



ASX RELEASE

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ITEMS IMPACTING HALF YEAR 2026 RESULTS

Westpac is well positioned to support customers amid ongoing geopolitical uncertainty.

In addition to disclosing the accounting treatment of the pending sale of the RAMS mortgage portfolio, we're providing clarity on the initial impacts of the Middle East conflict.

With the supply shock from the energy market disruption expected to result in higher inflation and higher interest rates, an expected slowing in economic growth will create a more challenging environment for some customers.

A strong financial position during a time of increasing global uncertainty allows us to support customers while accelerating execution of our strategic priorities. This focused execution was reflected in improved operating metrics in the half:

- Balance sheet momentum was solid with lending and deposit growth of 4% and 3% respectively;
- Core NIM, excluding the timing impact of rate rises, was stable in 2Q26;
- Ongoing productivity initiatives supported a 2% decline in expenses¹; and
- Asset quality metrics improved and the CET1 capital ratio strengthened in 2Q26.

Geopolitical uncertainty and the associated increase in market volatility have contributed to the following outcomes:

- Interest rate volatility impacted Treasury and Markets NIM which contributed 7 basis points in 2Q26 compared to 15 basis points in 1Q26; and
- Foreign currency translation from the 6% depreciation in the New Zealand dollar average exchange rate impacted both revenue and costs.

The revised economic outlook has been reflected in our base case provision scenario and a new portfolio overlay has been added for energy intensive sectors. The associated increase in credit provisions in the half is expected to result in:

- The ratio of CAP to credit RWA increasing to c.129 basis points; and
- A credit impairment charge of 10 basis points of average gross loans.

RAMS mortgage portfolio

The sale of the RAMS mortgage portfolio to a consortium which includes Pepper Money Limited ("Pepper Money"), KKR² and PIMCO remains on track for completion in 2H26.

RAMS has been transferred from the Consumer segment to Group Businesses in 1H26 with 1H25 and 2H25 comparatives restated. This change does not impact the Group's net profit after tax or the composition of line items.

The restated 1H25 and 2H25 segments are included in Appendix 1.

The 1H26 result includes a Notable Item related to the transaction costs for the sale of the RAMS mortgage portfolio. This reduced reported net profit after tax by \$75 million.

Half Year 2026 results are scheduled to be announced on Tuesday, 5 May 2026.

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

Appendix 1 - Restated 1H25 and 2H25 segments

Consumer

	Half Year Sept 2025	Half Year March 2025
\$m		
Net interest income	3,943	3,780
Non-interest income	299	263
Net operating income	4,242	4,043
Operating expenses	(2,526)	(2,322)
Pre-provision profit	1,716	1,721
Impairment (charges)/benefits	(104)	(169)
Profit before income tax (expense)/benefit	1,612	1,552
Income tax (expense)/benefit and NCI	(486)	(467)
Net profit/(loss)	1,126	1,085
Expense to income ratio	59.55%	57.43%
Net interest margin	1.81%	1.78%
	As at 30 Sept 2025	As at 31 March 2025
\$bn		
Customer deposits		
Transactions	47.9	46.3
Savings	179.9	170.5
Term	65.8	66.2
Mortgage offsets	71.7	66.9
Total customer deposits	365.3	349.9
Loans		
Housing	497.0	484.6
Other	8.5	8.8
Provisions	(1.4)	(1.6)
Total loans	504.1	491.8
Deposit to loan ratio	72.48%	71.14%
Total assets	513.4	501.5
TCE	583.2	572.4
Risk weighted assets	151.8	154.1
Average interest earning assets	433.3	426.8
Average allocated capital	21.4	21.6
Credit quality		
Impairment charges/(benefits) to average loans	0.04%	0.07%
Mortgage 90+ day delinquencies	0.63%	0.74%
Other consumer loans 90+ day delinquencies	1.13%	1.28%
Total stressed exposures to TCE	0.81%	0.87%

Group Businesses

\$m	Half Year Sept 2025	Half Year March 2025
Net interest income	668	755
Non-interest income	19	5
Net operating income	687	760
Operating expenses	(757)	(595)
Pre-provision profit	(70)	165
Impairment (charges)/benefits	16	36
Profit before income tax (expense)/benefit	(54)	201
Income tax (expense)/benefit and NCI	(66)	(171)
Net profit/(loss) excluding Notable Items	(120)	30
Notable Items (post tax)	86	(139)
Net profit/(loss)	(34)	(109)

This announcement is unaudited. All amounts are in Australian dollars. Net Profit excluding Notable Items is not defined by Australian Accounting Standards (AAS). These non-AAS measures are identified and described in the 'Introduction – Non-AAS financial measures' section in the 2025 Annual Report. Relevant corresponding AAS measures will be outlined in the 1H26 Interim Report.

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

Footnotes:

1. Excluding Notable Items and the 2H25 restructuring charge.
2. KKR is making its investment in the portfolio from managed credit funds and accounts as part of the firm's Asset-Based Finance strategy.