



Sustainability *matters.*

THE WESTPAC GROUP

Annual Review and Sustainability Report 2010



Performance *matters.*

(Highlights) See Page 02.

(Chairman's Report) See Page 04.

Leadership *matters.*

(CEO's Report) See Page 06.

Listening *matters.*

(Stakeholder Engagement) See Page 08.

Direction *matters.*

(Strategy & Vision) See Page 10.

Sustainability *matters.*

(Sustainability) See Page 11.

Brands *matter.*

(Our Businesses) See Page 17.

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Annual General Meeting

The Westpac Annual General Meeting (AGM) will be held in the Grand Ballroom at the Hilton Sydney, 488 George Street, Sydney, on Wednesday, 15 December 2010, commencing at 10:30am. The AGM will be webcast live on the internet at www.westpac.com.au/investorcentre and an archived version of the webcast will be placed on the website to enable the AGM proceedings to be viewed at a later time.

Westpac Banking Corporation ABN 33 007 457 141

Information contained in or accessible through the websites mentioned in this Annual Review and Sustainability Report does not form part of this document unless we specifically state that it is incorporated by reference and forms part of this document. All references in this report to websites are inactive textual references and are for information only.

More detailed information about The Westpac Group is available on our investor website www.westpac.com.au/investorcentre. In particular, we refer you to Section 1 of The Westpac Group Annual Report 2010, which can be viewed at or downloaded from the website.



As Australia's first bank, now very nearly 200 years old, it's not surprising that **sustainability matters** to us.

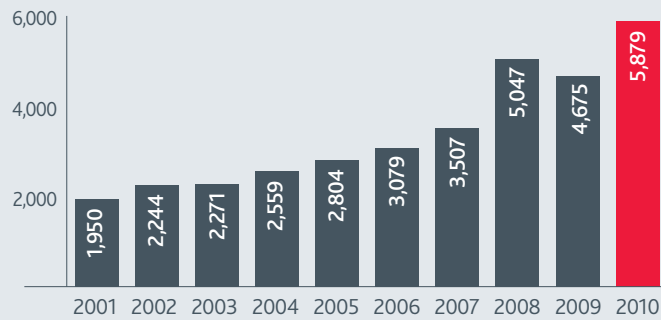
With a history built on a long-term view, our vision is to be one of the world's great companies by helping our customers, communities and people to prosper and grow.

2010 Highlights

Performance matters.

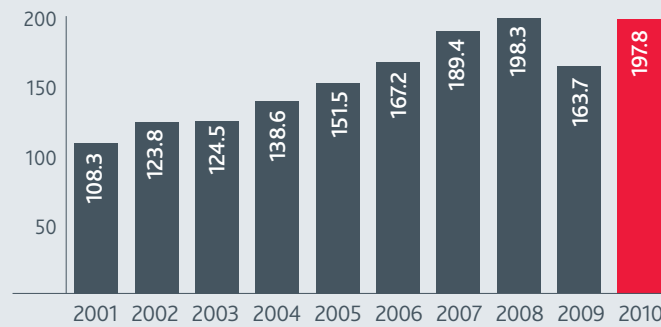
Cash earnings \$5,879 million, up 26%

Cash earnings (\$m)^{1,2}



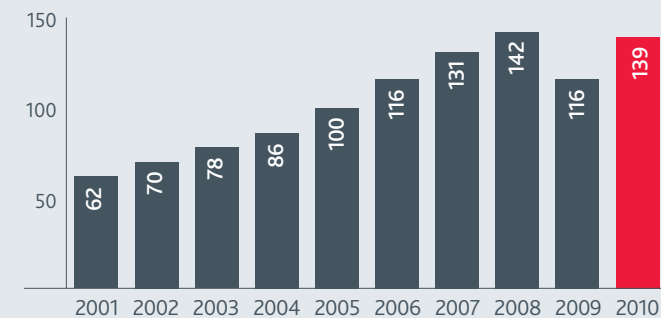
Cash earnings per ordinary share 197.8 cents, up 21%

Cash earnings per ordinary share (cents)^{1,2}



Dividend 139 cents, up 20%

Dividend per ordinary share (cents)



Our Performance	2010	2009	% Mov't 2010/2009
Cash basis^{1,2}			
Cash earnings (\$m)	5,879	4,675	26
Cash earnings per share (cents)	197.8	163.7	21
Cash return on equity ³ (%)	16.1	14.0	15
Economic profit ⁴ (\$m)	3,438	2,175	58
Reported Earnings			
Net profit ⁵ (\$m)	6,346	3,446	84
Earnings per share (cents)	214.2	125.3	71
Dividends per share (cents)	139	116	20
Return on equity ³ (%)	17.4	10.8	61
Expense to income ratio (%)	43.9	43.4	(1)
Tier 1 capital ratio (%)	9.1	8.1	12
Asset quality ratio ⁶ (%)	6.2	5.7	(9)

Sustainability	2010	2009
Employee engagement ⁷	80	81
Women in management ⁸ (%)	35	NA
Lost time injury frequency ratio ⁹ (LTIFR)	2.6	2.6
Community investment ¹⁰ (\$m)	113	84
Greenhouse gas emissions ¹¹ (tonnes CO ₂ -e)	189,425	187,239

- Cash earnings is net profit attributable to equity holders adjusted for the impact of Treasury shares, fair value changes on economic hedges of hybrid instruments, and one-off significant items not part of ongoing business operations.
- Figures for 2009 (and for cash earnings in 2008 only in the ten year chart) are presented on a 'pro-forma' basis, that is as if the merger between Westpac and St.George was completed on 1 October 2007. Cash earnings for 2009 has been restated to exclude the impact of St.George merger related fair value adjustments.
- Return on average ordinary equity.
- Economic profit represents the excess of adjusted cash earnings over a minimum required rate of return on equity invested. For this purpose, adjusted cash earnings is defined as cash earnings plus the estimated value of franking credits paid to equity holders.
- Net profit attributable to equity holders.
- Net impaired assets to equity and collectively assessed provisions.
- Employee engagement is a score out of 100; prepared by Towers Watson.
- Women in management refers to all permanent and maximum term contract in people leadership roles as at Sept 30.
- Lost time injury frequency ratio (LTIFR) measures injuries per one million hours worked.
- Community investment is calculated in accordance with the Global Reporting Initiative indicator ECI. It includes foregone fee revenue of \$88.6m (\$60.4m in 2009).
- Refers to scope 1 and 2 emissions in Australia and New Zealand. Prepared in line with the National Greenhouse and Energy Reporting Act (2008), Greenhouse Gas Protocol and Certified Emissions Measurement and Reduction Scheme (CEMARS).

More detailed definitions are available in our online report.

Recognition.

Sustainability

World's Most Ethical Companies by the Ethisphere Institute in 2010
The only Australian company.

2010 Global 100 Most Sustainable Corporations in the World
The only Australian bank.

Money magazine 2010 Climate Leadership Award
Gold award for Climate Leadership at 'Best of the Best' awards.

Dow Jones Sustainability Index
10 consecutive years as a leader in global banking sector and again awarded SAM Gold Class status in 2010.

Carbon Disclosure Project
Global leadership index of the Carbon Disclosure Project, for the 6th year in a row and included in the Global Performance Index in its first year.

FTSE4Good
Included in the international responsible investment index, the FTSE4Good Index Series.

Customers – Products & Service

AFR Smart Investor Blue Ribbon Awards
Asgard, Best Investment Platform; BT Wrap, Best Super Wrap Platform.

Winner 2010 Canstar Cannex Innovation Excellence Award
St.George Bank and BankSA launched SENSE, a savings product with tools to save and improve customers' money management.

Money magazine's 'Best of Best Awards'
St.George, Best bank DIY Super Savings Account for its DIY Super direct saver product; Cheapest bank Home Loan for its Negotiated Basic Home Loan product; and Cheapest bank Margin Loan.

RAMS Home Loans, Cheapest non-bank Low-Doc Loan for its Self-employed Pro Pack 1 product.

Westpac Retail & Business Banking awarded Business Bank of the Year 2010.

Peter Lee Associates Large Corporate & Institutional Relationship Banking Survey – Australia 2010.

Westpac Institutional Bank ranked Equal No.1 for Lead Bank; Equal No.1 for Relationship Strength Index; and No. 1 for Customer Satisfaction Index.

2010 ASFA Communications Awards
BT Super for Life was awarded Integrated Campaign of the Year and Winner of Excellence in Member Communication.

People

2010 Blue Ribbon List
The Westpac Group was recognised in Equal Opportunity for Women in the Workplace Agency (EOWA)'s 2010, 2009 and 2008 Lists.

2010 Fairfax Employment Marketing Award (FEMA)
For Best Promotion to attract graduates.



Performance *matters. Ted Evans*

“I am very pleased to report that The Westpac Group performed strongly through this period, delivering a sound financial result and that this is reflected in the higher dividend payout.”

The past year has seen further improvement in the Australian economy. Unemployment has stayed low and the household sector remains quite resilient. While the Australian economy remains robust, there is still a degree of continuing uncertainty in global markets and so we have maintained our conservative approach to the way we are managing our balance sheet. This is reflected in the higher levels of capital and liquidity that we are continuing to hold and in the continued conservative levels of provisioning.

Together with our regulators, who acted swiftly and pro-actively during the financial crisis, we are continuing to work our way through the various new capital and liquidity regulatory standards that have been proposed or are in early stages of implementation. We recognise that we will be operating under new and tougher standards in both these areas in the future. This is another reason for our cautious approach.

We have already made substantial changes to our business and we are well placed to respond and adapt to regulatory changes.

Against this backdrop, I am very pleased to report that The Westpac Group performed strongly through this period, delivering a sound financial result and that this is reflected in the higher dividend payout.

The St. George merger integration has progressed even better than we anticipated and the Executive are now focused on the next steps in building and leveraging on the unique position that operating multiple brands brings us. CEO Gail Kelly will provide more detail on the business performance and on the strategic direction and steps that we are taking with regard to our brands, our customers, our people and the communities in which we operate.

Sustainability

In 2017, your company will have been in business for 200 years – a remarkable milestone. So, for us, sustainability in its broadest sense is about managing and positioning the company for the long term and is an approach embedded in the Board’s decision making.

In the way that we report progress to you, we took a first step last year of bringing together our performance review and sustainability review. This year we have taken another step towards integrating financial and non-financial reporting. As a result, we will discuss our sustainability objectives and outcomes throughout the business unit reports.

Turning to specific sustainability objectives, we have made further tangible progress on a number of measures, including the finalisation of an Environmental, Social and Governance (ESG) Risk Framework, and policies to more explicitly incorporate these risks across our portfolio of businesses. Work is continuing on a specific framework for our investment approach, but this was not finalised during the reporting year. In addition, we’ve continued our role as a strong and active supporter of the transition to a low carbon economy through our participation in the New Zealand Emissions Trading Scheme and involvement in a number of renewable energy endeavours.

A sound financial result

Our net profit was \$6,346 million, an increase of 84 per cent from last year. This was a solid result, reflecting the stabilising of our asset quality and the reduction in impairment charges, partly offset by the continued rise in the Group’s funding costs.

Cash earnings was \$5,879 million, up 26 per cent. Cash earnings per share increased 21 per cent, a pleasing increase given the modest dilutionary effect of the additional capital issued in 2009.

Revenue growth on a cash basis was relatively flat, up 1 per cent, with good asset growth being offset by lower margins and lower fees from customers. Expense growth was 3 per cent, reflecting continued investment in our frontline distribution and also in project spend. The cost to income ratio increased to 41 per cent from 40 per cent, on a cash basis.

The return on equity on a cash basis was 16.1 per cent, up from 14.0 per cent last year, reflecting improved earnings, partially offset by the expanded capital base.



Ted Evans AC Chairman
The Westpac Group

Shareholder returns

The final dividend for the year of 74 cents brought the total dividends for the year to \$1.39 per share, up 20 per cent on the prior year and representing a cash earnings payout ratio of 70.7 per cent. It is pleasing to report the return this year to a positive dividend trajectory.

The Westpac share price remained volatile during the year, but performed broadly in line with the overall market, with the share price finishing the financial year down 11 per cent consistent with the decline in the Banks and Finance Index. Our market capitalisation stood at \$69.5 billion at 30 September 2010.

Conservative position maintained

Given the remaining uncertainties around the global economies and regulatory change impacts that I have mentioned, our conservative approach has resulted in: the Tier 1 capital ratio increasing from 8.1 per cent to 9.1 per cent; our already sector leading provisioning coverage, as measured by total provisions to total risk weighted assets, increasing to 1.81 per cent, up from 1.64 per cent a year ago; and we continued to enhance the Group’s liquidity and funding position, including raising more customer deposits.

During the year we have maintained our ‘AA’ credit rating, now one of just 10 banks globally with a credit status of ‘AA’ or higher.

People and leadership

This has been another very busy and demanding year for both the Board and the management leadership team. The fact that your company remains in a very sound position and has bounced back so soundly from the depths of the Global Financial Crisis, ahead of many here and globally, I believe reflects the strong leadership and direction of our CEO and her hard-working Executive Team.

The composition of the Board has remained constant during the year and I acknowledge my colleagues’ support and dedication during the year.

Outlook

As I mentioned at the start, the past year has seen continued improvement in the Australian economy. There is, however, still a degree of uncertainty in global markets and so we have maintained our conservative approach to the way we are managing the balance sheet.

In addition, the various new capital and liquidity regulatory standards that have been proposed or are in early stages of implementation clearly mean that we will be operating under new and tougher standards in the areas of capital and liquidity.

In the period ahead, economic activity is expected to further improve as business investment picks up and global growth trends higher. Nevertheless, we expect some of the legacies of the global financial crisis to be with us for some considerable time.

Your company has continued to perform very soundly, delivering stronger returns and ending the year in much stronger shape. As a result, The Westpac Group is in excellent shape to continue delivering strong returns for shareholders.



Leadership matters. *Gail Kelly*

It is a pleasure to report on our performance over the past year and share with you the key areas we have been focusing on to take The Westpac Group towards our vision of becoming one of the world's great companies, helping our customers, communities and people to prosper and grow.

I am pleased to report a robust performance for the year. In summary, reported profit was up 84% and cash earnings, our preferred measure of bottom-line performance, was up 26%. Cash earnings per share increased 21%. We finished the year well placed, strengthening our balance sheet, and enhancing our franchise with further front-line investment and a more stable technology infrastructure. This sets us up well for the future.

Responding to the changing landscape

As the Chairman outlined, the external environment has improved although uncertainty remains internationally.

The financial services landscape benefited from a more robust economy, stronger business and consumer confidence, and the proximity to the high growth Asian region. Nevertheless, the legacy of the GFC remains and the sector has yet to fully adjust to a new environment that includes lower gearing, higher funding costs and greater regulatory requirements.

In the circumstances, we have further increased our Tier 1 capital ratio, to 9.1% from 8.1%, maintained our sector-leading provisioning coverage, with total provisions to risk weighted assets at 1.81%, and continued to enhance our liquidity and funding position, including raising more customer deposits.

Our financial performance

The Westpac Group performed soundly through the year, generating cash earnings of \$5,879 million or 198 cents per share. The Group delivered good lending and deposit growth but this was also offset by higher funding costs. In an improving economy a key driver of performance was a significant reduction in impairment charges or 'bad debts'.

Pleasingly, there were also strong improvements in our businesses when compared to last year, particularly the Westpac Institutional Bank, BT Financial Group and New Zealand.

The Group also absorbed a number of changes that have improved the quality of earnings but negatively impacted revenue growth this year. These included:

- Significant reductions to certain customer fees;
- Markets income returning to more sustainable levels; and
- Increasing capital and liquidity as we further strengthened our balance sheet.

Westpac Retail & Business Banking delivered strong lending and deposit growth, which was offset by higher funding costs. Pleasingly, we also deepened relationships with an increase in customers with four or more products.

Westpac Institutional Bank performed strongly, with core earnings up 10% and cash earnings rising more than fourfold to \$1,514 million. Revenue grew by 7% while impairment charges fell by 92%.

St.George Bank delivered flat cash earnings, as lower income from customer fees and higher funding costs offset loan growth and a 14% reduction in impairment charges. St.George has strengthened its leadership position in customer advocacy for both consumer and business customers, and has further deepened customer relationships.

BT Financial Group cash earnings rose strongly, up 21%, from strong fund flows, improved market conditions and a higher insurance contribution. The division maintained its number 1 position in wealth administration platforms. And, its BT Super for Life product reached \$1 billion in funds under management, with \$1 in every \$5 being invested in a sustainable investment process.

Westpac New Zealand reported a much improved cash earnings, up 33%. This is a pleasing turnaround achieved through a substantial improvement in growth in loans and deposits relative to system, including critical target segments and a significant reduction in impairment charges. Partially offsetting these improvements were reductions in customer fees, higher funding costs and expenses associated with supporting our people and customers following the Canterbury earthquake.

Our focus this year

This year we continued to make excellent progress as we transform our company into a stronger customer-centric organisation. Achievements included:

- Good market share gains in mortgages and deposits, and increasing the number of products per customer;
- Delivering critical St.George merger milestones, including moving to one ADI, one general ledger, and one human resources system, and St.George receiving advanced accreditation under Basel II. The merger has particularly helped transform Westpac into a truly multi-branded Group;



Gail Kelly
Chief Executive Officer
The Westpac Group

- Moving from planning to development of our technology agenda. This investment, called our Strategic Investment Priorities, comprises 15 programs focused on meeting the needs of our multi-brand Group and strengthening our technology infrastructure;
- Reorganising around the customer, in particular through holding the course on our 'Westpac Local' and St.George regional structures, the return of the Bank Manager and further investment in distribution;
- Intensifying our focus on productivity, to support the additional investment and the challenges of the operating environment. This includes process re-engineering, leveraging our multiple brands through cross business unit synergies and the sharing of best practice;
- Helping customers come to grips with reducing their carbon emissions, through initiatives such as our participation in the NZ Emissions Trading Scheme and assisting in the development of large-scale wind farm projects in Australia; and
- Continuing to support the communities in which we operate, including: specialist financial management training products and advice for over 45,000 community organisations; Organisational Mentoring using the skills of our people as business mentors in the not-for-profit sector; increasing support for rescue services with an extra \$2 million annually for the next three years; and, extending our involvement with Indigenous communities in Cape York to at least 2013. We have also increased our support of both the Westpac and St.George charitable foundations.

Our people

During the year, I took the opportunity to review the Executive team with the view to strengthen our focus on customers, people and productivity. Peter Hanlon moved to the newly created role of Group Executive, People & Transformation; Rob Coombe moved to lead Westpac Retail & Business Banking; and, Brad Cooper moved to BT Financial Group after successfully leading the St.George merger integration.

Ilana Atlas, Group Executive People, announced her retirement around the same time, after ten years with the Group. We thank her for her valued contribution.

In August 2010, Greg Bartlett, CEO St.George, announced that after a distinguished career spanning nearly 30 years with St.George that he will retire as CEO, effective 1 December 2010. We thank Greg for his significant contribution to St.George and the Group.

We are indeed fortunate to have been able to appoint Rob Chapman to replace Greg. Rob has been CEO of BankSA for eight years, maintaining a strong performance record and serving on the Executive Committee of St.George throughout that period.

This year we have introduced an objective to increase the percentage of women occupying senior management roles to 40%, by the end of 2014, to enhance diversity across the Group.

Finally, I would also like to take this opportunity to thank the 40,000 people who make up this great company for their tireless efforts during what has again been a challenging year for the Group.

Looking to the future

Turning to the outlook, I am very positive regarding the prospects for the Group. Over the last year we have made significant progress on our customer-centric strategy and with our multi-brands have a truly unique position in this market to better deliver for customers. Although I recognise we still have more to do.

On the broader operating environment, the sector must also continue to respond to the factors arising from the GFC, including the reality of rising funding costs and the impacts of holding higher capital and liquidity levels.

Having further strengthened our balance sheet and enhanced our franchise, The Westpac Group is in very good shape and is well positioned to meet any challenges ahead and continue to deliver strong returns for shareholders.

Thank you for your continued support.

Listening matters.

Our focus on building a customer-centric, sustainable organisation is not achievable without the input of our stakeholders.

Open dialogue with a wide range of stakeholder groups is important in understanding emerging trends and issues, and potential roles and responses for the Group. We have a range of formal and informal mechanisms for gathering stakeholder feedback across our business. Examples of some of the mechanisms we use and issues raised during 2010 are listed below.

The key changes in our approach during the reporting year have included: working to better understand and address the underlying sources of customer complaints; the further rollout of Net Promoter Score as a measure within the business; and, more explicit monitoring of reputation amongst a range of stakeholders to further test the impact of our responses to stakeholder feedback.

Engagement with the broader community occurs increasingly via engagement with communities locally in an expansion of our customer-centric approach. Specific issue-based engagements this year included the development of credit policy statements and we held Community Consultative Council (CCC) meetings in Australia and New Zealand. During the year, two members resigned from the Australian CCC, prompting us to rethink our overall model of community engagement. We have held discussions with a number of Council members to ensure we continue to engage in a way that is beneficial both to our stakeholders and to the Group as a multi-brand organisation, and continues to be best practice. This work is ongoing at the time of reporting.

Stakeholder	Primary engagement mechanisms	Main issues raised during 2010
<i>Customers</i>	Tracking and analysis of feedback and complaints received via: our call centres and online; surveys; focus groups; and, local engagement by branch teams	<ul style="list-style-type: none"> - Incorrect charging of credit card fees - Exception fees - Interest rates - Process errors - Desire for greater proactivity (institutional customers)
<i>Employees</i>	Annual Staff Perspectives Survey, regular ongoing research, blogs and suggestion boxes, process improvement campaigns, People Leader Forums, team meetings	<ul style="list-style-type: none"> - Desire for coaching and mentoring - Desire for simpler, more efficient processes
<i>Investment community</i>	Formal surveys, briefings, questions received, AGM	<ul style="list-style-type: none"> - Funding, liquidity - Fees and interest rates - Financial crisis - Governance
<i>Suppliers</i>	Questionnaires, supplier forums, meetings with individual suppliers	<ul style="list-style-type: none"> - Multi-brand - Innovation - Clear communication of product and service needs
<i>Broader community</i>	Including Community Consultative Councils in Australia and New Zealand, research with non-customers, local branch engagement, organisational mentoring, volunteering, issue-based community engagement	<ul style="list-style-type: none"> - Climate change - Financial hardship - Financial literacy - St. George merger - Ageing population - Scaling up the social agenda - Next generation supply chain management
<i>Government and regulators</i>	Meetings, policy trend analysis and industry forums	<ul style="list-style-type: none"> - Liquidity and capital standards - Superannuation reform - Consumer credit - Financial advice reforms

The next frontier for work-life

Nareen Young
CEO, Diversity Council Australia



Of many insights from our research, organisations of the future will invest considerably in building managerial capability.

Many employees appear to have

adequate access to flexibility in start and finish times, so the next frontier for work-life is work arrangements that have traditionally been viewed as more challenging to implement, namely reduced hours and compressed weeks.

Second, the top employment driver for all respondents was recognition from supervisors for job well done (followed by being well paid). This means the bottom line impact of managerial capability generally, and work-life capability more specifically, will result in a range of positive outcomes for both employees and organisations.

Emerging trends in social finance

Cheryl Kernot Director of Social Business
The Centre for Social Impact



The buzz and the action in the social economy sector has really escalated in the last nine months in particular, with the emergence of several new organisations such as Social Business Australia, with more formalised networks meeting to collaborate on submission writing and funding bids, and with more engagement from all levels of government. We are also witnessing the emergence of commercially viable and scalable Australian social enterprises such as FoodConnect and Soft Landing.

It's not surprising that the major identified need of social enterprises, like many start-ups, is appropriate finance.

Watch this space as we start to see some innovative social finance responses:

- The establishment of social enterprise funds by Federal and State governments, including investment and low interest loan funds
- Foresters Community Finance's launch of Social Investment Australia and the first of its social impact investment products in April
- Major banks' engagement in dialogue and partnerships around new products and practices in this area
- State governments' interest in the UK's Social Impact Bonds pilot
- Social Procurement as a vehicle for corporates to drive social change. See CSI's commissioned research 'Vic Local Government Guide to Social Procurement' for innovative examples of what is already being done.

In general, the trend is away from one-off philanthropic grants, towards more enabling social investment resulting in equity for the social purpose enterprise.

Westpac says would help no-one to offer unsustainable rates

Australian Associated Press Financial News Wire, 16 December 2009.

Regulator targets unfair bank fees

Australian Financial Review, 3 June 2010.

Banks under scrutiny over coal funding

The Sydney Morning Herald, 2 October 2010.

Direction matters.

We believe our new vision better captures the **heart** of who we are and what we're about.

Our Vision

To be one of the world's great companies, helping our customers, communities and people to prosper and grow.

Our Aspirations

A family of much loved financial services brands. Recognised for enduring customer relationships. A place where the best people want to work. A leader in the community. A great investment.

Our Mission

Earning all our customers' business.

Our sustainability approach

Our approach to sustainability supports our vision to be one of the world's great companies. Fittingly, our approach is broad and sets out sustainability as part of the way we do business, embedded into our strategy, values, culture and processes.

At the same time, our experience and application of the AA1000 Principles of inclusivity, materiality and responsiveness have helped us identify issues that matter to the long-term prosperity of our customers, our people and our communities and, in line with our vision, focus our sustainability strategy on leading on these issues.

We believe that this combination of focused activities and embedding of sustainability thinking into our day-to-day operations, will establish the foundations to help us meet the challenges of the future.

Applying the AA1000 (APS)

During the year we have continued to improve our application of the principles of inclusivity, materiality and responsiveness more broadly across our operations. Our approach to inclusivity is described in the 'Listening matters' section of this report, together with the key issues raised during the year. These issues are identified through a review of both source documentation and the governance mechanisms through

Our vision to be great

During the year we refreshed our vision to capture the changes in our company, our industry and the very different environment in which we are now operating.

We believe our new vision better captures the 'heart' of who we are and what we're about.

It more strongly reflects our commitment to the community and the role we play in society to enrich people's lives.

It's about building relationships with customers that stand the test of time so we earn all their business.

It's about creating a great place to work, with great people working here.

It's about where we're going and how we're going to achieve our customer strategy, working as One Team.

It's about living our values, and having them guide every decision we make, every conversation we have, every product or service we provide, every customer interaction we have.

Sustainability matters.

Links to Sustainability

Our sustainability activities focus on the issues that matter, to help our customers, communities and people prosper over the long term.

Dimensions of Sustainability

Deep customer relationships. Supporting employees. Strong community connections. Financial stability.

Our Focus

Financing the future.

which they are raised. This process ensures there are forums in place in which the voice of stakeholders is formally recognised, consulted and considered.

The results of our materiality process are highlighted in this section, together with a discussion of the challenges they raise. This year we improved our process by applying a more prescriptive categorisation process to weight individual issues. A number of additional issues specific to individual business units have been identified via their own processes and are discussed within the content of this report.

Finally, by refining our business strategy against the material issues raised, and transparently reporting our performance against objectives, we disclose how we have responded to these issues. Next year changes will be made to our internal Sustainability Council to improve the governance mechanisms through which our responses are managed.

Refresh of our sustainability strategy

Based on feedback from our Community Consultative Council, a review of our material issues and discussions with the Board and Executive team, we have reviewed our current five-year strategy with a view to enhancing the social dimensions and aligning to the overall vision of the Group. This approach has been reinforced through customer research.

The refresh sees us more explicitly align our sustainability and business strategy with our focus on customers, people, community and our business.

Our early progress is outlined in the business sections of this report, including: a major review on diversity; work with customers to reduce carbon emissions; the expansion of our Organisational Mentoring program; and, the expansion of our charitable Foundations.

Governance

Our governance model starts with the Board Sustainability Committee, which has responsibility for reviewing policy, commitments, strategy and performance outcomes. The CEO and Executive Team have explicit accountability for sustainability performance, which is reflected in their personal and divisional scorecards.

We drive accountability through the business via a Sustainability Council. During the year, the Board Committee endorsed a series of changes to the Council, most notably a shift in focus from information sharing, to a decision making forum with responsibility for influencing strategic direction and monitoring progress to further drive accountability. Now comprising General Managers from each of the Group's business divisions, it will meet under these new terms of reference in the 2011 financial year.

This change will be a key step in more formally applying the principle of responsiveness within each of our business divisions. This builds on the inclusion of our sustainability priorities within our core strategy, project review and product development processes.

Beneath this structure are a number of separate forums to manage specific material elements of our sustainability activities. These include Carbon and Water Forums in our institutional and agribusiness areas, an environmental steering committee in New Zealand and our Indigenous Working Group.

Changes to our ESG Framework, Credit Policy and Sector position statements

In addition to our policy based approach starting with Our Principles for Doing Business, we have added a more explicit Environmental, Social and Governance (ESG) Risk Framework. The framework sits alongside existing risk-stream management frameworks and supports our overall risk governance framework. It clarifies roles and responsibilities for the assessment and management of ESG risk across business areas. The framework is also supported by a number of policies and position statements addressing specific issues, including credit, investment and sourcing.

Sustainability matters. (cont.)

The Board Risk Management Committee has endorsed the first three of a proposed suite of position statements to clarify our approach to assessing ESG dimensions of our financing and lending activities. These include a description of our ESG Credit Risk Policy, 'Westpac's approach to Sustainable Finance' as well as position statements for the defence and energy sectors. These position statements are now available on our website.

Completing these statements has been listed in our performance objectives since 2008 and has taken longer than first expected. This has, in part, been due to the need to focus on more traditional credit risk management during the financial crisis, and also to ensure that the changes required to our internal policies and processes to support the statements were developed and embedded prior to the statements being published.

GRI application and review of reporting indicators

We continue to use the Global Reporting Initiative G3 and Financial Services Sector Supplement as our core reporting framework reporting at an A+ level. This information has been assured using the AA1000 and ISAE3000 assurance standards. The assurance statement from KPMG is available in our online report. Our New Zealand emissions data is verified locally under the CEMARS scheme by Deloitte.

During the year changes were made to our reporting of community investment data to more closely align with GRI.

Given the recent changes to our ESG framework, we are reviewing the related indicators regarding environmental screening and have not included them in this year's report. We will also be undertaking a review of our training and development activities indicators following the formation of the Westpac Academy.

Applying ESG considerations throughout the credit process

Our credit process incorporates ESG risk analysis into the assessment and approval process for business, corporate and institutional customers in line with our ESG Credit Risk Policy. The policy requires that ESG risk is considered in each stage of our credit cycle, as outlined in the following summary of the policy.

Origination

Potential environmental and social risks (including direct, indirect and reputational) are identified via our sector strategy review process. For environmentally and socially sensitive sectors, we draw on internal and external expertise for insights on best practice, the setting of risk appetite, and risk management and performance measures. Where required, specific environmental and sector policies are established within our credit manuals to address identified risks and incorporate performance measures, undertakings and reporting obligations.

Evaluation

The credit evaluation process assesses risks at a sector, customer and transaction level. Specific environmental and sector policies that encompass customer and transaction underwriting standards support this process. This ensures that all ESG risks identified in the sector strategy review are assessed as part of the credit evaluation process.

Approval

Credit proposals are only approved on the basis that risks have been analysed and evaluated against sector strategy, risk appetite and environmental and sector policies, including customer and transaction underwriting standards.

Documentation

Credit approval may be subject to documented undertakings from our customers in relation to the management, monitoring and performance by the customer against agreed environmental and/or social performance measures and compliance with specific environmental and/or social, legal or regulatory obligations.

Monitoring

The quality of credit facilities is monitored by undertaking regular customer and transaction reviews. Reviews include assessing the customer's compliance with any relevant environmental and/or social performance measures, undertakings and statutory reporting obligations.

Understanding the issues that matter.



The issues most material to our business and stakeholders are assessed throughout the year; they feed directly into strategy development and are discussed in this report.

Issues, risks and opportunities are identified from a wide range of sources, including the engagement mechanisms outlined in the 'Listening matters' section of the report, as well as benchmarking, strategic planning, media coverage and government priorities.

We prioritise issues according to the impact on our stakeholders, our business operations and financial outcomes. This is reviewed internally and by the Board Sustainability Committee, then reviewed by our assurers, KPMG.

This year we saw fewer issues raised, but the issues and challenges were multi-faceted and complex:

Interest rates and fees – addressing ongoing areas of complaint and being transparent about the challenges and the need for a long-term view on these issues. See *Westpac Retail & Business Banking and Westpac New Zealand*.

Impact of the Global Financial Crisis – how to build the long-term foundations for continued financial stability whilst continuing to support customers in an environment of continued uncertainty. See *Westpac Retail & Business Banking and Westpac New Zealand*.

Customer service – how to build deep relationships with customers and not be seen as just another bank. See *Business Unit reports*.

Regulation – how to ensure we productively engage in regulatory discussions to create a better financial system. See *Chairman's Report, BT Financial Group and Pacific Banking*.

Employee development – how we ensure that employees are given opportunities to develop and how we equip them with the skills to address the challenges of the future. See *People & Transformation and Business Unit reports*.

Diversity and flexibility – how we build on our early progress to ensure we continue to offer leading employment practices and be a place where the best people want to work. See *People & Transformation*.

St. George merger – how to ensure we keep our brands distinct by making things common where it makes sense and customised where it counts. See *Business Unit reports*.

Responsible Lending and Investment – how to make sure we take into account the challenges of our changing world by considering environmental, social and governance issues in our investments and lending. See *Sustainability matters and BT Financial Group*.

Teamwork and bureaucracy – how we ensure our activities reflect our values and support working together within a multi-brand environment and simplify our systems and processes for our people and our customers. See *Business Unit reports*.

Climate change – including the challenges of continuing to reduce our emissions whilst growing our business, and transitioning our finance activities to low emission activities and industries. See *Westpac Institutional Bank and Product & Operations*.

Sustainability

Performance Scorecard

Going mainstream

Building sustainability into our products and services to help customers become more sustainable

Embed sustainability criteria into consumer product design and decision making processes across our retail brands in Australia	Product life cycle development documentation aligns to sustainability strategy.	✓
Launch an energy efficiency loan product for retail customers in Australia and New Zealand	First major bank to participate in the Australian Federal Government's Green Loan program, providing over 1,600 loans during the program's duration. Participated in the New Zealand Government's 'Warm Up New Zealand' campaign to encourage the installation of heat pumps and insulation.	✓
Roll out St.George Bank employee green loan to all Australian-based employees	\$4,000 interest free green loan was made available to employees in February 2010.	✓
Roll out an innovative savings product to assist customers in savings & budget planning	In October 2009, St.George Bank and BankSA launched SENSE, a savings product with tools to save and improve customers' money management. To date, more than 13,000 accounts have been opened. Winner of a 2010 Canstar Cannex Innovation Excellence Award.	✓
To be ranked as the top 1 & 2 for Net Promoter Score (NPS) scores in Australia amongst the major banks and St.George, and 4th in New Zealand	Whilst St.George continues to lead NPS scores amongst the major banks, the remainder of this objective has not been met.	✗

People and places

Social sustainability, including responsible banking and working on issues of concern to local communities

Commence measurement and reporting of customer feedback on Assist services and the Financial Solutions Group	NPS scores specific to the Assist service have been tracked during the year. (28 for retail customers, 33 for business.)	✓
Complete roll out of Westpac Local in Westpac Retail & Business Banking	The Westpac Local model has been implemented across Westpac Retail & Business Banking and New Zealand.	✓
Provide \$1 million in financial and in-kind support for financial counselling services	Over \$1 million in support was provided.	✓
Continue to grow the Organisational Mentoring Program.	Number of Organisational Mentoring partners has increased from five in 2009, to over 40 in 2010.	✓
Maintain a Group-wide employee engagement score of 81%	Employee engagement maintained at a high level of 80% (81% in 2009).	✗

Tread lightly

Managing our own environmental footprint

Reduce Scope 1 and 2 emissions by 12.5% on 2008 levels ¹	Total Scope 1 and 2 emissions reduced by 4% against the 2008 baseline.	✗
Reduce paper consumption by 7% on 2008 levels ¹	Paper consumption decreased by more than 24% against the 2008 baseline.	✓
Reduce water consumption by 6% in Australian corporate and contact centres on 2008 levels	The published target was established for Westpac. Comparable data is not available due to the integration of Westpac and St.George.	NA
Identify and measure additional areas of Scope 3 (indirect emissions)	Additional areas of Scope 3 emissions have been identified and have been incorporated into the measurement and reporting framework.	✓

1. The 2008 baseline has been adjusted to include St.George on a pro forma basis.

Climate change

Helping customers and employees transition to a low-carbon economy

Implement New Zealand carbon strategy	The New Zealand carbon strategy has been implemented, including participation in New Zealand Emissions Trading Scheme (NZ ETS).	✓
Launch carbon hedging and risk management products in Australia and New Zealand	First bank to trade in the New Zealand Emissions Trading Scheme. Well positioned to deliver products should market trading commence in Australia.	✓
Incorporate carbon considerations into credit and risk processes and sector strategies	Carbon-related regulatory risk has been incorporated into sector strategy and credit submission templates. Carbon-related risk management strategies have been incorporated into specific high risk transactions.	✓
Continue to engage with all significantly affected customers.	Continued engagement with customers in Australia and New Zealand who are likely to be impacted by the introduction of carbon related policy measures to better understand impacts and develop product responses.	✓

Speaking out

Leading beyond the corporate walls and speaking out in support of sustainable business practice

Advocate for continued action on climate change	Westpac established as Lead Partner with the Climate Institute, a local not-for-profit organisation, which promotes policy, market and business solutions to climate change. Founding partner of the Advance Green Network, linking Australians around the world involved in sustainability. Events have been held in New York and London. Released Westpac Charles Sturt University Index on the views of farmers on climate change and the impact it will have on their business.	✓
Continue to encourage the adoption of sustainable business practices amongst SMEs and within the community sector	Involved in the National SME Project and the launch of the Good Business Register for SMEs in December 2009. A number of workshops and presentations were held with a number of SME and women's markets events throughout the year.	✓
Encourage greater use of Environmental, Social and Governance (ESG) factors in investment decision making	Sustainability performance integrated into the 2010 Annual Review and Annual Report. Hosted an analyst briefing on sustainability in the finance sector, presented by the SAM Group, as well as a GRI training session.	✓
Scope opportunities to embed sustainability criteria into the category management plans for priority areas of spend	Sustainability criteria have been embedded into category plans developed by our Group procurement team. For selected suppliers, environmental reporting criteria have also been embedded.	✓
Have at least 5% of employees registered as 'Our Tomorrow Champions' across the Group	More than 5% (over 2,300 employees) have registered to be an 'Our Tomorrow Champion' across the Group.	✓

Solid foundations

Corporate governance, risk management, values and ethics

Develop a consistent framework for Environmental, Social and Governance (ESG) credit risk analysis across all business units	An ESG Framework and ESG Credit Risk Policy has been approved by the relevant governance forums.	✓
Establish a governance process to implement the United Nations Principles for Responsible Investment (UN PRI) across the merged BT Financial Group funds management businesses	Work to date on implementing a governance process for the implementation of the UN PRI has focused on the Advance business, including surveying of external fund managers and the development of a draft framework.	✗
Implement Sustainable Supply Chain Management (SSCM) across all countries and brands	The SSCM Policy applies across all countries and brands. Implemented in all Australian brands and with high spend suppliers in Pacific Banking. Detailed sustainability assessments are currently being carried out with high risk and high spend suppliers in New Zealand.	✓
Explore opportunities to align sourcing practices with our local community engagement approach	In support of the Westpac Local model our Print Management Services Agreement now supports local printing of specialised marketing materials.	✓



Sustainability

2011 Key Sustainability Objectives

Business

Consideration of Environmental, Social and Governance (ESG) issues incorporated into relevant risk management policies, practices and decision making processes by 2013

Responsible lending and investment practices embedded in key processes by 2013

Customer

To be ranked as the top 1 & 2 for Net Promoter Score (NPS) in Australia amongst the major banks and St.George, and achieved scores of 1 for retail and -12 for business in Westpac New Zealand

Top 3 regional player in carbon related markets by 2013

Employee

To increase the percentage of women in senior management roles to 40% by the end of 2014

Implement initiatives to address outcomes of our Diversity Audit

Community

Reduce Scope 1 and 2 emissions by 30% on 2008 levels by 2013

Embed Organisation Mentoring into operational processes by 2013

Provide the Managing Your Money program to 45,000 New Zealanders by 2013

Launch a major initiative to help address social disadvantage

Brands *matter.*
Westpac/RAMS
Westpac Institutional Bank
Hastings/XYLO
Westpac New Zealand
Westpac Pacific Banking
St.George Bank/BankSA
BT Financial Group/Advance
Ascalon/Asgard/BT
BT Investment Management
Licensee Select
Magnitude/Securitor
St.George Private Clients
Westpac Private Bank
The Westpac Group



“Two years ago, we said we were going to do things differently. We committed to playing a more active role in our local communities and organise our business around the customer, not head office. We called it Westpac Local and believed it would change the face of banking in Australia.”

Rob Coombe Group Executive, Westpac Retail & Business Banking

Westpac Retail & Business Banking (WRBB) is responsible for sales, marketing and customer service for all consumer, small-to-medium enterprise and commercial customers within Australia under the ‘Westpac’ and ‘RAMS’ brands.

Consumer activities are conducted through our nationwide network of 857 branches (including in-store branches), 69 RAMS franchise outlets, Relationship Managers, call centres, 1,879 ATMs and online channels.

In addition, our business customers are supported by Local Business Bankers, specialised business relationship managers and Cash Flow, Financial Markets and Wealth specialists, via the branch network, 69 business banking centres, call centres and online channels.

WRBB also includes the management of our third party consumer and business relationships, and the operation of the RAMS franchise distribution business.

“In 2010, we continued our transformation to become a bank that thinks and acts locally. We now have over 600 Bank Managers, running their branches like their own, and playing an active role in their local community.”

Business Unit Performance	2010	2009	% Mov't 2010/2009
Operating income (\$m)	6,146	6,217	(1)
Operating expenses (\$m)	(3,045)	(2,943)	(3)
Cash earnings (\$m)	1,756	1,908	(8)
Economic profit (\$m)	1,587	1,827	(13)
Total assets (\$bn)	243.7	219.6	11
Deposits (\$bn)	114.5	103.8	10
Net loans (\$bn)	239.1	215.6	11
Expense to income ratio (%)	49.5	47.3	(5)
Number of customers (m)	5.1	4.9	
Number of branches	857	848	
Number of business banking centres	69	58	
NPS – Consumer	(17)	(15)	
NPS – Business	(21)	(21)	
Employee numbers	11,663	11,751	
Employee engagement	81	81	
Community investment ¹ (\$m)	82	75	
Social Sector Banking footings ² (\$m)	7,207	6,072	

Doing business locally

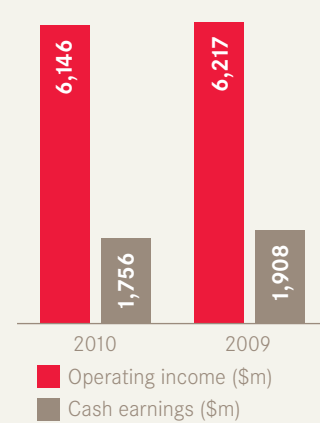
Whether it's the local bakery, plumber or solicitor, we understand the challenges that our local businesses encounter every day. In the last year we've also introduced over 430 Local Business Bankers. Our Local Business Bankers are small business experts with local knowledge and many have first-hand experience running their own business. With the support of their branch teams, they work to understand our customers' business and financial needs to help them realise their business goals.

This year, our bankers spent thousands of hours in our customers' businesses, helping them with day-to-day tasks and learning how to better support them and make their banking easier.

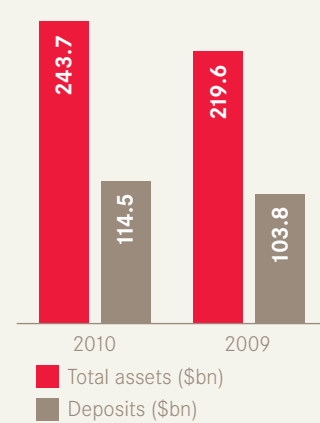
“I spent the day working in my customer's bakery business washing dishes and baking cupcakes. The owner also asked me to help develop a process for managing the front of house, drawing on my experience managing a restaurant and I gave some tips to the staff on making multiple coffees, prioritising and upselling. The response from the owner, staff and customers was great. Some didn't believe that a banker would give up their time to wash dishes. But I can't think of a better way to get to know our customers' businesses!”

John Paul Azzopardi Local Business Banker, Melton, Victoria

Income



Balance Sheet



¹ Includes \$73m from foregone revenue for fee-free accounts for non-profit organisations and low income earners in Australia (\$58m in 2009).

² 2010 figure is as at August 2010. Data refers to the total of assets (lending), liabilities (deposits) and funds under management (FUM) of the WRBB business unit dedicated to not-for-profit customers.



Helping build sustainable businesses

As a bank, we have a great opportunity to help our customers build financially sustainable businesses. Many small business owners lack expertise and experience in business planning and financial management. For nearly 10 years, we've provided thousands of customers with the tools they need to make informed financial decisions. Westpac Financial Education demystifies financial management principles to help small business make confident and measured decisions about their future. In 2010, we ran over 500 financial education short courses nationally.

“After yesterday's course, I felt like something had finally clicked with me about ratios and analysis in my business – something I've searched for in the last few years. In two hours, I was enlightened in a way that \$30,000 and seven years of higher education, mentoring, coaching, accountants and advice had not achieved.”

Wendy Clarke Dirtscape Dreaming, Melbourne, Victoria

Looking after our small business customers is not a new thing for Westpac – which is why, for the third year in a row, we were recognised by Money magazine as Business Bank of the Year.

Banking for the community and social sector

Since 2009, our dedicated Social Sector Banking team has supported community organisations – big and small, from local sports clubs to schools to national charities – to become sustainable operations.

Specifically tailored products and solutions include an online payment system to help organisations collect donations and membership fees safely and quickly, and prepaid cards to give staff and volunteers instant access to funds.

We believe in building finance and business acumen within community organisations to ensure they're around for the long-term. In 2010, Westpac provided \$100,000 worth of free financial management training to community organisations around Australia. Westpac also provides free financial guides for not-for-profit organisations to help Community Treasurers and Board Members make informed decisions.

“We're so grateful for the support that Westpac has provided to Childhood Cancer Support. We're not a big organisation but we're not too small for Westpac. I know I can walk into Westpac with an idea and they'll tell me how they can support us financially and they'll give us some good advice. For instance, we're about to start fundraising for new premises and they've given us some great ideas on how to go about it. That's where Westpac comes to the fore for us. I think that it's important to have trust in somebody and we do honestly trust Westpac. They make us feel very important and very valued.”

Bill Watson former CEO, Childhood Cancer Support

Childhood Cancer Support is a not-for-profit charitable organisation that supports families who have, or have had, a child with any cancer-related illness. Their support includes recreation, financial assistance, emotional support and free long-term accommodation for regional families who need to be in Brisbane to undergo treatment at the Royal Children's Hospital.



Making the tough decisions for a sustainable future

While the Global Financial Crisis (GFC) may have passed, an ongoing impact is that the cost of the money we lend to our customers continues to be high. This has put pressure on our financial performance and heightened public attention around interest rates.

In December, we made the difficult decision to raise our standard variable home loan rate above the Reserve Bank of Australia increase. We made this decision in response to the higher cost of funds we faced as a result of the GFC. As we've seen this year, the increased cost of these funds has reduced our margins significantly in Retail & Business Banking. This decision did result in an increase in the number of interest rate-related complaints.

During these challenging times, our bankers provided advice and expertise to our customers who needed extra support. Launched in November 2007, Westpac Assist supported over 27,000 customers experiencing financial hardship during the financial year, including loan extensions and repayment breaks.

Supporting the local community

We've supported Australia's rescue services since 1970. In 2010 our support increased by an additional \$2 million each year over the next three years to establish a National Beach Alert Centre, a fire spotting plane in Victoria and additional rescue boats and helicopters in high risk locations around the country.

Our local teams continue to support charities and community events based on the specific needs of their communities.

Supporting rural and regional Australia

We are helping our customers respond to two major challenges facing rural and regional communities: climate and water. Our Carbon Practice helps customers understand the current and potential impacts of carbon markets. We've also engaged with government and various farmer groups to understand issues surrounding water security, in particular the impact on our customers of reduced irrigation entitlements under the proposed Murray Darling Basin Plan.

Serving niche markets

We provide tailored solutions and advice to our diverse customer groups, including women, migrants, multicultural and community groups. A great example of this is our Women's Markets team that's dedicated to helping over 1.7 million women secure their financial future.

We help women customers run sustainable, profitable businesses by holding educational seminars on a range of topics including running a business, superannuation, investment strategies and estate planning. We also help women connect with each other and share experiences and knowledge via The Ruby Connection, an online network support forum.

Westpac is recognised by the International Finance Corporation for demonstrating international best practice in women's banking.

Supporting entrepreneurs through micro-finance

This year, we partnered with Many Rivers Opportunities, a not-for-profit organisation, to help Indigenous and non-Indigenous entrepreneurs access finance to start or grow sustainable businesses. Through the program, Westpac provides access to mainstream banking by offering unsecured micro-business loans to Many Rivers Opportunities' clients.

In addition to funding these micro loans, Westpac is donating \$1 million over five years towards the organisation's operating expenses and will match employee donations 'dollar-for-dollar'.

Over the long term, successful Indigenous borrowers will be able to graduate into the Indigenous Capital Assistance Scheme, an Australian Government initiative provided by Westpac, with loans of \$20,000 – \$500,000 at subsidised interest rates.

Listening to our customers

After eight years of increasing customer complaints, we introduced the 'Zero Tolerance for Customer Failure' program to address systemic issues. As a result of this program, monthly average complaint volumes have reduced by over 50% in just over 12 months.

Key to this was listening and responding to one of our customers' most common concerns – exception fees. In October 2009, we implemented an across-the-board reduction in all exception fees on credit cards, savings and transaction accounts as a significant step in our customer-centred strategy. This ongoing work is an important part of our business strategy.



St. George Bank is a full service financial institution serving 2.7 million customers. It operates under the St. George brand across the mainland states of Australia, except in South Australia where it operates the BankSA brand.

Greg Bartlett Chief Executive

Our consumer activities are conducted through our network of 405 St. George and BankSA branches, third party distributors, call centres, 1,146 ATMs, EFTPOS terminals and internet banking services.

Business and corporate customers are provided with the full range of banking and financial products and services, including specialist advice for Cash Flow Finance, Trade Finance, Automotive and Equipment Finance, Property Finance, Transaction Banking and Treasury Services. Sales and servicing activities for business and corporate customers are conducted by relationship managers via 52 business banking centres, and internet and telephone channels.

Our 'Big Enough Small Enough' strategy and brand proposition continued to underpin our operations in 2010. Through our very successful advertising campaign, St. George was able to deliver a very clear message that we are Big Enough to be part of one of Australia's largest banking groups and yet Small Enough to care about each and every St. George customer.

Big Enough

As part of The Westpac Group, we've been able to leverage the strength of the overall Group to access greater capabilities to deliver a broader range of products and services to our customers. We're delighted that this allows us to build on our commitment to customer satisfaction by providing an expanded range of offerings to all our customers.

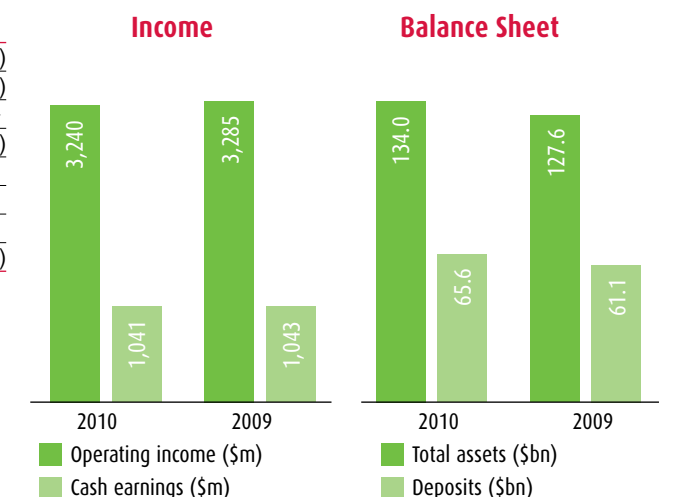
St. George customers now have access to BT Super for Life, Australia's only superannuation fund that provides internet banking customers with the ability to sign up and manage their accounts online, without the need for paperwork, separate logins or the need to visit a branch. In having access to one of our parent's broader offerings in BT Financial Group, St. George can now provide a low cost superannuation offering that makes it simpler for customers to take control of their superannuation savings.

St. George is also now able to offer a new rewards credit card, Amplify, which was developed as part of the Group's credit card suite. The card can be linked to the Amplify Rewards program or the Amplify Qantas Frequent Flyer program, providing greater choice and an even more rewarding experience for customers.

We have continued to increase our investment in our retail franchise, improving our customers' experience with an additional nine branches, and a major refurbishment program. During the year, we hired an additional 292 customer serving staff to reduce waiting times in our branch network.

We've implemented enhanced staff training for customer-facing staff, including new sales and behavioural models, and a new training curriculum for all frontline roles and have introduced new service and sales capabilities for all customer-facing roles.

Business Unit Performance ¹	2010	2009	% Mov't 2010/2009
Operating income (\$m)	3,240	3,285	(1)
Operating expenses (\$m)	(1,242)	(1,200)	(4)
Cash earnings (\$m)	1,041	1,043	-
Economic profit (\$m)	769	793	(3)
Total assets (\$bn)	134.0	127.6	5
Deposits (\$bn)	65.6	61.1	7
Net loans (\$bn)	126.8	121.2	5
Expense to income ratio (%)	38.3	36.5	(5)
Number of customers (m)	2.7	2.6	
Number of branches (Incl. BankSA)	405	396	
Number of business banking centres	52	55	
NPS - Consumer	(4)	(9)	
NPS - Business	(4)	(21)	
Employee numbers	5,518	5,227	
Employee engagement	81	82	
Community investment (\$m)	18	9	



1. All data includes BankSA.



“Our ‘Big Enough Small Enough’ strategy and brand proposition continued to underpin our operations in 2010.”

Small Enough

During the year we made changes to our management team to ensure we are even closer to our customers and local communities. The structure is based on geographical areas, covering both retail and business banking. All regions and states where St. George operates are now directly represented in the executive team by Managing Directors who are responsible for driving the St. George business in their markets. Our fundamental aim in driving this realignment has been to ensure that St. George continues to provide our customers with a responsive, tailored and personalised service.

We are proud that our St. George SENSE product received the 2010 Australian Banking + Finance Award for Innovative Retail Banking Product of the year. St. George SENSE is an innovative way to budget and save, helping our customers to individually manage their expenses with the aid of a variety of tools, including savings and expenditure monitoring charts.

To ensure we continue to grow our business, delight our customers and earn all their business, we understand that we need to continue our work to build a team of engaged people, with a shared passion to deliver. At St. George we know the key to our current and future sustainability is our people. Our brand is built on our people.

We have delivered our St. George employee value proposition (EVP), which connects with employees and is critical in ensuring the continued strong engagement of our people with our business strategy. We also recognise this will attract new, talented people to the bank. The St. George EVP has been thoroughly researched with our people and we have successfully launched the EVP to deliver the heart and soul of St. George. In keeping with our commitment to the community, we continue to support the St. George Foundation, making a contribution of \$1 million, in addition to contributing to the operating costs of the Foundation. During the year,

the Foundation distributed more than \$1.4 million in grants to charities to fund programs that improve the lives of disabled and disadvantaged Australian children.

Sustainability at St. George

St. George is proud of the respected leadership position that The Westpac Group enjoys for its approach to sustainability and community.

Maintaining a true leadership position requires the Group to have all its business units working to embed sustainability principles. Immediately following the merger, we recognised that sustainability activities in St. George needed to be aligned with the Group’s objectives. In the last year, we have reviewed existing sustainability activity in St. George and identified how best to link with the Group’s objectives and ensure our effective contribution to the Group’s strategic imperative.

In keeping with our Big Enough offering, we have been able to leverage existing Group policies and infrastructure to enhance our sustainability capability. Utilising organisational mentoring and volunteering opportunities, the matching gifts program and financial literacy tools, have all improved sustainability awareness at St. George. We’ve also accessed the Group’s expertise in reducing our environmental footprint, with the rollout of a waste recycling program in our larger Sydney offices.

Our Small Enough offering has enabled us to identify areas where St. George can tailor our approach to deliver sustainable products and services to our customers, for instance in the development of SENSE. The St. George Sustainability Strategy has now been approved by the Board Sustainability Committee and we will implement key programs to improve awareness and sustainability performance in the coming year.



“As a Bank Manager, I’ve got a tangible and measurable system of ongoing customer contact that allows me to quickly address customer concerns. With the information provided by Closed Loop Feedback, I’m better able to quickly change direction, and react to customer issues as they occur.”
Stuart Horrex, Branch Manager Randwick.

Case Study: Closed Loop Feedback

St. George recently introduced a new customer feedback process, Closed Loop Feedback, which involves listening to our customers, learning through experience and building strong foundations for a consistent service experience across The Westpac Group.

The value of Closed Loop Feedback comes from speaking to our customers one-on-one, putting in place actions to address their feedback and making concrete and visible changes to provide the kind of experience that our customers expect from us.

The Closed Loop Feedback process is simple. A sample of St. George customers who have visited a branch are contacted and asked to participate in a short survey. Their feedback is relayed to Branch Managers who will then contact a selection of those customers to have a more in-depth conversation about their recent experience.

Following this discussion, the feedback is integrated into identifying systemic continuous improvement and learning opportunities within the branch as well as across the broader Group. There are many benefits to

this approach. Importantly, our efforts are focused on improving the customer experience, something that remains at the heart of St. George. But we have also found that giving our staff timely insights and empowering them to address customer issues has provided an even deeper understanding of customer service in practice.

As part of The Westpac Group, we’ve been able to integrate the findings from our Closed Loop Feedback process into Group-wide learning. This means that St. George is making a strong contribution to ensuring that key pieces of customer feedback are leveraged to deliver Group-wide improvements.



Rob Chapman

In August 2010, Greg Bartlett announced his retirement as CEO of St. George after a long and distinguished career of almost 30 years with St. George. Under his leadership, St. George retained its distinctive service culture and ‘warm and friendly’ brand. It is a testament to his deep commitment to service our customers that he leaves St. George with the highest Net Promoter Score amongst the five major banks, together with a strong and engaged team.

Rob Chapman has been appointed as CEO St. George and is well known in the ranks of St. George, having led the BankSA business since 2002, when he was appointed Managing Director. BankSA produced consistently strong financial performances during his tenure. He has strong leadership connections within the industry and as a partner to community and industry groups.

Rob has been a member of the St. George Executive Committee for eight years and he has a close knowledge of, and affection for, St. George and its people.



“RAMS Home Loans is an innovative, flexible, home loan specialist with a ‘can do’ attitude. With the funding power of a leading bank, we offer the best of both worlds.”

Melos Sulicich Chief Executive, RAMS

RAMS Home Loans (RAMS) is a brand of RAMS Financial Group Pty Limited, which is wholly owned and funded by Westpac Banking Corporation and operates a separate distribution network comprising 49 franchisees operating through 69 owner-operated Home Loan Centres.

RAMS is an important business for Westpac. It offers customers competitive choice in the market and a distinct value proposition that supports the Group’s objective of offering a wide array of choices to ensure we can meet all of our customers’ needs, and as a result be able to capture a greater share of the market.

Independent but still well connected

RAMS is a valuable alternative to the major banks in the market, focusing on helping first home buyers, first time investors and self-employed professionals get into the home of their dreams. More than 50,000 customers have turned to RAMS for its range of simple, flexible home loan solutions. Applications are individually assessed by a Lending Manager and tailored to meet the customer’s financial needs, such as the self-employed, without compromising responsible lending practices.

This award winning service has seen us win the prestigious accolade of Money magazine’s Non-Bank Lender of the Year for the second year in a row. We continue to build on our core specialty of providing flexible home loans, introducing new products and customer services, by leveraging the wider Westpac Group, including RAMS branded insurance products. A new online transactional service tool, called myRAMS.com.au, is also now available to assist customers and provides a platform for future online products.

RAMS goes paperless

At the end of 2009, RAMS successfully introduced new paperless processing technology for home loan applications, which enables greater efficiencies and improved customer service. Employees have embraced the new process, which uses barcode technology to automatically index all home loan application documents without the need for high touch points and manual intervention. It has the ‘smarts’ to automatically sort documentation into electronic files so credit and lending managers can easily view all loan documents in one place at one time. The benefits are numerous – for RAMS, employees, customers, and franchisees, and has significantly reduced our paper consumption, with over 5 million less pages of documentation printed since the launch of the paperless system – that’s over 9,000 reams of paper annually.

Focus on Franchise distribution network

Over the past few years, RAMS has built a strong face-to-face, local customer service distribution network and continues to focus on national growth in the franchise channel. The strategy is to expand by increasing the number of franchisees, geographical spread and expertise in the network, including moving into South Australia for the first time. Nine new franchisees have been brought on in the past 18 months with more growth to come.

Collaboration and sharing of best practice strategies is encouraged throughout the network through an annual RAMS Franchise Conference and a Franchise Advisory Council, comprising elected Franchisee representatives and RAMS Senior management, which meets quarterly to discuss operations.



One of our owner-operated Home Loan Centres.



“BankSA is the largest financial institution in South Australia and an icon in the State, due to our powerful brand, extensive branch network, substantial community involvement and long and rich history.”

Jane Kittel Managing Director, BankSA

Established in 1848, one in three South Australians have some form of relationship with BankSA. We employ 1,250 staff and operate the largest distribution network in South Australia (SA), with 121 branches, 198 ATMs and 84 electronic agencies. We also operate four branches and have four ATMs in the Northern Territory.

Our strategy is simple – adopting a local market model approach to ensure we stay close to our customers and our local communities. A large array of sponsorships of community and charity events continually reinforces our commitment to South Australia. The Group’s brand tracking, undertaken by Synovate, shows that BankSA clearly leads the major Australian banking brands in being recognised as doing a lot to help South Australia.

BACKING THE COMMUNITY

The bank supports more than 500 grassroots community events and initiatives each year, together with some high-profile events such as the Adelaide Fringe festival, the second largest event of its type in the world. We are the principal partner of the Fringe, with record ticket sales in 2010. Our initial major sponsorship in 2006 enabled the Fringe to convert from a biennial to an annual event. In 2009, we extended our principal partner sponsorship until 2013.

We have also sponsored the long-running BankSA Crime Stoppers crime prevention program since 1996. Since then more than 12,000 people have been apprehended following calls to BankSA Crime Stoppers.

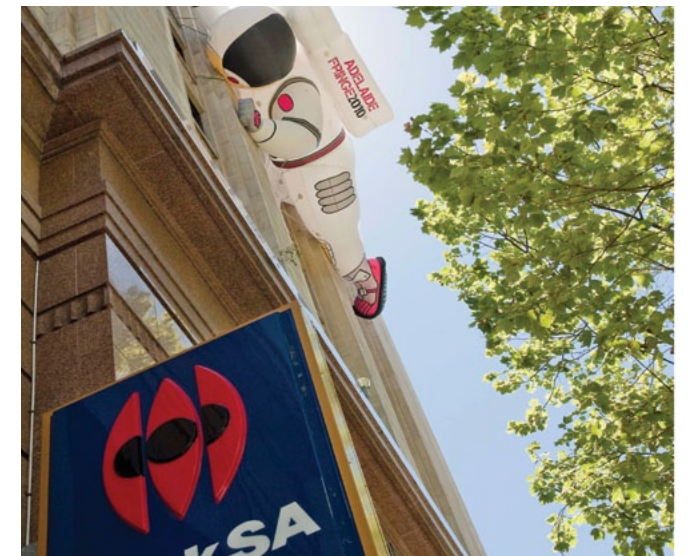
INVESTING FOR THE FUTURE

We invested \$6.6 million on refurbishments and upgrades on branches this year, much of it devoted to our important rural network. The most significant improvements were carried out at Mt Gambier, Port Pirie and the Clare branch in the Clare Valley wine district. The refurbishments make the branches more vibrant and appealing for customers.

The Amplify Rewards credit card was amongst several new products introduced into BankSA this financial year, along with the award-winning SENSE transaction and savings account, and BT Super for Life in superannuation.

BANKSA & STAFF CHARITABLE FUND

The BankSA & Staff Charitable Fund celebrates its 70th anniversary next year. The Fund makes donations to more



To celebrate the 2010 Adelaide Fringe Festival, inflatable astronauts were tethered to several buildings, including the BankSA headquarters.

than 100 charities and organisations each year, totalling almost \$166,000 in its latest financial year.

ABAF AWARD WIN

We have been the main backer of the Departure cultural events program since 2006, hosted at the Art Gallery of South Australia. The program, pitched at people in their 20s and 30s, won a prestigious Australian Business Arts Foundation Award in September 2010.

FAREWELL ROB CHAPMAN

Mr Rob Chapman, who held the role of Managing Director, BankSA for over eight years, was appointed Chief Executive Officer, St.George Bank, with a handover commencing in October and full effect from 1 December 2010. BankSA produced consistently strong financial performances during his tenure. We wish him well and note that as CEO of St.George he will continue to maintain a very close interest in BankSA.



BT Financial Group



“We’re here to help Australians grow, manage and protect their wealth.”

Brad Cooper Chief Executive, BT Financial Group

BT Financial Group Australia is the wealth management arm of The Westpac Group, which, following the merger with St.George, also includes the wealth division of St.George. Funds management operations include the manufacture and distribution of investment, superannuation and retirement products, investment platforms such as Wrap and master trusts, and private banking and financial planning.

Insurance solutions cover the manufacturing and distribution of life, general and lenders mortgage insurance and deposit bonds.

BT Financial Group’s brands include Advance, Ascalon, Asgard, BT, BT Investment Management (60% owned by The Westpac Group), Licensee Select, Magnitude, Securitor, and the advice, private banking and insurance operations of BankSA, RAMS, St.George and Westpac RBB.

Helping Australians chart a better future

In Australia today, there are five workers for every person over 65, but by 2050 this figure will be down to just 2.7. As our population ages, a sustainable superannuation system is critical for the quality of life of future generations.

This challenge is core to our focus on helping Australians sustain the lifestyle they desire. Key to this are our: professional and high quality financial advice and private banking relationships; innovative superannuation, investment and retirement products;

market leading platforms for financial advisers and their clients; insurance solutions to guard against life’s surprises; all coupled with award-winning customer service.

While the industry’s longer term outlook can be defined by robust growth, two critical near term priorities for us have been addressing the ongoing customer impact of the global financial crisis and actively engaging in the Government’s largest ever reform agenda for our sector.

In this environment defined by significant change, we have been rewarded for a single-minded focus on putting the customer at the centre of everything we do. Strong take-up of a range of new offers and product enhancements has led to market share growth in key product lines and contributed to our solid financial performance.

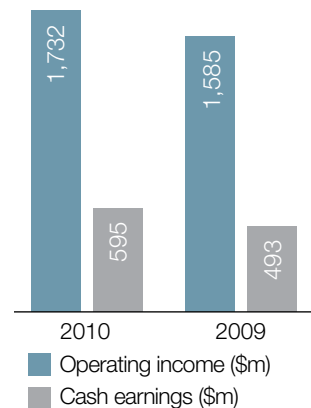
Financial security requires quality financial advice

There will be broad and deep changes to the financial advice industry as a result of the Government’s response to the Parliamentary Inquiry into Financial Products and Services, potentially making 2010 a landmark year for the financial advice sector. BT Financial Group has actively supported the reform agenda, which clearly underlines the value of financial advice, protects against mis-selling, better positions the industry to address the needs of our ageing population, and raises industry standards across the board.

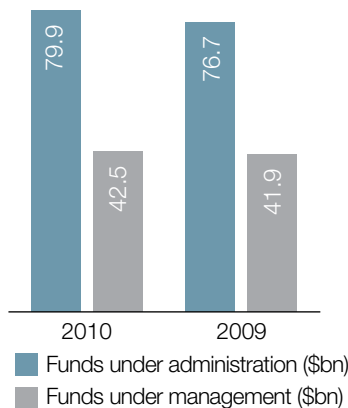
Business Unit Performance

	2010	2009	% Mov't 2010/2009
Operating income (\$m)	1,732	1,585	9
Operating expenses (\$m)	(866)	(856)	(1)
Cash earnings (\$m)	595	493	21
Economic profit (\$m)	441	329	34
Total assets (\$bn)	27.5	26.1	5
Funds under administration (\$bn)	79.9	76.7	4
Funds under management (\$bn)	42.5	41.9	1
Expense to income ratio (%)	50.0	54.0	7
Number of customers (m)	2.6	2.4	
Employee numbers	4,316	3,949	
Employee engagement	78	79	
Responsible Investments (FUM \$m)	891	717	

Income



Balance Sheet



A key development is the move to a fee-for-service arrangement for advice provided to customers in the areas of investment, superannuation and pensions, removing any possible or perceived conflicts of interest in the preparation of customers’ investment portfolios. This will be implemented across Westpac, St.George and BankSA by 1 October 2011, well ahead of the mandated deadline of 1 July 2012, and links into our existing complaints resolution process.

Removing commissions from super and pension products is just one part of building a quality advice proposition for Australian investors. We are also leading the charge on raising professional standards by lifting the entry level requirements for recruitment, a new Professional Standards Program, embedding risk and control frameworks to measure, monitor and supervise the delivery of quality advice, and focusing on holistic advice to better meet the sophisticated service and product needs of customers.

Innovation drives investment platform growth

In partnership with their financial advisers, thousands of Australians utilise investment and superannuation platforms to manage their portfolios.

In 2010, BT Financial Group cemented its position as the market leader in platforms, with BT Wrap and Asgard topping \$72 billion in funds under administration and 23 per cent market share*. Strong growth was underpinned by our largest ever strategic investment program designed to deliver new and innovative functionality for advisers using either platform, and to ensure sustainable service delivery to customers. Importantly, we recognise the importance of offering products other than our own through this platform for the benefit of our customers.

This was recognised at the 2010 AFR Smart Investor Blue Ribbon Awards, with Asgard winning the Best Investment Platform and BT Wrap winning Best SuperWrap Platform.

Wrap enhancements driven by financial advisers

In 2010, BT Wrap adopted a customer-centric approach to innovation, involving advisers at the start and throughout the development journey to ensure a key strategic investment – the platform’s enhanced equities functionality – authentically resonated with their needs.

Through this Customer Centred Design process, which BT Financial Group pioneered and utilises for ensuring our products and services are relevant and sustainable, advisers not only told us what was important to their business but also actively contributed to designing the solution. Through those open conversations, the BT Wrap team not only gained a better understanding of customers’ frustrations, desires and ideas, but were able to ensure solutions could always be traced directly to their needs.

Adviser feedback through the development journey ensured enhancements were continually refined and the adviser experience remained paramount as we moved towards launch of this major initiative.

Connecting Australian workers with their super, for life

With nearly \$13 billion in lost or inactive super, one of the keys to addressing Australia’s retirement savings challenges is to transform complex, and often intimidating, financial products into simple, accessible and relevant solutions.

Launched in 2008, as a totally new concept in superannuation, BT Super for Life was designed to revolutionise the way people engage with and take ownership of their super. Launched this year to St.George and BankSA customers, following its successful rollout across Westpac, the now multi-award winning BT Super for Life has more than 200,000 customers and \$1 billion in funds under management.

Investing for a better future

Following the St.George merger, we have well-defined capabilities and strategies across our three key investment businesses:

- Advance – our multi-manager capability, hand-picks investment managers to create a unique suite of investment solutions, including diversified portfolios, single sector multi-manager funds and single manager options to deliver the best risk/return balance for clients.
- Ascalon – acquires equity stakes in boutique fund managers with specialist investment expertise and which have the potential to become significant participants in the Australian funds management industry, this year including clean energy fund, Arkx.

* Source: Plan for Life Administrator View (excludes Corporate Super) as at 30 June 2010.



→ BT Investment Management – a specialist investment management house actively managing investments where we believe we have a comparative advantage – Australian equities and listed property, Australian and international income and alternative investments – and applies disciplined investment processes to generate true-to-label performance.

In 2010, Advance successfully completed the final stage of aligning the investment strategy, performance and risk management of the BT Multi-manager and Advance Multi-Blend funds. This means all multi-manager funds are now managed by one team with the same underlying investment managers based on a single strategic asset allocation strategy. Notably, all our Advance Diversified Multi-Blends performed above benchmark for one, two, three and five years (to 30 Sept 2010).

Helping address our chronic underinsurance via great claims experiences

Some 1.8 million Australian households are without any Home and Contents insurance and only five percent of the population hold appropriate life cover.

By working closely with Westpac, RAMS, St.George and BankSA, our insurance business is helping to close the underinsurance gap and help customers protect their wealth, for example this year effectively lifting cross-sell rates by 43 per cent in St.George and BankSA for Home and Contents insurance and 15 per cent for Mortgage Protection among Westpac customers. Engaging with bank customers around their risk needs has been key to growth, along with re-engineering our claims operations to cope with significant business growth and potential future catastrophic events.

In the area of natural disaster claims alone, around 60 per cent of claims resulting from hailstorms in WA and Victoria in March 2010 have been paid and settled, and more than 35 per cent have been settled for the severe storms in Victoria in September last year. For natural disaster claims lodged in the 2009 financial year, over 99 per cent have been paid and settled. Furthermore, and notably lower than industry averages, of all Home and Contents claims lodged with Westpac this year, less than two per cent have been declined.

Investing responsibly

As signatory to the United Nations Principle for Responsible Investment (UN PRI), we have carriage of the Group's approach to responsible investment. Much of this work is led by our investment management affiliate BT Investment Management Limited (BTIM) and the Advance multi-manager business.

During the year BTIM, in which we hold a 60% stake, received Lonsec's highest rating for its BT Wholesale Ethical Share Fund. BTIM's total funds under management (FUM) in ethical and sustainable funds was \$891 million at 30 September 2010. Further information on BTIM's responsible investment practices can be found in their Annual Report at btim.com.au.

In support of our objective to establish a governance process for the implementation of UN PRI, Advance surveyed 24 active managers used in its portfolios, nine of whom are also UN PRI signatories. The survey assessed their progress in integrating Environmental, Social and Governance (ESG) considerations into their investment decisions. Questions covered resourcing, policies and processes, reporting capability and engagement undertaken on ESG related issues. Advance has also been working to finalise a sustainable investment framework and guidelines.

We are working to be fully compliant with the Principles. Whilst initially targets were set to complete a framework for compliance in 2010, the complex nature of our business as a manager of managers has meant that this work will continue in 2011. Application of the Principles is an ongoing commitment to help evolve our ESG practices.

BT Super for Life has also grown to over \$1 billion in funds under management. At an aggregated level, one out of every five dollars invested in BT Super for Life is invested in a sustainable investment process.

We continue to support the development of sustainable investment practices more broadly through our involvement in the UN PRI, Investor Group on Climate Change, Responsible Investment Association Australasia and Regnan.

Case study: Found!

\$150,000 in lost super – now fewer fees, better investments

Like many Australians, various job moves for a Westpac customer led to his super being spread across numerous funds. In a Melbourne Westpac branch to open a new credit card this year, he was prompted to take charge of his super.

The relatively simple process led to him uncovering 13 accounts – totalling more than \$150,000. Rounding his super into one BT Super for Life account not only gives him greater control, access and peace of mind, but means one management fee instead of 13, which is estimated to save him in excess of \$1,000 per year in wasted fees alone.



“Through hard work, commitment, and genuine insights we have developed deeper and stronger relationships with our customers.”

Rob Whitfield Group Executive, Westpac Institutional Bank

Westpac Institutional Bank (WIB) delivers a broad range of financial services to commercial, corporate, institutional and government customers.

WIB operates through dedicated sales industry teams, supported by specialist knowledge in financial and debt capital markets, transactional banking, margin lending, broking and alternative investment solutions.

Customers are supported through Westpac branches and subsidiaries located in Australia, New Zealand, New York, London and Asia.

Institutional Insight

Through hard work, commitment, and genuine insights we have developed deeper and stronger relationships with our customers, demonstrated by being voted as the leading corporate and institutional bank¹ for the second consecutive year.

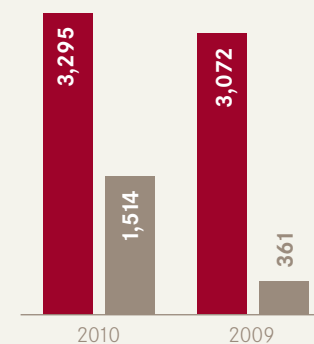
For us 'insight' is about working closely with our customers to provide them with a not-yet-obvious understanding that can become the basis for a competitive advantage and unlock growth.

We expect that our customers will continue to face a challenging and changing environment, and in response we are bringing our expertise to bear in a range of market-leading solutions that cover the whole capital and product spectrum. Some of the more innovative solutions include:

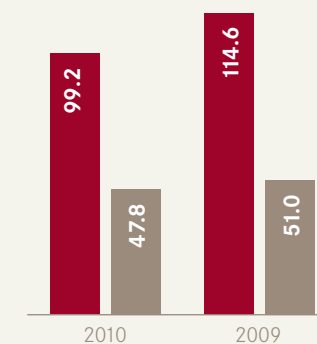
- Being the only bank to enter the New Zealand Emissions Trading Scheme (NZ ETS) during the reporting year, facilitating the development of the market. We have a key role promoting price transparency for market participants;
- The development of a market-leading merchant acquiring solution, which included the development of small ticket and contactless acquiring;
- Corporate Online remaining the superior electronic platform for the corporate and institutional market for the sixth year in a row²;
- PPRS (Prepayment Risk System), which is a patented online system, unique globally, for dynamically calculating a company's merchant prepayment risk;
- The premier superannuation contribution processing system – 'QuickSuper', which simplifies and improves workflow; and
- A market leading integrated data connectivity service – WIBS (Westpac Integrated Banking Services), which is now used by over 100 key organisations to seamlessly integrate connectivity into their business processes.

Business Unit Performance	2010	2009	% Mov't 2010/2009
Operating income (\$m)	3,295	3,072	7
Operating expenses (\$m)	(1,038)	(1,028)	(1)
Cash earnings (\$m)	1,514	361	large
Economic profit (\$m)	1,157	(361)	large
Total assets (\$bn)	99.2	114.6	(13)
Deposits (\$bn)	47.8	51.0	6
Net loans (\$bn)	61.5	75.3	(18)
Funds under management (\$bn)	8.0	8.9	(10)
Expense to income ratio (%)	31.5	33.5	6
Customer satisfaction ² (Peter Lee Survey – rank number)	1	1	
Employee numbers	3,139	3,065	
Employee engagement	75	81	
Proportion of infrastructure and utilities financing in renewables (incl. hydro) – Aust. & NZ (%) ³	52	51	
Finance assessed under the Equator Principles (\$m) ³	364	1,292	

Income



Balance Sheet



1. Peter Lee Associates Large Corporate & Institutional Transactional Banking survey – Australia (2005-2010).
 2. Peter Lee Associates Large Corporate & Institutional Relationship Banking Survey – Australia 2010, Equal No.1 for Lead Bank, Equal No.1 for Relationship Strength Index and No. 1 for Customer Satisfaction Index.
 3. Full details of the calculation and methodology are available in our online report at www.westpac.com.au



“For us ‘insight’ is about working closely with our customers to provide them with a not-yet-obvious understanding that can become the basis for a competitive advantage and unlock growth.”

Rob Whitfield Group Executive, Westpac Institutional Bank

Financing a renewable future

While we report our own emissions elsewhere in this report we know that the real impact and contribution of the financial sector is through the downstream impacts of its financing and investment activities.

WIB has been leading the Group’s response to this challenge since 2007 with the formation of the Carbon and Water Forum to provide a formal governance mechanism for our activities. As markets and policy frameworks develop to reduce greenhouse gas emissions, WIB has an important role to play in supporting Australian and New Zealand businesses in reducing their emissions. This means supporting emerging low emission industries and activities, and at the same time helping to fund the transition away from current carbon intensive activities.

To do this we need to build capacity across the business, develop innovative products and solutions and continue to advocate for practical responses.

We have developed significant in-house capabilities to assist our customers manage the diverse range of emerging risks and opportunities in a carbon-constrained economy. This has included employee training on carbon and adaptation risk, developing client engagement tools, investing in sector leading carbon price risk management capability, and risk assessment and credit underwriting standards which reflect changing market dynamics.

The complex and sometimes conflicting nature of climate issues, from regulatory risk through to adaptation and issues of water scarcity means that it is important that we continue to develop these skills across our business, from those who will be required to make assessments against these emerging risks to those who engage with customers on these issues.

We are looking to facilitate the transition of business to a low emission economy. We are doing this via proactive customer engagement, and avoiding involvement in transactions that promote the establishment or long term continuation of inefficient and high emitting assets into the future. This approach has been formally set out with the development of a Sustainable Energy Policy which sits underneath the broader Group ESG Credit Policy.

Importantly, we consider all our project finance deals against the Equator Principles, to which we were a foundation signatory. The Principles, applied to all deals, regardless of size, set out considerations for the management of environmental and social issues for project financing globally. This year we undertook additional Principles training for those in project finance and related areas.

One of the largest deals completed during the reporting year was the financing of the Victorian Government’s desalination plant. While we acknowledge that the plant was seen as controversial by some parties, we are proud to be part of a project that meets global standards for environmental management, and is vital for the Victorian community and future water supply for Victoria.

We are also committed to financing new cleantech, energy efficiency and renewable energy transactions. Our current infrastructure and utilities financing reflects this commitment, with over 50% of our financing directed to hydro and renewables. Our Renewable Energy Strategy was reviewed in 2008 to increase our involvement in local renewable energy projects, which included a review of underwriting standards to help facilitate this. Recent deals, which included the AGL-led Hallet 4 wind farm in South Australia and the Investec-advised Collgar wind farm in Western Australia, are evidence of our support.

We will continue to work with Government and the community as regulatory frameworks around the introduction of carbon constraints firm up in the jurisdictions where we operate. In May 2010, along with The Climate Institute, we commissioned Bloomberg New Energy Finance to assess global and local trends in clean energy investment, and earlier this year we became the Lead Climate Partner in the Climate Institute’s Climate Partners Network. We are also helping to support Australians working here and abroad in sustainability through the Advance Green Network.



Supporting our multi-brand strategy

Importantly, we are applying the innovation and insights developed by working closely with our corporate and institutional customers for the benefit of customers across all our brands.

Our Working Capital Solutions business helped St.George Bank launch two innovative products for their business customers during 2010 – QuickSuper, an online portal, which enables more effective superannuation contributions processing for employers; and Payway, a receivables product that allows customers to collect payments from their customer base through numerous channels.

In 2011, we’re launching a Payables Portal, which will allow our WIB customers to offer a more flexible payment process to their suppliers (predominantly customers in our Retail & Business Banking segment) by providing payment, financing and remittance options.

Our social focus

We have a long history of strong banking relationships with the not-for-profit sector. We believe that our role is much broader than simply providing these organisations with banking services. One area we deeply believe that we can apply our passion, expertise and insight to is around helping homeless Australians.

In 2011 we are working across three broad areas to help alleviate homelessness:

1. Facilitating volunteers to work with our community partners to help with homelessness;
2. Being a community advocate on social and affordable housing initiatives and leveraging our institutional insights to assist organisations in the development and management of additional resources to meet this growing community need; and
3. Creating a forum for our customers to share our passion for helping homeless Australians.

This is a complex issue and we are here for the long haul.



The business is gaining momentum and delivering sound financial results as we remain open for business, have better bankers, have more bankers in more places and stand by our customers.

George Frazis CEO, New Zealand

Westpac New Zealand is responsible for banking, wealth and insurance provided to more than 1.2 million consumer and small to medium business customers in New Zealand. It has more than 543,000 registered online banking users. The division operates via an extensive network of 204 branches (including agency sites) and 515 ATMs across both the North and South islands.

Banking products are provided under the Westpac brand while wealth and insurance products are provided by Westpac Life New Zealand and BT New Zealand. Institutional customers are supported by the New Zealand Institutional Bank, the results of which appear within Westpac Institutional Bank.

Standing by our customers during challenging times

The 2010 financial year has been a challenging year for many of our customers. In a difficult economic environment we have remained committed to supporting our customers by staying open for business. We began the year by announcing the reduction of exception fees across a wide range of our products. Despite the financial impact on operations, this has helped customers experiencing difficulty managing their finances.

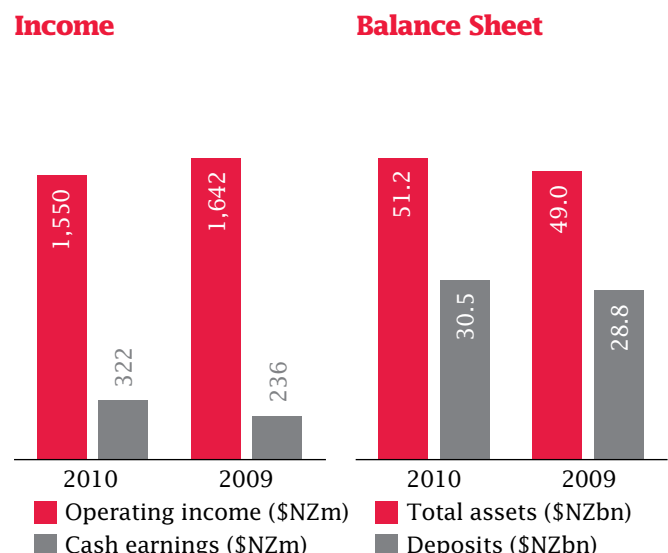
We have supported local businesses by continuing to lend to customers who meet credit criteria. This has been in a market that has contracted by 5 per cent over the financial year. We now have 100 Local Business Managers in branches across the

country are providing further support for our customers. Through accessible expertise and advice, with smaller portfolios, our Local Business Managers have developed a deeper understanding of our customers' businesses to offer tailored banking solutions that assist in improving the performance of their businesses.

We have also achieved good quality growth and market share gains across our Retail portfolios, especially in home lending. Following the financial crisis, we adjusted risk standards and credit criteria for greater prudence. Current delinquency rates are being driven by legacy lending practices, which were addressed during the global financial crisis.

Providing our customers with the opportunity to improve their financial literacy remains a key commitment as part of our focus on local communities. Our 'Managing your Money' program continues to help thousands of New Zealanders every year. Westpac conducts online tutorials and our employees run workshops. This year has seen new partnerships, including with the New Zealand Government, to promote responsible money management. A program has also been established with Holden encouraging responsible driving and responsible money management for teenagers aged 15 to 17. Support for the Maori community has strengthened with sessions being facilitated on the marae.

Business Unit Performance (NZD)	2010	2009	% Mov't 2010/2009
Operating income (\$m)	1,550	1,642	(6)
Operating expenses (\$m)	(746)	(741)	(1)
Cash earnings (\$m)	322	236	36
Economic profit (\$m)	(5)	(68)	93
Total assets (\$bn)	51.2	49.0	4
Deposits (\$bn)	30.5	28.8	6
Net loans (\$bn)	49.8	47.7	4
Funds under management (\$bn)	2.2	2.1	5
Expense to income ratio (%)	48.1	45.1	(7)
Number of customers (m)	1.2	1.2	
Number of branches	204	196	
NPS - Consumer	(14)	(21)	
NPS - Business	(28)	(38)	
Employee numbers	4,698	4,510	
Employee engagement (%)	79	79	
Community investment (\$m)	7	8	
Scope 1 & 2 Emissions (tonnes CO ₂ -e)	5,294	5,980	



Newly opened The Base branch - Westpac's first Waikato-based seven-day-a-week bank.

Making banking easier and faster for our customers

The Westpac Local Operating Model is now in action in all of our branches. The model introduces flexibility across branch roles and increases the opportunity for our people to deliver service excellence and develop deeper customer interactions. We have continued investment in the development of our bankers, particularly in credit training, providing them with the skills to make the right decisions for our customers in their local communities. Greater empowerment has meant 80% of retail home lending approval decisions are now being made within the branch with the support of sophisticated tools. This has increased from 53% in October 2009.

We have opened eight new community branches over the year. The community branches have a smaller footprint than traditional branches and, when combined with the Local Operating Model, are designed to enhance customer service. These branches are equipped with the latest in self-service banking technology such as Smart Deposit ATMs and Cash Exchange machines. These provide convenient, round the clock banking solutions to meet the varying needs of both our retail and business customers.

The rollout of our new touch screen ATM fleet incorporating the latest technology is complete. There are over 410 in place across the country.

Inspiring goodwill in our local communities and a leader in sustainability

In May this year, Westpac held its sixth annual 'Chopper Appeal' for local Westpac Rescue Helicopter Trusts. This year New Zealanders helped raise over \$1.45 million. This was the most successful appeal so far. The annual success highlights the value local communities place on the Westpac Rescue Helicopters and

the role they play in saving the lives of New Zealanders every year. This helps New Zealanders lead their active, outdoor lifestyle with peace of mind.

This year was the third year in our partnership with the Care for Our Coast program run by the Sir Peter Blake Trust. We are well on our way to achieving our target to remove one million pieces of rubbish from our beaches and coastlines by 2012. We completed 340 beach clean ups in 2010 against a target of 300, which removed over 285,000 pieces of rubbish. In addition to the Trust's Care for Our Coast program, over 150 Westpac leaders attended community Leadership Forum events across the country as part of the Sir Peter Blake Trust Leadership Week held in June.

Westpac's support for the Halberg Trust continues. The Halberg Trust plays an important role in promoting sporting excellence and recreation across New Zealand. It is also a strong advocate and supporter of New Zealanders with disabilities participating in sport. This year, Westpac has been involved in helping close to 1,000 disabled New Zealanders participate in sporting events with the support of 487 Westpac volunteers.

Our four year sustainability plan launched in 2008 committed Westpac New Zealand to a carbon emissions reduction target of 20% by 2012. This was for direct (scope 1), indirect (scope 2) and other indirect (scope 3) emissions. Our emissions are measured using Landcare Research's internationally accredited "Certified Emissions Measurement and Reduction Scheme" (CEMARS). Our participation in the scheme is voluntary. However, we felt it was an important step in becoming a certified low carbon business. Across our head office and national branch network, we are currently tracking ahead of our four year target. Westpac has achieved a 22% reduction in carbon emissions based on our 2008 baseline year. Scope 2 emissions have decreased by 50%,



Te Anau Branch volunteers cleaning up Milford Sound.

largely achieved through energy efficiency gains in our properties. Scope 3 emissions have increased due to a rise in domestic air travel related to various training initiatives.

We believe we are the first bank in New Zealand to use recycled plastic in our EFTPOS cards, produced without chemical waste. The cards are recycled out of some of the 17 billion plastic cards produced globally every year.

In April 2010, Westpac was the first bank to begin trading in the New Zealand Emissions Trading Scheme. We are also the first bank to offer a broking service, and providing live tradeable bids and offers for New Zealand carbon units. This is helping to develop the market by providing liquidity and transparent pricing signal. Since April 2010, we have completed over 100 trades of varying parcel size.

Committed to the development of our people

Continued investment in developing the skills and potential of our people is an important commitment. In addition to external study programmes, we launched an internal Coaching Academy to provide mentoring and training for our leaders. Senior leaders are trained and developed to International Coaching Federation standards to assist them in becoming more effective in their role and to coach other staff.

Difficult operating environment for NZ banks

The post-financial crisis operating environment has seen the underlying fundamentals of the industry change. In particular, there has been an increase in the cost of wholesale funding and the costs of deposits. When combined with new liquidity requirements established by the Reserve Bank of New Zealand (RBNZ), the cost of funds for New Zealand banks is at a high level compared to pre financial crisis, but has stabilised. At the same time, the sustained competition is providing our customers with attractive interest rates. Despite the difficult operating environment, Westpac New Zealand has maintained a strong and well managed funding position. Our Core Funding Ratio is well above the RBNZ minimum, and we have lengthened the

average residual term to maturity on all long term debt by over twice what it was 18 months ago.

The reputation of the financial industry in New Zealand is recovering from the collapse of many finance companies. Numerous investors lost their money. Westpac has had a positive year with a pro-active media strategy sharing our success and positive stories. This has improved our reputation ranking to equal third out of the major banks.

Canterbury Earthquake

On the 4th of September 2010 the Canterbury region in the South Island of New Zealand suffered a 7.1 magnitude earthquake. There was significant damage to homes, workplaces and infrastructure in the region. We have 835 Westpac people in the affected area. Our first priority was ensuring their safety and well-being.

An employee relief package was implemented, with counselling services available. Additional leave has been provided, along with child support and financial assistance. For our 200,000 customers in the region an emergency customer care package was announced. Additional lines of credit were made available for customers, that meet lending criteria. Eligible customers could elect to take mortgage payment holidays. Term deposit break fees were also waived to access funds as quickly and easily as possible. As part of Westpac's commitment to the local community, the NZ\$1 million Canterbury Care Fund was established with the Salvation Army selected as the primary partner to provide supplies and long-term reconstruction. A NZ\$1 billion loan pool has been set aside for rebuilding infrastructure, homes and businesses in the region.

The majority of our branches and ATMs in the region were operational following the earthquake. Most Westpac operations in Christchurch are operational. The exception is the corporate office. The corporate office in the Christchurch CBD is undergoing repairs. Temporary accommodation was negotiated shortly following the earthquake.



Westpac Pacific Banking



“On 10 May, Westpac PNG celebrated its 100th anniversary in the country. We are PNG’s first bank and are proud to have provided a century of continuous service.”

Greg Pawson General Manager, Pacific Banking

Pacific Banking provides a full range of financial products, including home, personal and business lending, and savings and investment accounts, for more than 245,000 retail and business customers throughout the Pacific. It delivers its core business activities in Fiji, Papua New Guinea (PNG), Vanuatu, Cook Islands, Tonga, Solomon Islands and Samoa, through a range of channels including 51 branches and agencies, 85 ATMs, telephone banking and internet banking.

With some 83% of the adult population in the Pacific Islands, where we operate, not having access to banking services, a key focus of our business and sustainability strategies has been to improve accessibility in the region. This includes the launch of technology-based products, financial education programs and support for more robust financial services in the region.

New mobile EFTPOS terminals offer wireless connectivity for our merchants, particularly in remote locations. And, our enhanced Internet Payment Gateway offering now allows businesses to accept EFTPOS payments as well as multi-currency credit card payments. Online merchant uptake for the product has grown significantly.

In PNG, we have launched the first stage of a market-leading web-based facility, Corporate Online, to our larger corporate customers, providing a full range of easy-to-use administration, accounts, receipts and payment services. Through our partnerships with telecommunication companies in Fiji, retail customers can now deposit and withdraw funds to and from their mobile money account linked to their mobile phone.

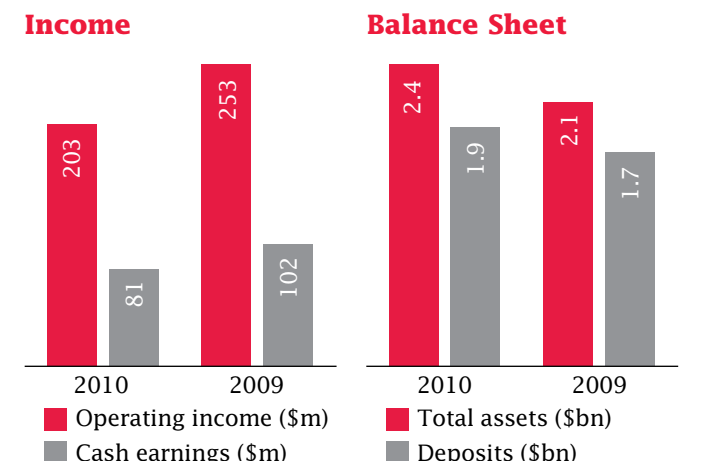
The establishment of a microfinance unit in Fiji and partnering with various organisations, such as the Ministry of Women, Poverty & Alleviation, Suva City Council, Fiji Arts Council and Save the Children Foundation, have opened the opportunity for banking services and financial education to those traditionally overlooked by commercial banks.

Beyond banking services

In addition to financial education courses delivered by our employees across the region, we continue to partner with AusAID, the Australian government's foreign aid department to deliver our financial education program to the three countries participating in the Pacific Seasonal Workers Pilot Scheme. New courses developed provide more basic information, including understanding what money is, using an ATM and EFTPOS facilities, and tracking personal expenses.

As part of the Scheme, new workshops help small enterprises and community groups develop practical skills to better manage their business. For some, these programs are the first formal education they have received about running their business. For business women, our workshops provide networking opportunities. Our support for business women extends to our annual hosting of the Westpac Women in Business Awards in PNG and sponsorship of the South Pacific Business Development's Business Woman of the Year Award in Samoa.

Business Unit Performance	2010	2009	% Mov't 2010/2009
Operating income (\$m)	203	253	(20)
Operating expenses (\$m)	(78)	(85)	8
Cash earnings (\$m)	81	102	(21)
Economic profit (\$m)	59	78	(24)
Total assets (\$bn)	2.4	2.1	14
Deposits (\$bn)	1.9	1.7	12
Expense to income ratio (%)	38.4	33.6	(14)
Number of branches and agencies	51	51	
Employee numbers	1,254	1,176	
Employee engagement	88	90	
Community investment (\$'000)	234	210	





Celebrating Westpac Bank PNG Limited's 100th anniversary in Port Moresby, PNG.

Improving governance in the region

We have long-standing relationships with the governments, regulators and other authorities in the countries where we operate and continue to work with them to further financial and economic stability in the region. This year, we provided feedback on proposed regulatory changes in PNG, Samoa, Fiji and Tonga, banking fees and pricing in the region, and our employees participated in anti-money laundering training as well as other training to fulfil trade sanction obligations.

Supporting Pacific Communities

Our grassroots approach to providing support continued in the past year with our ongoing sponsorships of local community events and activities targeting specific health concerns. These include the Rotary Pacific Water for Life Foundation, the Fiji Cancer Society, the Samoa Victims Support Group, the Cook Islands tourism awards, the Fly Solomons Half Marathon, Tonga's Jazz Festival, the Vanuatu Tourism Awards and PNG's Susu Mama's, an organisation dedicated to reducing PNG's high infant mortality rate.

In PNG, HIV/AIDS continues to be a major issue. We have increased our involvement with the Businesses Against HIV/AIDS Coalition to help combat the spread of the disease. We have an internal HIV/AIDS policy and program, which

educates staff about the disease as well as provide free condoms in our offices and branches. During the year, branch employees promoted awareness and raised funds on AIDS Day. Branches in PNG also distributed health information during the recent cholera outbreak.

Westpac PNG celebrates a century of serving the community

On 10 May, Westpac PNG celebrated its 100th anniversary in the country. We are PNG's first bank and are proud to have provided a century of continuous service.

The event was marked with numerous celebrations across the country. All 15 branches, from the Highlands to the islands, commemorated with parties, customer lunches and staff mumus (a feast centred on the in-ground roasting of a pig).

A formal dinner for more than 400 guests was the highlight of the celebrations where Gail Kelly, CEO of The Westpac Group, spoke of Westpac's commitment to the country and contribution to the stability of the local financial system.



“Skilled and engaged people, passionate about making business easier and delighting our customers.”

Peter Hanlon Group Executive, People & Transformation

People & Transformation has responsibility for human resources strategy and management, including reward and recognition, learning and development, careers and talent, diversity, employee relations and employment policy. In addition we manage the customer, people and productivity elements of our Transformation program as well as Corporate Affairs & Sustainability.

We're transforming to stand out

Since 2008, we have transformed our thinking about customers, from a mindset about products first, to positive action beginning with each customer and their individual needs. Our focus is on customer advocacy, which we measure using a Net Promoter Score. We have a vision of delighting customers and of customers recommending us to others. Advocacy is a much higher benchmark than customer satisfaction, and our objective is to be ranked first and second amongst the major banks and St. George in Australia.

We were a single banking brand; now we have many brands across banking and wealth, giving customers real choice.

No change of this magnitude is without some hard yards. And the next few years demand a focus on driving excellence and productivity in our businesses. Where we reduce work, we'll reduce our overall numbers by redeploying people to other areas whenever we can or by managing natural attrition. At all times we will treat our people with respect and within the provisions of the Enterprise Agreements.

Building a place where the best people want to work

We believe our people provide us with a great opportunity for competitive advantage and differentiation. Our goal is to have the most skilled and engaged people, who are passionate about our customers, our community and our business.

During the year we finalised a new enterprise agreement for Westpac employees in Australia. The agreement contains a number of significant new benefits for employees including increased flexible

The Westpac Group Performance	2010	2009
Employee engagement	80	81
Turnover (%)	17	15
LTIFR (ratio)	2.6	2.6
Women as a percentage of the total workforce – Group (%)	61	62
Women in senior management (%)	35	NA

working arrangements to meet work and family commitments. This increased flexibility not only benefits employees but also assists us to better meet our customer service objectives.

More than 90% of employees completed our annual Staff Perspectives Survey, providing a rich source of information on what our people value and the progress of our change initiatives.

Our employees continue to be highly engaged with our 2010 result at 80%, backed by 82% of employees feeling positive about the performance of their people leaders and how they are supporting them.

As evidence of our customer-centric strategy, our frontline businesses have outperformed the rest of the Group both in engagement and employee willingness to recommend us to others.

Although our results are still pleasing, they include clear indicators that our people want to feel a connection between their work and the business objectives. This feedback has been an important input in our work to refresh our vision for the Group.

Diversity is the one true thing we all have in common

Being inclusive is a hallmark for how we go about things. We have a long track record of putting diversity practice into action – yet we know that to stay ahead with our thinking and more importantly, the actions we take, we must keep listening, engaging and responding to tomorrow's needs.

Diversity is about much more than gender. And it's much more than a workforce profile. For the first time across our Group we conducted a Diversity Audit to establish benchmarks for our performance. Over 43% of our workforce responded to the survey which found:

- 43% of people (36% of men and 48% of women) engage in some form of flexible work including part-time, work from home, flexible start and finish times.
- Almost half our workforce has primary (or equally shared) carer responsibilities (40% for children and 8% for an ill/disabled family member).
- 58% of people have personal or life stage needs that they would like to accommodate through flexible work in the next 1.5 – 3 years.

We are now holding a series of conversations with groups of employees on these findings to better enhance our programs to meet these needs.

People & Transformation

Challenging the status quo

We are committed to helping lead the gender equality debate both nationally and internationally. We see having a workforce profile that reflects the customers and communities we serve as a source of competitive advantage and seek to create a truly inclusive workplace.

Highlights of our most recent progress include:

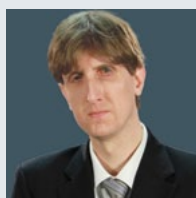
- one of the first Australian companies to sign the CEO statement of support for the UN's Women's Empowerment Principles;
- the first private sector company to close the superannuation savings gap by paying superannuation on unpaid parental leave for up to 39 weeks;
- paid parental leave increased to 13 weeks;
- major sponsor in partnership with UNIFEM of the 100th anniversary of International Women's Day next year; and
- recognised in EOWA's 2010 Blue Ribbon List for the third time running for our support in advancing the careers of women.

Our diversity strategy and program of initiatives is reviewed and assessed quarterly by the Group Diversity Council chaired by the CEO. We have set an aspiration to improve the representation of women in senior leadership roles to 40% across the Group by 2014. We are focused on leadership roles through to our bank managers, which is a group of over 4,000 leaders.

Health, Safety and Well-being

Issues of health, safety and well-being are most typically thought of as material concerns within industrial working environments. The reality however, is that these issues are significant and growing within service industries, including our own.

Through increased engagement, communication and training we are aiming to build and maintain a mindset across our business where our people are confident they can work injury-free, and where we can all return home each day safe and well.

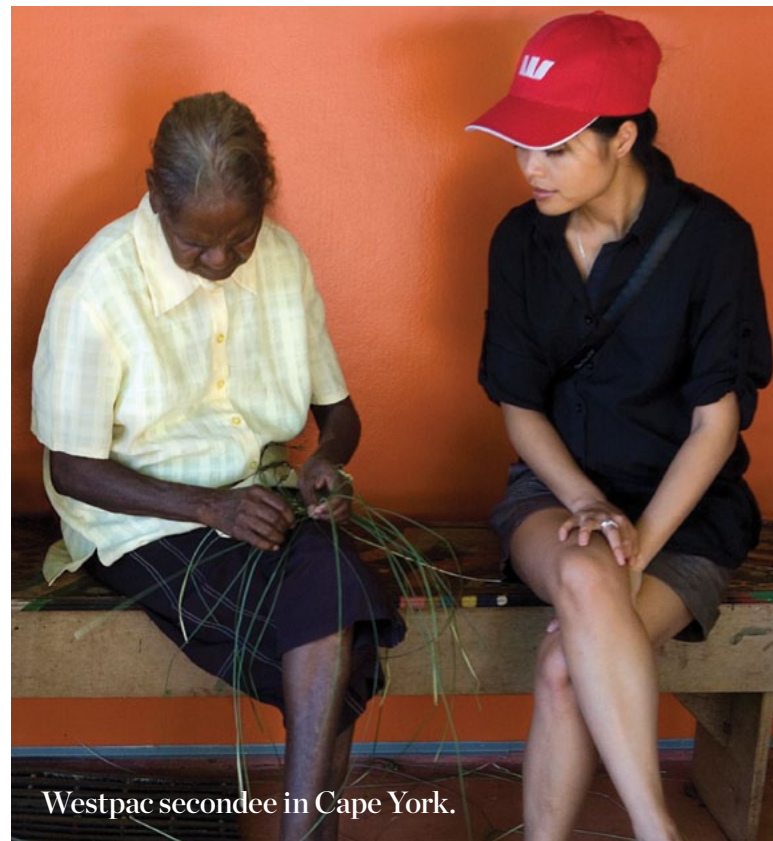


"I had heard a lot about Westpac's Graduate Program. Gaining experience in different roles seemed like the best way to begin my career. Westpac also has a strong reputation as a sustainable company that values diversity which is clearly important to me.

"I use the adaptive computer software Zoomtext to magnify everything on the screen. And I've just begun using a KNFB Reader which is software on my mobile phone that converts a hard copy of any written material into an audio file by taking a photo of the page. Clever huh?

"To me, diversity means everyone has the capacity to offer something unique. This is the first full-time job I've had with this level of vision so I'm learning what works best as I go. Whilst my situation is somewhat unique, the challenges associated with trying to maximise my talents are not."

Ben Gibb Westpac Retail & Business Banking graduate.



Westpac secondee in Cape York.

We want people at all levels of the organisation to take responsibility for and actively care about their own health, safety and well-being, and that of their colleagues, customers and the community. To that end we are focused on providing clear expectations and understanding of the risks that apply in the finance industry.

We implement our policies, procedures and processes in line with Australian Standards and Occupational Health & Safety (OHS) Legislation, and we regularly conduct reviews to drive continuous improvement. Our management systems are independently audited to monitor the effectiveness of our implementation and gain insights from others outside our industry.

Governance

In 2010 we reviewed and enhanced our health, safety and well-being governance practices. A Board Committee was established to provide a specific focus on OHS across the Group, and an Executive Committee focused on OHS has been established, chaired by the CEO.

We recognise that our LTIFR performance, at 2.63, is still too high for us and we are determined to achieve significant improvements by raising awareness of the risks and giving our people better tools to keep them safe.

Community

Making sustainability meaningful for our people

Engaging employees in our sustainability activities is important in making sustainability part of the way we do business. We have formal and informal mechanisms in place to do this, ranging from formal objectives linked to at risk remuneration for eligible employees, to 'blogs' where employees can discuss sustainability issues. Over 5% of employees belong to our champions' program, Our Tomorrow.

We continue to benchmark engagement and awareness of our sustainability priorities. Ongoing tracking has reinforced the link between engagement in sustainability and our broader corporate strategy. We have seen a marked improvement in a number of business areas in response to local engagement programs.

Capacity building

Increasingly our focus is on developing the competencies to build a more sustainable organisation. Addressing long-term sustainability issues will require different skill sets and ways of thinking.

Sustainability content is included in our 'Doing the Right Thing' mandatory compliance training module, completed by all employees every two years.

Further specialised training was held for specific employees. This included an Equator Principles refresher session and climate change adaptation seminars, building on earlier carbon training. More than 48 WRBB employees were accredited as Social Sector Bankers.

Over the coming year we will further incorporate sustainability principles into leadership development and change management programs as part of a consolidation of these models across the Group.

Support for a stronger community sector

Our community strategy focuses on three key areas: employee involvement; community partnerships; and, capacity building. Consistent with our overall sustainability approach, our community support is increasingly part of the way we do business, with strong links to local engagement and employee development.

Next generation of capacity building

During the year we expanded our Organisational Mentoring program. The model improves on traditional pro bono activities by focusing on capacity building rather than simply the completion of projects.

High-potential employees work on long-term change projects with community organisations, supported by a lead mentor and pre-engagement training. Projects have included: establishing governance models; strategy development; reducing employee turnover; and, streamlining financial systems and processes. Work can continue for a number of months, or even years, depending on the nature of the support required.

Partners include existing community partners, Westpac Foundation grant recipients and Social Sector banking customers.

We were amongst the first Australian companies to introduce matched giving and community leave in the late 1990s. And in March 2010, we matched donations to approximately 600 charities providing \$1.5 million in Group and employee donations. Internal surveys indicate that more than 62% of our employees participated in volunteering or fundraising activities in the last year.

During 2010 total community investment across the Group was \$113 million, equivalent to 1.41% of pre-tax profit.

Support for Indigenous communities

One of our highest profile community volunteering programs is our decade-long work with Jawun Indigenous Corporate Partnerships, formerly Indigenous Enterprise Partnerships. Some 455 employees have contributed the equivalent of over 72 years of support for communities in Cape York, primarily by sharing skills with Indigenous business and through financial education to individuals and families. This year we have also become involved in communities in Redfern and Waterloo in inner Sydney allowing more employees to participate in secondments and longer-term mentoring.

We undertake structured three-way development meetings with secondees and their managers to more formally include the experience in employee development plans.

Many of our other activities are outlined in our Reconciliation Action Plan, available on our website.

In further support for social enterprise, this year we announced a matching loans program with World Education Australia (WEA). In the first program of its kind employee loans made via WEA's online microfinance portal, Good Return will be matched dollar for dollar (www.goodreturn.org).

An additional \$20 million in funding to the Westpac Foundation was approved to support its work in funding and developing social enterprise, as well as extending its remit to issues of social inclusion, including homelessness. Again there is a strong focus on capacity building, with support programs for grant recipients and ongoing monitoring of progress and outcomes.

In addition, the St. George Foundation will be provided with \$1 million in funding each year over the next six years to increase its capacity.



“We are delighting our customers through faster turnaround times and improved customer experience.”

Peter Clare Group Executive, Product & Operations

Product & Operations (P&O) brings together over 4,000 Westpac and St.George employees across Australia including retail and small business product management and operations processing. We also provide sourcing, property, and crisis, security and fraud management functions for the Group’s Australian operations.

P&O have developed and implemented a change program aimed at driving a unified culture, focused on customer centricity and supporting a multi-brand environment. We are encouraging and supporting all our employees through comprehensive training and mentoring programs and specific development roadmaps for our leaders.

Making things simpler and faster for customers

Our Operations teams are evolving to be more agile, customer focused and efficient. We are seeking to delight our customers through faster turnaround times and improved customer experience. Some early examples of our work to date are:

- Business Lending Operations, time to decision a Westpac Equipment Finance application has almost halved (to 4 days) for the simpler deals for which our customers expect a quicker turnaround;
- Mortgages, re-engineering of approval, loan documentation, settlement and discharge processes has lead to key cycle times being reduced by up to 40%; and
- Westpac personal loans processing time has been reduced by an average of 66% from 5.6 days to approximately 2 days.

These are part of our ongoing efficiency activities to improve customer outcomes. For instance, work to further improve our mortgage processing will be one of a number of priorities in the coming year.

The key theme in the Product team remains shifting the focus from product to customer. The synergies of managing Product along side Operations is starting to pay dividends, designing new products to simplify the customer experience, rationalising products where applicable and simplifying fees. There have been pleasing customer impacts following the reduction in exception fees, with complaints relating to these fees declining by 81%.

Examples of new products and services developed during the year for the distribution brands include:

- Amplify Rewards Credit Card for St.George and BankSA;
- St.George/BankSA SENSE transaction and savings account is tracking well with over 13,000 accounts opened. It has been recognised by Cannex as one of the most innovative retail banking product this year;

- eStatements are now available for St.George and BankSA customers, helping to meet the Group’s paper reduction targets;
- In Westpac, we launched a streamlined account opening process for personal and business customers, resulting in time saving and an improved customer experience;
- We were the first major Bank to participate in the Government’s green loans program. Whilst the program closed after a few months, we were able to support over 1,600 households with interest free loans to fund energy and water efficient activities and we are working on further product offerings to help retail customers reduce their emissions; and
- In November, P&O will launch e-delivery of all Westpac Personal Loan documentation. This process re-engineering is forecast to deliver a reduction of 1.5 million sheets of paper per annum as a significant improvement in customer experience.

In May 2009, we launched a Group-wide process improvement campaign amongst employees. So far we have logged more than 10,000 ideas from staff. Over 1,500 of these ideas have been implemented, including simplifying forms and disclosure documents, and changes to improve data accuracy at its capture.

Security & Fraud Management

P&O has made significant improvements in the area of Debit card fraud where the delivery of data used to detect fraud has been reduced from 36 hours to 15 minutes, resulting in a much improved customer experience. We are now able to contact customers more quickly via SMS messaging capability. We have enhanced our capacity to reactivate cards to avoid customers being stranded without funds. Customers impacted are now able to receive their funds within four days, down from 15.

“The synergies of managing Product along side Operations is starting to pay dividends regarding designing new products to simplify the customer experience, rationalising products where applicable and simplifying fees.”

Enterprise footprint and suppliers update

Reducing our footprint

In 2008, we set ourselves an ambitious task to achieve a further 30% reduction in greenhouse gas emissions by 2013, across Australia and New Zealand building on our earlier 40% reduction. Changes implemented across the now combined portfolios of St.George and Westpac to work towards this, include: the rollout of low emissions vehicles; lighting upgrades, including exterior signage; and, improved zoning for lighting.

We have achieved emissions 4% below 2008 levels across Australia and New Zealand, although short of the 2010 target of 12.5% due to significant growth in our property portfolio and increased demands on our data centres.

Including the St.George portfolio in the target in 2009 has provided additional challenges. Scope 1 and 2 emissions per Australian employee have increased since the merger. This is partly due to the structure of a number of St.George leases and older underperforming tenancies as well as an increase in the number of branches, ATMs and office space. We are continuing to explore the impacts of this growth in our business, and our technology strategy, on our target. As a result, we believe that it may take longer to achieve the additional reduction of 19,229 tonnes of CO2-e required from extending the 30% target across St.George.

One area where significant progress is being made is in relation to paper, where we have already achieved a reduction of 24% since 2008 against our five year reduction target of 15% for total tonnes of paper in Australia and New Zealand.

Key to continued improvement in all areas of our footprint is improved emissions forecasting and local reporting, and both will be areas of focus for 2011.

Suppliers

This year our sustainable supply chain practices were again top-rated for the financial services sector by the Dow Jones Sustainability Index. We have continued to roll out our Supplier Code of Conduct to all suppliers. Each year a small number of these top suppliers are independently assured against the information provided.

In November 2010, we will sign a formal commitment with the Australian Indigenous and Minority Supply Council (AIMSC) to increase the number of Indigenous businesses in our supply chain.

Examples of other positive changes include the purchase of Fairtrade coffee for our office supplies, and to date over 13,000 cups of Fairtrade coffee and 2,600 reusable cups have been sold in our in-house cafes. Finally, from January 2010 all A4 copy paper used is FSC certified.

Technology Strategic Investment Priorities

During 2010 we finalised our Technology roadmap, and then set about developing an investment plan to deliver it in a sequence that was both affordable and aligned with the Group’s multi-brand, customer-centric strategy.

This resulted in the creation of the Strategic Investment Priorities (SIPs), led by Bob McKinnon, Group Executive Technology.

The aim of the investment portfolio is to progressively transform technology capabilities through simplified and innovative customer touch points, enterprise wide shared services, agile and efficient product systems and robust, secure and scalable infrastructure.

The current SIPs schedule involves 15 specific programs to be developed between 2010 and 2014 with an estimated total investment of \$2 billion. Programs forming part of the SIPs include initiatives to: install a new online banking platform; improve the aggregation of customer data to better understand customer needs; and upgrade and consolidate the Group’s data centres from 9 to 2.

The SIPs programs have been designed to be modular, and of a size that can be efficiently managed generating improved capability and capacity and delivering clear efficiency and revenue benefits.

The SIPs consolidate much of the project investment previously conducted across the Group. Total SIPs investment was \$507 million in the year to 30 September 2010 forming part of the Group’s total project investment of \$1.1 billion.

This year, under the management of Peter Hanlon, Group Executive People & Transformation, we introduced a material productivity program across the Group. This program drives both immediate and medium-term benefits, saving costs and driving revenue uplift. The benefits from the productivity work create capacity for the additional investment.

We are determined to ensure that we obtain full return from investments already made and share best practice, and where appropriate, common processes, across our various brands.

Technology



The Technology division exists to provide a world-class IT environment.

Bob McKinnon Group Executive, Technology

We will achieve this world-class environment by aligning the way we architect, develop, source and manage our technology assets in support of The Westpac Group's business strategy.

With approximately 3,100 employees located in Sydney, Adelaide and Perth, the Technology division supports and enhances our Channels (including Internet, Contact Centres, Branches), Infrastructure (e.g. Data Centres, Services, Utilities) and Applications (e.g. Customer Systems, Core Banking) to ensure they are available, reliable and secure at all times for our customers and employees.

Technology roadmap

Two years ago our technology, and the management of that technology, was not where it should have been. We had under-invested and as a result our technology was lacking both flexibility and reliability. In 2009, we developed a comprehensive Technology strategy and roadmap, which is now used as the blueprint for all Technology decisions.

Our Technology leadership team consists of a number of globally experienced individuals recognised as amongst the best in their field. This, together with improvements in project and change disciplines, has resulted in an improved technology environment overall.

“We are now well into delivering on the technology strategy and roadmap.”

Bob McKinnon

Reliable systems

Specifically, one of our greatest successes to date has been the significant improvements we've made in systems reliability. Critical systems are now much more available for our customers and staff. Technology related outages that have a significant impact on our customers or our staff have reduced by more than 75% over the past two years. This has been underpinned by the creation of a National Operations Centre that proactively monitors the health of our technology environment and acts as a dedicated incident response team. This centre has been central to improving how we support our infrastructure and how we manage our technology on a day-to-day basis.

At the same time as our focus on reliability, we completed the first round of St. George and Westpac integration projects from a people, process and systems perspective. We have also materially improved relationships with, and management of, our key strategic suppliers in 2010.

Technology priorities

Attention has now turned to the planning and delivery of our Strategic Investment Priorities, which have been designed to build out the Technology strategy in a sequence that is both affordable and aligned with the priorities of the business. For details on our SIPs, see page 41.

One of these priorities is our data centres, where we are progressively upgrading capacity while at the same time building a new state-of-the-art facility that will eventually reduce the environmental impact of our technology systems.

We have come a long way in our technology journey over the last two years, and we have much more to do. We will continue to focus on building the best team, improving systems reliability, enhancing relationships with our suppliers and supporting the delivery of the business strategy.



Our new data centre, October 2010.

5 Year Summary

Financial & Other Information¹

Income statements – years ended 30 September² (\$m)	2010	2009	2008	2007	2006
Net interest income	11,842	11,646	7,222	6,313	5,642
Non-interest income	5,068	4,859	4,383	4,006	3,693
Net operating income	16,910	16,505	11,605	10,319	9,335
Operating expenses	(7,416)	(7,171)	(5,455)	(4,689)	(4,413)
Impairment losses on loans	(1,456)	(3,238)	(931)	(482)	(375)
Profit from ordinary activities before income tax expense	8,038	6,096	5,219	5,148	4,547
Income tax expense	(1,626)	(2,579)	(1,287)	(1,630)	(1,422)
Net profit attributable to outside equity interests	(66)	(71)	(73)	(67)	(54)
Net profit attributable to equity holders	6,346	3,446	3,859	3,451	3,071
St. George cash earnings prior to merger	–	163	1,321	–	–
Cash earnings adjustments – non-merger related	(55)	812	(144)	56	8
St. George merger related cash earnings adjustments	(412)	254	11	–	–
Cash earnings³	5,879	4,675	5,047	3,507	3,079

Financial position and key financial ratios²

Balance sheet	2010	2009	2008	2007	2006
Total assets (\$m)	618,277	589,587	439,676	377,620	301,461
Shareholders' equity and minority interests (\$m)	40,118	36,571	19,471	17,908	16,126
Business performance					
Operating expenses to operating income ratio (%)	43.9	43.4	47.0	45.4	47.3
Net interest margin (%)	2.21	2.38	2.07	2.19	2.29
Capital adequacy					
Tier 1 ratio (%)	9.1	8.1	7.8	6.5	6.9
Total capital ratio (%)	11.0	10.8	10.8	9.5	9.6
Total equity to total assets (%)	6.5	6.2	4.4	4.7	5.3
Credit quality					
Net impaired assets to equity and collectively assessed provisions (%)	6.2	5.7	3.0	1.4	1.5
Total provisions to gross loans and acceptances (basis points)	104.9	101.2	69.0	61.6	63.0
Shareholder value					
Dividends per ordinary share (cents)	139	116	142	131	116
Dividend payout ratio (%)	64.9	92.6	68.9	70.1	69.4
Dividend payout ratio – cash earnings (%)	70.5	72.7	71.6	69.2	69.4
Cash earnings to average ordinary equity (%)	16.1	14.0	22.3	23.8	23.0
Earnings per share (cents)	214.2	125.3	206.0	186.9	167.2
Net tangible assets per ordinary share ⁴ (\$)	8.96	7.89	7.71	7.00	6.14
Share price as at 30 September (\$):	23.24	26.25	21.48	28.50	22.71

1. The Summary Income Statement and the Balance sheet and key financial ratio information has been extracted from the Westpac 2010 audited Annual Report.

Figures for 2009 (and for cash earnings in 2008 only in the ten year chart) are presented on a 'pro-forma' basis, that is as if the merger between Westpac and St. George was completed on 1 October 2007. Cash earnings for 2009 has been restated to exclude the impact of St. George merger related fair value adjustments.

2. For more detail please refer to the Westpac 2010 Annual Report, which is available at: www.westpac.com.au/investorcentre

3. Net profit attributable to equity holders adjusted for the impact of Treasury shares, fair value changes on economic hedges of hybrid instruments, and one-off significant items not part of ongoing business operations.

4. Shareholders' equity and non-controlling interests, after deducting non-controlling interests, preference equity and goodwill and other intangible assets divided by the number of ordinary shares outstanding, less treasury shares held.

5 Year Summary

Non-financial & Other Information¹

Customer ¹	2010	2009	2008	2007	2006
Total customers (millions) ²	11.8	11.4	6.9	6.7	6.7
Total online customers – active registrations (millions)	4.8	4.3	3.3	2.9	2.6
Number of points of bank representation	1,517	1,491	1,089	1,073	1,068
Number of ATMs	3,625	3,540	2,285	2,207	2,151
NPS ³ – Westpac Australia retail	(17)	(15)	(24)	NA	NA
NPS – Westpac Australia business	(21)	(21)	(32)	NA	NA
NPS – Westpac New Zealand consumer	(14)	(17)	(19)	NA	NA
NPS – Westpac New Zealand business	(28)	(38)	(28)	NA	NA
NPS – St.George retail	(4)	(9)	(13)	NA	NA
NPS – St.George business	(4)	(21)	NA	NA	NA
Social Sector Banking Footings (\$m) ⁴	7,207	6,072	NA	NA	NA
Responsible Investment Funds Under Management (\$m) ⁵	891	717	513	552	348

Employees

Total core full time equivalent staff (number at financial year end)	35,055	34,189	26,717	25,903	25,363
Employee engagement (%) – Group ⁶	80	81	78	NA	NA
Employee turnover (%) – Aust and NZ ⁷	17	15	20	17	17
Lost time injury frequency ratio (LTIFR) – Group ⁸	2.6	2.6	3.4	3.8	5.2
Women as a percentage of the total workforce – Group (%)	61	62	63	64	64
Women in Management (%) – Group ⁹	35	NA	NA	NA	NA

Environment

Total Scope 1 and 2 emissions – Aust and NZ ¹⁰ (tonnes CO ₂ -e)	189,425	187,239	197,002	108,893	NA
Total Scope 3 emissions – Aust and NZ ¹¹ (tonnes CO ₂ -e)	70,457	61,846	47,694	33,915	NA
Total paper usage (tonnes) Aust and NZ ¹²	6,655	7,146	8,791	6,542	6,653
Proportion of infrastructure and utilities financing in renewables and hydro (%) – Aust and NZ ¹³	52	51	56	NA	NA
Finance assessed under the Equator Principles (\$m) – Group ¹⁴	364	1,292	1,315	2,176	NA

Social

Community investment – Group (\$m) ¹⁵	113	84	57	52	47
Community investment as a % of pre-tax profits (%) – Group	1.41	1.38	1.10	1.3	1.4

Supply chain

Total supply chain spend – Australia (\$bn) ¹⁶	4.39	4.17	2.7	3	2.5
% of top 150 suppliers (\$ invoiced) screened for sustainability – Australia ¹⁷	86	99	99	94	86

1. Unless otherwise stated all data from 2009 includes St.George Bank. More detailed definitions are available in our online report www.westpac.com.au

2. All customers, primary and secondary, with an active relationship (excludes channel only and potential relationships) as at 30 September 2010.

3. Net Promoter Score (NPS) refers to an external measure of customer advocacy, which looks at how willing our customers are to recommend their bank to their family and friends.

4. Data refers to the total of assets (deposits), liabilities (loans) and funds under management (FUM) of the WRBB business unit dedicated to not-for-profit customers. 2010 data is as at 31 August 2010

5. Refers to funds under management which are managed using sustainable and/or ethical investment processes.

6. Employee engagement score is out of 100; prepared by Towers Watson.

7. Refers to the proportion of voluntary and involuntary separation of permanent employees to the average total permanent headcount (full time, part time and jobshare) during the reporting period.

8. Lost Time Injury Frequency Ratio (LTIFR) measures injuries per million hours worked.

9. Refers to all permanent and maximum term contractors in people leadership roles as at September 30.

10. Refers to Scope 1 and 2 emissions in Australia and New Zealand. Prepared in line with the National Greenhouse and Energy Reporting Act (2008), Greenhouse Gas Protocol and Certified Emissions Measurement and Reduction Scheme (CEMARS).

11. Scope 3 emissions are GHG emissions from indirect sources (typically from purchased materials, products and services).

12. Total paper consumed (in tonnes) by The Westpac Group as reported by its suppliers.

13. Data presented as at September 30 and refers to aggregate committed exposures, as per APRA reporting standards. Refer to the online report for the full definition.

14. Voluntary principles used to assess project finance activities, full list of Principles can be found at www.equator-principles.com

15. Community investment is calculated in accordance with the Global Reporting Initiative indicator EC1. 2010 includes foregone fee revenue of \$88.6m, see online for previous years.

16. Refers to the total dollars spent in AUD with external suppliers during the reporting period.

17. Refers to the % of top 150 suppliers by spend that have provided a self-assessment against the SSCM Code of Conduct and/or SSCM Questionnaire since the introduction of SSCM in 2003.

Board of Directors



Ted Evans AC

BEcon (Hons.), Age 69

Independent Director since November 2001. Chairman since April 2007. Chairman of the Nominations Committee. Member of each of the Audit, Risk Management, and Technology Committees.



Gail Kelly

HigherDipEd, BA, MBA with Distinction, HonDBus, Age 54

Executive Director since February 2008. Managing Director & Chief Executive Officer since February 2008. Member of each of the Sustainability and Technology Committees.



John Curtis AM

BA, LLB (Hons.), Age 60

Independent Director and Deputy Chairman since December 2008. Member of each of the Audit, Nominations, Risk Management, and Remuneration Committees.



Elizabeth Bryan

BA (Econ.), MA (Econ.), Age 64

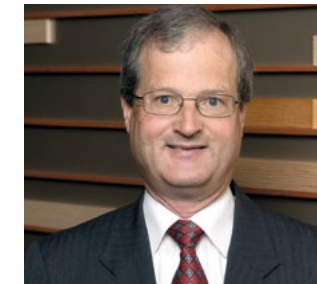
Independent Director since November 2006. Chairman of the Technology Committee. Member of each of the Audit, Risk Management, and Nominations Committees.



Gordon Cairns

MA (Hons.), Age 60

Independent Director since July 2004. Chairman of the Remuneration Committee. Member of each of the Audit, Risk Management, and Nominations Committees.



Peter Hawkins

BCA (Hons.), SF Fin, FAIM, ACA (NZ), FAICD, Age 56

Independent Director since December 2008. Member of each of the Audit, Risk Management, and Technology Committees.



Carolyn Hewson AO

BEc (Hons.), MA (Econ), Age 55

Independent Director since February 2003. Chairman of the Risk Management Committee. Member of each of the Audit, Nominations, and Remuneration Committees.



Lindsay Maxsted

DipBus (Gordon), FCA., Age 56

Independent Director since March 2008. Chairman of the Audit Committee. Member of each of the Risk Management and Nominations Committees.



Graham Reaney

BComm, CPA, Age 67

Independent Director since December 2008. Member of each of the Audit, Risk Management, and Sustainability Committees.



Peter Wilson

CA, Age 69

Independent Director since October 2003. Chairman of the Sustainability Committee. Member of each of the Audit, Risk Management, and Nominations Committees.

Full details of the Directors' skills, experience and expertise, and their directorships can be found in The Westpac Group 2010 Annual Report on the The Westpac Group website www.westpac.com.au/thewestpacgroup

Director & Group Executive Remuneration 2010

The Westpac Group's remuneration strategy is to attract and retain talented employees, by rewarding them for achieving high performance and delivering superior long-term results for our customers and shareholders, while adhering to sound risk management and governance principles.

Our Directors focus on the Group's long-term strategic direction and overall corporate performance. In line with this, the Group's Non-executive Director fees are designed to

attract and retain appropriately experienced and qualified Board Members, and are not linked to The Westpac Group's short-term results.

The external environment has continued to change significantly during 2010. Economic conditions in Australia improved markedly, yet there is continued uncertainty in the financial sector globally. Our ongoing ability to manage through the new operating environment, leveraging all our brands, while continuing to deliver results for our customers

and shareholders is something that we are very proud of.

Executive remuneration has continued to be a focus for governments, regulators and other stakeholders. We have assessed our executive remuneration frameworks and are satisfied that we have a solid foundation for managing remuneration-related risk for the long term.

Key to this success was the continuing efforts of our Board and our executive team led by Gail Kelly.

The value the CEO, Non-executive Directors and senior executives each received from the various components of their remuneration during 2010, including from previous years' equity awards, is set out in the following table. Further details, including an explanation of remuneration components and individual circumstances, are provided in the Remuneration Report in the Group's 2010 Annual Report – available at www.westpac.com.au/investorcentre

Name	Position	Fees/Fixed Remuneration & Superannuation \$000	Other payments & benefits ¹ \$000	STI received as cash ² \$000	Total cash, other benefits & superannuation received \$000	Value of equity-based awards that vested during the year ³ \$000
Your Board of Directors						
Ted Evans	Chairman	715	N/A	N/A	715	N/A
John Curtis ⁴	Deputy Chairman	383	N/A	N/A	383	N/A
Elizabeth Bryan ⁴	Non-executive Director	361	N/A	N/A	361	N/A
Gordon Cairns	Non-executive Director	318	N/A	N/A	318	N/A
Peter Hawkins ⁴	Non-executive Director	310	N/A	N/A	310	N/A
Carolyn Hewson ⁴	Non-executive Director	430	N/A	N/A	430	N/A
Lindsay Maxsted ⁴	Non-executive Director	315	N/A	N/A	315	N/A
Graham Reaney ⁴	Non-executive Director	300	N/A	N/A	300	N/A
Peter Wilson ⁴	Non-executive Director	400	N/A	N/A	400	N/A
Your senior executive team						
Gail Kelly	CEO & Managing Director	2,701	0	2,835	5,536	3,083
John Arthur	Group Executive, Counsel & Secretariat	771	0	975	1,746	0
Greg Bartlett	Chief Executive, St. George Bank	954	10	1,594	2,558	465
Peter Clare	Group Executive, Product & Operations	960	0	1,238	2,198	0
Philip Coffey	Chief Financial Officer	1,100	1	1,800	2,901	355
Rob Coombe	Group Executive, Westpac Retail & Business Bank	960	1	1,500	2,461	514
Brad Cooper	Chief Executive Officer, BT Financial Group	985	154	1,500	2,639	1,332
George Frazis	Chief Executive, Westpac New Zealand Limited	982	293	1,294	2,569	1,517
Peter Hanlon	Group Executive, People & Transformation	1,084	100	1,238	2,422	206
Bob McKinnon	Group Executive, Technology	800	0	1,125	1,925	0
Greg Targett	Chief Risk Officer	1,081	1	702	1,784	239
Rob Whitfield	Group Executive, Westpac Institutional Bank	1,800	251	1,560	3,611	980

1. Includes annual health checks, relocation, living away from home expenses, allowances and termination payments.

2. The CEO and Senior Executives receive part of their annual STI as cash and part is required to be deferred for up to two years (Greg Targett, as Chief Risk Officer, for up to three years). The figure in this column represents the value of the 2010 STI they actually received as cash.

3. The value in this column is calculated as the number of securities that vested, multiplied by the Group's share price at the time they vested, less any exercise price payable.

4. These Non-executive Directors also served on the boards of Group subsidiaries and/or advisory boards. A breakdown of their fees is provided in the 2010 Remuneration Report.

Useful Information

Key sources of information for shareholders

We report to shareholders each year, in late October or early November, in two forms: an Annual Review and Sustainability Report, and an Annual Report. We also report half-yearly to shareholders via a newsletter, in conjunction with the dividend payments in July and December.

Electronic communications

Shareholders can elect to receive the following communications electronically:

- Annual Review and Annual Report;
- Dividend statements when paid by direct credit or via Westpac's Dividend Reinvestment Plan (DRP);
- Notices of Meetings and proxy forms; and
- Shareholder Newsletters and major company announcements.

Shareholders who wish to register their email address should go to

www.westpac.com.au/investorcentre and click on 'Register your email' under 'Shareholder News', or contact the Westpac share registry. For registry contact details see opposite.

Online information

Australia

Westpac's internet site www.westpac.com.au provides information for shareholders and customers, including:

- access to internet banking and online investing services;
- details on Westpac's products and services;
- company history, results, economic updates, market releases and news; and
- corporate responsibility and Westpac in the community activities.

Investors can short cut to the Investor Centre at www.westpac.com.au/investorcentre. The Centre includes the current Westpac share price and charting, and links to the latest ASX announcements and Westpac's share registries.

New Zealand

Westpac's New Zealand internet site www.westpac.co.nz provides:

- access to internet banking services;
- details on products and services, including a comprehensive home buying guide;
- economic updates, news and information, key financial results; and
- sponsorships and other community activities.

Stock exchange listings

Westpac ordinary shares are listed on:

- Australian Securities Exchange, (code WBC);
- New York Stock Exchange (NYSE), as American Depositary Shares, (code WBK); and
- New Zealand Exchange Limited, (code WBC).

Westpac Investor Relations

Information other than that relating to your shareholding can be obtained from:

Westpac Investor Relations
Level 20, 275 Kent Street
Sydney NSW 2000 Australia
Telephone: +61 2 8253 3143
Facsimile: +61 2 8253 1207
Email: investorrelations@westpac.com.au

Share registries

For information about your shareholding or to notify a change of address etc., you should contact the appropriate share registry. Please note that, in Australia, broker sponsored holders are required to contact their broker to amend their address.

Australia – Ordinary shares on the main register, and Westpac SPS and Westpac SPS II

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Postal address: Locked Bag A6015,
Sydney South NSW 1235
Website: www.linkmarketservices.com.au

Shareholder enquiries:
Telephone: 1800 804 255 (toll free in Australia)
International: +61 2 8280 7070
Facsimile: +61 2 9287 0303
Email: westpac@linkmarketservices.com.au

New Zealand – Ordinary shares on the New Zealand branch register

Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
Auckland 1142, New Zealand
Postal address: P.O. Box 91976, Auckland 1030,
New Zealand
Website: www.linkmarketservices.com

Shareholder enquiries:
Telephone: 0800 002 727 (toll free in New Zealand)
International: +64 9 375 5998
Facsimile: +64 9 375 5990
Email: lsenquiries@linkmarketservices.com

Depository in USA for American Depositary Shares (ADS)¹

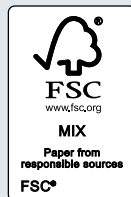
Listed on New York Stock Exchange (code WBK CUSIP 961214301)
JPMorgan Chase Bank, N.A.
PO Box 64504, St Paul
MN 55164-0504, USA
Shareholder enquiries:
Telephone: 1 800 990 1135
(toll free: non-US callers will be charged IDD)
Telephone: +1 651 453 2128
(Hearing impaired: +1 866 700 1652)
Email: jpmorgan.adr@wellsfargo.com
Website: www.adr.com

1. Each ADS is comprised of five fully paid ordinary shares.

Financial Calendar

Record date for final ordinary share dividend	12 November 2010 ¹
Annual General Meeting	15 December 2010
Final ordinary share dividend payable	20 December 2010
Record date for Westpac SPS and SPS II quarterly distribution	24 December 2010
Payment date for Westpac SPS and SPS II quarterly distribution	31 December 2010
Record date for Westpac SPS and SPS II quarterly distribution	24 March 2011
Half Year end	31 March 2011
Payment date for Westpac SPS and SPS II quarterly distribution	31 March 2011
Interim results and ordinary share dividend announcement	4 May 2011
Record date for interim ordinary share dividend	20 May 2011 ^{2,3}
Record date for Westpac SPS and SPS II quarterly distribution	23 June 2011
Payment date for Westpac SPS and SPS II quarterly distribution	30 June 2011
Interim ordinary share dividend payable	2 July 2011 ³
Record date for Westpac SPS and SPS II quarterly distribution	23 September 2011
Year end	30 September 2011
Payment date for Westpac SPS and SPS II quarterly distribution	30 September 2011
Final results and ordinary share dividend announcement	2 November 2011
Record date for final ordinary share dividend	11 November 2011 ^{4,5}
Annual General Meeting	14 December 2011 ⁶
Final dividend payable	19 December 2011 ⁴

1. Record date for 2010 final ordinary share dividend in New York – 11 November 2010.
2. Record date for 2011 interim ordinary share dividend in New York – 19 May 2011.
3. Dates will be confirmed at the time of announcing the 2011 interim results.
4. Dates will be confirmed at the time of announcing the 2011 final results.
5. Record date for 2011 final ordinary share dividend in New York – 10 November 2011.
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 2011.



The Westpac Annual Review and Sustainability Report 2010 is printed on paper certified by the Forestry Stewardship Council (FSC), which guarantees it has been sourced from well managed forests. Westpac's printer is certified under an ISO14001 Environmental Management System.

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Westpac Institutional Bank

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www.westpac.com.au

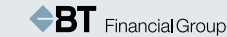
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Westpac New Zealand

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 Tel: +64 9 367 3999
 Fax: +64 9 367 3729
 Email: westpacnz@westpac.co.nz
www.westpac.co.nz

Please note the Westpac New Zealand head office will be moving to the following address in April 2011, all other details will remain unchanged.
 16 Takutai Square,
 Auckland
 New Zealand



BT Financial Group

275 Kent Street,
 Sydney NSW 2000
 Australia
 Tel: 132 135
 From outside Australia: +61 2 8222 7154
 Email: customer.relations@btfinancialgroup.com
www.bt.com.au



St. George Bank

St. George House,
 4-16 Montgomery Street
 Kogarah NSW 2217 Australia
 Mail: Locked Bag 1, Kogarah NSW 1485
 Australia
 Tel: +61 2 9236 1111
 Fax: +61 2 9952 1000
 Email: stgeorge@stgeorge.com.au
www.stgeorge.com.au



BankSA

97 King William Street,
 Adelaide SA 5000
 Australia
 Mail: GPO Box 399,
 Adelaide SA 5001
 Australia
 Tel: 131 376
 From outside Australia: +61 2 9845 4772
 Facsimile: 1300 725 907
 Email: banksa@banksa.com.au
www.banksa.com.au

Global locations

Westpac maintains offices throughout the near Pacific Island nations and in key financial centres around the world. Specific contact details for the following locations can be located on our website at www.westpac.com.au, select 'About Westpac' from the top menu bar, then 'Global Locations' from the 'Explore' menu.

Westpac Institutional Bank

Hong Kong
 India – Mumbai
 People's Republic of China
 – Beijing
 – Shanghai
 Republic of Indonesia – Jakarta
 Republic of Singapore – Singapore
 United States of America – New York
 United Kingdom – London

Pacific Banking

Cook Islands – Rarotonga
 Fiji – Suva
 Papua New Guinea – Port Moresby
 Samoa – Apia
 Solomon Islands – Honiara
 Tonga – Nuku'alofa
 Vanuatu – Port Vila

Sustainability contacts

For further information on the Westpac Group's sustainability policies and performance, call +61 2 8254 8488; Email: corporateresponsibility@westpac.com.au, or visit www.westpac.com.au/corporateresponsibility

or contact:

The Westpac Group – Graham Paterson
 Email: gpaterson@westpac.com.au
 St. George – Pauline Gregg
 Email: greggp@stgeorge.com.au
 New Zealand – Suzie Marsden
 Email: suzie_marsden@westpac.co.nz
 Pacific Banking – Anne Templeman-Jones
 Email: atemplemanjones@westpac.com.au
 UK and Europe – Martin Hancock
 Email: mhancock@westpac.com.au

For further information on our support for International Agreements, including the United Nations Global Compact and Declaration on Human Rights, contact David Bell, General Manager, Corporate Affairs & Sustainability: davidbell@westpac.com.au

