



ASX RELEASE

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2025 Annual General Meeting – Chairman’s Address

In accordance with ASX Listing Rule 3.13.3, Westpac Banking Corporation (“Westpac”) attaches the Chairman’s address to be delivered at Westpac’s 2025 Annual General Meeting.

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

Westpac 2025 Annual General Meeting

Chairman's address

Good morning shareholders and welcome to the 2025 Westpac Annual General Meeting.

I'm pleased to welcome shareholders here today, along with those watching online.

2025 has been a seminal year for Westpac.

With renewed leadership, we have set a bold agenda to transform the organisation and position it for long-term success.

Our focus is to strengthen the foundations and accelerate changes that will achieve greater operational efficiency and better customer experiences.

All of which will help deliver stronger, sustainable returns for shareholders.

The completion of the five-year CORE program, responding to the Enforceable Undertaking, was a significant milestone.

It sets a new benchmark for risk management, governance and accountability across Westpac - a standard we will continue to embed and strengthen.

APRA removed the remaining \$500 million risk capital overlay in October which has further strengthened our capital base.

Our capital position remains unquestionably strong, supported by disciplined financial management and a robust balance sheet.

A CET1 capital ratio of 12.5% reinforces our standing among the world's strongest banks and is market leading within the Australian banking system.

On sustainability, we reinforced our position as Australia's largest lender to renewable energy.

This reflects our support for the nation's transition while balancing energy reliability, security and affordability.

Importantly, we are committed to partnering with institutional customers to help them reduce their emissions intensity across their operations.

Financial performance and return

Financial performance in 2025 reflected our strategy of balancing growth and return, while making the necessary investments in people, innovation and transformation to support Westpac's future.

Net profit excluding notable items was marginally down to \$7 billion.

Return on tangible equity remained well above our cost of capital at 11%, excluding notable items, despite higher transformation costs.

Pleasingly we experienced strong deposit growth of 7%, slightly ahead of loan growth at 6%, lifting the deposit-to-loan ratio to 85% which has strengthened our funding.

Margins were stable despite competitive pressures, reflecting disciplined management.

Total expenses increased by 9% this year due to strategic and structural decisions.

These included investment in transformation and bankers, along with higher amortisation and employee costs.

We expect the restructuring charge to provide productivity benefits in the years ahead. A major focus going forward will be to reduce our cost base to align with peers.

Earnings per ordinary share were 201.9 cents, with the share buyback contributing three cents.

Your Board declared a final dividend of 77 cents per share, up 2 cents on FY24, taking full-year ordinary dividends to \$1.53 per share, fully franked.

In an uncertain operating environment, the Board determined it was prudent to carry surplus capital to prioritise your bank's financial strength.

This enables us to balance the investment required for ongoing transformation and business growth, while maintaining the flexibility to return surplus capital to shareholders.

Total shareholder return for FY25 was 29%, ranking Westpac first among major Australian banks across one, two and three-year periods.

This is a significant improvement on prior years.

Strategic progress and refreshed leadership

In his first year as CEO, Anthony Miller has brought new energy, focus and momentum to Westpac's strategy. He has commenced his journey as your CEO incredibly well.

He is driving an important cultural shift to make Westpac more agile and focused on execution and delivering a better outcome for our customers.

We are pleased to see our people embracing this change and new direction.

Employee engagement remains in the top quartile globally, which is a testament to their dedication and commitment.

Your Board stays connected with teams across the bank and continues to champion diversity and inclusion, alongside professional development, to ensure Westpac attracts and retains top bankers and talent.

In this regard, we have attracted some exceptional leaders to the company this year and are delighted that a capable leadership team is guiding this next chapter for Westpac.

Transformation

This year we advanced our transformation agenda, which is critical to achieving our growth ambitions.

Through UNITE, we are building a more efficient, future-ready bank by consolidating technology platforms, streamlining processes, and simplifying our product and system landscape.

These changes will help strengthen our foundations and should reduce both risk and cost to support sustainable returns and improved service.

The Board monitors progress through a Directors UNITE Oversight Group, providing additional governance and strategic guidance.

Alongside UNITE, we are making strides in digital innovation with BizEdge, our new business lending platform, and Westpac One, a new banking platform for institutional banking customers.

Sustainability

Sustainability is another area which supports our ability to create long-term value for our shareholders.

We have evolved our practices and disclosures, releasing a new Sustainability Strategy, Climate Transition Plan and Reconciliation Action Plan.

We manage all our material sustainability topics, including nature and human rights; however, today I will focus on climate as this was the most prominent theme raised in shareholder questions.

We appreciate our shareholders hold diverse views on this matter.

We aim to become a net-zero, climate resilient bank by reducing our emissions and supporting customers with their decarbonisation plans.

89% of our Australian and New Zealand electricity generation lending was to renewables such as wind, solar and hydro power at the end of September.

As mentioned, Westpac is the largest lender in the country to renewables.

Our exposure to the fossil fuels sector, across the entire value chain, represents a very small percentage of our total committed exposure, at just 0.6%.

To put this into context, in FY25, we had \$39bn in total sustainable finance lending. This is almost five times larger than our lending to the fossil fuel value chain.

Overall exposure to the sector marginally increased this year, due to a slight increase in exposure to downstream activities such as distribution and retail.

Importantly, our exposure to upstream oil and gas extraction has fallen 10% and now represents 0.1% of Westpac's total exposure.

We also have no corporate lending to thermal coal mining customers.

In response to shareholder feedback, this year we updated lending requirements for customers in carbon-intensive sectors.

This included expanding the scope of sectors required to have climate transition plans from oil and gas extraction to metallurgical coal mining and coal-fired power generation.

We provided more detail on our customer Climate Transition Plan evaluation criteria and ratings, which apply to the small number of customers we have operating in these sectors.

To be eligible for new or renewed corporate lending and bond facilitation from FY26, our customers must have interim Scope 1 and 2 targets aligned to the well-below two degrees Paris Agreement goal.

We also consider customers' Scope 3 emissions in our evaluation, including their net zero ambitions and reduction plans.

Our commitment to reducing emissions across our value chain is endorsed by the Board and management and is led by our Chief Sustainability Officer who reports to the CEO.

Board renewal

We welcomed several new Directors this year, strengthening the Board's collective skills, diversity and experience.

Our composition represents a balance between continuity and renewal, blending the experience of longer-serving directors with fresh perspectives from new directors.

Your Board of Directors has a significant level of financial services and banking experience which I believe is fundamental in providing good governance and oversight.

The new Directors who are seeking election this year are:

- Debra Hazelton, who joined the Board in March and serves on the Board Remuneration Committee. She has more than 30 years of global financial services experience;
- David Cohen, who joined the Board in April and serves on the Board Risk Committee. He has more than two decades of experience in financial services, including serving as Deputy CEO of Commonwealth Bank of Australia; and
- Pip Greenwood, who joined in August. Pip is an experienced Non-executive Director with financial services experience and currently chairs both Westpac New Zealand Limited and The a2 Milk Company.

Board Director Peter Nash is also seeking re-election. We acknowledge the split in voting on this item of business. The Board unanimously supports Peter's nomination, recognising his contribution over the past seven years and the expertise he brings to the Board.

Since joining Westpac during the Royal Commission, Peter has played a key role in our remediation efforts in completing the CORE program, helping to restore confidence among investors and regulators.

As the Audit Committee Chair and long-serving director, he has also been instrumental in resetting the executive team and shaping Westpac's strategy.

His continuity provides an important bridge from past challenges to future opportunities.

Additionally, Margie Seale is stepping down as Chair of the Remuneration Committee although remains a Committee member.

I'd like to thank Margie for her commitment and wise counsel as Chair of this Committee.

I am delighted Debra Hazelton will assume this role at the conclusion of today's meeting.

Outlook

Looking ahead, continued challenges are expected, including ongoing geopolitical and trade tensions, the rise of private and non-regulated credit, and elevated global debt levels.

Notwithstanding these headwinds, prospects for the Australian and New Zealand economies remain positive.

Recent interest rate relief has supported a modest recovery in activity, though we recognise that some businesses and households continue to face pressures such as labour, energy, and insurance costs.

At Westpac we are well-positioned to deliver on our strategy and create lasting economic, social and environmental value for our customers and the communities we serve.

I extend my gratitude to shareholders, customers, our people and the community for their continued support as we focus on investing for growth and delivering sustainable shareholder returns.

Now I am pleased to welcome CEO Anthony Miller.