

Westpac Securities NZ Limited

Interim financial statements
For the six months ended 31 March 2009

Westpac Securities NZ Limited

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This interim financial report does not cover all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2008 and any public announcements made by Westpac Securities NZ Limited (the "Company") during the interim reporting period in accordance with any relevant continuous disclosure obligations.

The financial report covers the Company as an individual entity.

The Company is limited by shares, incorporated and domiciled in New Zealand. Its registered office is:

Level 15
PwC Tower
188 Quay Street
Auckland

A description of the nature of the Company's operations and its principle activities is included in the Interim Management Report and Responsibility Statement on page 3.

The Directors of the Company at the date of this Interim Financial Report are:

Name	Principal activity outside the Company
George Frazis	Chief Executive Officer, Westpac New Zealand Limited
Royce Noel Brennan	General Manager, Risk, Westpac New Zealand Limited
Mariette Maria Bernadette van Ryn	General Manager, Regulatory Affairs, Customer Advocacy and General Counsel NZ, Westpac New Zealand Limited
Geoffrey Neville Martin	Senior Manager, Funding, Westpac New Zealand Limited

The financial report was authorised for issue by the Directors on 11 May 2009. The Company has the power to amend and reissue the financial report.

Westpac Securities NZ Limited

Disclosure regarding forward-looking statements

This Interim Financial Report contains forward-looking statements which appear in a number of places and include statements regarding our intent, belief or current expectations with respect to Westpac Securities NZ Limited's ("WSNZL" or the "Company") business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions and financial support to certain borrowers. This Interim Financial Report uses words such as 'will', 'may', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'probability', 'risk', or other similar words to identify forward-looking statements. These statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on us will be those anticipated by management. Actual results may vary materially from those we expect, depending on the outcome of various factors. These factors include but are not limited to:

- Impacts of the global financial crisis, including adverse conditions in global debt, equity and asset markets;
- Changes to the credit ratings of Westpac New Zealand Limited ("WNZL");
- Inflation, interest rate, exchange rate, market and monetary fluctuations;
- Market liquidity and investor confidence;
- The effect of, and changes in, laws, regulations, taxation or accounting standards or practices and government policy;
- Changes in consumer spending, saving and borrowing habits in New Zealand;
- The effects of competition in the geographic and business areas in which WNZL conducts its operations;
- The ability to maintain or to increase market share and control expenses;
- The timely development of and acceptance of new products and services and the perceived overall value of these products and services by users;
- Technological changes;
- Demographic changes and changes in political, social or economic conditions in any of the major markets in which WNZL operates;
- Stability of New Zealand and international financial systems and disruptions to financial markets and any losses WNZL may experience as a result; and
- Various other factors beyond WNZL's control.

The above list is not exhaustive. For certain other factors that may impact on forward-looking statements made in this Interim Financial Report refer to the section on 'Principal risks and uncertainties' in the Interim Management Report. When relying on forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and events.

The Company is under no obligation, and does not intend, to update any forward-looking statements contained in this Interim Financial Report, whether as a result of new information, future events or otherwise, after the date of this Interim Financial Report.

Westpac Securities NZ Limited

Interim Management Report and Responsibility Statement

Review and results of the Company's operations during the six months

The principal activity of the Company (acting through its London branch) is to raise and manage offshore wholesale funding for WNZL, in respect of which entity the Company is a wholly owned, indirect subsidiary.

The profit after tax of the Company for the six months ended 31 March 2009 was \$1,207,000 compared with the profit after tax of \$449,000 for the six months ended 31 March 2008, an increase of 169%.

Net interest income increased by 119% to \$1,342,000 compared to the six months ended 31 March 2008. The \$728,000 increase was due to an increase of profit basis funding fees charged to WNZL.

Non-interest income increased by 48% to \$862,000 compared to the six months ended 31 March 2008 and this was mainly due to recovery of costs from related parties.

Operating expenses decreased by 7% to \$486,000.

Income tax expense of \$511,000 increased by 130% due to the increase in profit before tax for the six month period.

For further information on the financial performance and position of WNZL, refer to its most recent General Disclosure Statement ("GDS") available on WNZL's website at www.westpac.co.nz.

Significant events during the six months ended 31 March 2009

On 1 November 2008, the New Zealand Government announced details of a wholesale funding guarantee facility to investment-grade financial institutions that have substantial New Zealand borrowing and lending operations (the Facility). The Crown entered into a Crown Wholesale Funding Guarantee Facility Deed with WNZL on 23 February 2009 and has provided a Crown Wholesale Funding Guarantee in respect of WNZL dated the same date. The Facility operates on an opt-in basis, by institution and by instrument. Wholesale funding liabilities of WNZL (which can include amounts guaranteed by WNZL, such as instruments issued by the Company) will only have the benefit of the Facility where a Guarantee Eligibility Certificate has been issued in respect of those liabilities. A guarantee fee will be charged for each guarantee issued under the Facility, differentiated by the credit rating of the issuer, the term of the security being guaranteed and, in the case of issues with terms of more than one year, between New Zealand dollar and non-New Zealand dollar issues. The maximum term of securities guaranteed is five years. WNZL has entered into the Facility Deed but has not made use of the Facility.

Further information about the Facility may be obtained from WNZL's General Short Form Disclosure Statement for the three months ended 31 December 2008 and the New Zealand Treasury's internet site 'www.treasury.govt.nz'.

There have been no other significant events impacting the financial standing of the Company during the six month period ended 31 March 2009.

Principal risks and uncertainties

The Company's business activities are subject to risks that can adversely impact future performance and financial condition. As the Company is an indirect, wholly owned subsidiary of WNZL and as the Company's debt issuances are guaranteed by WNZL, it is consequently affected by the same principal risks and uncertainties which affect WNZL. The principal risks and uncertainties which affect WNZL are set forth below. There are no additional risk factors solely affecting the Company.

The principal risks and uncertainties described below are not the only ones we may face. Additional risks and uncertainties of which we may be unaware, or that we currently deem to be immaterial, may become important factors that affect us in the future. If any of the following risks actually occur, our business, results of operations or financial condition could be materially adversely affected.

Adverse credit and capital market conditions may significantly affect WNZL's ability to meet liquidity needs, adversely affect its access to domestic and international capital markets and increase its cost of funding

Global credit and capital markets have experienced extreme volatility, disruption and decreased liquidity for more than 18 months and it is likely that the global financial markets will remain volatile and uncertain in the short to medium term. WNZL relies on credit and capital markets to fund its business. As of 31 March 2009, WNZL obtained approximately 31%¹ of its total net funding from domestic and international wholesale markets. As a result of the current adverse global capital market conditions WNZL's funding costs have increased and accessing wholesale markets without utilising the New Zealand government's wholesale funding guarantee, particularly in relation to longer-term

¹ Comprised of wholesale funding and excess liquid assets.

Westpac Securities NZ Limited

Interim Management Report and Responsibility Statement (cont'd)

securities is likely to be difficult. Continued instability in these market conditions may result in further increases in WNZL's funding costs and may limit its ability to replace, in a timely manner, maturing liabilities, which could adversely affect its ability to fund and grow its business.

In the event that WNZL's current sources of funding prove to be insufficient, WNZL may be forced to seek alternative financing. The availability of such alternative financing, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions, the availability of credit, WNZL's credit ratings and the sovereign credit ratings in New Zealand, and credit capacity. Even if available, the cost of these alternatives may be more expensive or on unfavourable terms, which could adversely affect WNZL's results of operations, liquidity, capital resources and financial condition. There is no assurance that WNZL will be able to obtain funding at acceptable prices.

If WNZL is unable to source appropriate funding, it may be forced to reduce its lending or begin to sell liquid securities. Such actions would adversely impact WNZL's business, results of operations, liquidity, capital resources and financial condition.

Failure to maintain WNZL's credit ratings could adversely affect its cost of funds, liquidity, competitive position and access to capital markets

The credit ratings assigned to WNZL by rating agencies are based on an evaluation of a number of factors, including WNZL's financial strength. In light of the difficulties in the banking sector and financial markets, the rating agencies have indicated they are watching global developments closely and if conditions continue to deteriorate, they may adjust the ratings of some or all of the major New Zealand banks. Moody's has all the major Australian banks, including WNZL's ultimate holding company, Westpac Banking Corporation, on a negative outlook. If the long term issuer credit rating of Westpac Banking Corporation were to be downgraded, there would likely be a consequent negative impact on WNZL's long term issuer credit rating. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events.

If WNZL fails to maintain its current corporate credit ratings, this would adversely affect its cost of funds and related margins, liquidity, competitive position and our access to capital markets. In addition, any downgrade in the sovereign credit ratings of New Zealand may adversely affect WNZL's ability to raise funds that have the benefit of a government guarantee under the relevant government guarantee schemes, or the cost of those funds. In turn, this could adversely affect WNZL's results of operations, liquidity, access to capital markets and financial condition.

A systemic shock in relation to the New Zealand or global financial systems could have adverse consequences for WNZL that would be difficult to predict and respond to

In the current volatile economic environment, there is a risk of a major systemic shock occurring that could have an adverse impact on the New Zealand or global financial systems. Such an event could have a material adverse effect on financial institutions such as WNZL, including the undermining of confidence in the financial systems, reducing liquidity and impairing access to funding. The nature and consequences of any such event are difficult to predict and there can be no guarantee that WNZL could respond effectively to any such event.

Declining asset markets could adversely affect WNZL's operations or profitability

A continuation of the recent declines in global asset markets, including equity, property and other asset markets could impact WNZL's operations and profitability.

Declining asset prices impact WNZL's asset holdings. Declining asset prices could also impact customers and the value of security WNZL holds against loans which may impact WNZL's ability to recover amounts owing to it if customers were to default.

WNZL's business is substantially dependent on the New Zealand economy and it can give no assurance as to the likely future state of this economy

WNZL's revenues and earnings are dependent on economic activity and the level of financial services its customers require. In particular, lending is dependent on customer confidence, the state of the economy, the state of the home lending market and prevailing market interest rates in New Zealand.

WNZL currently conducts substantially all of its business in New Zealand. Consequently, its performance will be influenced by the level and cyclical nature of business and home lending in New Zealand which in turn are impacted by both domestic and international economic and political events. The ongoing dislocation in credit and capital markets has impacted global economic activity including the economy of New Zealand, which is in recession. This disruption has led to a slowdown in credit growth and a reduction in consumer and business confidence. If the downturn in the New Zealand economy continues for an extended period or becomes more severe, WNZL's results of operations, liquidity, capital resources and financial condition would be adversely affected.

Credit risk could adversely affect WNZL's results of operations and financial condition

The risk of financial loss resulting from the failure of customers to honour fully the terms of a contract with WNZL (credit risk) is WNZL's most significant risk and will arise primarily from its lending activities and other transactions. WNZL's home lending portfolio represents a significant proportion of its assets. A significant slowdown in the New Zealand housing market and further decrease in property valuations could decrease the amount of new mortgages WNZL is able to write or increase the losses it may experience from its existing mortgages which, in either case, could materially and adversely affect WNZL's financial condition and results of operations. Credit exposures also include WNZL's dealings with, and holdings of, debt securities issued by other banks and financial institutions whose conditions may be impacted to varying degrees by continuing turmoil in the global financial markets.

WNZL holds collective and individually assessed provisions for impaired assets. As a result of the current market and economic conditions, WNZL has increased its impairment provisions and if economic conditions deteriorate further, some customers could experience higher levels of financial stress and WNZL may experience a significant increase in defaults and write-offs, and be required to further increase its provisioning. Such actions would diminish available capital and would adversely affect WNZL's results of operations, liquidity, capital resources and financial condition.

Westpac Securities NZ Limited

Interim Management Report and Responsibility Statement (cont'd)

There can be no assurance that actions of the New Zealand, Australian, United States and other foreign governments and other governmental and regulatory bodies to stabilise financial markets will achieve the intended effect

In response to the recent financial crises affecting the banking system and financial markets generally and deteriorating global financial conditions, on 12 October 2008, the New Zealand government announced an opt-in deposit guarantee scheme under which it will guarantee deposits with participating New Zealand registered banks and non-bank deposit taking entities, and will guarantee certain retail debt securities. On 1 November 2008, the New Zealand Government announced details of a wholesale funding guarantee facility. See "Significant events during the six months ended 31 March 2009" for a description of the wholesale funding guarantee facility. Stabilising actions have also been taken by governments and regulatory bodies in Australia, the United States, United Kingdom, Europe and other jurisdictions. We expect to rely on the relevant government guarantee scheme to access the wholesale funding markets in the short to medium term.

The New Zealand Government has announced that the New Zealand guarantee schemes will be reviewed on an ongoing basis and revised if necessary. There can be no assurance as to whether any changes will have an adverse impact on WNZL's ability to obtain wholesale term funding in the future in reliance on the relevant government guarantee. The ongoing impact of the stabilisation packages implemented by governments and regulators in Australia, the United States, United Kingdom, Europe and other jurisdictions are equally uncertain. There can be no assurance as to what impact such regulatory actions will have on financial markets, consumer and investor confidence, or the extreme levels of volatility currently being experienced. Further declines in consumer and investor confidence and continued uncertainty and volatility could materially adversely affect WNZL's business, financial condition and results of operations.

WNZL faces intense competition in all aspects of its business

WNZL competes domestically with retail and commercial banks, non-bank mortgage brokers, private banking firms and other financial services firms. In addition, the trend toward consolidation in the global financial services industry is creating competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power. In recent years, competition has also increased as large insurance and banking industry participants have sought to establish themselves in markets that are perceived to offer higher growth potential and as local institutions have become more sophisticated and competitive and have sought alliances, mergers or strategic relationships. If WNZL is unable to compete effectively in its various businesses and markets, its business, results of operations and financial condition would be adversely affected.

We could suffer losses due to market volatility

WNZL is exposed to market risk due to volatility of market factors such as foreign exchange rates, interest rates, commodity prices, credit prices and equity prices. The recent levels of market volatility increased WNZL's estimated earnings at risk as measured by value at risk (VaR)². Structural interest rate risk (WNZL's most significant market risk) may arise from lending and deposit taking activity in the normal course of business and through the investment of capital and other non-interest bearing liabilities. If WNZL were to suffer substantial losses due to any market volatility, including the volatility brought about by the current global credit crisis, it would adversely affect its results of operations and financial condition.

WNZL could suffer losses due to operational risks or environmental factors

As a financial services organisation WNZL could be exposed to a variety of other risks including those resulting from process error, fraud, information technology instability and failure, system failure, security and physical protection, customer services, staff competence, external events (including fire, flood or pandemic) that cause material damage, impact on our operations or adversely affect demand for our products and services, and product development and maintenance. Operational risk has the potential, as a result of the way business objectives are pursued, to negatively impact WNZL's financial performance, customer service and reputation in the community or cause other damage to the business.

WNZL's business is highly regulated and it could be adversely affected by changes in regulations and regulatory policy

Compliance risk arises from the regulatory standards that apply to WNZL as an institution. WNZL is subject to regulation and regulatory oversight. WNZL is responsible for ensuring that it complies with all applicable legal and regulatory requirements (including changes to accounting standards) and industry codes of practice, as well as meeting ethical standards. The nature and impact of future changes in such policies are not predictable and are beyond WNZL's control.

It is likely that the recent global financial crisis will lead to changes in regulation in most markets in which WNZL operates, particularly for financial companies. These changes may include, for example, changes in capital adequacy requirements, accounting and reporting requirements, liquidity regulation, regulation relating to remuneration, or changes in the oversight approach of regulators in the markets in which WNZL operates. In the current economic conditions, it is also possible that governments in jurisdictions in which WNZL obtains funding might revise their application of existing regulatory policies that apply to, or impact, WNZL's business, including for reasons relating to national and systemic stability.

² VaR is the potential loss in earnings from adverse market movements, calculated by WNZL using a 99% confidence level with a minimum of one year of historical rate data and a one-day time horizon.

Westpac Securities NZ Limited

Interim Management Report and Responsibility Statement (cont'd)

It is likely that the current uncertain economic environment may also result in increased litigation, which creates the potential for legal decisions that result in unanticipated changes in law and may result in regulators making material changes to existing regulatory policies to address or enforce such changes in law.

Changes in law, regulations or regulatory policy could adversely affect WNZL's business, including limiting its ability to do business, and could require WNZL to incur substantial costs to comply or impact its capital requirements. The failure to comply with applicable regulations could result in fines and penalties or limitations on WNZL's ability to do business. These costs, expenses and limitations could have a material adverse affect on WNZL's business, financial performance or financial condition.

Reputational damage could harm WNZL's business and prospects

Various issues may give rise to reputational risk and cause harm to WNZL's business and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, trade sanctions legislation, privacy laws, information security policies, sales and trading practices and conduct by companies in which WNZL holds strategic investments. Failure to address these issues appropriately could also give rise to additional legal risk, subject WNZL to regulatory enforcement actions, fines and penalties, or harm WNZL's reputation among its customers and investors in the marketplace.

Other risks

Other risks that can adversely impact WNZL's performance and its financial position include insurance risk, model risk, business risk and contagion risk.

Responsibility Statement

The Directors of Westpac Securities NZ Limited confirm that to the best of their knowledge:

1. the condensed set of financial statements have been prepared in accordance with NZ IAS 34 'Interim Financial Reporting' and also complies with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board; and
2. the Interim Management Report includes a fair review of the information required by the Disclosure and Transparency Rules 4.2.7R of the United Kingdom Financial Services Authority.

Signed on behalf of the Board



Director

Auckland

11 May 2009

Westpac Securities NZ Limited

Directors' statement

Each Director of the Company believes, after due enquiry that, as at the date on which this set of financial statements is signed:

- (i) the financial statements and notes set out on pages 8 to 13 give a true and fair view of Westpac Securities NZ Limited's financial position as at 31 March 2009;
- (ii) proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position and financial performance of the Company and facilitate compliance of the financial statements and notes set out on pages 8 to 13 with the Financial Reporting Act 1993; and
- (iii) there are reasonable grounds to believe that Westpac Securities NZ Limited will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors.

This Directors' Statement has been signed by two of the Directors:



Director



Director

Auckland

11 May 2009

Westpac Securities NZ Limited

Interim Financial Report

Income statement

for the periods ended

	Six months ended 31 March 2009 Unaudited \$'000	Six months ended 31 March 2008 Unaudited \$'000	Year ended 30 September 2008 Audited \$'000
Interest income	147,440	292,819	560,505
Interest expense	(146,098)	(292,205)	(556,339)
Net interest income	1,342	614	4,166
Non-interest income:			
Fees and commissions	862	581	1,371
Total non-interest income	862	581	1,371
Net operating income	2,204	1,195	5,537
Operating expenses	(486)	(524)	(1,015)
Profit before income tax	1,718	671	4,522
Income tax expense	(511)	(222)	(1,492)
Profit for the period	1,207	449	3,030
Attributable to:			
Shareholders of the Company	1,207	449	3,030
Profit for the period	1,207	449	3,030

The above income statement should be read in conjunction with the accompanying notes.

Westpac Securities NZ Limited

Interim Financial Report

Statement of changes in equity

for the periods ended

	Six months ended 31 March 2009 Unaudited \$'000	Six months ended 31 March 2008 Unaudited \$'000	Year ended 30 September 2008 Audited \$'000
Total equity at beginning of the period	3,681	651	651
Profit after income tax for the period	1,207	449	3,030
Total recognised income for the period	1,207	449	3,030
Share capital issued	551	-	-
Dividends paid	(551)	-	-
Total equity at end of the period	4,888	1,100	3,681

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Westpac Securities NZ Limited

Interim Financial Report

Balance sheet

as at

	Note	31 March 2009 Unaudited \$'000	31 March 2008 Unaudited \$'000	30 September 2008 Audited \$'000
Assets				
Cash and cash equivalents		1,306	5,035	1,902
Trade and other receivables		127	-	-
Income tax receivable		-	327	-
Due from related entities		9,831,836	10,630,173	10,057,984
Deferred tax assets		1,495	-	469
Other assets		-	-	247
Total assets		9,834,764	10,635,535	10,060,602
Liabilities				
Debt issues	2	9,739,039	10,544,804	9,520,264
Other liabilities		24,316	87,755	99,290
Current tax liabilities		1,376	-	862
Due to related entities		65,145	1,876	436,505
Total liabilities		9,829,876	10,634,435	10,056,921
Net assets		4,888	1,100	3,681
Equity				
Capital and reserves attributable to shareholders of the Company				
Share capital		651	100	100
Retained earnings		4,237	1,000	3,581
Total equity		4,888	1,100	3,681

The above balance sheet should be read in conjunction with the accompanying notes.

Westpac Securities NZ Limited

Interim Financial Report

Cash flow statement

for the periods ended

	Six months ended 31 March 2009 Unaudited \$'000	Six months ended 31 March 2008 Unaudited \$'000	Year ended 30 September 2008 Audited \$'000
Cash flows from operating activities			
Interest received	224,885	367,444	620,550
Interest paid	(221,441)	(366,870)	(619,100)
Management fees received - related entities	862	581	1,297
Other non-interest income received	-	-	74
Income taxes paid	(1,023)	(182)	(732)
Management fees paid - related entities	(331)	(358)	(702)
Operating expenses paid	92	(166)	(560)
Net cash inflow from operating activities	3,044	449	827
Cash flows from investing activities			
Net decrease in due from related entities	148,576	978,060	1,554,502
Net cash inflow from investing activities	148,576	978,060	1,554,502
Cash flows from financing activities			
Net (decrease) in due to related entities	(368,247)	(453,684)	(83,001)
Net increase/(decrease) in other borrowings	218,775	(519,936)	(1,534,149)
Proceeds from issue of notes	(2,744)	-	63,577
Net cash (outflow) from financing activities	(152,216)	(973,620)	(1,553,573)
Net increase in cash and cash equivalents	(596)	4,889	1,756
Cash and cash equivalents at beginning of the period	1,902	146	146
Cash and cash equivalents at end of the period	1,306	5,035	1,902
Cash and cash equivalents comprise:			
Cash and cash equivalents	1,306	5,035	1,902
Cash and cash equivalents at end of the period	1,306	5,035	1,902

	Six months ended 31 March 2009 Unaudited \$'000	Six months ended 31 March 2008 Unaudited \$'000	Year ended 30 September 2008 Audited \$'000
Reconciliation of profit after income tax to net cash flow from operating activities:			
Profit after income tax attributable to shareholders of the Company	1,207	449	3,030
<i>Adjustments:</i>			
Movement in accrued assets	77,445	74,626	60,045
Movement in other assets	247	-	(247)
Movement in accrued liabilities	(75,343)	(74,666)	(62,761)
Movement in income tax provisions	(512)	40	760
Net cash inflow from operating activities	3,044	449	827

The above cash flow statement should be read in conjunction with the accompanying notes.

Westpac Securities NZ Limited

Notes to the financial statements

Note 1. Basis of preparation of six month report

This interim financial report has been prepared and presented in accordance with the Financial Reporting Act 1993 (New Zealand) and the Companies Act 1993 (New Zealand). It has been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purpose of complying with NZ GAAP, the Company is profit-oriented. It complies with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34)

This interim financial report also complies with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the annual financial statements for the year ended 30 September 2008 and any relevant public announcements made by Westpac Securities NZ Limited during the interim reporting period.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those of the previous financial year and corresponding interim reporting period.

Amounts in this interim financial report are presented in New Zealand Dollars and have been rounded to the nearest thousand.

The Company's operations are not subject to seasonality.

Note 2. Debt issues

	As at 31 March 2009 Unaudited \$'000	As at 31 March 2008 Unaudited \$'000	As at 30 September 2008 Audited \$'000
Short term debt			
Euro commercial paper	4,732,939	3,412,175	4,749,719
US commercial paper	2,858,120	4,346,778	1,828,999
Total short term debt	7,591,059	7,758,953	6,578,718
Long term debt			
Euro medium term notes	2,147,980	2,785,851	2,941,547
Total long term debt	2,147,980	2,785,851	2,941,547
Total debt issues	9,739,039	10,544,804	9,520,264

Reconciliation of debt issues balance for the periods ended

	Six months ended 31 March 2009 Unaudited \$'000	Six months ended 31 March 2008 Unaudited \$'000	Year ended 30 September 2008 Audited \$'000
Opening balance	9,520,264	11,064,740	11,064,740
New deals	12,674,895	17,275,700	27,598,547
Matured deals	(12,456,120)	(17,795,636)	(29,143,023)
Closing balance	9,739,039	10,544,804	9,520,264

Note 3. Related entities

Nature of transactions

Loan finance, current account banking facilities and other financial products are provided by Westpac New Zealand Limited (WNZL) and the Westpac Banking Corporation (WBC) London branch to the Company on normal commercial terms.

Reimbursement of related entity expenses of \$331,000 (six months ended 31 March 2008: \$358,000 and the year ended 30 September 2008: \$702,000) are paid to WNZL and WBC for certain operating services received by the Company.

The Company provides offshore wholesale funding to WNZL. Management fees of \$862,000 (six months ended 31 March 2008: \$581,000 and the year ended 30 September 2008: \$1,297,000) are paid to the Company by WNZL for these services.

WNZL guarantees all payment obligations in respect of notes, bonds and commercial paper issued by the Company.

Transactions and balances with related entitled parties are disclosed separately in these financial statements.

Revenue and expenses in relation to these related parties are arranged on an arm's length basis.

Amounts owing to and by related parties are normally settled within 90 days.

Westpac Securities NZ Limited

Notes to the financial statements

Note 4. Commitments and contingencies

Capital expenditure commitments

There were no capital expenditure commitments as at 31 March 2009 (2008: nil).

Operating lease commitments

There were no operating lease commitments as at 31 March 2009 (2008: nil).

Note 5. Events occurring after reporting date

The Directors are not aware of any significant events since the reporting date.

Accountants' Report

To the shareholders of Westpac Securities NZ Limited

We have reviewed the financial statements on pages 8 to 13. The financial statements provide information about the past financial performance and cash flows of the Company for the period ended 31 March 2009 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on page 12.

Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Company as at 31 March 2009 and their financial performance and cash flows for the period ended on that date.

Accountants' responsibilities

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

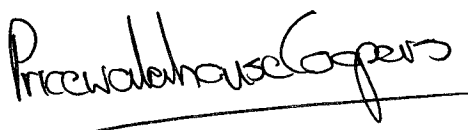
We have reviewed the financial statements of the Company for the period ended 31 March 2009 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

We have no relationship with or interests in the Company other than in our capacity as accountants conducting this review. We carry out other assignments on behalf of Westpac Banking Corporation New Zealand Division (the "NZ Banking Group") in the area of taxation advice. In addition, certain partners and employees of our firm may deal with the NZ Banking Group on normal terms within the ordinary course of trading activities of the NZ Banking Group. We have no other interests in the NZ Banking Group.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly the financial position of the Company as at 31 March 2009 and their financial performance and cash flows for the period ended on that date.

Our review was completed on 11 May 2009 and our review opinion is expressed as at that date.



Chartered Accountants

Auckland