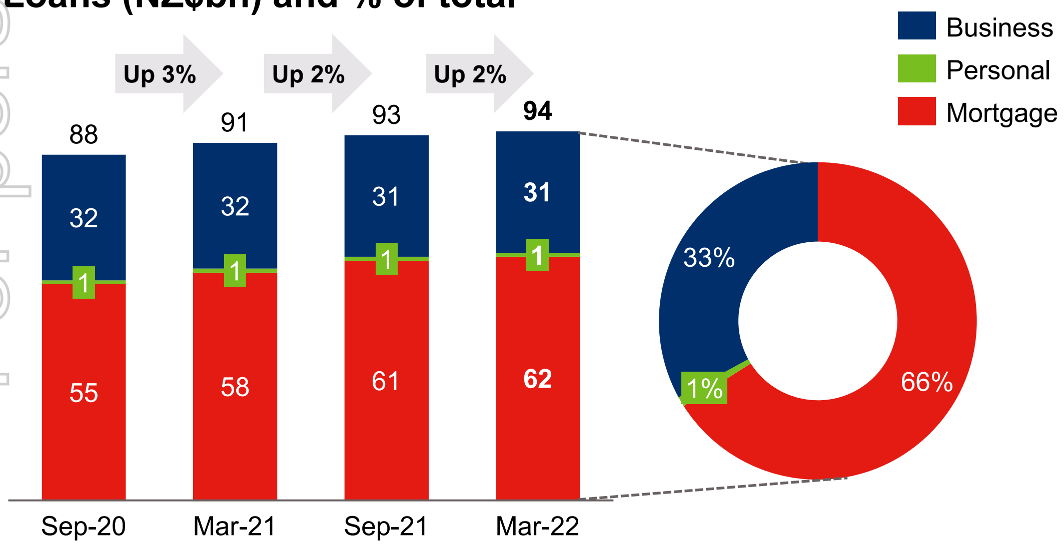
Net loans (NZ$bn)



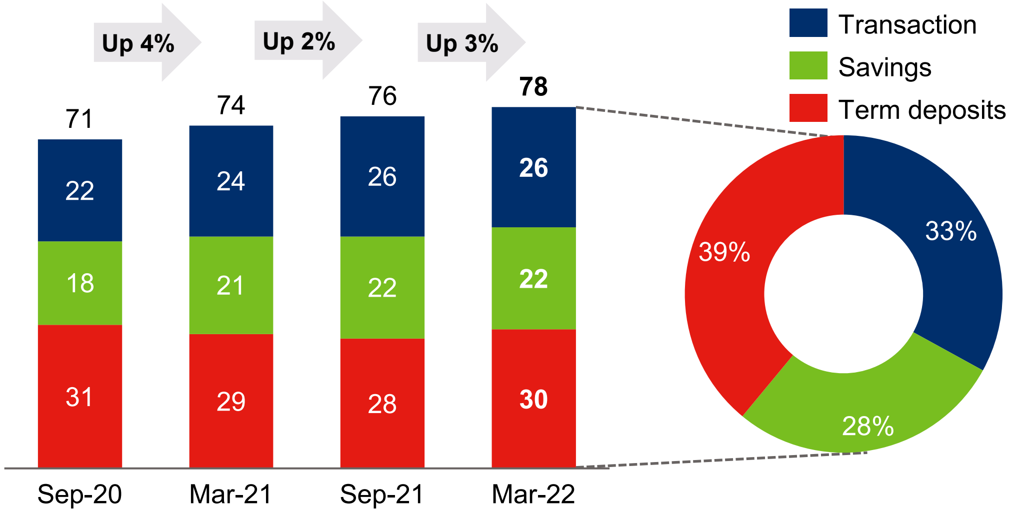
Deposits (NZ$bn)



Loans (NZ$bn) and % of total

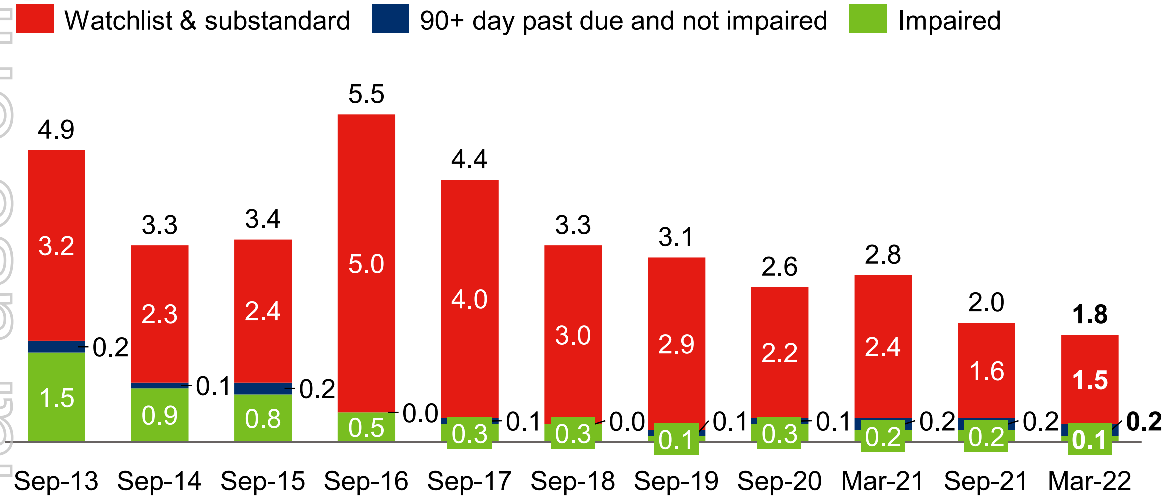


Customer deposits (NZ$bn) and % of total

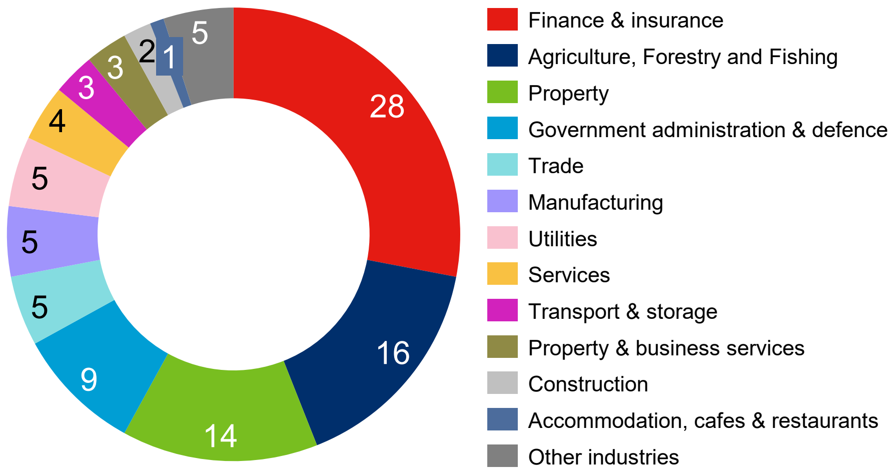


New Zealand business exposures.

Business stressed exposures as a % of business TCE



Business TCE by industry sector %

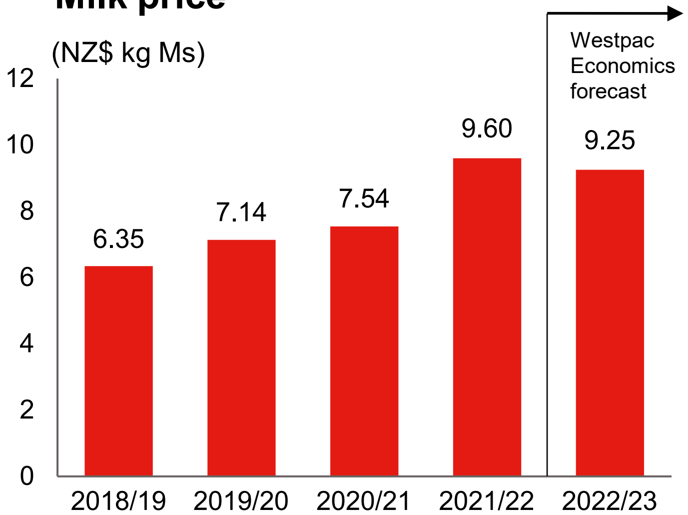


Agribusiness[1] portfolio

	Mar-21	Sep-21	Mar-22
TCE (NZ$bn)	10.6	10.6	**10.6**
Agriculture as a % of total TCE	8.0	7.7	**7.4**
% of portfolio graded as 'stressed'[2]	7.6	5.7	**6.1**
% of portfolio in impaired	0.28	0.13	**0.08**

1 Includes forestry and fishing. 2 Includes impaired exposures.

Milk price



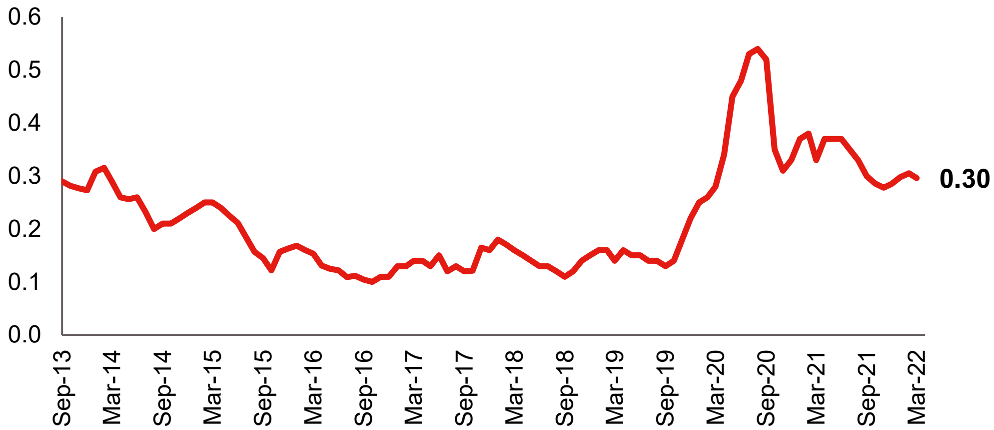
Dairy portfolio summary

- Portfolio quality remains sound with risk profiles improving from higher milk prices. Focus on supporting existing dairy customers with proven long-term viability while selectively targeting new customers
- Global dairy prices have surged to at or near record highs over 2022 due to COVID-19 impacts, Ukraine-Russia conflict and poor weather. Fonterra has lifted its 2021/22 milk price range to $9.30/kg to $9.90/kg
- Yet, dairy farmers are facing higher on-farm costs and limited availability of some inputs, however, farm profits are higher

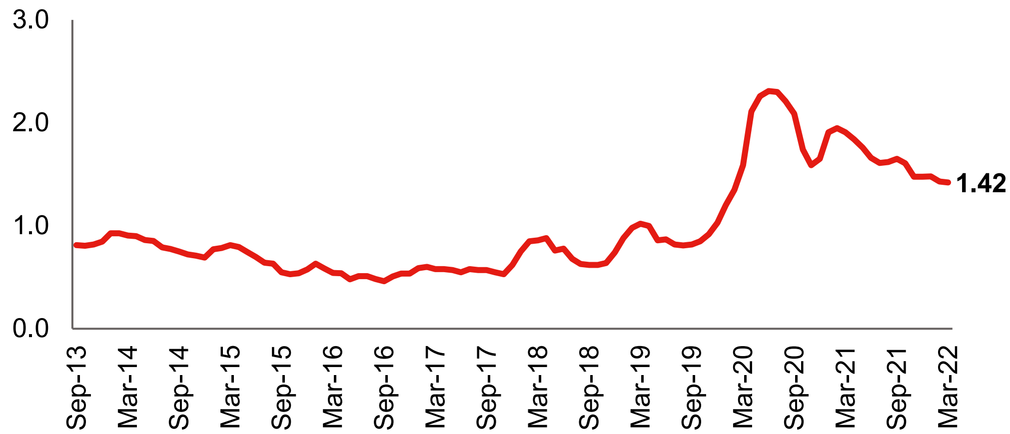
Westpac GROUP

New Zealand consumer portfolio.

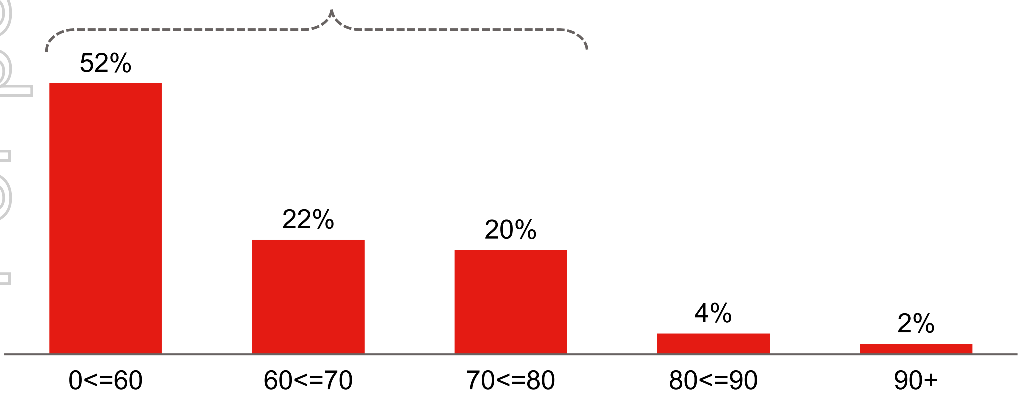
Mortgage 90+ day delinquencies[1] (%)



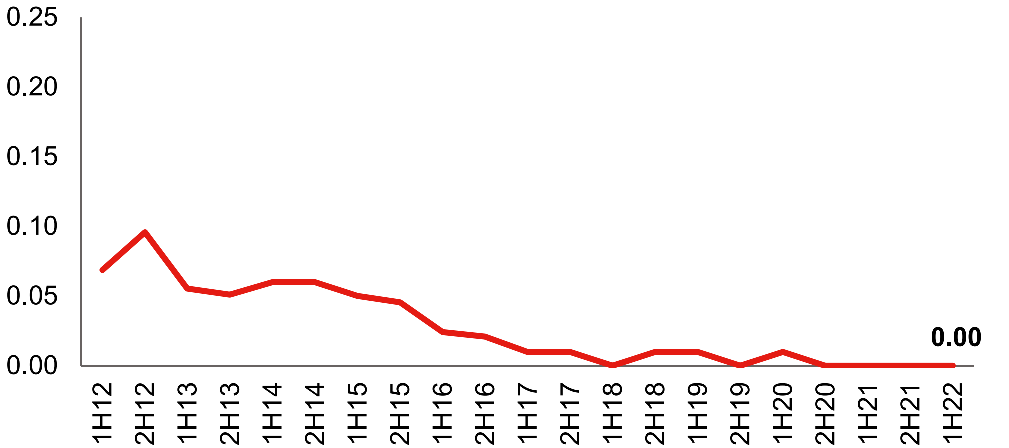
Unsecured consumer 90+ day delinquencies[1] (%)



Mortgage portfolio LVR[2] (% of portfolio)



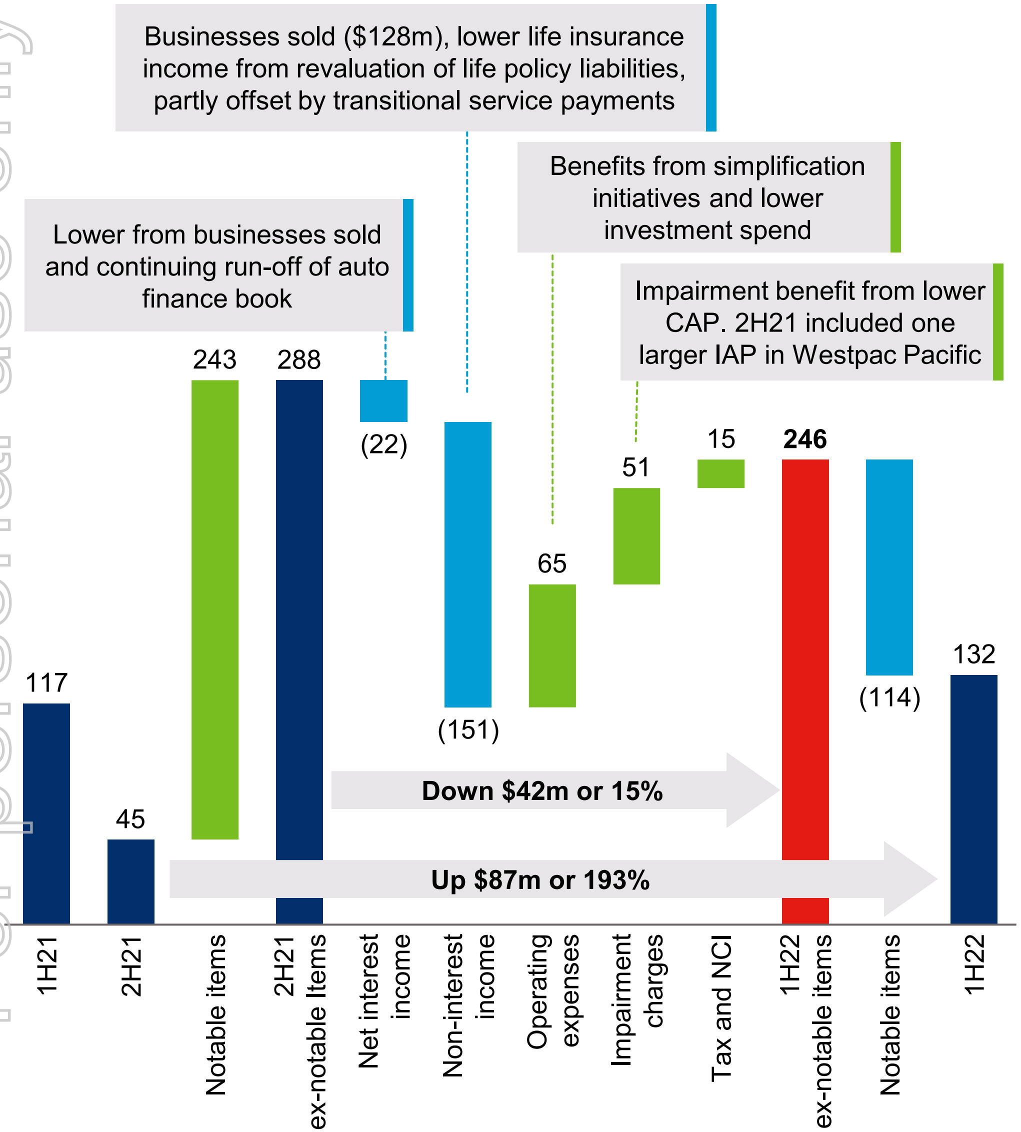
Mortgage loss rates (%)



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

Specialist Businesses 1H22 performance.

Cash earnings ($m)



Key financial metrics	1H21	2H21	1H22	Change on 2H21
Average funds ($bn)	205.6	223.8	**224.9**	-
Spot funds ($bn)	211.7	227.4	**222.9**	(2%)
Platforms deposits ($bn)	4.3	6.1	**5.7**	(7%)
Platform FUA market share (exc. Corp Superannuation)[1] (%)	18.9	18.8	**18.3**	(50bps)
Margin lending ($bn)	1.5	1.5	**1.5**	-
Auto finance loans ($bn)[2]	11.1	10.6	**8.8**	(17%)
Westpac Pacific loans	1.4	1.4	**1.3**	(3%)

Held for sale businesses Key financial metrics	1H21	2H21	1H22	Change on 2H21
Retail Life Insurance in-force premiums ($m)	938	951	**960**	1%
Life Insurance claims ratio[3] (%)	63	64	**64**	-

1 Based on market share statistics from Plan for Life at 31 December 2021 (for 1H22), at 30 June 2021 (for 2H21) and at 31 December 2020 (for 1H21). 2 Average term of Auto finance loans is 3 years (at March 2022). 3 Loss ratio is claims net of reinsurance over the total earned premium.

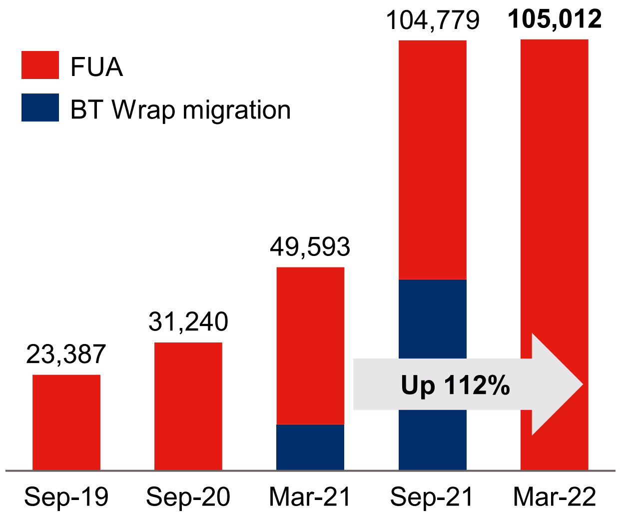
BT Panorama.

Supporting advisers and investors.

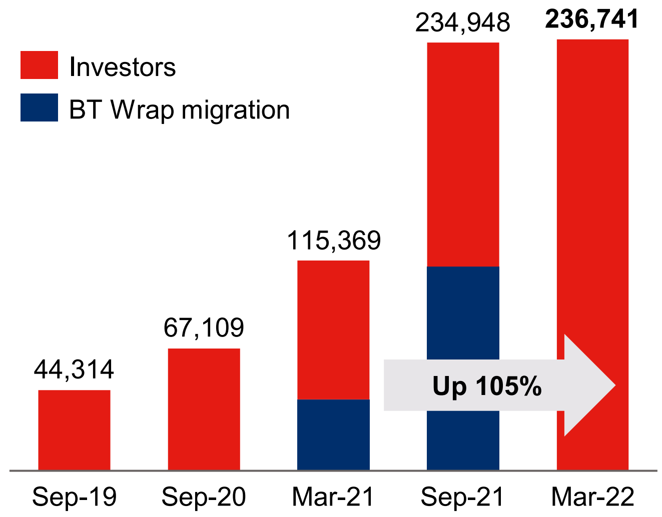
Panorama Platform

- Increased Panorama capabilities
  - Improved mobile app functionality, with BT Panorama winning Best Mobile Platform and Best Client Portal for the fourth consecutive year[3]
  - Platform updates – made >100 upgrades and feature improvements based on adviser and member feedback
- Advisers using digital consent have increased 5x compared to the prior corresponding quarter (quarter ending Mar-21)
- BT ranked #1 platforms business with 18.3%[4] share of the market excluding corporate superannuation
- Panorama FUA has grown to $105bn, with positive net flows for 1H22 of $1.5bn

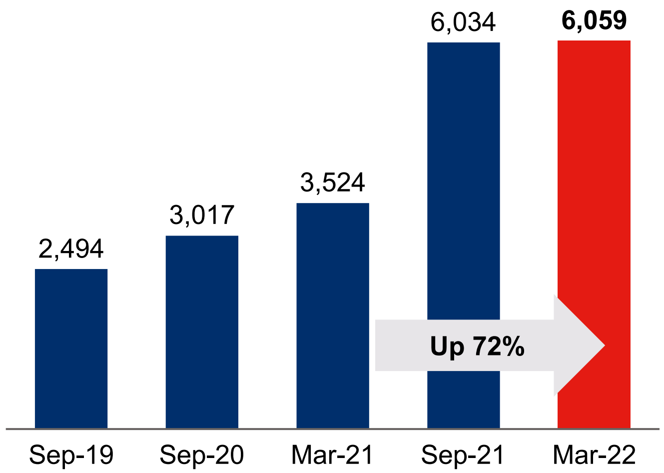
FUA on BT Panorama[1] ($m)



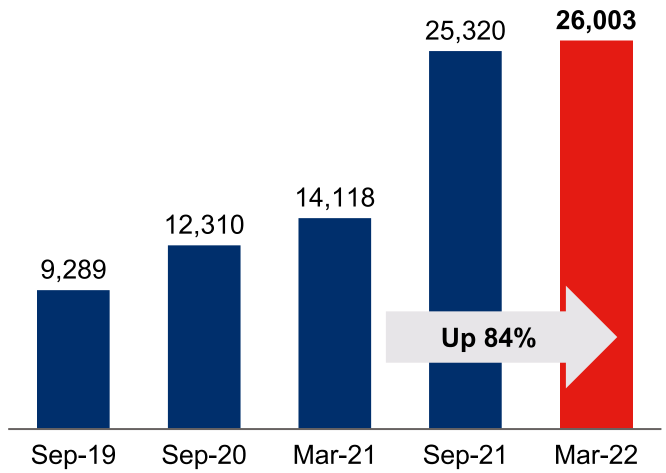
Investors on BT Panorama[1] (#)



Active advisers on BT Panorama[2] (#)



SMSF funds on BT Panorama[2] (#)



1 Migration from BT Wrap to Panorama was completed in June 2021. 2 Advisers and SMSF funds that have been migrated from BT Wrap are not shown separately. 3 Investment Trends Platform Competitive Analysis and Benchmarking Report, December 2021. 4 Plan for Life, December 2021.

Developing next generation banking technology.

Banking as a Service reaching new customers via strategic distribution partners.

New core banking platform live in <18 months, with broader potential

Channels

'Plug and play' APIs

Products: Deposits | Lending[1]

Capabilities

- Cloud-based banking & services
- KYC, AML, Fraud
- Wallets and payments
- Data-driven experiences
- CRM / Marketing
- Financial Mgmt., Risk & Compliance

- Built and operating Australia's first BaaS platform in <18 months with 2 distribution partners
- Cloud-based platform of leading technology providers is built to be 'evergreen', reducing costs and speed to market
- Platform has potential product expansion (lending) and for wider application across the Group
- Recognised for excellence
  - 2022 Winner, IDC *Asia's Best in Infrastructure Modernisation*
  - 2022 Finalist, iTnews *Benchmark Awards*[2]

Reaching new customers in strategic segments and creating value

- First mover BaaS advantage in Australia, well positioned to capture the embedded finance opportunity[3] via distribution partners
- ~80% of customers are in underweight segments (Millennial or Gen Z[4]), and ~80% of deposit inflows are new funds to the Group
- Pathway to reduce cost-to-serve: simple products, digital service and automation
- Broader value creation for the Group's 10x equity stake via multiple partnerships

Signed partners

1 Planned expansion of platform capability. 2 Winner to be announced June 2022. 3 The embedded finance opportunity is estimated to be ~US$3.6tn by 2030; Bain Capital Ventures 2019. 4 Ages 18-41 years of age.

Economics

Westpac GROUP

Australian and New Zealand economic forecasts.

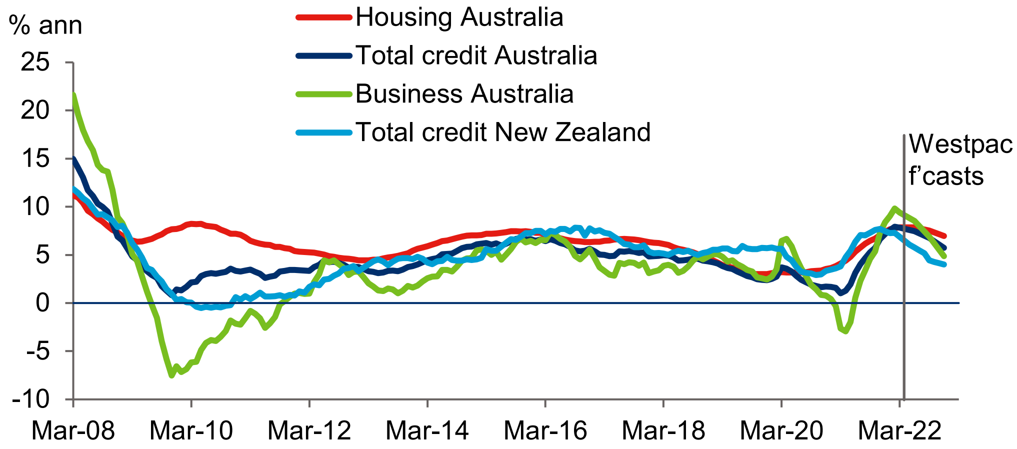
Key economic indicators (%) at April 2022		2021			2022				Calendar years			
		Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	2020	2021	2022F	2023F
World	**GDP[1]**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-3.3**	**5.5**	**3.7**	**3.5**
Australia	**GDP[2]**	**9.6**	**4.0**	**4.2**	**2.5**	**3.7**	**7.2**	**4.5**	**-0.8**	**4.2**	**4.5**	**2.5**
	Unemployment – end period	5.1	4.6	4.7	4.1	3.7	3.3	3.2	6.8	4.7	3.2	3.4
	CPI headline – year end	3.8	3.0	3.5	5.1	5.2	5.4	5.6	0.9	3.5	5.6	2.6
	Interest rates – cash rate	0.10	0.10	0.10	0.10	0.75	1.25	1.75	0.10	0.10	1.75	2.25
New Zealand	**GDP[2]**	**17.9**	**-0.2**	**3.1**	**2.1**	**0.3**	**6.4**	**4.7**	**0.3**	**3.1**	**4.7**	**3.7**
	Unemployment – end period	4.0	3.3	3.2	3.2	3.1	3.0	3.0	4.9	3.2	3.0	3.3
	Consumer prices	3.3	4.9	5.9	6.9	6.4	5.2	4.3	1.4	5.9	4.3	2.7
	Interest rates – official cash rate	0.25	0.25	0.75	1.00	2.00	2.50	3.00	0.25	0.75	3.00	3.00

Sources: IMF, RBA, Statistics NZ, Westpac Economics

Key economic indicators (%) at April 2022		2020	2021	2022F	2023F
Australia	**Credit growth**				
	Total – year end	1.7	7.2	5.7	4.3
	Housing – year end	3.5	7.4	7.0	5.2
	Business – year end	0.8	8.4	5.0	3.5
New Zealand	**Credit growth**				
	Total – year end	3.3	7.5	4.0	2.8
	Housing – year end	8.3	10.5	4.9	2.0
	Business – year end	-2.7	3.6	2.7	4.4

Sources: RBA, Statistics NZ, Westpac Economics

Private sector credit growth (% ann)



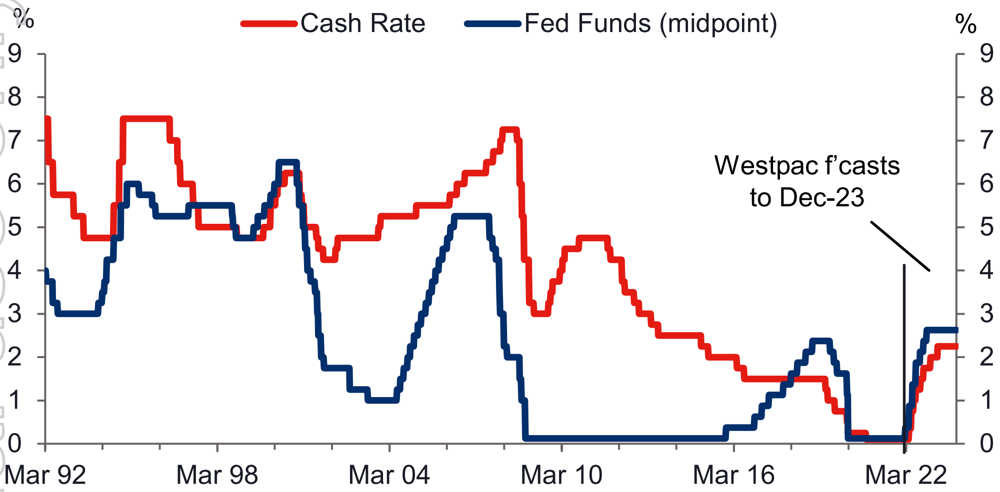
Sources: RBA, Westpac Economics

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

Global market backdrop changing.

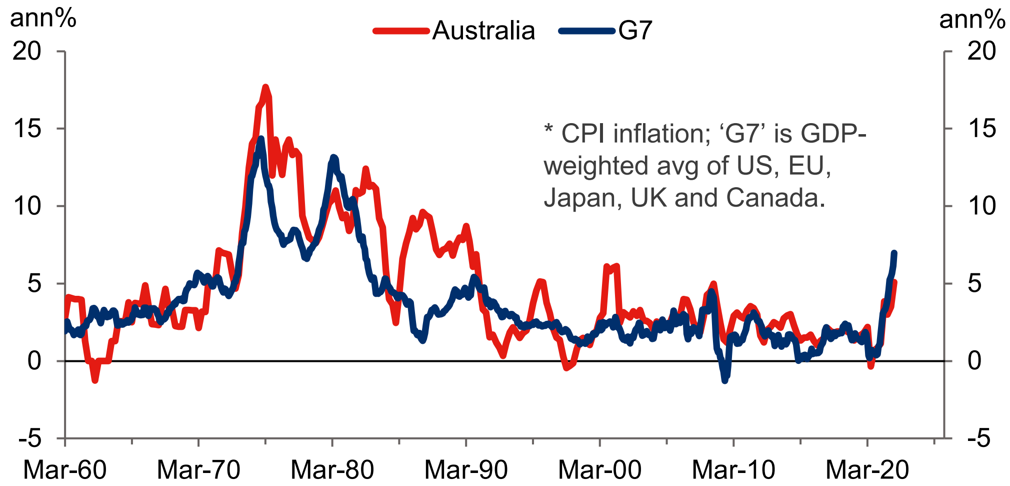
Central banks moving from emergency settings; responding to inflation pressures.

Fed Funds and RBA Cash Rate (%)



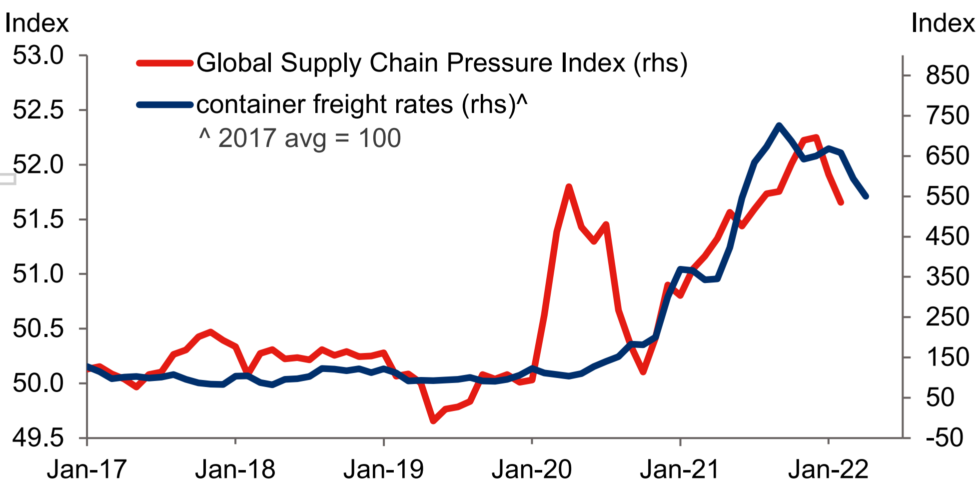
Sources: Bloomberg, RBA Westpac Economics

Global inflation (ann %)



Sources: ABS, IMF, Macrobond, Westpac Economics

Global supply chains (index, monthly)



Sources: Bloomberg, Macrobond, Westpac Economics

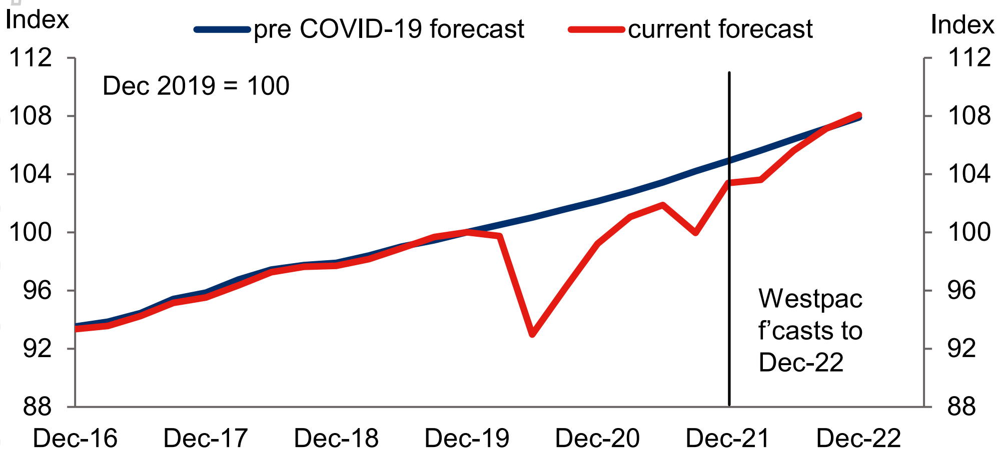
Brent crude oil prices (USD/bbl)

Sources: ABS, Westpac Economics

Australian economy: considerable momentum into 2022.

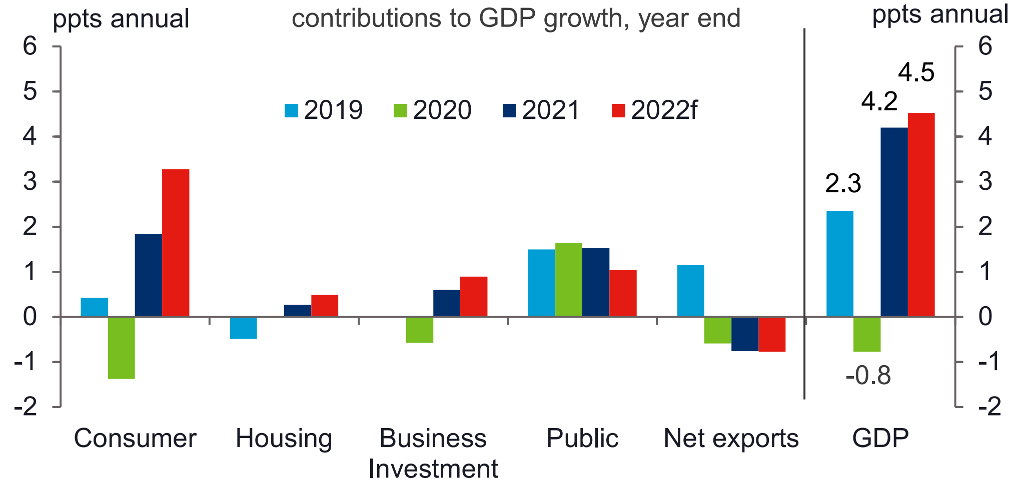
Economic expansion led by the consumer; household balance sheets a key positive.

Australia's GDP profile (index)



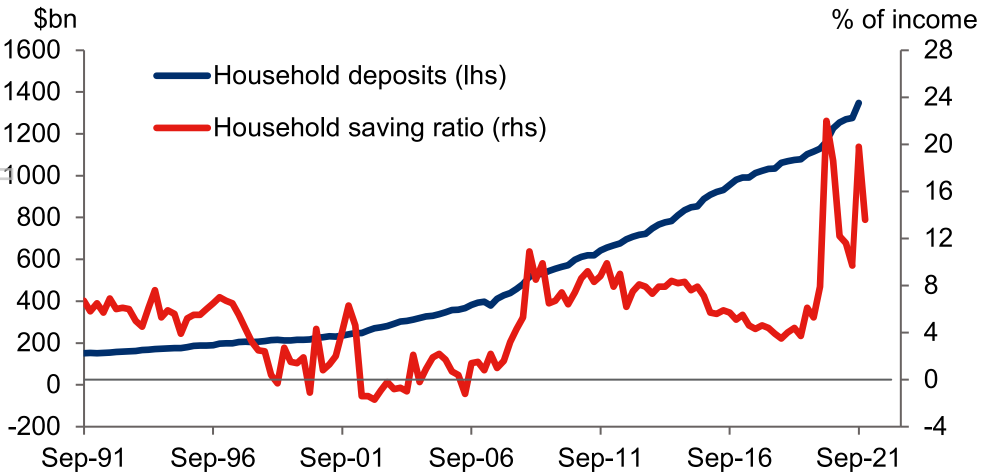
Sources: ABS, Westpac Economics

Australia's growth mix (ppts, annual)



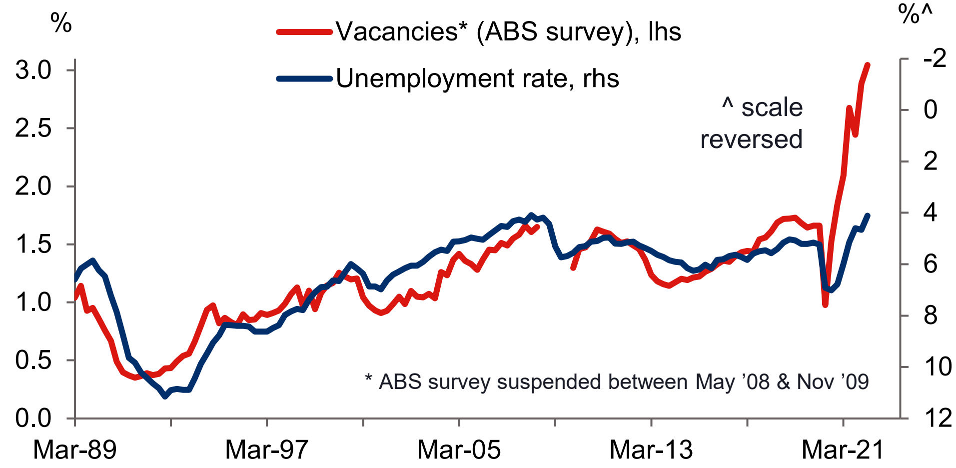
Sources: ABS, Westpac Economics

Household deposits ($bn) and Household saving ratio (% of income)



Sources: ABS, Westpac Economics

Job vacancies (% of labour force) and Unemployment rate (%)

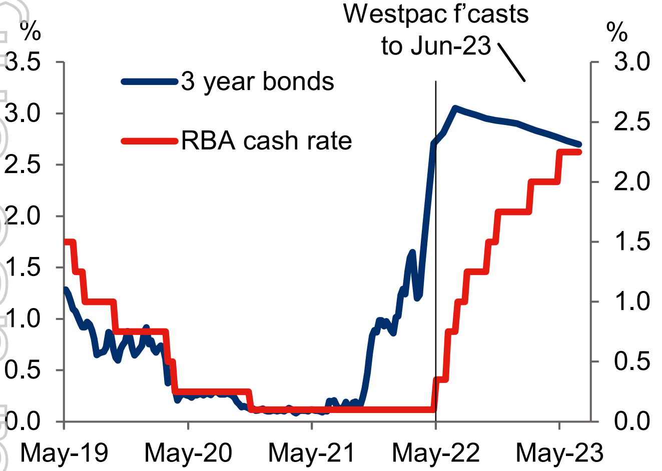


Sources: ABS, Westpac Economics

RBA tightening cycle commenced.

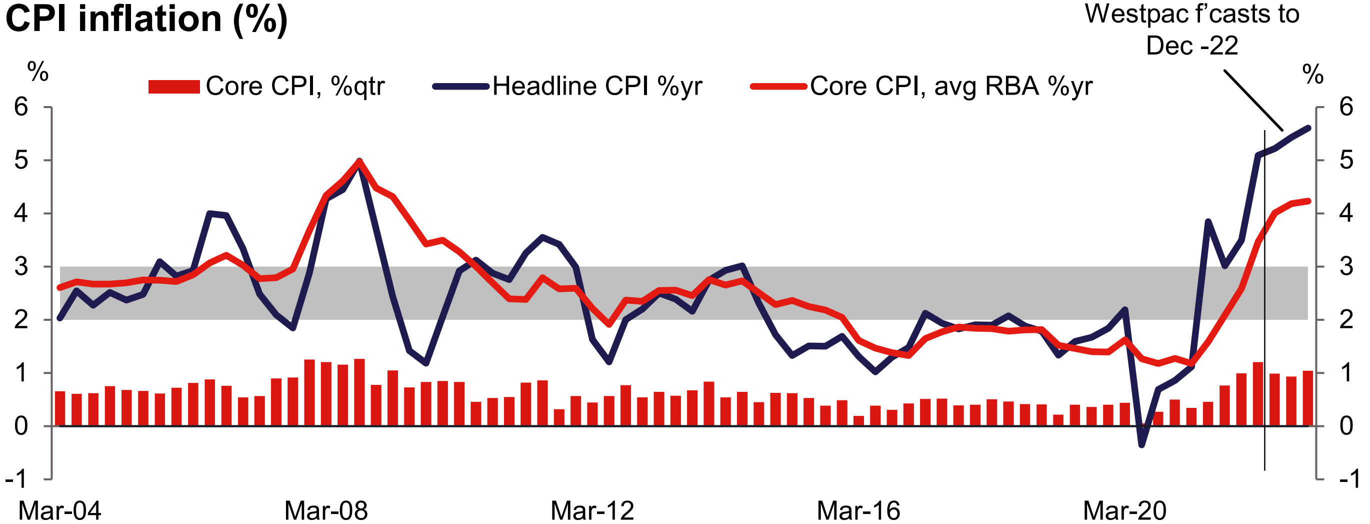
Responding to inflation and tight labour market.

RBA cash rate and 3 year bonds (%)



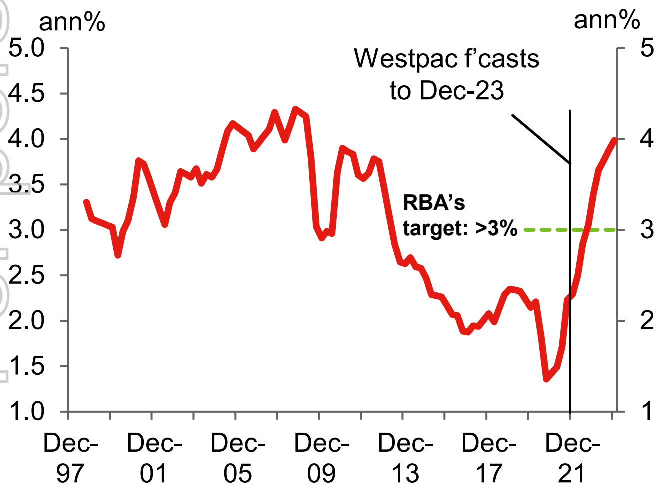
Sources: RBA, Westpac Economics

CPI inflation (%)



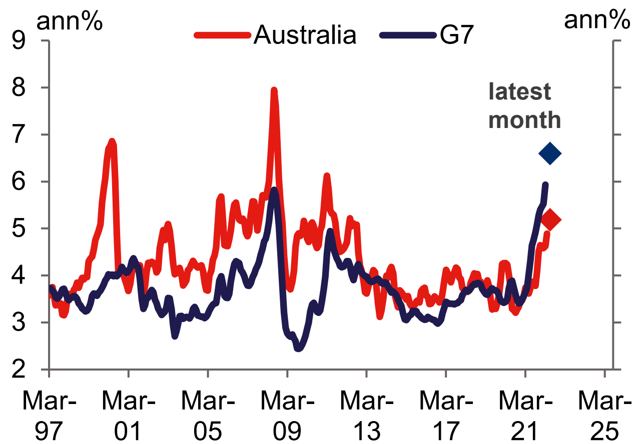
Sources: ABS, RBA, Westpac Economics

Wages (%)



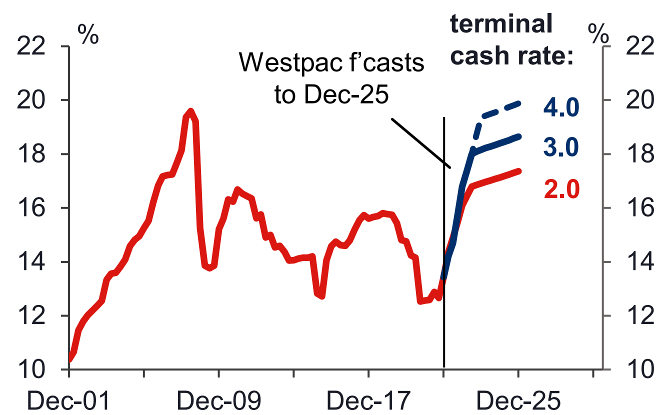
Sources: ABS, Westpac Economics

Consumer inflation expectations[1] (ann, %)



Sources: ABS, IMF, Macrobond, Melbourne Institute, Westpac Economics

Australia's household debt servicing ratio[2] (%)



Sources: RBA, ABS, Westpac Economics

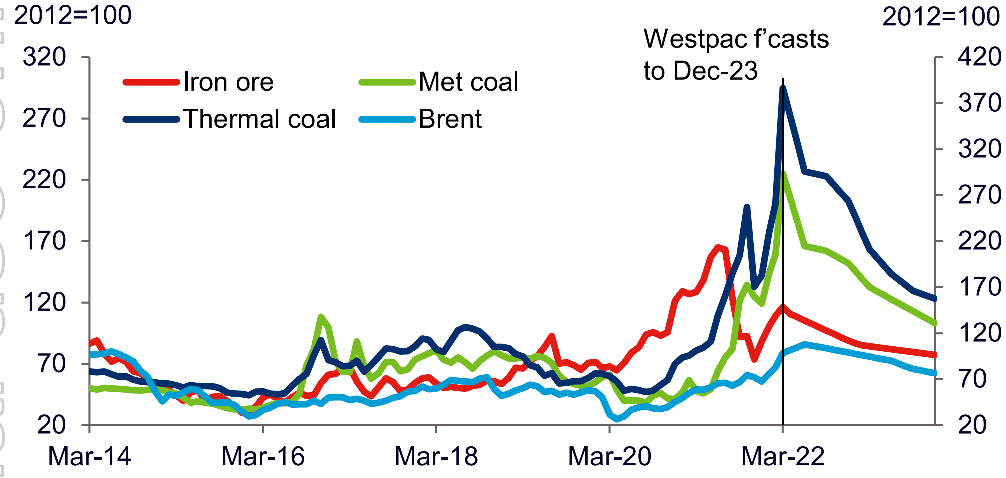
1 'G7' is GDP-weighted avg of US, EU, Japan, UK and Canada. Based on 1yr ahead expectations where available. 2 Mortgage repayments, owner occupied loans as % of household disposable income of owner occupiers.

Westpac GROUP

Commodity prices holding higher for longer.

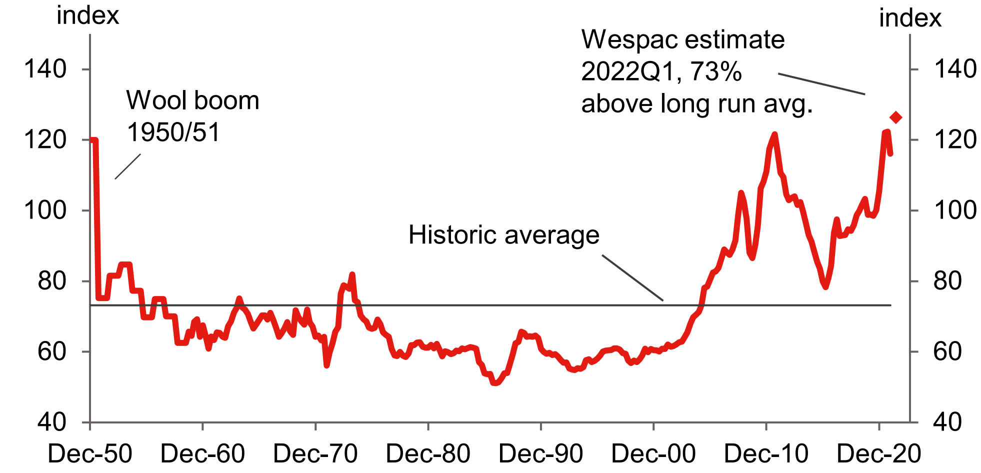
Down from peaks but fundamentals continue to firm.

Australian commodity prices (index)



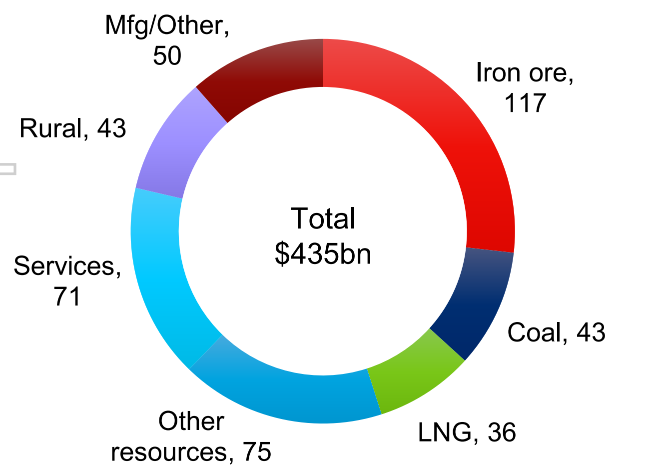
Sources: Westpac Economics, Bloomberg, ABS

Terms of Trade (index)



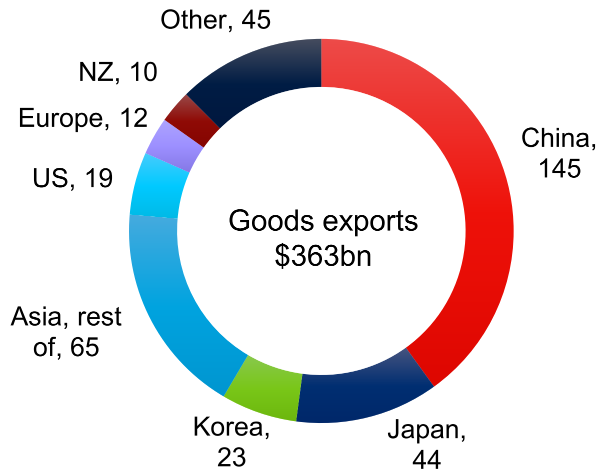
Sources: ABS; Westpac Economics

Australian export composition[1] ($bn)



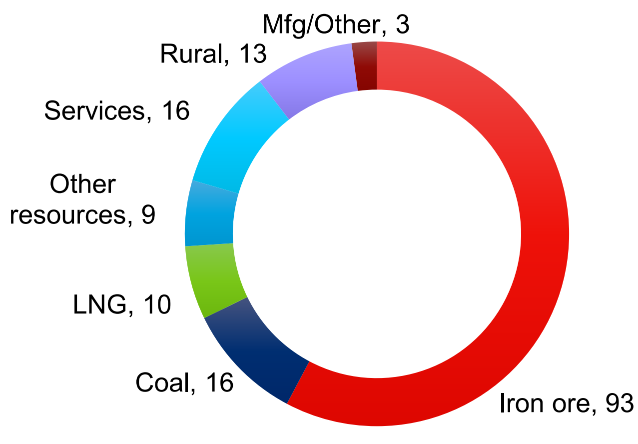
Sources: ABS, Westpac Economics

Australian export destinations[1] ($bn)



Sources: ABS, Westpac Economics

Australian exports to China[1] ($bn)



Source: DFAT, ABS, Westpac Economics

1 All figures show $bn exports in 2020, note that figures may not sum due to rounding and other small differences in source data.

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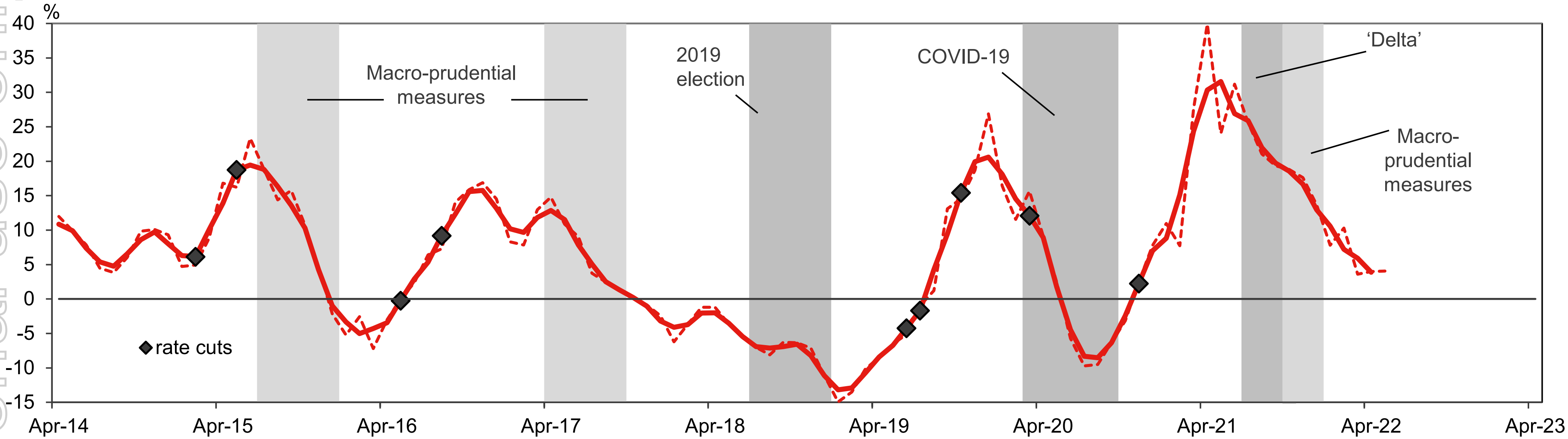
Australian housing market.

Correction expected as interest rates rise.

Australian dwelling prices (%, 3 month annualised)



Sources: CoreLogic, Westpac Economics

Dwelling prices (% change over period)

Capital city	Pop'n	Last 3 mths (to Apr-22)	Last 12 mths (Apr-22)	Last 5 years (to Apr-22)
Sydney	5.4m	Down 0.5%	Up 14.7%	Up 21.7%
Melbourne	5.1m	Down 0.1%	Up 8.4%	Up 16.7%
Brisbane	2.6m	Up 5.7%	Up 29.3%	Up 45.0%
Perth	2.1m	Up 2.4%	Up 6.7%	Up 15.2%

Sources: CoreLogic, Westpac Economics

Westpac Economics dwelling price forecasts (annual %)

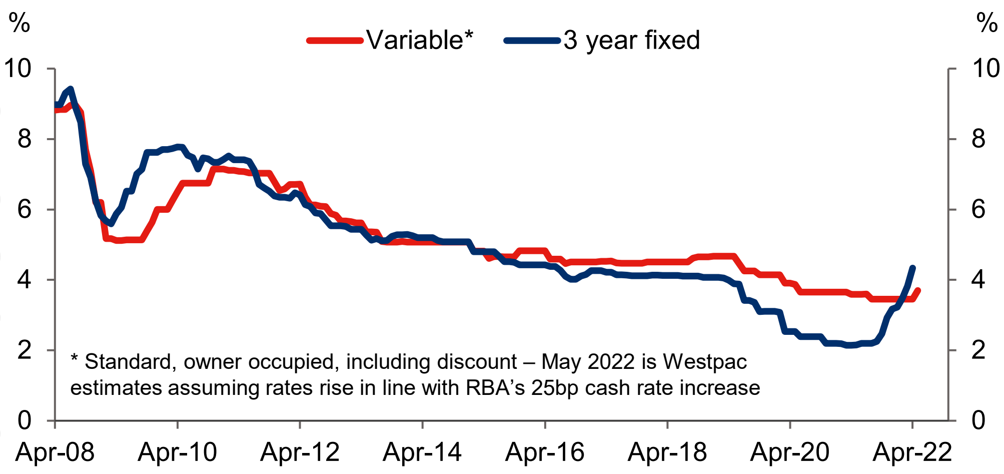
Capital city	Pop'n	avg*	2020	2021	2022f	2023f	2024f
Sydney	5.4m	7.8	2.7	25	-3	-9	-2
Melbourne	5.1m	5.8	-1.3	15	-3	-9	-3
Brisbane	2.6m	5.0	3.6	27	4	-4	1
Perth	2.1m	1.3	7.3	13	0	-6	1
Australia	**26m**	5.9	1.8	21	-2	-8	-1

* average last 10yrs
Sources: CoreLogic, Westpac Economics

Australian housing market.

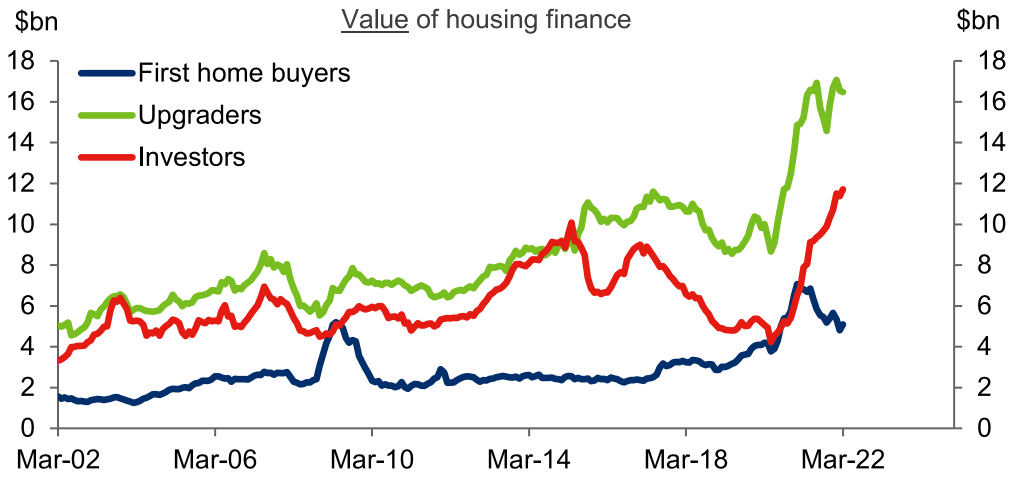
Activity levels easing in response to higher rates expectations.

Mortgage interest rates (%)



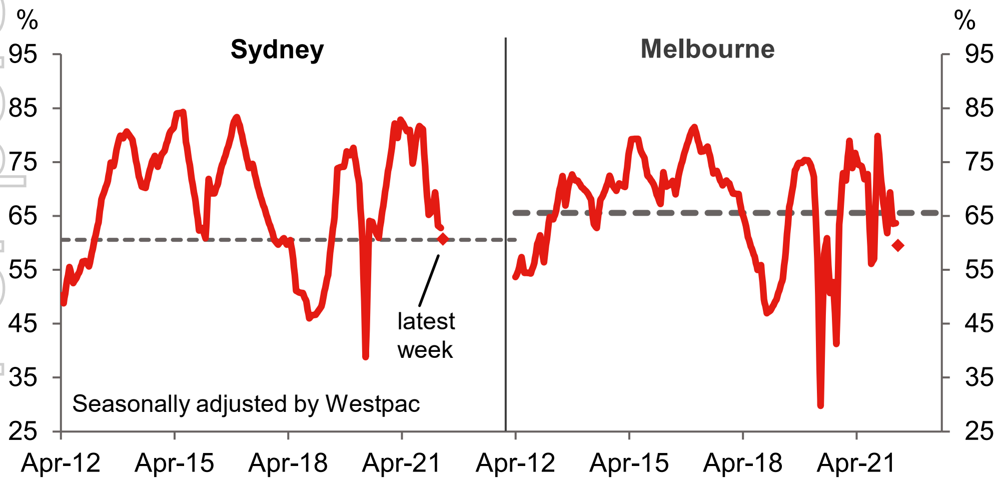
Sources: RBA, Westpac Economics

Housing finance approvals by segment ($bn)



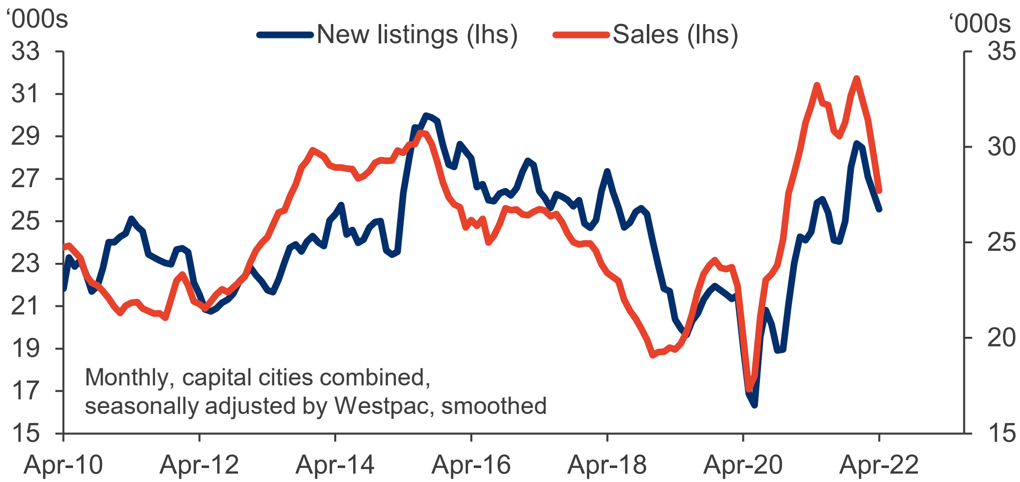
Sources: ABS, Westpac Economics

Auction clearance rates (monthly, %)



Sources: APM, CoreLogic, Westpac Economics

Residential property: sales vs listings

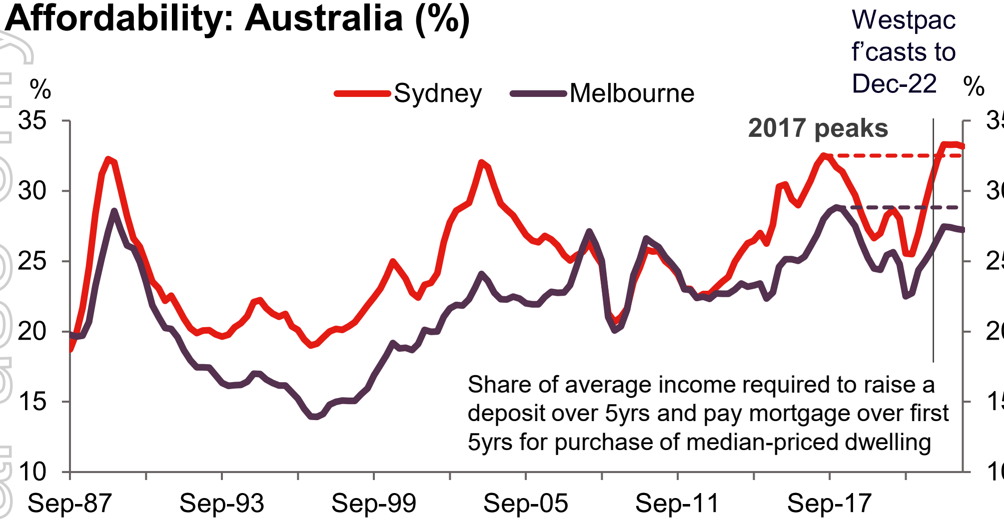


Source: CoreLogic, Westpac Economics

Australian housing market.

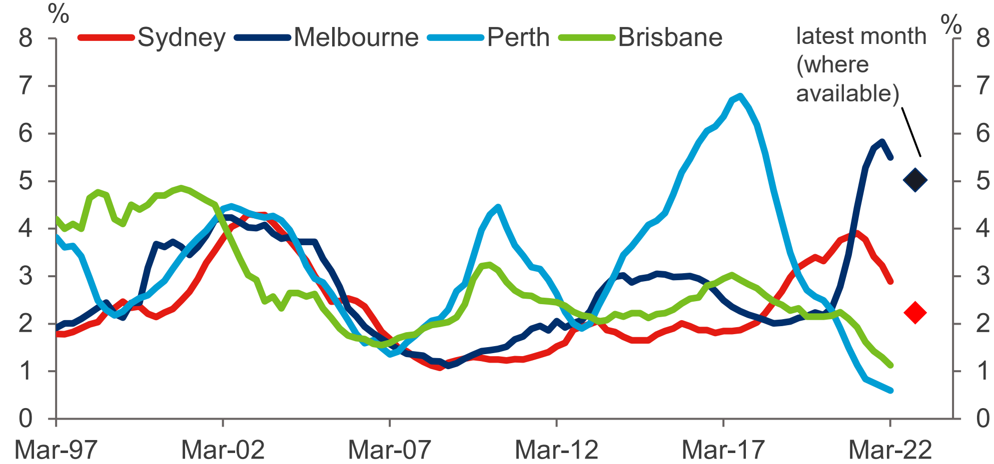
Affordability challenges emerging in Sydney and Melbourne.

Affordability: Australia (%)



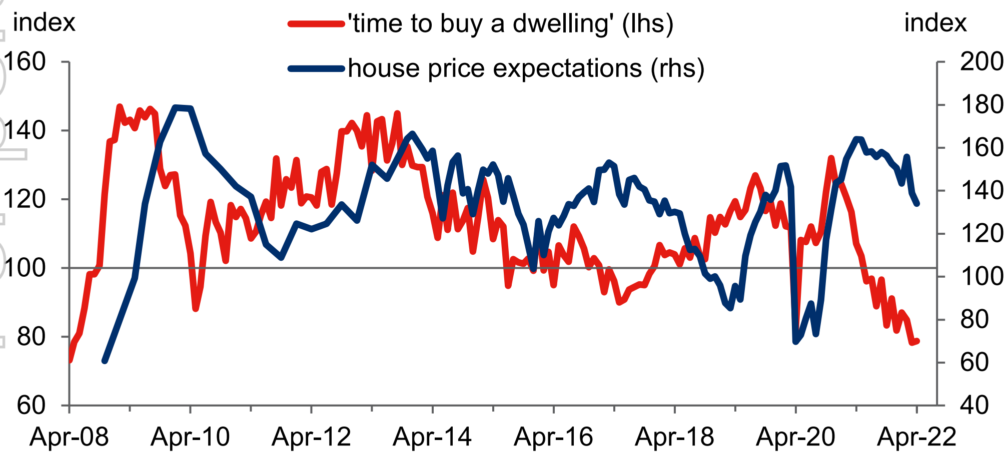
Sources: CoreLogic, ABS, RBA, Westpac Economics

Rental vacancy rates (% quarterly, annual average)



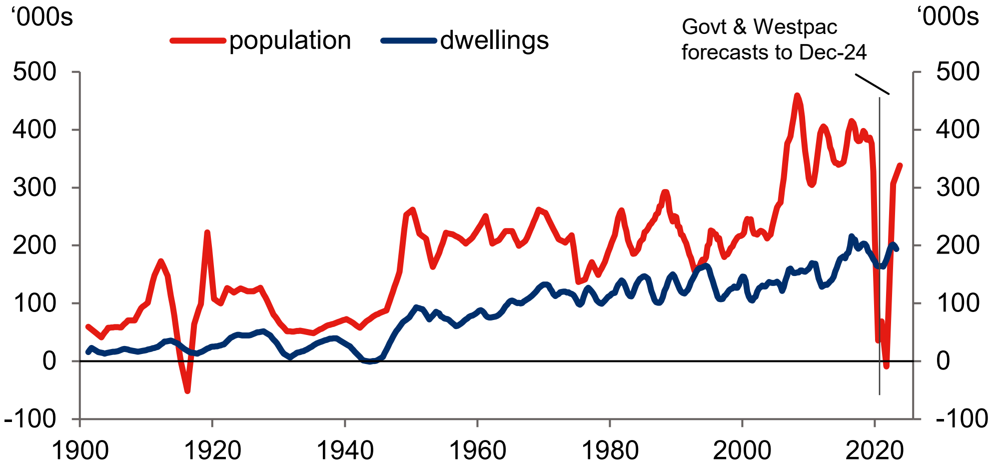
Sources: REIA, REINSW, REIV, SQM Research, Westpac Economics

Housing-related consumer sentiment



Sources: Melbourne Institute, Westpac Economics

Dwelling stock and population: ann change



Sources: ABS, Australian Government, Westpac Economics

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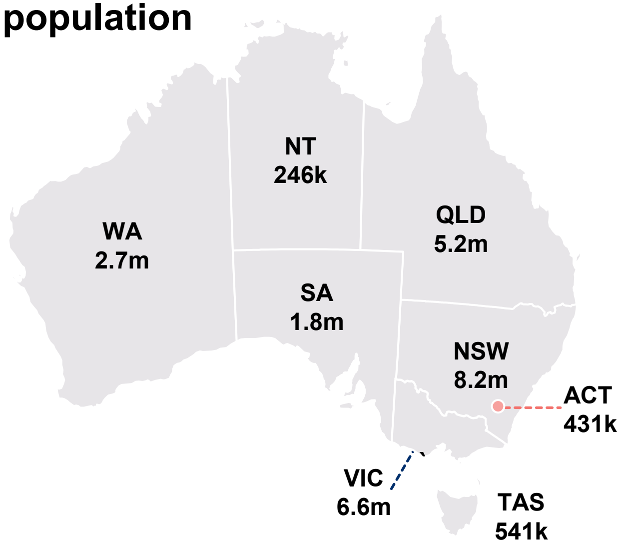
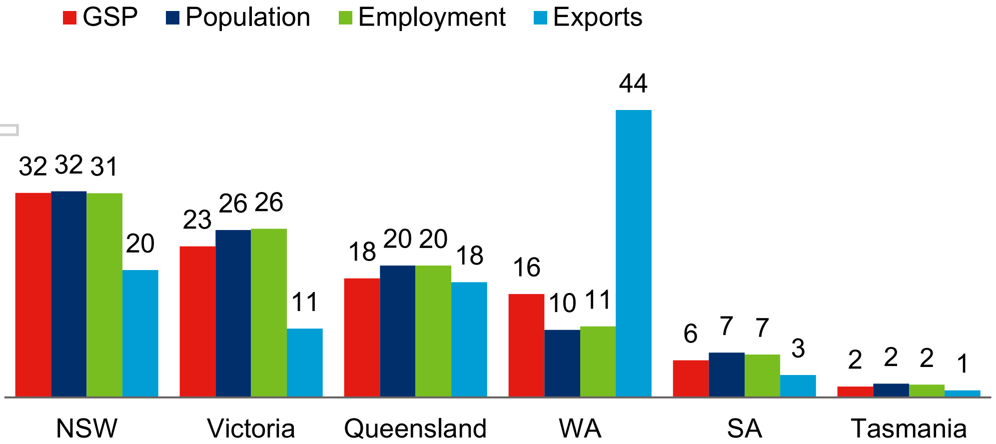
The Australian economy.
Population 25.8 million.

Australian population



Relative size of States (Share of Australia, %)[2]

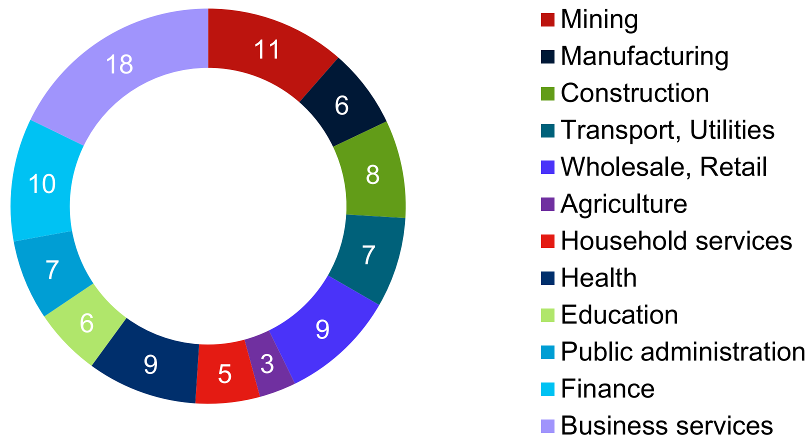


Sources: ABS, Westpac Economics

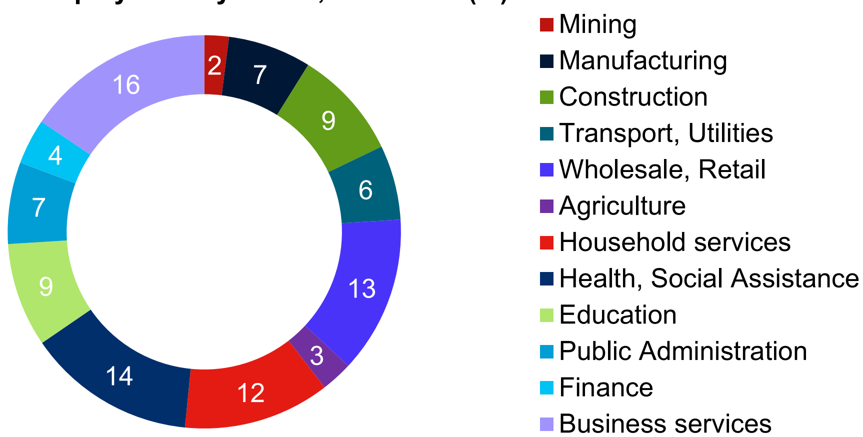
1 Real, financial years.. 2 GSP, exports are for 2020-21; Population at September 2021; Employment at March 2022.

Australian GDP and employment composition

Output by sector 2020-21 (% contribution to GDP)[1]



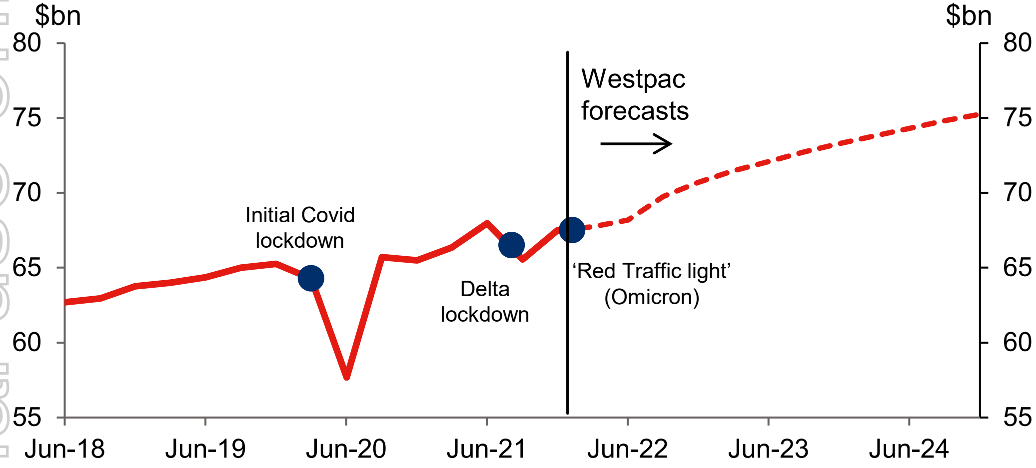
Australian employment by sector, June 2021 (%)



New Zealand economic overview.

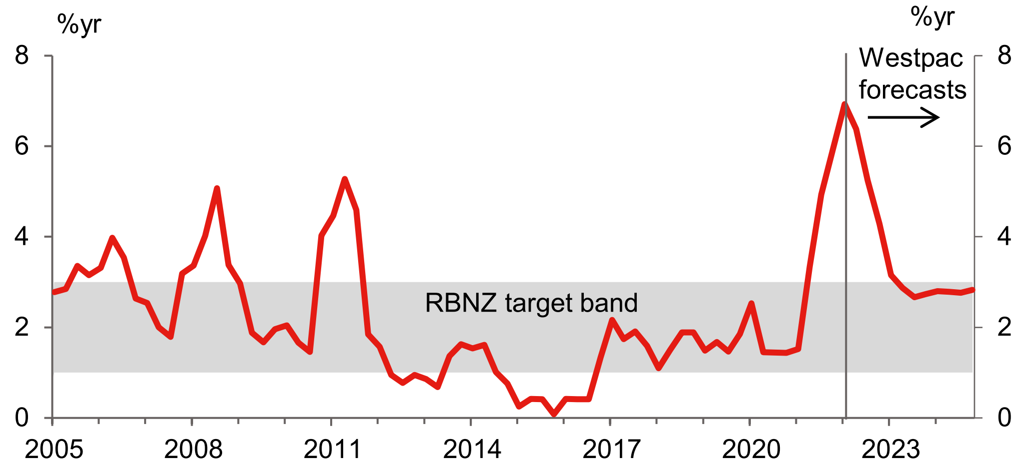
Interest rates rising in response to firming economy activity and increasing inflation.

New Zealand GDP ($bn)



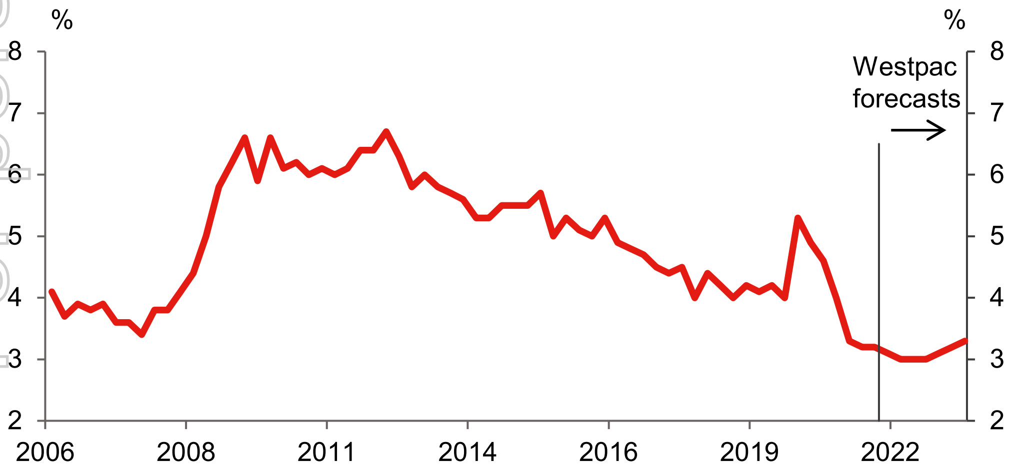
Sources: Stats NZ, Westpac Economics

Consumer prices (% year)



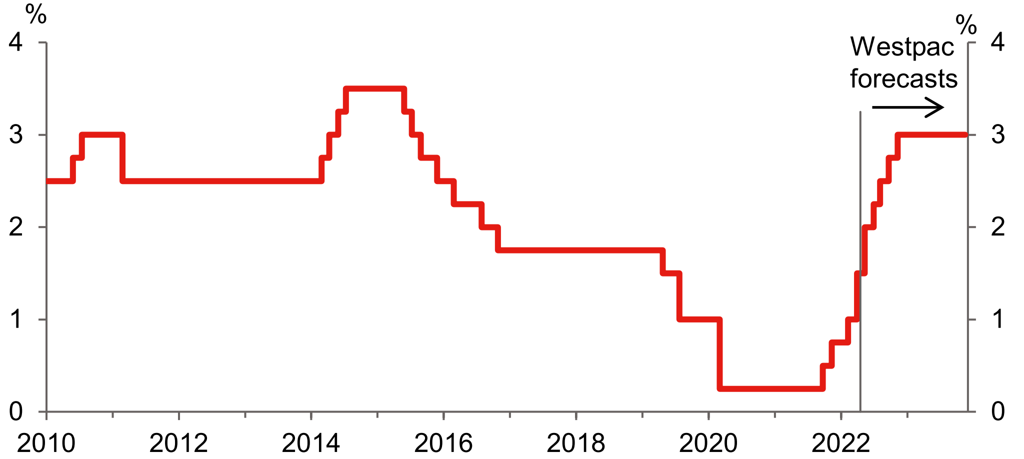
Sources: Stats NZ, Westpac Economics

Unemployment rate (%)



Sources: Stats NZ, Westpac Economics

Official Cash Rate (%)

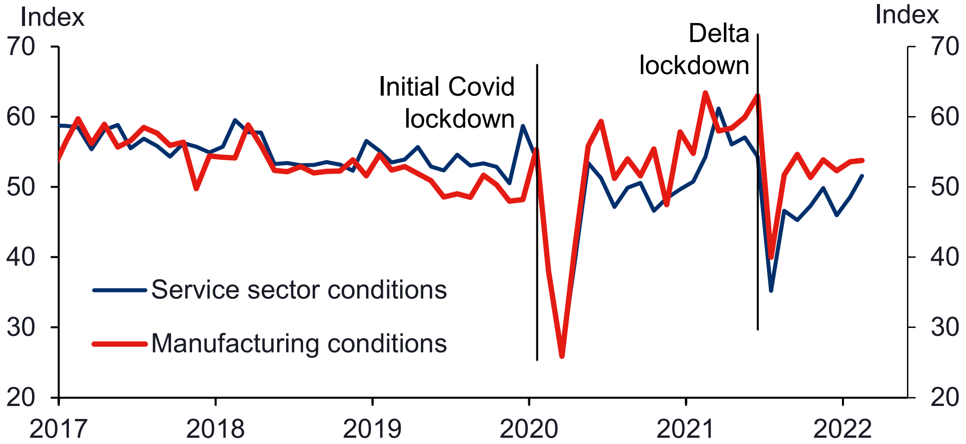


Sources: RBNZ, Westpac Economics

New Zealand economic activity.

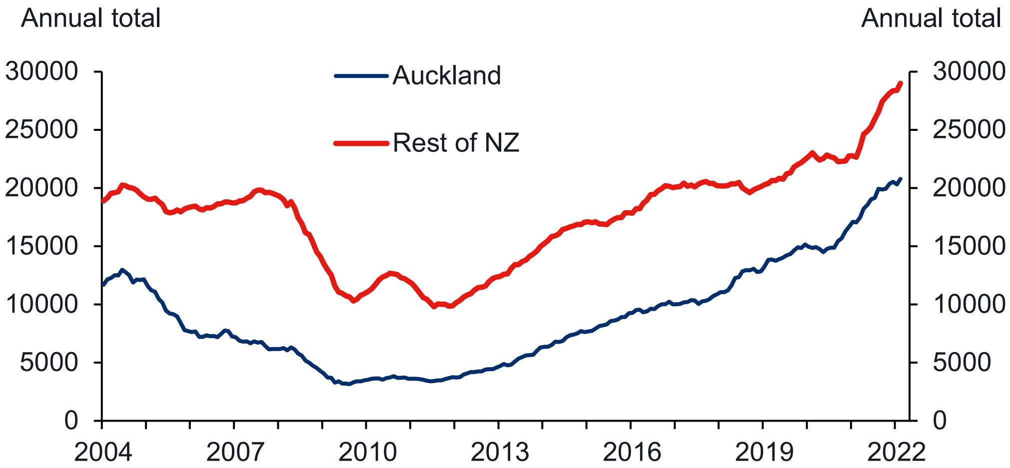
Demand has remained firm despite COVID headwinds.

Manufacturing conditions (index) and Service sector conditions (index)



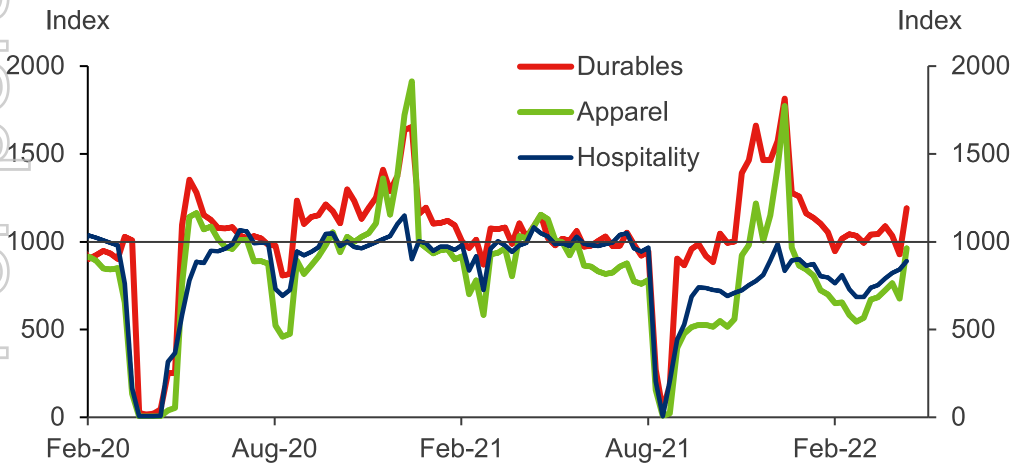
Source: BusinessNZ

Residential dwelling consents (annual, total)



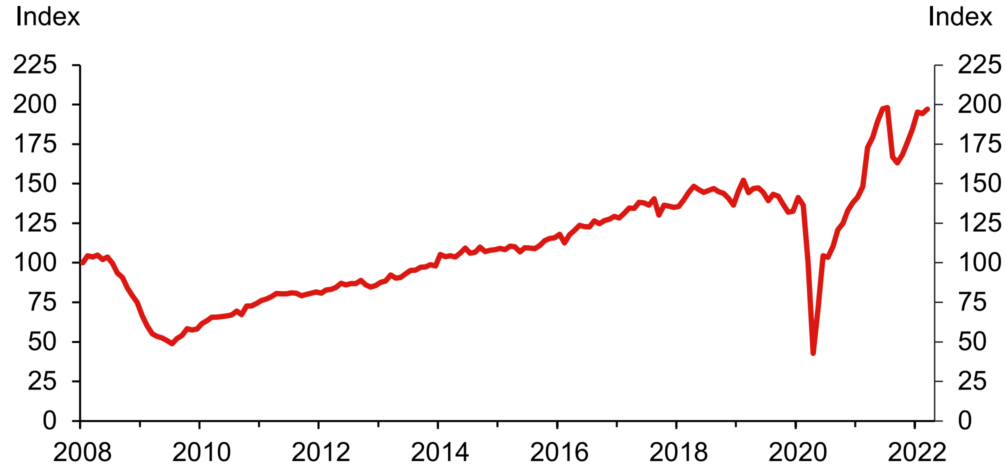
Source: Stats NZ

Monthly retail spending (excl. fuel) (index)



Source: MBIE

Job advertisements (index)

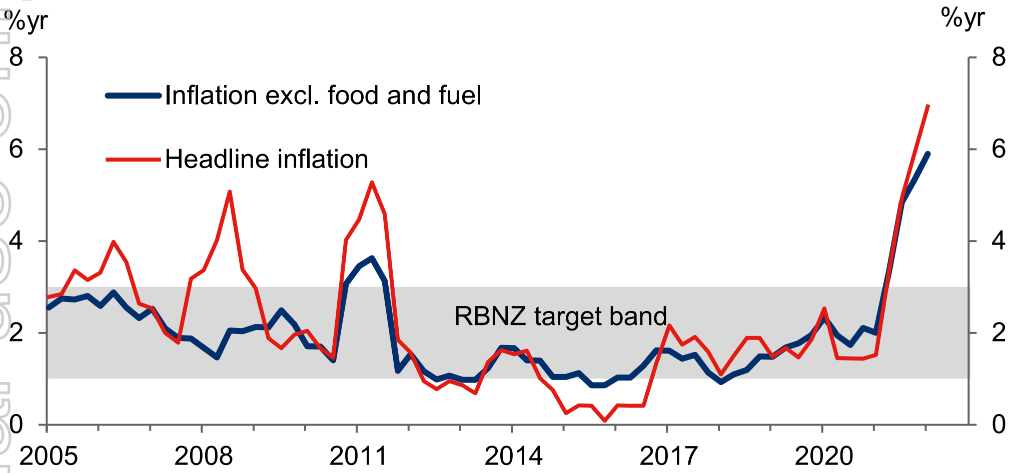


Source: MBIE

New Zealand inflation and interest rates.

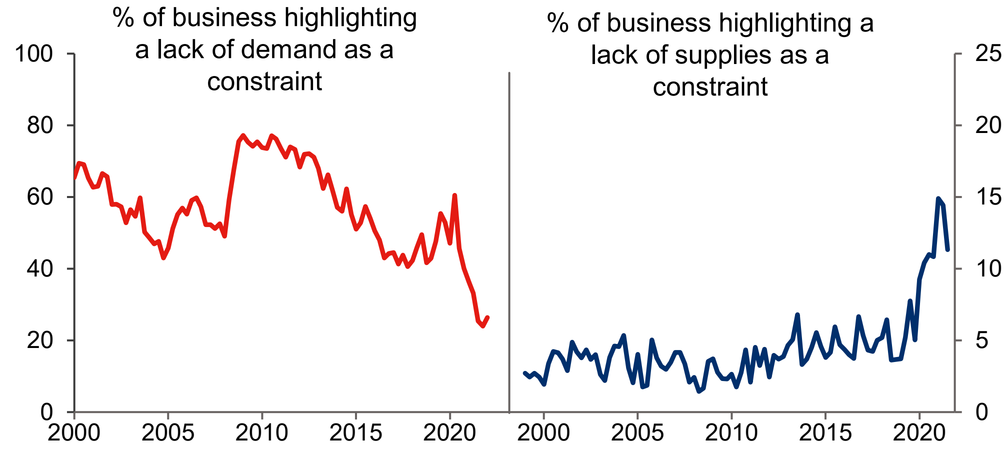
Demand and supply pressures widespread, interest rates to rise into tight territory.

Inflation (% yr)



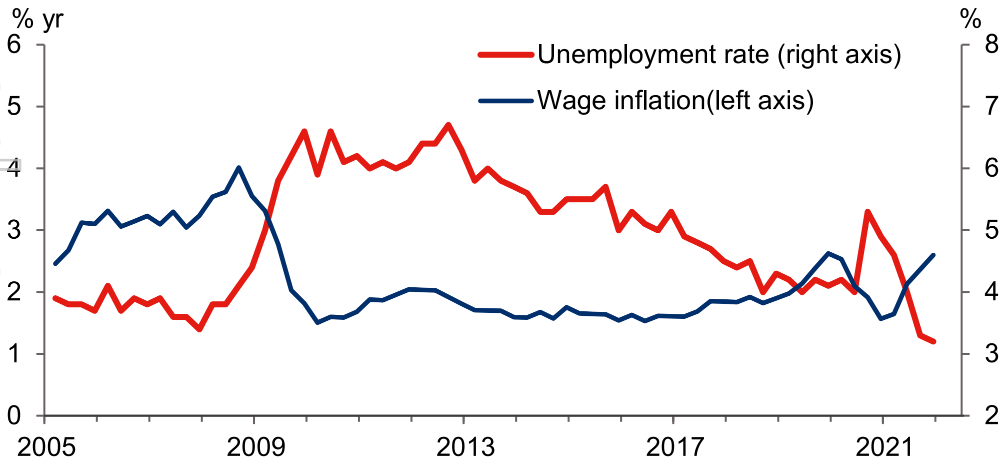
Source: Stats NZ

Strong demand and shortage of supplies



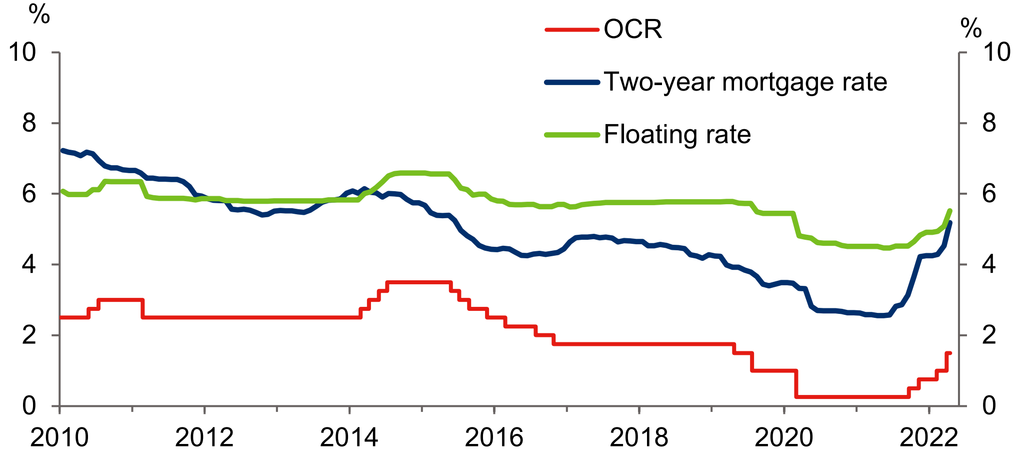
Source: NZIER

Unemployment rate (%) and Wage inflation (% year)



Source: Stats NZ

Mortgage interest rates (%)



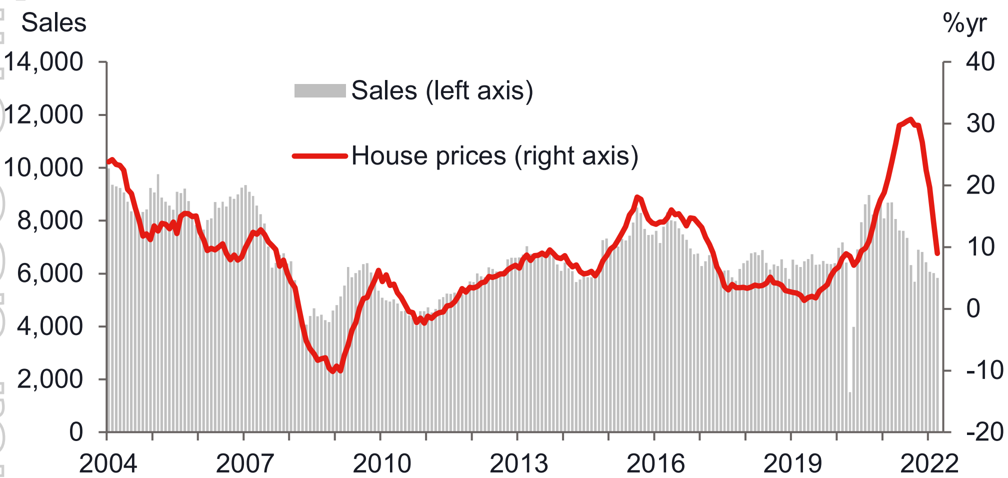
Source: RBNZ

New Zealand housing market.

Economics

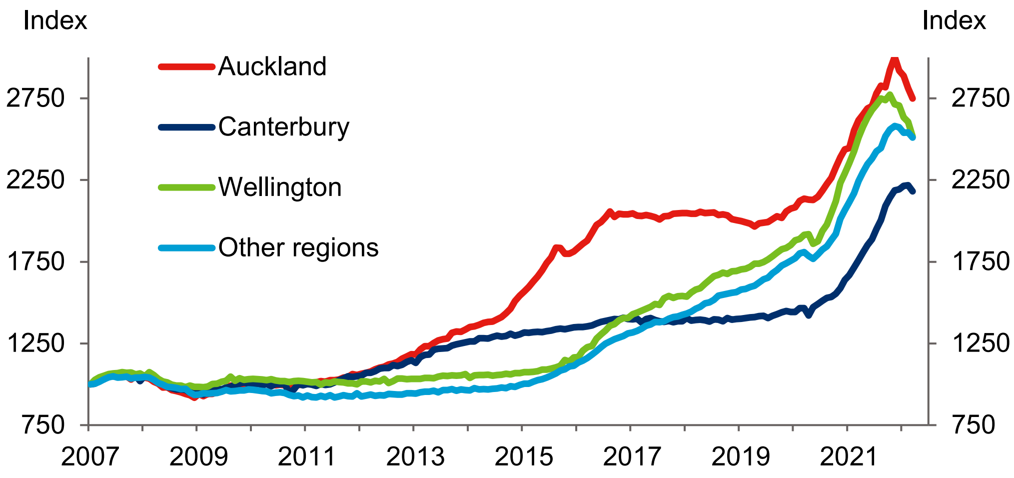
The housing market is cooling as interest rates rise.

Monthly house sales and prices (% yr)



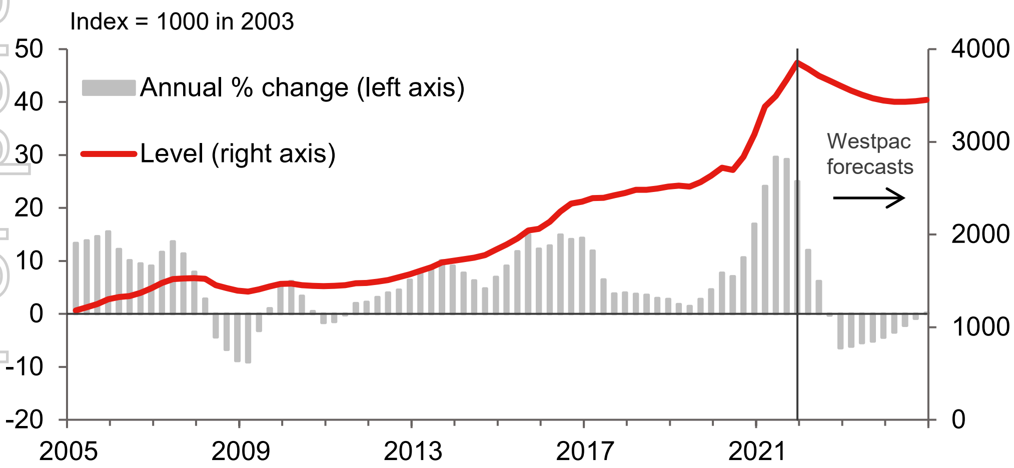
Source: REINZ

New Zealand dwelling prices (index)



Sources: REINZ, Westpac Economics

House prices (nationwide, index)



Sources: QVNZ, Westpac Economics

Dwelling prices (% change over period)

Region	Pop'n	Last 3 mths (to Mar-22)	Last 12 mths (to Mar-22)	Last 5 years (to Mar-22)
Auckland	1.7m	Down 5.9%	Up 5%	Up 35%
Wellington	0.5m	Down 7.0%	Flat	Up 73%
Canterbury	0.6m	Down 0.5%	Up 24%	Up 58%
Nationwide	5.1m	Down 3.6%	Up 9%	Up 56%

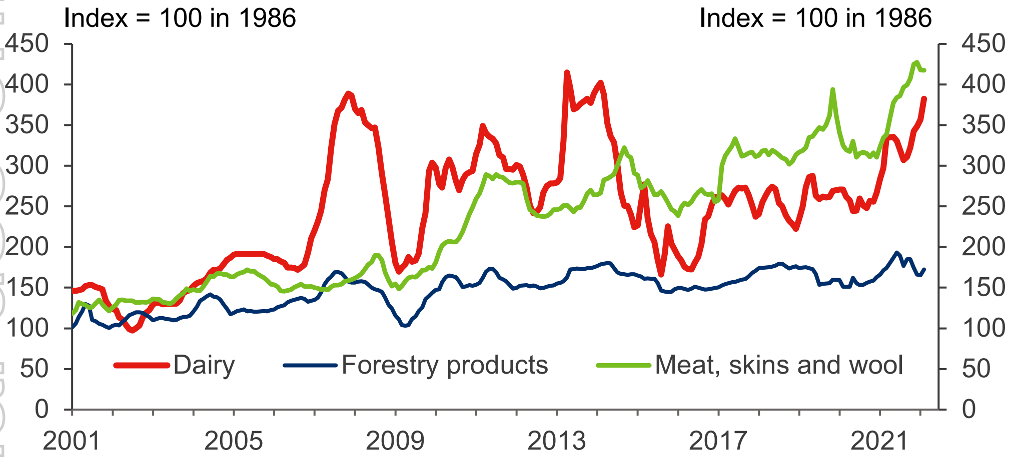
Forecast (Annual %)	Ave. past 10 years	2020	2021	2022f	2023f	2024f
Nationwide	10%	+17%	+25	-6	-4	Flat

Sources: REINZ, Stats NZ

New Zealand exports.

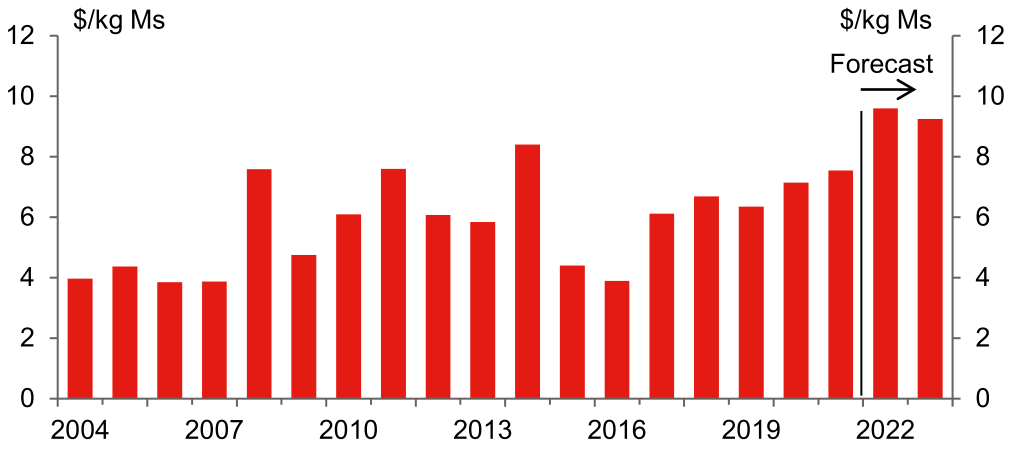
Commodity price strength expected to be sustained, services exports to recover.

NZ export commodity prices (index)



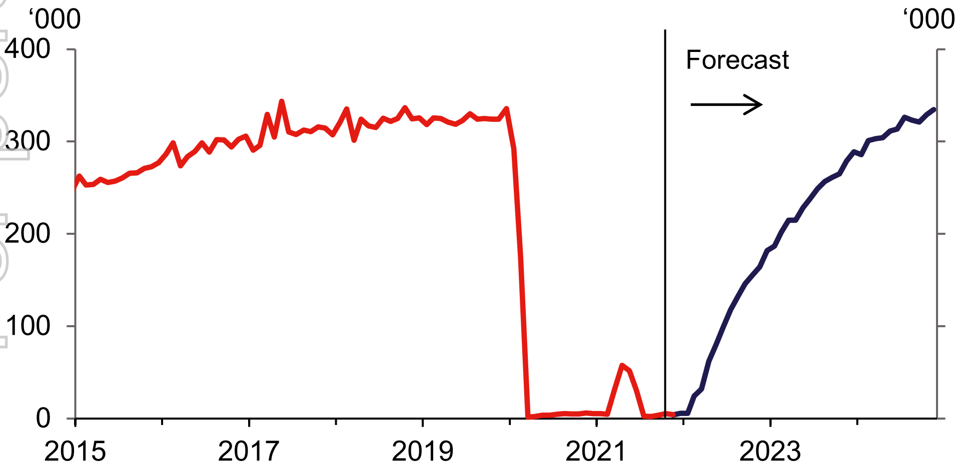
Source: ANZ

Farmgate milk price ($/kg Ms)



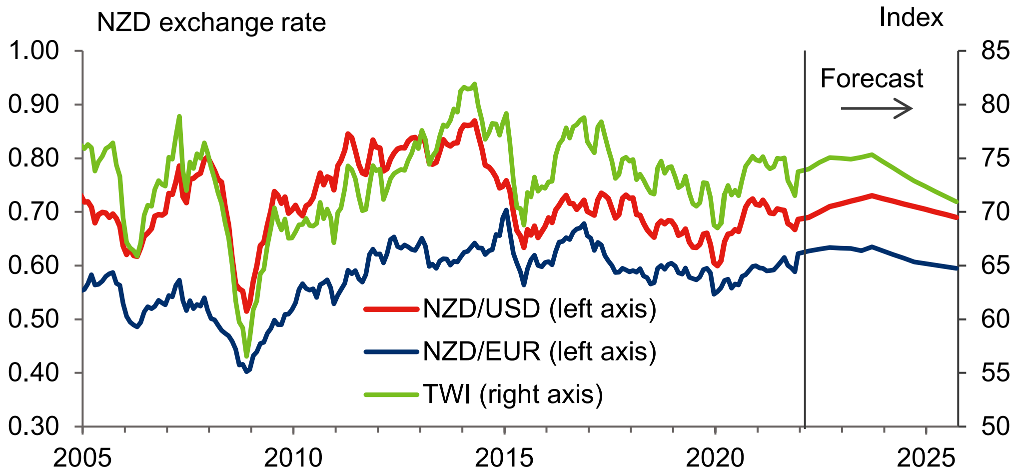
Source: Fonterra, Westpac Economics

International visitor numbers (‘000)



Source: Stats NZ, Westpac Economics

New Zealand dollar (index)



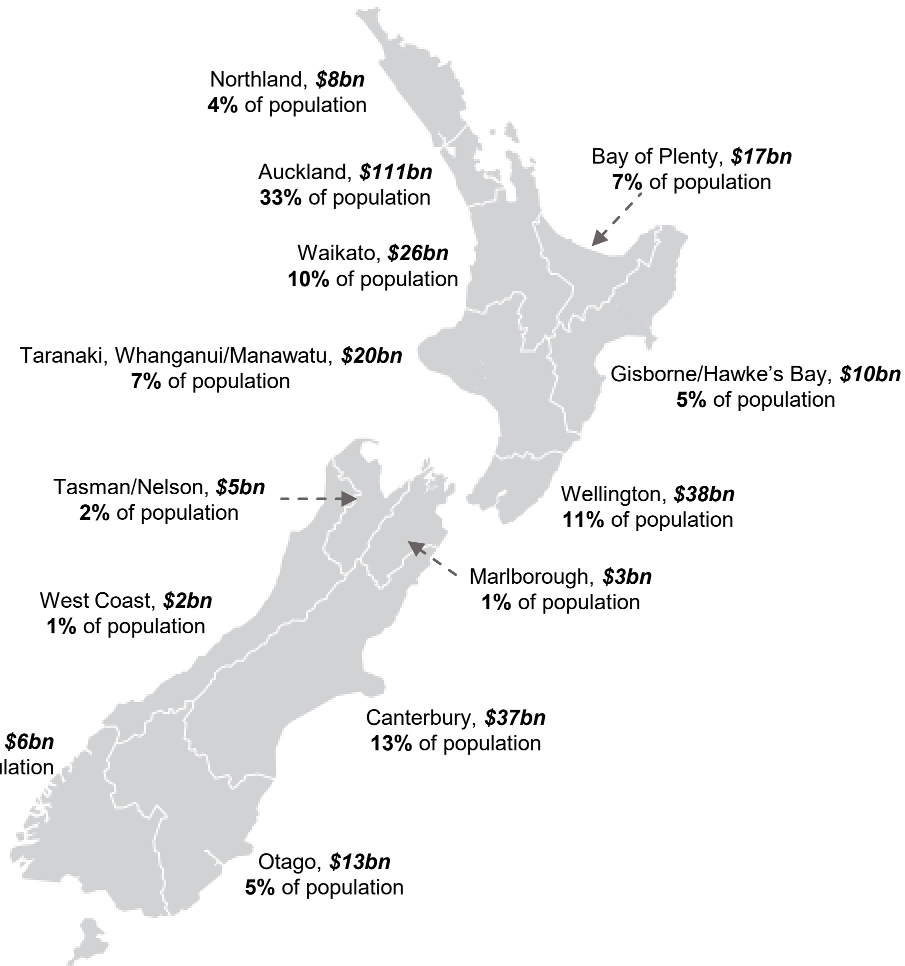
Sources: RBNZ, Westpac Economics

The New Zealand economy.

Population 5.1 million.

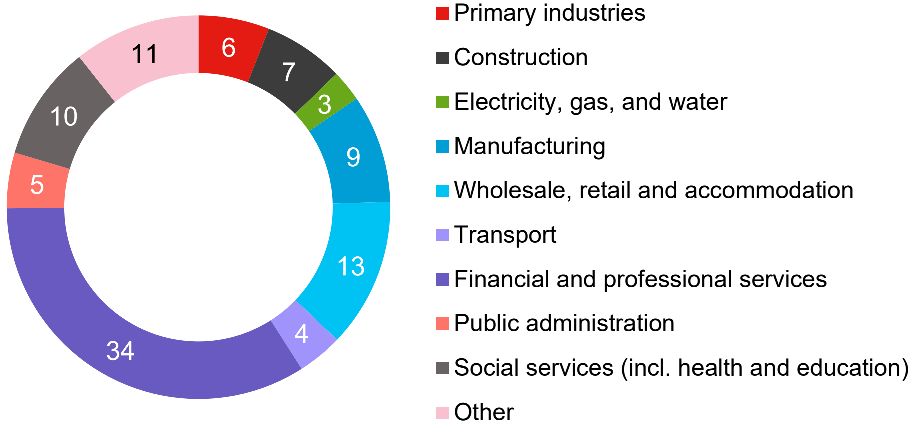
Regional GDP

Total nominal GDP 2021: ***$350bn***

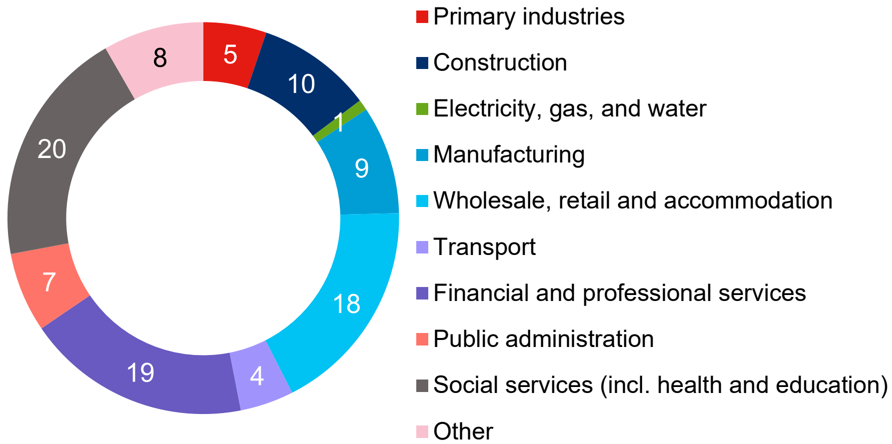


Economy

Output 2021 - sector shares of GDP (%)



NZ employment by sector (%)



Charts may not add to 100 due to rounding.

Sources: Stats NZ, Westpac Economics
Nationwide GDP and employment figures are for the year to Dec 2021, regional figures are for the year to March 2020.

Appendix and Disclaimer

Appendix 1:

Cash earnings adjustments and notable items.

Cash earnings adjustment ($m)	1H21	2H21	1H22	Description
Reported net profit	3,443	2,015	**3,280**	Net profit attributable to owners of Westpac Banking Corporation
Fair value (gain)/loss on economic hedges	46	(184)	**(204)**	Fair value on economic hedges (which do not qualify for hedge accounting under AAS) comprise: • The unrealised fair value (gain)/loss on foreign exchange hedges of future New Zealand earnings impacting non-interest income is reversed in deriving cash earnings as they may create a material timing difference on reported results but do not affect the Group's cash earnings over the life of the hedge. Westpac has ceased this activity, and at this stage no further adjustments will be recognised; and • The unrealised fair value (gain)/loss on hedges of accrual accounted term funding transactions are reversed in deriving cash earnings as they may create a material timing difference on reported results but do not affect the Group's cash earnings over the life of the hedge
Ineffective hedges	48	(16)	**19**	The unrealised (gain)/loss on ineffective hedges is reversed in deriving cash earnings because the gain or loss arising from the fair value movement in these hedges reverses over time and does not affect the Group's profits over time
Cash earnings	**3,537**	**1,815**	**3,095**	

Notable items ($m)	1H22	Description
Estimated customer refunds, payments, associated costs and litigation[1]	**(65)**	The ongoing review of customer remediation, litigation and regulatory investigations has led to the following changes in provisions: • Revenue: $36m decrease for additional remediation related to wealth products partly offset by the release of some provisions in New Zealand • Expenses: $46m increase in costs from our remediation programs and for litigation matters, including an increase to prior provisions following agreement with ASIC to settle six longstanding matters announced on 30 November 2021
Write-down of goodwill, intangible and other assets[1]	**(154)**	In preparation for the exit of our superannuation business, the carrying value Westpac's superannuation intangible assets was written down. This included $122m of goodwill (all goodwill for the business); and $45m of capitalised software
Asset sales and revaluations[1]	**213**	This includes the gain on sale of Westpac Life-NZ- Limited, the Group's motor vehicle dealer finance and novated leasing business and a post-sale adjustment to earn-out payments associated with the sale of our Vendor Finance business
Total notable items	**(6)**	

1 For further information refer to Westpac's 2022 Interim Results Announcement.

Appendix 1:
Cash earnings ex-notable items.[1]

	1H21 ($m)	2H21 ($m)	1H22 ($m)	Change 1H22-2H21 (%)	Change 1H22-1H21 (%)
Net interest income	8,398	8,189	**8,021**	(2)	(4)
Non-interest income	1,958	1,849	**1,703**	(8)	(13)
Net operating income	**10,356**	**10,038**	**9,724**	**(3)**	**(6)**
Expenses	(5,236)	(5,700)	**(5,135)**	(10)	(2)
Core earnings	**5,120**	**4,338**	**4,589**	**6**	**(10)**
Impairment benefit/(charge)	372	218	**(139)**	(Large)	(Large)
Tax and non-controlling interests (NCI)	(1,673)	(1,422)	**(1,349)**	(5)	(19)
Cash earnings	**3,819**	**3,134**	**3,101**	**(1)**	**(19)**

1 For further information refer to Westpac's 2022 Interim Results Announcement.

Appendix 1:
Customer remediation notable items.

Milestones

- In 1H22, we paid or offered $378m to approximately 475,000 customers
- Since 2017, we have paid more than $1.85bn in remediation

Provisions for customer compensation and associated costs

Net provisions raised in 1H22 for:

- Refunds associated with certain ongoing advice fees charged by the Group's salaried financial planners and authorised representatives
- Additional remediation for wealth products
- Costs associated with the implementation and completion of remediation programs
- Release of provisions related to Westpac New Zealand

Provisions for customer refunds, payments and associated costs[1] ($m)	2017	2018	2019	2020	2021	1H22	Total
Banking	94	122	362	144	(135)	**(7)**	580
Wealth	75	146	802	208	251	**43**	1,525
Implementation costs	-	62	232	196	195	**18**	703
Cash earnings impact of above	118	231	977	384	218	**37**	1,966

1 Excludes provisions and costs associated with litigation. Notable items only.

Appendix 2:
Portfolio simplification progress.

Transactions completed	Announced	Completed	Divestment CET1 benefit (bps, $m[1])
Zip Co Ltd.	Oct 2020	Oct 2020	Realised 8bps, ~$350m
Coinbase Inc.	May 2021	May 2021	Realised 7bps, ~$300m
Westpac NZ Wealth Advisory	Nov 2020	Dec 2020	-
Westpac General Insurance	Dec 2020	Jul 2021	Realised 12bps, ~$500m
Vendor Finance	Aug 2020	Jul 2021	-
Westpac LMI	Mar 2021	Aug 2021	Realised 7bps, ~$300m
Westpac Life-NZ- Limited	Jul 2021	Feb 2022	Realised 7bps, ~$300m
Motor Vehicle Finance	Jun 2021	Mar 2022	Realised 6bps, ~$200m
Transactions announced	**Announced**	**Completion expected**	
Westpac Life Insurance[2]	Aug 2021	2H22	Expected 12bps, ~$500m
Divestment benefits (should Westpac Life Insurance complete)			**59bps, ~$2,450m**

Other operations within Specialist Businesses (a range of options under consideration)

Superannuation	Margin Lending (to transition to Consumer once separated)
Platforms and Investments	
Westpac Pacific[3]	
Auto Finance (in run-off)	

1 The value of capital released also includes the benefit of lower RWA. 2 Reflects the total CET1 capital impact expected upon completion in Second Half 2022. The accounting loss on sale in Westpac Life Insurance was included in Second Half 2021 notable items impacting the CET1 capital ratio for September 21. 3 On 22 September 2021, Westpac announced that the previously announced proposed sale of Westpac Pacific to Kina Bank was terminated by mutual agreement.

Appendix 3.

Reinventure: Investing in fintech businesses.

Westpac has committed $150m in fintech venture capital funds, managed by Reinventure.
Reinventure enables Westpac to access insights and adjacent business opportunities, both in Australia and offshore.
The model also helps Westpac to source commercial partnerships that create value for customers

New business models

MONEYME
Digital financial service company offering credit products to tech-savvy Australian consumers and businesses

flare
Comprehensive cloud-based human resources and employee benefits platform to streamline HR processes

OpenAgent.com.au
Helps home sellers make decisions about who they choose to sell their property

Valiant
Business loan marketplace that matches SMEs to the best lender based on their characteristics and needs

zai
Full stack payments platform

mx51
Empowering banks to connect seamlessly with merchants and their customers

Auror.
Uses data to shed light on high volume crimes, improving prevention and detection

Hey You
A payment app for customers when dining out or grabbing a coffee on the go

Kredivo
A leading digital credit platform in Indonesia

zest
A consumer digital lending platform

ATHENA
Providing digital mortgage broking

hmlet
Turning buildings into community-centric dwellings

New technology capabilities

kasada
Enterprise cyber security company that protects businesses from malicious bot attacks

CODELINGO
Enabling software development teams to scale processes and improve code quality

Polychain Capital
A fund of funds for cryptocurrency and blockchain technology

InDebted
Digitised debt collection, leveraging modern communications, automation and machine learning

Slyp
Smart receipts that automatically link purchase receipts to customers' bank accounts

FORTE
Pioneering a new asset class called Tradeable Income Based Securities (TIBS)

iMMUTABLE
Creating real-game assets for developers, using blockchain technology

frankieone
Helps banks and fintechs make better decisions using a single API and dashboard to manage KYC/AML and fraud

Safewill
Helping Australians create their wills online

instant
A one-click checkout platform transforming online transactions

Data, AI and analytics

BASIQ
Open Banking API platform that provides connectivity to over 100 financial sources across Australia and NZ

Curious thing
Conversational voice-based AI for digital interviewing, powered by machine learning

a·kin
AI company that integrates neuroscience into their platform creating capability that not only manages complex problems but is able to form intrinsic relationships with humans

Flybits
AI-powered, context-as-a-service platform, to deliver personalised experiences to customers

KEPLER ANALYTICS
B2B platform for physical retail stores that provides insights through their AI engine and in-store sensors

Logos are of the respective companies.

Westpac GROUP

Appendix 4:
Sustainability.

Industry recognition

Received "B" rating in the 2021 CDP for our response to Climate Change, announced December 2021

Achieved highest ISS QualityScore for Environment and Social dimensions

Rated Prime status of "C" by ISS ESG

Sustainability indexes

Member of the DJSI Indices since 2002

At March 2022, Westpac has received an ESG Risk Rating of 24.2 from Sustainalytics and was assessed to be at Medium risk of experiencing material financial impacts from ESG factors[1]

Member of the FTSE4Good Index Series, of which Westpac has been a member since 2001

At 2022, Westpac has received an MSCI ESG Rating of A[2]

Ranked #1 in the ASX-50 and #2 in the world for transparency and effectiveness of our standalone sustainability Reporting, according to the 2021 Global ESG Monitor Report

Inclusion and diversity recognition

Recognised by the Bloomberg Gender Equality Index for the 6th consecutive year

Recognised as Silver Tier Employer in 2021 in the Australian Workplace Equality Index Awards

Accredited as Level 1 Activate as a Carer Friendly Employer under the CarersNSW Carers + Employers Program in 2020

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Appendix 4:
Sustainability.

Key commitments and partnerships

Principles for Responsible Banking
Signatory 2019

Principles for Responsible Investment
Signatory (2007)

UN Sustainable Development Goals
CEO Statement of Commitment (2016)

Paris Climate Agreement
Supporter (2015)

Climate Measurement Standards Initiative (CMSI) Industry Partner (since 2020)

The Equator Principles
Founding Adopter,
First Australian Bank (2003)

UN Environment Program Finance Initiative
Founding Member (1991)

Financial Stability Board's Task Force on Climate-related Financial Disclosures
Align with and support

Climate Action 100+
Signatory (BT Financial Group 2017)

HESTA 40:40 Vision
Signatory 2021

RE100, an initiative of The Climate Group in partnership with CDP Member (2019)

Commitment to United Nations Global Compact Signatory (2002), Global Compact Network Australia Founding Member (2009)

Global Investor Statement to Government on the Climate Crisis
Signatory (BT Financial Group 2021)

The Montreal Carbon Pledge
Signatory (BT Financial Group 2014)

The Valuable 500
Signatory 2021

Climate Bonds Initiative
Partner

Carbon Markets Institute
Corporate Member

Australian Industry Energy Transitions Initiative
Partner (2022)

Australian Sustainable Finance Initiative
Founding Member

UN Women
Partner 2021

Carbon Neutral Certification
Since 2012 (previously NCOS)

Supply Nation
(for Indigenous owned businesses) Founding Member (2010)

Social Traders
(for social enterprises) (2016)

United Nations Tobacco-Free Finance pledge
Founding Signatory (2018)

Appendix 5:
Definitions – Credit quality.

90 days past due and not impaired	Includes facilities where: • contractual payments of interest and / or principal are 90 or more calendar days overdue, including overdrafts or other revolving facilities that remain continuously outside approved limits by material amounts for 90 or more calendar days (including accounts for customers who have been granted hardship assistance); or • an order has been sought for the customer's bankruptcy or similar legal action has been instituted which may avoid or delay repayment of its credit obligations; and • the estimated net realisable value of assets / security to which Westpac has recourse is sufficient to cover repayment of all principal and interest, or where there are otherwise reasonable grounds to expect payment in full and interest is being taken to profit on an accrual basis. These facilities, while in default, are not treated as impaired for accounting purposes
Provision for expected credit losses (ECL)	Expected credit losses (ECL) are a probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant timeframe. 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
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
Individually assessed provisions (IAPs)	Provisions raised for losses on loans that are known to be impaired and are assessed on an individual basis. The estimated losses on these impaired loans is based on expected future cash flows discounted to their present value and, as this discount unwinds, interest will be recognised in the income statement
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
Impaired assets	Includes exposures that have deteriorated to the point where full collection of interest and principal is in doubt, based on an assessment of the customer's outlook, cash flow, and the net realisation of value of assets to which recourse is held: • facilities 90 days or more past due, and full recovery is in doubt: exposures where contractual payments are 90 or more days in arrears and the net realisable value of assets to which recourse is held may not be sufficient to allow full collection of interest and principal, including overdrafts or other revolving facilities that remain continuously outside approved limits by material amounts for 90 or more calendar days; • non-accrual facilities: exposures with individually assessed impairment provisions held against them, excluding restructured loans; • restructured facilities: exposures where the original contractual terms have been formally modified to provide for concessions of interest or principal for reasons related to the financial difficulties of the customer; • other assets acquired through security enforcement (includes other real estate owned): includes the value of any other assets acquired as full or partial settlement of outstanding obligations through the enforcement of security arrangements; and • any other facility where the full collection of interest and principal is in doubt
Stressed exposures	Watchlist and substandard, 90 days past due and not impaired and impaired exposures
Total committed exposures (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

Appendix 5:

Definitions – Segments, earnings drivers, capital and liquidity.

Segments	
Consumer	Consumer provides banking products and services, including mortgages, credit cards, personal loans, and savings and deposit products to Australian retail customers
Business	Business serves the banking needs of Australian small business, Agribusiness and Commercial customers
WIB	Westpac Institutional Bank (WIB) provides a broad range of financial products and services to corporate, institutional and government customers
Westpac NZ	Westpac New Zealand provides banking, wealth and insurance products and services for consumer, business and institutional customers in New Zealand
Specialist Businesses	Specialist Businesses comprises the operations that Westpac ultimately plans to exit. We have entered into a sales agreement for Westpac Life Insurance which is expected to finalise in 2022 (regulatory approvals have been obtained). Other operations include investment product and services, superannuation and retirement products as well as wealth administration platforms. It also manages Westpac Pacific which provides a full range of banking services in Fiji and Papua New Guinea
Group Businesses or GB	Group Businesses includes support functions such as Treasury, Customer Services and Technology, Corporate Services and Enterprise Services. It also includes Group-wide elimination entries arising on consolidation, centrally raised provisions and other unallocated revenue and expenses

Earnings drivers	
Average interest-earning assets (AIEA)	The average balance of assets held by the Group that generate interest income. Where possible, daily balances are used to calculate the average balance for the period
Cash earnings per ordinary share	Cash earnings divided by the weighted average ordinary shares (cash earnings basis)
Core earnings	Net operating income less operating expenses
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

Capital and liquidity	
Capital ratios	As defined by APRA (unless stated otherwise)
Committed liquidity facility (CLF)	The RBA makes available to Australian Authorised Deposit-taking Institutions (ADIs) a CLF that, subject to qualifying conditions, can be accessed to meet LCR requirements under APS210 Liquidity
High quality liquid assets (HQLA)	Assets which meet APRA's criteria for inclusion as HQLA in the numerator of the LCR
Internationally comparable ratios	Internationally comparable regulatory capital ratios are Westpac's estimated ratios after adjusting the capital ratios determined under APRA Basel III regulations for various items. Analysis aligns with the APRA study titled "International capital comparison study" dated 13 July 2015
Leverage ratio	As defined by APRA (unless stated otherwise). Tier 1 capital divided by 'exposure measure' and expressed as a percentage. 'Exposure measure' is the sum of on-balance sheet exposures, derivative exposures, securities financing transaction exposures and other off-balance sheet exposures
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%, effective 1 January 2015. LCR is calculated as the percentage ratio of stock of HQLA and CLF 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. ADI's must maintain an NSFR of at least 100%
Risk weighted assets or 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 (ie. market and operational risk), RWA is determined by multiplying the capital requirements for those risks by 12.5

Appendix 5:
Definitions – Other.

Branch transactions	Branch transactions are typically withdrawals, deposits, transfers and payments
Customer satisfaction or CSat	The Customer Satisfaction score is an average of customer satisfaction ratings of the customer's main financial institution for consumer or business banking on a scale of 0 to 10 (0 means 'extremely dissatisfied' and 10 means 'extremely satisfied')
CSAT (Main Bank Service Satisfaction) (Westpac NZ)	Source: 3 month rolling Retail Market Monitor data (survey conducted by Camorra Research). Respondents are asked to rate the overall level of service they receive from their main bank (self-selected which ONE bank is their main provider of financial services) on a scale of 1 (Poor) to 5 (Excellent). The rating represents % of respondents who scored 4 (Very Good) or 5 (Excellent)
CSat – overall consumer	Source: DBM Consultants Consumer Atlas, August 2019 – February 2022, 6MMA. MFI customers
CSat – overall business	Source: DBM Consultants Business Atlas, August 2019 – February 2022, 6MMA. MFI customers, all businesses
Digitally active	Australian consumer and business customers who have had an authenticated session (including Quickzone) on Westpac Group digital banking platforms in the prior 90 days
Digital sales	Sales refers to digital sales of consumer core products only. Sales with a funded deposit or activation constitute a quality sale
Digital transactions	Digital transactions including payment and transfers that occur on Westpac Live and Compass platforms (excludes payments on other platforms such as Corporate Online and Business Banking Online)
MFI share	MFI share results are based on the number of customers who have a Main Financial Institution (MFI) relationship with an institution, as a proportion of the number of customers that have a MFI relationship with any institution
Consumer MFI share	Source: DBM Consultants Consumer Atlas, February 2022 (1H22), August 2021 (2H21), to February 2021 (1H21), and to August 2020 (2H20), 6MMA. MFI Banking Group customers

Net Promoter Score or NPS	Net Promoter Score measures the net likelihood of recommendation to others of the customer's main financial institution for retail or business banking. Net Promoter Score^{SM} is a trademark of Bain & Co Inc., Satmetrix Systems, Inc., and Mr Frederick Reichheld. Using a 11 point numerical scale where 10 is 'Extremely likely' and 0 is 'Extremely unlikely', Net Promoter Score is calculated by subtracting the percentage of Detractors (0-6) from the percentage of Promoters (9-10)
NPS Agri (Westpac NZ)	6 month Agri Market Monitor data (survey conducted by Key Research). Respondents are asked about likelihood to recommend their main business bank to business colleagues, friends or family on a scale of 1 (extremely unlikely) to 10 (extremely likely). Net Promoter Score is represents % of Promoters (recommend score of 9 or 10) minus % of Detractors (recommend score of 1 to 6)
NPS Business (Westpac NZ)	Source: 6 month rolling Business Finance Monitor data (survey conducted by Kantar TNS among businesses with an annual turnover of $5 to $150 million). Respondents are asked about likelihood to recommend their main business bank to business colleagues and associates on a scale of 1 (extremely unlikely) to 10 (extremely likely). Net Promoter Score is represents % of Promoters (recommend score of 9 or 10) minus % of Detractors (recommend score of 1 to 6)
NPS Consumer (Westpac NZ)	Source: 3 month rolling Retail Market Monitor data (survey conducted by Camorra Research). Respondents are asked about likelihood to recommend their main bank to family and friends on a scale of 1 (extremely unlikely) to 10 (extremely likely). Net Promoter Score is represents % of Promoters (recommend score of 9 or 10) minus % of Detractors (recommend score of 1 to 6)
NPS – overall consumer	Source: DBM Consultants Consumer Atlas, August 2019 – February 2022, 6MMA. MFI customers
NPS – overall business	Source: DBM Consultants Business Atlas, August 2019 – February 2022, 6MMA. MFI customers, all businesses
St.George (SGB) Brands	SGB Brands (Consumer): St.George Bank, Bank of Melbourne, BankSA, RAMS, Dragondirect SGB Brands (Business): St.George Bank, Bank of Melbourne and BankSA

Investor Relations Team.

Contact us.

Andrew Bowden
Group Head of Investor Relations

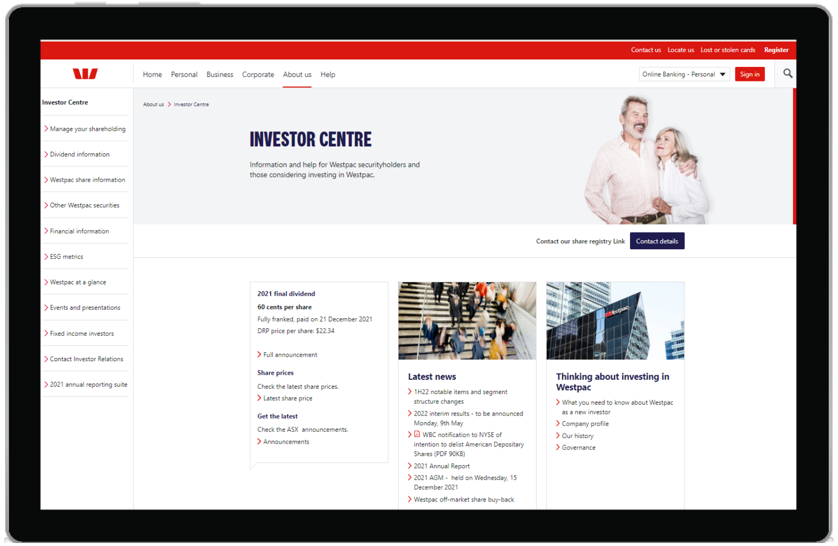
Jacqueline Boddy
Head of Debt Investor Relations

Louise Coughlan
Head of Ratings Agencies and Analysis

Andrea Jaehne
Director, Ratings Agencies and Analysis

Rebecca Plackett
Director, Corporate Reporting and ESG

Arthur Petratos
Manager, Shareholder Services



Investor Relations Contact

For all matters relating to Westpac's strategy, performance and results

+61 2 8253 3143

investorrelations@westpac.com.au

westpac.com.au/investorcentre

Share Registry Contact

For all shareholding enquiries relating to:

- Address details and communication preferences
- Updating bank account details, and participation in the dividend reinvestment plan

1800 804 255

westpac@linkmarketservices.com.au

investorcentre.linkmarketservices.com.au

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