
Supervisory Condition Letter 2026-02

August 12, 2026

Sent by email to

Stuart Brown
Westpac Banking Corporation
Lever House, 390 Park Ave, 14th FL
New York, NY 10022

Subject: Request to Exclude Liabilities from Repurchase Agreements from the Capital
Equivalency Deposit Calculation

Mr. Brown:

Pursuant to 12 CFR 28.15(a)(3), the Office of the Comptroller of the Currency (OCC) approves Westpac Banking Corporation, New York Branch's (Branch)¹ request to exclude liabilities consisting of repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities from its capital equivalency deposit (CED)² calculation, subject to the conditions set forth below.

This approval is granted after a thorough evaluation of the information provided in the Branch's request dated June 25, 2026, including commitments and representations made in the request.

I. Conditions

This approval is subject to the following conditions.

1. The Branch must maintain a ROCA³ composite rating of 1 or 2.

¹ The Branch is a federal branch operated in the U.S. by Westpac Banking Corporation, a foreign bank organized under the laws of Australia (Parent Bank).

² See 12 USC 3102(g)(2) (requiring the aggregate amount of a foreign bank's CED to be not less than the greater of: (1) the amount of capital (but not surplus) which would be required of a national bank being organized at the federal branch or agency's location; or (2) five percent (5%) of the total liabilities of such branch or agency, including acceptances, but excluding: (A) accrued expenses; and (B) amounts due and other liabilities to offices, branches, agencies, and subsidiaries of such foreign bank).

³ See Comptroller's Handbook, "Federal Branches and Agencies Supervision" and "Bank Supervision Process" booklets, online at OCC.gov at <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/index-comptrollers-handbook.html> (Sept. 2019). ROCA is an interagency uniform supervisory rating system for branches and agencies of foreign banks. The ROCA system's four components are risk management,

2. The Branch must maintain an asset quality rating of 1 or 2.
3. The Branch must not be subject to any formal enforcement action.
4. The Parent Bank must be an “eligible foreign bank,” as defined in 12 CFR 28.12(f), which requires all the foreign bank’s federal branches and agencies to have ROCA composite ratings of 1 or 2 and not be subject to any formal enforcement action.
5. The Parent Bank’s home country must not be listed as “noncooperative” by the Financial Action Task Force and must not be on the Office of Foreign Assets Control sanctions list.⁴
6. The Branch may only exclude from its CED calculation liabilities consisting of repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities that total no more than 20 percent of all of the Branch’s third-party liabilities.
7. The Branch must monitor the excluded repurchase agreements and ensure that they are always fully secured by the market value of pledged securities.
8. The Branch’s CED must be maintained at an unaffiliated U.S. member bank consistent with 12 USC 3102(g) and 12 CFR 28.15 and pursuant to an agreement in such form and containing such limitations and conditions prescribed by 12 CFR 28.15.

These conditions of approval are conditions “imposed in writing by a Federal banking agency in connection with any action on any application, notice or other request” within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

The OCC will rescind or suspend this approval if the Branch at any time fails to satisfy the conditions set forth above. The OCC may rescind, suspend, or modify this approval if the OCC determines that any representation, submission, or information provided by the Branch is not accurate, or is incomplete, or for any other material supervisory reason. If the approval is rescinded, suspended, or modified, the Branch must recalculate its CED, including all repurchase agreement liabilities, and increase its CED as necessary.

I. Conclusion

This conditional approval, and the activities and communications by OCC employees in connection with this determination, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory, and examination authorities under applicable law and regulations.

operational controls, compliance, and asset quality. The composite and component ROCA ratings employ a 1 to 5 scale, with 1 considered the least supervisory concern and 5 the greatest.

⁴ See Supervisory Condition Letter Number 2025-03 (Feb. 13, 2025, published in OCC Interpretations and Actions, now Interpretations and Decisions (Mar. 2025)), Supervisory Condition Letter Number 2021-01 (Jan. 7, 2021, published in OCC Interpretations and Actions vol. 34, no. 1 (Jan. 2021)), Interpretive Letter Number 1158 (Nov. 21, 2017, published in OCC Interpretations and Actions vol. 30, no. 12 (Dec. 2017)) and Interpretive Letter Number 1159 (Nov. 21, 2017, published in OCC Interpretations and Actions vol. 30, no. 12 (Dec. 2017)), available on OCC.gov Interpretations and Decisions (Feb. 13, 2025, Jan. 7, 2021, Nov. 21, 2017, and Nov. 21, 2017, respectively) (federal branches approved to exclude liabilities consisting of repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities from its CED calculation).

The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have any questions, you may contact me at [REDACTED].

Sincerely,

//s//

Robert A. Kirby
Director
International Banking Supervision
Large and Global Financial Institution

cc: Susan Portes, Head of Compliance, Westpac Banking Corporation