

THE WESTPAC SHAREHOLDER NEWSLETTER 2011 FULL YEAR

For the year ended 30 September 2011

19 December 2011

A SOUND RESULT

On 2 November 2011, Westpac announced its full year 2011 result, reporting a net profit of \$6,991 million, an increase of 10% on last year. This reflected the strong performances across the business (particularly in our retail and wealth divisions), improving asset quality, lower impairment charges and well controlled expense growth.

Cash earnings, our preferred measure of performance, was \$6,301 million, up 7%, with cash earnings per share 6% higher.

Revenue growth on a cash basis was up 1%, with stronger retail banking and wealth performances offset by lower trading income given the more volatile market conditions. Strong cost discipline saw expenses up just 2%, with the benefit of our productivity program partially offsetting higher salary costs and increased investment, including the Bank of Melbourne launch. The cost to income ratio, on a cash basis, remained sector leading at 41.5%.

The return on equity on a cash basis was 16%, steady on last year.

IMPROVED RETURNS FOR SHAREHOLDERS

The final dividend for the year of 80 cents per share brought the total dividends for the year to \$1.56 per share, up 12% on the prior year. It represented a pay-out ratio of 75%. The increased dividend reflects our healthy capital position, and our confidence in the future.

If you elected to access your dividend statement online, it is now available and the instructions on how to access it were included in the email sent to you. For all other shareholders, your dividend payment advice is enclosed.

NEW MANAGEMENT STRUCTURE

On 24 November 2011, Gail Kelly, Chief Executive Officer, announced a new structure for the Westpac Group to accelerate the next phase of its strategy.

Two new divisions have been created: Australian Financial Services (AFS), to be led by Mr Brian Hartzler, who will join us from Royal Bank of Scotland in 2012. AFS encompasses Westpac Retail & Business Banking, St. George Banking Group, and BT Financial Group; and Group Services, to be led by Mr John Arthur, which encompasses Technology, Banking Operations, Property Services and Legal.

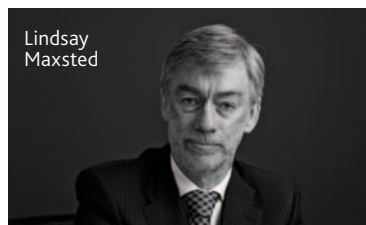
CHANGEOVER OF CHAIRMAN

Ted Evans AC



As announced in May this year, Ted Evans announced his decision to retire, which took effect from the close of the 2011 Annual General Meeting on 14 December. We thank him for his enormous contribution to Westpac over a ten year period, including four and a half years as Chairman, and we wish him all the best in his retirement.

Lindsay Maxsted



We welcome Lindsay Maxsted as our new Chairman. Lindsay has been a Board member since March 2008. Prior to joining our Board, Lindsay was the Chief Executive Officer of accountancy firm KPMG from January 2001 to December 2007 and was a partner from July 1984 until his retirement from KPMG in February 2008.

ANNUAL GENERAL MEETING

The Westpac 2011 Annual General Meeting (AGM) was held in Sydney on Wednesday, 14 December 2011.

As this newsletter went to print prior to the AGM, those wishing to see the results of the resolutions listed below can do so at www.westpac.com.au/investor-centre

Copies of the Chairman's and CEO's speeches can be accessed from the same website link. Chairman Ted Evans, in his final AGM speech, discussed the Full Year 2011 result as well as reflecting on some of the highlights from his period as Chairman over the last four and a half years. CEO Gail Kelly in her speech reviewed the Group's strong position and provided insights into the next phase of the Westpac Group's strategic journey.

The following business was considered at the AGM:

- Item 1 – Annual Reports: to receive and consider the Financial Report and the Reports of the Directors and Auditor for the year ended 30 September 2011.
- Item 2 – Remuneration Report: to adopt the Remuneration Report for the year ended 30 September 2011.
- Item 3 – Election of Directors: The re-election of Lindsay Philip Maxsted and John Simon Curtis, and the election of Ann Pickard, as Directors of Westpac.

FINANCIAL CALENDAR

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| Record date for final ordinary share dividend | 11 November 2011 ¹ |
| Annual General Meeting | 14 December 2011 |
| Final ordinary share dividend payable | 19 December 2011 |
| Record date for Westpac SPS and SPS II quarterly distribution | 23 December 2011 |
| Payment date for Westpac SPS and SPS II quarterly distribution | 3 January 2012 |
| Record date for Westpac SPS and SPS II quarterly distribution | 23 March 2012 |
| Half Year end | 31 March 2012 |
| Payment date for Westpac SPS and SPS II quarterly distribution | 2 April 2012 |
| Interim results and ordinary share dividend announcement | 3 May 2012 |
| Record date for interim ordinary share dividend | 18 May 2012 ^{2,3} |
| Record date for Westpac SPS and SPS II quarterly distribution | 22 June 2012 |
| Payment date for Westpac SPS and SPS II quarterly distribution | 2 July 2012 |
| Interim ordinary share dividend payable | 2 July 2012 ³ |
| Record date for Westpac SPS and SPS II quarterly distribution | 22 September 2012 |
| Year end | 30 September 2012 |
| Payment date for Westpac SPS and SPS II quarterly distribution | 2 October 2012 |
| Final results and ordinary share dividend announcement | 5 November 2012 |
| Record date for final ordinary share dividend | 15 November 2012 ^{4,5} |
| Annual General Meeting | 13 December 2012 ⁶ |
| Final dividend payable | 20 December 2012 ⁴ |

1 Record date for 2011 final ordinary share dividend in New York – 10 November 2011.

2 Record date for 2012 interim ordinary share dividend in New York – 17 May 2012.

3 Dates will be confirmed at the time of announcing the 2012 interim results.

4 Dates will be confirmed at the time of announcing the 2012 final results.

5 Record date for 2012 final ordinary share dividend in New York – 14 November 2012.

6 Details regarding the location of this meeting and the business to be dealt with will be contained in the separate Notice of Meeting sent to shareholders in November 2012.

CHANGE TO PAYMENT OPTIONS FOR WESTPAC DIVIDENDS

From and including the 2011 final dividend, paid today, dividend payments to Westpac shareholders resident in Australia, New Zealand and the United Kingdom will be made by direct credit or via the Dividend Reinvestment Plan (DRP) only. No cheque payments will be made.

Shareholders resident in these countries who have not supplied their financial institution account details should do so as soon as possible to ensure that they receive the final dividend (and all future dividends). Those who have not supplied their account details as at the Record date, 11 November 2011, will find a personalised form enclosed with this newsletter, that will allow them to update their details and have the dividend paid promptly. Details can also be updated via the Link Market Services (Link) website at www.linkmarketservices.com.au.

Link can be contacted at:
Tel: 1800 804 255 (toll free from within Australia)
or +61 2 8280 7070 from outside Australia;
Email: westpac@linkmarketservices.com.au;
or Mail: Locked Bag A6015, Sydney South NSW 1235.

The DRP, which is available to shareholders resident in Australia and New Zealand, will continue to operate unchanged.