

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

18 AUGUST 2020

Westpac 3Q20 Update email to shareholders

Westpac Banking Corporation (“Westpac”) today provides the attached 3Q20 Update email to shareholders.

For further information:

David Lording

Group Head of Media Relations
0419 683 411

Andrew Bowden

Head of Investor Relations
0438 284 863

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

Security advice: Westpac will never send you an email asking for your sensitive financial information or link directly to a sign-in page for Online Banking or Westpac Online Investing. Keep your system security up to date. For more information visit www.westpac.com.au/hoaxemails.



WESTPAC 3Q20 UPDATE INCLUDING 1H20 DIVIDEND UPDATE

Westpac today released an update on its Third Quarter 2020 (3Q20) results, including details of asset quality and provisioning. The update was accompanied by the release of Westpac's June 2020 Pillar 3 report which provides a summary of the Group's capital position and asset quality.

The full update can be found on our [Investor Centre](#).

Results snapshot 3Q20 compared to quarterly average of First Half 2020 (1H20)

- Unaudited statutory net profit for 3Q20 was \$1.12bn. Quarterly average of 1H20 statutory net profit was \$595m
- Unaudited cash earnings¹ for 3Q20 was \$1.32bn, which was higher than 1H20 quarterly average of \$497m (up 19% excluding notable items²). Most of the increase was due to lower impairment charges and lower insurance claims (following major storms/bushfires in 1H20)
- Impairment charge \$826m, further increasing provisions and provisioning cover
- Net interest margin 2.05% for 3Q20
- Common equity tier 1 capital ratio of 10.80% at 30 June 2020
- The Board has decided not to pay a First Half 2020 dividend

Dividend

Given Westpac's desire to retain a strong balance sheet and the ongoing uncertainty in the operating environment, the Board has now decided it is prudent not to pay a First Half 2020 dividend. Westpac will next consider dividends as part of finalising its Full Year 2020 results.

Comments from Westpac Group CEO, Peter King

"Westpac's priority has been to remain strong so we can continue supporting customers through this challenging period.

"We have maintained our strong balance sheet and increased provisions for bad debts to support our prudent approach to managing impairments.

“Our third quarter 2020 result excluding notables is higher than first half average, mostly due to lower impairment charges. Nevertheless, the impact of the COVID-19 pandemic is clear as activity fell and margins declined.

“While there have been some signs that the economy is performing better than early expectations, significant uncertainty remains, particularly given the unpredictability of COVID-19 outbreaks and their local impacts.

“We continue to offer deferral support where needed, although following our three-month customer check-ins the number of outstanding mortgage deferral customers is down around 40 per cent. However, many mortgage and business customers continue to require assistance and we are committed to supporting them.

“While the domestic and global outlook remains highly uncertain, Westpac continues to be well positioned to support our customers.”

Need more information

If you have any questions regarding your dividend or management of your shareholding, please contact Link either by email: Westpac@linkmarketservices.com.au or by telephone on +61 1800 804 255.

Yours sincerely,

Westpac Investor Relations

1. Cash earnings is a non-GAAP measure. Refer to Westpac's First Half 2020 Financial Results announcement for details.
2. Notable items includes provisions for: estimated customer refunds, payments, associated costs, and litigation and provisions along with costs associated with restructuring the Group's wealth business and costs associated with the AUSTRAC proceedings and response. Refer to Westpac's First Half 2020 Financial Results announcement for further details.

Click here to view [Westpac's privacy policy](#). Click here to view [Link's privacy policy](#).

To change your communication preferences, please visit [Link's website](#). Select 'Investor Login' to sign in securely, select 'Communications' and then 'Preferences' from the top menu bar. Alternatively, please contact Link on +61 1800 804 255 (toll free in Australia) or write to Link Market Services Limited, at Locked Bag A6015, Sydney South NSW 1235, Australia.

Copyright © 2020 Westpac Banking Corporation ABN 33 007 457 141.