SUPPLEMENT DATED 24 AUGUST 2011 TO THE PROSPECTUS DATED 17 NOVEMBER 2010

Westpac Banking Corporation
(*A.B.N. 33 007 457 141*)
(*AFSL 233714*)
(*incorporated with limited liability in Australia and registered in the State of New South Wales*)

Programme for the Issuance of Debt Instruments

This supplement (the "**Supplement**", which definition shall also include all information incorporated by reference herein) to the base prospectus dated 17 November 2010 (the "**Base Prospectus**", which definition includes the Base Prospectus as supplemented, amended or updated from time to time (including the supplements to the Base Prospectus dated 1 December 2010, 22 February 2011, 21 March 2011, 10 May 2011, 16 May 2011 and 19 May 2011) and includes all information incorporated by reference therein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the "**FSMA**") and is prepared in connection with the Programme for the Issuance of Debt Instruments (the "**Programme**") established by Westpac Banking Corporation. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, updates, must be read in conjunction with and forms part of the Base Prospectus and any other supplements to the Base Prospectus issued by Westpac Banking Corporation.

This Supplement has been approved by the United Kingdom Financial Services Authority ("**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a supplement to the Base Prospectus. The Base Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Instruments under the Programme.

Westpac Banking Corporation ("**Westpac**" or the "**Issuer**") accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to supplement the section of the Base Prospectus entitled "Recent Developments" with a market update for the three months ended 30 June 2011.

Recent Developments

The following information shall, by virtue of this Supplement, be added under the heading "Recent Developments" which commences on page 80 of the Base Prospectus:

"*The Westpac Group August Market Update*

On 16 August 2011, Westpac provided the market with an update of its performance for the three months ended 30 June 2011 (the "**June 2011 quarter**"). The update coincided with the release of Westpac's Pillar 3 Report for the June 2011 quarter.

Unaudited net profit after tax for the June 2011 quarter was approximately A$1.45 billion, a decline of 27% from the average of unaudited net profit after tax for the three month periods ended 31 December 2010 and 31 March 2011 (together, the "**first two quarters**"). This decline was due to the benefit of finalising the tax consolidation associated with the merger with St.George Bank Limited, which added A$1.1 billion to unaudited net profit after tax in the three months ended 31 March 2011. Excluding the impact of the St.George tax consolidation, unaudited net profit after tax for the June 2011 quarter increased 2% from the average for the first two quarters.

The operating environment became more subdued in the June 2011 quarter with consumers increasingly cautious and larger businesses continuing to de-leverage. This was reflected in slowing system credit growth in the June 2011 quarter, and weaker markets.

Components of Earnings

- In the June 2011 quarter, net operating income before operating expenses and impairment charges increased around 1.8% compared to the average of the first two quarters, due to higher net interest income from balance sheet growth and margin improvement.
- The net interest margin was 2.25% in the June 2011 quarter compared to 2.17% for the six months to 31 March 2011 ("**First Half 2011**"). The increase in net interest margin in the June 2011 quarter was mostly due to the repricing of variable rate home loans and the positive impact from some volatile and one-off items including the early amortisation of institutional establishment fees and the recovery of interest income from some facilities which were written-off.
- Lending increased 1% between 31 March 2011 and 30 June 2011, with growth in Australian and New Zealand mortgages partly offset by some larger institutions paying down debt.
- In Australia, the Westpac Group has grown in line with system in mortgages. Westpac Retail and Business Banking ("**Westpac RBB**") division continued to grow mortgages above system, while growth in St.George steadily improved from First Half 2011. Small and medium business lending increased modestly over the June 2011 quarter.
- New Zealand lending increased almost 2% in the June 2011 quarter in New Zealand dollar terms, with growth in both business and mortgage lending.
- Customer deposits increased around A$2.4 billion in the June 2011 quarter with most of the growth occurring in term deposits and transaction accounts.

- Non-interest income was lower in the June 2011 quarter, compared with the average of the first two quarters, principally due to lower markets income and the absence of asset sales (First Half 2011 included A$45 million from the sale of Visa shares). Wealth income was higher with lower insurance claims and positive net funds under administration flows.
- Expenses were flat in the June 2011 quarter compared with the average of the first two quarters. This was supported by a Westpac Group-wide productivity program which began in October 2010.
- Impairment charges of around A$300 million in the June 2011 quarter were higher than the average of A$232 million in the first two quarters. However, there was little change from the average of the first two quarters after excluding First Half 2011 changes in economic overlay provisions. No changes to economic overlays were made in the June 2011 quarter.
- Across divisions, impairment charges improved in WIB and in New Zealand, while charges were higher in Westpac RBB and St.George.

Productivity drive

- Operational efficiency remains a key area of focus for Westpac. During the June 2011 quarter, Westpac began a new round of productivity initiatives to reinforce its existing cost efficiency advantage, with Westpac's cost to income ratio around 4 percentage points below the average of its Australian peers. In broad terms, two new initiatives commenced in the June 2011 quarter: the realignment of head office and administration areas; and planning associated with improving the productivity of operations and IT services, including changes to sourcing arrangements.
- Management expects that costs associated with head office and administration changes will be higher in the three months ending 30 September 2011. In addition, management expects that expenses in the three months ending 30 September 2011 will be increased by one-off costs associated with the Bank of Melbourne launch and transaction expenses related to the proposed acquisition of J O Hambro Capital Management by BT Investment Management Limited.

Westpac investments

- Westpac's Strategic Investment Priorities program announced in October 2010 is tracking to plan and budget.
- Westpac launched the Bank of Melbourne on 25 July 2011, ahead of schedule.

Asset Quality

- Stressed assets to total committed exposures declined to 2.67% at 30 June 2011, down from 2.85% at 31 March 2011, and is now over half a percentage point lower than at its 30 September 2010 peak.
- All three categories of stressed exposures (watchlist and substandard, 90 days past due and well secured, and impaired) declined, with the largest fall recorded in the watchlist and substandard category. All business segments experienced a reduction in both the number and value of new problems emerging. A$585 million in write-offs of impaired assets against provisions in the June 2011 quarter contributed to this decline. New impaired assets continued to trend lower from that experienced in recent quarters.

- In Australian mortgages, 90+ day delinquencies were 59 basis points at 30 June 2011, up 3 basis points from 31 March 2011. However, 30+ day delinquencies were 17 basis points lower in part reflecting an easing in the disruption experienced by some customers associated with natural disasters. The first home buyer segment has continued to perform better than the total portfolio.
- New Zealand mortgage delinquencies declined over the June 2011 quarter, falling 8 basis points to 72 basis points at 30 June 2011.
- Other consumer delinquencies, including credit cards and other consumer lending, for the Group were higher over the June 2011 quarter, up 8 basis points to 142 basis points at 30 June 2011.
- Management believes that provisioning coverage remains strong, with the ratio of individual impairment provisions to impaired loans at 37% and collective provisions to credit risk weighted assets at 136 basis points.

Capital and Funding

- Westpac's Tier 1 capital ratio was 9.65% at 30 June 2011, up from 9.53% at 31 March 2011. The increase was predominantly due to organic capital growth and an increase in the take-up of Westpac's dividend reinvestment plan for the 2011 interim dividend.
- Westpac's common equity ratio at 30 June 2011 was 8.08%, an increase from 7.95% at 31 March 2011.
- Westpac raised A$10 billion in term funding over the June 2011 quarter, taking the total raised to just over A$22 billion in the 9 months to 30 June 2011. With customer deposits having fully funded loan growth to the end of July 2011, term funding has been directed to covering maturities and strengthening the Westpac Group's funding and liquidity profile.
- The Westpac Group has further added to its liquid assets which, at 30 June 2011, were A$89 billion, up from A$85 billion at 31 March 2011.
- Westpac believes that it is well positioned to transition to the new Basel III capital and liquidity requirements."

General

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated in the Base Prospectus prior to the date of this Supplement, the statements in (a) above will prevail.

Save as disclosed in this Supplement and the Base Prospectus, the Issuer is not aware of any other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting an informed assessment by investors of Instruments issued under the Programme since the publication of the Base Prospectus.

Factors which could be material for the purpose of assessing the risks associated with the Instruments issued under the Programme are set out on pages 10 to 16 (inclusive) of the Base Prospectus, as amended.

Investors should be aware of their rights under Section 87Q(4) of the FSMA.