

09 09 2020

Mr Tim Wilson MP
Chair
House of Representatives Standing Committee on Economics
Parliament House
Canberra ACT 2600

Westpac Place
275 Kent St
Sydney NSW 2000
westpac.com.au

Dear Mr Wilson

The COVID-19 situation in Australia, but particularly Victoria, continues to be a priority for Westpac. We are monitoring developments closely with a particular focus on working with customers as we undertake check-ins with those who took up COVID-19 relief packages and loan repayment deferrals.

Consumer Sentiment continues to fluctuate due to continuing uncertainties in the environment. The Westpac-Melbourne Institute Index of Consumer Sentiment fell 9.5% to 79.5 in August (from 87.9 in July) recovering strongly in September, increasing 18% to 93.8. This is 1.6% below the average over the six months prior to the emergence of COVID-19 in March.

Support for customers

At 28 August 2020, we have supported our customers by:

- Agreeing to home loan repayment deferrals for 138,000 customers since March 2020, representing \$52 billion in mortgage balances. Westpac are well advanced on the three month check-in with these customers;
- Providing COVID-19 relief packages for over 31,000 business customers representing relief on \$9.5 billion of lending balances across 76,000 accounts. We have recently commenced mid-point check-ins with these customers;
- Lending \$258 million through over 2,100 business loans backed by the National SME Guarantee Scheme; and
- Supporting over 200,000 customers to withdraw \$1.68 billion from their super under the early access to superannuation scheme.

Our three-month check-ins with mortgage customers are well progressed. Of the 138,000 repayment relief packages provided to customers, we have checked-in with 90% or 124,000. Following the check-ins, around half of those customers are indicating they plan to return to making repayments.

As at 28 August 2020 the number of packages on foot has reduced to 77,000. We are committed to continuing to support these customers and will be undertaking further check-ins at the six month point for those still on a package. We will assess their need for further support, as outlined in our last monthly response to the Committee.

Relief packages for business customers were provided for six months. We are currently undertaking mid-point check-ins with customers to maintain contact and discuss their current circumstances. At this point

customers have elected to exit package arrangements on over 8,900 accounts, and as we continue our mid-point check-ins more customers may elect to exit their package arrangements. Customers that have not elected to exit the package will continue for the full six-month deferral, at which time we will undertake a formal check-in with them to assess their need for further support

I would be pleased to discuss our response to COVID-19 in more detail when I appear before the Committee on 11 September 2020.

Yours sincerely,

Peter King
Chief Executive Officer