

Media Release

26 October 2009

2009 Full Year Profit Announcement Template

The Westpac Group has today released the template for its 2009 Full Year Profit Announcement.

This release provides:

- Details of the treatment of the New Zealand structured finance transactions tax provision for cash earnings purposes (in Appendix 1);
- A summary of some changes to the presentation of The Westpac Group's results in Appendices 1 and 2 to enhance disclosure and outline some revisions to prior period comparatives; and
- A profit announcement template (the 'Template') in Appendix 3, detailing the structure of how information in the 2009 Full Year profit result will be presented.

The Template for The Westpac Group's 2009 Full Year profit results will be available on the Westpac website at www.westpac.com.au/investorcentre

The Westpac Group is scheduled to announce its 2009 Full Year profit results on Wednesday 4 November 2009.

Ends.

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Appendix 1

1. Cash Earnings Adjustments

1.1 New Zealand Structured Finance Transactions Tax Provision

In Second Half 2009, The Westpac Group will increase an existing provision in respect of the tax assessed and associated interest on New Zealand structured finance transactions following the New Zealand High Court decision on 8 October 2009. The quantum of the provision will be approved by the Board as part of finalising the Full Year 2009 accounts.

The Westpac Group's cash earnings will be adjusted to exclude this second half charge to the income statement due to its size and non-recurring nature.

This cash earnings adjustment will impact the tax line item in the income statement.

2. Comparative revisions – Merger related

The merger between Westpac Banking Corporation (Westpac) and St.George Bank Limited was completed on 1 December 2008 (with an accounting merger date of 17 November 2008) and financial information for the merged Group was disclosed for our First Half 2009 results. This financial information included details of the merger accounting and pro forma financial information for the period from 1 October 2007 to 17 November 2008.

In Second Half 2009, The Westpac Group conducted further analysis on the St.George financial information and this has required small adjustments to further align accounting approaches with those of The Westpac Group. There are no changes to the Group's previously reported cash earnings but there are changes to previously reported divisional results and line items within the notes to the income statement.

A small net adjustment of \$15 million has also been made to the preliminary St.George opening balance sheet presented in the First Half 2009 Profit Announcement.

Details of these changes and how they impact The Westpac Group's results are provided below.

2.1 Divisional Income Statements

In Second Half 2009 there were two changes that impacted divisional results. These were the alignment of St.George's transfer pricing methodologies to The Westpac Group's approach and the transfer of a deposit product from the St.George Bank division (St.George) to BT Financial Group (BTFG). The changes have been reflected in prior period divisional results to assist with comparability and are outlined below.

2.1.1 Transfer Pricing

On 1 April 2009, St.George's transfer pricing methodology for funding costs was aligned to The Westpac Group's transfer pricing methodology. This change impacts the divisional income statements of St.George and Treasury (reported within Group Businesses¹) for Second Half 2009.

Refer to Section:
6.0, 6.2, 6.7,
10.1, 10.2, 11.2,
11.3, 12

To remove the distortion in growth rates associated with this change, \$139 million and \$75 million of net interest income has been transferred from Treasury to St.George in the Full Year 2008 and First Half 2009, respectively.

The after tax impact of these adjustments is a change to cash earnings of \$97 million and \$52 million in the two divisions in Full Year 2008 and First Half 2009, respectively.

2.1.2 Asgard Deposits

The activities of Asgard's wealth operations, which are part of BTFG, include the management of deposits from customers. In First Half 2009, this specific deposit management business was reported in the St.George division and in the Second Half 2009, this business, and associated deposit balances, were transferred to BTFG.

Refer to Section:
6.0, 6.2, 6.4,
10.1, 10.2, 11.2,
12
(in Appendix 3)

To remove the distortion in growth rates associated with this change, \$16 million and \$11 million of net interest income has been transferred from St.George to BTFG in the Full Year 2008 and First Half 2009, respectively.

The after tax impact of these adjustments is a transfer of cash earnings of \$11 million and \$8 million in Full Year 2008 and First Half 2009, respectively.

¹ Group Businesses – previously referred to as Group Business Unit.

The net impact of both the transfer pricing alignment and Asgard deposits revisions to comparatives is shown below:

\$m	First Half 2009			Full Year 2008		
	SGB	BTFG	Treasury (Group Businesses)	SGB	BTFG	Treasury (Group Businesses)
Divisional Net interest income as previously reported	1,202	112	460	2,176	203	524
Adjustments	64	11	(75)	123	16	(139)
Divisional Net interest income revised	1,266	123	385	2,299	219	385
Divisional Cash earnings as previously reported	529	207	174	1,015	525	414
Adjustments	44	8	(52)	86	11	(97)
Divisional Cash earnings revised	573	215	122	1,101	536	317

Prior period divisional deposits, assets, net interest margin and economic profit comparatives for St.George, BTFG and Group Businesses have been revised.

The Group's wealth management and banking pro forma cash earnings and expense to income ratios have also been revised.

These comparative revisions have no impact on the Group's earnings, composition of the income statement or balance sheet.

Refer to Section:
6.0, 6.2, 6.4, 7
Note 1, 12
(in Appendix 3)

2.2 Australian product spreads

Following the alignment of St.George's funding cost transfer pricing methodology with The Westpac Group, we have estimated the impact of the change on the First Half 2009 Australian product spreads for mortgages, business lending, cards and retail deposits, and revised comparatives accordingly.

The revised product spreads are shown below:

Australia - First Half 2009 Major Product Spreads (%)	Previously reported	Revised
Mortgages	0.86	0.91
Business lending	1.67	1.60
Cards	6.59	6.82
Retail deposits	1.67	1.70

The Full Year 2008 spreads for these products have not been revised as it was not practical to do so.

It was not necessary to revise the First Half 2009 product spread for Australian Institutional Lending (Global Financing) as it was not impacted.

Refer to
Section: 4.4
(in Appendix 3)

2.3 Net interest income reclassifications

Since the First Half 2009, further detailed work has been performed on the alignment of accounting treatments between St.George and The Westpac Group. These changes were due to the classification of certain funding transactions and associated hedges. This resulted in revisions to the classification of certain income across line items within the First Half 2009 pro forma net interest income note, as shown below:

Refer to
Section: 7 Note 3
(in Appendix 3)

(\$m)	First Half 2009 (Pro forma)		
	Previously reported	Reclassification	Revised
Loans	15,661	-	15,661
Due from other financial institutions	616	-	616
Available-for-sale securities	71	-	71
Regulatory deposits with central banks overseas	13	-	13
Trading securities	1,022	-	1,022
Net gain/(loss) on ineffective hedges	-	-	-
Other financial assets designated at fair value	24	-	24
Other	(137)	213	76
Total interest income	17,270	213	17,483
Interest expense			
Current and term deposits	(6,086)	-	(6,086)
Due to other financial institutions	(332)	69	(263)
Debt issues	(2,618)	-	(2,618)
Loan capital	(355)	-	(355)
Trading liabilities	(331)	(32)	(363)
Deposits at fair value	(1,221)	-	(1,221)
Other	(649)	(250)	(899)
Total interest expense	(11,592)	(213)	(11,805)
Net interest income (cash earnings basis)	5,678	-	5,678

The reported net interest income note (refer Appendix 2), pro forma average balance sheet and reported average balance sheet have also been revised to reflect this reclassification of income. The reclassification does not impact the pro forma First Half 2009 interest spread.

Refer to
Section: 7 Note 2, 8
Notes 3 & 4 (in
Appendix 3)

2.4 Non-interest income reclassifications

The further alignment of accounting treatments between St.George and The Westpac Group has also resulted in revisions to the classification of certain income in the First Half 2009 pro forma non-interest income note, as shown below:

Refer to
Section: 5.2.2, 7
Note 4, 11.1 (in
Appendix 3)

(\$m)	First Half 2009 (Pro forma)				Full Year 2008 (Pro forma)		
	Previously reported	Reference		Revised	Previously reported	Reference	
		(A) Fee income	(B) Markets income			(A) Fee income	Revised
Fees and commissions							
Banking and credit related losses	444	(42)	-	402	830	(95)	735
Transaction fees and commissions received	829	42	54	925	1,638	95	1,733
Service and management fees	1	-	-	1	5	-	5
Other non-risk fee income	106	-	-	106	187	-	187
	1,380	-	54	1,434	2,660	-	2,660
Wealth management and insurance income							
Life insurance and funds management net operating income	566	-	-	566	1,348	-	1,348
General insurance commissions and premiums (net of claims paid)	95	-	-	95	156	-	156
	661	-	-	661	1,504	-	1,504
Trading income							
Foreign exchange	649	-	-	649	560	-	560
Other trading securities	130	-	(54)	76	291	-	291
	779	-	(54)	725	851	-	851
Other income							
Dividends received	12	-	-	12	30	-	30
Rental income	3	-	-	3	6	-	6
Hedging overseas operations	(24)	-	-	(24)	(57)	-	(57)
Net gain/(loss) on derivatives held for risk management purposes	(4)	-	-	(4)	47	-	47
Gain/(loss) on disposal of assets	1	-	-	1	64	-	64
Net gain/(loss) on financial assets at fair value	(53)	-	-	(53)	3	-	3
Other	(126)	-	-	(126)	98	-	98
	(191)	-	-	(191)	191	-	191
Total non-interest income	2,629	-	-	2,629	5,206	-	5,206

- (A) Certain loan fee income derived in St.George, previously presented as “Banking and credit related fees”, has been reclassified to “Transaction fees and commissions received”.

The reported non-interest income note for First Half 2009 has been revised to reflect this reclassification of income, as shown in Appendix 2.

Refer to Section:
Section: 8 Note 5
(in Appendix 3)

- (B) Following the merger, some Markets related activities, previously conducted in St.George, were transferred to Westpac Institutional Bank (WIB). \$54 million of First Half 2009 income relating to these activities has been reclassified from “Trading income – Other trading securities” to “Transaction fees and commissions received”.

The reported non-interest income note for First Half 2009 has also been revised to reflect this reclassification of income, as shown in Appendix 2.

Refer to Section:
5.2.2, 8 Note 5
(in Appendix 3)

The WIB Markets income table in Section 5.2.2 Non-interest income has been revised to reflect this reclassification for First Half 2009. The WIB Markets table for Full Year 2008 has also been revised relating to a similar adjustment. The Full Year 2008 Group non-interest income note was not impacted.

2.4 St.George third party originations

In the First Half 2009 Profit Announcement, the “Third Party Originations” metric, disclosed in Section 6.2 St.George Bank, was based on the “Third Party Originations” for the entire St.George ADI. This metric has been revised to reflect the St.George Bank division only.

Refer to Section:
6.2 (in Appendix 3)

2.5 Opening balance sheet changes

As reported in the First Half 2009 Profit Announcement, due to the timing of the merger and the complexity of the merger accounting, the recognised values in the St.George opening balance sheet are subject to review up to 17 November 2009, as permitted by accounting standard AASB 3.

A number of minor adjustments to the St.George opening balance sheet were identified in the Second Half 2009 and these have been reflected in an adjustment to the value of goodwill recognised as a result of the merger.

The net impact of these adjustments is to increase goodwill by \$15 million to \$6,162 million. This change will be reflected in the Group balance sheet at 30 September 2009. The Group balance sheet at 31 March 2009 has not been revised as the adjustment is small. Changes of \$10 million relating to credit provisioning has driven the majority of this change.

3. Other comparative revision

3.1 Australian wealth management cash earnings

In the breakdown of Banking and Wealth Management cash earnings in Section 6.0 Divisional Results, The Westpac Group's Australian wealth management cash earnings for the First Half 2009 have been revised from \$199 million to \$113 million because the cash earnings of Private Banking were not previously reflected appropriately.

Revisions to the cash earnings of BTFG and the wealth management income reconciliation in Section 6.4.3 were not required as a result of this comparative revision.

Refer to
Section: 6.0
(in Appendix 3)

4. Enhanced disclosures

4.1 Capital deduction for shortfall in provisions for regulatory expected credit losses

In response to market requests, we will provide the following table in Section 5.5 Capital and Dividends to demonstrate how “Total provisions for impairment charges” on the balance sheet reconcile to the capital deductions for the shortfall in provisions for regulatory expected credit losses in Section 8 Note 19 Capital Adequacy:

\$m	30 Sep 2009	31 Mar 2009	30 Sep 2008
Provisions associated with eligible portfolios			
Total provisions for impairment charges (Section 8 Note 12)		4,483	2,174
plus General reserve for credit losses adjustment		-	14
less ineligible provisions		(1,368)	(55)
less certain deferred tax assets		(560)	(640)
Total eligible provisions		2,555	1,493
Regulatory expected credit losses		3,331	2,253
Capital deduction for shortfall in provisions for regulatory expected credit losses		(776)	(760)
Deducted from Capital as follows:			
Tier 1 reduction		(388)	(380)
Tier 2 reduction		(388)	(380)

4.2 Funding disclosures

We have enhanced the following funding related disclosures:

- “Funding by residual maturity” in Section 5.4.1 Funding has been revised to highlight the Group’s Stable Funding Ratio. The Stable Funding Ratio is calculated by comparing total funding to the total of customer deposits, term wholesale funding with a residual maturity greater than one year and securitisation; and
- A table showing the breakdown of deposits between customer deposits (in Australia, New Zealand and Overseas) and Treasury deposits has been included in Section 5.2.1 Net Interest Income.

Refer to
Section: 5.2.1, 5.4.1,
8 Note 24
(in Appendix 3)

The location of the detailed funding disclosure has also been moved from Section 5.4.1 to Section 8 Note 24.

4.3 Sustainability Performance

We have combined the Extended Performance Scorecard (previously Section 3.3) and Corporate Responsibility and Sustainability (previously Section 5.7) into one section – Section 5.7 Sustainability Performance.

This section provides a summary of The Westpac Group’s sustainability objectives and progress against those objectives.

For the first time, Net Promoter Score (NPS)² has replaced Customer Satisfaction as our primary customer metric. NPS is reported in Section 5.7 Sustainability Performance and the Divisional key metrics tables for Westpac Retail and Business Banking, St.George Bank and New Zealand.

² Net Promoter Score is an external measure of customer advocacy that indicates how willing customers are to recommend Westpac or St.George to their family and friends.

Appendix 2

Summary of revisions to Reported First Half 2009 net interest income

(\$m)	First Half 2009 (Reported)			Revised
	Reference			
	Previously reported	Reclassification per 2.3	Ineffective hedges (A)	
Interest income				
Loans	14,400	-	-	14,400
Due from other financial institutions	516	-	-	516
Available-for-sale securities	62	-	-	62
Regulatory deposits with central banks overseas	13	-	-	13
Trading securities	942	-	-	942
Net gain/(loss) on ineffective hedges	23	-	(23)	-
Other financial assets designated at fair value	24	-	-	24
Other	(137)	213	-	76
Total interest income	15,843	213	(23)	16,033
Interest expense				
Current and term deposits	(5,257)	-	-	(5,257)
Due to other financial institutions	(312)	69	-	(243)
Debt issues	(2,338)	-	-	(2,338)
Loan capital	(323)	-	-	(323)
Trading liabilities	(262)	(32)	23	(271)
Deposits at fair value	(1,221)	-	-	(1,221)
Other	(572)	(250)	-	(822)
Total interest expense	(10,285)	(213)	23	(10,475)
Net interest income (cash earnings basis)	5,558	-	-	5,558

Refer to
Section: 8.1, 8
Note 4, 11.1
(in Appendix 3)

- (A) \$23 million of interest income in the First Half 2009 has been reclassified from "Net gain/loss on ineffective hedges" interest income to "Trading liabilities" interest expense.

The reported average balance sheet for First Half 2009 has also been revised to reflect this reclassification of income.

This adjustment does not impact the pro forma non-interest income note or the ineffective hedges cash earnings adjustment in the First Half 2009.

Appendix 2 (continued)

Summary of revisions to reported First Half 2009 non-interest income

(\$m)	First Half 2009 (Reported)			Revised
	Previously reported	Reference		
		Fee income per 2.4	Markets income per 2.4	
Fees and commissions				
Banking and credit related losses	408	(31)	-	377
Transaction fees and commissions received	787	31	54	872
Service and management fees	1	-	-	1
Other non-risk fee income	106	-	-	106
	1,302	-	54	1,356
Wealth management and insurance income				
Life insurance and funds management net operating income	545	-	-	545
General insurance commissions and premiums (net of claims paid)	85	-	-	85
	630	-	-	630
Trading income				
Foreign exchange	659	-	-	659
Other trading securities	7	-	(54)	(47)
	666	-	(54)	612
Other income				
Dividends received	10	-	-	10
Rental income	2	-	-	2
Net gain/(loss) on ineffective hedges	7	-	-	7
Hedging overseas operations	(24)	-	-	(24)
Net gain/(loss) on derivatives held for risk management purposes	91	-	-	91
Gain/(loss) on disposal of assets	1	-	-	1
Net gain/(loss) on financial assets at fair value	(40)	-	-	(40)
Other	(116)	-	-	(116)
	(69)	-	-	(69)
Total non-interest income	2,529	-	-	2,529

Refer to Section: 8 Note 4 (in Appendix 3), 11.1

Appendix 3

Key Tables for the Full Year Profit Announcement

26 October 2009

As referred to in the market release dated
26 October 2009

2.1 Reported Results and Pro Forma Results

On 1 December 2008, Westpac Banking Corporation (“Westpac”) completed its merger with St.George Bank Limited (“St.George”) by way of a scheme of arrangement (“the merger”). This merger was approved by holders of St.George ordinary shares on 13 November 2008 and subsequently approved by the Federal Court of Australia on 17 November 2008. For consolidation purposes, the transaction was effective from close of business on 17 November 2008.

To provide greater clarity of The Westpac Group’s performance compared with prior periods “Pro forma” results have been prepared in addition to our statutory disclosures. The following terms will be used to describe the respective information throughout this document:

- “Reported results” refers to information prepared on the same basis as the Annual Report of The Westpac Group for the year ended 30 September 2009 which incorporates the results of St.George from, and including, 18 November 2008; and
- “Pro forma results”¹ are prepared assuming that the merger was completed on 1 October 2007 and is based on aggregating Westpac and St.George’s financial results from this date. Pro forma results are presented to facilitate a more meaningful comparison of The Westpac Group’s performance for the twelve months ended 30 September 2009 (“Full Year 2009”) compared with the twelve months ended 30 September 2008 (“Full Year 2008”) and for the six months ended 30 September 2009 compared with the six months ended 31 March 2009 (“Half Year 2009”). Pro forma income statements are presented on a cash earnings basis. The commentary on the performance of the Group in Section 5, and the performance of the divisions in Section 6, is based on the pro forma results.

Pro forma results for the Second Half 2009 are not required because the two entities were merged for the entire period. Similarly, balance sheets as at 31 March 2009 and as at 30 September 2009 are not required on a pro forma basis.

Basis of preparation of pro forma financial results

The pro forma results for the years ended 30 September 2009 and 30 September 2008 and the half year ended 31 March 2009, has been prepared on the basis described below.

Income statements and associated notes to the income statement

- Full Year 2008 Group cash earnings and divisional cash earnings

The pro forma income statements for The Westpac Group and divisional cash earnings results for the Full Year 2008 have been prepared as if the merger between Westpac and St.George was completed on 1 October 2007. The statement aggregates the previously reported group cash earnings results of the two entities for this period.

There has been no change to the previously reported cash earnings of Westpac and St.George to create pro forma Group cash earnings, however, classification adjustments have been made to previously reported line items of St.George cash earnings to align them with The Westpac Group disclosures. The impact of the allocation of purchase consideration, associated fair value adjustments and impacts of accounting policy alignments have not been included in the comparatives.

There were no material transactions between Westpac and St.George requiring elimination in the pro forma income statements.

The income statements of the divisions have been prepared assuming the re-organisation of the merged Group into the current operating model (which became effective in July 2008) occurred on 1 October 2007. For example, St.George wealth operations are now reported in BT Financial Group.

Pro forma combined notes associated with the income statements, including net interest income, non-interest income and operating expenses, have been prepared on the basis set out above. These notes are included in Section 7.

¹ Important information on the basis of preparation of pro forma results – The pro forma results are prepared on the assumption that the merger was completed on 1 October 2007 with the exception of the impact of the allocation of purchase consideration, associated fair value adjustments and accounting policy alignments, which are only incorporated from the actual date of the merger, 17 November 2008. The pro forma results are unaudited. They are provided for illustrative information purposes to facilitate comparisons of the latest period with prior periods and is not meant to be indicative of the results of operations that would have been achieved had the merger actually taken place at the date indicated.

The pro forma results should be read in conjunction with:

- The reported results in this announcement; and
- The historical consolidated financial statements of Westpac and St.George as at and for the year ended 30 September 2008.

Future operating results may differ materially from the unaudited pro forma results presented in this announcement due to various factors including those described under “Disclosure Regarding Forward-Looking Statements” in Section 9.2 and under the sections captioned “Principal Risks and uncertainties” in Westpac’s Half Year 2009 Interim Financial Report and “Risk Factors” in Westpac’s 2009 Annual Report to be released in November 2009.

- Full Year 2009 and First Half 2009 Group cash earnings and divisional cash earnings

The pro forma Group income statement and divisional income statements for the Full Year 2009 and First Half 2009 are presented on the basis that Westpac and St.George were a merged Group from 1 October 2008.

In calculating cash earnings for Full Year 2009 and First Half 2009, the difference in approach to prior periods is a consequence of the merger with St.George. Material one-off fair value impacts associated with the merger have been excluded from cash earnings, namely the gain on deposits and short term wholesale funding and the amortisation of intangible items. Fair value items that are not material in this result have been included from 18 November 2008.

Reconciliations between the reported income statements of Westpac and St.George and the pro forma income statements for Full Year 2008, First Half 2009 and Full Year 2009 are shown in Section 11.

Balance sheets and average balance sheets

- Balance sheet as at 30 September 2008

The pro forma balance sheet as at 30 September 2008 has been prepared by aggregating the respective reported statutory balance sheets of Westpac and St.George at this date. The presentation of certain comparatives of St.George has been aligned with the presentation of The Westpac Group's balance sheet to facilitate trend analysis.

The pro forma balance sheet at 30 September 2008 has not been adjusted to reflect the impact of the allocation of purchase consideration, associated fair value adjustments, and accounting policy alignments arising from the merger.

Pro forma loans, deposits, impairment provisions and impaired asset notes associated with the balance sheet have also been prepared on the basis set out above. These notes are included in Section 7.

Cross holdings of liquid securities between Westpac and St.George at 30 September 2008 have not been eliminated in the pro forma balance sheet.

A reconciliation between the reported statutory balance sheets of Westpac and St.George and the pro forma balance sheet at 30 September 2008 is shown in Section 11.

- Full Year 2008, Full Year 2009 and First Half 2009 average balance sheets

The pro forma average balance sheets have been prepared using the same principles as the pro forma income statements and pro forma balance sheets with the exception that the average balance sheet methodology for St.George has been changed, where applicable, from a monthly average approach to a daily average approach. As a result, the St.George components of the pro forma average balance sheets for Full Year 2008 will not agree to the St.George average balance sheet previously disclosed.

Reconciliations between the previously reported average balance sheets of Westpac and St.George and the pro forma balance sheet for Full Year 2008 is shown in Section 11.

Earnings per share

Pro forma cash earnings per share for the Full Year 2009 and First Half 2009, is calculated based on the pro forma cash earnings result and a pro forma weighted average number of shares. The pro forma weighted average number of shares assumes the 742.6 million new Westpac ordinary shares issued in relation to the merger were issued on 1 October 2008.

Pro forma cash earnings per share has not been calculated for Full Year 2008.

Key metrics

Where it is considered appropriate and meaningful, key metrics for Full Year 2008, First Half 2009 and Full Year 2009 have been prepared on a pro forma basis to provide an indication of what these key metrics may have been if the merger of Westpac and St.George had occurred on 1 October 2007.

Pro forma key metrics included in this document include:

- Market share and system multiples;
- Product spreads;
- Movements in impaired assets;
- Loan and deposit growth; and
- Funds under management ("FUM") and funds under administration ("FUA").

Capital, funding and asset quality disclosures

The capital position, economic profit and asset quality metrics for Full Year 2008 have not been prepared on a pro forma basis as it is considered more meaningful to compare the capital, economic profit and asset quality positions at 30 September 2009 following implementation of the merger with the respective positions of Westpac prior to the merger.

Pro forma funding comparatives at 30 September 2008 have not been provided as it is not practical to do so.

3.1 Reported Results

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		5,558			7,222	
Non-interest income		2,529			4,383	
Net operating income		8,087			11,605	
Operating expenses		(3,429)			(5,455)	
Core earnings		4,658			6,150	
Impairment charges		(1,557)			(931)	
Profit from ordinary activities before income tax		3,101			5,219	
Income tax expense		(885)			(1,287)	
Net profit		2,216			3,932	
Net profit attributable to minority interests		(41)			(73)	
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC		2,175			3,859	
St.George cash earnings prior to merger		163			1,321	
<i>WBC Group cash earnings adjustments:</i>						
Non-merger related cash earnings adjustments:						
TPS revaluations		(106)			(57)	
Treasury shares		(4)			(25)	
Unrealised NZ Retail earnings hedges		(8)			4	
Ineffective hedges		(5)			(1)	
Gain from BTIM IPO		-			(86)	
Gain from Visa IPO		-			(205)	
One-off expenses		54			226	
		(69)			(144)	
St.George merger related cash earnings adjustments:						
Merger transaction and integration expenses		90			11	
Amortisation of intangible assets		54			-	
Short-term wholesale funding and deposits		(118)			-	
		26			11	
Total WBC Group cash earnings adjustments		(43)			(133)	
PRO FORMA CASH EARNINGS		2,295			5,047	

3.2 Reported Balance Sheet

3.2.1 Balance Sheet

\$m	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Assets					
Cash		3,866	4,809		
Due from other financial institutions		24,494	21,345		
Trading assets, financial assets and available-for-sale securities		35,474	43,694		
Derivative financial instruments		50,877	34,810		
Loans		448,872	313,545		
Life insurance assets		10,635	12,547		
Other assets		20,012	8,926		
Total assets		594,230	439,676		
Liabilities					
Due to other financial institutions		11,842	15,861		
Deposits		322,233	233,730		
Trading liabilities and other financial liabilities		14,405	16,689		
Derivative financial instruments		50,216	24,970		
Debt issues		125,109	100,369		
Life insurance liabilities		10,039	11,953		
Loan capital		12,271	8,718		
Other liabilities		11,627	7,915		
Total liabilities		557,742	420,205		
Equity					
Equity attributable to equity holders of WBC		34,556	17,547		
Minority interests		1,932	1,924		
Total equity		36,488	19,471		

3.3 Key Financial Data

3.3.1 Key Financial Data – Earnings

	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Shareholder value						
Earnings per ordinary share (cents)		84.3			206.0	
Weighted average ordinary shares (millions)		2,579			1,871	
Fully franked dividends per ordinary share (cents)		56			142	
Net tangible assets per ordinary share (\$)		7.92			7.87	
Productivity and efficiency						
Expense to income ratio (%)		42.4			47.0	
Business performance						
Interest spread (%)		2.17			1.76	
Interest margin (%)		2.35			2.07	
Average interest earning assets (\$m)		476,095			351,657	

3.3.2 Key Financial Data – Profitability and Capital Adequacy

	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Return on average ordinary equity		14.9%			23.1%	
Average ordinary equity (\$m)		29,205			16,699	
Average total equity (\$m)		31,118			18,617	
Total committed exposures (TCE) (\$m)		657,303			495,389	
Tier 1 capital ratio		8.4%			7.8%	
Total regulatory capital ratio		11.4%			10.8%	
Risk weighted assets (\$m)		280,029			195,505	

3.3.3 Key Financial Data – Asset Quality

	As at 30 Sept 2009	As at 31 March 2009	% Mov't Mar 09- Sept 09	As at 30 Sept 2009	As at 30 Sept 2008	% Mov't Sept 08- Sept 09
Net impaired assets to equity and collectively assessed provisions		4.3%			3.0%	
Total impaired assets to gross loans		0.7%			0.4%	
Total impaired assets to equity and total provisions		8.1%			5.4%	
Total impairment provisions to total impaired assets		48.4%			45.4%	
Total stressed exposures as a % of total committed exposures		2.1%			1.3%	
Total provisions to gross loans		99bps			69bps	
Collectively assessed provisions to performing non-housing loans		152bps			113bps	
Collectively assessed provisions to risk weighted assets		110bps			90bps	
Collectively assessed provisions to credit risk weighted assets		125bps			105bps	
Total provisions to risk weighted assets		160bps			111bps	

4.1 Cash Earnings Results

Analysis of pro forma cash earnings by key line item

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		5,678			9,652	
Non-interest income		2,629			5,206	
Net operating income		8,307			14,858	
Operating expenses		(3,355)			(6,440)	
Core earnings		4,952			8,418	
Impairment charges		(1,611)			(1,205)	
Operating profit before tax		3,341			7,213	
Income tax expense		(1,005)			(2,061)	
Net profit		2,336			5,152	
Net profit attributable to minority interests		(41)			(74)	
Preference dividends		-			(31)	
Pro Forma Cash Earnings		2,295			5,047	
<i>Effective tax rate</i>		<i>30.1%</i>			<i>28.6%</i>	

Cash earnings reconciliation

\$m	Including St.George from 18 November 2008	St.George cash earnings 1 October 2008 to 17 November 2008	Pro forma cash earnings Full Year Sept 2009
Net interest income			
Non-interest income			
Net operating income			
Operating expenses			
Core earnings			
Impairment charges			
Operating profit before tax			
Income tax expense			
Net profit			
Net profit attributable to minority interests			
Cash Earnings			

4.2 Balance Sheet

4.2.1 Balance Sheet

\$m	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Assets					
Cash		3,866	5,031		
Due from other financial institutions		24,494	31,962		
Trading assets, financial assets and available-for-sale securities		35,474	53,886		
Derivative financial instruments		50,877	38,200		
Loans		448,872	433,514		
Life insurance assets		10,635	12,547		
Other assets		20,012	11,974		
Total assets		594,230	587,114		
Liabilities					
Due to other financial institutions		11,842	17,606		
Deposits		322,233	317,286		
Trading liabilities and other financial liabilities		14,405	21,867		
Derivative financial instruments		50,216	27,261		
Debt issues		125,109	143,168		
Life insurance liabilities		10,039	11,953		
Loan capital		12,271	11,963		
Other liabilities		11,627	9,536		
Total liabilities		557,742	560,640		
Equity					
Equity attributable to equity holders of WBC		34,556	24,543		
Minority interests		1,932	1,931		
Total equity		36,488	26,474		

4.3 Key Financial Data

4.3.1 Key Financial Data – Shareholder Value

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Cash earnings per ordinary share (cents)		82.4			198.3	
Economic profit (\$m)		1,019			2,779	
Weighted average ordinary shares (millions) - cash earnings		2,786			1,879	
Dividend payout ratio - cash earnings (%)		71.0			71.6	

4.3.2 Key Financial Data – Productivity and Efficiency and Business Performance

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Productivity and efficiency						
Expense to income ratio (%) - cash earnings		40.4%			43.3%	
Total banking expense to income ratio (%) - cash earnings		38.5%			42.3%	
Reported Full-time equivalent employees (FTE)		36,733			36,690	
Business performance						
Interest spread (%)		2.05			1.71	
Interest margin (%)		2.24			2.02	
Average interest earning assets (\$m)		511,122			480,617	

4.3.3 Key Financial Data – Profitability

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Cash earnings to average ordinary equity		14.3%			22.3%	
Cash earnings to average tangible ordinary equity		21.7%			26.1%	
Average ordinary equity (\$m)		32,173			16,699	
Average tangible ordinary equity (\$m)		21,226			14,287	

4.3.4 Key Financial Data – Impairment Charges

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Impairment charges to average loans annualised		73bps			29bps	
Annualised write-offs to average loans		17bps			15bps	

4.4 Market Share and System Multiple Metrics

4.4.1 Market Share

Australia - Market Share (%)	FY09	1H09	Pro forma FY08	Pro forma 1H08
Banking System (APRA)				
Housing credit		25%	25%	25%
Cards		26%	27%	27%
Household deposits		23%	23%	24%
Business deposits		20%	21%	20%
Financial System (RBA)				
Housing credit		22%	22%	21%
Business credit		17%	17%	17%
Retail deposits		21%	20%	19%
New Zealand - Market Share (%)				
	FY09	1H09	FY08	1H08
Consumer lending		19%	19%	19%
Deposits		19%	19%	20%

4.4.2 System Multiples

	FY09	2H09	1H09	Pro forma FY08	Pro forma 2H08	Pro forma 1H08
Australia - System Multiples						
Banking System (APRA)						
Housing credit			1.4	1.0	1.1	1.0
Cards			0.5	0.5	0.5	0.5
Household deposits			1.1	0.8	0.7	0.8
Business deposits			0.8	1.4	1.7	0.8
Financial System (RBA)						
Housing credit			2.0	1.4	1.5	1.2
Business credit			n/a	1.2	1.8	0.9
Retail deposits			1.6	1.5	1.5	1.4
New Zealand - System Multiples						
Consumer lending			1.0	1.0	1.0	1.0
Deposits			0.8	0.8	0.6	1.2

4.5 Product Spread Metrics

Australia - Major Product Spreads	Pro forma FY09	2H09	Pro forma 1H09	Pro forma FY08	Pro forma 2H08	Pro forma 1H08
Mortgages			0.91	0.66	0.66	0.67
Business lending			1.60	1.53	1.49	1.56
Cards			6.82	5.16	5.26	5.06
Institutional lending (Global financing)			0.73	0.63	0.65	0.60
Retail deposits			1.70	2.10	2.09	2.11

New Zealand - Major Product Spreads	FY09	2H09	1H09	FY08	2H08	1H08
Consumer lending			1.55	1.20	1.27	1.11
Business lending			1.70	1.53	1.56	1.50
Deposits			1.46	1.71	1.60	1.81

5.1 Cash Earnings Summary

Cash Earnings

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		5,678			9,652	
Non-interest income		2,629			5,206	
Net operating income		8,307			14,858	
Operating expenses		(3,355)			(6,440)	
Core earnings		4,952			8,418	
Impairment charges		(1,611)			(1,205)	
Operating profit before tax		3,341			7,213	
Income tax expense		(1,005)			(2,061)	
Net profit		2,336			5,152	
Net profit attributable to minority interests		(41)			(74)	
Preference dividends		-			(31)	
Pro Forma Cash Earnings		2,295			5,047	
<i>Effective tax rate</i>		30.1%			28.6%	

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

	Half Year Sept 09 vs Half Year March 09			Full Year Sept 09 vs Full Year Sept 08		
	Pro forma cash earnings % growth	FX impact \$m	% growth ex-FX	Pro forma cash earnings % growth	FX impact \$m	% growth ex-FX
Net interest income						
Non-interest income						
Net operating income						
Operating expenses						
Core earnings						
Impairment charges						
Operating profit before tax						
Income tax expense						
Net Profit						
Net profit attributable to minority interests						
Pro Forma Cash Earnings						

5.2 Review of Earnings

5.2.1 Net Interest Income

Loans

\$m	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Australia		395,939	381,232		
<i>Housing</i>		234,408	220,802		
<i>Personal (loans and cards)</i>		15,094	14,617		
<i>Business</i>		145,973	141,518		
<i>Margin lending</i>		4,074	5,785		
<i>Other (including provisions)</i>		(3,610)	(1,490)		
New Zealand (NZ \$)		55,828	55,584		
<i>Housing</i>		31,898	31,191		
<i>Personal (loans and cards)</i>		1,522	1,521		
<i>Business</i>		22,720	22,985		
<i>Other (including provisions)</i>		(312)	(113)		
Other overseas		6,710	5,710		
Total loans		448,872	433,514		

Deposits

\$m	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Australia		272,673	265,628		
<i>At call</i>		130,986	123,126		
<i>Term</i>		82,323	61,572		
<i>Certificates of deposit</i>		50,124	72,169		
<i>Non-interest bearing</i>		9,240	8,761		
New Zealand (NZ \$)		36,796	36,207		
<i>At call</i>		14,988	13,950		
<i>Term</i>		15,397	15,927		
<i>Certificates of deposit</i>		4,069	4,163		
<i>Non-interest bearing</i>		2,342	2,167		
Other overseas		19,095	21,321		
Total deposits		322,233	317,286		

Customer v Treasury Deposits

\$m	As at 30 Sept 2009	As at 31 March 2009	Pro forma		% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
			As at 30 Sept 2008			
Customer deposits		256,808	228,212			
Australia		222,550	193,471			
New Zealand (\$A)		27,096	26,849			
Other		7,162	7,892			
Treasury deposits		65,425	89,074			
Total		322,233	317,286			

Margins

\$m	Half Year Sept 09	Pro forma	% Mov't	Pro forma	Pro forma	% Mov't
		Half Year March 09	Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	Sept 08- Sept 09
Net interest income		5,678			9,652	
Tax equivalent gross-up		23			72	
Adjusted net interest income		5,701			9,724	
Average interest earning assets		511,122			480,617	
Interest margin (%)		2.24%			2.02%	

5.2.2 Non-Interest Income

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Fees and commissions		1,434			2,660	
Wealth management and insurance income		661			1,504	
Trading income		725			851	
Other income		(191)			191	
Non-interest income		2,629			5,206	

Wealth management and insurance income

FUM / FUA	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$bn					
FUM					
BT Financial Group		27.2	31.5		
Advance Fund Management		2.0	2.5		
Westpac Institutional Bank		7.9	9.3		
New Zealand		1.7	1.7		
Group FUM		38.8	45.0		
FUA					
BT Financial Group		35.7	41.6		
Asgard		26.3	31.1		
Group FUA		62.0	72.7		
Total FUM/FUA		100.8	117.7		

WIB Markets

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		102			36	
Non-interest income		611			628	
<i>Trading income</i>		608			649	
<i>Other non-interest income</i>		3			(21)	
Total WIB Markets income		713			664	

5.2.3 Operating Expenses

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Salaries & other staff expenses		(1,865)			(3,578)	
Equipment & occupancy expenses		(463)			(938)	
Other expenses		(1,027)			(1,924)	
Total expenses		(3,355)			(6,440)	

Full Time Equivalent Employees (FTE)

	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Analysis of movement in FTE					
Permanent employees		34,846	34,604		
Temporary employees		2,411	2,118		
Total employees		37,257	36,722		
Integration employees		524	32		
Reported FTE		36,733	36,690		

5.2.4 Impairment Charges

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
New IAPs		(1,030)			(508)	
Write-backs		36			90	
Recoveries		18			60	
Total IAP, write-backs and recoveries		(976)			(358)	
Write-offs		(281)			(540)	
Other changes in CAPs		(354)			(307)	
Total new CAPs		(635)			(847)	
Total impairment charges		(1,611)			(1,205)	

5.3 Credit Quality

5.3.1 Credit Quality Key Metrics

Stressed Exposures				
Exposure by Credit Grade as a % of Total Committed Exposures	2H09	1H09	2H08	1H08
Impaired		0.50%	0.24%	0.21%
90 days past due, well secured		0.29%	0.15%	0.13%
Watchlist and substandard		1.27%	0.91%	0.66%
Total Stressed Exposures		2.06%	1.30%	1.00%

Business and Institutional Impairments				
	2H09	1H09	2H08	1H08
Business impaired assets to business unit total committed exposures:				
Business Australia		0.88%	0.30%	0.26%
Business New Zealand		0.96%	0.51%	0.17%
Institutional		0.71%	0.29%	0.28%

Other consumer loans				
	2H09	1H09	2H08	1H08
90 days past due:				
Group		1.25%	1.00%	1.08%
Australia		1.19%	0.91%	1.05%
New Zealand		1.91%	1.53%	1.22%

Mortgage Loans				
	2H09	1H09	2H08	1H08
90 days past due:				
Group		0.51%	0.39%	0.35%
Australia		0.46%	0.37%	0.35%
New Zealand		0.82%	0.47%	0.34%

Other				
	2H09	1H09	2H08	1H08
Total impaired assets to gross loans		0.73%	0.37%	0.32%
Total impairment provisions to total impaired assets		48.4%	45.4%	44.2%
Total provisions to gross loans		99bps	69bps	62bps
Collectively assessed provisions to performing non-housing loans		152bps	113bps	104bps
Collectively assessed provisions to risk weighted assets		110bps	90bps	83bps
Collectively assessed provisions to credit risk weighted assets		125bps	105bps	94bps
Total provisions to risk weighted assets		160bps	111bps	100bps

Other				
	2H09	Pro forma 1H09	Pro forma 2H08	Pro forma 1H08
Impairment charges to average loans annualised		73bps	31bps	27bps
Annualised write-offs to average loans		17bps	18bps	12bps

5.4 Balance Sheet and Funding

Balance Sheet

\$m	As at	As at	Pro forma	% Mov't	% Mov't
	30 Sept 2009	31 March 2009	As at 30 Sept 2008		
Assets					
Cash		3,866	5,031		
Due from other financial institutions		24,494	31,962		
Trading assets, financial assets and available-for-sale securities		35,474	53,886		
Derivative financial instruments		50,877	38,200		
Loans		448,872	433,514		
Life insurance assets		10,635	12,547		
Other assets		20,012	11,974		
Total assets		594,230	587,114		
Liabilities					
Due to other financial institutions		11,842	17,606		
Deposits		322,233	317,286		
Trading liabilities and other financial liabilities		14,405	21,867		
Derivative financial instruments		50,216	27,261		
Debt issues		125,109	143,168		
Life insurance liabilities		10,039	11,953		
Loan capital		12,271	11,963		
Other liabilities		11,627	9,536		
Total liabilities		557,742	560,640		
Equity					
Equity attributable to equity holders of WBC		34,556	24,543		
Minority interests		1,932	1,931		
Total equity		36,488	26,474		

Composition of total net funding

	As at 30 Sept 2009		As at 31 Mar 2009	
	\$m	%	\$m	%
Customer deposits			256,808	60
Wholesale funding			210,575	
Liquid assets			(62,228)	
Minimum			25,000	
Excess liquid assets			(37,228)	
Total wholesale funding			173,347	40
Total net funding			430,155	100

Funding by residual maturity

	As at 30 September 2009		As at 31 March 2009	
	\$m	%	\$m	%
Customer deposits			256,808	60
Wholesale funding - residual maturity				
Securitisation			19,164	4
Greater than 12 months			74,776	17
Stable Funding Ratio (SFR)			350,748	81
6 to 12 months			15,897	4
Less than 6 months			63,510	15
Short term wholesale funding			79,407	19
Total net funding			430,155	100

Funding view of the balance sheet

	As at 30 September 2009					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
\$m						
Total assets						
Total liabilities						
Total equity						
Total net						

	As at 31 March 2009					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
\$m						
Total assets	73,917	-	-	433,807	86,506	594,230
Total liabilities	(11,689)	(256,808)	(208,643)	-	(80,602)	(557,742)
Total equity	-	-	(1,932)	(34,556)	-	(36,488)
Total net	62,228	(256,808)	(210,575)	399,251	5,904	-

5.5 Capital and Dividends

Risk weighted assets

\$ million	Loans (per Section 8)			Basel II (Advanced / Standardised) RWA		
	As at 30 Sept 2009	As at 30 Sept 2008	% Mov't Sept 08- Sept 09	As at 30 Sept 2009	As at 30 Sept 2008	% Mov't Sept 08- Sept 09
Business purposes						
On-balance sheet		126,343			85,799	
Off-balance sheet					38,836	
Total business purposes		126,343			124,635	
Consumer purposes						
On-balance sheet		189,147			38,906	
Off-balance sheet					3,457	
Total consumer purposes		189,147			42,363	
St.George						
On-balance sheet		-				
Off-balance sheet						
Total St.George		-			-	
Provision for impairment		(1,945)				
Total credit risk		313,545			166,998	
(% of total RWA)					85%	
<i>Total on-balance sheet credit risk</i>					124,705	
<i>Total off-balance sheet credit risk</i>					42,293	
Equity risk					604	
Market risk					6,559	
Operational risk					13,641	
IRRBB					4,135	
Other assets					3,568	
Total non-credit					28,507	
(% of total RWA)					15%	
		313,545			195,505	

Capital Deductions for Regulatory Expected Credit Losses

\$m	30 Sep 2009	31 Mar 2009	30 Sep 2008
Provisions associated with eligible portfolios			
Total provisions for impairment charges (Section 8 Note 12)		4,483	2,174
plus General reserve for credit losses adjustment		-	14
less ineligible provisions		(1,368)	(55)
less certain deferred tax assets		(560)	(640)
Total eligible provisions		2,555	1,493
Regulatory expected credit losses		3,331	2,253
Capital deduction for shortfall in provisions for regulatory expected credit losses		(776)	(760)
Deducted from Capital as follows:			
Tier 1 reduction		(388)	(380)
Tier 2 reduction		(388)	(380)

Dividends

	30 Sept 2009	31 March 2009	Full Year Sept 09	Full Year Sept 08
Ordinary dividend (cents per share)				
Interim (fully franked)		56		70
Final (fully franked) - determined dividend		-		72
		56		142

6.0 Divisional Results

Cash earnings	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Westpac Retail & Business Banking		990			1,752	
St.George Bank (pro forma) ¹		573			1,101	
Westpac Institutional Bank (pro forma) ¹		158			853	
BT Financial Group (Australia) (pro forma) ¹		215			536	
New Zealand		168			395	
Pacific Banking		69			93	
Group Businesses (pro forma) ¹		122			317	
Total Group cash earnings (pro forma)		2,295			5,047	
Less Wealth Management						
Australia (pro forma) ¹		113			462	
New Zealand		14			31	
Total Wealth Management (pro forma)¹		127			493	
Total banking cash earnings (pro forma)¹		2,168			4,554	

Expense to income ratio	Half Year Sept 09	Half Year March 09	Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	Mov't Sept 08- Sept 09
%						
Westpac Retail & Business Banking		47.4%			49.4%	
St.George Bank ¹		36.9%			39.1%	
Westpac Institutional Bank ¹		30.8%			38.1%	
BT Financial Group (Australia) ¹		57.2%			52.7%	
New Zealand		43.7%			45.2%	
Pacific Banking		29.6%			30.0%	
Group Businesses ¹		0.0%			2.0%	
Group ratio¹		40.4%			43.3%	
Wealth Management						
Funds Management ¹		67.2%			57.5%	
Insurance ¹		34.0%			29.8%	
Total Wealth Management ratio¹		58.2%			52.6%	
Banking ratio (cash earnings basis)¹		38.5%			42.3%	

¹ Pro forma results for Half Year March 2009, Full Year September 2009 and Full Year September 2008.

6.1 Westpac Retail & Business Banking

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		2,410			4,287	
Non-interest income		706			1,356	
Net operating income		3,116			5,643	
Operating expenses		(1,478)			(2,787)	
Core earnings		1,638			2,856	
Impairment charges		(224)			(352)	
Operating profit before tax		1,414			2,504	
Tax and minority interests		(424)			(752)	
Cash earnings		990			1,752	
Economic profit		966			1,677	
Expense to income ratio (%)		47.4%			49.4%	
	\$bn	\$bn		\$bn	\$bn	
Deposits						
Term deposits		35.6			27.4	
Other		62.9			59.5	
Total deposits		98.5			86.9	
Net loans						
Mortgages		148.6			138.0	
Business		42.1			41.9	
Other		9.3			9.1	
Total net loans		200.0			189.0	
Total assets		204.3			193.9	

6.1.1 Westpac RBB Key Metrics

Lending and Deposit Growth (%)	2H09	1H09	2H08	1H08
Consumer lending		15	13	18
Business loans		(1)	18	17
Retail deposits		27	14	22
Third Party Origination (%)	2H09	1H09	2H08	1H08
Consumer lending (mortgages)		43	38	38
Divisional Interest Margin (%)	2H09	1H09	2H08	1H08
Westpac RBB		2.34	2.24	2.24
Credit Quality (%)	2H09	1H09	2H08	1H08
Mortgage delinquencies > 90 days		0.45	0.38	0.36
Other consumer loans delinquencies > 90 days		1.05	0.91	1.03
Business impaired assets to total committed exposure		0.42	0.31	0.26
Net Promoter Score (NPS) (%)	2H09	1H09	2H08	1H08
Westpac - Consumer		(17)	(24)	(20)
Westpac - Business		(22)	(32)	(27)

6.2 St. George Bank

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		1,266			2,299	
Non-interest income		348			650	
Net operating income		1,614			2,949	
Operating expenses		(595)			(1,153)	
Core earnings		1,019			1,796	
Impairment charges		(198)			(223)	
Operating profit before tax		821			1,573	
Tax and minority interests		(248)			(472)	
Cash earnings		573			1,101	
Economic profit		474			940	
Expense to income ratio (%)		36.9%			39.1%	
	\$bn	\$bn		\$bn	\$bn	
Deposits						
Term deposits		22.2			20.4	
Other		34.6			33.5	
Total deposits		56.8			53.9	
Net loans						
Mortgages		76.4			73.7	
Business		33.5			31.9	
Other		5.0			4.7	
Total net loans		114.9			110.3	
Total assets		117.3			110.5	

6.2.1 St.George Bank Key Metrics

Lending and Deposit Growth (%)	2H09	Pro forma 1H09	Pro forma 2H08	Pro forma 1H08
Consumer lending		8	8	10
Business lending		10	22	24
Deposits		10	24	14

Third Party Origination (%)	2H09	Pro forma 1H09	Pro forma 2H08	Pro forma 1H08
Consumer lending (mortgages)		46	49	49

Divisional Interest Margin (%)	2H09	Pro forma 1H09	Pro forma 2H08	Pro forma 1H08
St.George Bank		2.01	1.92	1.96

Credit Quality (%)	2H09	1H09	Pro forma 2H08	Pro forma 1H08
Mortgage delinquencies > 90 days		0.52	0.31	0.26
Other personal lending delinquencies > 90 days		1.39	1.09	1.32
Corporate/Business impaired assets to total committed exposure		1.46	0.26	0.21

Net Promoter Score (NPS) (%)	2H09	1H09	Pro forma 2H08	Pro forma 1H08
St.George - Consumer		(5)	(13)	(5)

6.3 Westpac Institutional Bank

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		905			1,375	
Non-interest income		743			1,186	
Net operating income		1,648			2,561	
Operating expenses		(507)			(976)	
Core earnings		1,141			1,585	
Impairment charges		(907)			(389)	
Operating profit before tax		234			1,196	
Tax and minority interests		(76)			(343)	
Cash earnings		158			853	
Economic profit		(233)			422	
Expense to income ratio (%)		30.8%			38.1%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		48.6			38.3	
Net loans		82.7			83.9	
Total assets		133.0			130.0	
Funds under management		7.9			9.3	

6.3.1 Institutional Bank (IB) (Excluding Equities)

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		803			1,191	
Non-interest income		763			1,193	
Net operating income		1,566			2,384	
Operating expenses		(454)			(853)	
Core earnings		1,112			1,531	
Impairment charges		(751)			(310)	
Operating profit before tax		361			1,221	
Tax and minority interests		(114)			(347)	
Cash earnings		247			874	
Economic profit		(93)			490	
Expense to income ratio (%)		29.0%			35.8%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		48.6			38.3	
Net loans		78.7			78.0	
Total assets		127.5			122.6	
Funds under management		6.5			7.5	

6.3.2 Equities

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		102			184	
Non-interest income		(20)			(7)	
Net operating income		82			177	
Operating expenses		(53)			(123)	
Core earnings		29			54	
Impairment charges		(156)			(79)	
Operating profit before tax		(127)			(25)	
Tax and minority interests		38			4	
Cash earnings		(89)			(21)	
Economic profit		(140)			(68)	
Expense to income ratio (%)		64.6%			69.5%	
	\$bn	\$bn		\$bn	\$bn	
Net loans		4.0			5.8	
Total assets		5.5			7.4	
Funds under management		1.4			1.8	

6.3.3 WIB Key Metrics
Revenue Contribution by Business Segments

\$m	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	Half Year Sept 09	Proforma Half Year March 09	Pro Forma Half Year Sept 08
Debt Markets		723		551	354
SCG (inc. Hastings)		65		(106)	19
Foreign Exchange and Commodities, Carbon and Energy		495		511	272
Equities		158		69	64
Transactional and Client Services		377		217	191
Premium Business Group		351		181	182
Other		392		225	207
Total		2,561		1,648	1,289

6.4 BT Financial Group (Australia)

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		123			219	
Non-interest income		623			1,387	
Net operating income		746			1,606	
Operating expenses		(427)			(847)	
Core earnings		319			759	
Impairment charges		(5)			(6)	
Operating profit before tax		314			753	
Tax and minority interests		(99)			(217)	
Cash earnings		215			536	
Economic profit		130			398	
Expense to income ratio (%)		57.2%			52.7%	
Total assets		24.7			24.5	
Funds under management		29.2			34.0	
Funds under administration		62.0			72.7	

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Cash earnings						
\$m						
Funds management business		126			371	
Insurance		78			159	
Total funds management and insurance		204			530	
Capital and other		11			6	
		215			536	

6.4.1 Funds Management Business

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		115			224	
Non-interest income		588			1,431	
Gross operating income		703			1,655	
Commission expense		(146)			(367)	
Net operating income		557			1,288	
Operating expenses		(363)			(749)	
Core earnings		194			539	
Impairment charges		(5)			(5)	
Operating profit before tax		189			534	
Tax and minority interests		(63)			(163)	
Cash earnings		126			371	
Expense to income ratio (%)		65.2%			58.2%	

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Cash earnings						
\$m						
Other funds management business		122			360	
BTIM		4			11	
Total cash earnings		126			371	

Movement of FUM/FUA

\$bn	Pro forma Sept 2008	Sales	Redns	Net Flows	Other Mov't	Sept 2009	March 2009	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Retail	18.1						14.7		
Institutional	10.8						10.5		
Wholesale	5.1						4.0		
Total FUM	34.0						29.2		
Wrap	63.5						53.8		
Corporate Super	7.5						6.5		
Other	1.7						1.7		
Total FUA	72.7						62.0		
Total FUM/FUA	106.7						91.2		

6.4.2 Insurance Business

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		10			19	
Non-interest income		201			396	
Gross operating income		211			415	
Commission expense		(38)			(88)	
Net operating income		173			327	
Operating expenses		(62)			(102)	
Core earnings		111			225	
Tax and minority interests		(33)			(66)	
Cash earnings		78			159	
Expense to income ratio (%)		35.8%			31.2%	

Cash earnings	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Life Insurance		38			81	
General Insurance		15			41	
Lenders Mortgage Insurance		25			37	
Total		78			159	

Premiums for risk businesses

\$m	Half Year Sept 09	Pro Forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro Forma Full Year Sept 09	Pro Forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Life Insurance in-force premiums at start of period		401			368	
Sales		46			70	
Lapses		(24)			(52)	
Net Inflows		22			18	
Other Movements		-			15	
Life Insurance in-force premiums at end of period		423			401	

Loss ratios for Insurance Business (%)	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Life Insurance		34			32	
General Insurance		72			56	
Lenders Mortgage Insurance		22			27	

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
General Insurance gross written premium		112			206	
Lenders Mortgage Insurance gross written premium		113			153	

6.4.3 Wealth management income reconciliation

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
BTFG non-interest income		623			1,387	
Net commission, premium, fee and banking income		(60)			(56)	
BTFG wealth management and insurance income		563			1,331	
NZ wealth management & insurance		33			65	
WIB wealth management		65			104	
Other		-			4	
Total wealth management & insurance income (pro forma cash earnings basis, Section 7, Note 4)		661			1,504	

6.5 New Zealand

NZ\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		622			1,158	
Non-interest income		214			424	
Net operating income		836			1,582	
Operating expenses		(365)			(716)	
Core earnings		471			866	
Impairment charges		(184)			(170)	
Operating profit before tax		287			696	
Tax and minority interests		(85)			(223)	
Cash earnings		202			473	
Economic profit		54			213	
Expense to income ratio (%)		43.7%			45.2%	
	\$bn	\$bn		\$bn	\$bn	
Deposits						
Term deposits		14.1			13.5	
Other		13.9			13.7	
Total deposits		28.0			27.2	
Net loans						
Mortgages		31.4			31.0	
Business		14.0			13.8	
Other		1.7			1.7	
Net loans		47.1			46.5	
Total assets		48.4			47.7	
Funds under management		2.0			2.0	

6.5.1 New Zealand Key Metrics

Lending Growth (%)	2H09	1H09	2H08	1H08
Mortgages		3	3	10
Unsecured personal lending		1	2	9
Consumer lending		2	3	10
Business lending		3	14	15
Total lending		3	6	11

Deposit Growth (%)	2H09	1H09	2H08	1H08
Consumer deposits		5	11	10
Business deposits		10	(9)	18
Total deposits		6	5	12

Divisional Interest Margin (%)	2H09	1H09	2H08	1H08
New Zealand		2.25	2.16	2.17

Credit Quality (%)	2H09	1H09	2H08	1H08
% of Portfolio > 90 Days				
Housing delinquencies		0.82	0.47	0.34
Other consumer delinquencies		1.91	1.53	1.22

Impaired Assets

Impaired Assets/Total TCE		0.88	0.52	0.28
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Net Promoter Score (NPS) (%)	2H09	1H09	2H08	1H08
Retail NPS		(15)	(19)	N/A
Retail NPS - position in market		5	6	N/A
Business NPS		(32)	(28)	(25)
Business NPS - position in market		6	6	4

6.6 Pacific Banking

	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		73			117	
Non-interest income		79			106	
Net operating income		152			223	
Operating expenses		(45)			(67)	
Core earnings		107			156	
Impairment charges		(4)			(16)	
Operating profit before tax		103			140	
Tax and minority interests		(34)			(47)	
Cash earnings		69			93	
Economic profit		56			73	
Expense to income ratio (%)		29.6%			30.0%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		2.1			2.2	
Total assets		2.6			2.4	

6.7 Group Businesses

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		385			385	
Non-interest income		(48)			166	
Net operating income		337			551	
Operating expenses		-			(11)	
Core earnings		337			540	
Impairment charges		(120)			(76)	
Operating profit before tax		217			464	
Tax and minority interests		(95)			(116)	
Preference dividends		-			(31)	
Cash earnings		122			317	
Group Treasury						
	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Net interest income		375			250	
Non-interest income		14			56	
Cash earnings		249			187	
Structured Finance						
	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
\$m						
Cash earnings		15			50	
	\$bn	\$bn		\$bn	\$bn	
Net loans		1.0			1.0	
Total assets		2.6			3.0	

Note 1. Pro forma interest spread and margin analysis

	Half Year Sept 09	Pro forma Half Year March 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08
Group				
Average external interest earning assets (\$m)		511,122		480,617
Net interest income (\$m)		5,701		9,724
Interest spread (%)		2.05		1.71
Benefit of net non-interest bearing liabilities and equity (%)		0.19		0.31
Interest margin (%)		2.24		2.02
Analysis by business unit				
Average external interest earning assets (\$m)				
Westpac Retail & Business Banking		191,095		174,671
St.George Bank		110,419		102,446
Westpac Institutional Bank		97,695		94,555
New Zealand (A\$)		38,908		37,463
BT Financial Group		9,925		9,910
Pacific Banking		2,394		1,809
Group Businesses		60,686		59,763
Group total		511,122		480,617
<i>New Zealand (NZ\$)</i>		46,884		44,731
Net interest income (\$m) (excluding capital benefit)				
Westpac Retail & Business Banking		2,225		3,915
St.George Bank		1,107		1,992
Westpac Institutional Bank		683		1,007
New Zealand (A\$)		436		812
BT Financial Group		39		26
Pacific Banking		66		105
Group Businesses		1,145		1,867
Group total		5,701		9,724
Tax equivalent gross up		(23)		(72)
Reported net interest income		5,678		9,652
<i>New Zealand (NZ\$)</i>		526		969
Interest margin (%)				
Westpac Retail & Business Banking		2.34%		2.24%
St.George Bank		2.01%		1.94%
Westpac Institutional Bank		1.40%		1.06%
New Zealand		2.25%		2.17%
BT Financial Group		0.79%		0.26%
Pacific Banking		5.53%		5.80%
Group Businesses		3.78%		3.12%
<i>New Zealand (NZ\$)</i>		2.25%		2.17%

Note 2. Pro forma average balance sheet and interest rates

	Pro forma Full Year 30 September 2009			Pro forma Full Year 30 September 2008		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Due from other financial institutions				34,861	2,395	6.9%
Trading securities				33,482	2,308	6.9%
Available-for-sale securities				3,174	204	6.4%
Other financial assets designated at fair value				1,217	92	7.6%
Regulatory deposits				1,076	31	2.9%
Loans and other receivables				406,807	34,777	8.5%
Total interest earning assets and interest income				480,617	39,807	8.3%
Non-interest earning assets						
Cash, due from other financial institutions and regulatory deposits				962		
Life insurance assets				14,060		
All other assets				41,087		
Total non-interest earning assets				56,109		
Total assets				536,726		

	Pro forma Full Year 30 September 2009			Pro forma Full Year 30 September 2008		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits				287,226	17,809	6.2%
Due to other financial institutions				10,706	502	4.7%
Loan capital				10,276	695	6.8%
Other interest bearing liabilities				149,520	11,077	7.4%
Total interest bearing liabilities and interest expense				457,728	30,083	6.6%
Non-interest bearing liabilities						
Deposits and due to other financial institutions				10,670		
Life insurance policy liabilities				13,173		
All other liabilities				29,867		
Total non-interest bearing liabilities				53,710		
Total liabilities				511,438		
Shareholders' equity				23,364		
Minority interests				1,924		
Total equity				25,288		
Total liabilities and equity				536,726		

Note 2. Pro forma average balance sheet and interest rates (continued)

	Half Year 30 September 2009			Pro forma Half Year 31 March 2009		
	Average Balance \$m	Interest Income \$m	Average Rate %	Average Balance \$m	Interest Income \$m	Average Rate %
Assets						
Interest earning assets						
Due from other financial institutions				33,997	616	3.6%
Trading securities				37,392	1,032	5.5%
Available-for-sale securities				1,771	71	8.0%
Other financial assets designated at fair value				1,160	24	4.1%
Regulatory deposits				930	13	2.8%
Loans and other receivables				435,872	15,750	7.2%
Total interest earning assets and interest income				511,122	17,506	6.9%
Non-interest earning assets						
Cash, due from other financial institutions and regulatory deposits				1,384		
Life insurance assets				11,428		
All other assets				89,736		
Total non-interest earning assets				102,548		
Total assets				613,670		

	Half Year 30 September 2009			Pro forma Half Year 31 March 2009		
	Average Balance \$m	Interest Expense \$m	Average Rate %	Average Balance \$m	Interest Expense \$m	Average Rate %
Liabilities						
Interest bearing liabilities						
Deposits				310,308	7,307	4.7%
Due to other financial institutions				18,471	263	2.9%
Loan capital				12,572	355	5.7%
Other interest bearing liabilities				149,756	3,880	5.2%
Total interest bearing liabilities and interest expense				491,107	11,805	4.8%
Non-interest bearing liabilities						
Deposits and due to other financial institutions				12,416		
Life insurance policy liabilities				10,829		
All other liabilities				65,230		
Total non-interest bearing liabilities				88,475		
Total liabilities				579,582		
Shareholders' equity				32,173		
Minority interests				1,915		
Total equity				34,088		
Total liabilities and equity				613,670		

Note 2. Pro forma average balance sheet and interest rates (continued)

	Pro forma Full Year 30 September 2009			Pro forma Full Year 30 September 2008		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables:						
Australia				356,581	30,228	8.5%
New Zealand				45,014	4,220	9.4%
Other overseas				5,212	329	6.3%
Deposits:						
Australia				238,877	14,904	6.2%
New Zealand				27,888	2,096	7.5%
Other overseas				20,461	809	4.0%

	Half Year 30 September 2009			Pro forma Half Year 31 March 2009		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables:						
Australia				381,183	13,595	7.2%
New Zealand				47,568	1,983	8.4%
Other overseas				7,121	172	4.8%
Deposits:						
Australia				261,959	6,266	4.8%
New Zealand				28,965	805	5.6%
Other overseas				19,384	236	2.4%

Note 3. Pro forma net interest income (cash earnings basis)

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Interest income						
Loans		15,661			34,433	
Due from other financial institutions		616			2,373	
Available-for-sale securities		71			180	
Regulatory deposits with central banks overseas		13			31	
Trading securities		1,022			2,307	
Net gain/ (loss) on ineffective hedges		-			2	
Other financial assets designated at fair value		24			92	
Other		76			317	
Total interest income		17,483			39,735	
Interest expense						
Current and term deposits		(6,086)			(13,523)	
Due to other financial institutions		(263)			(502)	
Debt issues		(2,618)			(6,756)	
Loan capital		(355)			(695)	
Trading liabilities		(363)			(2,864)	
Deposits at fair value		(1,221)			(4,286)	
Other		(899)			(1,457)	
Total interest expense		(11,805)			(30,083)	
Net interest income (cash earnings basis)		5,678			9,652	

Note 4. Pro forma non-interest income (cash earnings basis)

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Fees and commissions						
Banking and credit related fees		402			735	
Transaction fees and commissions received		925			1,733	
Service and management fees		1			5	
Other non-risk fee income		106			187	
		1,434			2,660	
Wealth management and insurance income						
Life insurance and funds management net operating income		566			1,348	
General insurance commissions and premiums (net of claims paid)		95			156	
		661			1,504	
Trading income						
Foreign exchange		649			560	
Other trading securities		76			291	
		725			851	
Other income						
Dividends received		12			30	
Rental income		3			6	
Hedging overseas operations		(24)			(57)	
Net gain/(loss) on derivatives held for risk management purposes		(4)			47	
Gain/(loss) on disposal of assets		1			64	
Net gain/(loss) on financial assets at fair value		(53)			3	
Other		(126)			98	
		(191)			191	
Non-interest income (cash earnings basis)		2,629			5,206	

Note 5. Pro forma expense analysis (cash earnings basis)

\$m	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08	% Mov't Sept 08- Sept 09
Salaries and other staff expenses						
Salaries and wages		1,470			2,854	
Other staff expenses		392			713	
Restructuring costs		3			11	
Total salaries and other staff expenses		1,865			3,578	
Equipment and occupancy expenses						
Operating lease rentals		201			391	
Depreciation, amortisation and impairment:						
Premises		10			17	
Leasehold improvements		24			40	
Furniture and equipment		32			60	
Technology		32			83	
Software		93			233	
Equipment repairs and maintenance		39			72	
Electricity, water and rates		6			9	
Land tax		3			4	
Other		23			29	
Total equipment and occupancy expenses		463			938	
Other expenses						
Amortisation of deferred expenditure		2			4	
Impairment charges - goodwill		2			-	
Non-lending losses		32			51	
Purchased services:						
Technology and information services		117			209	
Legal		13			35	
Other professional services		134			303	
Credit card loyalty programme		158			185	
Stationery		43			86	
Postage and freight		62			127	
Outsourcing costs		255			509	
Insurance		10			18	
Advertising		73			149	
Transaction taxes		6			12	
Training		9			24	
Travel		32			75	
Other expenses		79			137	
Total other expenses		1,027			1,924	
Total (cash earnings basis)		3,355			6,440	

Note 6. Pro forma earnings per share

	Half Year Sept 09	Pro forma Half Year March 09	% Mov't Mar 09- Sept 09	Pro forma Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Cash earnings per ordinary share (cents)		82.4			198.3	
Weighted average number of fully paid ordinary shares (millions) - Basic (cash earnings)		2,786			1,879	

Reconciliation of ordinary shares on issue before the effect of own shares held

(millions)	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
Opening balance		1,895		1,865
Number of shares issued for St.George Merger		743		-
Number of shares issued under the Dividend Reinvestment Plan (DRP)		30		29
Number of shares issued under Underwritten DRP		54		-
Number of shares issued under the Employee Share Plan (ESP)		-		1
Number of shares issued under option and share right schemes		4		-
Number of shares issued under Share Purchase Plan		28		-
Number of shares issued relating to acquisition of Hastings FML		1		-
Number of shares issued relating to Institutional Placement		156		-
Closing balance		2,911		1,895

	Half Year Sept 09 Basic	Pro forma Half year March 09 Basic	Pro forma Full year Sept 09 Basic	Full Year Sept 08 Basic
Reconciliation of earnings used in the calculation of earnings per ordinary share (\$millions)				
Net profit		2,336		3,799
Net profit attributable to minority interests		(41)		(73)
Cash earnings		2,295		3,726
Weighted average number of ordinary shares (millions)		2,786		1,879
Earnings per ordinary share (cents)		82.4		198.3

Note 7. Pro forma loans

As at	30 Sept 2009	31 March 2009	Pro forma 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$m					
Loans are classified based on the location of the lending office					
Australia					
Overdrafts		3,951	4,429		
Credit card outstandings		9,419	9,240		
Overnight and at call money market loans		378	297		
Acceptance finance		49,521	46,763		
Term loans:					
Housing		198,752	184,895		
Housing - Line of credit		35,656	35,907		
Total housing		234,408	220,802		
Non-housing		86,563	82,719		
Finance leases		5,761	5,629		
Margin lending		4,074	5,785		
Other		5,467	7,593		
Total Australia		399,542	383,257		
New Zealand					
Overdrafts		1,205	1,254		
Credit card outstandings		965	937		
Overnight and at call money market loans		1,654	1,341		
Term loans:					
Housing		26,410	26,134		
Non-housing		16,103	16,437		
Other		309	735		
Total New Zealand		46,646	46,838		
Other Overseas					
Overdrafts		253	269		
Term loans:					
Housing		1,095	955		
Non-housing		5,408	4,495		
Finance leases		51	17		
Other		20	44		
Total Overseas		6,827	5,780		
Total loans		453,015	435,875		
Provision for impairment of loans		(4,143)	(2,361)		
Total net loans		448,872	433,514		

Note 8. Pro forma provisions for impairment charges

\$m	Half Year Sept 09	Pro forma Half Year March 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08
Collectively assessed provisions				
Balance at beginning of the period		2,131		1,701
Merger adjustments		491		-
New provisions raised		635		847
Write-offs		(281)		(540)
Discount unwind		114		130
Exchange rate and other adjustments		(23)		(7)
Closing balance		3,067		2,131
Individually assessed provisions				
Balance at beginning of the period		458		182
Merger adjustments		66		-
New individually assessed provisions		1,030		508
Write-backs		(36)		(90)
Write-offs		(115)		(143)
Discount unwind		(6)		(6)
Exchange rate and other adjustments		19		7
Closing balance		1,416		458
Total provisions for impairment charges on loans and credit commitments		4,483		2,589
Less provisions for credit commitments		(340)		(228)
Total provisions for impairment charges on loans		4,143		2,361

\$m	Half Year Sept 09	Pro forma Half Year March 09	Pro forma Full Year Sept 09	Pro forma Full Year Sept 08
Reconciliation of impairment charges				
New individually assessed provisions		1,030		508
Write-backs		(36)		(90)
Recoveries		(18)		(60)
New collectively assessed provisions		635		847
Impairment charges		1,611		1,205

Note 9. Pro forma non-performing loans

	Australia			New Zealand			Overseas			Total		
	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	Pro forma As at 30 Sept 2008
\$m												
Non-accrual assets:												
Gross amount		2,628	949		405	234		77	67		3,110	1,250
Impairment provision		(1,295)	(383)		(118)	(67)		(34)	(33)		(1,447)	(483)
Net		1,333	566		287	167		43	34		1,663	767
Restructured loans:												
Gross amount		-	-		-	-		1	6		1	6
Impairment provision		-	-		-	-		-	-		-	-
Net		-	-		-	-		1	6		1	6
Overdrafts and revolving credit greater than 90 days:												
Gross amount		161	129		26	21		1	1		188	151
Impairment provision		(136)	(106)		(14)	(11)		(1)	(1)		(151)	(118)
Net		25	23		12	10		-	-		37	33
Total non-performing loans:												
Gross amount		2,789	1,078		431	255		79	74		3,299	1,407
Impairment provision		(1,431)	(489)		(132)	(78)		(35)	(34)		(1,598)	(601)
Net		1,358	589		299	177		44	40		1,701	806

Note 10. Pro forma movement in gross impaired assets

\$m	Half Year Sept 09	Pro forma Half Year March 09	Pro forma Half Year Sept 08	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Balance as at beginning of period		1,407	1,201		
Merger adjustments		186	-		
New and increased		1,798	710		
Write-offs		(396)	(406)		
Returned to performing or repaid		(159)	(344)		
Portfolio managed - new/increased/returned/repaid		464	248		
Exchange rate and other adjustments		(1)	(2)		
Balance as at period end		3,299	1,407		

Note 11. Pro forma items past 90 days but well secured

As at	30 Sept 2009	Pro forma 31 March 2009	Pro forma 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$m					
Australia:					
Housing products		640	446		
Other products		1,055	700		
Total Australia		1,695	1,146		
New Zealand:					
Housing products		135	58		
Other products		68	16		
Other Overseas		22	25		
Total Overseas		225	99		
Total		1,920	1,245		

Note 12. Pro forma deposits

As at	30 Sept 2009	31 March 2009	Pro forma 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$m					
Australia					
Deposits at fair value					
Certificates of deposit		44,593	64,846		
Total deposits at fair value		44,593	64,846		
Deposits at amortised cost					
Non-interest bearing, repayable at call		9,240	8,761		
Certificates of deposit		5,531	7,323		
Other interest bearing:					
At call		130,986	123,126		
Term		82,323	61,572		
Total deposits at amortised cost		228,080	200,782		
Total Australia		272,673	265,628		
New Zealand					
Deposits at fair value					
Certificates of deposit		3,369	3,488		
Total deposits at fair value		3,369	3,488		
Deposits at amortised cost					
Non-interest bearing, repayable at call		1,939	1,816		
Certificates of deposit		-	-		
Other interest bearing:					
At call		12,409	11,688		
Term		12,748	13,345		
Total deposits at amortised cost		27,096	26,849		
Total New Zealand		30,465	30,337		
Other Overseas					
Deposits at fair value					
Certificates of deposit		9,015	9,507		
Total deposits at fair value		9,015	9,507		
Deposits at amortised cost					
Non-interest bearing, repayable at call		453	589		
Certificates of deposit		503	533		
Other interest bearing:					
At call		894	956		
Term		8,230	9,736		
Total deposits at amortised cost		10,080	11,814		
Total Other Overseas		19,095	21,321		
Total deposits		322,233	317,286		

8.1 Consolidated Income Statement

\$m	Note	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Interest income	4		16,033			29,081	
Interest expense	4		(10,475)			(21,859)	
Net interest income			5,558			7,222	
Non-interest income	5		2,529			4,383	
Net operating income before operating expenses and impairment charges			8,087			11,605	
Operating expenses	6		(3,429)			(5,455)	
Impairment charges	12		(1,557)			(931)	
Profit before income tax			3,101			5,219	
Income tax expense	8		(885)			(1,287)	
Net profit for the period			2,216			3,932	
Net profit attributable to minority interests			(41)			(73)	
Net profit attributable to equity holders of WBC			2,175			3,859	

8.2 Consolidated Balance Sheet

As at		30 Sept 2009	31 March 2009	30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$m	Note					
Assets						
Cash and balances with central banks			3,866	4,809		
Due from other financial institutions			24,494	21,345		
Derivative financial instruments	20		50,877	34,810		
Trading securities			30,581	39,534		
Other financial assets designated at fair value			2,840	2,547		
Available-for-sale securities			2,053	1,613		
Loans for consumer purposes	11		277,205	187,245		
Loans for business purposes	11		171,667	126,300		
Life insurance assets			10,635	12,547		
Regulatory deposits with central banks overseas			932	927		
Goodwill and other intangible assets			11,594	2,989		
Property, plant and equipment			853	505		
Current tax assets			-	77		
Net deferred tax assets			1,583	756		
Other assets			5,050	3,672		
Total assets			594,230	439,676		
Liabilities						
Due to other financial institutions			11,842	15,861		
Deposits at fair value	18		56,977	60,011		
Deposits at amortised cost	18		265,256	173,719		
Derivative financial instruments	20		50,216	24,970		
Trading liabilities and other financial liabilities designated at fair value			14,405	16,689		
Debt issues			122,685	96,398		
Acceptances			2,424	3,971		
Current tax liabilities			1,289	-		
Life insurance liabilities			10,039	11,953		
Provisions			1,335	1,106		
Other liabilities			9,003	6,809		
Total liabilities excluding loan capital			545,471	411,487		
Loan capital						
Subordinated bonds, notes and debentures			8,929	6,545		
Subordinated perpetual notes			568	486		
Trust preferred securities 2004 (TPS 2004)			855	666		
Westpac SPS			1,022	1,021		
Westpac SPS II			897	-		
Total loan capital			12,271	8,718		
Total liabilities			557,742	420,205		
Net assets			36,488	19,471		
Shareholders' equity						
Share capital:						
Ordinary share capital			23,139	6,744		
Treasury and RSP Treasury shares			(189)	(151)		
Reserves			319	256		
Retained profits			11,287	10,698		
Total equity attributable to equity holders of WBC			34,556	17,547		
Minority Interests						
Trust preferred securities 2003 (TPS 2003)			1,132	1,137		
Trust preferred securities 2006 (TPS 2006)			753	755		
Other			47	32		
Total minority interests			1,932	1,924		
Total shareholders equity and minority interests			36,488	19,471		

8.3 Notes to 2009 Reported Financial Information

Note 2. Interest Spread and Margin Analysis

	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
Group				
Average external interest earning assets (\$m)		476,095		351,657
Net interest income (\$m)		5,558		7,222
Tax equivalent gross-up		23		72
Adjusted net interest income (\$m)		5,581		7,294
Interest spread (%)		2.17		1.76
Benefit of net non-interest bearing liabilities and equity (%)		0.18		0.31
Interest margin (%)		2.35		2.07

Note 3. Average balance sheet and interest rates

	Full Year 30 September 2009			Full Year 30 September 2008		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Due from other financial institutions				26,976	1,804	6.7%
Trading securities				25,344	1,755	6.9%
Available-for-sale securities				2,372	138	5.8%
Other financial assets designated at fair value				1,217	92	7.6%
Regulatory deposits				1,076	31	2.9%
Loans and other receivables				294,672	25,333	8.6%
Total interest earning assets and interest income				351,657	29,153	8.3%
Non-interest earning assets						
Cash, due from other financial institutions and regulatory deposits				734		
Life insurance assets				14,060		
All other assets				35,017		
Total non-interest earning assets				49,811		
Total assets				401,468		

	Full Year 30 September 2009			Full Year 30 September 2008		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits				213,873	13,361	6.2%
Due to other financial institutions				9,882	449	4.5%
Loan capital				7,530	484	6.4%
Other interest bearing liabilities				103,580	7,565	7.3%
Total interest bearing liabilities and interest expense				334,865	21,859	6.5%
Non-interest bearing liabilities						
Deposits and due to other financial institutions				9,317		
Life insurance policy liabilities				13,173		
All other liabilities				25,496		
Total non-interest bearing liabilities				47,986		
Total liabilities				382,851		
Shareholders' equity				16,699		
Minority interests				1,918		
Total equity				18,617		
Total liabilities and equity				401,468		

Note 3. Average balance sheet and interest rates (continued)

	Half Year 30 September 2009			Half Year 31 March 2009		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Due from other financial institutions				32,289	516	3.2%
Trading securities				35,250	952	5.4%
Available-for-sale securities				1,650	62	7.5%
Other financial assets designated at fair value				1,175	24	4.1%
Regulatory deposits				930	13	2.8%
Loans and other receivables				404,801	14,489	7.2%
Total interest earning assets and interest income				476,095	16,056	6.8%
Non-interest earning assets						
Cash, due from other financial institutions and regulatory deposits				1,292		
Life insurance assets				11,428		
All other assets				85,370		
Total non-interest earning assets				98,090		
Total assets				574,185		

	Half Year 30 September 2009			Half Year 31 March 2009		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits				289,626	6,478	4.5%
Due to other financial institutions				17,229	243	2.8%
Loan capital				11,679	323	5.5%
Other interest bearing liabilities				138,615	3,431	5.0%
Total interest bearing liabilities and interest expense				457,149	10,475	4.6%
Non-interest bearing liabilities						
Deposits and due to other financial institutions				11,937		
Life insurance policy liabilities				10,829		
All other liabilities				63,152		
Total non-interest bearing liabilities				85,918		
Total liabilities				543,067		
Shareholders' equity				29,205		
Minority interests				1,913		
Total equity				31,118		
Total liabilities and equity				574,185		

Note 3. Average balance sheet and interest rates (continued)

	Full Year 30 September 2009			Full Year 30 September 2008		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables:						
Australia				244,446	20,784	8.5%
New Zealand				45,014	4,220	9.4%
Other overseas				5,212	329	6.3%
Deposits:						
Australia				165,524	10,456	6.3%
New Zealand				27,888	2,096	7.5%
Other overseas				20,461	809	4.0%

	Half Year 30 September 2009			Half Year 31 March 2009		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables:						
Australia				350,112	12,334	7.1%
New Zealand				47,568	1,983	8.4%
Other overseas				7,121	172	4.8%
Deposits:						
Australia				241,277	5,437	4.5%
New Zealand				28,965	805	5.6%
Other overseas				19,384	236	2.4%

Note 4. Net interest income

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Interest income						
Loans		14,400			24,998	
Due from other financial institutions		516			1,782	
Available-for-sale securities		62			114	
Regulatory deposits with central banks overseas		13			31	
Trading securities		942			1,754	
Net gain/(loss) on ineffective hedges		-			1	
Other financial assets designated at fair value		24			92	
Other		76			309	
Total interest income		16,033			29,081	
Interest expense						
Current and term deposits		(5,257)			(9,075)	
Due to other financial institutions		(243)			(449)	
Debt issues		(2,338)			(4,480)	
Loan capital		(323)			(484)	
Trading liabilities		(271)			(1,911)	
Deposits at fair value		(1,221)			(4,286)	
Other		(822)			(1,174)	
Total interest expense		(10,475)			(21,859)	
Net interest income		5,558			7,222	

Note 5. Non-interest income

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Fees and commissions						
Banking and credit related fees		377			553	
Transaction fees and commissions received		872			1,318	
Service and management fees		1			5	
Other non-risk fee income		106			184	
		1,356			2,060	
Wealth management and insurance income						
Life insurance and funds management net operating income		545			932	
General insurance commissions and premiums (net of claims paid)		85			110	
		630			1,042	
Trading income						
Foreign exchange		659			514	
Other trading securities		(47)			218	
		612			732	
Other income						
Dividends received		10			15	
Rental income		2			1	
Net gain/(loss) on ineffective hedges		7			3	
Hedging overseas operations		(24)			(57)	
Net gain/(loss) on derivatives held for risk management purposes		91			86	
Gain/(loss) on disposal of assets		1			457	
Net gain/(loss) on financial assets at fair value		(40)			(1)	
Other		(116)			45	
		(69)			549	
Non-interest income		2,529			4,383	

Note 6. Expense analysis

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Salaries and other staff expenses						
Salaries and wages		1,406			2,207	
Other staff expenses		363			584	
Restructuring costs		40			124	
Total salaries and other staff expenses		1,809			2,915	
Equipment and occupancy expenses						
Operating lease rentals		188			298	
Depreciation, amortisation and impairment:						
Premises		8			1	
Leasehold improvements		24			43	
Furniture and equipment		29			37	
Technology		30			90	
Software		86			351	
Equipment repairs and maintenance		34			39	
Electricity, water and rates		6			7	
Land tax		2			2	
Other		23			27	
Total equipment and occupancy expenses		430			895	
Other expenses						
Amortisation of deferred expenditure		2			4	
Amortisation of intangible assets		78			-	
Impairment charges - goodwill		2			18	
Non-lending losses		109			53	
Purchased services:						
Technology and information services		110			158	
Legal		13			27	
Other professional services		166			298	
Credit card loyalty programme		158			185	
Stationery		38			51	
Postage and freight		59			103	
Outsourcing costs		252			486	
Insurance		8			11	
Advertising		68			99	
Transaction taxes		6			4	
Training		8			17	
Travel		30			59	
Other expenses		83			72	
Total other expenses		1,190			1,645	
Total		3,429			5,455	

Note 7. Deferred expenses and capitalised software

As at	30 Sept 2009	31 March 2009	30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
\$m					
Capitalised software		586	464		
Deferred acquisition costs		139	142		
Other		28	28		

Note 8. Income tax

\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
The income tax expense for the period is reconciled to the profit per the income statement as follows:						
Profit before income tax expense		3,101			5,219	
Prima facie income tax based on the Australian company tax rate of 30% (2008: 30%)		930			1,566	
The effect of amounts which are not deductible (assessable) in calculating taxable income						
Change in tax rate		-			4	
Rebateable and exempt dividends		(10)			(33)	
Tax losses not previously recognised now brought to account		-			(5)	
Life insurance:						
Tax adjustment on policyholders' earnings		(3)			(138)	
Adjustment for life business tax rates		(3)			(12)	
Other non-assessable items		(13)			(79)	
Other non-deductible items		16			54	
Adjustment for overseas tax rates		13			6	
Income tax (over)/under provided in prior years		10			(26)	
Other items		(55)			(50)	
Total income tax expense in the income statement		885			1,287	
Average effective income tax rate (%)		28.5			24.7	
Tax equivalent gross up		23			72	
Effective tax rate (%) (excluding life company)		28.6			27.6	
Effective tax rate (%) (including gross up)		29.1			25.7	
Effective tax rate (%) (including gross up and excluding life company accounting)		29.2			28.6	

Note 9. Dividends

	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
Ordinary dividend (cents per share)				
Interim (fully franked)		56		70
Final (fully franked) - determined dividend		-		72
		56		142
Total dividends paid				
Ordinary dividends paid (\$m)		1,362		2,576
		1,362		2,576
Ordinary dividend payout ratio		74.9%		68.9%

Note 10. Earnings per ordinary share

	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Earnings per ordinary share (cents):						
Basic		84.3			206.0	
Fully diluted		81.1			200.1	
Weighted average number of fully paid ordinary shares (millions) - Basic		2,579			1,871	
Weighted average number of fully paid ordinary shares (millions) - Fully diluted		2,745			1,967	

Reconciliation of ordinary shares on issue before the effect of own shares held

(millions)	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
Opening balance		1,895		1,865
Number of shares issued for St.George Merger		743		-
Number of shares issued under the Dividend Reinvestment Plan (DRP)		30		29
Number of shares issued under Underwritten DRP		54		-
Number of shares issued under the Employee Share Plan (ESP)		-		1
Number of shares issued under option and share right schemes		4		-
Number of shares issued under Share Purchase Plan		28		-
Number of shares issued relating to acquisition of Hastings FML		1		-
Number of shares issued relating to Institutional Placement		156		-
Closing balance		2,911		1,895

Note 10. Earnings per ordinary share (continued)

	Half Year 30 Sept 2009		Half Year 31 March 2009		Full Year 30 Sept 2009		Full Year 30 Sept 2008	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Reconciliation of earnings used in the calculation of earnings per ordinary share (\$millions)								
Net profit			2,216	2,216			3,932	3,932
Net profit attributable to minority interests			(41)	(41)			(73)	(73)
Distribution on RSP treasury shares			(2)	-			(4)	-
FIRsTS distributions			-	-			-	7
2004 TPS distributions			-	14			-	23
Westpac SPS			-	20			-	8
2007 convertible notes			-	18			-	39
Earnings			2,173	2,227			3,855	3,936
Weighted average number of ordinary shares (millions)								
Weighted average number of ordinary shares			2,590	2,590			1,879	1,879
Effect of own shares held			(11)	(11)			(8)	(8)
Potential dilutive adjustment:								
Exercise of options			-	4			-	9
Conversion of FIRsTS			-	-			-	7
Conversion of 2004 TPS			-	43			-	28
Restricted share plan			-	2			-	1
Westpac SPS I			-	59			-	8
Westpac SPS II			-	-			-	-
2007 convertible notes			-	58			-	43
Total weighted average number of ordinary shares			2,579	2,745			1,871	1,967
Earnings per ordinary share (cents)			84.3	81.1			206.0	200.1

Note 11. Loans

As at				% Mov't	% Mov't
\$m	30 Sept 2009	31 March 2009	30 Sept 2008	Mar 09- Sept 09	Sept 08- Sept 09
Loans are classified based on the location of the lending office					
Australia					
Overdrafts		3,951	2,973		
Credit card outstandings		9,419	7,536		
Overnight and at call money market loans		378	297		
Acceptance finance		49,521	24,499		
Term loans:					
Housing		198,752	132,039		
Housing - Line of credit		35,656	13,217		
Total housing		234,408	145,256		
Non-housing		86,563	69,285		
Finance leases		5,761	4,900		
Margin lending		4,074	3,833		
Other		5,467	4,293		
Total Australia		399,542	262,872		
New Zealand					
Overdrafts		1,205	1,254		
Credit card outstandings		965	937		
Overnight and at call money market loans		1,654	1,341		
Term loans:					
Housing		26,410	26,134		
Non-housing		16,103	16,437		
Other		309	735		
Total New Zealand		46,646	46,838		
Other Overseas					
Overdrafts		253	269		
Term loans:					
Housing		1,095	955		
Non-housing		5,408	4,495		
Finance leases		51	17		
Other		20	44		
Total Overseas		6,827	5,780		
Total loans		453,015	315,490		
Provision for impairment of loans		(4,143)	(1,945)		
Total net loans		448,872	313,545		

Note 12. Provisions for impairment charges

\$m	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
Collectively assessed provisions				
Balance at beginning of the period		1,761		1,410
Add: St.George provisions including merger adjustments		893		-
New provisions raised		584		606
Write-offs		(261)		(378)
Discount unwind		114		130
Exchange rate and other adjustments		(24)		(7)
Closing balance		3,067		1,761
Individually assessed provisions				
Balance at beginning of the period		413		148
Add: St.George provisions including merger adjustments		110		-
New individually assessed provisions		1,027		447
Write-backs		(36)		(90)
Write-offs		(112)		(93)
Discount unwind		(6)		(6)
Exchange rate and other adjustments		20		7
Closing balance		1,416		413
Total provisions for impairment charges on loans and credit commitments		4,483		2,174
Less provisions for credit commitments		(340)		(229)
Total provisions for impairment charges on loans		4,143		1,945
Reconciliation of impairment charges				
\$m	Half Year Sept 09	Half Year March 09	Full Year Sept 09	Full Year Sept 08
New individually assessed provisions		1,027		447
Write-backs		(36)		(90)
Recoveries		(18)		(32)
New collectively assessed provisions		584		606
Impairment charges		1,557		931

Note 13. Non-performing loans

	Australia			New Zealand			Overseas			Total		
	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008
\$m												
Non-accrual assets:												
Gross amount		2,628	758		405	234		77	67		3,110	1,059
Impairment provision		(1,295)	(338)		(118)	(67)		(34)	(33)		(1,447)	(438)
Net		1,333	420		287	167		43	34		1,663	621
Restructured loans:												
Gross amount		-	-		-	-		1	6		1	6
Impairment provision		-	-		-	-		-	-		-	-
Net		-	-		-	-		1	6		1	6
Overdrafts and revolving credit greater than 90 days:												
Gross amount		161	90		26	21		1	1		188	112
Impairment provision		(136)	(85)		(14)	(11)		(1)	(1)		(151)	(97)
Net		25	5		12	10		-	-		37	15
Total non-performing loans:												
Gross amount		2,789	848		431	255		79	74		3,299	1,177
Impairment provision		(1,431)	(423)		(132)	(78)		(35)	(34)		(1,598)	(535)
Net		1,358	425		299	177		44	40		1,701	642

Note 14. Movement in gross impaired assets

\$m	Half Year Sept 09	Half Year March 09	Half Year Sept 08	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Balance as at beginning of period		1,177	956		
Add: St.George impaired assets including merger adjustments		416	-		
New and increased		1,798	529		
Write-offs		(373)	(269)		
Returned to performing or repaid		(162)	(213)		
Portfolio managed - new/increased/returned/repaid		444	161		
Exchange rate and other adjustments		(1)	13		
Balance as at period end		3,299	1,177		

Note 15. Items past 90 days but well secured

\$m	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Australia:					
Housing products		640	219		
Other products		1,055	445		
Total Australia		1,695	664		
New Zealand:					
Housing products		135	58		
Other products		68	16		
Other Overseas		22	25		
Total Overseas		225	99		
Total		1,920	763		

Note 16. Impaired assets and provisioning ratios

	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Net impaired assets to equity and collectively assessed provisions		4.3%	3.0%		
Total impaired assets to gross loans		0.73%	0.37%		
Total impaired assets to equity and total provisions		8.1%	5.4%		
Total impairment provisions to total impaired assets		48.4%	45.4%		
Total provisions to gross loans		99bps	69bps		
Collectively assessed provisions to performing non-housing loans		152bps	113bps		
Collectively assessed provisions to risk weighted assets		110bps	90bps		
Collectively assessed provisions to credit risk weighted assets		125bps	105bps		
Total provisions to risk weighted assets		160bps	111bps		

Note 17. Delinquencies (90 days past due loans)

	As at 30 Sept 2009	As at 31 March 2009	As at 30 Sept 2008	% Mov't Mar 09- Sept 09	% Mov't Sept 08- Sept 09
Mortgages		0.51%	0.39%		
Other personal lending		1.25%	1.00%		
Total personal lending		0.55%	0.43%		

Note 18. Deposits

As at				% Mov't	% Mov't
\$m	30 Sept 2009	31 March 2009	30 Sept 2008	Mar 09- Sept 09	Sept 08- Sept 09
Australia					
Deposits at fair value					
Certificates of deposit		44,593	47,016		
Total deposits at fair value		44,593	47,016		
Deposits at amortised cost					
Non-interest bearing, repayable at call		9,240	6,978		
Certificates of deposit		5,531	57		
Other interest bearing:					
At call		130,986	87,676		
Term		82,323	40,345		
Total deposits at amortised cost		228,080	135,056		
Total Australia		272,673	182,072		
New Zealand					
Deposits at fair value					
Certificates of deposit		3,369	3,488		
Total deposits at fair value		3,369	3,488		
Deposits at amortised cost					
Non-interest bearing, repayable at call		1,939	1,816		
Other interest bearing:					
At call		12,409	11,688		
Term		12,748	13,345		
Total deposits at amortised cost		27,096	26,849		
Total New Zealand		30,465	30,337		
Other Overseas					
Deposits at fair value					
Certificates of deposit		9,015	9,507		
Total deposits at fair value		9,015	9,507		
Deposits at amortised cost					
Non-interest bearing, repayable at call		453	589		
Certificates of deposit		503	533		
Other interest bearing:					
At call		894	956		
Term		8,230	9,736		
Total deposits at amortised cost		10,080	11,814		
Total Other Overseas		19,095	21,321		
Total deposits		322,233	233,730		

Note 20. Derivative financial instruments

As at 30 September 2009 \$m	Notional Amount	Fair Value (Asset)	Fair Value (Liability)
Held for trading			
<i>Interest rate</i>			
Futures			
Forwards			
Swaps			
Options			
<i>Foreign exchange</i>			
Futures			
Forwards			
Swaps			
Options			
<i>Commodities</i>			
<i>Equities and credit</i>			
Total held for trading derivatives	-	-	-
Fair value hedges			
<i>Interest rate</i>			
Futures			
Forwards			
Swaps			
Options			
<i>Foreign exchange</i>			
Futures			
Forwards			
Swaps			
Total fair value hedging derivatives	-	-	-
Cash flow hedges			
<i>Interest rate</i>			
Futures			
Forwards			
Swaps			
<i>Foreign exchange</i>			
Futures			
Forwards			
Swaps			
Total cash flow hedging derivatives	-	-	-
Net investment hedges			
<i>Foreign exchange</i>			
Borrowings			
Other			
Total net investment hedges	-	-	-
Total derivatives	-	-	-
As at 31 March 2009	1,856,901	50,877	50,216
As at 30 September 2008	1,682,433	34,810	24,970

Note 20. Derivative financial instruments (continued)
WIB Markets - Daily value at risk (VaR)

\$m	High	Low	Average
Six months ended 30 September 2009			
Six months ended 31 March 2009	14.1	5.5	9.3
Six months ended 30 September 2008	14.6	5.7	9.5

Average \$m	Half Year 30 Sept 2009	Half Year 31 March 2009	Half Year 30 Sept 2008
Interest rate risk		5.9	5.4
Foreign exchange risk		4.6	6.0
Equity risk		2.4	2.9
Commodity risk		2.8	2.5
Other market risks		3.8	4.5
Diversification benefit		(10.2)	(11.8)
Net market risk		9.3	9.5

Treasury's traded risk and non-traded interest rate risk

\$m	High	Low	Average
Six months ended 30 September 2009			
Six months ended 31 March 2009	59.5	29.4	41.4
Six months ended 30 September 2008	34.1	10.8	22.9

Note 24. Funding view of the Balance Sheet

As at	30 September 2009						31 March 2009					
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
\$m												
Assets												
Cash and balances with central banks							893	-	-	2,973	-	3,866
Due from other financial institutions							14,125	-	-	2,843	7,526	24,494
Trading assets							25,360	-	-	-	10,114	35,474
Derivative financial instruments							-	-	-	-	50,877	50,877
Net loans and acceptances							33,328	-	-	415,544	-	448,872
Life insurance assets							-	-	-	-	10,635	10,635
Goodwill and other intangibles							-	-	-	11,594	-	11,594
Fixed assets							-	-	-	853	-	853
Other assets							211	-	-	-	7,354	7,565
Total assets							73,917	-	-	433,807	86,506	594,230
Liabilities												
Due to other financial institutions							-	-	5,838	-	6,004	11,842
Deposits and public borrowings												
At Call							-	155,921	-	-	-	155,921
Term Deposits							-	100,887	-	-	-	100,887
Certificates of Deposit							-	-	63,011	-	-	63,011
Medium Term Deposit Notes							-	-	2,414	-	-	2,414
Derivative financial instruments							-	-	-	-	50,216	50,216
Other trading liabilities							11,689	-	-	-	2,716	14,405
Bill acceptances							-	-	2,424	-	-	2,424
Debt issues							-	-	122,685	-	-	122,685
Life insurance policy liabilities							-	-	-	-	10,039	10,039
Other liabilities							-	-	-	-	11,627	11,627
Loan capital							-	-	12,271	-	-	12,271
Total liabilities							11,689	256,808	208,643	-	80,602	557,742
Total equity							-	-	1,932	34,556	-	36,488
Total net							62,228	(256,808)	(210,575)	399,251	5,904	-

10.1 Full Year Segment Reported Results

Twelve months to 30 September 2009	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	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 minority interests								
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC								
St.George cash earnings prior to merger								
WBC cash earnings adjustments								
TPS revaluations								
Treasury shares								
Unrealised NZ retail earnings hedges								
Ineffective hedges								
Merger transaction and integration expenses								
Amortisation of intangible assets								
Short-term wholesale funding and deposits								
One-off expenses								
Pro forma cash earnings								

10.1 Full Year Segment Reported Results (continued)

Twelve months to 30 September 2008	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
\$m								
Net interest income	4,287	-	1,248	111	970	117	489	7,222
Non-interest income	1,356	-	1,110	1,096	355	106	360	4,383
Net operating income	5,643	-	2,358	1,207	1,325	223	849	11,605
Operating expenses	(2,787)	-	(902)	(645)	(599)	(67)	(455)	(5,455)
Impairment charges	(352)	-	(341)	(4)	(143)	(16)	(75)	(931)
Profit from ordinary activities before income tax expense	2,504	-	1,115	558	583	140	319	5,219
Tax expense	(752)	-	(319)	(155)	(185)	(41)	165	(1,287)
Net profit	1,752	-	796	403	398	99	484	3,932
Net profit attributable to minority interests	-	-		(4)	(3)	(6)	(60)	(73)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	1,752	-	796	399	395	93	424	3,859
St.George cash earnings prior to merger	-	1,101	57	137	-	-	26	1,321
WBC cash earnings adjustments								
TPS revaluations	-	-	-	-	-	-	(57)	(57)
Treasury shares	-	-	-	-	-	-	(25)	(25)
Unrealised NZ retail earnings hedges	-	-	-	-	-	-	4	4
Ineffective hedges	-	-	-	-	-	-	(1)	(1)
Gain from BTIM IPO	-	-	-	-	-	-	(86)	(86)
Merger transaction and integration expenses	-	-	-	-	-	-	11	11
Gain from VISA IPO	-	-	-	-	-	-	(205)	(205)
One-off expenses	-	-	-	-	-	-	226	226
Pro forma cash earnings	1,752	1,101	853	536	395	93	317	5,047

10.2 Half Year Segment Result – Reported Result

Six months to 30 September 2009	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	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 minority interests								
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC								
WBC cash earnings adjustments								
TPS revaluations								
Treasury shares								
Unrealised NZ retail earnings hedges								
Ineffective hedges								
Merger transaction and integration expenses								
Amortisation of intangible assets								
Short-term wholesale funding and deposits								
One-off expenses								
Pro forma cash earnings								

10.2 Half Year Segment Result – Reported Result (Continued)
Six months to 31 March 2009

\$m	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,410	973	881	117	516	73	588	5,558
Non-interest income	706	258	705	591	178	79	12	2,529
Net operating income	3,116	1,231	1,586	708	694	152	600	8,087
Operating expenses	(1,478)	(491)	(490)	(409)	(303)	(45)	(213)	(3,429)
Impairment charges	(224)	(151)	(895)	(7)	(153)	(4)	(123)	(1,557)
Profit from ordinary activities before income tax expense	1,414	589	201	292	238	103	264	3,101
Tax expense	(424)	(177)	(65)	(90)	(68)	(30)	(31)	(885)
Net profit	990	412	136	202	170	73	233	2,216
Net profit attributable to minority interests	-	-	-	(2)	(2)	(4)	(33)	(41)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	990	412	136	200	168	69	200	2,175
St.George cash earnings prior to merger	-	113	22	9	-	-	19	163
WBC cash earnings adjustments								
TPS revaluations	-	-	-	-	-	-	(106)	(106)
Treasury shares	-	-	-	-	-	-	(4)	(4)
Unrealised NZ retail earnings hedges	-	-	-	-	-	-	(8)	(8)
Ineffective hedges	-	-	-	-	-	-	(5)	(5)
Merger transaction and integration expenses	-	-	-	-	-	-	90	90
Amortisation of intangible assets	-	48	-	6	-	-	-	54
Short-term wholesale funding and deposits	-	-	-	-	-	-	(118)	(118)
One-off expenses	-	-	-	-	-	-	54	54
Pro forma cash earnings	990	573	158	215	168	69	122	2,295

10.3 New Zealand Division Performance (A\$ Equivalents to Section 6.5)

A\$m	Half Year Sept 09	Half Year March 09	% Mov't Mar 09- Sept 09	Full Year Sept 09	Full Year Sept 08	% Mov't Sept 08- Sept 09
Net interest income		516			970	
Non-interest income		178			355	
Net operating income		694			1,325	
Operating expenses		(303)			(599)	
Core earnings		391			726	
Impairment charges		(153)			(143)	
Operating profit before tax		238			583	
Tax and minority interests		(70)			(188)	
Net profit after tax/cash earnings		168			395	
Economic profit		45			167	
Expense to income ratio (%)		43.7%			45.3%	
	\$bn	\$bn		\$bn	\$bn	
Deposits		23.2			22.8	
Net loans		39.0			39.0	
Total assets		40.1			39.9	
Funds under management		1.7			1.7	

11.1 Group Full Year Earnings Reconciliation

Twelve months to 30 September 2009	WBC Reported Results	Cash earnings adjustments									Pro Forma Cash Earnings	
		St.George Cash Earnings prior to merger	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Amortisation of intangible assets	Short-term wholesale funding and deposits		One-off expenses
\$m												
Net interest income												
<i>Fees and commissions</i>												
<i>Wealth management and 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 minority interests												
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC												
St.George cash earnings prior to merger												
WBC cash earnings adjustments:												
TPS revaluations												
Treasury shares												
Unrealised NZ retail earnings hedges												
Ineffective hedges												
Merger transaction and integration expenses												
Amortisation of intangible assets												
Short-term wholesale funding and deposits												
One-off expenses												
Pro forma cash earnings												

11.1 Group Full Year Earnings Reconciliation (Continued)

Twelve months to 30 September 2008	WBC Reported Results	Cash earnings adjustments										Pro Forma Cash Earnings	
		St.George Cash Earnings prior to merger	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Gain from BTIM IPO	Gain from Visa IPO	Merger T&I	One-off Expenses		
Net interest income	7,222	2,429	-	-	-	-	1	-	-	-	-	-	9,652
<i>Fees and commissions</i>	2,060	600	-	-	-	-	-	-	-	-	-	-	2,660
<i>Wealth management and insurance income</i>	1,042	293	198	-	(29)	-	-	-	-	-	-	-	1,504
<i>Trading income</i>	732	119	-	-	-	-	-	-	-	-	-	-	851
<i>Other income</i>	549	115	-	(45)	-	6	(3)	(136)	(295)	-	-	-	191
Non-interest income	4,383	1,127	198	(45)	(29)	6	(3)	(136)	(295)	-	-	-	5,206
Net operating income	11,605	3,556	198	(45)	(29)	6	(2)	(136)	(295)	-	-	-	14,858
<i>Salaries and other staff expenses</i>	(2,915)	(823)	-	-	-	-	-	40	-	7	113	-	(3,578)
<i>Equipment and occupancy expenses</i>	(895)	(234)	-	-	-	-	-	-	-	-	191	-	(938)
<i>Other expenses</i>	(1,645)	(322)	-	-	-	-	-	18	-	6	19	-	(1,924)
Operating expenses	(5,455)	(1,379)	-	-	-	-	-	58	-	13	323	-	(6,440)
Core earnings	6,150	2,177	198	(45)	(29)	6	(2)	(78)	(295)	13	323	-	8,418
Impairment charges	(931)	(274)	-	-	-	-	-	-	-	-	-	-	(1,205)
Operating profit before tax	5,219	1,903	198	(45)	(29)	6	(2)	(78)	(295)	13	323	-	7,213
Income tax expense	(1,287)	(550)	(198)	(12)	4	(2)	1	(8)	90	(2)	(97)	-	(2,061)
Net profit	3,932	1,353	-	(57)	(25)	4	(1)	(86)	(205)	11	226	-	5,152
Net profit attributable to minority interests	(73)	(1)	-	-	-	-	-	-	-	-	-	-	(74)
Preference dividends		(31)	-	-	-	-	-	-	-	-	-	-	(31)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	3,859	1,321	-	(57)	(25)	4	(1)	(86)	(205)	11	226	-	5,047
St.George cash earnings prior to merger	1,321	(1,321)	-	-	-	-	-	-	-	-	-	-	-
WBC cash earnings adjustments:													
TPS revaluations	(57)	-	-	57	-	-	-	-	-	-	-	-	-
Treasury shares	(25)	-	-	-	25	-	-	-	-	-	-	-	-
Unrealised NZ retail earnings hedges	4	-	-	-	-	(4)	-	-	-	-	-	-	-
Ineffective hedges	(1)	-	-	-	-	-	1	-	-	-	-	-	-
Gain from BTIM IPO	(86)	-	-	-	-	-	-	86	-	-	-	-	-
Gain from VISA IPO	(205)	-	-	-	-	-	-	-	205	-	-	-	-
Merger transaction and integration expenses	11	-	-	-	-	-	-	-	-	(11)	-	-	-
One-off expenses	226	-	-	-	-	-	-	-	-	-	(226)	-	-
Pro forma cash earnings	5,047	-	-	-	-	-	-	-	-	-	-	-	5,047

11.1 Group Half Year Earnings Reconciliation

Six months to 30 September 2009	Cash earnings adjustments									Pro Forma Cash Earnings	
	WBC Reported Results	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Amortisation of intangible assets	Short-term wholesale funding and deposits		One-off expenses
\$m											
Net interest income											
<i>Fees and commissions</i>											
<i>Wealth management and 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 minority interests											
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC											
WBC cash earnings adjustments:											
TPS revaluations											
Treasury shares											
Unrealised NZ retail earnings hedges											
Ineffective hedges											
Merger transaction and integration expenses											
Amortisation of intangible assets ²											
Short-term wholesale funding and deposits ³											
One-off expenses ⁴											
Pro forma cash earnings											

11.1 Group Half Year Earnings Reconciliation (Continued)

Six months to 31 March 2009	WBC Reported Results	St. George Cash Earnings prior to merger	Cash earnings adjustments									Pro Forma Cash Earnings	
			Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Amortisation of intangible assets	Short-term wholesale funding and deposits	One-off expenses		
Net interest income	5,558	288	-	-	-	-	-	-	-	-	(168)	-	5,678
<i>Fees and commissions</i>	1,356	78	-	-	-	-	-	-	-	-	-	-	1,434
<i>Wealth management and insurance income</i>	630	31	4	-	(4)	-	-	-	-	-	-	-	661
<i>Trading income</i>	612	113	-	-	-	-	-	-	-	-	-	-	725
<i>Other income</i>	(69)	(20)	-	(84)	-	(11)	(7)	-	-	-	-	-	(191)
Non-interest income	2,529	202	4	(84)	(4)	(11)	(7)	-	-	-	-	-	2,629
Net operating income	8,087	490	4	(84)	(4)	(11)	(7)	-	-	-	(168)	-	8,307
<i>Salaries and other staff expenses</i>	(1,809)	(127)	-	-	-	-	-	71	-	-	-	-	(1,865)
<i>Equipment and occupancy expenses</i>	(430)	(33)	-	-	-	-	-	-	-	-	-	-	(463)
<i>Other expenses</i>	(1,190)	(46)	-	-	-	-	-	54	78	-	77	-	(1,027)
Operating expenses	(3,429)	(206)	-	-	-	-	-	125	78	-	77	-	(3,355)
Core earnings	4,658	284	4	(84)	(4)	(11)	(7)	125	78	(168)	77	-	4,952
Impairment charges	(1,557)	(54)	-	-	-	-	-	-	-	-	-	-	(1,611)
Operating profit before tax	3,101	230	4	(84)	(4)	(11)	(7)	125	78	(168)	77	-	3,341
Income tax expense	(885)	(67)	(4)	(22)	-	3	2	(35)	(24)	50	(23)	-	(1,005)
Net profit	2,216	163	-	(106)	(4)	(8)	(5)	90	54	(118)	54	-	2,336
Net profit attributable to minority interests	(41)	-	-	-	-	-	-	-	-	-	-	-	(41)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	2,175	163	-	(106)	(4)	(8)	(5)	90	54	(118)	54	-	2,295
St. George cash earnings prior to merger	163	(163)	-	-	-	-	-	-	-	-	-	-	-
WBC cash earnings adjustments:													
TPS revaluations	(106)	-	-	106	-	-	-	-	-	-	-	-	-
Treasury shares	(4)	-	-	-	4	-	-	-	-	-	-	-	-
Unrealised NZ retail earnings hedges	(8)	-	-	-	-	8	-	-	-	-	-	-	-
Ineffective hedges	(5)	-	-	-	-	-	5	-	-	-	-	-	-
Merger transaction and integration expenses	90	-	-	-	-	-	-	(90)	-	-	-	-	-
Amortisation of intangible assets	54	-	-	-	-	-	-	-	(54)	-	-	-	-
Short-term wholesale funding and deposits	(118)	-	-	-	-	-	-	-	-	118	-	-	-
One-off expenses	54	-	-	-	-	-	-	-	-	-	(54)	-	-
Pro forma cash earnings	2,295	-	-	-	-	-	-	-	-	-	-	-	2,295

11.2 Full Year Segment Result – Pro Forma Cash Earnings Basis

Twelve months to 30 September 2009 - Pro forma		Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	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 minority interests									
Preference dividends									
Pro forma cash earnings									
<hr/>									
Twelve months to 30 September 2008 - Pro forma		Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
\$m									
Net interest income		4,287	2,299	1,375	219	970	117	385	9,652
Non-interest income		1,356	650	1,186	1,387	355	106	166	5,206
Net operating income		5,643	2,949	2,561	1,606	1,325	223	551	14,858
Operating expenses		(2,787)	(1,153)	(976)	(847)	(599)	(67)	(11)	(6,440)
Impairment charges		(352)	(223)	(389)	(6)	(143)	(16)	(76)	(1,205)
Profit from ordinary activities before income tax expense		2,504	1,573	1,196	753	583	140	464	7,213
Tax expense		(752)	(472)	(343)	(213)	(185)	(41)	(55)	(2,061)
Net profit		1,752	1,101	853	540	398	99	409	5,152
Net profit attributable to minority interests		-	-	-	(4)	(3)	(6)	(61)	(74)
Preference dividends		-	-	-	-	-	-	(31)	(31)
Pro forma cash earnings		1,752	1,101	853	536	395	93	317	5,047

11.2 Half Year Segment Result – Pro Forma Cash Earnings Basis

Six months to 30 September 2009	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	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 minority interests								
Preference dividends								
Pro forma cash earnings								

Six months to 31 March 2009 - Pro forma	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
\$m								
Net interest income	2,410	1,266	905	123	516	73	385	5,678
Non-interest income	706	348	743	623	178	79	(48)	2,629
Net operating income	3,116	1,614	1,648	746	694	152	337	8,307
Operating expenses	(1,478)	(595)	(507)	(427)	(303)	(45)	-	(3,355)
Impairment charges	(224)	(198)	(907)	(5)	(153)	(4)	(120)	(1,611)
Profit from ordinary activities before income tax expense	1,414	821	234	314	238	103	217	3,341
Tax expense	(424)	(248)	(76)	(97)	(68)	(30)	(62)	(1,005)
Net profit	990	573	158	217	170	73	155	2,336
Net profit attributable to minority interests	-	-	-	(2)	(2)	(4)	(33)	(41)
Preference dividends	-	-	-	-	-	-	-	-
Pro forma cash earnings	990	573	158	215	168	69	122	2,295

11.3 Group Businesses – Pro Forma Full Year Earnings Reconciliation (continued)

Twelve months to 30 September 2009	WBC Reported Results	Cash earnings adjustments									Pro Forma Cash Earnings
		St.George GB Cash Earnings prior to merger	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Short-term wholesale funding and deposits	One-off expenses	
\$m											
Net interest income											
Non-interest income											
Net operating income											
Operating expenses											
Core earnings											
Impairment charges											
Operating profit before tax											
Income tax expense											
Net profit											
Net profit attributable to minority interests											
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC											
St.George GB cash earnings prior to merger											
TPS revaluations											
Treasury shares											
Unrealised NZ retail earnings hedges											
Ineffective hedges											
Merger transaction and integration expenses											
Short-term wholesale funding and deposits											
One-off expenses											
Cash earnings											

11.3 Group Businesses – Pro Forma Full Year Earnings Reconciliation (continued)

Twelve months to 30 September 2008	WBC Reported Results	Cash earnings adjustments										Pro Forma Cash Earnings	
		St.George GB Cash Earnings prior to merger	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Gain from BTIM IPO	Gain from Visa IPO	Merger T&I	One-off Expenses		
\$m													
Net interest income	489	(105)	-	-	-	-	1	-	-	-	-	-	385
Non-interest income	360	110	198	(45)	(29)	6	(3)	(136)	(295)	-	-	-	166
Net operating income	849	5	198	(45)	(29)	6	(2)	(136)	(295)	-	-	-	551
Operating expenses	(455)	50	-	-	-	-	-	58	-	13	323	-	(11)
Core earnings	394	55	198	(45)	(29)	6	(2)	(78)	(295)	13	323	-	540
Impairment charges	(75)	(1)	-	-	-	-	-	-	-	-	-	-	(76)
Operating profit before tax	319	54	198	(45)	(29)	6	(2)	(78)	(295)	13	323	-	464
Tax and minority interest	105	3	(198)	(12)	4	(2)	1	(8)	90	(2)	(97)	-	(116)
Preference dividends	-	(31)	-	-	-	-	-	-	-	-	-	-	(31)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	424	26	-	(57)	(25)	4	(1)	(86)	(205)	11	226	-	317
St.George GB cash earnings prior to merger	26	(26)	-	-	-	-	-	-	-	-	-	-	-
TPS revaluations	(57)	-	-	57	-	-	-	-	-	-	-	-	-
Treasury shares	(25)	-	-	-	25	-	-	-	-	-	-	-	-
Unrealised NZ retail earnings hedges	4	-	-	-	-	(4)	-	-	-	-	-	-	-
Ineffective hedges	(1)	-	-	-	-	-	1	-	-	-	-	-	-
Gain from BTIM IPO	(86)	-	-	-	-	-	-	86	-	-	-	-	-
Gain from Visa IPO	(205)	-	-	-	-	-	-	-	205	-	-	-	-
Merger transaction and integration expenses	11	-	-	-	-	-	-	-	-	(11)	-	-	-
One-off expenses	226	-	-	-	-	-	-	-	-	-	(226)	-	-
Pro forma cash earnings	317	-	-	-	-	-	-	-	-	-	-	-	317

11.3 Group Businesses - Pro Forma Half Year Earnings Reconciliation (continued)

Six months to 30 September 2009	WBC Reported Results	Cash earnings adjustments							Pro Forma Cash Earnings	
		Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Short-term wholesale funding and deposits		One-off expenses
\$m										
Net interest income										
Non-interest income										
Net operating income										
Operating expenses										
Core earnings										
Impairment charges										
Operating profit before tax										
Income tax expense										
Net profit										
Net profit attributable to minority interests										
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC										
TPS revaluations										
Treasury shares										
Unrealised NZ retail earnings hedges										
Ineffective hedges										
Merger transaction and integration expenses										
Short-term wholesale funding and deposits ⁴										
One-off expenses										
Cash earnings										

11.3 Group Businesses - Pro Forma Half Year Earnings Reconciliation (continued)

Six months to 31 March 2009	WBC Reported Results	Cash earnings adjustments									Pro Forma Cash Earnings	
		St.George GB Cash Earnings prior to merger	Policyholder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Short-term wholesale funding and deposits	One-off expenses		
\$m												
Net interest income	588	(35)	-	-	-	-	-	-	-	(168)	-	385
Non-interest income	12	42	4	(84)	(4)	(11)	(7)	-	-	-	-	(48)
Net operating income	600	7	4	(84)	(4)	(11)	(7)	-	-	(168)	-	337
Operating expenses	(213)	11	-	-	-	-	-	125	-	-	77	-
Core earnings	387	18	4	(84)	(4)	(11)	(7)	125	(168)	77	-	337
Impairment charges	(123)	3	-	-	-	-	-	-	-	-	-	(120)
Operating profit before tax	264	21	4	(84)	(4)	(11)	(7)	125	(168)	77	-	217
Income tax expense	(31)	(2)	(4)	(22)	-	3	2	(35)	50	(23)	-	(62)
Net profit	233	19	-	(106)	(4)	(8)	(5)	90	(118)	54	-	155
Net profit attributable to minority interests	(33)	-	-	-	-	-	-	-	-	-	-	(33)
NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF WBC	200	19	-	(106)	(4)	(8)	(5)	90	(118)	54	-	122
St.George GB cash earnings prior to merger	19	(19)	-	-	-	-	-	-	-	-	-	-
TPS revaluations	(106)	-	-	106	-	-	-	-	-	-	-	-
Treasury shares	(4)	-	-	-	4	-	-	-	-	-	-	-
Unrealised NZ retail earnings hedges	(8)	-	-	-	-	8	-	-	-	-	-	-
Ineffective hedges	(5)	-	-	-	-	-	5	-	-	-	-	-
Merger transaction and integration expenses	90	-	-	-	-	-	-	(90)	-	-	-	-
Short-term wholesale funding and deposits	(118)	-	-	-	-	-	-	-	118	-	-	-
One-off expenses	54	-	-	-	-	-	-	-	-	(54)	-	-
Cash earnings	122	-	-	-	-	-	-	-	-	-	-	122

11.4 Reconciliation of 2008 Income Statement to Pro Forma Income Statement

Twelve months to 30 September 2008	Cash earnings adjustments							St.George Pro forma Cash Earnings	Westpac Previously Reported Cash Earnings	Westpac accounting reclassifications	Westpac Cash Earnings	Combined Westpac & St.George Pro forma Cash Earnings
	St.George Previously Reported Statutory Income Statement	St.George accounting reclassifications	Hedging and non-trading derivatives	Gain from Visa Inc. shareholding	Restructure costs	Depository capital securities	Merger related costs					
\$m												
Net interest income	2,473	(95)	51	-	-	-	-	2,429	7,223	-	7,223	9,652
Non-interest income	1,132	72	-	(77)	-	-	-	1,127	3,894	185	4,079	5,206
Total operating income	3,605	(23)	51	(77)	-	-	-	3,556	11,117	185	11,302	14,858
Operating expenses	(1,453)	7	-	-	43	-	24	(1,379)	(4,876)	(185)	(5,061)	(6,440)
Impairment charges	(291)	17	-	-	-	-	-	(274)	(931)	-	(931)	(1,205)
Share of profit in equity accounted associates	1	(1)	-	-	-	-	-	-	-	-	-	-
Profit before income tax	1,862	-	51	(77)	43	-	24	1,903	5,310	-	5,310	7,213
Income tax expense	(656)	-	(14)	23	(13)	117	(7)	(550)	(1,511)	-	(1,511)	(2,061)
Net profit after tax	1,206	-	37	(54)	30	117	17	1,353	3,799	-	3,799	5,152
Net profit attributable to minority interests	(1)	-	-	-	-	-	-	(1)	(73)	-	(73)	(74)
Preference dividends	(31)	-	-	-	-	-	-	(31)	-	-	-	(31)
Net profit/cash earnings	1,174	-	37	(54)	30	117	17	1,321	3,726	-	3,726	5,047

11.5 Reconciliation of 2008 Balance Sheet to Pro Forma Balance Sheet

As at 30 September 2008	St.George Previously Reported Balance Sheet	St.George Accounting Reclassifications	St.George Pro forma Balance Sheet	Westpac Previously Reported Balance Sheet	Westpac Accounting Reclassifications	Combined Westpac & St.George Pro forma Balance Sheet
\$m						
Assets						
Cash	2,672	(2,450)	222	4,809	-	5,031
Due from other financial institutions	305	10,312	10,617	21,345	-	31,962
Trading assets, financial assets and available-for-sale securities	18,415	(8,223)	10,192	43,694	-	53,886
Derivative financial instruments	3,389	1	3,390	34,810	-	38,200
Loans	119,984	(15)	119,969	313,545	-	433,514
Life insurance assets	-	-	-	12,547	-	12,547
Other assets	2,615	433	3,048	8,798	128	11,974
Total assets	147,380	58	147,438	439,548	128	587,114
Liabilities						
Due to other financial institutions	1,786	(41)	1,745	15,861	-	17,606
Deposits	83,954	(398)	83,556	233,730	-	317,286
Trading liabilities and other financial liabilities	5,128	50	5,178	16,689	-	21,867
Derivative financial instruments	2,291	-	2,291	24,970	-	27,261
Debt issues	42,849	(50)	42,799	100,369	-	143,168
Life insurance liabilities	-	-	-	11,953	-	11,953
Loan capital	3,245	-	3,245	8,718	-	11,963
Other liabilities	1,124	497	1,621	7,486	429	9,536
Total liabilities	140,377	58	140,435	419,776	429	560,640
Equity						
Equity attributable to equity holders of WBC / SGB	6,996	-	6,996	17,848	(301)	24,543
Minority interests	7	-	7	1,924	-	1,931
Total equity	7,003	-	7,003	19,772	(301)	26,474

11.6 Reconciliation of 2008 Average Balance Sheet to Pro Forma Average Balance Sheets

Twelve months to 30 September 2008	St.George Previously Reported Average Balance Sheet	Accounting Reclassifications and Averaging impacts	St.George Pro Forma Average Balance Sheet	Westpac Average Balance Sheet	Combined Westpac & St.George Pro Forma Average Balance Sheet
\$m					
Assets					
Interest earning assets					
Due from other financial institutions	1,329	6,556	7,885	26,976	34,861
Trading securities	-	8,138	8,138	25,344	33,482
Available-for-sale securities	-	802	802	2,372	3,174
Other financial assets at fair value	13,728	(13,728)	-	1,217	1,217
Regulatory deposits	-	-	-	1,076	1,076
Loans and other receivables	114,338	(2,203)	112,135	294,672	406,807
Total interest earning assets	129,395	(435)	128,960	351,657	480,617
Non-interest earning assets					
Cash due from other financial institutions and regulatory deposits	-	228	228	734	962
Life insurance assets	-	-	-	14,060	14,060
All other assets	5,925	145	6,070	35,017	41,087
Total non-interest earning assets	5,925	373	6,298	49,811	56,109
Total assets	135,320	(62)	135,258	401,468	536,726
Liabilities					
Interest bearing liabilities					
Deposits	67,983	5,370	73,353	213,873	287,226
Due to other financial institutions	1,234	(410)	824	9,882	10,706
Loan capital	2,093	653	2,746	7,530	10,276
Other interest bearing liabilities	53,114	(7,174)	45,940	103,580	149,520
Total interest bearing liabilities	124,424	(1,561)	122,863	334,865	457,728
Non-interest bearing liabilities					
Deposits and due to other financial institutions	-	1,353	1,353	9,317	10,670
Life insurance policy liabilities	-	-	-	13,173	13,173
All other liabilities	4,249	122	4,371	25,496	29,867
Total non-interest bearing liabilities	4,249	1,475	5,724	47,986	53,710
Total liabilities	128,673	(86)	128,587	382,851	511,438
Shareholder's equity	6,647	18	6,665	16,699	23,364
Outside equity interests	-	6	6	1,918	1,924
Total equity	6,647	24	6,671	18,617	25,288
Total liabilities and equity	135,320	(62)	135,258	401,468	536,726

12. Economic Profit

Twelve months to 30 September 2009	Group	Westpac Retail & Business Banking	St.George Bank (Pro forma)	Westpac Institutional Bank (Pro forma)	BT Financial Group (Australia) (Pro forma)	New Zealand	Pacific Banking
\$m							
Cash earnings							
Franking benefit							
Adjusted cash earnings	-	-	-	-	-	-	-
Average ordinary equity							
Equity charge							
Economic profit	-	-	-	-	-	-	-

Twelve months to 30 September 2008	Group (Pro forma)	Westpac Retail & Business Banking	St.George Bank (Pro forma)	Westpac Institutional Bank (Pro forma)	BT Financial Group (Australia) (Pro forma)	New Zealand	Pacific Banking
\$m							
Cash earnings	3,726	1,752	1,101	853	536	395	93
Franking benefit	806	524	349	188	152	-	-
Adjusted cash earnings	4,532	2,276	1,450	1,041	688	395	93
Average ordinary equity	16,699	5,700	4,637	5,874	2,721	2,153	187
Equity charge	(1,753)	(599)	(510)	(619)	(290)	(228)	(20)
Economic profit	2,779	1,677	940	422	398	167	73

Six months to 30 September 2009	Group	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking
\$m							
Cash earnings							
Franking benefit							
Adjusted cash earnings	-	-	-	-	-	-	-
Average ordinary equity							
Equity charge							
Economic profit	-	-	-	-	-	-	-

Six months to 31 March 2009	Group	Westpac Retail & Business Banking	St.George Bank (Pro forma)	Westpac Institutional Bank (Pro forma)	BT Financial Group (Australia) (Pro forma)	New Zealand	Pacific Banking
\$m							
Cash earnings	2,295	990	573	158	215	168	69
Franking benefit	489	297	174	(14)	69	-	-
Adjusted cash earnings	2,784	1,287	747	144	284	168	69
Average ordinary equity	32,173	5,844	4,978	6,872	2,804	2,248	231
Equity charge	(1,765)	(321)	(273)	(377)	(154)	(123)	(13)
Economic profit	1,019	966	474	(233)	130	45	56