



Westpac 2019 Full Year Result, Annual Report and AGM

Financial highlights Full Year 2019 (FY19) compared to Full Year 2018 (FY18)^{1,2}

- Statutory net profit \$6,784 million, down 16%
- Cash earnings \$6,849 million, down 15%
- Final fully franked dividend 80 cents per share, down 15% from 94 cents per share
- Cash earnings per share 198.2 cents, down 16%
- Return on equity (ROE) 10.75%, down 225 bps
- Common equity Tier 1 (CET1) capital ratio of 10.7%, above APRA's unquestionably strong benchmark
- Excluding notable items³, cash earnings \$7,979 million, down 4%
- Excluding notable items³, ROE 12.52%, down 94 bps
- Bank levy \$391 million (pre-tax), equivalent to 8 cents per share

Westpac announced a reported net profit of \$6,784 million for FY19. Cash earnings, the Group's preferred measure of earnings, were \$6,849 million, down \$1,216 million or 15%. The result was impacted by customer remediation costs and the reset of the Wealth business³. Excluding these notable items, cash earnings were down 4%, mainly due to a reduction in wealth and insurance income from the exit of our financial planning business, higher insurance claims, and the impact of regulatory changes on revenue.

Westpac Group CEO, Mr Brian Hartzler said: "2019 has been a disappointing year. Financial results are down significantly in a challenging, low-growth, low interest rate environment."

Despite the challenging period, we have maintained our capital position and held our liquidity ratios above regulatory minimums. Asset quality has remained sound. In addition, we have been disciplined on costs which saw \$405 million of productivity savings in FY19, and we reduced full time equivalent staff by 5%.

Mr Hartzler added, "Importantly, 2019 has also been a watershed year where we've acted decisively to respond to the challenging conditions. We've progressed the implementation of a number of recommendations from the Royal Commission and our Culture, Governance and Accountability (CGA) self-assessment, and continued our focus on putting things right for customers."

Re-setting the company for the future is a priority, in particular further strengthening Westpac's balance sheet in a low interest rate environment and dealing with potential uncertainties.

Given our priority for balance sheet strength and our goal to support customers' growth, Westpac today also announced that we are seeking to raise approximately \$2.5 billion in capital to provide an increased buffer above APRA's unquestionably strong benchmark. The raising also creates flexibility for changes in capital rules and for potential litigation or regulatory action. The capital raising comprises an institutional Placement and a Share Purchase Plan, and Eligible Shareholders will be separately contacted on the details.

Westpac has also reduced the 2H19 dividend to 80 cents per share. This decision was not easy as we know many of our shareholders rely on our dividends for income. However, we felt it was necessary to bring the dividend payout ratio to a more sustainable medium term-range given the capital raising and lower return on equity.

Mr Hartzler said "Although 2020 will continue to be challenging, we believe our service led strategy, disciplined growth and solid portfolio of businesses will deliver for shareholders and customers."

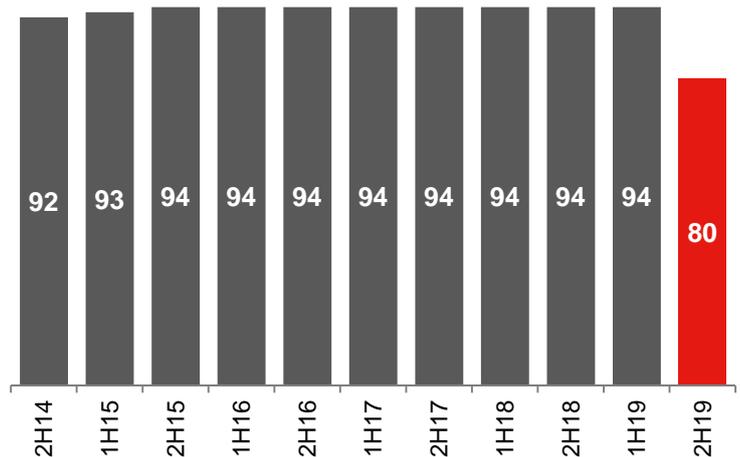
Results details

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

Dividend

- 80 cents per ordinary share, final fully franked dividend
- Represents a payout ratio of 79% and a dividend yield of 5.4%⁴, or 7.7% after franking
- To be paid on 20 December 2019 to shareholders on the register at the record date of 13 November 2019
- The dividend reinvestment plan (DRP) will apply with no discount to the market price
- If you wish to update your DRP election you must do so before 5.00pm (AEDT) on 14 November 2019

Dividends (cents per share)



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

2019 Annual Reporting Suite

Our 2019 annual reporting suite is now available. It includes our Annual Review & Sustainability Report, Annual Report and our Sustainability Performance Report as well as our FY19 Financial Results, Investor Discussion Pack and Pillar 3 Report.

The Annual Review & Sustainability Report brings together the key elements of our financial, non-financial and sustainability reporting. The Annual Report contains comprehensive information on 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 website below to read the Chairman's Report, the CEO's letter and to review the reports:

westpac.com.au/2019annualreport

2019 Annual General Meeting

The 2019 Annual General Meeting (AGM) will be held at the International Convention Centre, 14 Darling Drive, Sydney on Thursday, 12 December 2019 commencing at 10:00am (Sydney time).

It will be webcast live via Westpac's [Investor Centre](#). An archived version will also be available for viewing at a later time.

Our dedicated AGM website, which can be accessed via the individual shareholding link(s) highlighted below, allows you to access the Notice of Meeting, lodge a direct vote or appoint a proxy to vote at the AGM on your behalf and/or submit a question.

If you wish to lodge a question prior to the AGM please do so by 5:00pm (Sydney time) Thursday, 5 December 2019.

Questions submitted should be relevant to the AGM, including on:

- Westpac's financial or non-financial performance;

- the Financial Reports or the Remuneration Report; and/or
- resolutions being put to the AGM.

The Chairman will seek to respond to some of the more frequently asked questions during the AGM. Please note, answers will not be provided individually.

To lodge a direct vote, appoint a proxy and/or submit a question, please follow these instructions:

1. Click on the link(s) below. Each link represents a separate shareholding.

%%Express ID 1 - 20%%

2. Enter the postcode (Australian address) or country code (overseas address) relating to each shareholding.

3. Follow the instructions on the AGM website page that opens up after logging in.

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 an explanation of cash earnings and reconciliation to reported results, refer to Section 1.3 and Section 5, Note 8 of Westpac's 2019 Full Year Results announcement.
2. All comparisons are against prior corresponding period results (twelve months to 30 September 2018).
3. References to notable items include provisions for estimated customer refunds, payments, associated costs and litigation (\$958 million after tax in FY19), and costs associated with the restructuring of the Wealth business (\$172 million after tax in FY19).
4. Based on the closing share price as at 30 September 2019 of \$29.64.

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