

Security advice: Before accessing emails or the internet, always update your virus, firewall and operating software. Westpac emails do not include links to banking sign-in pages, or ask for your personal security information. For more information on security, visit the Westpac homepage.

If you are having problems viewing this email, go to the [online version](#).

SHAREHOLDER E-NEWS HEADER

8 May 2017

Dear shareholder,

Westpac Banking Corporation 2017 interim results

Today we announced our results for the six months ended 31 March 2017.

Highlights of the 1H17 result^{1,2} (Compared to 1H16 result) include:

- Reported net profit after tax of \$3,907 million, up 6%
- Cash earnings of \$4,017 million, up 3%
- Fully franked ordinary dividend of 94 cents per share, unchanged
- Cash earnings per share of 119.8 cents, up 1%
- Cash return on equity (ROE) of 14.0%, at the upper end of 13-14% range
- Common equity Tier 1 (CET1) capital ratio of 10.0%
- Lending and customer deposit growth of 4% and 6%, respectively

The interim dividend of 94 cents per ordinary share, fully franked, represents a payout ratio of 79% and a dividend yield of 5.4%. This dividend will be paid on 4 July 2017 to shareholders on the register at the record date of 19 May 2017.

The Dividend Reinvestment Plan (DRP) will continue to operate for the 2017 interim dividend. This half, a 1.5% discount will be applied to the DRP Market Price (further details below).

Shareholders wishing to update their DRP election will need to do so before Monday, 22 May 2017 for any change to be reflected in how they receive dividends.

The 3% increase in cash earnings was due to a 1% increase in core earnings (profit before impairments charges and tax) and a 26% decline in impairment charges. The rise in core earnings was due to the rise in lending and deposits, partially offset by a 7 basis point decline in margins. Expenses were well managed up 1%.

All the Group's divisions performed solidly and, with the exception of BT Financial Group, increased their contributions compared to 1H16.

Westpac Group Chief Executive Officer, Mr Brian Hartzler, commented: "This is a solid result given the current complex operating environment". He added "The benefits of our strategy are also clear in this result. We've digitised more processes, which is improving service for customers while also bringing costs down. We've launched a number of new systems including Samsung Pay, SuperCheck, and our new wealth system Panorama; and we've added more than 100 new online features to assist customers."

Full details of the result, including our ASX announcement, investor presentation and

discussion pack, along with a webcast of our institutional presentation are available online at our [Investor Centre website](#). You can access by selecting 'Westpac's 2017 Half Year Results' from 'Latest news' in the centre of the page.

Important information relating to the 2017 interim dividend

Key dates

Ex-dividend date (New York) – 16 May 2017

Ex-dividend date (Sydney) – 18 May 2017

Record date (New York) – 18 May 2017

Record date (Sydney) – 19 May 2017

Payment date – 4 July 2017

Dividend Reinvestment Plan

The DRP for the 2017 interim dividend will operate as follows:

- The Market Price of shares issued under the DRP will include a discount of 1.5%; and
- The pricing period for setting the Market Price will be the 10 trading days commencing on 24 May 2017.

If you wish to update your participation in the DRP or change your level of participation for the 2017 interim dividend, you will need to change your DRP election by no later than 5.00pm (AEST) on Monday 22 May 2017. You can do so either by:

1. If the value of your shares is less than \$50,000 for a single holding, or less than \$1,000,000 per shareholding held within a Link Market Services portfolio, this can be completed online via Link Market Services' (Link) [website](#). Opt into the DRP or vary your election by selecting 'Reinvestment Plans' from the 'Payments and Tax' menu. You will need your HIN or SRN to login; or
2. Downloading and completing the DRP Application or Variation Form from Link's [website](#) and scanning and returning it to Link via email (contact details below).

DRP terms and conditions are available online at our [Investor Centre website](#).

Need more information?

If you have questions regarding your dividend or the management of your shareholding, please contact Link either by email: westpac@linkmarketservices.com.au or by telephone on **1800 804 255** (toll free in Australia).

Yours sincerely,

Westpac Investor Relations

1. Reported on a cash earnings basis unless otherwise stated. For an explanation of cash earnings, refer to Westpac's 2017 Interim Results Announcement.

2. All comparisons are against prior corresponding period (6 months to 31 March 2016).

This communication does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to persons acting for the account or benefit of persons in the United States. The shares to be offered and sold in the equity offer referred to in this communication have not been and will not be registered under the Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction in the United States. Accordingly, the shares may not be offered

or sold to persons in the United States or to persons who are acting for the account or benefit of a person in the United States, unless they have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Click here to view [Westpac's privacy policy](#). Click here to view [Link's privacy policy](#).

To change your communication preferences, please visit [Link's website](#). Select 'Investor Login' to sign in securely, select 'Communications' and then 'Preferences' from the top menu bar. Alternatively, please contact Link on +61 1800 804 255 (toll free in Australia) or write to Link Market Services Limited, at Locked Bag A6015, Sydney South NSW 1235, Australia.

Copyright © 2017 Westpac Banking Corporation ABN 33 007 457 141.