

Westpac 2008 Results

Incorporating the requirements
of Appendix 4E

Revenue from ordinary activities ^{1,2}	up	12.3%	to	\$11,420m		
Profit from ordinary activities after tax attributable to equity holders ²	up	11.8%	to	\$3,859m		
Net profit for the period attributable to equity holders ²	up	11.8%	to	\$3,859m		
Dividend Distributions (cents per ordinary share)		Amount per security		Franked amount per security		
Final Dividend		72		72		
Interim Dividend		70		70		
Record date for determining entitlements to the dividend		<table border="1"> <tbody> <tr> <td>11 November 2008 (Sydney)</td> </tr> <tr> <td>10 November 2008 (New York)</td> </tr> </tbody> </table>			11 November 2008 (Sydney)	10 November 2008 (New York)
11 November 2008 (Sydney)						
10 November 2008 (New York)						

¹ Comprises interest income, interest expense and non-interest income.

² All comparisons are with the year ended 30 September 2007.

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1 PRESS RELEASE AND OUTLOOK

30 October 2008

WESTPAC DELIVERS ROBUST FULL YEAR RESULT

Highlights: (All comparisons are with 2007 full year result)

- Cash earnings of \$3,726 million, up 6%
- Net profit of \$3,859 million, up 12%
- Cash earnings per share of 198.3 cents, up 5%
- Economic profit of \$2,779 million, up 3%
- Revenue up 10% on a cash basis
- Second half dividend of 72 cents fully franked, bringing total dividend to 142 cents, up 8%
- Return on equity (cash basis) down 150 basis points to 22.3%
- Expense to income ratio (cash basis), down 110 basis points to 43.9%

Full Year Profit Result

Westpac Banking Corporation today announced cash earnings of \$3,726 million, up 6% for the 12 months ended 30 September 2008. After including significant items, net profit after tax was up 12% to \$3,859 million for the 12 months.

Westpac announced a fully franked final dividend of 72 cents, bringing the total dividend for the year to 142 cents, an increase of 8%.

Westpac Chief Executive Officer, Gail Kelly said Westpac had delivered a robust result despite the unprecedented dislocation in global banking and more difficult economic environment.

"This result shows the strength and resilience of our franchise and our ability to support our customers as demonstrated through strong volume growth and increased market share. I am particularly pleased with the second half performance, with cash earnings up 3% compared to the first half, revenue up 5% and expenses held to a 2% increase.

"The strength of our AA rating and our prudent approach to managing the business over the long term has positioned Westpac well. Our conservative balance sheet, diversified funding base and strict risk disciplines, have not only helped deliver profitable growth, but put us in a strong position to meet the challenges ahead," Mrs Kelly said.

"As a result, we have been able to focus on our customers and our next stage of growth. Central to this has been establishing a new customer-focused strategic agenda, designed to align our people, processes and products around the needs of our customers.

"The merger with St. George provides us with a unique opportunity to accelerate and enhance this important work," Mrs Kelly said.

Result Highlights

Revenue rose 10% to \$11.1 billion, comfortably above a 7% increase in expenses. This reduced our expense to income ratio by 110 basis points to 43.9%.

Strong loan and deposit growth from all Australian customer segments underpinned the profit result. Aggregate credit growth in our Australian businesses was 13% compared to system credit growth of 10%.

The quality of Westpac's balance sheet remains sound despite the economic slowdown. However, reflecting our cautious approach to the domestic economic environment we have increased Westpac's provisioning coverage. Our total provisions to risk weighted assets have increased to 111 basis points at 30 September 2008 compared to 100 basis points at March 2008.

There has been an increase in impairment charges to \$931 million. Institutional impairment charges rose by \$201 million from a small number of single name exposures, predominantly in the first half. Increased impaired loans in the small and medium-sized business sectors in Australia and New Zealand also contributed

to the higher impairment charges. There was also a modest increase in consumer delinquencies, primarily in New Zealand.

Given the increase in earnings, Westpac ended the year strongly capitalised with a Tier 1 ratio of 7.8%, up from 7.4% in March. To further boost its capital position, Westpac will fully underwrite its dividend reinvestment plan for the final dividend, and introduce a discount of 2.5% on the shares issued under the plan. This initiative, considered prudent in the current environment, will enhance our ability to support our customers and provide flexibility in light of our proposed merger with St.George.

Significant items

As previously disclosed, Westpac has commenced an investment and restructuring programme aimed at redesigning product processes and operations to better support our customers and enhance efficiencies, at a cost of \$323 million (\$226 million after tax). These costs are non-recurring and have been treated as a cash earnings adjustment. Other significant items are the partial sale of BT Investment Management Limited which provided a post tax gain of \$86 million and a \$205 million post tax gain on the Visa Inc. Initial Public Offering.

Strategy and Merger

This year also saw Westpac redefine its strategy, adopting a more customer-centric approach. Areas of focus include driving a stronger customer culture with clear segment strategies, strengthening our distribution, improving the quality and efficiency of our operations and upgrading our technology capability. We are also focused on operating as 'One Westpac' in order to deliver integrated solutions from across the group to meet customers' needs.

The merger with St.George complements this strategic agenda by enhancing our distribution capabilities, ensuring greater diversity and choice of products for both Westpac and St.George customers and by providing shareholders and customers with a stronger financial institution. The merger is expected to be completed on 1 December this year, pending St.George shareholder approval of the transaction and Federal Court approval. Joint integration planning is well underway.

Business Unit Performance

Cash earnings (A\$ millions)	Full Year 2008	Full Year 2007	% Change
Consumer Financial Services	913	839	9
Business Financial Services	1,085	979	11
Westpac Institutional Bank	566	588	(4)
BT Financial Group	389	442	(12)
New Zealand (NZ\$)	484	457	6
Pacific Banking	93	80	16

Mrs Kelly said the operational performance of all business units was sound with solid momentum throughout the year. "Overall this year the Group has benefited from the strength of our well diversified set of businesses."

- Consumer Financial Services (CFS) solid cash earnings growth was driven by strong growth in mortgages and deposits.
- Business Financial Services (BFS) strong growth in cash earnings with lending growing 17%. The result benefited from the continued investment in front-line staff and the opening of 14 new business banking centres.
- Westpac Institutional Bank (WIB) delivered a very sound performance with revenue growth of 13%. This growth came despite the difficult operating environment across WIB's businesses.
- BT Financial Group (BTFG) result was impacted by the steep falls in investment markets. Despite reporting solid inflows, overall Funds under Management and Funds under Administration were lower, investment markets delivered lower returns and general insurance claims were above expectations. In response to the more challenging environment, BTFG delivered flat cost growth in the second half.
- New Zealand achieved a solid result despite the significant deterioration in the economic environment. A highlight of the result was strong revenue growth of 10%, with business lending growth of 15%.

Outlook

The global financial crisis has dominated events over the past financial year, significantly impacting banks globally through asset write downs, tighter funding and increased market volatility. Through the year the crisis also began to significantly affect the global economy.

More recently, the actions of governments and regulators around the world have begun to restore confidence in the financial system and improved access to funding, although it is likely to be some time before debt markets operate more normally.

However, these initiatives are unlikely to avert a more severe and prolonged slowdown in global growth. In Australia, growth is slowing although the fiscal stimulus announced earlier this month and the significant policy flexibility of the Australian regulators are expected to see GDP growth hold up at around 2% in calendar year 2009.

Given these conditions, lower loan growth in the year ahead is anticipated as consumers and businesses seek to strengthen their balance sheets in the tougher operating environment. Impairment charges are also expected to continue to rise as unemployment moves modestly higher. Market volatility is also likely to remain high as financial market uncertainty persists.

Mrs Kelly said: "Westpac has performed well through the global financial crisis with its proactive management of funding, conservative risk profile and healthy capital position.

"At the same time the implementation of our new strategy to significantly improve the customer experience and better support customers is underway.

"This strategy, and the strength of the franchise, have positioned the group well for the challenging year ahead," Mrs Kelly concluded.

2.1 REPORTED RESULTS

Reported net profit attributable to equity holders of Westpac Banking Corporation (WBC) is prepared in accordance with the requirements of A-IFRS and regulations applicable to Authorised Deposit-taking Institutions (ADI).

\$m			% Mov't		% Mov't	
	Half Year Sept 08	Half Year March 08	Mar 08- Sept 08	Full Year Sept 08	Full Year Sept 07	Sept 07- Sept 08
Net interest income	3,752	3,470	8	7,222	6,313	14
Non-interest income	1,874	2,324	(19)	4,198	3,860	9
Net operating income	5,626	5,794	(3)	11,420	10,173	12
Operating expenses	(2,818)	(2,452)	(15)	(5,270)	(4,543)	(16)
Core earnings	2,808	3,342	(16)	6,150	5,630	9
Impairment charges	(498)	(433)	(15)	(931)	(482)	(93)
Profit from ordinary activities before income tax	2,310	2,909	(21)	5,219	5,148	1
Income tax expense	(613)	(674)	9	(1,287)	(1,630)	21
Net profit	1,697	2,235	(24)	3,932	3,518	12
Net profit attributable to minority interests	(40)	(33)	(21)	(73)	(67)	(9)
Net profit attributable to equity holders of WBC	1,657	2,202	(25)	3,859	3,451	12
Treasury shares ¹	(6)	(19)	68	(25)	29	(186)
TPS revaluations ¹	(24)	(33)	27	(57)	38	large
Unrealised NZ Retail earnings hedges ¹	1	3	(67)	4	(11)	136
Ineffective hedges ¹	2	(3)	167	(1)	-	-
Gain from BTIM IPO ¹	20	(106)	119	(86)	-	-
Gain from Visa IPO ¹	-	(205)	100	(205)	-	-
St.George transaction and integration expenses ¹	11	-	-	11	-	-
One-off expenses ^{1,2}	226	-	-	226	-	-
Cash earnings	1,887	1,839	3	3,726	3,507	6

2.1.1 Cash Earnings

Reported results are adjusted for material items to ensure they appropriately reflect profits normally available to ordinary shareholders.

The impact of these cash earnings adjustments¹ and some accounting classifications² are significant when analysing the composition of the reported financial results. Our approach is to adjust for these items when evaluating inter-period movements of the components of the results.

Throughout this profit announcement, reporting of financial performance will refer to "cash earnings" unless otherwise noted.

Analysis of cash earnings by key line item

\$m			% Mov't		% Mov't	
	Half Year Sept 08	Half Year March 08	Mar 08- Sept 08	Full Year Sept 08	Full Year Sept 07	Sept 07- Sept 08
Net interest income	3,757	3,466	8	7,223	6,313	14
Non-interest income	1,930	1,964	(2)	3,894	3,773	3
Net operating income	5,687	5,430	5	11,117	10,086	10
Operating expenses	(2,467)	(2,409)	(2)	(4,876)	(4,543)	(7)
Core earnings	3,220	3,021	7	6,241	5,543	13
Impairment charges	(498)	(433)	(15)	(931)	(482)	(93)
Operating profit before tax	2,722	2,588	5	5,310	5,061	5
Income tax expense	(795)	(716)	(11)	(1,511)	(1,487)	(2)
Net profit	1,927	1,872	3	3,799	3,574	6
Net profit attributable to minority interests	(40)	(33)	(21)	(73)	(67)	(9)
Cash earnings	1,887	1,839	3	3,726	3,507	6
<i>Effective tax rate</i>	<i>29.2%</i>	<i>27.7%</i>	<i>(150bps)</i>	<i>28.5%</i>	<i>29.4%</i>	<i>90bps</i>

Notes explained on page 6.

2.1.2 Key Financial Data – Earnings

	Half Year Sept 08	Half Year March 08	% Mov't Mar 08- Sept 08	Full Year Sept 08	Full Year Sept 07	% Mov't Sept 07- Sept 08
Shareholder value						
Cash earnings per ordinary share (cents)	100.1	98.2	2	198.3	189.4	5
Earnings per ordinary share (cents)	88.0	118.0	(25)	206.0	186.9	10
Economic profit (\$m)	1,395	1,384	1	2,779	2,693	3
Weighted average ordinary shares (millions) - Statutory ³	1,878	1,865	1	1,871	1,846	1
Weighted average ordinary shares (millions) - Cash earnings ³	1,886	1,873	1	1,879	1,852	1
Fully franked dividends per ordinary share (cents)	72	70	3	142	131	8
Dividend payout ratio - cash earnings (%)	71.9	71.3	60bps	71.6	69.2	240bps
Net tangible assets per ordinary share (\$)	7.87	7.53	5	7.87	6.96	13
Productivity and efficiency						
Expense to income ratio (%) - reported	50.1	42.3	(780bps)	46.1	44.7	(140bps)
Expense to income ratio (%) - cash earnings	43.4	44.4	100bps	43.9	45.0	110bps
Total banking expense to income ratio (%) - reported	49.5	40.9	(860bps)	45.1	43.9	(120bps)
Total banking expense to income ratio (%) - cash earnings	42.0	43.1	110bps	42.5	44.4	190bps
Full-time equivalent employees (FTE)	28,302	28,761	(2)	28,302	28,018	1
Business performance						
Interest spread (%) ⁴	1.80	1.72	8bps	1.76	1.85	(9bps)
Interest margin (%) ⁴	2.10	2.05	5bps	2.07	2.19	(12bps)
Average interest earning assets (\$m)	360,701	342,613	5	351,657	292,417	20

Notes explained on page 6.

2.2 SUMMARY BALANCE SHEET

\$m	As at 30 Sept 2008	As at 31 March 2008	As at 30 Sept 2007	% Mov't Mar 08- Sept 08	% Mov't Sept 07- Sept 08
Assets					
Cash	4,809	4,109	2,243	17	114
Due from other financial institutions	21,345	30,094	28,379	(29)	(25)
Trading assets, financial assets and available-for-sale securities	43,694	27,462	24,505	59	78
Derivative financial instruments	34,810	22,859	24,308	52	43
Loans	313,545	298,100	275,377	5	14
Life insurance assets	12,547	13,407	15,456	(6)	(19)
Other assets	8,798	9,110	7,385	(3)	19
Total assets	439,548	405,141	377,653	8	16
Liabilities					
Due to other financial institutions	15,861	13,776	9,133	15	74
Deposits	233,730	223,477	202,054	5	16
Trading liabilities and other financial liabilities	16,689	10,481	8,223	59	103
Derivative financial instruments	24,970	19,627	25,192	27	(1)
Debt issues	100,369	92,397	87,126	9	15
Life insurance liabilities	11,953	12,738	14,392	(6)	(17)
Loan capital	8,718	6,692	7,704	30	13
Other liabilities	7,486	6,876	5,998	9	25
Total liabilities	419,776	386,064	359,822	9	17
Equity					
Equity attributable to equity holders of WBC	17,848	17,157	15,919	4	12
Minority interests	1,924	1,920	1,912	-	1
Total equity	19,772	19,077	17,831	4	11

2.2.1 Key Financial Data – Balance Sheet

	Half Year Sept 08	Half Year March 08	% Mov't Mar 08- Sept 08	Full Year Sept 08	Full Year Sept 07	% Mov't Sept 07- Sept 08
Profitability and capital adequacy						
Return on average ordinary equity	19.3%	27.2%	(790bps)	23.1%	23.5%	(40bps)
Cash earnings to average ordinary equity	21.9%	22.7%	(80bps)	22.3%	23.8%	(150bps)
Average ordinary equity (\$m)	17,202	16,196	6	16,699	14,708	14
Average total equity (\$m)	19,123	18,111	6	18,617	16,619	12
Total committed exposures (\$m)	495,389	462,109	7	495,389	425,490	16
Basel II⁵						
Total capital ratio	10.8%	10.1%	70bps	10.8%	11.3%	(50bps)
Tier 1 capital ratio	7.8%	7.4%	40bps	7.8%	8.0%	(20bps)
Risk weighted assets (\$m)	195,505	186,963	5	195,505	168,480	16
Asset quality						
Net impaired assets to equity and collectively assessed provisions	3.0%	2.6%	(40bps)	3.0%	1.4%	(160bps)
Total impaired assets to gross loans	0.4%	0.3%	(10bps)	0.4%	0.2%	(20bps)
Total impaired assets to equity and total provisions	5.4%	4.6%	(80bps)	5.4%	2.8%	(260bps)
Total impairment provisions to total impaired assets	45.4%	44.2%	120bps	45.4%	49.2%	(380bps)
Total stressed exposures as a % of total committed exposures	1.3%	1.0%	(30bps)	1.3%	0.9%	(40bps)
Impairment charges to average loans annualised	33bps	30bps	(3bps)	31bps	19bps	(12bps)
Annualised write-offs to average loans	17bps	13bps	(4bps)	15bps	14bps	(1bp)
Total provisions ⁶ to gross loans	69bps	62bps	7bps	69bps	61bps	8bps
Collectively assessed provisions ⁶ to performing non-housing loans ⁷	113bps	104bps	9bps	113bps	112bps	1bp
Basel II⁵						
Collectively assessed provisions to risk weighted assets	90bps	83bps	7bps	90bps	84bps	6bps
Total provisions to risk weighted assets	111bps	100bps	11bps	111bps	92bps	19bps

Notes explained on page 6.

2.3 EXTENDED PERFORMANCE SCORECARD⁸

People

Strategic Objectives:

- Improve employee attraction;
- Improve retention and commitment; and
- Reduce workplace costs.

Indicator (%)	2008	2007	2006	2005	2004
Employee turnover (total)	19	17	17	16	17
Employee commitment ⁹ (% employees reporting a positive score)	74	71	68	69	68
Lost Time Injury Frequency Rate (Injuries per one million hours worked)	3	4	5	6	7

Customer

Strategic Objectives:

- Improve customer experience;
- Improve retention and loyalty; and
- Increase share of wallet.

Indicator (%)	2008	2007	2006	2005	2004
Customer satisfaction (Australia) – <i>Consumer</i> ¹⁰ Source: Roy Morgan Research	73	74	70	72	69
Customer satisfaction (Australia) – <i>Business</i> ¹⁰ Source: TNS	81	72	66	67	64
Complaints resolution rates (Australia) – Average ¹¹ (% complaints resolved within 5 days)	86	82	82	83	81
Customer satisfaction (NZ) – <i>Consumer</i> ¹² Source: ACNielsen	61 ¹²	59	58	58	55

Social & Environment

Strategic Objectives:

- Improve social licence to operate;
- Reduce regulatory and operational costs;
- Improve operational efficiency; and
- Improve reputational capital.

Indicator	2008	2007	2006	2005	2004
Community contributions – Australia (A\$m) ¹³	56	52	47	44	42
Greenhouse gas emissions (Equivalent tonnes of CO ₂ emissions) ¹⁴	112,000	108,300	111,000	124,500	136,400
Copying paper consumption (Sheets/person)	8,700	8,900	9,600	10,100	9,500

Notes explained on page 6.

Notes to sections 2.1, 2.2 and 2.3

- 1 We consider cash earnings a more appropriate measure of financial performance than net profit after tax. It adjusts the reported results for material items to ensure they appropriately reflect profits normally available to ordinary shareholders. These include:
- *Treasury Shares* – Under A-IFRS, Westpac shares held by Westpac in the managed funds and life business are deemed to be Treasury shares and earnings from these shares are reversed as these are not permitted to be recognised as income. In deriving cash earnings, these earnings are included to ensure there is no asymmetrical impact on the Group's profits because the Treasury shares support policyholder liabilities and equity derivative transactions which are revalued in deriving income;
 - *TPS Revaluations* – Cash earnings adjusts for economic hedges, including associated tax effects impacting the Foreign Currency Translation Reserve, relating to hybrid instruments classified as minority interests. The hybrid instrument itself is not fair valued, however, the hedge is fair valued and therefore there is a mismatch in the timing of income recognition in the statutory results. The mismatch is added back in deriving cash earnings as it does not affect the Group's profits over time;
 - *Unrealised New Zealand (NZ) Retail Earnings Hedges* – The unrealised profit/loss on the revaluation of hedges on future New Zealand earnings impacting non-interest income is reversed in deriving cash earnings in the current period as they may potentially create a material timing difference on reported earnings but do not affect profits available to shareholders;
 - *Ineffective Hedges* – The gain/loss on ineffective hedges is reversed in deriving cash earnings in the current period because the gain or loss arising from the fair value movement in these hedges reverses over time and does not affect profits available to shareholders. Cash earnings for the year ended 30 September 2007 has not been restated; and
 - *Significant Items* – Cash earnings also adjusts for significant items. These items have been detailed in this announcement as individually significant due to their size and non-recurring nature. In the year ended 30 September 2008, this includes adjustments for the gain associated with the initial public offering (IPO) of BT Investment Management Limited (BTIM), the gain associated with the IPO of Visa Inc., transaction and integration costs relating to the proposed St.George Bank Limited (St.George) merger and one-off expenses. There were no adjustments to cash earnings for significant items in the year ended 30 September 2007.

Gain on BTIM IPO

On 10 December 2007, Westpac completed a partial sale of BTIM through an IPO but retained a majority shareholding (60%) in the legal entity. The gain on disposal from the transaction was \$141 million and there were also associated costs of \$58 million related to the IPO. The \$58 million of costs were in addition to transaction costs netted against the sale proceeds and included additional disposal costs and amortisation of equity granted to BTIM employees (\$40 million) and the impairment of BT New Zealand goodwill (\$18 million).

The gain on disposal and \$43 million of costs were recorded in the six months ended 31 March 2008. \$15 million of amortisation of equity granted to BTIM employees were recorded in the six months ended 30 September 2008. The second half 2008 result also includes a \$5 million loss on the write-down of goodwill attributed to BTIM as equity granted to employees has vested and the minority interest in BTIM has increased. This write-down of goodwill has also been treated as a cash earnings adjustment.

Gain on Visa Inc IPO

Westpac, as a consequence of its membership of Visa International, was granted shares in Visa Inc., which was listed in an IPO on the New York Stock Exchange in March 2008. Westpac realised a pre-tax gain of \$172 million on the redemption of 56% of its interest in Visa Inc. as part of the IPO in the six months ended 31 March 2008.

In addition, an unrealised pre-tax gain of \$123 million was recognised to reflect Westpac's initial measurement of the residual investment in Visa Inc. in the six months ended 31 March 2008. The \$123 million was determined using the IPO price of US\$44 per share which was adjusted for the impact of the three year trading restriction on the shares. An income tax liability of \$90 million was recognised by the Group as a consequence of this transaction in the six months ended 31 March 2008.

St.George transaction and integration expenses

On 12 May 2008, Westpac announced it was in merger negotiations with St.George and, on 13 May 2008, Westpac and St.George jointly announced a proposed merger.

Westpac expects to incur up to \$700 million in merger expenses, should the merger proceed. These expenses include transaction expenses, restructuring expenses and technology expenses. Due to the size and non-recurring nature of this transaction, expenses that directly impact the profit and loss account are treated as a cash earnings adjustment. In the second half of 2008, \$31 million of the \$700 million of expected merger expenses has been incurred in respect of professional advisory fees, legal fees and salary expenses in relation to the proposed merger. Of these expenses, \$18 million will be treated as part of the cost of acquisition and will be reflected in goodwill on completion of the transaction. The remaining \$13 million has been expensed through the profit and loss account.

One-off expenses

Westpac incurred one-off expenses of \$323 million in the six months ended 30 September 2008 in relation to efficiency initiatives and capitalised expense reviews.

This programme of work is being conducted independently of the proposed merger with St. George although the changes are highly complementary.

Due to the size and non-recurring nature of these expenses, they have been treated as a cash earnings adjustment.

Reconciliations between reported results and cash earnings by key line item for each period are provided in Section 8.1 Group Full Year Earnings Reconciliations and Section 8.2 Group Half Year Earnings Reconciliations.

- 2 Policyholder Tax Recoveries – Income and tax amounts that are grossed up to comply with the A-IFRS accounting standard covering Life Insurance Business (Policyholder tax recoveries) are reversed in deriving income and taxation expense under the cash earnings basis.
- 3 Weighted Average Ordinary Shares – Cash Earnings – The statutory weighted average ordinary shares are adjusted for the impact of Westpac shares held by Westpac (Treasury shares) to derive the “weighted average ordinary shares – cash earnings”, which is used to calculate cash earnings per share. This reverses the impact of Treasury shares, consistent with our basis for determining cash earnings.
- 4 Net interest spreads and margins are calculated on net interest income on a cash earnings basis adjusted for the tax equivalent gross up of \$72 million for the year ended 30 September 2008, \$101 million for the year ended 30 September 2007, \$34 million in the six months ended 30 September 2008 and \$38 million in the six months ended 31 March 2008. We have entered into various tax effective financing transactions that derive income subject to a reduced rate of income tax. To provide comparability, this income is presented on a tax equivalent basis for margin calculations. The presentation of the average balance sheet, net interest spread and net interest margin are also presented on a tax equivalent basis. Refer to Section 5.5, Note 3 Average Balance Sheet and Interest Rates, for a reconciliation of net interest income used in the calculation of net interest spreads and net interest margins.
- 5 30 September 2007 Basel II ratios and risk weighted assets are on a pro-forma basis.
- 6 Includes the Australian Prudential Regulation Authority (APRA) required capital deduction of \$128 million (pre-tax) at 30 September 2007, which forms part of the APRA termed General Reserve for Credit Losses (GRCL).
- 7 Non-housing loans have been determined on a product basis rather than on a loan purpose basis.
- 8 Year to 30 September, Australian indicator unless otherwise stated. Final year performance figures and commentary were published in Westpac’s annual Stakeholder Impact Report, which is subject to an external assurance review against the AA1000 Assurance Standard.
- 9 Figures from annual internal Staff Perspectives Survey (SPS) conducted in June of each year.
- 10 Latest available is at 30 September 2008. Customer satisfaction figures examine the proportion of Westpac’s customers (who consider the bank as their main financial institution) that are either ‘very satisfied’ or ‘fairly satisfied’ with their overall relationship. Customer satisfaction scores are reported on a 12 month rolling average basis. Data is collected by independent providers being Taylor Nelson Sofres (TNS) for business results and Roy Morgan Research (RMR) for consumer results in Australia.
- 11 Latest available information based on six months ended 30 September 2008.
- 12 Source: Latest available information from Nielsen Consumer Finance Monitor Toplines. 2008 figure based on September 2008 quarter report. Nielsen implemented new survey methodology in the December 2007 quarter. ACNielsen performed a parallel survey at 30 September 2007 under the new methodology to provide indicative comparatives. The result for this survey was 47%.
- 13 Includes \$36 million from foregone revenue for the fee-free accounts for non-profit organisations and low income earners in 2008 (2007: \$31 million).
- 14 The 2007 and 2008 figures only include Scope 1 and Scope 2 emissions as they are based on the requirements of National Greenhouse and Energy Reporting (NGER) requirements for the reporting year ended 30 June. Scope 3 emissions are excluded for these periods. The 2004, 2005 and 2006 comparatives include Scope 1, 2 and 3 emissions for the years ended 30 September because comparative data, excluding Scope 3 emissions, is not available. The 2008 figure is subject to final assurance and will be reported in the 2008 Stakeholder Impact Report along with comparable figures for the 2007 period.