

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

Westpac Banking Corporation

WBC23QW: Whether the valuations on large commercial investments or like large commercial investments financed by the bank are:

(a) independently completed?

(b) whether they are completed and/or reviewed annually?

(c) in reference to (b), if they are reviewed by whom?

(d) in reference to (b), if not annually, how often, the trigger, and the average timeframe between review?

Answer: Lending proposals for large corporates are typically prepared by an internal analyst taking into account all available information including external/independent reports, publicly released information (for listed companies) and client prepared information. Where relevant, this may include valuations of the business or specific assets held by the business.

This is typically reviewed at least annually, but is also subject to frequent covenant compliance, changes in external ratings and share price movements (for public companies).