

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

2 November 2020

Westpac 2020 Full Year Results email to shareholders

Westpac Banking Corporation ("Westpac") today provides the attached Westpac 2020 Full Year Results email to shareholders.

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This document has been authorised for release by Tim Hartin, General Manager & Company Secretary.

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Financial Results snapshot^{1,2}

- Statutory net profit \$2,290 million, down 66%
- Cash earnings \$2,608 million, down 62%
- Cash earnings per share 72.5 cents, down 63%
- Final fully franked dividend 31 cents per share
- Return on equity (ROE) 3.83% (excluding notable items³, 7.69%)
- Common equity Tier 1 (CET1) capital ratio 11.13%
- Excluding notable items³, cash earnings \$5,227 million, down 34%

Westpac announced a reported net profit of \$2,290 million for FY20. Cash earnings, the Group's preferred measure of earnings, were \$2,608 million, down \$4,247 million or 62%.

The result was significantly affected by the impacts of COVID-19 along with our own issues. The impacts of COVID-19 included higher impairment charges, lower income (from low interest rates and fee waivers) and higher costs given the increased demands on customers and our employees. Westpac's own issues have included provisions related to the AUSTRAC proceedings and other notable items including estimated customer refunds, payments, associated costs and litigation.

Westpac Group CEO, Mr Peter King, said: "2020 has been a particularly challenging year and our financial result is disappointing."

"Despite the challenging period, our balance sheet remains strong. We have improved our capital position with our common equity tier 1 (CET1) capital ratio rising 46 basis points to 11.13% and our funding and liquidity ratios are comfortably above regulatory requirements. Customer deposits were up 6% over the year, lifting the deposit to loan ratio now above 80%."

"While stressed exposures as a percentage of total committed exposures are higher at 1.91%, up 71 basis points compared to 2019, prudence has been maintained with impairment provisions boosted by \$2.2 billion to \$6.2bn," Mr King said.

Given our issues, the CEO and Group Executives will receive no short-term incentives this year, while no long-term incentives vested as performance hurdles were not met.

A video interview with Mr King on today's results can be found [here](#). A video interview with our Chief Financial Officer, Michael Rowland can be found [here](#).

Result details

Full details of our result, including the webcast of the briefing by our Chief Executive Officer, Peter King, and Chief Financial Officer, Michael Rowland, can be found on our [Investor Centre](#) and can be viewed live from 10am AEST today or on-demand afterwards.

Dividend

- 31 cents per ordinary share, final fully franked dividend
- To be paid on 18 December 2020 to shareholders on the register at the record date of 12 November 2020
- The dividend reinvestment plan (DRP) will apply with a discount of 1.5% to the market price, which will be determined over the 15 trading days commencing 17 November 2020
- Shareholders resident in, and whose address on the register is in Australia or New Zealand who wish to update their DRP election, must do so before 5.00pm (AEDT) on 13 November 2020

Further details around the DRP terms and conditions and updating your election can be found at our [Investor Centre](#).

Outlook

Mr King said that COVID-19 had been a once in a 100-year health and economic crisis and the near-term economic outlook would remain uncertain.

"The impacts are profound across communities, workplaces and on individuals. Westpac fully supports the range of initiatives undertaken by the Federal Government to protect Australians from both the virus and the economic fall-out.

"It has been encouraging to see stimulus measures working to help offset the impacts, including many customers returning to payment after having their repayments deferred for a period of time. Nevertheless, many consumers and businesses will continue to find conditions difficult in the period ahead.

Mr King said that despite the tough operating environment, Westpac remained well capitalised with a strong balance sheet and ample liquidity to continue to support its customers.

"With our three priorities of fix, simplify and perform, we are becoming a simpler and stronger bank with a renewed focus on culture to execute and improve performance," Mr King said.

2020 Annual Reporting Suite

Our 2020 annual reporting suite is now available. It includes our Annual Report, Sustainability Performance Report, Corporate Governance Report, FY20 Financial Results Announcement, Investor Discussion Pack and Pillar 3 Report.

This year we have streamlined our communications and incorporated our Annual

Review & Sustainability Report into our Annual Report. The Annual Report now contains a strategic review bringing together the key elements of our financial, non-financial and sustainability reporting, as well as the Group's audited financial statements and the Directors' Report. The Sustainability Performance Report provides detailed commentary and metrics related to our sustainability performance.

Visit our 2020 Annual Reporting Suite website below to read the Chairman and CEO Reports and other disclosures:

westpac.com.au/2020annualreport

2020 Annual General Meeting

The materials for the Annual General Meeting will be sent to you via a separate email.

Need more information

If you have any questions regarding your dividend or management of your shareholding, please contact Link either by email:

Westpac@linkmarketservices.com.au or by telephone on +61 1800 804 255.

Yours sincerely,

Westpac Investor Relations

1. Reported throughout this communication on a cash earnings basis unless otherwise stated. For a reconciliation of cash earnings to reported results, refer to Section 5, Note 8 of Westpac Group 2020 Full Year Results Announcement. For an explanation of cash earnings, refer to Section 1.3.3.
2. All comparisons are full year 2020 to full year 2019.
3. References to notable items include (after tax) provisions and costs for the AUSTAC proceedings, provisions for estimated refunds, payments, costs and litigation; write-down of intangible items, and asset sales / revaluations.

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