

ASX RELEASE

31 October 2012

Westpac Group 2012 Full Year Profit Announcement Template

The Westpac Group has today released the template for its 2012 Full Year Profit Announcement.

This release provides:

- Details of changes to Cash Earnings adjustments that will be made in the Group's 2012 Full Year Results (Appendix 1, section 1);
- A summary of changes to the presentation of the Westpac Group's results (Appendix 1, section 2). This follows changes in the Group's transfer pricing and economic capital allocation approach; and
- A results announcement template (the 'Template') in Appendix 2, providing the structure of how information in the 2012 Full Year Results Announcement will be presented. There are only minor changes in the structure of how information is presented although the changes to transfer pricing and capital allocation impacts prior period divisional results. These changes do not affect results for the Group.

The Template for the Westpac Group's 2012 Annual Results Announcement will also be available on the Westpac website at www.westpac.com.au/investorcentre.

The Westpac Group is scheduled to announce its 2012 Annual Results on Monday, 5 November 2012.

Ends.

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Appendix 1

1. Cash Earnings Adjustments

TOFA tax consolidation adjustment

As disclosed to the ASX on 27 June 2012, the Group will reflect additional income tax expense of \$165 million for the 2012 financial year, related to new legislation that included retrospective amendments to the income tax law as it applies to the Taxation of Financial Arrangements (TOFA) and tax consolidated groups. These changes were introduced in the 2012 financial year.

The amendments have an adverse application to certain liabilities that were consolidated as part of the merger with St.George. Consistent with other tax adjustments relating to the merger with St.George, this adjustment will be treated as a Cash Earnings adjustment due to its size and because it does not reflect ongoing operations.

Litigation provision

The Group will increase its provision held with respect to long-standing legal proceedings. Consistent with the previous treatment of these proceedings, the change will be treated as a Cash Earnings adjustment due to its size and the historical nature of the proceedings, and as it does not reflect ongoing operations.

2. Comparative adjustments and enhancement to disclosures

Changes in Westpac's economic capital allocation approach and transfer pricing methodology.

The global financial crisis has led to material changes in the financial and operating environment for banks globally including:

- The requirement to hold significantly more capital, particularly common equity;
- Changes in the relative pricing of wholesale funding and deposits; and
- The requirement to hold significantly higher levels of liquid assets.

These changes have significant impacts on how capital is allocated and how transfer pricing is best determined. Since the GFC, the Group has gradually adjusted its approach to account for these changes and commenced development of new models to embed these changes into the bank's systems.

These new models have been designed to better align the Group's economic capital and pricing approaches to the operating environment and ensure that Westpac optimises its return on capital and funds deployed.

In the second half of 2012, Westpac completed the implementation of these models.

While these changes have no impact on the Group's reported or cash earnings, they do have an impact on divisional results.

Second Half 2012 results (and Full Year 2012 results) reflect these changes and comparative divisional results for First Half 2012, Second Half 2011, First Half 2011 and Full Year 2011 have been restated to reflect these changes.

The following provides more detail on the changes:

Economic Capital allocation

The need to hold higher and better quality capital levels under Basel III has led to a divergence between the economic capital allocated to divisions and the total capital held by the Westpac Group to meet regulatory requirements. This additional capital was previously treated as a residual and held within the Group Businesses. To ensure the Group achieves an appropriate return on capital employed, the additional capital is now formally allocated to divisions, better aligning divisional capital levels to Group Tangible Equity.

The changes reflect a thorough review of risk and return characteristics across the portfolio, including the experience of the global financial crisis.

Key changes in the approach include:

- Capital allocated to divisions has been calibrated to Group Tangible Equity; and
- Certain portfolios, where regulatory capital is higher than economic capital, now receive an additional regulatory capital loading. These portfolios include: residential mortgages; commercial property lending; structured credit (including securitisation) and wealth management.

Changes in capital allocated to divisions principally impacts economic profit and net interest income as operating divisions effectively earn more on the higher capital balances while the Group Businesses earns less. This change also impacts divisional margins; revenues and tax. As part of the changes, divisional net interest margins are now calculated inclusive of the earnings on capital allocated to divisions.

The capital allocation methodology is continually reviewed for changing circumstances and may see allocations to divisions change over time. However, future changes are not expected to be as material.

Transfer pricing changes

Changes in funding and liquidity through the global financial crisis have necessitated some changes in how funding and liquidity costs are allocated to products. The prior approach was principally based on average funding costs with overlays applied to reflect the more rapid changes in marginal funding costs. The new approach embeds a marginal cost approach into the funding cost model.

The new approach also better aligns to emerging regulatory liquidity requirements including APRA's APS210 regulatory standard.

The following tables show the net impact of the changes to the divisional results.

2 Comparative adjustments and enhancement to disclosures (continued)

Restated Divisional Results

As reported in Interim 2012 ASX - Extract of First Half 2012 Divisional Results

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,687	1,438	198	4,323	781	587	72	460	6,223
Income tax expense	(452)	(246)	(125)	(823)	(276)	(97)	(31)	(166)	(1,393)
Cash Earnings	1,049	569	294	1,912	663	257	55	308	3,195
Expense to income ratio	47.4%	38.6%	56.0%	46.3%	32.3%	42.7%	32.2%	9.1%	41.1%

Restated First Half 2012 Divisional Results

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,617	1,444	209	4,270	881	601	72	399	6,223
Income tax expense	(430)	(247)	(129)	(806)	(305)	(101)	(31)	(150)	(1,393)
Cash Earnings	1,001	574	301	1,876	734	267	55	263	3,195
Expense to income ratio	48.4%	38.5%	55.3%	46.7%	30.3%	41.9%	32.2%	10.2%	41.1%

As reported in Interim 2012 ASX - Extract of Second Half 2011 Divisional Results

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,684	1,479	226	4,389	782	573	64	397	6,205
Income tax expense	(401)	(263)	(158)	(822)	(281)	(98)	(19)	(101)	(1,321)
Cash Earnings	994	615	363	1,972	661	222	37	241	3,133
Expense to income ratio	48.3%	38.1%	49.7%	45.6%	35.2%	44.3%	37.4%	4.0%	41.8%

Restated Second Half 2011 Divisional Results

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,634	1,490	240	4,364	876	585	64	316	6,205
Income tax expense	(385)	(267)	(162)	(814)	(308)	(101)	(19)	(79)	(1,321)
Cash Earnings	960	622	373	1,955	728	231	37	182	3,133
Expense to income ratio	49.1%	37.8%	49.1%	45.8%	32.9%	43.6%	37.4%	5.0%	41.8%

2 Comparative adjustments and enhancement to disclosures (continued)

As reported in Interim 2012 ASX - Extract of First Half 2011 Divisional Results

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,575	1,427	177	4,179	761	544	58	422	5,964
Income tax expense	(400)	(259)	(145)	(804)	(280)	(81)	(17)	(152)	(1,334)
Cash Earnings	921	602	342	1,865	655	205	40	403	3,168
Expense to income ratio	48.9%	38.5%	50.0%	46.0%	33.6%	43.9%	36.8%	4.8%	41.2%

Restated First Half 2011 Divisional Results

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,532	1,440	198	4,170	824	552	57	361	5,964
Income tax expense	(388)	(263)	(152)	(803)	(299)	(83)	(17)	(132)	(1,334)
Cash Earnings	890	611	356	1,857	699	211	39	362	3,168
Expense to income ratio	49.6%	38.2%	48.9%	46.1%	32.2%	43.4%	37.1%	5.4%	41.2%

Full year 2011 restated divisional results are included in the template.

2 Comparative adjustments and enhancement to disclosures (continued)

As Reported in Interim 2012 ASX – First Half 2012 Economic Profit

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
\$m							
Cash Earnings	1,049	569	294	1,912	663	257	55
Franking benefit	316	172	86	574	182	-	-
Adjusted Cash Earnings	1,365	741	380	2,486	845	257	55
Average ordinary equity	6,721	5,603	3,486	15,810	6,277	2,439	251
Equity charge	(370)	(308)	(192)	(870)	(345)	(134)	(14)
Economic profit	995	433	188	1,616	500	123	41

Restated First Half 2012 Economic Profit

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
\$m							
Cash Earnings	1,001	574	301	1,876	734	267	55
Franking benefit	301	173	89	563	203	-	-
Adjusted Cash Earnings	1,302	747	390	2,439	937	267	55
Average ordinary equity	7,896	5,803	2,839	16,538	7,615	2,659	266
Equity charge	(435)	(319)	(156)	(910)	(419)	(146)	(15)
Economic profit	867	428	234	1,529	518	121	40

2 Comparative adjustments and enhancement to disclosures (continued)

As Reported in Interim 2012 ASX - Second Half 2011 Economic Profit

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
\$m							
Cash Earnings	994	615	363	1,972	661	222	37
Franking benefit	281	184	110	575	184	-	-
Adjusted Cash Earnings	1,275	799	473	2,547	845	222	37
Average ordinary equity	6,341	5,515	3,181	15,037	5,657	2,470	222
Equity charge	(349)	(304)	(175)	(828)	(312)	(136)	(13)
Economic profit	926	495	298	1,719	533	86	24

Restated Second Half 2011 Economic Profit

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
\$m							
Cash Earnings	960	622	373	1,955	728	231	37
Franking benefit	270	187	114	571	203	-	-
Adjusted Cash Earnings	1,230	809	487	2,526	931	231	37
Average ordinary equity	7,433	5,586	2,702	15,721	6,900	2,657	219
Equity charge	(409)	(307)	(149)	(865)	(379)	(146)	(12)
Economic profit	821	502	338	1,661	552	85	25

2 Comparative adjustments and enhancement to disclosures (continued)

As Reported in Interim 2012 ASX – First Half 2011 Economic Profit

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings	921	602	342	1,865	655	205	40
Franking benefit	280	181	102	563	193	-	-
Adjusted Cash Earnings	1,201	783	444	2,428	848	205	40
Average ordinary equity	6,195	5,510	3,259	14,964	6,093	2,511	208
Equity charge	(340)	(302)	(179)	(821)	(334)	(138)	(11)
Economic profit	861	481	265	1,607	514	67	29

Restated First Half 2011 Economic Profit

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings	890	611	356	1,857	699	211	39
Franking benefit	271	184	106	561	206	-	-
Adjusted Cash Earnings	1,161	795	462	2,418	905	211	39
Average ordinary equity	6,719	5,081	2,706	14,506	7,121	2,353	197
Equity charge	(370)	(279)	(149)	(798)	(392)	(129)	(11)
Economic profit	791	516	313	1,620	513	82	28

Full year 2011 restated divisional results are included in the template.

2 Comparative adjustments and enhancement to disclosures (continued)

Net interest margin has been restated to reflect the new transfer pricing approach and now includes earnings on allocated capital. The impact to divisional margin is shown in the table below.

	<i>As reported in Interim 2012 - ASX</i>			<i>Restated</i>		
	<i>(Excluding Capital benefit)</i>			<i>(Including Capital benefit)</i>		
Interest spread and margin analysis	Half Year March 12	Half Year Sept 11	Half Year March 11	Half Year March 12	Half Year Sept 11	Half Year March 11
Group						
Average external interest earning assets (\$m)	573,644	555,187	541,217	573,644	555,187	541,217
Net interest income (\$m)	6,223	6,205	5,964	6,223	6,205	5,964
Net interest spread	1.87%	1.93%	1.87%	1.87%	1.93%	1.87%
Benefit of net non-interest bearing assets, liabilities and equity	0.30%	0.30%	0.34%	0.30%	0.30%	0.34%
Net interest margin	2.17%	2.23%	2.21%	2.17%	2.23%	2.21%
Analysis by division						
Average external interest earning assets (\$m)						
Australian Financial Services	390,027	383,286	375,133	390,027	383,286	375,133
Westpac Retail & Business Banking	236,817	231,519	224,748	236,817	231,519	224,748
St.George Banking Group	139,116	137,266	135,746	139,116	137,266	135,746
BT Financial Group	14,094	14,501	14,639	14,094	14,501	14,639
Westpac Institutional Bank	67,992	66,444	64,352	67,992	66,444	64,352
New Zealand (\$A)	44,386	43,872	42,705	44,386	43,872	42,705
Pacific Banking	2,636	2,357	2,150	2,636	2,357	2,150
Group Businesses	68,603	59,228	56,877	68,603	59,228	56,877
Group total	573,644	555,187	541,217	573,644	555,187	541,217
<i>New Zealand (\$NZ)</i>	<i>57,537</i>	<i>56,664</i>	<i>55,975</i>	<i>57,537</i>	<i>56,664</i>	<i>55,975</i>
Net interest income (\$m)						
Australian Financial Services	3,938	4,002	3,778	4,270	4,364	4,170
Westpac Retail & Business Banking	2,523	2,519	2,407	2,617	2,634	2,532
St.George Banking Group	1,301	1,338	1,279	1,444	1,490	1,440
BT Financial Group	114	145	92	209	240	198
Westpac Institutional Bank	626	638	595	881	876	824
New Zealand (\$A)	538	516	481	601	585	552
Pacific Banking	65	59	52	72	64	57
Group Businesses	1,056	990	1,058	399	316	361
Group total	6,223	6,205	5,964	6,223	6,205	5,964
<i>New Zealand (\$NZ)</i>	<i>698</i>	<i>672</i>	<i>633</i>	<i>779</i>	<i>761</i>	<i>725</i>
Interest margin						
Australian Financial Services	2.02%	2.08%	2.02%	2.19%	2.27%	2.23%
Westpac Retail & Business Banking	2.13%	2.17%	2.15%	2.21%	2.27%	2.26%
St.George Banking Group	1.87%	1.94%	1.89%	2.08%	2.17%	2.13%
BT Financial Group	1.62%	1.99%	1.26%	2.97%	3.30%	2.71%
Westpac Institutional Bank	1.84%	1.92%	1.85%	2.59%	2.63%	2.57%
New Zealand (\$A)	2.42%	2.35%	2.26%	2.71%	2.66%	2.59%
Pacific Banking	4.93%	4.99%	4.85%	5.46%	5.42%	5.32%
Group Businesses	3.08%	3.33%	3.73%	1.16%	1.06%	1.27%
<i>New Zealand (\$NZ)</i>	<i>2.43%</i>	<i>2.37%</i>	<i>2.27%</i>	<i>2.71%</i>	<i>2.68%</i>	<i>2.60%</i>

1. Capital benefit represents the notional revenue earned on capital allocated to divisions under Westpac's economic capital framework.

2 Comparative adjustments and enhancement to disclosures (continued)

In addition to the revisions to the divisional net interest income and net interest margin as highlighted above, other areas impacted from the economic capital and transfer pricing changes include:

- The calculation of Group interest margin excluding treasury and markets in section 3.2.1. As additional funding costs have been reflected in treasury and WIB markets results this measure has been updated. In total, net interest income for these businesses has reduced by \$14 million in First Half 2012 and \$26 million in Full Year 2011. Therefore, the component of the Group's net interest margin relating to treasury and markets reduced by 1 basis point in Full Year 2011. (1 basis point in First Half 2011 and no impact to First Half 2012).
- Total markets income in section 3.2.2 has also been updated, as net interest income reduced by \$19 million in First Half 2012 and \$40 million in Full Year 2011. (\$20 million each in Second Half and First Half 2011)

Enhanced disclosure of Regulatory Expected Credit Loss

In previous disclosure of this table, ineligible provisions and partial write-offs were combined on one line item. In order to provide more transparency, ineligible provisions and partial write-offs will now be disclosed separately.

As reported in Interim 2012 ASX

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011
Provisions associated with eligible portfolios			
Total provisions for impairment charges (section 5 Note 11)	4,391	4,414	4,968
plus general reserve for credit losses adjustment	119	38	26
less ineligible provisions	547	391	80
less certain deferred tax assets	(731)	(746)	(790)
Total eligible provisions	4,326	4,097	4,284
Regulatory expected downturn loss	5,944	5,877	6,268
Capital deduction in provisions for regulatory expected downturn loss	(1,618)	(1,780)	(1,984)
Deducted from Capital as follows:			
Tier 1 reduction	(809)	(890)	(992)
Tier 2 reduction	(809)	(890)	(992)

Enhanced disclosure

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011
Provisions associated with eligible portfolios			
Total provisions for impairment charges (section 5 Note 11)	4,391	4,414	4,968
plus general reserve for credit losses adjustment	119	38	26
plus provisions associated with partial write-offs	699	559	243
less ineligible provisions	(152)	(168)	(163)
less certain deferred tax assets	(731)	(746)	(790)
Total eligible provisions	4,326	4,097	4,284
Regulatory expected downturn loss	5,944	5,877	6,268
Capital deduction in provisions for regulatory expected downturn loss	(1,618)	(1,780)	(1,984)
Deducted from Capital as follows:			
Tier 1 reduction	(809)	(890)	(992)
Tier 2 reduction	(809)	(890)	(992)

2.1 Other changes

New Zealand Market Share and system multiple changes

The Reserve Bank of New Zealand restated Market share information in late 2011. The First Half 2011 Business Lending Market Share and Consumer Lending System Multiples have been impacted by this, and have been restated in section 2.6.

Appendix 2

Key Tables for the 2012 Annual Results Announcement

31 October 2012

As referred to in the market release dated
31 October 2012

FULL YEAR RESULTS 2012
PROFIT ANNOUNCEMENT
TEMPLATE

2.0 GROUP RESULTS

2.1 Reported Results

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Net interest income		6,185			11,996	
Non-interest income		2,647			4,917	
Net operating income before operating expenses and impairment charges		8,832			16,913	
Operating expenses		(3,896)			(7,406)	
Net profit before impairment charges and income tax expense		4,936			9,507	
Impairment charges		(608)			(993)	
Profit before income tax		4,328			8,514	
Income tax expense		(1,327)			(1,455)	
Net profit for the period		3,001			7,059	
Profit attributable to non-controlling interests		(34)			(68)	
NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION		2,967			6,991	

FULL YEAR RESULTS 2012
PROFIT ANNOUNCEMENT
TEMPLATE

2.2 Reported Balance Sheet

2.2.1 Balance Sheet

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Assets					
Cash and balances with central banks		11,462	16,258		
Receivables due from other financial institutions		6,662	8,551		
Trading securities, other financial assets designated at fair value and available-for-sale securities		69,175	69,006		
Derivative financial instruments		30,641	49,145		
Loans		506,124	496,609		
Life insurance assets		8,147	7,916		
Other assets		21,721	22,743		
Total assets		653,932	670,228		
Liabilities					
Payables due to other financial institutions		9,019	14,512		
Deposits		377,458	370,278		
Trading liabilities and other financial liabilities designated at fair value		6,205	9,803		
Derivative financial instruments		31,358	39,405		
Debt issues and acceptances		157,576	165,931		
Life insurance liabilities		7,196	7,002		
Loan capital		8,356	8,173		
Other liabilities		11,889	11,316		
Total liabilities		609,057	626,420		
Equity					
Total equity attributable to owners of Westpac Banking Corporation		42,898	41,826		
Non-controlling interests		1,977	1,982		
Total equity		44,875	43,808		

FULL YEAR RESULTS 2012
PROFIT ANNOUNCEMENT
TEMPLATE

2.3 Key Financial Data – Reported Earnings

2.3.1 Key Financial Data – Earnings

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Shareholder Value						
Earnings per ordinary share (cents)		97.8			233.0	
Weighted average ordinary shares (millions)		3,031			2,997	
Fully franked dividends per ordinary share (cents)		82			156	
Net tangible assets per ordinary share (\$)		10.12			9.96	
Productivity and efficiency						
Expense to income ratio		44.1%			43.8%	
Business performance						
Interest spread		1.86%			1.87%	
Benefit of net non-interest bearing assets, liabilities and equity		0.30%			0.32%	
Net interest margin		2.16%			2.19%	
Average interest earning assets (\$m)		573,644			548,221	

2.3.2 Key Financial Data – Profitability and Capital Adequacy

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Return on average ordinary equity		14.0%			17.8%	
Average ordinary equity (\$m)		42,278			39,378	
Average total equity (\$m)		44,251			41,299	
Total committed exposures (TCE) (\$m)		744,596			744,209	
Common equity capital ratio		8.0%			8.1%	
Tier 1 capital ratio		9.8%			9.7%	
Total regulatory capital ratio		10.8%			11.0%	
Risk w eighted assets (\$m)		300,046			279,961	

2.3.3 Key Financial Data – Asset Quality

	As at 30 Sept 2012	As at 31 March 2012	%Mov't Mar 12- Sept 12	As at 30 Sept 2012	As at 30 Sept 2011	%Mov't Sept 11- Sept 12
Total impaired assets to gross loans		0.88%			0.92%	
Total impaired assets to equity and total provisions		9.1%			9.6%	
Total impairment provisions to total impaired assets		37.8%			36.0%	
Total stressed exposures as a % of total committed exposures		2.26%			2.48%	
Total provisions to gross loans		86bps			88bps	
Collectively assessed provisions to performing non-housing loans		164bps			169bps	
Mortgages 90 days past due		0.55%			0.55%	
Other consumer loans 90 days past due		1.33%			1.16%	
Collectively assessed provisions to credit risk w eighted assets		122bps			126bps	

FULL YEAR RESULTS 2012
PROFIT ANNOUNCEMENT
TEMPLATE

2.4 Cash Earnings Results

Analysis of Cash Earnings by key line item \$m	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Net interest income		6,223			12,169	
Non-interest income		2,663			4,954	
Net operating income		8,886			17,123	
Operating expenses		(3,655)			(7,106)	
Core earnings		5,231			10,017	
Impairment charges		(608)			(993)	
Operating profit before income tax		4,623			9,024	
Income tax expense		(1,393)			(2,655)	
Net profit		3,230			6,369	
Net profit attributable to non-controlling interests		(35)			(68)	
Cash Earnings		3,195			6,301	
<i>Effective tax rate</i>		30.1%			29.4%	

Reconciliation of Reported Results to Cash Earnings

\$m	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION		2,967			6,991	
Cash Earnings adjustments (post-tax):						
Non-merger related Cash Earnings adjustments:						
TPS revaluations		24			21	
Treasury shares		12			(6)	
Ineffective hedges		(8)			13	
Fair value gain/(loss) on economic hedges		20			36	
Buyback of government guaranteed debt		(5)			5	
Tax provision		-			70	
Supplier program		93			-	
Amortisation of intangible assets		2			-	
Litigation provision		-			-	
Total non-merger related Cash Earnings adjustments		138			139	
St.George merger related Cash Earnings adjustments:						
Merger transaction and integration expenses		-			66	
Amortisation of intangible assets		72			146	
Fair value amortisation of financial instruments		18			69	
Tax consolidation adjustment		-			(1,110)	
TOFA tax consolidation adjustment		-			-	
Total St.George merger related Cash Earnings adjustments		90			(829)	
Total Cash Earnings adjustments		228			(690)	
Cash Earnings		3,195			6,301	

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2.5 Key Financial Data – Cash Earnings

2.5.1 Key Financial Data – Earnings

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Shareholder Value						
Cash Earnings per ordinary share (cents)		105.0			209.3	
Economic profit (\$m)		1,687			3,578	
Weighted average ordinary shares (millions) - Cash Earnings		3,044			3,010	
Dividend payout ratio - Cash Earnings		78.4%			75.0%	
Productivity and efficiency						
Expense to income ratio - Cash Earnings		41.1%			41.5%	
Total Banking expense to income ratio - Cash Earnings		39.7%			40.4%	
Full - time equivalent employees (FTE)		36,407			37,712	
Business performance						
Interest spread		1.87%			1.90%	
Benefit of net non-interest bearing assets, liabilities and equity		0.30%			0.32%	
Net interest margin		2.17%			2.22%	
Average interest earning assets (\$m)		573,644			548,221	

2.5.2 Key Financial Data – Profitability

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Cash Earnings to average ordinary equity		15.1%			16.0%	
Cash Earnings to average tangible ordinary equity		20.2%			21.9%	
Average ordinary equity (\$m)		42,278			39,378	
Average tangible ordinary equity (\$m)		31,607			28,798	

2.5.3 Key Financial Data – Impairment Charges

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Impairment charges to average loans annualised		24bps			20bps	
Net write-offs to average loans annualised		29bps			38bps	

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2.6 Market Share and System Multiple Metrics

2.6.1 Market Share

Australia	Full Year Sept 12	Half Year March 12	Full Year Sept 11	Half Year March 11
Banking System (APRA)				
Housing credit		26%	26%	26%
Cards		23%	23%	23%
Household deposits		23%	23%	23%
Business deposits		21%	21%	21%
Financial System (RBA)				
Housing credit		24%	24%	24%
Business credit		18%	18%	18%
Retail deposits		21%	21%	21%
New Zealand				
	Full Year Sept 12	Half Year March 12	Full Year Sept 11	Half Year March 11
Consumer lending		20%	20%	20%
Deposits		21%	21%	20%
Business lending		17%	18%	17%
Australian Wealth Management				
	Full Year Sept 12	Half Year March 12	Full Year Sept 11	Half Year March 11
Platforms (includes Wrap)		21%	20%	20%
Retail (excludes Cash)		20%	19%	19%
Corporate Super		13%	10%	10%
Funds Management - BTIM		5%	5%	5%
Wholesale - BTIM		2%	2%	3%
Australian Life Insurance				
	Full Year Sept 12	Half Year March 12	Full Year Sept 11	Half Year March 11
Life Insurance - inflow s		7%	7%	7%
Life Insurance - new business		8%	8%	8%

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2.6.2 System Multiples

Australia	Full Year Sept 12	Half Year Sept 12	Half Year March 12	Full Year Sept 11	Half Year Sept 11	Half Year March 11
Banking System (APRA)						
Housing credit			0.7	0.9	0.9	0.9
Cards			1.2	n/a	n/a	0.1
Household deposits			1.0	0.6	1.1	0.1
Business deposits			4.2	1.3	1.1	1.6
Financial System (RBA)						
Housing credit			0.8	1.0	1.1	1.0
Business credit			1.2	n/a	n/a	n/a
Retail deposits			1.7	1.1	1.1	1.0
New Zealand						
Consumer lending			2.0	1.6	3.1	0.7
Deposits			0.8	1.3	3.1	0.7

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3.1 Cash Earnings Summary

Divisional Cash Earnings Summary

Six months to 30 September 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash Earnings									

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income	2,617	1,444	209	4,270	881	601	72	399	6,223
Non-interest income	581	280	776	1,637	703	165	77	81	2,663
Net operating income	3,198	1,724	985	5,907	1,584	766	149	480	8,886
Operating expenses	(1,549)	(663)	(545)	(2,757)	(480)	(321)	(48)	(49)	(3,655)
Core earnings	1,649	1,061	440	3,150	1,104	445	101	431	5,231
Impairment charges	(218)	(240)	(6)	(464)	(65)	(76)	(10)	7	(608)
Operating profit before income tax	1,431	821	434	2,686	1,039	369	91	438	4,623
Income tax expense	(430)	(247)	(129)	(806)	(305)	(101)	(31)	(150)	(1,393)
Net profit	1,001	574	305	1,880	734	268	60	288	3,230
Net profit attributable to non-controlling interests	-	-	(4)	(4)	-	(1)	(5)	(25)	(35)
Cash Earnings	1,001	574	301	1,876	734	267	55	263	3,195

Twelve months to 30 September 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash Earnings									

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Twelve months to 30 September 2011	Westpac			AFS	Westpac				Group
	Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)		Institutional Bank	New Zealand	Pacific Banking	Group Businesses	
\$m									
Net interest income	5,166	2,930	438	8,534	1,700	1,137	121	677	12,169
Non-interest income	1,091	549	1,613	3,253	1,182	304	107	108	4,954
Net operating income	6,257	3,479	2,051	11,787	2,882	1,441	228	785	17,123
Operating expenses	(3,087)	(1,323)	(1,005)	(5,415)	(938)	(627)	(85)	(41)	(7,106)
Core earnings	3,170	2,156	1,046	6,372	1,944	814	143	744	10,017
Impairment charges	(547)	(393)	4	(936)	90	(185)	(25)	63	(993)
Operating profit before income tax	2,623	1,763	1,050	5,436	2,034	629	118	807	9,024
Income tax expense	(773)	(530)	(314)	(1,617)	(607)	(184)	(36)	(211)	(2,655)
Net profit	1,850	1,233	736	3,819	1,427	445	82	596	6,369
Net profit attributable to non-controlling interests	-	-	(7)	(7)	-	(3)	(6)	(52)	(68)
Cash Earnings	1,850	1,233	729	3,812	1,427	442	76	544	6,301

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3.2 Review of Earnings

3.2.1 Net Interest Income

Loans

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Australia		453,195	445,060		
Housing		310,127	304,569		
Personal (loans and cards)		16,234	15,688		
Business		127,432	125,273		
Margin lending		2,667	2,852		
Other (including provisions)		(3,265)	(3,322)		
New Zealand (\$NZ)		58,689	58,114		
Housing		35,543	35,044		
Personal (loans and cards)		1,666	1,605		
Business		22,014	21,990		
Other (including provisions)		(534)	(525)		
Other overseas		6,693	5,962		
Total loans		506,124	496,609		

Deposits

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Australia		318,544	306,182		
At Call		134,306	142,411		
Term		130,172	112,617		
Certificates of deposit		39,212	37,222		
Non-interest bearing		14,854	13,932		
New Zealand (\$NZ)		40,836	39,574		
At Call		15,543	14,386		
Term		20,944	20,880		
Certificates of deposit		1,412	1,556		
Non-interest bearing		2,937	2,752		
Other overseas		26,737	33,047		
Total deposits		377,458	370,278		

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Customer and Treasury Deposits

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
\$m					
Total Customer Deposits		319,916	310,139		
Australia		279,332	268,960		
New Zealand (\$A)		31,064	29,828		
Other		9,520	11,351		
Treasury deposits		57,542	60,139		
Total		377,458	370,278		

Margins

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
\$m						
Net interest income		6,223			12,169	
Markets net interest income		40			149	
Treasury net interest income		240			479	
Net interest income excluding Treasury & Markets		5,943			11,541	
Average interest earning assets		573,644			548,221	
Group net interest margin		2.17%			2.22%	
Group interest margin excluding Treasury & Markets		2.07%			2.11%	

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3.2.2 Non-Interest Income

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
\$m						
Fees and commissions		1,309			2,568	
Wealth management and insurance income		801			1,623	
Trading income		406			558	
Other income		147			205	
Non-interest income		2,663			4,954	

Wealth management income

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	%Mov't Mar 12- Sept 12	%Mov't Sept 11- Sept 12
\$bn					
Funds Under Management (FUM)					
BT		48.4	34.9		
Advance Asset Management		7.2	6.5		
Westpac Institutional Bank		6.9	6.3		
New Zealand (\$A)		2.5	2.1		
Group FUM		65.0	49.8		
Funds Under Administration (FUA)					
BT		54.8	48.1		
Asgard		30.8	29.3		
New Zealand (\$A)		1.0	0.9		
Group FUA		86.6	78.3		

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
\$bn						
Average FUM for the Group		61.1			52.9	
Average FUA for the Group		83.4			82.4	

Markets Income

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
\$m						
Net interest income		40			149	
Non-interest income		303			452	
<i>Trading income</i>		310			441	
<i>Other non-interest income</i>		(7)			11	
Total Markets Income		343			601	

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3.2.3 Operating Expenses

\$m	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Salaries and other staff expenses		(2,056)			(3,988)	
Equipment and occupancy expenses		(614)			(1,111)	
Other expenses		(985)			(2,007)	
Total expenses		(3,655)			(7,106)	

Full Time Equivalent Employees (FTE)

Analysis of movement in FTE	As at	As at	As at	% Mov't	% Mov't
	30 Sept 2012	31 March 2012	30 Sept 2011	Mar 12- Sept 12	Sept 11- Sept 12
Permanent employees		33,756	33,898		
Temporary employees		2,651	3,908		
Total employees		36,407	37,806		
Integration employees		-	94		
Reported FTE		36,407	37,712		
Average reported FTE		37,060	37,801		

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3.2.4 Impairment Charges

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Individually assessed provisions (IAPs)						
New IAPs		(715)			(1,619)	
Write-backs		260			542	
Recoveries		43			60	
Total IAP, write-backs and recoveries		(412)			(1,017)	
Collectively assessed provisions (CAPs)						
Write-offs		(359)			(739)	
Other changes in CAPs		163			763	
Total new CAPs		(196)			24	
Total impairment charges		(608)			(993)	

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3.3.1 Credit Quality Key Metrics

Stressed Exposures by Credit Grade as a % of Total Committed Exposures	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Impaired		0.60%	0.62%	0.68%
90 days past due, well secured		0.40%	0.41%	0.51%
Watchlist and substandard		1.26%	1.45%	1.66%
Total Stressed Exposures		2.26%	2.48%	2.85%
Business and Institutional Impaired Assets to total committed exposures	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Business impaired assets to divisional business total committed exposures:				
Business Australia		2.24%	2.40%	2.39%
Business New Zealand		3.33%	3.38%	3.81%
Institutional		0.39%	0.36%	0.51%
Other consumer loans 90 days past due	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
90 days past due:				
Group		1.33%	1.16%	1.34%
Australia		1.35%	1.18%	1.35%
New Zealand		0.99%	0.91%	1.12%
Mortgages 90 days past due	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
90 days past due:				
Group		0.55%	0.55%	0.59%
Australia		0.54%	0.53%	0.56%
New Zealand		0.55%	0.60%	0.80%
Other	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Total impaired assets to gross loans		0.88%	0.92%	0.98%
Total impairment provisions to total impaired assets		37.8%	36.0%	42.2%
Total provisions to gross loans		86bps	88bps	102bps
Collectively assessed provisions to performing non-housing loans		164bps	169bps	182bps
Collectively assessed provisions to risk w eighted assets		97bps	105bps	115bps
Collectively assessed provisions to credit risk w eighted assets		122bps	126bps	138bps
Other	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Impairment charges to average loans annualised		24bps	22bps	19bps
Net w rite-offs to average loans annualised		29bps	49bps	28bps

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3.4 Balance Sheet and Funding

3.4.1 Balance Sheet

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Assets					
Cash and balances with central banks		11,462	16,258		
Receivables due from other financial institutions		6,662	8,551		
Trading securities, other financial assets designated at fair value and available-for-sale securities		69,175	69,006		
Derivative financial instruments		30,641	49,145		
Loans		506,124	496,609		
Life insurance assets		8,147	7,916		
Other assets		21,721	22,743		
Total assets		653,932	670,228		
Liabilities					
Payables due to other financial institutions		9,019	14,512		
Deposits		377,458	370,278		
Trading liabilities and other financial liabilities designated at fair value		6,205	9,803		
Derivative financial instruments		31,358	39,405		
Debt issues and acceptances		157,576	165,931		
Life insurance liabilities		7,196	7,002		
Loan capital		8,356	8,173		
Other liabilities		11,889	11,316		
Total liabilities		609,057	626,420		
Equity					
Total equity attributable to owners of Westpac Banking Corporation		42,898	41,826		
Non-controlling interests		1,977	1,982		
Total equity		44,875	43,808		

3.4.2 Funding and Liquidity Risk Management

Funding by residual maturity

	As at 30 Sept 2012		As at 31 March 2012		As at 30 Sept 2011	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
Customer Deposits			319,916	54	310,139	52
Wholesale funding - residual maturity						
Securitisation			10,489	2	10,911	2
Greater than 12 months			96,997	16	96,536	16
Equity			42,986	7	41,976	7
Stable Funding Ratio (SFR)			470,388	79	459,562	77
Less than 6 months			86,008	15	87,503	15
6 to 12 months			13,254	2	19,279	3
Long term to short term scroll			23,755	4	27,041	5
Short term wholesale funding			123,017	21	133,823	23
Total funding			593,405	100	593,385	100

Deposits to Net Loans Ratio

	As at 30 Sept 2012		As at 31 March 2012		As at 30 Sept 2011	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
Customer deposits			319,916		310,139	
Net loans			506,124	63.2	496,609	62.5

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Funding view of the balance sheet

\$m	As at 30 September 2012					
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
Total assets						
Total liabilities						
Total equity						
Total						
Net loans						

\$m	As at 31 March 2012					
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
Total assets	101,255	-	-	489,309	63,368	653,932
Total liabilities	(236)	(319,916)	(228,526)	-	(60,379)	(609,057)
Total equity	-	-	(1,977)	(42,986)	88	(44,875)
Total	101,019	(319,916)	(230,503)	446,323	3,077	-
Net loans	35,557	-	-	470,567	-	506,124

\$m	As at 30 September 2011					
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
Total assets	103,549	-	-	482,264	84,415	670,228
Total liabilities	(134)	(310,139)	(239,289)	-	(76,858)	(626,420)
Total equity	-	-	(1,982)	(41,976)	150	(43,808)
Total	103,415	(310,139)	(241,271)	440,288	7,707	-
Net loans	33,384	-	-	463,225	-	496,609

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3.5 Capital and Dividends

Risk-weighted Assets

	Loans (per Section 5)			Basel II (Advanced / Standardised) RWA		
	As at 30 Sept 2012	As at 30 Sept 2011	% Mov't Sept 11- Sept 12	As at 30 Sept 2012	As at 30 Sept 2011	% Mov't Sept 11- Sept 12
\$m						
Business purposes						
On balance sheet		147,505			115,262	
Off-balance sheet		-			47,344	
Total business purposes		147,505			162,606	
Consumer purposes						
On balance sheet		353,149			66,336	
Off-balance sheet		-			5,915	
Total consumer purposes		353,149			72,251	
Provision for impairment		(4,045)				
Total credit risk		496,609			234,857	
(% of total RWA)					84%	
<i>Total on balance sheet credit risk</i>					181,598	
<i>Total off-balance sheet credit risk</i>					53,259	
Equity risk					1,498	
Market risk					8,433	
Operational risk					19,611	
IRRBB					11,823	
Other assets					3,739	
Total non-credit					45,104	
(% of total RWA)					16%	
Total		496,609			279,961	

Capital Deduction for Regulatory Expected Credit Loss

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011
\$m			
Provisions associated with eligible portfolios			
Total provisions for impairment charges (Section 5 Note 11)		4,391	4,414
plus general reserve for credit losses adjustment		119	38
plus provisions associated with partial write-offs		699	559
less ineligible provisions		(152)	(168)
less certain deferred tax assets		(731)	(746)
Total eligible provisions		4,326	4,097
Regulatory expected downturn loss		5,944	5,877
Capital deduction in provisions for regulatory expected downturn loss		(1,618)	(1,780)
Deducted from Capital as follows:			
Tier 1 reduction		(809)	(890)
Tier 2 reduction		(809)	(890)

Dividends

	As at 30 Sept 2012	As at 31 March 2012	Full Year 30 Sept 2012	Full Year 30 Sept 2011
Ordinary dividend (cents per share)				
Interim (fully franked)		82		76
Final (fully franked) - determined dividend		-		80
Total ordinary dividend		82		156

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4.0 DIVISIONAL RESULTS

4.1 Australian Financial Services

	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
\$m	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Net interest income		4,270			8,534	
Non-interest income		1,637			3,253	
Net operating income		5,907			11,787	
Operating expenses		(2,757)			(5,415)	
Core earnings		3,150			6,372	
Impairment charges		(464)			(936)	
Operating profit before tax		2,686			5,436	
Tax and non-controlling interests		(810)			(1,624)	
Cash Earnings		1,876			3,812	
Economic profit		1,529			3,281	
Expense to income ratio		46.7%			45.9%	
Net interest margin		2.19%			2.25%	
		\$bn			\$bn	
Deposits						
Term deposits		111.3			98.5	
Other		114.4			115.8	
Total deposits		225.7			214.3	
Net loans						
Mortgages		309.6			304.0	
Business		76.6			76.5	
Other		18.2			18.0	
Total net loans		404.4			398.5	
Total assets		429.2			422.8	
Total committed exposure		483.9			458.4	
Consumer lending (mortgages) third party origination		38%			34%	

	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
\$m	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Westpac Retail and Business Banking		1,001			1,850	
St. George Banking Group		574			1,233	
BT Financial Group (Australia)		301			729	
Total Cash Earnings		1,876			3,812	

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4.1.1 Westpac Retail & Business Banking

\$m	Half Year Sept 12	Half Year March 12	%Mov't		Full Year Sept 11	%Mov't Sept 11- Sept 12
			Mar 12- Sept 12	Full Year Sept 12		
Net interest income		2,617			5,166	
Non-interest income		581			1,091	
Net operating income		3,198			6,257	
Operating expenses		(1,549)			(3,087)	
Core earnings		1,649			3,170	
Impairment charges		(218)			(547)	
Operating profit before tax		1,431			2,623	
Tax and non-controlling interests		(430)			(773)	
Cash Earnings		1,001			1,850	
Economic profit		867			1,612	
Expense to income ratio		48.4%			49.3%	
Net interest margin		2.21%			2.26%	
		\$bn			\$bn	
Deposits						
Term deposits		58.9			51.7	
Other		72.9			73.4	
Total deposits		131.8			125.1	
Net loans						
Mortgages		192.6			188.8	
Business		44.8			44.4	
Other		9.0			8.9	
Total net loans		246.4			242.1	
Total assets		251.6			247.0	
Total committed exposure		302.3			296.9	

	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Credit Quality				
Mortgage delinquencies > 90 days		0.52%	0.52%	0.60%
Other consumer loans delinquencies > 90 days		1.27%	1.22%	1.33%
Business impaired assets to total committed exposure		1.04%	0.93%	1.00%
Net Promoter Score (NPS)				
Westpac - Affluent		(25)	(17)	(22)
Westpac - Commercial		(1)	3	(1)
Westpac - SME		(12)	(10)	(17)
Peer group - Affluent		(20)	(16)	(23)
Peer group - Commercial		(6)	(6)	(10)
Peer group - SME		(18)	(17)	(23)

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4.1.2 St.George Banking Group

\$m	Half Year Sept 12	Half Year March 12	%Mov't		Full Year Sept 11	%Mov't Sept 11- Sept 12
			Mar 12- Sept 12	Full Year Sept 12		
Net interest income		1,444			2,930	
Non-interest income		280			549	
Net operating income		1,724			3,479	
Operating expenses		(663)			(1,323)	
Core earnings		1,061			2,156	
Impairment charges		(240)			(393)	
Operating profit before tax		821			1,763	
Tax and non-controlling interests		(247)			(530)	
Cash Earnings		574			1,233	
Economic profit		428			1,017	
Expense to income ratio		38.5%			38.0%	
Net interest margin		2.08%			2.15%	
		\$bn			\$bn	
Deposits						
Term deposits		38.4			33.9	
Other		36.0			36.9	
Total deposits		74.4			70.8	
Net loans						
Mortgages		106.8			105.1	
Business		30.5			30.8	
Other		6.5			6.1	
Total net loans		143.8			142.0	
Total assets		150.9			149.6	
Total committed exposure		163.8			161.5	

	Half Year Sept 12	Half Year March 12	Half Year Sept 11	Half Year March 11
Credit Quality				
Mortgage delinquencies > 90 days		0.60%	0.53%	0.52%
Other consumer loans delinquencies > 90 days		1.45%	1.12%	1.39%
Business impaired assets to total committed exposure		3.05%	3.51%	3.50%
Net Promoter Score (NPS)				
St.George - Consumer		(1)	(2)	(4)
St.George - Business		(3)	(5)	5
Peer group - Consumer		(12)	(10)	(17)
Peer group - Business		(16)	(15)	(22)

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4.1.3 BT Financial Group (Australia)

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
\$m						
Net interest income		209			438	
Non-interest income		776			1,613	
Net operating income		985			2,051	
Operating expenses		(545)			(1,005)	
Core earnings		440			1,046	
Impairment charges		(6)			4	
Operating profit before tax		434			1,050	
Tax and non-controlling interests		(133)			(321)	
Cash Earnings		301			729	
Economic profit		234			652	
Expense to income ratio		55.3%			49.0%	
Income on invested capital		72			134	
	\$bn	\$bn		\$bn	\$bn	
Deposits		19.5			18.4	
Net loans		14.2			14.4	
Funds under management (FUM)		55.6			41.4	
Average Funds under management		52.2			44.5	
Funds under administration (FUA)		85.6			77.4	
Average Funds under administration		82.5			81.6	

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Cash Earnings						
\$m						
Funds management business		176			458	
Insurance		83			199	
Total funds management and insurance		259			657	
Capital and other		42			72	
Total Cash Earnings		301			729	

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4.1.3.1 Funds Management Business

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
\$m						
Net interest income		163			357	
Non-interest income		719			1,499	
Gross operating income		882			1,856	
Commission expense		(150)			(330)	
Net operating income		732			1,526	
Operating expenses		(469)			(861)	
Core earnings		263			665	
Impairment charges		(6)			4	
Operating profit before tax		257			669	
Tax and non-controlling interests		(81)			(211)	
Cash Earnings		176			458	
Expense to income ratio		64.1%			56.4%	

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Cash Earnings						
\$m						
Other Funds Management business		166			442	
BTIM		10			16	
Total Cash Earnings		176			458	

Movement of FUM/FUA

	Sept 2011	Sales	Redns	Net Flows	Other Mov't	Sept 2012	March 2012	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
\$bn									
Retail	14.8						15.3		
Institutional	13.0						18.6		
Wholesale	13.6						21.7		
Total FUM	41.4						55.6		
Wrap	65.6						69.7		
Corporate Super	8.6						12.7		
Other	3.2						3.2		
Total FUA	77.4						85.6		

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4.1.3.2 Insurance Business

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
\$m						
Net interest income		2			4	
Non-interest income		252			515	
Gross operating income		254			519	
Commission expense		(66)			(113)	
Net operating income		188			406	
Operating expenses		(69)			(120)	
Core earnings		119			286	
Tax and non-controlling interests		(36)			(87)	
Cash Earnings		83			199	
Expense to income ratio		36.7%			29.6%	

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Cash Earnings						
\$m						
Life Insurance		66			121	
General Insurance		(5)			5	
Lenders Mortgage Insurance		22			73	
Total Cash Earnings		83			199	

Premiums for Risk Businesses

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Life Insurance in-force premiums						
\$m						
Life Insurance in-force premiums at start of period		506			451	
Sales		75			121	
Lapses		(34)			(64)	
Net Inflows		41			57	
Other Movements		(7)			(2)	
Life Insurance in-force premiums at end of period		540			506	

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Loss ratios for Insurance Business						
(%)						
Life Insurance		30			30	
General Insurance		99			92	
Lenders Mortgage Insurance		30			16	

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Gross written premiums						
\$m						
General Insurance gross w ritten premium		170			307	
Lenders Mortgage Insurance gross w ritten premium		32			53	

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4.1.3.3 Wealth Management Income Reconciliation

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
BTFG non-interest income		776			1,613	
Net commission, premium, fee and banking income		(81)			(149)	
BTFG wealth management and insurance income		695			1,464	
NZ wealth management & insurance		46			74	
WIB wealth management		59			92	
Other		1			(7)	
Total wealth management & insurance income (Cash Earnings basis, Section 6, Note 4)		801			1,623	

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4.2 Westpac Institutional Bank

\$m	Half Year Sept 12	Half Year March 12	%Mov't		Full Year Sept 11	%Mov't Sept 11- Sept 12
			Mar 12- Sept 12	Full Year Sept 12		
Net interest income		881			1,700	
Non-interest income		703			1,182	
Net operating income		1,584			2,882	
Operating expenses		(480)			(938)	
Core earnings		1,104			1,944	
Impairment charges		(65)			90	
Operating profit before tax		1,039			2,034	
Tax and non-controlling interests		(305)			(607)	
Cash Earnings		734			1,427	
Economic profit		518			1,065	
Expense to income ratio		30.3%			32.5%	
Net interest margin		2.59%			2.60%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		52.4			48.3	
Net loans		54.5			51.8	
Total assets		89.6			101.5	
Total committed exposure		191.9			204.3	
Impaired assets to total committed exposure		0.71%			0.71%	
Funds under management		6.9			6.3	

Revenue Contribution by Business Segments

\$m	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Debt Markets		895		1,684
Foreign Exchange and Commodities, Carbon and Energy (FX&CCE)		277		479
Global Transactional Services		341		611
Hastings		61		82
Other		10		26
Total		1,584		2,882

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4.3 Westpac New Zealand

NZ\$m	Half Year	Half Year	%Mov't	Full Year	Full Year	%Mov't
	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Net interest income		779			1,486	
Non-interest income		215			399	
Net operating income		994			1,885	
Operating expenses		(417)			(819)	
Core earnings		577			1,066	
Impairment charges		(98)			(241)	
Operating profit before tax		479			825	
Tax and non-controlling interests		(133)			(247)	
Cash Earnings		346			578	
Economic profit		156			220	
Expense to income ratio		42.0%			43.4%	
Net interest margin		2.71%			2.64%	
	\$bn	\$bn		\$bn	\$bn	
Deposits						
Term deposits		20.9			20.8	
Other		18.5			17.2	
Total deposits		39.4			38.0	
Net loans						
Mortgages		35.4			34.9	
Business		21.0			21.0	
Other		1.8			1.7	
Total net loans		58.2			57.6	
Total assets		59.8			59.1	
Total committed exposure		83.3			81.1	
Funds under management		3.2			2.7	
			Half Year	Half Year	Half Year	Half Year
			Sept 12	March 12	Sept 11	March 11
Credit Quality						
Mortgage delinquencies > 90 days				0.55%	0.60%	0.80%
Other consumer loans delinquencies > 90 days				0.99%	0.91%	1.12%
Impaired assets to total committed exposure				1.12%	1.18%	1.34%

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4.4 Pacific Banking

			<i>% Mov't</i>			<i>% Mov't</i>
	Half Year	Half Year	Mar 12-	Full Year	Full Year	Sept 11-
\$m	Sept 12	March 12	Sept 12	Sept 12	Sept 11	Sept 12
Net interest income		72			121	
Non-interest income		77			107	
Net operating income		149			228	
Operating expenses		(48)			(85)	
Core earnings		101			143	
Impairment charges		(10)			(25)	
Operating profit before tax		91			118	
Tax and non-controlling interests		(36)			(42)	
Cash Earnings		55			76	
Economic profit		40			53	
Expense to income ratio		32.2%			37.3%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		2.4			2.4	
Total assets		3.0			3.0	
Total committed exposure		3.1			3.0	

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4.5 Group Businesses

			<i>% Mov't</i>			<i>% Mov't</i>
	Half Year	Half Year	Mar 12-	Full Year	Full Year	Sept 11-
\$m	Sept 12	March 12	Sept 12	Sept 12	Sept 11	Sept 12
Net interest income		399			677	
Non-interest income		81			108	
Net operating income		480			785	
Operating expenses		(49)			(41)	
Core earnings		431			744	
Impairment charges		7			63	
Operating profit before tax		438			807	
Tax and non-controlling interests		(175)			(263)	
Cash Earnings		263			544	
Treasury						
			<i>% Mov't</i>			<i>% Mov't</i>
	Half Year	Half Year	Mar 12-	Full Year	Full Year	Sept 11-
\$m	Sept 12	March 12	Sept 12	Sept 12	Sept 11	Sept 12
Net interest income		311			623	
Non-interest income		(6)			(5)	
Cash Earnings		195			402	

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5.1 Consolidated Income Statement

\$m	Note			%Mov't			%Mov't
		Half Year Sept 12	Half Year March 12	Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	Sept 11- Sept 12
Interest income	3		18,948			38,098	
Interest expense	3		(12,763)			(26,102)	
Net interest income			6,185			11,996	
Non-interest income	4		2,647			4,917	
Net operating income before operating expenses and impairment charges			8,832			16,913	
Operating expenses	5		(3,896)			(7,406)	
Impairment charges	11		(608)			(993)	
Profit before income tax			4,328			8,514	
Income tax expense	7		(1,327)			(1,455)	
Net profit for the period			3,001			7,059	
Net profit attributable to non-controlling interests			(34)			(68)	
Net profit attributable to owners of Westpac Banking Corporation			2,967			6,991	

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5.2 Consolidated Balance Sheet

\$m	Note	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Assets						
Cash and balances with central banks			11,462	16,258		
Receivables due from other financial institutions			6,662	8,551		
Derivative financial instruments	19		30,641	49,145		
Trading securities			45,275	47,971		
Other financial assets designated at fair value			2,815	2,960		
Available-for-sale securities			21,085	18,075		
Loans - housing and personal	10		358,453	351,969		
Loans - business	10		147,671	144,640		
Life insurance assets			8,147	7,916		
Regulatory deposits with central banks overseas			1,477	1,739		
Deferred tax assets			2,243	2,651		
Goodwill and other intangible assets			12,124	11,779		
Property, plant and equipment			1,132	1,158		
Other assets			4,745	5,416		
Total assets			653,932	670,228		
Liabilities						
Payables due to other financial institutions			9,019	14,512		
Deposits	17		377,458	370,278		
Derivative financial instruments	19		31,358	39,405		
Trading liabilities and other financial liabilities designated at fair value			6,205	9,803		
Debt issues			157,290	165,659		
Acceptances			286	272		
Current tax liabilities			486	581		
Deferred tax liabilities			37	11		
Life insurance liabilities			7,196	7,002		
Provisions			1,557	1,671		
Other liabilities			9,809	9,053		
Total liabilities excluding loan capital			600,701	618,247		
Loan capital						
Subordinated bonds			4,336	5,226		
Subordinated perpetual notes			339	400		
Trust Preferred Securities			573	616		
Westpac CPS			1,175	-		
Westpac SPS			1,031	1,030		
Westpac SPS II			902	901		
Total loan capital			8,356	8,173		
Total liabilities			609,057	626,420		
Net assets			44,875	43,808		
Shareholders' equity						
Share capital:						
Ordinary share capital			25,833	25,456		
Treasury shares and RSP treasury shares			(178)	(187)		
Reserves			641	498		
Retained profits			16,602	16,059		
Total equity attributable to owners of Westpac Banking Corporation			42,898	41,826		
Non-controlling interests						
Trust preferred securities 2003 (TPS 2003)			1,137	1,137		
Trust preferred securities 2006 (TPS 2006)			755	755		
Other			85	90		
Total non-controlling interests			1,977	1,982		
Total shareholders' equity and non-controlling interests			44,875	43,808		

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5.3 Consolidated Cash Flow Statement

\$m	Note	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Cash flows from operating activities							
Interest received			18,855			37,864	
Interest paid			(12,472)			(25,866)	
Dividends received excluding life business			7			17	
Other non-interest income received			3,188			2,649	
Operating expenses paid			(2,922)			(5,461)	
Net (purchases)/sales of trading and fair value assets			3,096			(8,117)	
Net purchases/(sales) of trading and fair value liabilities			(3,602)			4,932	
Net (payments)/receipts relating to derivative financial instruments			2,378			(16,960)	
Income tax paid excluding life business			(995)			(1,861)	
Life business:							
Receipts from policyholders and customers			760			2,256	
Interest and other items of similar nature			20			40	
Dividends received			169			379	
Payments to policyholders and suppliers			(875)			(1,831)	
Income tax paid			(71)			(55)	
Net cash (used in)/provided by operating activities	20		7,536			(12,014)	
Cash flows from investing activities							
Proceeds from sale of available-for-sale securities			1,808			2,845	
Purchase of available-for-sale securities			(4,729)			(7,978)	
Net (increase)/decrease in:							
Receivables due from other financial institutions			1,383			3,674	
Loans			(10,512)			(18,325)	
Life insurance assets			(6)			(254)	
Regulatory deposits with central banks overseas			162			(384)	
Other assets			(473)			(447)	
Purchase of intangible assets			(281)			(742)	
Purchase of property, plant and equipment			(108)			(402)	
Proceeds from disposal of property, plant and equipment			-			15	
Purchase of controlled entity, net of cash held			(270)			-	
Net cash used in investing activities			(13,026)			(21,998)	
Cash flows from financing activities							
Issue of loan capital (net of issue costs)			1,675			-	
Redemption of loan capital			(1,347)			(1,404)	
Proceeds from share placement and share purchase plan			-			68	
Proceeds from exercise of employee options			9			23	
Purchase of shares on exercise of employee options and rights			(1)			-	
Net increase/(decrease) in:							
Payables due to other financial institutions			(5,256)			5,439	
Deposits			9,168			31,498	
Debt issues and acceptances			(437)			14,328	
Other liabilities and provisions			(599)			(1,318)	
Purchase of treasury shares			(1)			(3)	
Sale of treasury shares			10			6	
Payment of dividends			(2,055)			(3,746)	
Payment of distributions to non-controlling interests			(39)			(82)	
Net cash provided by financing activities			1,127			44,809	
Net (decrease)/increase in cash and cash equivalents			(4,363)			10,797	
Effect of exchange rate changes on cash and cash equivalents			(433)			997	
Cash and cash equivalents as at the beginning of the period			16,258			4,464	
Cash and cash equivalents as at the end of the period			11,462			16,258	

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5.4 Consolidated Statement of Comprehensive Income

\$m	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Net profit for the period		3,001			7,059	
Other comprehensive income:						
Gains/(losses) on available-for-sale securities:						
Recognised in equity		60			(73)	
Transferred to income statement		(62)			(66)	
Gains/(losses) on cash flow hedging instruments:						
Recognised in equity		175			796	
Defined benefit obligation actuarial gains/(losses) recognised in equity (net of tax)		(1)			(189)	
Exchange differences on translation of foreign operations		(61)			25	
Income tax on items taken directly to or transferred directly from equity:						
Available-for-sale securities reserve		4			39	
Cash flow hedging reserve		(58)			(243)	
Foreign currency translation reserve		4			(32)	
Other comprehensive income for the period (net of tax)		61			257	
Total comprehensive income for the period		3,062			7,316	
Attributable to:						
Owners of Westpac Banking Corporation		3,028			7,248	
Non-controlling interests		34			68	
Total comprehensive income for the period		3,062			7,316	

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5.5 Consolidated Statement of Changes in Equity

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Share capital						
Balance as at beginning of period		25,269			24,496	
Shares issued:						
Under dividend reinvestment plan		368			747	
Under option and share right schemes		9			23	
Acquisition of RSP treasury shares		(1)			-	
Disposal/(acquisition) of treasury shares		10			3	
Balance as at period end		25,655			25,269	
Available-for-sale securities reserve						
Balance as at beginning of period		31			131	
Current period movement due to changes in other comprehensive income:						
Net gains/(losses) from changes in fair value		60			(73)	
Exchange differences		-			-	
Income tax effect		(12)			23	
Transferred to income statement		(62)			(66)	
Income tax effect		16			16	
Balance as at period end		33			31	
Share based payment reserve						
Balance as at beginning of period		648			540	
Current period movement due to transactions with employees		81			108	
Balance as at period end		729			648	
Cash flow hedging reserve						
Balance as at beginning of period		112			(441)	
Current period movement due to changes in other comprehensive income:						
Net gains/(losses) from changes in fair value		175			796	
Income tax effect		(58)			(243)	
Balance as at period end		229			112	
Foreign currency translation reserve						
Balance as at beginning of period		(294)			(287)	
Current period movement due to changes in other comprehensive income:						
Exchange differences on translation of foreign operations		(61)			25	
Tax on foreign currency translation adjustment		4			(32)	
Balance as at period end		(351)			(294)	
Other reserves						
Balance as at beginning of period		1			-	
Transactions with owners:		-			1	
Balance as at period end		1			1	
Total reserves		641			498	
Movements in retained profits were as follows						
Balance as at beginning of period		16,059			13,750	
Current period movement due to changes in comprehensive income:						
Actuarial gains/(losses) on defined benefit obligations (net of tax)		(1)			(189)	
Profit attributable to owners of Westpac Banking Corporation		2,967			6,991	
Transactions with owners:						
Final dividend paid		(2,423)			(2,209)	
Interim dividend paid		-			(2,284)	
Balance as at period end		16,602			16,059	
Total comprehensive income attributable to non-controlling interests		34			68	
Total comprehensive income attributable to owners of Westpac Banking Corporation		3,028			7,248	
Total comprehensive income for the period		3,062			7,316	

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Note 2. Average balance sheet and interest rates

	Full Year 30 September 2012			Full Year 30 September 2011		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				9,510	251	2.6%
Trading securities				46,157	2,356	5.1%
Available-for-sale securities				13,615	789	5.8%
Other financial assets designated at fair value				1,553	99	6.4%
Regulatory deposits				1,303	12	0.9%
Loans and other receivables				476,083	34,591	7.3%
Total interest earning assets and interest income				548,221	38,098	6.9%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				1,350		
Life insurance assets				10,507		
All other assets				68,350		
Total non-interest earning assets				80,207		
Total assets				628,428		

	Full Year 30 September 2012			Full Year 30 September 2011		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits				334,380	14,682	4.4%
Payables due to other financial institutions				8,085	191	2.4%
Loan capital				8,259	469	5.7%
Other interest bearing liabilities				162,811	10,760	6.6%
Total interest bearing liabilities and interest expense				513,535	26,102	5.1%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				16,526		
Life insurance policy liabilities				9,951		
All other liabilities				47,117		
Total non-interest bearing liabilities				73,594		
Total liabilities				587,129		
Shareholders' equity				39,378		
Non-controlling interests				1,921		
Total equity				41,299		
Total liabilities and equity				628,428		

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Note 2. Average balance sheet and interest rates (continued)

	Full Year 30 September 2012			Full Year 30 September 2011		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				425,905	31,467	7.4%
New Zealand				44,694	2,900	6.5%
Other overseas				5,484	224	4.1%
Deposits						
Australia				279,874	13,352	4.8%
New Zealand				28,283	1,086	3.8%
Other overseas				26,223	244	0.9%

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Note 3. Net interest income

\$m	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Interest income						
Cash		42			71	
Receivables due from other financial institutions		112			251	
Net ineffectiveness on qualifying hedges		10			(13)	
Trading securities		1,125			2,356	
Other financial assets designated at fair value		54			99	
Available-for-sale securities		511			789	
Loans		17,084			34,530	
Regulatory deposits with central banks overseas		10			12	
Other interest income		-			3	
Total interest income		18,948			38,098	
Interest expense						
Payables due to other financial institutions		(137)			(191)	
Certificates of deposit		(860)			(1,907)	
At call and term deposits		(6,602)			(12,775)	
Trading liabilities		(2,642)			(5,738)	
Other financial liabilities designated at fair value		(9)			(38)	
Debt issues and acceptances		(2,199)			(4,578)	
Loan capital		(214)			(469)	
Other interest expense		(100)			(406)	
Total interest expense		(12,763)			(26,102)	
Net interest income		6,185			11,996	

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Note 4. Non-interest income

\$m	Half Year Sept 12	Half Year March 12	%Mov't		Full Year Sept 11	%Mov't Sept 11- Sept 12
			Mar 12- Sept 12	Full Year Sept 12		
Fees and commissions						
Facility Fees		583			1,105	
Transaction fees and commissions		588			1,180	
Other non-risk fee income		138			283	
Total fees and commissions		1,309			2,568	
Wealth management and insurance income						
Life insurance and funds management net operating income		744			1,463	
General insurance and lenders mortgage insurance net operating income		53			155	
Total wealth management and insurance income		797			1,618	
Trading income						
Foreign exchange income		275			329	
Other trading securities		131			229	
Total trading income		406			558	
Other income						
Dividends received		7			17	
Rental income		1			2	
Net gain/(loss) on ineffective hedges		8			(5)	
Hedging overseas operations		45			55	
Net gain/(loss) on derivatives held for risk management purposes		(30)			(28)	
Net gain/(loss) on disposal of assets		46			51	
Net gain/(loss) on financial instruments designated at fair value		13			28	
Other		45			53	
Total other income		135			173	
Total non-interest income		2,647			4,917	

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Note 5. Operating expenses

\$m	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Salaries and other staff expenses						
Salaries and wages		1,562			3,015	
Other staff expenses		489			930	
Restructuring costs		120			110	
Total salaries and other staff expenses		2,171			4,055	
Equipment and occupancy expenses						
Operating lease rentals		269			505	
Depreciation, amortisation and impairment:						
Premises		8			16	
Leasehold improvements		52			89	
Furniture and equipment		31			63	
Technology		42			76	
Software		152			265	
Other		60			101	
Total equipment and occupancy expenses		614			1,115	
Other expenses						
Amortisation of deferred expenditure and intangible assets		111			212	
Non-lending losses		27			43	
Purchased services:						
Technology and information services		114			254	
Legal		11			29	
Other professional services		201			448	
Credit card loyalty programs		72			127	
Postage and stationery		112			227	
Outsourcing costs		312			592	
Insurance		9			14	
Advertising		64			176	
Training		8			28	
Travel		33			70	
Other expenses		37			16	
Total other expenses		1,111			2,236	
Total operating expenses		3,896			7,406	

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Note 6. Deferred expenses and capitalised software

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	%Mov't Mar 12- Sept 12	%Mov't Sept 11- Sept 12
Capitalised software		1,435	1,303		
Deferred acquisition costs		142	144		
Other		17	13		

Note 7. Income tax

\$m	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
The income tax expense for the period is reconciled to the profit before income tax as follows:						
Profit before income tax		4,328			8,514	
Prima facie income tax based on the Australian company tax rate of 30%		1,298			2,554	
The effect of amounts which are not deductible (assessable) in calculating taxable income:						
Change in tax rate		1			7	
Rebateable and exempt dividends		(1)			(2)	
Life insurance:						
Tax adjustment on policy holders earnings		6			(10)	
Adjustment for life business tax rates		(3)			(6)	
Other non-assessable items		(10)			(40)	
Other non-deductible items		26			66	
Adjustment for overseas tax rates		(6)			1	
Income tax (over)/under provided in prior years		(5)			(33)	
St. George tax consolidation adjustment		-			(1,110)	
TOFA tax consolidation adjustment		-			-	
Other items		21			28	
Total income tax expense in the income statement		1,327			1,455	
Effective income tax rate		30.7%			17.1%	
Effective tax rate (excluding life company accounting)		30.5%			17.2%	

Note 8. Dividends

	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Ordinary dividend (cents per share)				
Interim (fully franked)		82		76
Final (fully franked) - determined dividend		-		80
		82		156
Total dividends paid (\$m)				
Ordinary dividends paid		2,423		4,493
		2,423		4,493
Ordinary dividend payout ratio		83.8%		67.0%

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Note 9. Earnings per ordinary share

	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Earnings per ordinary share (cents)						
Basic		97.8			233.0	
Fully diluted		94.5			223.6	
Weighted average number of fully paid ordinary shares (millions)						
Basic		3,031			2,997	
Fully diluted		3,206			3,183	

	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Reconciliation of ordinary shares on issue before the effect of own shares held (millions)				
Opening balance			3,030	2,989
Number of shares issued under the Dividend Reinvestment Plan (DRP)			18	34
Number of shares issued under the Employee Share Plan (ESP)			1	1
Number of shares issued under Restricted Share Plan (RSP), option and share right schemes			5	6
Closing balance			3,054	3,030

	Half Year 30 September 2012		Half Year 31 March 2012		Full Year 30 Sept 2012		Full Year 30 Sept 2011	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Reconciliation of earnings used in the calculation of earnings per ordinary share (\$m)								
Net profit attributable to owners of Westpac Banking Corporation			2,967	2,967			6,991	6,991
Distribution on RSP treasury shares			(4)	-			(8)	-
2004 TPS distributions			-	9			-	20
2007 convertible notes distributions			-	15			-	31
Westpac SPS distributions			-	18			-	37
Westpac SPS II distributions			-	19			-	39
Westpac CPS			-	1			-	-
Net profit attributable to owners of Westpac Banking Corporation adjusted for the effect of dilution			2,963	3,029			6,983	7,118
Weighted average number of ordinary shares (millions)								
Weighted average number of ordinary shares			3,044	3,044			3,010	3,010
Effect of own shares held			(13)	(13)			(13)	(13)
Potential dilutive adjustment:								
Exercise of options and share rights and vesting of restricted shares			-	7			-	7
Conversion of 2004 TPS			-	24			-	27
Conversion of 2007 convertible notes			-	49			-	52
Conversion of Westpac SPS			-	50			-	53
Conversion of Westpac SPS II			-	43			-	47
Conversion of Westpac CPS			-	2			-	-
Total weighted average number of ordinary shares			3,031	3,206			2,997	3,183
Earnings per ordinary share (cents)			97.8	94.5			233.0	223.6

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Note 10. Loans

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Loans are classified based on the location of the lending office:					
Australia					
Overdrafts		3,302	3,247		
Credit card outstandings		9,807	9,532		
Overnight and at call money market loans		45	13		
Acceptance of finance		38,488	39,260		
Term loans:					
Housing		276,204	269,597		
Housing - line of credit		33,923	34,972		
Total housing		310,127	304,569		
Non-housing		82,350	79,479		
Finance leases		6,202	6,296		
Margin lending		2,667	2,852		
Other		3,571	3,234		
Total Australia		456,559	448,482		
New Zealand					
Overdrafts		1,003	970		
Credit card outstandings		1,040	996		
Overnight and at call money market loans		1,113	1,235		
Term loans:					
Housing		27,998	27,486		
Non-housing		15,234	15,035		
Other		385	387		
Total New Zealand		46,773	46,109		
Other Overseas					
Overdrafts		174	180		
Term loans:					
Housing		981	1,010		
Non-Housing		3,897	4,061		
Finance leases		72	64		
Other		1,688	748		
Total Other Overseas		6,812	6,063		
Total loans		510,144	500,654		
Provision on loans		(4,020)	(4,045)		
Total net loans		506,124	496,609		

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Note 11. Provisions for impairment charges

\$m	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Collectively assessed provisions				
Balance at beginning of the period		2,953		3,439
Provisions raised/(released)		196		(24)
Write-offs		(359)		(739)
Interest adjustment		118		264
Exchange rate and other adjustments		1		13
Balance as at the end of the period		2,909		2,953
Individually assessed provisions				
Balance at beginning of the period		1,461		1,622
Provisions raised		715		1,619
Write-backs		(260)		(542)
Write-offs		(427)		(1,188)
Interest adjustment		(11)		(11)
Exchange rate and other adjustments		4		(39)
Balance as at the end of the period		1,482		1,461
Total provisions for impairment charges on loans and credit commitments		4,391		4,414
Less: provisions for credit commitments		(371)		(369)
Total provisions for impairment charges on loans		4,020		4,045

\$m	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Reconciliation of impairment charges				
Individually assessed provisions raised		715		1,619
Write-backs		(260)		(542)
Recoveries		(43)		(60)
Collectively assessed provisions raised/(released)		196		(24)
Impairment charges		608		993

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Note 12. Impaired loans

	Australia			New Zealand			Other Overseas			Total		
	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011
\$m												
Non-Performing Loans:												
Gross amount		3,293	3,437		721	736		113	114		4,127	4,287
Impairment provision		(1,213)	(1,215)		(226)	(212)		(64)	(60)		(1,503)	(1,487)
Net		2,080	2,222		495	524		49	54		2,624	2,800
Restructured loans:												
Gross amount		23	21		-	1		102	107		125	129
Impairment provision		(10)	(11)		-	-		(24)	(18)		(34)	(29)
Net		13	10		-	1		78	89		91	100
Overdrafts, personal loans and revolving credit greater than 90 days:												
Gross amount		219	186		14	13		2	1		235	200
Impairment provision		(148)	(138)		(10)	(8)		(2)	(1)		(160)	(147)
Net		71	48		4	5		-	-		75	53
Total Impaired loans:												
Gross amount		3,535	3,644		735	750		217	222		4,487	4,616
Impairment provision		(1,371)	(1,364)		(236)	(220)		(90)	(79)		(1,697)	(1,663)
Net		2,164	2,280		499	530		127	143		2,790	2,953

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Note 13. Movement in gross impaired assets

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	%Mov't Mar 12- Sept 12	%Mov't Sept 11- Sept 12
\$m					
Balance as at beginning of period		4,616	4,776		
New and increased		1,060	1,343		
Write-offs		(786)	(1,222)		
Returned to performing or repaid		(792)	(745)		
Portfolio managed - new /increased/returned/repaid		395	402		
Exchange rate and other adjustments		(6)	62		
Balance as at period end		4,487	4,616		

Note 14. Items past 90 days but well secured

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	%Mov't Mar 12- Sept 12	%Mov't Sept 11- Sept 12
\$m					
Australia					
Housing products		1,417	1,384		
Other products		1,363	1,456		
Total Australia		2,780	2,840		
New Zealand					
Housing products		99	102		
Other products		56	36		
Other Overseas		47	46		
Total Overseas		202	184		
Total		2,982	3,024		

Note 15. Impaired assets and provisioning ratios

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	Mov't Mar 12- Sept 12	Mov't Sept 11- Sept 12
Net impaired assets to equity and collectively assessed provisions		5.8%	6.3%		
Total impaired assets to gross loans		0.88%	0.92%		
Total impaired assets to equity and total provisions		9.1%	9.6%		
Total impairment asset provisions to total impaired assets		37.8%	36.0%		
Total provisions to gross loans		86bps	88bps		
Collectively assessed provisions to performing non-housing loans		164bps	169bps		
Collectively assessed provisions to risk weighted assets		97bps	105bps		
Collectively assessed provisions to credit risk weighted assets		122bps	126bps		
Total provisions to risk weighted assets		146bps	158bps		

Note 16. Delinquencies (90 days past due loans)

	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	Mov't Mar 12- Sept 12	Mov't Sept 11- Sept 12
Mortgages		0.55%	0.55%		
Other consumer loans		1.33%	1.16%		
Total personal lending		0.59%	0.58%		

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Note 17. Deposits

\$m	As at 30 Sept 2012	As at 31 March 2012	As at 30 Sept 2011	% Mov't Mar 12- Sept 12	% Mov't Sept 11- Sept 12
Australia					
Certificates of deposit					
At fair value		39,084	36,620		
At amortised cost		128	602		
Total certificates of deposit		39,212	37,222		
At call and term deposits					
Non-interest bearing, repayable at call		14,854	13,932		
Other interest bearing:					
At call		134,306	142,411		
Term		130,172	112,617		
Total at call and term deposits		279,332	268,960		
Total Australia		318,544	306,182		
New Zealand					
Certificates of deposit					
At fair value		1,113	1,221		
Total certificates of deposit		1,113	1,221		
At call and term deposits					
Non-interest bearing, repayable at call		2,314	2,160		
Other interest bearing:					
At call		12,247	11,287		
Term		16,503	16,381		
Total at call and term deposits		31,064	29,828		
Total New Zealand		32,177	31,049		
Other Overseas					
Certificates of deposit					
At fair value		17,009	20,538		
At amortised cost		208	1,158		
Total certificates of deposit		17,217	21,696		
At call and term deposits					
Non-interest bearing, repayable at call		631	567		
Other interest bearing:					
At call		2,165	1,995		
Term		6,724	8,789		
Total at call and term deposits		9,520	11,351		
Total other overseas		26,737	33,047		
Total deposits		377,458	370,278		
Total deposits at fair value		57,264	58,561		
Total deposits at amortised cost		320,194	311,717		
Total deposits		377,458	370,278		

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Note 19. Derivative financial instruments

\$m	Notional Amount	Fair Value (Asset)	Fair Value (Liability)
Held for trading			
Interest rate			
Futures			
Forwards			
Swaps			
Options			
Foreign exchange			
Forwards			
Swaps			
Options			
Commodities			
Equities			
Credit			
Total held for trading derivatives			
Fair value hedges			
Interest rate			
Swaps			
Foreign exchange			
Swaps			
Total fair value hedging derivatives			
Cash flow hedges			
Interest rate			
Swaps			
Foreign exchange			
Swaps			
Total cash flow hedging derivatives			
Net investment hedges			
Other			
Total net investment hedges			
Total derivatives as at 30 September 2012			
Total derivatives as at 31 March 2012	2,030,620	30,641	(31,358)
Total derivatives as at 30 September 2011	2,050,074	49,145	(39,405)

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WIB Markets - Daily Value at Risk (VaR)

\$m	High	Low	Average
Six months ended 30 September 2012			
Six months ended 31 March 2012	12.7	4.0	8.3
Six months ended 30 September 2011	14.6	6.7	10.2

Average	Half Year 30 Sept 2012	Half Year 31 March 2012	Half Year 30 Sept 2011
\$m			
Interest rate risk		4.5	8.3
Foreign exchange risk		4.0	3.2
Equity risk		0.5	0.6
Commodity risk		3.2	3.5
Other market risks		3.2	4.3
Diversification benefit		(7.1)	(9.7)
Net market risk		8.3	10.2

Treasury's Traded Risk and Non-Traded Interest Rate Risk

\$m	High	Low	Average
Six months ended 30 September 2012			
Six months ended 31 March 2012	41.7	26.3	33.4
Six months ended 30 September 2011	47.8	22.9	33.1

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Note 20. Note to the cash flow statement

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Reconciliation of net cash (used in)/provided by operating activities to net profit						
Net profit		3,001			7,059	
Adjustments:						
Depreciation, amortisation and impairment		396			721	
(Decrease)/increase in sundry provisions and other non-cash items		1,064			(283)	
Impairment charges		651			1,053	
(Increase)/decrease in trading and fair value assets		3,096			(8,117)	
Increase/(decrease) in trading and fair value liabilities		(3,602)			4,932	
(Decrease)/increase in derivative financial instruments		2,378			(16,960)	
(Increase)/decrease in accrued interest receivable		-			(194)	
Increase/(decrease) in accrued interest payable		291			236	
(Decrease)/increase in current and deferred tax		261			(461)	
Net cash (used in)/provided by operating activities		7,536			(12,014)	
Details of assets and liabilities of controlled entities and businesses acquired						
Total assets (tangible and financial) excluding cash		73			-	
Identifiable intangible assets		120			-	
Total liabilities		(70)			-	
Fair value of identifiable net assets acquired		123			-	
Goodwill		214			-	
Total		337			-	
Consideration paid						
Debt and equity instruments issued		45			-	
Cash paid		292			-	
Total consideration transferred		337			-	
Cash paid		292			-	
Less cash acquired		(22)			-	
Cash paid (net of cash acquired)		270			-	

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Note 22. Funding view of the balance sheet

\$m	As at 30 September 2012					Total
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	
Assets						
Cash						
Receivables due from other financial institutions						
Trading securities, other financial assets designated at fair value and available-for-sale securities						
Derivative financial instruments						
Loans						
Life insurance assets						
Goodwill and other intangibles						
Fixed assets						
Other assets						
Total assets						
Liabilities						
Payables due to other financial institutions						
Deposits:						
At call						
Term deposits						
Medium term deposit notes						
Certificates of deposit						
Derivative financial instruments						
Trading liabilities and other financial liabilities designated at fair value						
Acceptances						
Debt issues						
Life insurance liabilities						
Other liabilities						
Loan capital						
Total liabilities						
Total equity						
Total net						

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Note 22. Funding view of the balance sheet (continued)

\$m	As at 31 March 2012					Total
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	
Assets						
Cash	8,112	-	-	3,350	-	11,462
Receivables due from other financial institutions	908	-	-	2,136	3,618	6,662
Trading securities, other financial assets designated at fair value and available-for-sale securities	56,678	-	-	-	12,497	69,175
Derivative financial instruments	-	-	-	-	30,641	30,641
Loans	35,557	-	-	470,567	-	506,124
Life insurance assets	-	-	-	-	8,147	8,147
Goodwill and other intangibles	-	-	-	12,124	-	12,124
Fixed assets	-	-	-	1,132	-	1,132
Other assets	-	-	-	-	8,465	8,465
Total assets	101,255	-	-	489,309	63,368	653,932
Liabilities						
Payables due to other financial institutions	-	-	5,052	-	3,967	9,019
Deposits:						
At call	-	166,517	-	-	-	166,517
Term deposits	-	153,399	-	-	-	153,399
Medium term deposit notes	-	-	-	-	-	-
Certificates of deposit	-	-	57,542	-	-	57,542
Derivative financial instruments	-	-	-	-	31,358	31,358
Trading liabilities and other financial liabilities designated at fair value	236	-	-	-	5,969	6,205
Acceptances	-	-	286	-	-	286
Debt issues	-	-	157,290	-	-	157,290
Life insurance liabilities	-	-	-	-	7,196	7,196
Other liabilities	-	-	-	-	11,889	11,889
Loan capital	-	-	8,356	-	-	8,356
Total liabilities	236	319,916	228,526	-	60,379	609,057
Total equity	-	-	1,977	42,986	(88)	44,875
Total net	101,019	(319,916)	(230,503)	446,323	3,077	-

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Note 22. Funding view of the balance sheet (continued)

\$m	As at 30 September 2011					Total
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	
Assets						
Cash	12,935	-	-	3,323	-	16,258
Receivables due from other financial institutions	3,167	-	-	2,779	2,605	8,551
Trading securities, other financial assets designated at fair value and available-for-sale securities	54,063	-	-	-	14,943	69,006
Derivative financial instruments	-	-	-	-	49,145	49,145
Loans	33,384	-	-	463,225	-	496,609
Life insurance assets	-	-	-	-	7,916	7,916
Goodwill and other intangibles	-	-	-	11,779	-	11,779
Fixed assets	-	-	-	1,158	-	1,158
Other assets	-	-	-	-	9,806	9,806
Total assets	103,549	-	-	482,264	84,415	670,228
Liabilities						
Payables due to other financial institutions	-	-	5,046	-	9,466	14,512
Deposits:						
At call	-	172,352	-	-	-	172,352
Term deposits	-	137,787	-	-	-	137,787
Medium term deposit notes	-	-	933	-	-	933
Certificates of deposit	-	-	59,206	-	-	59,206
Derivative financial instruments	-	-	-	-	39,405	39,405
Trading liabilities and other financial liabilities designated at fair value	134	-	-	-	9,669	9,803
Acceptances	-	-	272	-	-	272
Debt issues	-	-	165,659	-	-	165,659
Life insurance liabilities	-	-	-	-	7,002	7,002
Other liabilities	-	-	-	-	11,316	11,316
Loan capital	-	-	8,173	-	-	8,173
Total liabilities	134	310,139	239,289	-	76,858	626,420
Total equity	-	-	1,982	41,976	(150)	43,808
Total net	103,415	(310,139)	(241,271)	440,288	7,707	-

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Note 1. Interest spread and margin analysis (Cash Earnings basis)

	Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Group				
Average external interest earning assets (\$m)		573,644		548,221
Net interest income (\$m)		6,223		12,169
Net interest spread		1.87%		1.90%
Benefit of net non-interest bearing assets, liabilities and equity		0.30%		0.32%
Net interest margin		2.17%		2.22%
Analysis by division				
Average external interest earning assets (\$m)				
Australian Financial Services		390,027		379,221
Westpac Retail & Business Banking		236,817		228,143
St.George Banking Group		139,116		136,508
BT Financial Group		14,094		14,570
Westpac Institutional Bank		67,992		65,401
New Zealand (\$A)		44,386		43,290
Pacific Banking		2,636		2,254
Group Businesses		68,603		58,055
Group total		573,644		548,221
<i>New Zealand (\$NZ)</i>		57,537		56,321
Net interest income (\$m) (including capital benefit)				
Australian Financial Services		4,270		8,534
Westpac Retail & Business Banking		2,617		5,166
St.George Banking Group		1,444		2,930
BT Financial Group		209		438
Westpac Institutional Bank		881		1,700
New Zealand (\$A)		601		1,137
Pacific Banking		72		121
Group Businesses		399		677
Group total		6,223		12,169
<i>New Zealand (\$NZ)</i>		779		1,486
Interest margin				
Australian Financial Services		2.19%		2.25%
Westpac Retail & Business Banking		2.21%		2.26%
St.George Banking Group		2.08%		2.15%
BT Financial Group		2.97%		3.01%
Westpac Institutional Bank		2.59%		2.60%
New Zealand (\$A)		2.71%		2.63%
Pacific Banking		5.46%		5.37%
Group Businesses		1.16%		1.17%
<i>New Zealand (\$NZ)</i>		2.71%		2.64%

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Note 2. Average balance sheet and interest rates (Cash Earnings basis)

	Half Year 30 September 2012			Half Year 31 March 2012		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				7,919	112	2.8%
Trading securities				46,527	1,125	4.8%
Available-for-sale securities				17,885	511	5.7%
Other financial assets designated at fair value				2,033	54	5.3%
Regulatory deposits				1,482	10	1.3%
Loans and other receivables				497,798	17,126	6.9%
Total interest earning assets and interest income				573,644	18,938	6.6%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				3,559		
Life insurance assets				7,951		
All other assets				72,638		
Total non-interest earning assets				84,148		
Total assets				657,792		

	Half Year 30 September 2012			Half Year 31 March 2012		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits				353,703	7,462	4.2%
Payables due to other financial institutions				10,738	137	2.6%
Loan capital				7,259	201	5.5%
Other interest bearing liabilities				165,367	4,915	5.9%
Total interest bearing liabilities and interest expense				537,067	12,715	4.7%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				18,283		
Life insurance policy liabilities				6,926		
All other liabilities				51,265		
Total non-interest bearing liabilities				76,474		
Total liabilities				613,541		
Shareholders' equity				42,278		
Non-controlling interests				1,973		
Total equity				44,251		
Total liabilities and equity				657,792		

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Note 2. Average balance sheet and interest rates (Cash Earnings basis) (continued)

	Full Year 30 September 2012			Full Year 30 September 2011		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				9,510	251	2.6%
Trading securities				46,157	2,356	5.1%
Available-for-sale securities				13,615	789	5.8%
Other financial assets designated at fair value				1,553	99	6.4%
Regulatory deposits				1,303	12	0.9%
Loans and other receivables				476,083	34,566	7.3%
Total interest earning assets and interest income				548,221	38,073	6.9%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				1,350		
Life insurance assets				10,507		
All other assets				68,350		
Total non-interest earning assets				80,207		
Total assets				628,428		
Liabilities						
Interest bearing liabilities						
Deposits				334,380	14,682	4.4%
Payables due to other financial institutions				8,085	191	2.4%
Loan capital				8,259	443	5.4%
Other interest bearing liabilities				162,811	10,588	6.5%
Total interest bearing liabilities and interest expense				513,535	25,904	5.0%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				16,526		
Life insurance policy liabilities				9,951		
All other liabilities				47,117		
Total non-interest bearing liabilities				73,594		
Total liabilities				587,129		
Shareholders' equity				39,378		
Non-controlling interests				1,921		
Total equity				41,299		
Total liabilities and equity				628,428		

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Note 2. Average balance sheet and interest rates (Cash Earnings basis) (continued)

	Half Year 30 September 2012			Half Year 31 March 2012		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				437,758	15,554	7.1%
New Zealand				45,840	1,441	6.3%
Other overseas				14,200	131	1.8%
Deposits						
Australia				294,602	6,815	4.6%
New Zealand				29,579	519	3.5%
Other overseas				29,522	128	0.9%
	Full Year 30 September 2012			Full Year 30 September 2011		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				425,905	31,456	7.4%
New Zealand				44,694	2,886	6.5%
Other overseas				5,484	224	4.1%
Deposits						
Australia				279,874	13,352	4.8%
New Zealand				28,283	1,086	3.8%
Other overseas				26,223	244	0.9%

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Note 3. Net interest income (Cash Earnings basis)

\$m	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Interest income						
Cash		42			71	
Loans		17,085			34,489	
Receivables due from other financial institutions		112			251	
Available-for-sale securities		511			789	
Regulatory deposits with central banks overseas		10			12	
Trading securities		1,125			2,356	
Net ineffectiveness on qualifying hedges		-			1	
Other financial assets designated at fair value		54			99	
Other interest income		(1)			5	
Total interest income		18,938			38,073	
Interest expense						
At call and term deposits		(6,602)			(12,775)	
Certificates of deposit		(860)			(1,907)	
Payables due to other financial institutions		(137)			(191)	
Debt issues and acceptances		(2,170)			(4,386)	
Loan capital		(201)			(443)	
Trading liabilities		(2,636)			(5,758)	
Other financial liabilities designated at fair value		(9)			(38)	
Other interest expense		(100)			(406)	
Total interest expense		(12,715)			(25,904)	
Net interest income		6,223			12,169	

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Note 4. Non-interest income (Cash Earnings basis)

\$m			% Mov't			% Mov't
	Half Year Sept 12	Half Year March 12	Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	Sept 11- Sept 12
Fees and commissions						
Facility fees		583			1,105	
Transaction fees and commissions		588			1,180	
Other non-risk fee income		138			283	
Total fees and commissions		1,309			2,568	
Wealth management and insurance income						
Life insurance and funds management net operating income		749			1,463	
General insurance and lenders mortgage insurance net operating income		52			160	
Total wealth management and insurance income		801			1,623	
Trading income						
Foreign exchange income		277			329	
Other trading securities		129			229	
Total trading income		406			558	
Other income						
Dividends received		7			17	
Rental income		1			2	
Net gain/ (loss) on ineffective hedges		-			-	
Hedging overseas operations		37			58	
Net gain/(loss) on derivatives held for risk management purposes		(1)			(3)	
Net gain/(loss) on disposal of assets		46			51	
Net gain/(loss) on financial instruments designated at fair value		13			36	
Other		44			44	
Total other income		147			205	
Total non-interest income (Cash Earnings basis)		2,663			4,954	

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Note 5. Operating expense analysis (Cash Earnings basis)

\$m	Half Year Sept 12	Half Year March 12	% Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	% Mov't Sept 11- Sept 12
Salaries and other staff expenses						
Salaries and wages		1,510			2,969	
Other staff expenses		489			927	
Restructuring costs		57			92	
Total salaries and other staff expenses		2,056			3,988	
Equipment and occupancy expenses						
Operating lease rentals		269			505	
Depreciation, amortisation and impairment:						
Premises		8			12	
Leasehold improvements		52			88	
Furniture and equipment		31			61	
Technology		42			74	
Software		152			265	
Other		60			106	
Total equipment and occupancy expenses		614			1,111	
Other expenses						
Amortisation of deferred expenditure and intangible assets		3			4	
Non-lending losses		27			43	
Purchased services:						
Technology and information services		114			254	
Legal		9			29	
Other professional services		195			431	
Credit card loyalty programs		72			127	
Postage and stationery		112			227	
Outsourcing costs		308			591	
Insurance		9			14	
Advertising		64			176	
Training		8			28	
Travel		28			70	
Other expenses		36			13	
Total other expenses		985			2,007	
Total operating expenses		3,655			7,106	

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Note 6. Earnings per share (Cash Earnings basis)

	Half Year Sept 12	Half Year March 12	%Mov't Mar 12- Sept 12	Full Year Sept 12	Full Year Sept 11	%Mov't Sept 11- Sept 12
Cash Earnings per ordinary share (cents)		105.0			209.3	
Weighted average number of fully paid ordinary shares (millions)		3,044			3,010	
			Half Year Sept 12	Half Year March 12	Full Year Sept 12	Full Year Sept 11
Reconciliation of ordinary shares on issue before the effect of own shares held (millions)						
Opening balance				3,030		2,989
Number of shares issued under the Dividend Reinvestment Plan (DRP)				18		34
Number of shares issued under the Employee Share Plan (ESP)				1		1
Number of shares issued under Restricted Share Plan (RSP), option and share right				5		6
Closing balance				3,054		3,030

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8.0 SEGMENT RESULT

8.1 Half Year Segment Reported Results

Six months to 30 September 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Impairment charges									
Profit from ordinary activities before income tax									
Tax expense									
Net profit									
Net profit attributable to non-controlling interests									
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC									
WBC Cash Earnings adjustments:									
TPS revaluations									
Treasury shares									
Ineffective hedges									
Merger transaction and integration expenses									
Fair value gain / (loss) on economic hedges									
Amortisation of intangible assets									
Fair value amortisation of financial instruments									
Tax consolidation adjustment									
Buyback of government guaranteed debt									
Tax provision									
TOFA tax consolidation adjustment									
Supplier program									
Litigation provision									
Cash Earnings									

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8.1 Half Year Segment Reported Results (continued)

Six months to 31 March 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income	2,617	1,444	209	4,270	881	601	72	361	6,185
Non-interest income	581	280	776	1,637	703	165	77	65	2,647
Net operating income	3,198	1,724	985	5,907	1,584	766	149	426	8,832
Operating expenses	(1,549)	(755)	(561)	(2,865)	(480)	(321)	(48)	(182)	(3,896)
Impairment charges	(218)	(240)	(6)	(464)	(65)	(76)	(10)	7	(608)
Profit from ordinary activities before income tax	1,431	729	418	2,578	1,039	369	91	251	4,328
Tax expense	(430)	(219)	(124)	(773)	(305)	(101)	(31)	(117)	(1,327)
Net profit	1,001	510	294	1,805	734	268	60	134	3,001
Net profit attributable to non-controlling interests	-	-	(3)	(3)	-	(1)	(5)	(25)	(34)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	1,001	510	291	1,802	734	267	55	109	2,967
WBC Cash Earnings adjustments:									
TPS revaluations	-	-	-	-	-	-	-	24	24
Treasury shares	-	-	-	-	-	-	-	12	12
Ineffective hedges	-	-	-	-	-	-	-	(8)	(8)
Merger transaction and integration expenses	-	-	-	-	-	-	-	-	-
Fair value gain / (loss) on economic hedges	-	-	-	-	-	-	-	20	20
Amortisation of intangible assets	-	64	10	74	-	-	-	-	74
Fair value amortisation of financial instruments	-	-	-	-	-	-	-	18	18
Tax consolidation adjustment	-	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	-	-	-	-	-	-	-	(5)	(5)
Tax provision	-	-	-	-	-	-	-	-	-
TOFA tax consolidation adjustment	-	-	-	-	-	-	-	-	-
Supplier program	-	-	-	-	-	-	-	93	93
Litigation provision	-	-	-	-	-	-	-	-	-
Cash Earnings	1,001	574	301	1,876	734	267	55	263	3,195

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8.2 Full Year Segment Reported Results

Twelve months to 30 September 2012	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Impairment charges									
Profit from ordinary activities before income tax expense									
Tax expense									
Net profit									
Net profit attributable to non-controlling interests									
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC									
WBC Cash Earnings adjustments:									
TPS revaluations									
Treasury shares									
Ineffective hedges									
Merger transaction and integration expenses									
Fair value gain / (loss) on economic hedges									
Amortisation of intangible assets									
Fair value amortisation of financial instruments									
Tax consolidation adjustment									
Buyback of government guaranteed debt									
Tax provision									
TOFA tax consolidation adjustment									
Supplier program									
Litigation provision									
Cash Earnings									

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8.2 Full Year Segment Reported Results (continued)

Twelve months to 30 September 2011									
	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income	5,166	2,930	438	8,534	1,700	1,137	121	504	11,996
Non-interest income	1,091	549	1,613	3,253	1,182	304	107	71	4,917
Net operating income	6,257	3,479	2,051	11,787	2,882	1,441	228	575	16,913
Operating expenses	(3,087)	(1,507)	(1,029)	(5,623)	(938)	(627)	(85)	(133)	(7,406)
Impairment charges	(547)	(393)	4	(936)	90	(185)	(25)	63	(993)
Profit from ordinary activities before income tax expense	2,623	1,579	1,026	5,228	2,034	629	118	505	8,514
Tax expense	(773)	(475)	(307)	(1,555)	(607)	(184)	(36)	927	(1,455)
Net profit	1,850	1,104	719	3,673	1,427	445	82	1,432	7,059
Net profit attributable to non-controlling interests	-	-	(7)	(7)	-	(3)	(6)	(52)	(68)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	1,850	1,104	712	3,666	1,427	442	76	1,380	6,991
WBC Cash Earnings adjustments:									
TPS revaluations	-	-	-	-	-	-	-	21	21
Treasury shares	-	-	-	-	-	-	-	(6)	(6)
Ineffective hedges	-	-	-	-	-	-	-	13	13
Merger transaction and integration expenses	-	-	-	-	-	-	-	66	66
Fair value gain / (loss) on economic hedges	-	-	-	-	-	-	-	36	36
Amortisation of intangible assets	-	129	17	146	-	-	-	-	146
Fair value amortisation of financial instruments	-	-	-	-	-	-	-	69	69
Tax consolidation adjustment	-	-	-	-	-	-	-	(1,110)	(1,110)
Buyback of government guaranteed debt	-	-	-	-	-	-	-	5	5
Tax provision	-	-	-	-	-	-	-	70	70
TOFA tax consolidation adjustment	-	-	-	-	-	-	-	-	-
Supplier program	-	-	-	-	-	-	-	-	-
Litigation provision	-	-	-	-	-	-	-	-	-
Cash Earnings	1,850	1,233	729	3,812	1,427	442	76	544	6,301

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8.3 New Zealand Division Performance (A\$ Equivalent to Section 4.5)

\$m	Half Year	Half Year	% Mov't	Full Year	Full Year	% Mov't
	Sept 12	March 12	Mar 12- Sept 12	Sept 12	Sept 11	Sept 11- Sept 12
Net interest income		601			1,137	
Non-interest income		165			304	
Net operating income		766			1,441	
Operating expenses		(321)			(627)	
Core earnings		445			814	
Impairment charges		(76)			(185)	
Operating profit before tax		369			629	
Tax and non-controlling interests		(102)			(187)	
Cash Earnings		267			442	
Economic profit		121			168	
Expense to income ratio		41.9%			43.5%	
		\$bn			\$bn	
Deposits		31.1			29.8	
Net loans		45.8			45.2	
Total assets		47.1			46.3	
Total committed exposure		65.6			63.6	
Funds under management		2.5			2.1	

Impact of Movements in the A\$/ NZ\$ Exchange Rate

The table below shows the FX impact of the A\$/NZ\$ exchange rate across the Westpac Group.

	Half Year Sept 12 vs Half Year March 12			Full Year Sept 12 vs Full Year Sept 11		
	Cash Earnings grow th	FX impact \$m	Grow th ex-FX	Cash Earnings grow th	FX impact \$m	Grow th ex-FX
Net interest income						
Non-interest income						
Net operating income						
Operating expenses						
Core earnings						
Impairment charges						
Operating profit before income tax						
Income tax expense						
Net profit						
Net profit attributable to non-controlling interests						
Cash Earnings						

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9.0 GROUP RECONCILIATIONS

9.1 Group Half Year Earnings Reconciliation

Six months to 30 September 2012	Cash Earnings adjustments																Cash Earnings	
	WBC Reported Results	Policyholder Tax Recoveries	TPS Revaluations	Treasury Shares	Ineffective Hedges	Merger T&I	GG Fee Hedge	FX Hedge	Hedging of MTM	Amortisation of intangible assets	Fair value amortisation of financial instruments	Tax consolidation adjustment	Buyback of government guaranteed debt	Tax provision	TOFA tax consolidation adjustment	Supplier program		Litigation provision
Net interest income																		
<i>Fees and commissions</i>																		
<i>Wealth management & insurance income</i>																		
<i>Trading income</i>																		
<i>Other income</i>																		
Non-interest income																		
Net operating income																		
<i>Salaries and other staff expenses</i>																		
<i>Equipment and occupancy expenses</i>																		
<i>Other expenses</i>																		
Operating expenses																		
Core earnings																		
Impairment charges																		
Operating profit before tax																		
Income tax expense																		
Net profit																		
Net profit attributable to non-controlling interests																		
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC																		
WBC Cash Earnings adjustments:																		
TPS revaluations																		
Treasury shares																		
Ineffective hedges																		
Merger transaction and integration expenses																		
Fair value gain / (loss) on economic hedges																		
Amortisation of intangible assets																		
Fair value amortisation of financial instruments																		
Tax consolidation adjustment																		
Buyback of government guaranteed debt																		
Tax provision																		
TOFA tax consolidation adjustment																		
Supplier program																		
Litigation provision																		
Cash Earnings																		

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9.2 Group Half Year Earnings Reconciliation (continued)

Six months to 31 March 2012	Cash Earnings adjustments																Cash Earnings	
	WBC Reported Results	Policyholder Tax Recoveries	TPS Revaluations	Treasury Shares	Ineffective Hedges	Merger T&I	GG Fee Hedge	FX Hedge	Hedging of MTM	Amortisation of intangible assets	Fair value amortisation of financial instruments	Tax consolidation adjustment	Buyback of government guaranteed debt	Tax provision	TOFA tax consolidation adjustment	Supplier program		Litigation provision
Net interest income	6,185	-	-	-	(10)	-	-	4	25	-	26	-	(7)	-	-	-	-	6,223
<i>Fees and commissions</i>	1,309	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,309
<i>Wealth management & insurance income</i>	797	(9)	-	13	-	-	-	-	-	-	-	-	-	-	-	-	-	801
<i>Trading income</i>	406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	406
<i>Other income</i>	135	-	14	-	(2)	-	-	-	-	-	-	-	-	-	-	-	-	147
Non-interest income	2,647	(9)	14	13	(2)	-	-	-	-	-	-	-	-	-	-	-	-	2,663
Net operating income	8,832	(9)	14	13	(12)	-	4	25	-	26	-	(7)	-	-	-	-	-	8,886
<i>Salaries and other staff expenses</i>	(2,171)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115	-	(2,056)
<i>Equipment and occupancy expenses</i>	(614)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(614)
<i>Other expenses</i>	(1,111)	-	-	-	-	-	-	-	108	-	-	-	-	-	-	18	-	(985)
Operating expenses	(3,896)	-	-	-	-	-	-	-	108	-	-	-	-	-	-	133	-	(3,655)
Core earnings	4,936	(9)	14	13	(12)	-	4	25	108	26	-	(7)	-	-	-	133	-	5,231
Impairment charges	(608)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(608)
Operating profit before tax	4,328	(9)	14	13	(12)	-	4	25	108	26	-	(7)	-	-	133	-	-	4,623
Income tax expense	(1,327)	9	10	(1)	4	-	(1)	(8)	(33)	(8)	-	2	-	-	(40)	-	-	(1,393)
Net profit	3,001	-	24	12	(8)	-	3	17	75	18	-	(5)	-	-	-	93	-	3,230
Net profit attributable to non-controlling interests	(34)	-	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-	-	(35)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	2,967	-	24	12	(8)	-	3	17	74	18	-	(5)	-	-	93	-	-	3,195
WBC Cash Earnings adjustments:																		
TPS revaluations	24	-	(24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	12	-	-	(12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	(8)	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	-
Merger transaction and integration expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value gain / (loss) on economic hedges	20	-	-	-	-	-	(3)	(17)	-	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets	74	-	-	-	-	-	-	-	(74)	-	-	-	-	-	-	-	-	-
Fair value amortisation of financial instruments	18	-	-	-	-	-	-	-	-	(18)	-	-	-	-	-	-	-	-
Tax consolidation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	(5)	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-
Tax provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOFA tax consolidation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplier program	93	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93)	-	-
Litigation provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Earnings	3,195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,195

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9.2 Group Full Year Earnings Reconciliation

Twelve months to 30 September 2012	Cash Earnings adjustments															Cash Earnings		
	WBC Reported Results	Policyholder Tax Recoveries	TPS Revaluations	Treasury Shares	Ineffective Hedges	Merger T&I	GG Fee Hedge	FX Hedge	Hedging of MTM	Amortisation of intangible assets	Fair value amortisation of financial instruments	consolidation adjustment	Tax provision	Buyback of government guaranteed debt	TOFA tax consolidation adjustment		Supplier program	Litigation provision
\$m																		
Net interest income																		
<i>Fees and commissions</i>																		
<i>Wealth management & insurance income</i>																		
<i>Trading income</i>																		
<i>Other income</i>																		
Non-interest income																		
Net operating income																		
<i>Salaries and other staff expenses</i>																		
<i>Equipment and occupancy expenses</i>																		
<i>Other expenses</i>																		
Operating expenses																		
Core earnings																		
Impairment charges																		
Operating profit before tax																		
Income tax expense																		
Net profit																		
Net profit attributable to non-controlling interests																		
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC																		
WBC Cash Earnings adjustments:																		
TPS revaluations																		
Treasury shares																		
Ineffective hedges																		
Merger transaction and integration expenses																		
Fair value gain / (loss) on economic hedges																		
Amortisation of intangible assets																		
Fair value amortisation of financial instruments																		
Tax consolidation adjustment																		
Buyback of government guaranteed debt																		
Tax provision																		
TOFA tax consolidation adjustment																		
Supplier program																		
Litigation provision																		
Cash Earnings																		

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9.2 Group Full Year Earnings Reconciliation (continued)

Twelve months to 30 September 2011	Cash Earnings adjustments															Cash Earnings	
	WBC Reported Results	Policyholder Tax Recoveries	TPS Revaluations	Treasury Shares	Ineffective Hedges	Merger T&I	GG Fee FX Hedge	Hedging of MTM	Amortisation of intangible assets	Fair value amortisation of financial instruments	Tax consolidation adjustment	Buyback of government guaranteed debt	Tax provision	TOFA tax consolidation adjustment	Supplier program		Litigation provision
Net interest income	11,996	-	-	-	13	3	(6)	58	-	98	-	7	-	-	-	-	12,169
<i>Fees and commissions</i>	2,568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,568
<i>Wealth management & insurance income</i>	1,618	12	-	(7)	-	-	-	-	-	-	-	-	-	-	-	-	1,623
<i>Trading income</i>	558	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	558
<i>Other income</i>	173	-	27	-	5	-	-	-	-	-	-	-	-	-	-	-	205
Non-interest income	4,917	12	27	(7)	5	-	-	-	-	-	-	-	-	-	-	-	4,954
Net operating income	16,913	12	27	(7)	18	3	(6)	58	-	98	-	7	-	-	-	-	17,123
<i>Salaries and other staff expenses</i>	(4,055)	-	-	-	-	67	-	-	-	-	-	-	-	-	-	-	(3,988)
<i>Equipment and occupancy expenses</i>	(1,115)	-	-	-	-	4	-	-	-	-	-	-	-	-	-	-	(1,111)
<i>Other expenses</i>	(2,236)	-	-	-	-	21	-	-	208	-	-	-	-	-	-	-	(2,007)
Operating expenses	(7,406)	-	-	-	-	92	-	-	208	-	-	-	-	-	-	-	(7,106)
Core earnings	9,507	12	27	(7)	18	95	(6)	58	208	98	-	7	-	-	-	-	10,017
Impairment charges	(993)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(993)
Operating profit before tax	8,514	12	27	(7)	18	95	(6)	58	208	98	-	7	-	-	-	-	9,024
Income tax expense	(1,455)	(12)	(6)	1	(5)	(29)	1	(17)	(62)	(29)	(1,110)	(2)	70	-	-	-	(2,655)
Net profit	7,059	-	21	(6)	13	66	(5)	41	146	69	(1,110)	5	70	-	-	-	6,369
Net profit attributable to non-controlling interests	(68)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(68)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	6,991	-	21	(6)	13	66	(5)	41	146	69	(1,110)	5	70	-	-	-	6,301
WBC Cash Earnings adjustments:																	
TPS revaluations	21	-	(21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(6)	-	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	13	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-
Merger transaction and integration expenses	66	-	-	-	-	(66)	-	-	-	-	-	-	-	-	-	-	-
Fair value gain / (loss) on economic hedges	36	-	-	-	-	-	5	(41)	-	-	-	-	-	-	-	-	-
Amortisation of intangible assets	146	-	-	-	-	-	-	-	(146)	-	-	-	-	-	-	-	-
Fair value amortisation of financial instruments	69	-	-	-	-	-	-	-	-	(69)	-	-	-	-	-	-	-
Tax consolidation adjustment	(1,110)	-	-	-	-	-	-	-	-	-	1,110	-	-	-	-	-	-
Buyback of government guaranteed debt	5	-	-	-	-	-	-	-	-	-	-	(5)	-	-	-	-	-
Tax provision	70	-	-	-	-	-	-	-	-	-	-	-	(70)	-	-	-	-
TOFA tax consolidation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplier program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Litigation provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Earnings	6,301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,301

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10.0 ECONOMIC PROFIT

Twelve months to 30 September 2012	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings								
Franking benefit								
Adjusted Cash Earnings								
Average ordinary equity								
Equity charge								
Economic profit								

Twelve months to 30 September 2011	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings	6,301	1,850	1,233	729	3,812	1,427	442	76
Franking benefit	1,609	541	371	220	1,132	409	-	-
Adjusted Cash Earnings	7,910	2,391	1,604	949	4,944	1,836	442	76
Average ordinary equity	39,378	7,077	5,334	2,704	15,115	7,010	2,489	208
Equity charge	(4,332)	(779)	(587)	(297)	(1,663)	(771)	(274)	(23)
Economic profit	3,578	1,612	1,017	652	3,281	1,065	168	53

Six months to 30 September 2012	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings								
Franking benefit								
Adjusted Cash Earnings								
Average ordinary equity								
Equity charge								
Economic profit								

Six months to 31 March 2012	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
Cash Earnings	3,195	1,001	574	301	1,876	734	267	55
Franking benefit	817	301	173	89	563	203	-	-
Adjusted Cash Earnings	4,012	1,302	747	390	2,439	937	267	55
Average ordinary equity	42,278	7,896	5,803	2,839	16,538	7,615	2,659	266
Equity charge	(2,325)	(435)	(319)	(156)	(910)	(419)	(146)	(15)
Economic profit	1,687	867	428	234	1,529	518	121	40