The Westpac Group
2010 Full Year Results

3 November 2010

The Westpac Group
2010 Full Year Results

Gail Kelly
Chief Executive Officer

Westpac Banking Corporation ABN 33 007 457 141

Key messages

- Strong, high quality performance
- Key strategic choices have resulted in
  - Improved sustainability of earnings
  - Tightened focus on customer segments
  - Significant investment in people, multi-brand platform and technology
  - Stronger wealth with capability further embedded into the business
  - Strengthened capital, funding and liquidity
- Low impairment charges reflects high quality of portfolio
- Dividend growth path restored

Robust result

	FY10	% change FY09 – FY10
Cash EPS	197.8c	+ 21
Fully franked dividend (full year)	139c	+ 20
Return on ordinary equity (cash basis)	16.1%	+ 210 bps
Cash earnings	$5,879m	+ 26
Reported NPAT	$6,346m	+ 84
Core earnings[1]	$9,938m	- 1
Impairment charges to average loans	30 bps	- 43 bps
Expense to income ratio (cash basis)	41.2%	+ 110 bps

1 Core earnings equals profit before impairment charges and tax.

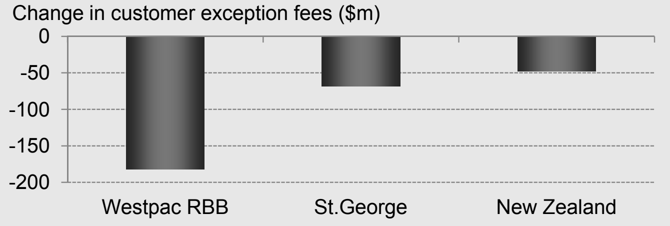
Good earnings across the business

Cash earnings ($m)	FY08	% change	FY09	% change	FY10
Westpac RBB	1,752	▲ 9	1,908	▼ 8	1,756
Westpac Institutional Bank	853	▼ 58	361	▲ 319	1,514
St.George Bank	1,101	▼ 5	1,043	–	1,041
BT Financial Group	536	▼ 8	493	▲ 21	595
Westpac New Zealand (in NZ$)	473	▼ 50	236	▲ 36	322
Total Westpac Group	**5,047**	▼ 7	**4,675**	▲ 26	**5,879**

Represents % change over prior year

Improved sustainability of earnings

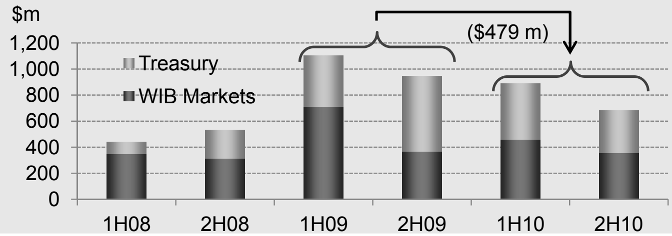
$300m reduction in customer fees



Major productivity initiative underway

Productivity initiative to make the Group easier to do business with and reduce ongoing expenses	Expenses savings in FY10	Approx $29m
	Annualised run rate of savings to date	Approx $46m

Markets & Treasury income almost $500m lower

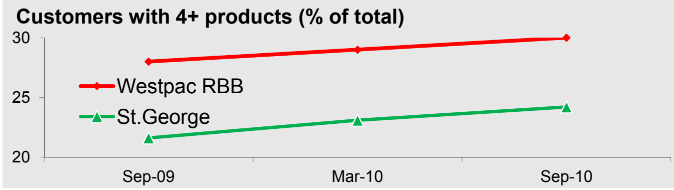


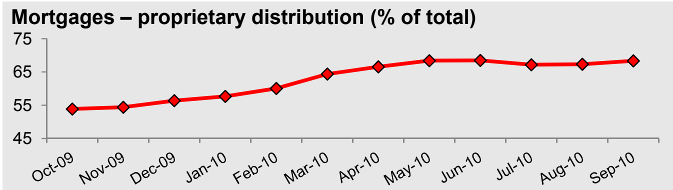
Restructured/exited underperforming businesses

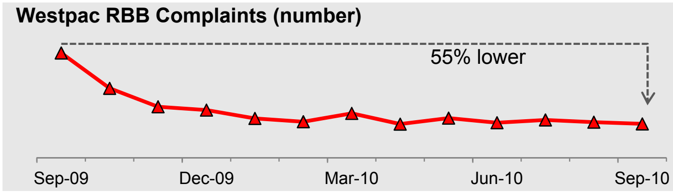
- Run-down in Structured Finance – Cash earnings of $17m for FY10 down from $50m in FY08
- Restructured Equities – Cash earnings of $93m for FY10 up from $95m loss in FY09
- Exited property funds management in WIB
- Commercial property lending down below pre-merger levels

Tightened focus on key customer segments

Plan	Outcome
Westpac Local	Deeper relationships with target segments, Affluent and SME
St.George regional model	Leading the sector in customer advocacy, driving deeper relationships
Focus on proprietary channels	Business written via proprietary channels up more than 10 percentage points
Focus on total customer relationships	Products per customer higher across the Group
Reduce complaints	Westpac RBB complaints down 55%, Technology severity 1 incidents[1] down 95% over three years



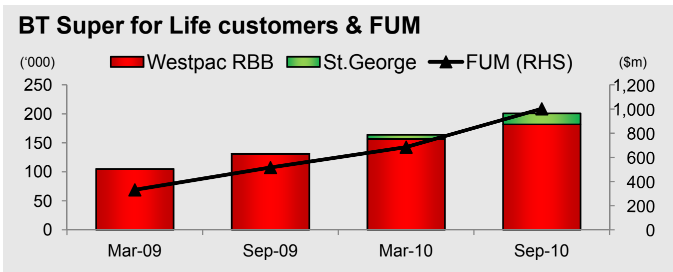




1 Severity 1 incidents are major technology disruptions impacting customers or employees.

BTFG stronger with wealth further embedded in the business

- Distribution
  - Strong planner force including: internal, aligned and external planner networks
  - 20% uplift in revenue per internal planner
- Platforms capturing $1 in $4 of FUA flows
- Super
  - 10% Corporate market share with 13% of flows
  - Strong BT Super for Life ($1bn in FUM)
- Insurance
  - 25% rise in Home and Contents gross written premiums
  - 11% rise in Life in-force premiums
- Well positioned for regulatory change

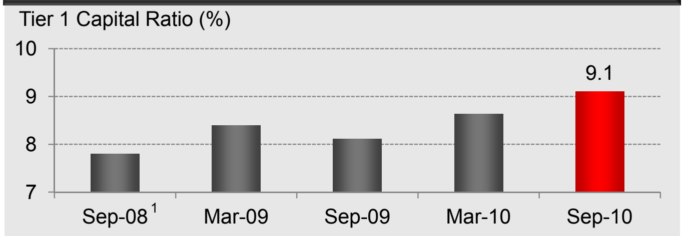


	Current Australian market share[1]		Share of annual new business	
Product	Market share (%)	Rank	Market share (%)	Rank
BT Wrap/Asgard Platforms	20.1	1	27.0	1
Corporate Super	10.1	5	12.8	4
Retail (excl. cash)	18.9	1	33.8	1

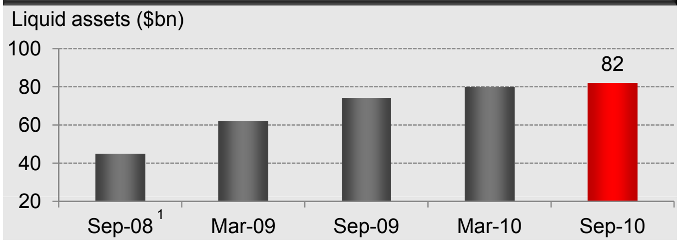
1 Plan for Life, June 2010.

Significantly strengthened balance sheet

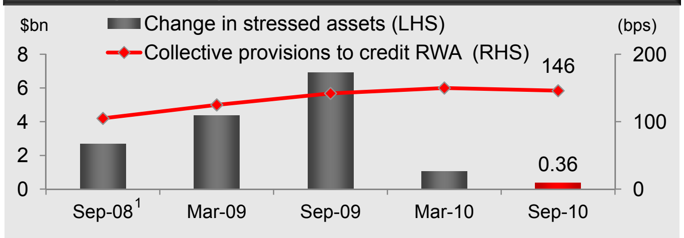
Tier 1 Ratio 98 bps higher



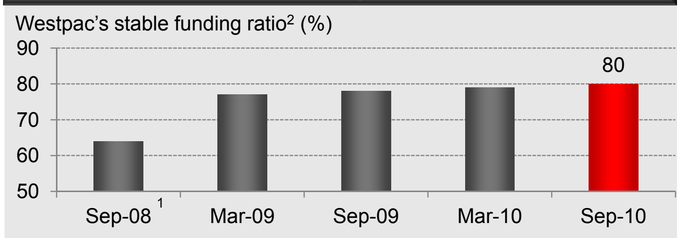
Strengthened liquidity position



High quality portfolio and well provisioned



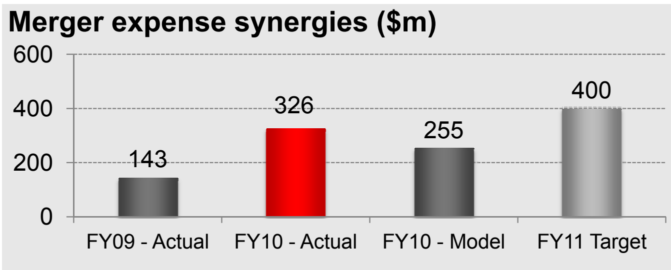
Stable funding improved



1 Excludes St.George. 2 Stable funding ratio is the Westpac ratio of customer deposits + wholesale funding with residual maturity greater than 12 months+ equity + securitisation, as a proportion of total funding.

St.George merger largely complete, ahead on milestones

- Milestones delivered ahead of plan
  - Expanded wealth and credit card offers
  - Combined head office systems including GL, HR & risk
  - One ADI
  - Basel II advanced accreditation
- Expense synergies 28% ahead of plan, revenue benefits also higher
- Solid financial performance
- Multi-brand model delivering, further benefits to come
- Franchise health strong and improving

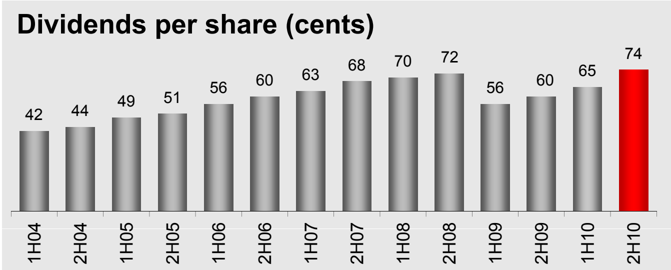


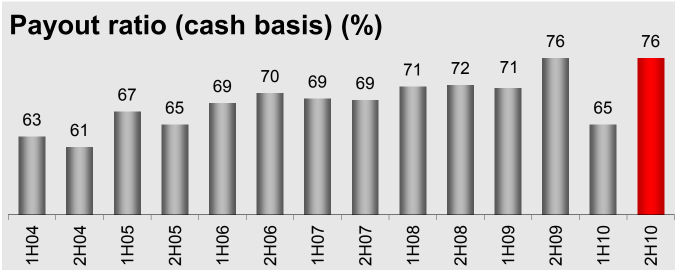
Revenue benefits ahead of plan

- No customer attrition – customer numbers up
- BT Super for Life – over 19,000 customers
- Home & Contents insurance cross-sell up from 30% to 43%
- Amplify card – 1,000 new cards per week

Restored dividend trajectory

- Final dividend 74 cents, up 23% over 2H09 dividend
- FY10 dividends up 20% over FY09
  - Higher earnings per share, up 21%
  - Full year pay-out ratio 71%
  - Strong capital position
- DRP satisfied by new share issuance, with no DRP discount
- Significant franking balance, $1.6bn



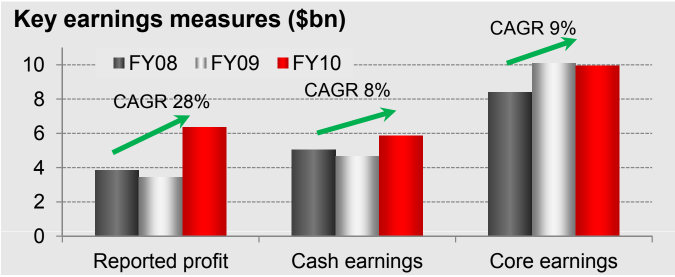


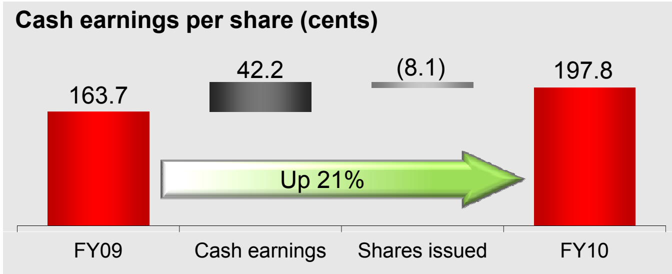
The Westpac Group 2010 Full Year Results

Philip Coffey
Chief Financial Officer

Westpac Banking Corporation ABN 33 007 457 141

Robust earnings path

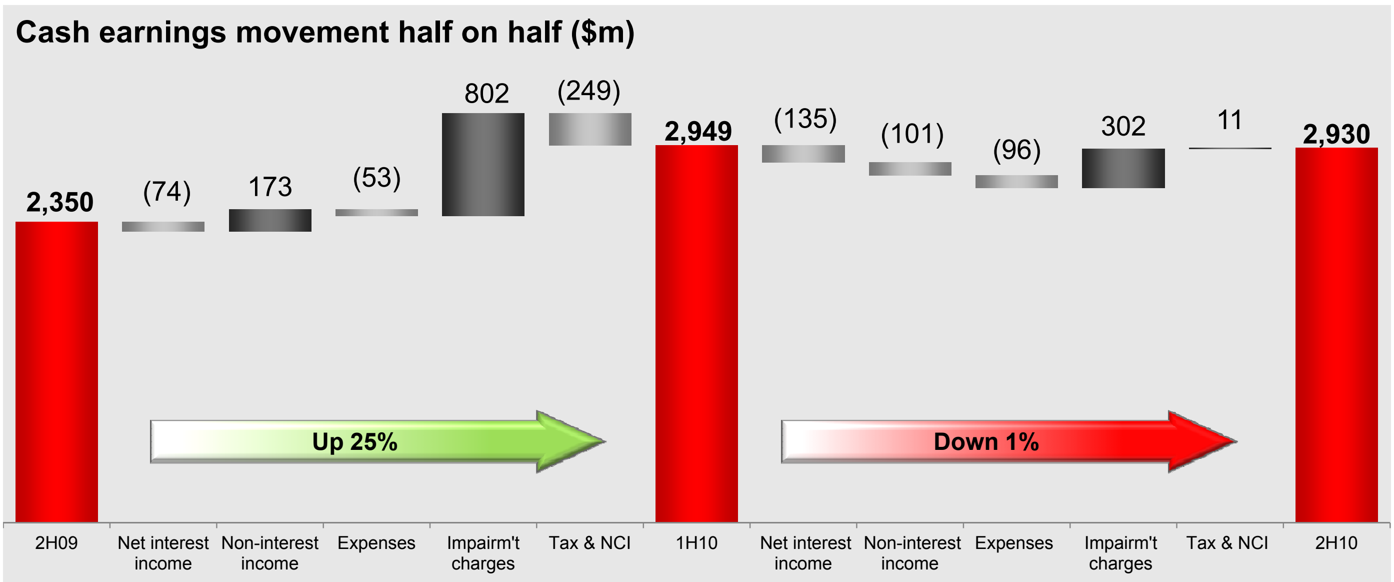




- Good uplift in earnings over last 2 years
- FY09 – FY10 movements
  - 84% uplift in Reported profit supported by merger tax consolidation
  - Cash earnings up 26%
  - Core earnings 1% lower

- 21% lift in Cash EPS given strong Cash earnings
- Shares issued reflects
  - Full period impact of early 2009 capital raising, 3.4 cents (not recurring)
  - DRP and employee share issuance 4.7 cents

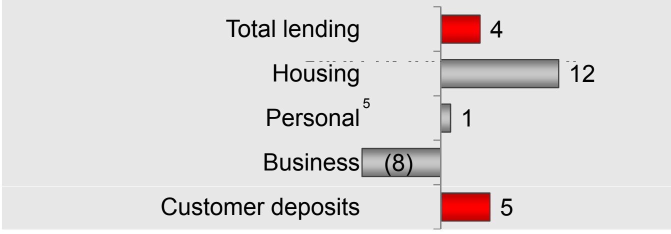
Cash earnings flat over 2H10 after very strong 1H10



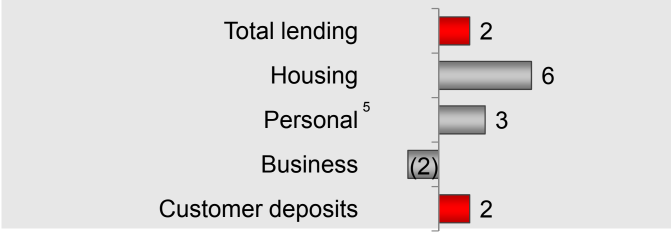
Sustainable balance sheet growth

- Australian lending growth of 4%, above system
  - Housing up 12%, 1.2x banking system[1]
  - Personal up, mostly St.George cards
  - Business down $11bn (8%), including commercial property down $7bn and financial institutions down $3bn
- New Zealand[2] lending up 2%, compared to NZ private system credit[3] down 0.3%
- Customer deposits up 5%. Strong rise in Westpac RBB (up 10%) and St.George (up 7%)
  - Household deposits growing ahead of system (1.1x)
- In 2H10, customer deposits increased $8.6bn against loan growth of $3bn

Australian[4] growth FY09 – FY10 (%)



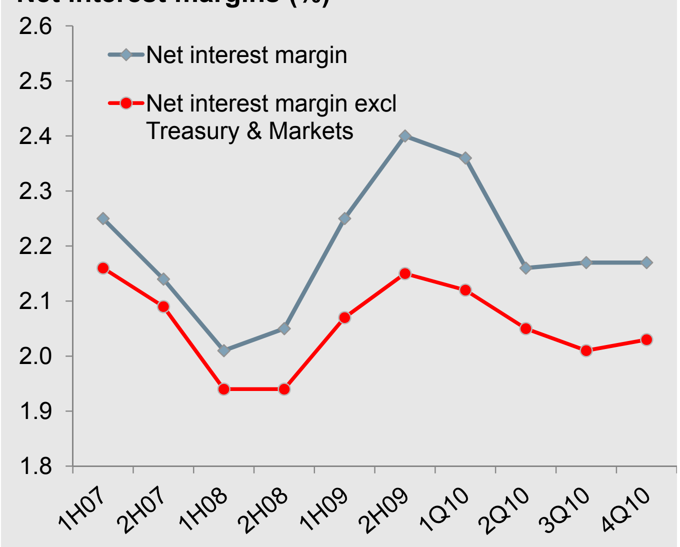
New Zealand[2,4] growth FY09 – FY10 (NZ$) (%)



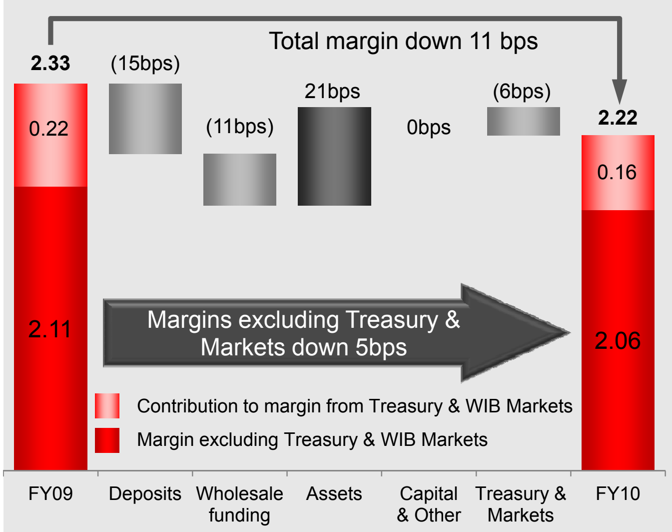
1 APRA banking system growth, 12 months to 30 September 2010. 2 New Zealand geographic exposure including Westpac New Zealand and WIB New Zealand. 3 Source: RBNZ private sector credit 12 months to 30 September 2010. 4 Spot balance movements. 5 Personal is personal loans and credit cards.

Margin decline slowing

Net interest margins (%)

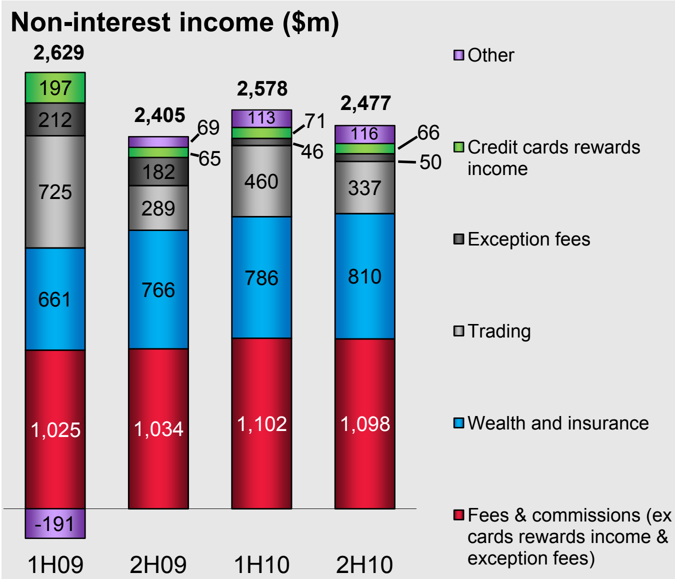


Net interest margin movement (%)



Non-interest income absorbed lower markets and fees

- Non-interest income little changed with different, more sustainable composition
- Fees & commissions (excluding exception fees and cards rewards income) up 7%
- Good growth in wealth, up 21%
- Trading down $217m over year from unsustainably high 2009
- Exception fees rebased from changes introduced on 1 October 2009, down $298m
- 'Other' stronger as asset write-downs of 2009 not repeated



Markets and Treasury moderating with lower volatility

- Good Markets and Treasury income although lower consistent with reduced volatility
- Fall in VaR reflects the roll-off of volatility experienced during the GFC
- WIB Markets revenue down $265m or 25% over year
  - Down 22% in 2H10, with customer related earnings up 14% and trading down 62%
- Treasury down $214m in FY10, following a very strong FY09

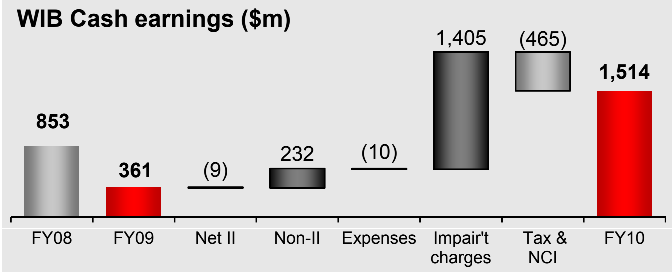
Markets revenue by source ($m)	1H09	2H09	1H10	2H10
Customer activity	337	224	238	272
Market trading activity	376	143	221	84
Total	**713**	**367**	**459**	**356**
Markets revenue by division				
Debt Markets & Equities[1]	206	208	256	149
Foreign Exchange, Commodities, Carbon & Energy	507	159	203	208
Average markets VaR[2]	9.3	10.6	8.8	5.2

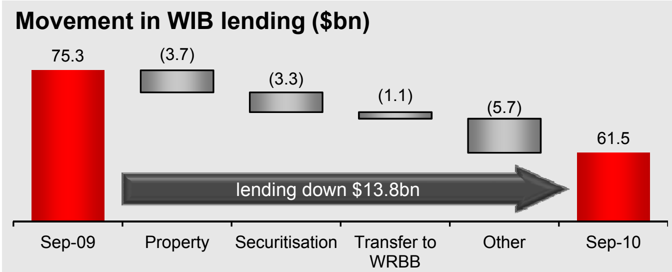
Treasury revenue ($m)	1H09	2H09	1H10	2H10
Total revenue	**389**	**581**	**429**	**327**
Average Treasury VaR[2]	41.4	36.0	29.5	25.4

1 Represents net interest income and non-interest income from sales and trading operations in Debt Markets and Equity Derivatives component of Equities business. 2 VaR at 99% confidence level, 1 day hold period.

Westpac Institutional Bank - a strong performance

- Cash earnings up fourfold, and materially higher than pre-GFC
- Result supported by
  - 7% revenue growth and 10% core earnings growth
  - Significant reduction in impairments
  - Turnaround in Equities
- WIB lending lower
  - Over half the decline in property and financial institutions segments
  - No. 1 Australian Domestic Bond underwriting[1]
  - Higher margins from appropriate pricing for risk

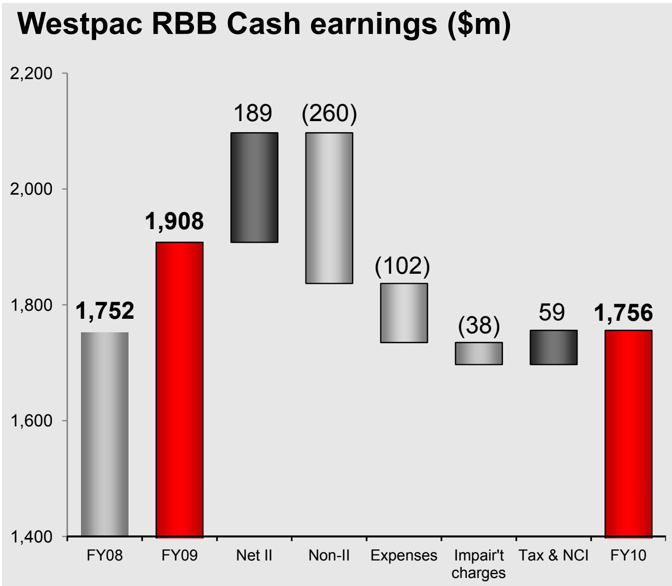




1 Bloomberg Australia and NZ Capital markets (excludes self led client deals).

Westpac RBB solid performance with Westpac Local delivering

- Cash earnings 8% lower over the year
- Continued to grow above system[1] – deposits (1.2x system) and loans (1.4x system)
- Non-interest income lower from
  - Rebasing customer fees, $182m impact
  - Lower card loyalty points, $125m impact
- Success in deepening relationships
  - 30% of customers have 4+ products
  - Strong 96% retention of customers in target segments
  - 157k increase in customers
  - SME lending up 6%

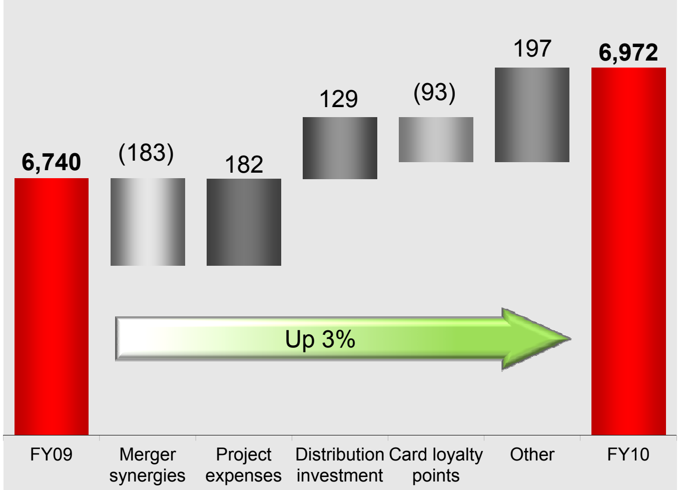


1 APRA Monthly Banking Statistics 12 months to September 2010.

Expenses up 3%, with investment funded by productivity

- Expense growth moderated with
  - Additional merger synergies $183m
  - No fixed salary rises for senior executives
- Full period impact of distribution investment in Westpac RBB and St.George totalling $129m
- Incremental project investment $182m
- Westpac Foundation investment $20m
- Expense to income ratio 400bps below peer average

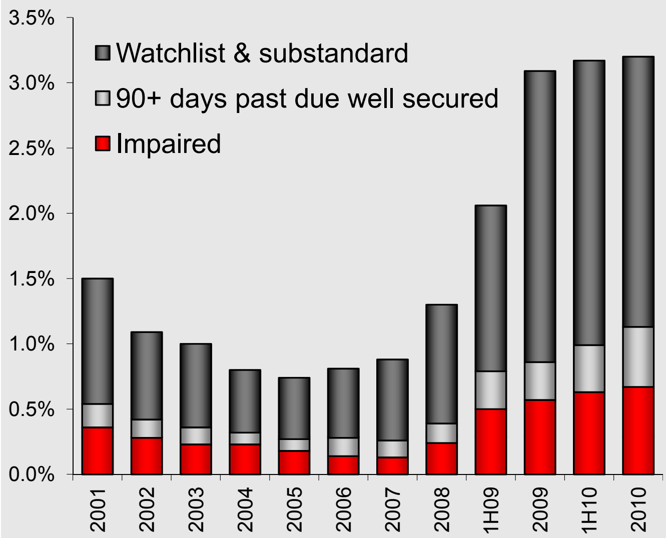
Components of expenses ($m)



Asset quality stabilised on FY09 levels

- Stressed exposures at 320bps of TCE, up 11bps from Sept 09
- Watchlist & substandard as a % of TCE down 16bps, with new stress slowing
- 90 days past due up 17bps, from well secured commercial property and slightly higher mortgage delinquencies
- Impaired assets up 10bps
  - Larger companies entering impaired previously identified as stressed
  - New and increased impaired assets of $3bn in FY10 down from $4bn in FY09
- Sector leading provision coverage ratios

Stressed exposures as a % of TCE[1,2]

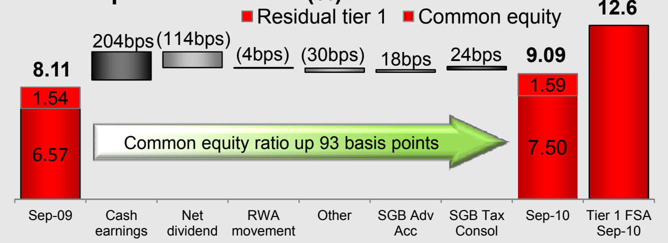


1 TCE is Total Committed Exposure. 2 2008 and prior excludes St.George.

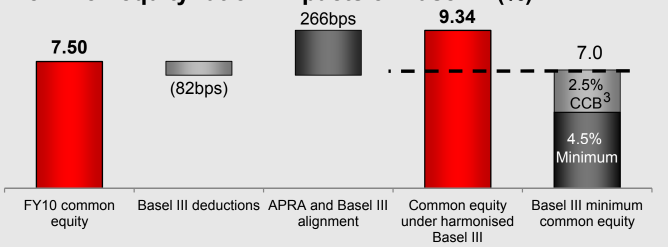
Strong capital generation

- Strong organic capital generation,[1] 86bps over FY10
- St.George merger integration added 42bps
- Other impacts down 30bps, including DTA[2] impacts of higher $A and defined benefit plan deduction
- Well placed for Basel III rules
  - Solid common equity ratio of 7.50%
  - Strong organic capital generation
  - New deductions estimated to reduce ratios by 82bps
  - Full harmonisation to Basel III would see current common equity ratio up 184bps to 9.34%

Tier 1 Capital movements (%)



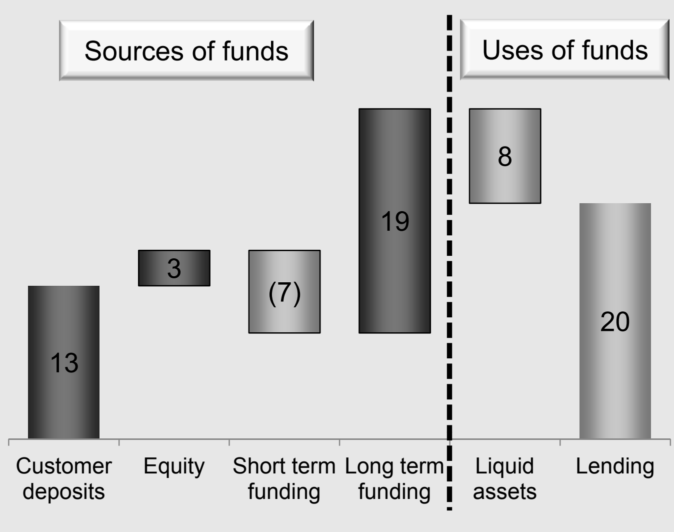
Common equity ratio – impacts of Basel III (%)



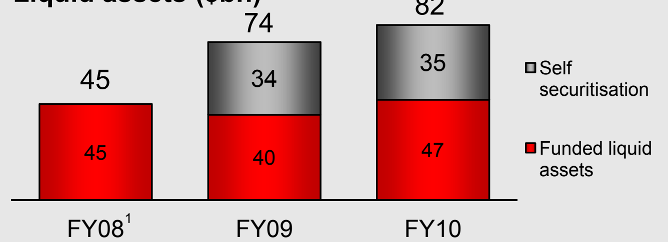
1 Organic capital is Cash earnings, less net dividends less RWA movement. 2 DTA is Deferred Tax Assets. 3 Capital conservation buffer.

Funding well managed through the year

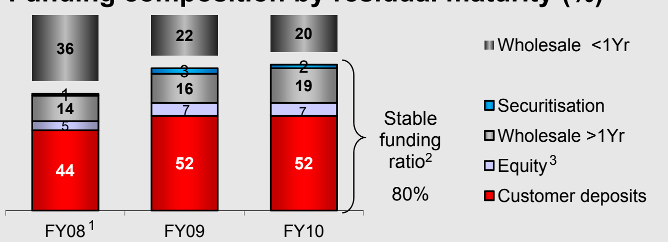
Sources and uses of funds over FY10 ($bn)



Liquid assets ($bn)



Funding composition by residual maturity (%)



1 Excludes St.George. 2 Stable funding ratio is the Westpac ratio of customer deposits + wholesale funding with residual maturity greater than 12 months+ equity + securitisation, as a proportion of total funding. 3 Equity excludes FX translation, available for sale and cash flow hedge reserve.

Environment improving with fewer headwinds

- Dealt with major headwinds
  - Through impacts of lower customer fees
  - Markets income rebased
  - Expect margins to be lower but rate of decline to moderate from FY10 (excluding Markets/Treasury)
- System growth modestly improving, Westpac focused on improving share in target segments
- Continuing to grow wealth share
- Project expenses rising although largely funded by productivity
- Impairment charges to moderate reflecting high quality book more stable environment and work-out of existing facilities

The Westpac Group 2010 Full Year Results

Gail Kelly
Chief Executive Officer

Summary

- Global operating environment improving although recovery uneven
- Australian economy remaining strong, those closest to the resources sector best placed
- Customers likely to remain conservative
  - Consumer lending growth to remain around current levels
  - Solid business pipeline although draw-downs a little way off
- Regulatory reform expected to be balanced
- Starting 2011 in a strong position

Disclaimer

The material contained in this presentation is intended to be general background information on Westpac Banking Corporation (Westpac) and its activities.

The information is supplied in summary form and is therefore not necessarily complete. It is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in Australian dollars unless otherwise indicated.

Presentation of financial information

Unless otherwise noted, financial information in this presentation is presented on a cash earnings basis. Refer to Westpac's Full Year 2010 Results (incorporating the requirements of Appendix 4E) for the financial year ended 30 September 2010 available at www.westpac.com.au ("Profit Announcement") for details of the basis of preparation of cash earnings.

The material contained in this presentation includes pro forma financial information. This pro forma financial information is prepared on the assumption that Westpac's merger with St.George Bank Limited was completed on 1 October 2008 (unless pro forma information is stated to relate to an earlier period, in which case such data is prepared on the assumption that the merger was completed on 1 October of such earlier period) with the exception of the impact of the allocation of purchase consideration, associated fair value adjustments and accounting policy alignments, which were only incorporated from and including 18 November 2008, being the accounting consolidation date. The pro forma financial information is unaudited. It is provided for illustrative information purposes to facilitate comparisons of the latest period with prior periods and is not meant to be indicative of the results of operations that would have been achieved had the merger actually taken place at the date indicated. Refer to the Profit Announcement for further information.

Disclosure regarding forward-looking statements

This presentation contains statements that constitute "forward-looking statements" including within the meaning of Section 21E of the US Securities Exchange Act of 1934. The forward-looking statements include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

We use words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. These statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon us. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from the expectations described in this presentation. Factors that may impact on the forward-looking statements made include those described in the sections entitled 'Risk and risk management' in Westpac's current Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation.

The Westpac Group 2010 Full Year Results

3 November 2010