

2.1 Reported Results

\$m	Half Year	Half Year	Half Year	%Mov't	%Mov't
	March 10	Sept 09	March 09	Sept 09- Mar 10	Mar 09- Mar 10
Net interest income		6,088	5,558		
Non-interest income		2,330	2,529		
Net operating income		8,418	8,087		
Operating expenses		(3,742)	(3,429)		
<b>Core earnings</b>		4,676	4,658		
Impairment charges		(1,681)	(1,557)		
<b>Profit from ordinary activities before income tax</b>		2,995	3,101		
Income tax expense		(1,694)	(885)		
<b>Net profit</b>		1,301	2,216		
Net profit attributable to non-controlling interests		(30)	(41)		
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION</b>		1,271	2,175		
St.George Cash Earnings prior to merger		-	163		
<b>Westpac Banking Corporation Group Cash Earnings adjustments (post-tax):</b>					
<b>Non-merger related Cash Earnings adjustments:</b>					
TPS revaluations		101	(106)		
Treasury shares		36	(4)		
Ineffective hedges		9	(5)		
FV gain/(loss) on economic hedges		1	(8)		
Significant items		31	54		
NZ structured finance transactions		703	-		
<b>Total non-merger related Cash Earnings adjustments</b>		881	(69)		
<b>St.George merger related Cash Earnings adjustments:</b>					
Merger transaction and integration expenses		144	90		
Amortisation of intangible assets		74	54		
Short-term w wholesale funding and deposits		(38)	(118)		
<b>Total St.George merger related Cash Earnings adjustments</b>		180	26		
<b>Total Westpac Banking Corporation Group Cash Earnings adjustments</b>		1,061	(43)		
<b>Cash Earnings</b>		2,332	2,295		

## 2.2 Reported Balance Sheet

### 2.2.1 Balance Sheet

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Assets</b>					
Cash		3,272	3,866		
Receivables due from other financial institutions		9,974	12,796		
Trading securities, financial assets and available-for-sale securities		47,807	47,172		
Derivative financial instruments		33,187	50,877		
Loans		463,459	448,872		
Life insurance assets		12,384	10,635		
Other assets		19,504	20,012		
<b>Total assets</b>		<b>589,587</b>	<b>594,230</b>		
<b>Liabilities</b>					
Payables due to other financial institutions		9,235	11,842		
Deposits		329,456	322,233		
Trading liabilities and other financial liabilities designated at fair value		10,848	14,405		
Derivative financial instruments		36,478	50,216		
Debt issues		133,024	125,109		
Life insurance liabilities		11,737	10,039		
Loan capital		11,138	12,271		
Other liabilities		11,100	11,627		
<b>Total liabilities</b>		<b>553,016</b>	<b>557,742</b>		
<b>Equity</b>					
Total equity attributable to owners of Westpac Banking Corporation		34,637	34,556		
Non-controlling interests		1,934	1,932		
<b>Total equity</b>		<b>36,571</b>	<b>36,488</b>		

## 2.3 Key Financial Data

### 2.3.1 Key Financial Data – Earnings

	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Shareholder value</b>					
Earnings per ordinary share (cents)		43.5	84.3		
Weighted average ordinary shares (millions)		2,914	2,579		
Fully franked dividends per ordinary share (cents)		60	56		
Net tangible assets per ordinary share (\$)		7.89	7.92		
<b>Productivity and efficiency</b>					
Expense to income ratio		44.5%	42.4%		
<b>Business performance</b>					
Interest spread		2.20%	2.17%		
Interest margin		2.41%	2.35%		
Average interest earning assets (\$m)		505,164	476,095		

### 2.3.2 Key Financial Data – Profitability and Capital Adequacy

	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Return on average ordinary equity		7.3%	14.9%		
Average ordinary equity (\$m)		34,796	29,205		
Average total equity (\$m)		36,713	31,118		
Total committed exposures (TCE) (\$m)		663,167	657,303		
Tier 1 capital ratio		8.1%	8.4%		
Total regulatory capital ratio		10.8%	11.4%		
Risk weighted assets (\$m)		288,739	280,029		

### 2.3.3 Key Financial Data – Asset Quality

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Net impaired assets to equity and collectively assessed provisions		5.7%	4.3%		
Total impaired assets to gross loans		0.8%	0.7%		
Total impaired assets to equity and total provisions		9.1%	8.1%		
Total impairment provisions to total impaired assets		39.3%	48.4%		
Total stressed exposures as a % of total committed exposures		3.1%	2.1%		
Total provisions to gross loans		101bps	99bps		
Collectively assessed provisions to performing non-housing loans		182bps	152bps		
Collectively assessed provisions to risk weighted assets		121bps	110bps		
Collectively assessed provisions to credit risk weighted assets		142bps	125bps		
Total provisions to risk weighted assets		164bps	160bps		

### 3.1 Cash Earnings Results

Analysis of Cash Earnings by key line item			Pro forma	%Mov't	%Mov't
	Half Year March 10	Half Year Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>\$m</b>					
Net interest income		6,043	5,678		
Non-interest income		2,405	2,629		
Net operating income		8,448	8,307		
Operating expenses		(3,385)	(3,355)		
<b>Core earnings</b>		5,063	4,952		
Impairment charges		(1,681)	(1,611)		
<b>Operating profit before income tax</b>		3,382	3,341		
Income tax expense		(1,020)	(1,005)		
<b>Net profit</b>		2,362	2,336		
Net profit attributable to non-controlling interests		(30)	(41)		
<b>Cash Earnings</b>		2,332	2,295		
<i>Effective tax rate</i>		30.2%	30.1%		

### 3.2 Key Financial Data

#### 3.2.1 Key Financial Data – Shareholder Value

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Cash Earnings per ordinary share (cents)		79.7	82.4		
Economic profit (\$m)		1,075	1,019		
Weighted average ordinary shares (millions) - Cash Earnings		2,926	2,786		
Dividend payout ratio - Cash Earnings		75.7%	71.0%		

#### 3.2.2 Key Financial Data – Productivity and Efficiency and Business Performance

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Productivity and efficiency</b>					
Expense to income ratio - Cash Earnings		40.1%	40.4%		
Total banking expense to income ratio - Cash Earnings		38.5%	38.5%		
Reported full-time equivalent employees (FTE)		36,199	36,733		
<b>Business performance</b>					
Interest spread		2.18%	2.05%		
Interest margin		2.39%	2.24%		
Average interest earning assets (\$m)		505,164	511,122		

#### 3.2.3 Key Financial Data – Profitability

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Cash Earnings to average ordinary equity		13.4%	14.3%		
Cash Earnings to average tangible ordinary equity		19.5%	21.7%		
Average ordinary equity (\$m)		34,796	32,173		
Average tangible ordinary equity (\$m)		23,903	21,226		

#### 3.2.4 Key Financial Data – Impairment Charges

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Impairment charges to average loans annualised		73bps	73bps		
Annualised write-offs to average loans		66bps	17bps		

### 3.3 Market Share and System Multiple Metrics

#### 3.3.1 Market Share

<b>Australia - Market Share</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
<b>Banking System (APRA)</b>			
Housing credit		26%	25%
Cards		26%	26%
Household deposits		23%	23%
Business deposits		21%	20%
<b>Financial System (RBA)</b>			
Housing credit		23%	22%
Business credit		18%	17%
Retail deposits		21%	21%
<b>New Zealand - Market Share</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer lending		19%	19%
Deposits		19%	19%
<b>Australian Wealth Management - Market Share by product</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Platforms (includes Wrap)		20%	20%
Retail (excludes Cash)		19%	18%
Corporate Super		10%	10%
Funds Management - BTIM		4%	4%
Wholesale - BTIM		3%	3%
<b>Australian Life Insurance - Market Share by product</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Life Insurance - inflow s		7%	7%
Life Insurance - new business		7%	7%

3.3.2 System Multiples

<b>Australia - System Multiples</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
<b>Banking System (APRA)</b>			
Housing credit		1.6	1.4
Cards		-	0.5
Household deposits		1.2	1.1
Business deposits		2.0	0.8
<b>Financial System (RBA)</b>			
Housing credit		2.3	2.0
Business credit		n/a	n/a
Retail deposits		2.0	1.6
<b>New Zealand - System Multiples</b>			
<b>Consumer lending</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer lending		1.1	1.0
Deposits		5.0	0.8

### 3.4 Product Spread Metrics

<b>Australia - Major Product Spreads</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Mortgages		0.87	0.91
Business lending		1.52	1.60
Cards		7.51	6.82
Institutional lending (Global financing)		0.92	0.73
Retail deposits		1.70	1.70
<b>New Zealand - Major Product Spreads</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer lending		1.80	1.55
Business lending		1.82	1.70
Deposits		0.86	1.46



#### 4.1 Cash Earnings Summary

Analysis of Cash Earnings by key line item	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>\$m</b>					
Net interest income		6,043	5,678		
Non-interest income		2,405	2,629		
Net operating income		8,448	8,307		
Operating expenses		(3,385)	(3,355)		
<b>Core earnings</b>		5,063	4,952		
Impairment charges		(1,681)	(1,611)		
<b>Operating profit before income tax</b>		3,382	3,341		
Income tax expense		(1,020)	(1,005)		
<b>Net profit</b>		2,362	2,336		
Net profit attributable to non-controlling interests		(30)	(41)		
<b>Cash Earnings</b>		2,332	2,295		
<i>Effective tax rate</i>		30.2%	30.1%		

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

	Half Year March 10 vs Pro forma Half Year March 09			Half Year March 10 vs Half Year Sept 09		
	Cash earnings growth	FX impact \$m	Grow th ex-FX	Cash earnings growth	FX impact \$m	Grow th ex-FX
Net interest income						
Non-interest income						
Net operating income						
Operating expenses						
<b>Core earnings</b>						
Impairment charges						
<b>Operating profit before tax</b>						
Income tax expense						
<b>Net Profit</b>						
Net profit attributable to non-controlling interests						
<b>Cash Earnings</b>						

## 4.2 Review of Earnings

### 4.2.1 Net Interest Income

#### Loans

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Australia</b>		412,247	395,939		
Housing		257,601	234,408		
Personal (loans and cards)		15,215	15,094		
Business		138,179	145,973		
Margin lending		3,900	4,074		
Other (including provisions)		(2,648)	(3,610)		
<b>New Zealand (NZ \$)</b>		55,588	55,828		
Housing		32,363	31,898		
Personal (loans and cards)		1,548	1,522		
Business		22,098	22,720		
Other (including provisions)		(421)	(312)		
<b>Other overseas</b>		5,633	6,710		
<b>Total loans</b>		<b>463,459</b>	<b>448,872</b>		

#### Deposits

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Australia</b>		281,463	272,673		
At Call		141,321	130,986		
Term		80,887	82,323		
Certificates of deposit		48,796	50,124		
Non-interest bearing		10,459	9,240		
<b>New Zealand (NZ \$)</b>		36,412	36,796		
At Call		12,963	14,988		
Term		17,571	15,397		
Certificates of deposit		3,468	4,069		
Non-interest bearing		2,410	2,342		
<b>Other overseas</b>		18,137	19,095		
<b>Total deposits</b>		<b>329,456</b>	<b>322,233</b>		

#### Customer v Treasury Deposits

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Total Customer deposits</b>		267,293	256,808		
Australia		232,667	222,550		
New Zealand (\$A)		27,012	27,096		
Other		7,614	7,162		
<b>Treasury deposits</b>		62,163	65,425		
<b>Total</b>		<b>329,456</b>	<b>322,233</b>		

Margins

\$m	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
Net interest income		6,043	5,678		
Tax equivalent gross-up		22	23		
Adjusted net interest income		6,065	5,701		
Average interest earning assets		505,164	511,122		
Interest margin		2.39%	2.24%		

4.2.2 Non-Interest Income

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
Fees and commissions		1,281	1,434		
Wealth management and insurance income		766	661		
Trading income		289	725		
Other income		69	(191)		
<b>Non-interest income</b>		<b>2,405</b>	<b>2,629</b>		

*Wealth management and insurance income*

	As at	As at	As at	%Mov't	%Mov't
\$bn	31 March	30 Sept	31 March	Sept 09-	Mar 09-
	2010	2009	2009	Mar 10	Mar 10
<b>FUM</b>					
BT		31.7	27.2		
Advance Asset Management		2.2	2.0		
Westpac Institutional Bank		8.9	7.9		
New Zealand		1.7	1.7		
<b>Group FUM</b>		<b>44.5</b>	<b>38.8</b>		
<b>Average FUM for the Group</b>		<b>42.2</b>	<b>39.8</b>		
<b>FUA</b>					
BT		45.3	35.7		
Asgard		31.4	26.3		
New Zealand		0.7	0.6		
<b>Group FUA</b>		<b>77.4</b>	<b>62.6</b>		
<b>Average FUA for the Group</b>		<b>69.9</b>	<b>63.3</b>		

WIB Markets

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
Net interest income		84	102		
Non-interest income		283	611		
<i>Trading income</i>		201	608		
<i>Other non-interest income</i>		82	3		
<b>Total WIB Markets income</b>		<b>367</b>	<b>713</b>		

4.2.3 Operating Expenses

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
Salaries and other staff expenses		(1,879)	(1,865)		
Equipment and occupancy expenses		(496)	(463)		
Other expenses		(1,010)	(1,027)		
<b>Total expenses</b>		<b>(3,385)</b>	<b>(3,355)</b>		

Full Time Equivalent Employees (FTE)

Analysis of movement in FTE	As at	As at	As at	% Mov't	% Mov't
	31 March	30 Sept	31 March	Sept 09-	Mar 09-
	2010	2009	2009	Mar 10	Mar 10
Permanent employees		34,189	34,846		
Temporary employees		2,843	2,411		
Total employees		37,032	37,257		
Integration employees		833	524		
<b>Reported FTE</b>		<b>36,199</b>	<b>36,733</b>		

4.2.4 Impairment Charges

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
New IAPs		(1,084)	(1,030)		
Write-backs		70	36		
Recoveries		31	18		
Total IAP, write-backs and recoveries		(983)	(976)		
Write-offs		(371)	(281)		
Other changes in CAPs		(327)	(354)		
Total new CAPs		(698)	(635)		
<b>Total impairment charges</b>		<b>(1,681)</b>	<b>(1,611)</b>		

### 4.3 Credit Quality

#### 4.3.1 Credit Quality Key Metrics

<b>Stressed Exposures by Credit Grade as a % of Total Committed Exposures</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Impaired		0.57%	0.50%
90 days past due, well secured		0.29%	0.29%
Watchlist and substandard		2.23%	1.27%
<b>Total Stressed Exposures</b>		<b>3.09%</b>	<b>2.06%</b>
<b>Business and Institutional Impairments</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Business impaired assets to divisional business total committed exposures:			
Business Australia		1.50%	0.88%
Business New Zealand		1.44%	0.96%
Institutional		0.64%	0.71%
<b>Other Consumer Loans</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
90 days past due:			
Group		1.04%	1.25%
Australia		0.99%	1.19%
New Zealand		1.56%	1.91%
<b>Mortgage Loans</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
90 days past due:			
Group		0.37%	0.51%
Australia		0.32%	0.46%
New Zealand		0.75%	0.82%
<b>Other</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Total impaired assets to gross loans		0.81%	0.73%
Total impairment provisions to total impaired assets		39.3%	48.4%
Total provisions to gross loans		101bps	99bps
Collectively assessed provisions to performing non-housing loans		182bps	152bps
Collectively assessed provisions to risk weighted assets		121bps	110bps
Collectively assessed provisions to credit risk weighted assets		142bps	125bps
Total provisions to risk weighted assets		164bps	160bps
<b>Other</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Pro forma Half Year March 09</b>
Impairment charges to average loans annualised		73bps	73bps
Annualised write-offs to average loans		66bps	17bps

#### 4.4 Balance Sheet and Funding

##### 4.4.1 Balance Sheet

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Assets</b>					
Cash		3,272	3,866		
Receivables due from other financial institutions		9,974	12,796		
Trading securities, financial assets and available-for-sale securities		47,807	47,172		
Derivative financial instruments		33,187	50,877		
Loans		463,459	448,872		
Life insurance assets		12,384	10,635		
Other assets		19,504	20,012		
<b>Total assets</b>		<b>589,587</b>	<b>594,230</b>		
<b>Liabilities</b>					
Payables due to other financial institutions		9,235	11,842		
Deposits		329,456	322,233		
Trading liabilities and other financial liabilities designated at fair value		10,848	14,405		
Derivative financial instruments		36,478	50,216		
Debt issues		133,024	125,109		
Life insurance liabilities		11,737	10,039		
Loan capital		11,138	12,271		
Other liabilities		11,100	11,627		
<b>Total liabilities</b>		<b>553,016</b>	<b>557,742</b>		
<b>Equity</b>					
Total equity attributable to owners of Westpac Banking Corporation		34,637	34,556		
Non-controlling interests		1,934	1,932		
<b>Total equity</b>		<b>36,571</b>	<b>36,488</b>		

4.4.2 Funding

Funding View of the Balance Sheet

\$m	As at 31 March 2010					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
Total assets						
Total liabilities						
Total equity						
<b>Total</b>						
Net customer loans						

\$m	As at 30 Sept 2009					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
Total assets	78,607	-	-	441,024	69,956	589,587
Total liabilities	(4,951)	(267,293)	(211,284)	-	(69,488)	(553,016)
Total equity	-	-	(1,934)	(35,074)	437	(36,571)
<b>Total</b>	73,656	(267,293)	(213,218)	405,950	905	-
Net customer loans	40,138	-	-	423,321	-	463,459

\$m	As at 31 March 2009					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
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)	(34,646)	90	(36,488)
<b>Total</b>	62,228	(256,808)	(210,575)	399,161	5,994	-
Net customer loans	33,328	-	-	415,544	-	448,872

Deposits to Net Loans Ratio

	As at 31 March 2010		As at 30 Sept 2009		As at 31 March 2009	
	\$m	%	\$m	%	\$m	%
Customer deposits			267,293		256,808	
Net customer loans			463,459	58%	448,872	57%

Funding by Residual Maturity

	As at 31 March 2010		As at 30 Sept 2009		As at 31 March 2009	
	\$m	Funding Ratio %	\$m	Funding Ratio %	\$m	Funding Ratio %
<b>Customer deposits</b>			267,293	52	256,808	51
<b>Wholesale funding - residual maturity</b>						
Securitisation			14,141	3	19,164	4
Greater than 12 months			81,819	16	74,776	15
<b>Equity</b>			35,074	7	34,646	7
<b>Stable Funding Ratio (SFR)</b>			398,327	78	385,394	77
6 to 12 months			18,291	3	15,897	3
Less than 6 months			98,967	19	100,738	20
<b>Short term wholesale funding</b>			117,258	22	116,635	23
<b>Total net funding</b>			515,585	100	502,029	100



## 4.5 Capital and Dividends

### Risk Weighted Assets

	Loans (per Section 6)			Basel II (Advanced / Standardised) RWA		
	As at 31 March 2010	As at 30 Sept 2009	% Mov't Sept 09- Mar 10	As at 31 March 2010	As at 30 Sept 2009	% Mov't Sept 09- Mar 10
<b>\$m</b>						
<b>Business purposes</b>						
On-balance sheet		164,713			125,225	
Off-balance sheet		-			37,455	
<b>Total business purposes</b>		164,713			162,680	
<b>Consumer purposes</b>						
On-balance sheet		303,130			78,509	
Off-balance sheet		-			5,490	
<b>Total consumer purposes</b>		303,130			83,999	
Provision for impairment		(4,384)			-	
<b>Total credit risk</b>		463,459			246,679	
(% of total RWA)					85%	
<i>Total on-balance sheet credit risk</i>					203,734	
<i>Total off-balance sheet credit risk</i>					42,945	
Equity risk					1,331	
Market risk					6,838	
Operational risk					21,725	
IRRBB					9,624	
Other assets					2,542	
<b>Total non-credit</b>					42,060	
(% of total RWA)					15%	
		463,459			288,739	

### Dividends

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009
<b>Ordinary dividend (cents per share)</b>			
Interim (fully franked) - determined dividend		-	56
Final (fully franked)		60	-
		60	56

Capital Deductions for Regulatory Expected Credit Losses

<b>\$m</b>	<b>As at 31 March 2010</b>	<b>As at 30 Sept 2009</b>	<b>As at 31 March 2009</b>
<b>Provisions associated with eligible portfolios</b>			
Total provisions for impairment charges (Section 6 Note 12)		4,734	4,483
plus general reserve for credit losses adjustment		-	-
less ineligible provisions		(1,643)	(1,368)
less certain deferred tax assets		(619)	(560)
<b>Total eligible provisions</b>		<b>2,472</b>	<b>2,555</b>
<b>Regulatory expected loss</b>		<b>3,231</b>	<b>3,331</b>
<b>Capital deduction for shortfall in provisions for Regulatory expected loss</b>		<b>(759)</b>	<b>(776)</b>
<b>Deducted from Capital as follows:</b>			
Tier 1 reduction		(379)	(388)
Tier 2 reduction		(379)	(388)

5.0 Divisional Results

<b>Cash Earnings</b>				<b>%Mov't</b>	<b>%Mov't</b>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
<b>\$m</b>	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
Westpac Retail & Business Banking		918	990		
St. George Bank		470	573		
Westpac Institutional Bank		203	158		
BT Financial Group (Australia)		278	215		
New Zealand		26	168		
Pacific Banking		33	69		
Group Businesses		404	122		
<b>Total Group Cash Earnings</b>		<b>2,332</b>	<b>2,295</b>		
<b>Less Wealth Management</b>					
Australia		247	113		
New Zealand		16	14		
<b>Total Wealth Management</b>		<b>263</b>	<b>127</b>		
<b>Total Banking Cash Earnings</b>		<b>2,069</b>	<b>2,168</b>		
<b>Expense to income ratio</b>				<b>Mov't</b>	<b>Mov't</b>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
Westpac Retail & Business Banking		47.2%	47.4%		
St. George Bank		36.2%	36.9%		
Westpac Institutional Bank		36.6%	30.8%		
BT Financial Group (Australia)		51.1%	57.2%		
New Zealand		46.7%	43.7%		
Pacific Banking		39.6%	29.6%		
Group Businesses		3.6%	-		
<b>Group ratio</b>		<b>40.1%</b>	<b>40.4%</b>		
<b>Wealth Management</b>					
Funds Management		69.1%	67.2%		
Insurance		24.2%	34.0%		
<b>Total Wealth Management ratio</b>		<b>54.1%</b>	<b>58.2%</b>		
<b>Banking ratio (Cash Earnings basis)</b>		<b>38.5%</b>	<b>38.5%</b>		

5.1 Westpac Retail and Business Banking

	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't	%Mov't
				Sept 09- Mar 10	Mar 09- Mar 10
<b>\$m</b>					
Net interest income		2,533	2,410		
Non-interest income		568	706		
Net operating income		3,101	3,116		
Operating expenses		(1,465)	(1,478)		
<b>Core earnings</b>		1,636	1,638		
Impairment charges		(327)	(224)		
<b>Operating profit before tax</b>		1,309	1,414		
Tax and non-controlling interests		(391)	(424)		
<b>Cash Earnings</b>		918	990		
Economic profit		861	966		
Expense to income ratio		47.2%	47.4%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		34.7	35.6		
Other		69.1	62.9		
<b>Total deposits</b>		103.8	98.5		
<b>Net loans</b>					
Mortgages		164.9	148.6		
Business		41.3	42.1		
Other		9.4	9.3		
<b>Total net loans</b>		215.6	200.0		
<b>Total assets</b>		219.6	203.9		

**5.1.1 Westpac RBB Key Metrics**

<b>Lending and Deposit Growth</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer lending		21%	15%
Business loans		(3)%	(1)%
Retail deposits		10%	27%
<b>Third Party Origination</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer lending (mortgages)		45%	43%
<b>Divisional Interest Margin</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Westpac RBB		2.32%	2.34%
<b>Credit Quality</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Mortgage delinquencies > 90 days		0.31%	0.45%
Other consumer loans delinquencies > 90 days		0.99%	1.05%
Business impaired assets to total committed exposure		0.79%	0.42%
<b>Net Promoter Score (NPS)</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Westpac - Consumer		(15)	(17)
Westpac - Business		(21)	(22)
Peer group - Consumer		(15)	(14)
Peer group - Business		(25)	(19)

5.2 St. George Bank

<b>\$m</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Pro forma Half Year March 09</b>	<b>%Mov't Sept 09- Mar 10</b>	<b>%Mov't Mar 09- Mar 10</b>
Net interest income		1,340	1,266		
Non-interest income		331	348		
Net operating income		1,671	1,614		
Operating expenses		(605)	(595)		
<b>Core earnings</b>		1,066	1,019		
Impairment charges		(396)	(198)		
<b>Operating profit before tax</b>		670	821		
Tax and non-controlling interests		(200)	(248)		
<b>Cash Earnings</b>		470	573		
Economic profit		319	474		
Expense to income ratio		36.2%	36.9%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		24.5	22.2		
Other		36.6	34.6		
<b>Total deposits</b>		61.1	56.8		
<b>Net loans</b>					
Mortgages		82.7	76.4		
Business		33.3	33.5		
Other		5.2	5.0		
<b>Total net loans</b>		121.2	114.9		
<b>Total assets</b>		127.6	118.3		

**5.2.1 St.George Bank Key Metrics**

<b>Lending and Deposit Growth</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Pro forma</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>
Consumer lending		16%	8%
Business lending		(1)%	10%
Deposits		15%	10%
<hr/>			
<b>Third Party Origination</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>
Consumer lending (mortgages)		50%	46%
<hr/>			
<b>Divisional Interest Margin</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Pro forma</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>
St.George Bank		2.07%	2.01%
<hr/>			
<b>Credit Quality</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>
Mortgage delinquencies > 90 days		0.35%	0.52%
Other personal lending delinquencies > 90 days		0.97%	1.39%
Corporate/Business impaired assets to total committed exposure		2.35%	1.46%
<hr/>			
<b>Net Promoter Score (NPS)</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>
St.George - Consumer		(9)	(5)
Peer group - Consumer		(17)	(17)

5.3 Westpac Institutional Bank

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>\$m</b>					
Net interest income		880	905		
Non-interest income		544	743		
Net operating income		1,424	1,648		
Operating expenses		(521)	(507)		
<b>Core earnings</b>		903	1,141		
Impairment charges		(621)	(907)		
<b>Operating profit before tax</b>		282	234		
Tax and non-controlling interests		(79)	(76)		
<b>Cash Earnings</b>		203	158		
Economic profit		(128)	(233)		
Expense to income ratio		36.6%	30.8%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		51.0	48.6		
Net loans		75.3	82.7		
Total assets		114.6	132.7		
Funds under management		8.9	7.9		



5.3.1 WIB Key Metrics

Revenue Contribution by Business Segments

\$m	Half Year	Half Year	Pro forma
	March 10	Sept 09	March 09
Debt Markets		568	551
Foreign Exchange and Commodities, Carbon and Energy		159	507
Equities		57	69
Transactional and Client Services		224	221
Premium Business Group		191	181
Hastings		30	23
Other		195	96
<b>Total</b>		<b>1,424</b>	<b>1,648</b>

## 5.4 BT Financial Group (Australia)

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>\$m</b>					
Net interest income		146	123		
Non-interest income		693	623		
Net operating income		839	746		
Operating expenses		(429)	(427)		
<b>Core earnings</b>		410	319		
Impairment charges		(10)	(5)		
<b>Operating profit before tax</b>		400	314		
Tax and non-controlling interests		(122)	(99)		
<b>Cash Earnings</b>		278	215		
Economic profit		199	130		
Expense to income ratio		51.1%	57.2%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Total assets		26.1	24.3		
Funds under management		33.9	29.2		
Average Funds under management		32.2	30.2		
Funds under administration		76.7	62.0		
Average Funds under administration		69.2	62.7		
<b>Cash Earnings</b>					
	<b>Half Year</b>	<b>Half Year</b>	<b>Pro forma</b>	<b>%Mov't</b>	<b>%Mov't</b>
<b>\$m</b>	<b>March 10</b>	<b>Sept 09</b>	<b>Half Year March 09</b>	<b>Sept 09- Mar 10</b>	<b>Mar 09- Mar 10</b>
Funds management business		134	126		
Insurance		113	78		
Total funds management and insurance		247	204		
Capital and other		31	11		
<b>Total Cash Earnings</b>		278	215		

5.4.1 Funds Management Business

\$m	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
Net interest income		117	115		
Non-interest income		604	588		
Gross operating income		721	703		
Commission expense		(131)	(146)		
Net operating income		590	557		
Operating expenses		(378)	(363)		
<b>Core earnings</b>		212	194		
Impairment charges		(10)	(5)		
<b>Operating profit before tax</b>		202	189		
Tax and non-controlling interests		(68)	(63)		
<b>Cash Earnings</b>		134	126		
Expense to income ratio		64.1%	65.2%		

Cash Earnings	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>\$m</b>					
Other funds management business		130	122		
BTIM		4	4		
<b>Total Cash Earnings</b>		134	126		

Movement of FUM/FUA

\$bn	Sept	Sales	Redns	Net Flows	Other Mov't	March	March	%Mov't	%Mov't
	2009					March		Sept 09- Mar 10	Mar 09- Mar 10
Retail	16.7						14.7		
Institutional	11.9						10.5		
Wholesale	5.3						4.0		
<b>Total FUM</b>	33.9						29.2		
Wrap	65.8						53.8		
Corporate Super	8.0						6.5		
Other	2.9						1.7		
<b>Total FUA</b>	76.7						62.0		
<b>Total FUM/FUA</b>	110.6						91.2		

5.4.2 Insurance Business

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
Net interest income		11	10		
Non-interest income		246	201		
Gross operating income		257	211		
Commission expense		(42)	(38)		
Net operating income		215	173		
Operating expenses		(54)	(62)		
<b>Core earnings</b>		161	111		
Tax and non-controlling interests		(48)	(33)		
<b>Cash Earnings</b>		113	78		
Expense to income ratio		25.1%	35.8%		

  

	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
<b>Cash Earnings</b>					
Life Insurance		47	38		
General Insurance		23	15		
Lenders Mortgage Insurance		43	25		
<b>Total Cash Earnings</b>		113	78		

Premiums for Risk Businesses

<b>Life Insurance in-force premiums</b>			<b>Pro forma</b>	<b>%Mov't</b>	<b>%Mov't</b>
<b>\$m</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
Life Insurance in-force premiums at start of period		423	401		
Sales		52	46		
Lapses		(25)	(24)		
Net Inflows		27	22		
Other Movements		(3)	-		
<b>Life Insurance in-force premiums at end of period</b>		<b>447</b>	<b>423</b>		

  

<b>Loss ratios for Insurance Business</b>			<b>Pro forma</b>	<b>%Mov't</b>	<b>%Mov't</b>
<b>(%)</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
Life Insurance		39	34		
General Insurance		60	72		
Lenders Mortgage Insurance		10	22		

<b>Gross written premiums</b>			<b>Pro forma</b>	<b>%Mov't</b>	<b>%Mov't</b>
<b>\$m</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
General Insurance gross written premium		111	112		
Lenders Mortgage Insurance gross written premium		167	113		

5.4.3 Wealth Management Income Reconciliation

			<b>Pro forma</b>	<b>%Mov't</b>	<b>%Mov't</b>
<b>\$m</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 09-</b>	<b>Mar 09-</b>
	<b>March 10</b>	<b>Sept 09</b>	<b>March 09</b>	<b>Mar 10</b>	<b>Mar 10</b>
BTFG non-interest income		693	623		
Net commission, premium, fee and banking income		(19)	(60)		
<b>BTFG wealth management and insurance income</b>		<b>674</b>	<b>563</b>		
NZ wealth management & insurance		36	33		
WIB wealth management		54	65		
Other		2	-		
<b>Total wealth management &amp; insurance income</b>					
<b>(Pro forma Cash Earnings basis, Section 7, Note 5)</b>		<b>766</b>	<b>661</b>		

5.5 New Zealand

NZ\$m	Half Year	Half Year	Half Year	%Mov't	%Mov't
	March 10	Sept 09	March 09	Sept 09- Mar 10	Mar 09- Mar 10
Net interest income		613	622		
Non-interest income		193	214		
Net operating income		806	836		
Operating expenses		(376)	(365)		
<b>Core earnings</b>		430	471		
Impairment charges		(388)	(184)		
<b>Operating profit before tax</b>		42	287		
Tax and non-controlling interests		(8)	(85)		
<b>Cash Earnings</b>		34	202		
Economic profit		(122)	54		
Expense to income ratio		46.7%	43.7%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		16.0	14.1		
Other		12.8	13.9		
<b>Total deposits</b>		28.8	28.0		
<b>Net loans</b>					
Mortgages		32.0	31.4		
Business		14.0	14.0		
Other		1.7	1.7		
<b>Net loans</b>		47.7	47.1		
<b>Total assets</b>		49.0	48.4		
Funds under management		2.1	2.0		

**5.5.1 New Zealand Key Metrics**

<b>Lending Growth</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Mortgages		4%	3%
Other consumer lending		(2)%	1%
Consumer lending		4%	2%
Business lending		-	3%
<b>Total lending</b>		2%	3%

  

<b>Deposit Growth</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer deposits		1%	5%
Business deposits		18%	10%
<b>Total deposits</b>		6%	6%

  

<b>Divisional Interest Margin</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
New Zealand		2.22%	2.25%

  

<b>Credit Quality</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
<b>% of Portfolio &gt; 90 Days</b>			
Housing delinquencies		0.75%	0.82%
Other consumer delinquencies		1.56%	1.91%
<b>Impaired Assets</b>			
Impaired Assets/Total TCE		1.06%	0.88%

  

<b>Net Promoter Score (NPS)</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>
Consumer NPS		(17)	(15)
Consumer NPS - position in market		5	5
Business NPS		(38)	(32)
Business NPS - position in market		6	6

5.6 Pacific Banking

	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>\$m</b>					
Net interest income		57	73		
Non-interest income		44	79		
Net operating income		101	152		
Operating expenses		(40)	(45)		
<b>Core earnings</b>		61	107		
Impairment charges		(19)	(4)		
<b>Operating profit before tax</b>		42	103		
Tax and non-controlling interests		(9)	(34)		
<b>Cash Earnings</b>		33	69		
Economic profit		22	56		
Expense to income ratio		39.6%	29.6%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		1.7	2.1		
Total assets		2.1	2.6		



5.7 Group Businesses

			Pro forma	%Mov't	%Mov't
	Half Year	Half Year	Half Year	Sept 09-	Mar 09-
\$m	March 10	Sept 09	March 09	Mar 10	Mar 10
Net interest income		596	385		
Non-interest income		71	(48)		
Net operating income		667	337		
Operating expenses		(24)	-		
<b>Core earnings</b>		643	337		
Impairment charges		5	(120)		
<b>Operating profit before tax</b>		648	217		
Tax and non-controlling interests		(244)	(95)		
<b>Cash Earnings</b>		404	122		
<b>Group Treasury</b>					
	Half Year	Half Year	Pro forma	%Mov't	%Mov't
\$m	March 10	Sept 09	Half Year	Sept 09-	Mar 09-
			March 09	Mar 10	Mar 10
Net interest income		578	375		
Non-interest income		3	14		
<b>Cash Earnings</b>		375	249		
<b>Structured Finance</b>					
	Half Year	Half Year	Half Year	%Mov't	%Mov't
\$m	March 10	Sept 09	March 09	Sept 09-	Mar 09-
				Mar 10	Mar 10
<b>Cash Earnings</b>		15	15		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Net loans		1.0	1.0		
Total assets		2.3	2.6		

6.1 Consolidated Income Statement

\$m	Note	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't	%Mov't
					Sept 09- Mar 10	Mar 09- Mar 10
Interest income	4		14,413	16,033		
Interest expense	4		(8,325)	(10,475)		
Net interest income			6,088	5,558		
Non-interest income	5		2,330	2,529		
Net operating income before operating expenses and impairment charges			8,418	8,087		
Operating expenses	6		(3,742)	(3,429)		
Impairment charges	12		(1,681)	(1,557)		
<b>Profit before income tax</b>			2,995	3,101		
Income tax expense	8		(1,694)	(885)		
<b>Net profit for the year</b>			1,301	2,216		
Net profit attributable to non-controlling interests			(30)	(41)		
<b>Net profit attributable to owners of Westpac Banking Corporation</b>			1,271	2,175		

6.2 Consolidated Balance Sheet

\$m	Note	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Assets</b>						
Cash and balances with central banks			3,272	3,866		
Receivables due from other financial institutions			9,974	12,796		
Derivative financial instruments	20		33,187	50,877		
Trading securities			43,114	42,279		
Other financial assets designated at fair value			3,063	2,840		
Available-for-sale securities			1,630	2,053		
Loans - housing and personal	11		300,249	277,205		
Loans - business	11		163,210	171,667		
Life insurance assets			12,384	10,635		
Regulatory deposits with central banks overseas			766	932		
Deferred tax assets			1,985	1,583		
Goodwill and other intangible assets			11,541	11,594		
Property, plant and equipment			888	853		
Other assets			4,324	5,050		
<b>Total assets</b>			<b>589,587</b>	<b>594,230</b>		
<b>Liabilities</b>						
Payables due to other financial institutions			9,235	11,842		
Deposits at fair value	18		58,491	56,977		
Deposits at amortised cost	18		270,965	265,256		
Derivative financial instruments	20		36,478	50,216		
Trading liabilities and other financial liabilities designated at fair value			10,848	14,405		
Debt issues			131,353	122,685		
Acceptances			1,671	2,424		
Current tax liabilities			1,932	1,289		
Deferred tax liabilities			35	-		
Life insurance liabilities			11,737	10,039		
Provisions			1,628	1,335		
Other liabilities			7,505	9,003		
<b>Total liabilities excluding loan capital</b>			<b>541,878</b>	<b>545,471</b>		
<b>Loan capital</b>						
Subordinated bonds, notes and debentures			8,127	8,929		
Subordinated perpetual notes			443	568		
Trust Preferred Securities			647	855		
Westpac SFS			1,024	1,022		
Westpac SPS II			897	897		
<b>Total loan capital</b>			<b>11,138</b>	<b>12,271</b>		
<b>Total liabilities</b>			<b>553,016</b>	<b>557,742</b>		
<b>Net assets</b>						
			<b>36,571</b>	<b>36,488</b>		
<b>Shareholders' equity</b>						
Share capital:						
Ordinary share capital			23,684	23,139		
Treasury shares and RSP treasury shares			(188)	(189)		
Reserves			(56)	319		
Retained profits			11,197	11,287		
<b>Total equity attributable to owners of Westpac</b>			<b>34,637</b>	<b>34,556</b>		
<b>Banking Corporation</b>						
			<b>34,637</b>	<b>34,556</b>		
<b>Non-controlling interests</b>						
Trust preferred securities 2003 (TPS 2003)			1,137	1,132		
Trust preferred securities 2006 (TPS 2006)			755	753		
Other			42	47		
<b>Total non-controlling interests</b>			<b>1,934</b>	<b>1,932</b>		
<b>Total shareholders' equity</b>			<b>36,571</b>	<b>36,488</b>		

6.3 Consolidated Cash Flow Statement

\$m	Note	Half Year	Half Year	Half Year	%Mov't	%Mov't
		March 10	Sept 09	March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>Cash flows from operating activities</b>						
Interest received			14,738	16,024		
Interest paid			(9,533)	(9,616)		
Dividends received excluding life business			11	10		
Other non-interest income received			1,819	1,756		
Operating expenses paid			(3,221)	(2,029)		
Net decrease/(increase) in trading and fair value assets			(2,529)	14,957		
Net (decrease)/increase in trading and fair value liabilities			(3,515)	(9,589)		
Net decrease/(increase) in derivative financial instruments			(4,686)	19,686		
Income tax paid excluding life business			(989)	(357)		
Life business:						
Receipts from policyholders and customers			1,381	1,298		
Interest and other items of similar nature			2	27		
Dividends received			297	192		
Payments to policyholders and suppliers			(1,374)	(1,358)		
Income tax paid			(22)	(43)		
<b>Net cash (used in)/provided by operating activities</b>	21		(7,621)	30,958		
<b>Cash flows from investing activities</b>						
Proceeds from available-for-sale securities			2,430	2,987		
Purchase of available-for-sale securities			(2,187)	(1,084)		
Net (increase)/decrease in:						
Receivables due from other financial institutions			757	1,819		
Loans			(18,821)	(16,524)		
Life insurance assets			(50)	17		
Regulatory deposits with central banks overseas			(68)	98		
Other assets			(6,741)	2,994		
Purchase of computer software			(156)	(139)		
Purchase of property, plant and equipment			(168)	(117)		
Proceeds from disposal of property, plant and equipment			19	-		
Controlled entities and businesses acquired, net of cash held and transaction costs			(378)	378		
Merger with St.George net of transaction costs			374	-		
<b>Net cash used in investing activities</b>			(24,989)	(9,571)		
<b>Cash flows from financing activities</b>						
Issue of loan capital (net of issue costs)			-	897		
Redemption of loan capital			-	(1,869)		
Proceeds from share placements and share purchase plan			-	2,890		
Proceeds from exercise of employee options			8	2		
Purchase of shares on exercise of employee options and rights			-	(10)		
Net increase/(decrease) in:						
Payables due to other financial institutions			(1,627)	(10,935)		
Deposits			11,875	8,552		
Debt issues			22,784	(19,457)		
Other liabilities			149	(1,617)		
Purchase of treasury shares			(6)	(35)		
Sale of treasury shares			7	-		
Payment of dividends - Westpac shareholders			(1,086)	(887)		
Proceeds from DRP Underwriting Agreement			-	887		
Payments of dividends - former St.George shareholders			-	(708)		
Payment of distributions to non-controlling interests			(31)	(40)		
<b>Net cash provided by/(used in) financing activities</b>			32,073	(22,330)		
<b>Net increase/(decrease) in cash and cash equivalents</b>			(537)	(943)		
Effect of exchange rate changes on cash and cash equivalents			(57)	-		
Cash and cash equivalents as at the beginning of the period			3,866	4,809		
<b>Cash and cash equivalents as at the end of the period</b>			3,272	3,866		

## 6.4 Consolidated Statement of Comprehensive Income

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Net profit for the period</b>		1,301	2,216		
<b>Other comprehensive income:</b>					
Gains/(losses) on available-for-sale securities:					
Recognised in equity		49	(16)		
Transferred to income statement		(42)	60		
Gains/(losses) on cash flow hedging instruments:					
Recognised in equity		(286)	(149)		
Transferred to income statement		23	(34)		
Defined benefit obligation actuarial gains/(losses) recognised in equity (net of tax)		265	(224)		
Exchange differences on translation of foreign operations		(253)	132		
Income tax on items taken directly to or transferred directly from equity:					
Available-for-sale securities reserve		1	(16)		
Cash flow hedging reserve		79	57		
Foreign currency translation reserve		24	(17)		
<b>Other comprehensive income for the period, net of tax</b>		(140)	(207)		
<b>Total comprehensive income for the period</b>		1,161	2,009		
Attributable to:					
Owners of Westpac Banking Corporation		1,131	1,968		
Non-controlling interests		30	41		
<b>Total comprehensive income for the period</b>		1,161	2,009		

6.5 Consolidated Statement of Changes in Equity

<b>\$m</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>	<b>%Mov't Sept 09- Mar 10</b>	<b>%Mov't Mar 09- Mar 10</b>
<b>Share capital</b>					
Balance as at beginning of period		22,950	6,593		
Transactions with owners:					
Shares issued:					
Under dividend reinvestment plan		538	477		
DRP Underwriting Agreement		-	887		
Under option and share right schemes		8	2		
St. George Merger		-	12,123		
Institutional placement		-	2,465		
Share Purchase Plan		-	440		
Final settlement of Hastings Fund Management Limited acquisition		-	9		
Shares purchased for delivery upon exercise of options and share rights (net of tax)		(1)	(8)		
(Acquisition)/disposal of treasury shares		1	(27)		
Acquisition of RSP treasury shares		-	(11)		
<b>Balance as at period end</b>		<b>23,496</b>	<b>22,950</b>		
<b>Available-for-sale securities reserve</b>					
Balance as at beginning of period		56	28		
Current period movement due to changes in other comprehensive income:					
Net gains/(losses) from changes in fair value		49	(16)		
Exchange differences		2	-		
Income tax effect		(13)	3		
Transferred to income statements		(42)	60		
Income tax effect		14	(19)		
<b>Balance as at period end</b>		<b>66</b>	<b>56</b>		
<b>Share-based payment reserve</b>					
Balance as at beginning of period		392	346		
Current period movement due to transactions with employees		28	46		
<b>Balance as at period end</b>		<b>420</b>	<b>392</b>		
<b>Cash flow hedging reserve</b>					
Balance as at beginning of period		(187)	(61)		
Current period movement due to changes in other comprehensive income:					
Net gains/(losses) from changes in fair value		(286)	(149)		
Income tax effect		87	47		
Transferred to income statements		23	(34)		
Income tax effect		(8)	10		
<b>Balance as at period end</b>		<b>(371)</b>	<b>(187)</b>		
<b>Foreign currency translation reserve</b>					
Balance as at beginning of period		58	(57)		
Current period movement due to changes in other comprehensive income:					
Exchange differences on translation of foreign operations		(253)	132		
Tax on foreign currency translation adjustment		24	(17)		
<b>Balance as at period end</b>		<b>(171)</b>	<b>58</b>		
<b>Total reserves</b>		<b>(56)</b>	<b>319</b>		
<b>Retained profits</b>					
Balance as at beginning of period		11,287	10,698		
Effect of change in accounting policy for actuarial gains/(losses) on defined benefit obligations		-	-		
Effect of initial adoption of revised policy in the accounting for customer loyalty programmes		-	-		
Current period movement due to changes in other comprehensive income:					
Actuarial gain/(losses) on defined benefit obligations		265	(224)		
Profit attributable to owners of Westpac Banking Corporation		1,271	2,175		
Transactions with owners:					
Final dividend		-	(1,362)		
Interim dividend		(1,626)	-		
<b>Balance as at period end</b>		<b>11,197</b>	<b>11,287</b>		
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>30</b>	<b>41</b>		
<b>Total comprehensive income attributable to owners of Westpac Banking Corporation</b>		<b>1,131</b>	<b>1,968</b>		
<b>Total comprehensive income for the period</b>		<b>1,161</b>	<b>2,009</b>		

6.6 Notes to First Half 2010 Reported Financial Information  
Note 2. Interest spread and margin analysis

	Half Year March 10	Half Year Sept 09	Half Year March 09
<b>Group</b>			
Average external interest earning assets (\$m)		505,164	476,095
Net interest income (\$m) (reported basis)		6,088	5,558
Tax equivalent gross-up (\$m)		22	23
Adjusted net interest income (\$m)		6,110	5,581
Interest spread		2.20%	2.17%
Benefit of net non-interest bearing liabilities and equity		0.21%	0.18%
Interest margin		2.41%	2.35%

**Note 3. Average balance sheet and interest rates**

	Half Year 31 March 2010			Half Year 30 Sept 2009			Half Year 31 March 2009		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Assets</b>									
<b>Interest earning assets</b>									
Receivables due from other financial institutions				12,652	111	1.7%	13,022	179	2.8%
Trading securities				39,952	860	4.3%	54,517	1,289	4.7%
Available-for-sale securities				1,722	56	6.5%	1,650	62	7.5%
Other financial assets designated at fair value				1,263	19	3.0%	1,175	24	4.1%
Regulatory deposits				806	4	1.0%	930	13	2.8%
Loans and other receivables				448,769	13,385	5.9%	404,801	14,489	7.2%
<b>Total interest earning assets and interest income</b>				505,164	14,435	5.7%	476,095	16,056	6.8%
<b>Non-interest earning assets</b>									
Cash, receivables due from other financial institutions and regulatory deposits				1,085			1,292		
Life insurance assets				11,320			11,428		
All other assets				63,889			85,370		
<b>Total non-interest earning assets</b>				76,294			98,090		
<b>Total assets</b>				581,458			574,185		
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Deposits				314,693	4,904	3.1%	289,626	6,478	4.5%
Payables due to other financial institutions				10,669	122	2.3%	17,229	243	2.8%
Loan capital				11,452	259	4.5%	11,679	323	5.5%
Other interest bearing liabilities				137,674	3,040	4.4%	138,615	3,431	5.0%
<b>Total interest bearing liabilities and interest expense</b>				474,488	8,325	3.5%	457,149	10,475	4.6%
<b>Non-interest bearing liabilities</b>									
Deposits and payables due to other financial institutions				14,129			11,937		
Life insurance policy liabilities				10,721			10,829		
All other liabilities				45,407			63,152		
<b>Total non-interest bearing liabilities</b>				70,257			85,918		
<b>Total liabilities</b>				544,745			543,067		
Shareholders' equity				34,796			29,205		
Non-controlling interests				1,917			1,913		
<b>Total equity</b>				36,713			31,118		
<b>Total liabilities and equity</b>				581,458			574,185		



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

	Half Year 31 March 2010			Half Year 30 Sept 2009			Half Year 31 March 2009		
	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Loans and other receivables</b>									
Australia				397,469	11,678	5.9%	350,112	12,334	7.1%
New Zealand				45,289	1,564	6.9%	47,568	1,983	8.4%
Other overseas				6,011	143	4.7%	7,121	172	4.8%
<b>Deposits</b>									
Australia				268,345	4,281	3.2%	241,277	5,437	4.5%
New Zealand				28,156	490	3.5%	28,965	805	5.6%
Other overseas				18,192	133	1.5%	19,384	236	2.4%

Note 4. Net interest income

<b>\$m</b>	<b>Half Year March 10</b>	<b>Half Year Sept 09</b>	<b>Half Year March 09</b>	<b>%Mov't Sept 09- Mar 10</b>	<b>%Mov't Mar 09- Mar 10</b>
<b>Interest income</b>					
Loans		13,372	14,400		
Receivables due from other financial institutions		111	83		
Available-for-sale securities		56	62		
Regulatory deposits with central banks overseas		4	13		
Trading securities		853	1,375		
Net ineffectiveness on qualifying hedges		(9)	-		
Other financial assets designated at fair value		19	24		
Other		7	76		
<b>Total interest income</b>		<b>14,413</b>	<b>16,033</b>		
<b>Interest expense</b>					
Current and term deposits		(4,036)	(5,257)		
Payables due to other financial institutions		(122)	(243)		
Debt issues		(1,374)	(2,338)		
Loan capital		(259)	(323)		
Trading liabilities		(454)	(271)		
Deposits at fair value		(868)	(1,221)		
Other		(1,212)	(822)		
<b>Total interest expense</b>		<b>(8,325)</b>	<b>(10,475)</b>		
<b>Net interest income</b>		<b>6,088</b>	<b>5,558</b>		

Note 5. Non-interest income

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Fees and commissions</b>					
Banking and credit related fees		427	377		
Transaction fees and commissions received		753	872		
Service and management fees		4	1		
Other non-risk fee income		97	106		
<b>Total fees and commissions</b>		1,281	1,356		
<b>Wealth management and insurance income</b>					
Life insurance and funds management net operating income		643	573		
General insurance premiums less claims incurred		95	57		
<b>Total wealth management and insurance income</b>		738	630		
<b>Trading income</b>					
Foreign exchange income		48	659		
Other trading securities		241	(47)		
<b>Total trading income</b>		289	612		
<b>Other income</b>					
Dividends received		11	10		
Rental income		3	2		
Net gain/(loss) on ineffective hedges		(4)	7		
Hedging overseas operations		44	(24)		
Net gain/(loss) on derivatives held for risk management purposes		(37)	91		
Gain/(loss) on disposal of assets		(9)	1		
Net gain/(loss) on financial instruments designated at fair value		40	(40)		
Other		(26)	(116)		
<b>Total other income</b>		22	(69)		
<b>Total non-interest income</b>		2,330	2,529		

Note 6. Expense analysis

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Salaries and other staff expenses</b>					
Salaries and wages		1,489	1,367		
Other staff expenses		432	402		
Restructuring costs		76	40		
<b>Total salaries and other staff expenses</b>		1,997	1,809		
<b>Equipment and occupancy expenses</b>					
Operating lease rentals		201	188		
Depreciation, amortisation and impairment:					
Premises		10	8		
Leasehold improvements		28	24		
Furniture and equipment		33	29		
Technology		33	30		
Software		120	86		
Equipment repairs and maintenance		35	34		
Electricity, water and rates		5	6		
Land tax		3	2		
Other		28	23		
<b>Total equipment and occupancy expenses</b>		496	430		
<b>Other expenses</b>					
Amortisation of deferred expenditure		10	2		
Amortisation of intangible assets		104	78		
Impairment charges - goodwill		-	2		
Non-lending losses		73	109		
Purchased services:					
Technology and information services		139	110		
Legal		28	13		
Other professional services		243	166		
Credit card loyalty programmes		52	158		
Stationery		42	38		
Postage and freight		64	59		
Outsourcing costs		262	252		
Insurance		11	8		
Advertising		87	68		
Transaction taxes		(1)	6		
Training		14	8		
Travel		33	30		
Other expenses		88	83		
<b>Total other expenses</b>		1,249	1,190		
<b>Total</b>		3,742	3,429		

Note 7. Deferred expenses and capitalised software

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Capitalised software		629	586		
Deferred acquisition costs		126	139		
Other		13	28		

Note 8. Income tax

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>The income tax expense for the year is reconciled to the profit before income tax as follows</b>					
<b>Profit before income tax expense</b>		2,995	3,101		
Prima facie income tax based on the Australian company tax rate of 30%		899	930		
<b>The effect of amounts which are not deductible (assessable) in calculating taxable income</b>					
Change in tax rate		-	-		
Rebateable and exempt dividends		(9)	(10)		
Tax losses not previously recognised now brought to account		(5)	-		
Life insurance:					
Tax adjustment on policy holders earnings		8	(3)		
Adjustment for life business tax rates		2	(3)		
Other non-assessable items		(11)	(13)		
Other non-deductible items		52	16		
Adjustment for overseas tax rates		(29)	13		
Income tax (over)/under provided in prior years		9	10		
Other items		778	(55)		
<b>Total income tax expense in the income statement</b>		1,694	885		
Average effective income tax rate (%)		56.6	28.5		
Tax equivalent gross up		22	23		
Effective tax rate (%) (excluding life company)		56.4	28.6		
Effective tax rate (%) (including gross up)		56.9	29.1		
Effective tax rate (%) (including gross up and excluding life company accounting)		56.7	29.2		

**Note 9. Dividends**

	Half Year March 10	Half Year Sept 09	Half Year March 09
<b>Ordinary dividend (cents per share)</b>			
Interim (fully franked)		-	56
Final (fully franked) - determined dividend		60	-
		60	56
<b>Total dividends paid (\$m)</b>			
Ordinary dividends paid		1,626	1,362
		1,626	1,362
<b>Ordinary dividend payout ratio</b>		137.9%	66.4%

**Note 10. Earnings per ordinary share**

	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Earnings per ordinary share (cents)</b>					
Basic		43.5	84.3		
Fully diluted		43.1	81.1		
<b>Weighted average number of fully paid ordinary shares (millions)</b>					
Basic		2,914	2,579		
Fully diluted		3,066	2,745		

	Half Year March 10	Half Year Sept 09	Half Year March 09
<b>Reconciliation of ordinary shares on issue before the effect of own shares held (millions)</b>			
Opening balance		2,911	1,895
Number of shares issued for St. George Merger		-	743
Number of shares issued under the Dividend Reinvestment Plan (DRP)		29	30
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
<b>Closing balance</b>		2,941	2,911

Note 10. Earnings per ordinary share (continued)

	Half Year 31 March 2010		Half Year 30 Sept 2009		Half Year 31 March 2009	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
<b>Reconciliation of earnings used in the calculation of earnings per ordinary share</b>						
<b>Net profit</b>			1,301	1,301	2,216	2,216
Net profit attributable to non-controlling interests			(30)	(30)	(41)	(41)
Distribution on RSP treasury shares			(3)	-	(2)	-
2004 TPS distributions			-	8	-	14
Westpac SPS I distributions			-	14	-	20
Westpac SPS II distributions			-	16	-	-
2007 convertible notes distributions			-	11	-	18
<b>Earnings</b>			1,268	1,320	2,173	2,227
<b>Weighted average number of ordinary shares (millions)</b>						
Weighted average number of ordinary shares			2,926	2,926	2,590	2,590
Effect of own shares held			(12)	(12)	(11)	(11)
Potential dilutive adjustment:						
Exercise of options			-	4	-	4
Conversion of 2004 TPS			-	24	-	43
Restricted share plan			-	4	-	2
Conversion of Westpac SPS I			-	42	-	59
Conversion of Westpac SPS II			-	37	-	-
Conversion of 2007 convertible notes			-	41	-	58
<b>Total weighted average number of ordinary shares</b>			2,914	3,066	2,579	2,745
<b>Earnings per ordinary share (cents)</b>			43.5	43.1	84.3	81.1

Note 11. Loans

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Loans are classified based on the location of the lending office:					
<b>Australia</b>					
Overdrafts		3,880	3,951		
Credit card outstandings		9,429	9,419		
Overnight and at call money market loans		231	378		
Acceptance of finance		49,103	49,521		
Term loans:					
Housing		221,902	198,752		
Housing - line of credit		35,699	35,656		
Total housing		257,601	234,408		
Non-housing		81,552	86,563		
Finance leases		5,468	5,761		
Margin lending		3,900	4,074		
Other		4,907	5,467		
<b>Total Australia</b>		416,071	399,542		
<b>New Zealand</b>					
Overdrafts		1,122	1,205		
Credit card outstandings		969	965		
Overnight and at call money market loans		1,356	1,654		
Term loans:					
Housing		26,536	26,410		
Non-housing		15,771	16,103		
Other		326	309		
<b>Total New Zealand</b>		46,080	46,646		
<b>Other Overseas</b>					
Overdrafts		183	253		
Term loans:					
Housing		969	1,095		
Non-housing		4,228	5,408		
Finance leases		38	51		
Other		274	20		
<b>Total Overseas</b>		5,692	6,827		
<b>Total loans</b>		467,843	453,015		
Provision on loans		(4,384)	(4,143)		
<b>Total net loans</b>		463,459	448,872		



## Note 12. Provisions for impairment charges

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09
<b>Collectively assessed provisions</b>			
Balance at beginning of the period		3,067	1,761
St.George provisions including merger adjustments		-	893
New provisions raised		698	584
Write-offs		(371)	(261)
Discount unw ind		116	114
Exchange rate and other adjustments		(4)	(24)
<b>Closing balance</b>		<b>3,506</b>	<b>3,067</b>
<b>Individually assessed provisions</b>			
Balance at beginning of the period		1,416	413
St.George provisions including merger adjustments		10	110
New individually assessed provisions		1,084	1,027
Write-backs		(70)	(36)
Write-offs		(1,179)	(112)
Discount unw ind		(5)	(6)
Exchange rate and other adjustments		(28)	20
<b>Closing balance</b>		<b>1,228</b>	<b>1,416</b>
<b>Total provisions for impairment charges on loans and credit commitments</b>		<b>4,734</b>	<b>4,483</b>
Less provisions for credit commitments		(350)	(340)
<b>Total provisions for impairment charges on loans</b>		<b>4,384</b>	<b>4,143</b>
<b>Reconciliation of impairment charges</b>			
\$m	Half Year March 10	Half Year Sept 09	Half Year March 09
<b>Reconciliation of impairment charges</b>			
New individually assessed provisions		1,084	1,027
Write-backs		(70)	(36)
Recoveries		(31)	(18)
New collectively assessed provisions		698	584
<b>Impairment charges</b>		<b>1,681</b>	<b>1,557</b>

Note 13. Non-performing loans

	Australia			New Zealand			Overseas			Total		
	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009
<b>\$m</b>												
<b>Non-accrual assets:</b>												
Gross amount		2,975	2,628		495	405		56	77		3,526	3,110
Impairment provision		(1,139)	(1,295)		(145)	(118)		(24)	(34)		(1,308)	(1,447)
Net		1,836	1,333		350	287		32	43		2,218	1,663
<b>Restructured loans:</b>												
Gross amount		67	-		-	-		4	1		71	1
Impairment provision		(25)	-		-	-		(1)	-		(26)	-
Net		42	-		-	-		3	1		45	1
<b>Overdrafts and revolving credit greater than 90 days:</b>												
Gross amount		151	161		21	26		1	1		173	188
Impairment provision		(136)	(136)		(11)	(14)		(1)	(1)		(148)	(151)
Net		15	25		10	12		-	-		25	37
<b>Total non-performing loans:</b>												
Gross amount		3,193	2,789		516	431		61	79		3,770	3,299
Impairment provision		(1,300)	(1,431)		(156)	(132)		(26)	(35)		(1,482)	(1,598)
Net		1,893	1,358		360	299		35	44		2,288	1,701

**Note 14. Movement in gross impaired assets**

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>\$m</b>					
Balance as at beginning of period		3,299	1,177		
St. George impaired assets including merger adjustments		12	416		
New and increased		2,149	1,798		
Write-offs		(1,550)	(373)		
Returned to performing or repaid		(531)	(162)		
Portfolio managed - new/increased/returned/repaid		392	444		
Exchange rate and other adjustments		(1)	(1)		
<b>Balance as at period end</b>		<b>3,770</b>	<b>3,299</b>		

**Note 15. Items past 90 days but well secured**

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>\$m</b>					
<b>Australia</b>					
Housing products		705	640		
Other products		1,013	1,055		
<b>Total Australia</b>		<b>1,718</b>	<b>1,695</b>		
<b>New Zealand</b>					
Housing products		123	135		
Other products		61	68		
<b>Other Overseas</b>		24	22		
<b>Total Overseas</b>		<b>208</b>	<b>225</b>		
<b>Total</b>		<b>1,926</b>	<b>1,920</b>		

**Note 16. Impaired assets and provisioning ratios**

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Net impaired assets to equity and collectively assessed provisions		5.7%	4.3%		
Total impaired assets to gross loans		0.81%	0.73%		
Total impaired assets to equity and total provisions		9.1%	8.1%		
Total impairment provisions to total impaired assets		39.3%	48.4%		
Total provisions to gross loans		101bps	99bps		
Collectively assessed provisions to performing non-housing loans		182bps	152bps		
Collectively assessed provisions to risk weighted assets		121bps	110bps		
Collectively assessed provisions to credit risk weighted assets		142bps	125bps		
Total provisions to risk weighted assets		164bps	160bps		

**Note 17. Delinquencies (90 days past due loans)**

	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Mortgages		0.37%	0.51%		
Other personal lending		1.04%	1.25%		
Total personal lending		0.41%	0.55%		

Note 18. Deposits

\$m	As at 31 March 2010	As at 30 Sept 2009	As at 31 March 2009	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Australia</b>					
<b>Deposits at fair value</b>					
Certificates of deposit		45,534	44,593		
<b>Total deposits at fair value</b>		45,534	44,593		
<b>Deposits at amortised cost</b>					
Non-interest bearing, repayable at call		10,459	9,240		
Certificates of deposit		3,262	5,531		
Other interest bearing:					
At Call		141,321	130,986		
Term		80,887	82,323		
<b>Total deposits at amortised cost</b>		235,929	228,080		
<b>Total Australia</b>		281,463	272,673		
<b>New Zealand</b>					
<b>Deposits at fair value</b>					
Certificates of deposit		2,844	3,369		
<b>Total deposits at fair value</b>		2,844	3,369		
<b>Deposits at amortised cost</b>					
Non-interest bearing, repayable at call		1,976	1,939		
Other interest bearing:					
At Call		10,629	12,409		
Term		14,407	12,748		
<b>Total deposits at amortised cost</b>		27,012	27,096		
<b>Total New Zealand</b>		29,856	30,465		
<b>Other Overseas</b>					
<b>Deposits at fair value</b>					
Certificates of deposit		10,113	9,015		
<b>Total deposits at fair value</b>		10,113	9,015		
<b>Deposits at amortised cost</b>					
Non-interest bearing, repayable at call		381	453		
Certificates of deposit		410	503		
Other interest bearing:					
At Call		2,217	894		
Term		5,016	8,230		
<b>Total deposits at amortised cost</b>		8,024	10,080		
<b>Total Other Overseas</b>		18,137	19,095		
<b>Total deposits</b>		329,456	322,233		

Note 20. Derivative financial instruments

As at 31 March 2010 \$m	Notional Amount	Fair Value (Asset)	Fair Value (Liability)
<b>Held for trading</b>			
<b>Interest rate</b>			
Futures			
Forwards			
Swaps			
Options			
<b>Foreign exchange</b>			
Forwards			
Swaps			
Options			
<b>Commodities</b>			
<b>Equities and credit</b>			
<b>Total held for trading derivatives</b>			
<b>Fair value hedges</b>			
<b>Interest rate</b>			
Swaps			
<b>Foreign exchange</b>			
Swaps			
<b>Total fair value hedging derivatives</b>			
<b>Cash flow hedges</b>			
<b>Interest rate</b>			
Futures			
Swaps			
<b>Foreign exchange</b>			
Swaps			
<b>Total cash flow hedging derivatives</b>			
<b>Net investment hedges</b>			
<b>Foreign exchange</b>			
Other			
<b>Total net investment hedges</b>			
<b>Total derivatives as at 31 March 2010</b>			
<b>As at 30 September 2009</b>	1,765,359	33,187	36,478
<b>As at 31 March 2009</b>	1,856,901	50,877	50,216

Note 20. Derivative financial instruments (continued)

WIB Markets - Daily value at risk (VaR)

<b>\$m</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
Six months ended 31 March 2010			
Six months ended 30 September 2009	15.0	5.9	10.6
Six months ended 31 March 2009	14.1	5.5	9.3
<b>Average</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>
<b>\$m</b>	<b>2010</b>	<b>2009</b>	<b>2009</b>
Interest rate risk		10.1	5.9
Foreign exchange risk		3.2	4.6
Equity risk		1.4	2.4
Commodity risk		3.6	2.8
Other market risks		3.0	3.8
Diversification benefit		(10.7)	(10.2)
<b>Net market risk</b>		10.6	9.3

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

<b>\$m</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
Six months ended 31 March 2010			
Six months ended 30 September 2009	53.1	25.3	36.0
Six months ended 31 March 2009	59.5	29.4	41.4

Note 21. Notes to the cash flow statement

\$m	Half Year March 10	Half Year Sept 09	Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Reconciliation of net cash (used in)/provided by operating activities to net profit</b>					
<b>Net profit</b>		1,301	2,216		
Adjustments:					
Depreciation and amortisation		353	257		
Increase/(decrease) in sundry provisions and other non-cash items		(59)	494		
Impairment charges		1,712	1,575		
Increase/(decrease) in derivative financial instruments		(4,686)	19,686		
(Increase)/decrease in trading securities		(2,529)	14,957		
Increase/(decrease) in trading liabilities		(3,515)	(9,589)		
(Increase)/decrease in accrued interest receivable		137	208		
(Decrease)/increase in accrued interest payable		(1,018)	669		
Increase/(decrease) in current and deferred tax		683	485		
<b>Net cash (used in)/provided by operating activities</b>		<b>(7,621)</b>	<b>30,958</b>		
<b>Details of assets and liabilities of controlled entities and businesses acquired:</b>					
Total assets (financial and tangible)		57	147,882		
Identifiable intangible assets		-	2,493		
Total liabilities		(72)	(144,773)		
<b>Fair value of identifiable net assets acquired</b>		<b>(15)</b>	<b>5,602</b>		
Goodwill		15	6,147		
Shares issued		4	(12,120)		
Non-controlling interests		-	(7)		
<b>Cash (acquired)/paid (net of transaction costs)</b>		<b>4</b>	<b>(378)</b>		

Note 23. Funding view of the balance sheet

As at 31 March 2010						
\$m	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
<b>Assets</b>						
Cash						
Receivables due from other financial institutions						
Trading securities, financial assets and available-for-sale securities						
Derivative financial instruments						
Loans						
Life insurance assets						
Goodwill and other intangibles						
Fixed assets						
Other assets						
<b>Total assets</b>						
<b>Liabilities</b>						
Payables due to other financial institutions						
Deposits						
At call						
Term deposits						
Medium term deposit notes						
Certificates of deposit						
Derivative financial instruments						
Trading liabilities and other financial liabilities designated at fair value						
Acceptances						
Debt issues						
Life insurance liabilities						
Other liabilities						
Loan capital						
<b>Total liabilities</b>						
<b>Total equity</b>						
<b>Total net</b>						



Note 23. Funding view of the balance sheet (continued)

\$m	As at 30 Sept 2009					Total
	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	
<b>Assets</b>						
Cash	356	-	-	2,916	-	3,272
Receivables due from other financial institutions	2,286	-	-	2,358	5,330	9,974
Trading securities, financial assets and available-for-sale securities	35,734	-	-	-	12,073	47,807
Derivative financial instruments	-	-	-	-	33,187	33,187
Loans	40,138	-	-	423,321	-	463,459
Life insurance assets	-	-	-	-	12,384	12,384
Goodwill and other intangibles	-	-	-	11,541	-	11,541
Fixed assets	-	-	-	888	-	888
Other assets	93	-	-	-	6,982	7,075
<b>Total assets</b>	<b>78,607</b>	<b>-</b>	<b>-</b>	<b>441,024</b>	<b>69,956</b>	<b>589,587</b>
<b>Liabilities</b>						
Payables due to other financial institutions	-	-	4,959	-	4,276	9,235
Deposits	-	-	-	-	-	-
At call	-	166,983	-	-	-	166,983
Term deposits	-	100,310	-	-	-	100,310
Medium term deposit notes	-	-	170	-	-	170
Certificates of deposit	-	-	61,993	-	-	61,993
Derivative financial instruments	-	-	-	-	36,478	36,478
Trading liabilities and other financial liabilities designated at fair value	4,951	-	-	-	5,897	10,848
Acceptances	-	-	1,671	-	-	1,671
Debt issues	-	-	131,353	-	-	131,353
Life insurance liabilities	-	-	-	-	11,737	11,737
Other liabilities	-	-	-	-	11,100	11,100
Loan capital	-	-	11,138	-	-	11,138
<b>Total liabilities</b>	<b>4,951</b>	<b>267,293</b>	<b>211,284</b>	<b>-</b>	<b>69,488</b>	<b>553,016</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>1,934</b>	<b>35,074</b>	<b>(437)</b>	<b>36,571</b>
<b>Total net</b>	<b>73,656</b>	<b>(267,293)</b>	<b>(213,218)</b>	<b>405,950</b>	<b>905</b>	<b>-</b>

Note 23. Funding view of the balance sheet (continued)

As at 31 March 2009						
\$m	Liquid Assets	Customer deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
<b>Assets</b>						
Cash	893	-	-	2,973	-	3,866
Receivables due from other financial institutions	2,427	-	-	2,843	7,526	12,796
Trading securities, financial assets and available-for-sale securities	37,058	-	-	-	10,114	47,172
Derivative financial instruments	-	-	-	-	50,877	50,877
Loans	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
<b>Total assets</b>	<b>73,917</b>	<b>-</b>	<b>-</b>	<b>433,807</b>	<b>86,506</b>	<b>594,230</b>
<b>Liabilities</b>						
Payables due to other financial institutions	-	-	5,838	-	6,004	11,842
Deposits	-	-	-	-	-	-
At call	-	155,921	-	-	-	155,921
Term deposits	-	100,887	-	-	-	100,887
Medium term deposit notes	-	-	2,414	-	-	2,414
Certificates of deposit	-	-	63,011	-	-	63,011
Derivative financial instruments	-	-	-	-	50,216	50,216
Trading liabilities and other financial liabilities designated at fair value	11,689	-	-	-	2,716	14,405
Acceptances	-	-	2,424	-	-	2,424
Debt issues	-	-	122,685	-	-	122,685
Life insurance liabilities	-	-	-	-	10,039	10,039
Other liabilities	-	-	-	-	11,627	11,627
Loan capital	-	-	12,271	-	-	12,271
<b>Total liabilities</b>	<b>11,689</b>	<b>256,808</b>	<b>208,643</b>	<b>-</b>	<b>80,602</b>	<b>557,742</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>1,932</b>	<b>34,646</b>	<b>(90)</b>	<b>36,488</b>
<b>Total net</b>	<b>62,228</b>	<b>(256,808)</b>	<b>(210,575)</b>	<b>399,161</b>	<b>5,994</b>	<b>-</b>

7.1 First Half 2009 Pro Forma Financial Information

Note 2. Pro forma interest spread and margin analysis

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09
<b>Group</b>			
Average external interest earning assets (\$m)		505,164	511,122
Net interest income (\$m)		6,065	5,701
Interest spread		2.18%	2.05%
Benefit of net non-interest bearing liabilities and equity		0.21%	0.19%
Interest margin		2.39%	2.24%
<b>Analysis by division</b>			
<b>Average external interest earning assets (\$m)</b>			
Westpac Retail & Business Banking		203,205	191,095
St. George Bank		114,587	110,419
Westpac Institutional Bank		90,757	97,695
New Zealand (A\$)		37,758	38,908
BT Financial Group		10,351	9,925
Pacific Banking		1,911	2,394
Group Businesses		46,595	60,686
Group total		505,164	511,122
<i>New Zealand (NZ\$)</i>		47,150	46,884
<b>Net interest income (\$m) (excluding capital benefit)</b>			
Westpac Retail & Business Banking		2,363	2,225
St. George Bank		1,192	1,107
Westpac Institutional Bank		664	683
New Zealand (A\$)		420	436
BT Financial Group		77	39
Pacific Banking		52	66
Group Businesses		1,297	1,145
Group total		6,065	5,701
Tax equivalent gross up		(22)	(23)
Reported net interest income		6,043	5,678
<i>New Zealand (NZ\$)</i>		525	526
<b>Interest margin</b>			
Westpac Retail & Business Banking		2.32%	2.34%
St. George Bank		2.07%	2.01%
Westpac Institutional Bank		1.46%	1.40%
New Zealand (A\$)		2.22%	2.25%
BT Financial Group		1.48%	0.79%
Pacific Banking		5.43%	5.53%
Group Businesses		5.55%	3.78%
<i>New Zealand (NZ\$)</i>		2.22%	2.25%

**Note 3. Pro forma average balance sheet and interest rates**

	Half Year 31 March 2010			Half Year 30 Sept 2009			Pro forma Half Year 31 March 2009		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Assets</b>									
<b>Interest earning assets</b>									
Receivables due from other financial institutions				12,652	111	1.7%	12,766	183	2.9%
Trading securities				39,952	860	4.3%	58,623	1,465	5.0%
Available-for-sale securities				1,722	56	6.5%	1,771	71	8.0%
Other financial assets designated at fair value				1,263	19	3.0%	1,160	24	4.1%
Regulatory deposits				806	4	1.0%	930	13	2.8%
Loans and other receivables				448,769	13,394	6.0%	435,872	15,750	7.2%
<b>Total interest earning assets and interest income</b>				<b>505,164</b>	<b>14,444</b>	<b>5.7%</b>	<b>511,122</b>	<b>17,506</b>	<b>6.9%</b>
<b>Non-interest earning assets</b>									
Cash, receivables due from other financial institutions and regulatory deposits				1,085			1,384		
Life insurance assets				11,320			11,428		
All other assets				63,889			89,736		
<b>Total non-interest earning assets</b>				<b>76,294</b>			<b>102,548</b>		
<b>Total assets</b>				<b>581,458</b>			<b>613,670</b>		
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Deposits				314,693	4,959	3.1%	310,308	7,307	4.7%
Payables due to other financial institutions				10,669	122	2.3%	18,471	263	2.9%
Loan capital				11,452	259	4.5%	12,572	355	5.7%
Other interest bearing liabilities				137,674	3,039	4.4%	149,756	3,880	5.2%
<b>Total interest bearing liabilities and interest expense</b>				<b>474,488</b>	<b>8,379</b>	<b>3.5%</b>	<b>491,107</b>	<b>11,805</b>	<b>4.8%</b>
<b>Non-interest bearing liabilities</b>									
Deposits and payables due to other financial institutions				14,129			12,416		
Life insurance policy liabilities				10,721			10,829		
All other liabilities				45,407			65,230		
<b>Total non-interest bearing liabilities</b>				<b>70,257</b>			<b>88,475</b>		
<b>Total liabilities</b>				<b>544,745</b>			<b>579,582</b>		
Shareholders' equity				34,796			32,173		
Non-controlling interests				1,917			1,915		
<b>Total equity</b>				<b>36,713</b>			<b>34,088</b>		
<b>Total liabilities and equity</b>				<b>581,458</b>			<b>613,670</b>		

Note 3. Pro forma average balance sheet and interest rates (continued)

	Half Year 31 March 2010			Half Year 30 Sept 2009			Pro forma Half Year 31 March 2009		
	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate	Average Balance	Average Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Loans and other receivables</b>									
Australia				397,469	11,687	5.9%	381,183	13,595	7.2%
New Zealand				45,289	1,564	6.9%	47,568	1,983	8.4%
Other overseas				6,011	143	4.7%	7,121	172	4.8%
<b>Deposits</b>									
Australia				268,345	4,336	3.2%	261,959	6,266	4.8%
New Zealand				28,156	490	3.5%	28,965	805	5.6%
Other overseas				18,192	133	1.5%	19,384	236	2.4%

Note 4. Pro forma net interest income (Cash Earnings basis)

\$m	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>Interest income</b>					
Loans		13,372	15,661		
Receivables due from other financial institutions		111	183		
Available-for-sale securities		56	71		
Regulatory deposits with central banks overseas		4	13		
Trading securities		853	1,455		
Net ineffectiveness on qualifying hedges		-	-		
Other financial assets designated at fair value		19	24		
Other		7	76		
<b>Total interest income</b>		14,422	17,483		
<b>Interest expense</b>					
Current and term deposits		(4,091)	(6,086)		
Payables due to other financial institutions		(122)	(263)		
Debt issues		(1,374)	(2,618)		
Loan capital		(259)	(355)		
Trading liabilities		(454)	(363)		
Deposits at fair value		(868)	(1,221)		
Other		(1,211)	(899)		
<b>Total interest expense</b>		(8,379)	(11,805)		
<b>Net interest income (Cash Earnings basis)</b>		6,043	5,678		

Note 5. Pro forma non-interest income (Cash Earnings basis)

\$m	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
<b>Fees and commissions</b>					
Banking and credit related fees		427	402		
Transaction fees and commissions received		753	925		
Service and management fees		4	1		
Other non-risk fee income		97	106		
<b>Total fees and commissions</b>		1,281	1,434		
<b>Wealth management and insurance income</b>					
Life insurance and funds management net operating income		671	594		
General insurance premiums less claims incurred		95	67		
<b>Total wealth management and insurance income</b>		766	661		
<b>Trading income</b>					
Foreign exchange		48	649		
Other trading securities		241	76		
<b>Total trading income</b>		289	725		
<b>Other income</b>					
Dividends received		11	12		
Rental income		3	3		
Hedging overseas operations		44	(24)		
Net gain/(loss) on derivatives held for risk management purposes		6	(4)		
Gain/(loss) on disposal of assets		(9)	1		
Net gain/(loss) on financial instruments designated at fair value		40	(53)		
Other		(26)	(126)		
<b>Total other income</b>		69	(191)		
<b>Total non-interest income (Cash Earnings basis)</b>		2,405	2,629		

Note 6. Pro forma expense analysis (Cash Earnings basis)

\$m	Half Year	Half Year	Pro forma	%Mov't	%Mov't
	March 10	Sept 09	Half Year March 09	Sept 09- Mar 10	Mar 09- Mar 10
<b>Salaries and other staff expenses</b>					
Salaries and wages		1,420	1,431		
Other staff expenses		428	431		
Restructuring costs		31	3		
<b>Total salaries and other staff expenses</b>		<b>1,879</b>	<b>1,865</b>		
<b>Equipment and occupancy expenses</b>					
Operating lease rentals		200	201		
Depreciation, amortisation and impairment:					
Premises		10	10		
Leasehold improvements		28	24		
Furniture and equipment		33	32		
Technology		33	32		
Software		120	93		
Equipment repairs and maintenance		35	39		
Electricity, water and rates		5	6		
Land tax		3	3		
Other		29	23		
<b>Total equipment and occupancy expenses</b>		<b>496</b>	<b>463</b>		
<b>Other expenses</b>					
Amortisation of deferred expenditure		10	2		
Impairment charges - goodwill		-	2		
Non-lending losses		29	32		
Purchased services:					
Technology and information services		131	117		
Legal		27	13		
Other professional services		202	134		
Credit card loyalty programmes		52	158		
Stationery		41	43		
Postage and freight		64	62		
Outsourcing costs		261	255		
Insurance		11	10		
Advertising		78	73		
Transaction taxes		(1)	6		
Training		14	9		
Travel		32	32		
Other expenses		59	79		
<b>Total other expenses</b>		<b>1,010</b>	<b>1,027</b>		
<b>Total (Cash Earnings basis)</b>		<b>3,385</b>	<b>3,355</b>		



**Note 7. Pro forma earnings per share**

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09	%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
Cash Earnings per ordinary share (cents)		79.7	82.4		
Weighted average number of fully paid ordinary shares (millions)					
Basic (Cash Earnings)		2,926	2,786		

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09
<b>Reconciliation of ordinary shares on issue before the effect of own shares held (millions)</b>			
Opening balance		2,911	1,895
Number of shares issued for St. George Merger		-	743
Number of shares issued under the Dividend Reinvestment Plan (DRP)		29	30
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
<b>Closing balance</b>		<b>2,941</b>	<b>2,911</b>

	Half Year March 10	Half Year Sept 09	Pro forma Half Year March 09
<b>Reconciliation of earnings used in the calculation of earnings per ordinary share (\$ millions)</b>			
Net profit		2,362	2,336
Net profit attributable to non-controlling interests		(30)	(41)
<b>Cash Earnings</b>		<b>2,332</b>	<b>2,295</b>
<b>Weighted average number of ordinary shares (millions)</b>		<b>2,926</b>	<b>2,786</b>
<b>Earnings per ordinary share (cents)</b>		<b>79.7</b>	<b>82.4</b>

Note 8. Pro forma provisions for impairment charges

\$m	Half Year	Half Year	Pro forma
	March 10	Sept 09	Half Year March 09
<b>Collectively assessed provisions</b>			
Balance at beginning of the period		3,067	2,131
Merger adjustments		-	491
New provisions raised		698	635
Write-offs		(371)	(281)
Discount unwind		116	114
Exchange rate and other adjustments		(4)	(23)
<b>Closing balance</b>		<b>3,506</b>	<b>3,067</b>
<b>Individually assessed provisions</b>			
Balance at beginning of the period		1,416	458
Merger adjustments		10	66
New individually assessed provisions		1,084	1,030
Write-backs		(70)	(36)
Write-offs		(1,179)	(115)
Discount unwind		(5)	(6)
Exchange rate and other adjustments		(28)	19
<b>Closing balance</b>		<b>1,228</b>	<b>1,416</b>
<b>Total provisions for impairment charges on loans and credit commitments</b>		<b>4,734</b>	<b>4,483</b>
Less: provisions for credit commitments		(350)	(340)
<b>Total provisions for impairment charges on loans</b>		<b>4,384</b>	<b>4,143</b>
<b>Reconciliation of impairment charges</b>			
\$m	Half Year	Half Year	Pro forma
	March 10	Sept 09	Half Year March 09
New individually assessed provisions		1,084	1,030
Write-backs		(70)	(36)
Recoveries		(31)	(18)
New collectively assessed provisions		698	635
<b>Impairment charges</b>		<b>1,681</b>	<b>1,611</b>

Note 9. Pro forma movement in gross impaired assets

\$m	As at 31 March 2010	Pro forma		%Mov't Sept 09- Mar 10	%Mov't Mar 09- Mar 10
		As at 30 Sept 2009	As at 31 March 2009		
Balance as at beginning of period		3,299	1,407		
Merger adjustments		12	186		
New and increased		2,149	1,798		
Write-offs		(1,550)	(396)		
Returned to performing or repaid		(531)	(159)		
Portfolio managed - new /increased/returned/repaid		392	464		
Exchange rate and other adjustments		(1)	(1)		
<b>Balance as at period end</b>		<b>3,770</b>	<b>3,299</b>		

9.1 Half Year Segment Reported Result

Six months to 31 March 2010	Westpac Retail & Business Banking	St.George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
<b>\$m</b>								
Net interest income								
Non-interest income								
Net operating income								
Operating expenses								
Impairment charges								
<b>Profit from ordinary activities before income tax expense</b>								
Tax expense								
<b>Net profit</b>								
Net profit attributable to non-controlling interests								
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>								
<b>WBC Cash Earnings adjustments:</b>								
TPS revaluations								
Treasury shares								
Ineffective hedges								
Merger transaction and integration expenses								
FV gain/(loss) on economic hedges								
Amortisation of intangible assets								
NZ structured finance transaction								
<b>Cash Earnings</b>								

9.1 Half Year Segment Reported Result (continued)

Six months to 30 Sept 2009	Westpac Retail & Business Banking	St. George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
<b>\$m</b>								
Net interest income	2,533	1,340	880	146	491	57	641	6,088
Non-interest income	568	331	543	694	154	44	(4)	2,330
Net operating income	3,101	1,671	1,423	840	645	101	637	8,418
Operating expenses	(1,465)	(697)	(521)	(441)	(301)	(40)	(277)	(3,742)
Impairment charges	(327)	(396)	(621)	(10)	(313)	(19)	5	(1,681)
<b>Profit from ordinary activities before income tax expense</b>	<b>1,309</b>	<b>578</b>	<b>281</b>	<b>389</b>	<b>31</b>	<b>42</b>	<b>365</b>	<b>2,995</b>
Tax expense	(391)	(173)	(78)	(118)	(5)	(6)	(923)	(1,694)
<b>Net profit</b>	<b>918</b>	<b>405</b>	<b>203</b>	<b>271</b>	<b>26</b>	<b>36</b>	<b>(558)</b>	<b>1,301</b>
Net profit attributable to non-controlling interests	-	-	-	(2)	-	(3)	(25)	(30)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	<b>918</b>	<b>405</b>	<b>203</b>	<b>269</b>	<b>26</b>	<b>33</b>	<b>(583)</b>	<b>1,271</b>
<b>WBC Cash Earnings adjustments:</b>								
TPS revaluations	-	-	-	-	-	-	101	101
Treasury shares	-	-	-	-	-	-	36	36
FV gain/(loss) on economic hedges	-	-	-	-	-	-	1	1
Ineffective hedges	-	-	-	-	-	-	9	9
Merger transaction and integration expenses	-	-	-	-	-	-	144	144
Amortisation of intangible assets	-	65	-	9	-	-	-	74
Short-term wolesale funding and deposits	-	-	-	-	-	-	(38)	(38)
Significant items	-	-	-	-	-	-	31	31
NZ structured finance transaction	-	-	-	-	-	-	703	703
<b>Cash Earnings</b>	<b>918</b>	<b>470</b>	<b>203</b>	<b>278</b>	<b>26</b>	<b>33</b>	<b>404</b>	<b>2,332</b>

**9.1 Half Year Segment Reported Result (continued)**

<b>Six months to 31 March 2009</b>	<b>Westpac Retail &amp; Business Banking</b>	<b>St.George Bank</b>	<b>Westpac Institutional Bank</b>	<b>BT Financial Group (Australia)</b>	<b>New Zealand</b>	<b>Pacific Banking</b>	<b>Group Businesses</b>	<b>Group</b>
<b>\$m</b>								
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)
<b>Profit from ordinary activities before income tax expense</b>	1,414	589	201	292	238	103	264	3,101
Tax expense	(424)	(177)	(65)	(90)	(68)	(30)	(31)	(885)
<b>Net profit</b>	990	412	136	202	170	73	233	2,216
Net profit attributable to non-controlling interests	-	-	-	(2)	(2)	(4)	(33)	(41)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	990	412	136	200	168	69	200	2,175
St.George Cash Earnings prior to merger	-	113	22	9	-	-	19	163
<b>WBC Cash Earnings adjustments</b>								
TPS revaluations	-	-	-	-	-	-	(106)	(106)
Treasury shares	-	-	-	-	-	-	(4)	(4)
FV gain/(loss) on economic hedges	-	-	-	-	-	-	(8)	(8)
Ineffective hedges	-	-	-	-	-	-	(5)	(5)
Merger transaction and integration expenses	-	-	-	-	-	-	90	90
Amortisation of intangible assets	-	48	-	6	-	-	-	54
Short-term w wholesale funding and deposits	-	-	-	-	-	-	(118)	(118)
Significant items	-	-	-	-	-	-	54	54
<b>Pro forma Cash Earnings</b>	990	573	158	215	168	69	122	2,295

9.2 New Zealand Division Performance (A\$ Equivalents to Section 5.5)

A\$m	Half Year	Half Year	Half Year	%Mov't	%Mov't
	March 10	Sept 09	March 09	Sept 09- Mar 10	Mar 09- Mar 10
Net interest income		491	516		
Non-interest income		154	178		
Net operating income		645	694		
Operating expenses		(301)	(303)		
<b>Core earnings</b>		344	391		
Impairment charges		(313)	(153)		
<b>Operating profit before tax</b>		31	238		
Tax and non-controlling interests		(5)	(70)		
<b>Net profit after tax/Cash Earnings</b>		26	168		
Economic profit		(99)	45		
Expense to income ratio		46.7%	43.7%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		23.6	23.2		
Net loans		39.1	39.0		
Total assets		40.1	40.1		
Funds under management		1.7	1.7		

10.1 Group Half Year Earnings Reconciliation

Six months to 31 March 2010	Cash Earnings adjustments											Cash Earnings	
	WBC Reported Results	Policy Holder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	GG Fee Hedge	FX Hedge	Amortisation of intangible assets	Structured Finance Transaction		NZ Hedging of MTM
<b>\$m</b>													
Net interest income													
<i>Fees and commissions</i>													
<i>Wealth management and insurance</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													
<b>Core earnings</b>													
Impairment charges													
<b>Operating profit before tax</b>													
Income tax expense													
<b>Net profit</b>													
Net profit attributable to non-controlling interests													
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>													
<b>WBC Cash Earnings adjustments:</b>													
TPS revaluations													
Treasury shares													
Ineffective hedges													
Merger transaction and integration expenses													
FV gain/(loss) on economic hedges													
Amortisation of intangible assets													
NZ structured finance transaction													
<b>Cash Earnings</b>													



10.1 Group Half Year Earnings Reconciliation (continued)

Six months to 30 Sept 2009	Cash Earnings adjustments											Cash Earnings
	WBC Reported Results	Policy Holder 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	Significant items	NZ Structured Finance Transaction	
<b>\$m</b>												
Net interest income	6,088	-	-	-	-	9	1	-	(55)	-	-	6,043
<i>Fees and commissions</i>	1,281	-	-	-	-	-	-	-	-	-	-	1,281
<i>Wealth management and insurance</i>	738	(11)	-	39	-	-	-	-	-	-	-	766
<i>Trading income</i>	289	-	-	-	-	-	-	-	-	-	-	289
<i>Other income</i>	22	-	41	-	2	4	-	-	-	-	-	69
Non-interest income	2,330	(11)	41	39	2	4	-	-	-	-	-	2,405
Net operating income	8,418	(11)	41	39	2	13	1	-	(55)	-	-	8,448
<i>Salaries and other staff expenses</i>	(1,997)	-	-	-	-	-	118	-	-	-	-	(1,879)
<i>Equipment and occupancy expenses</i>	(496)	-	-	-	-	-	-	-	-	-	-	(496)
<i>Other expenses</i>	(1,249)	-	-	-	-	-	91	104	-	44	-	(1,010)
Operating expenses	(3,742)	-	-	-	-	-	209	104	-	44	-	(3,385)
<b>Core earnings</b>	4,676	(11)	41	39	2	13	210	104	(55)	44	-	5,063
Impairment charges	(1,681)	-	-	-	-	-	-	-	-	-	-	(1,681)
<b>Operating profit before tax</b>	2,995	(11)	41	39	2	13	210	104	(55)	44	-	3,382
Income tax expense	(1,694)	11	60	(3)	(1)	(4)	(66)	(30)	17	(13)	703	(1,020)
<b>Net profit</b>	1,301	-	101	36	1	9	144	74	(38)	31	703	2,362
Net profit attributable to non-controlling interests	(30)	-	-	-	-	-	-	-	-	-	-	(30)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	1,271	-	101	36	1	9	144	74	(38)	31	703	2,332
<b>WBC Cash Earnings adjustments:</b>												
TPS revaluations	101	-	(101)	-	-	-	-	-	-	-	-	-
Treasury shares	36	-	-	(36)	-	-	-	-	-	-	-	-
FV gain/(loss) on economic hedges	1	-	-	-	(1)	-	-	-	-	-	-	-
Ineffective hedges	9	-	-	-	-	(9)	-	-	-	-	-	-
Merger transaction and integration expenses	144	-	-	-	-	-	(144)	-	-	-	-	-
Amortisation of intangible assets	74	-	-	-	-	-	-	(74)	-	-	-	-
Short-term w holesale funding and deposits	(38)	-	-	-	-	-	-	-	38	-	-	-
Significant items	31	-	-	-	-	-	-	-	-	(31)	-	-
NZ structured finance transaction	703	-	-	-	-	-	-	-	-	-	(703)	-
<b>Cash Earnings</b>	2,332	-	-	-	-	-	-	-	-	-	-	2,332

10.1 Group Half Year Earnings Reconciliation (continued)

Six months to 31 March 2009	Cash Earnings adjustments											Pro Forma Cash Earnings
	WBC Reported Results	St.George Cash Earnings prior to merger	Policy Holder 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	Significant items	
<b>\$m</b>												
Net interest income	5,558	288	-	-	-	-	-	-	-	(168)	-	5,678
<i>Fees and commissions</i>	1,356	78	-	-	-	-	-	-	-	-	-	1,434
<i>Wealth management and insurance</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)
<b>Core earnings</b>	4,658	284	4	(84)	(4)	(11)	(7)	125	78	(168)	77	4,952
Impairment charges	(1,557)	(54)	-	-	-	-	-	-	-	-	-	(1,611)
<b>Operating profit before tax</b>	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)
<b>Net profit</b>	2,216	163	-	(106)	(4)	(8)	(5)	90	54	(118)	54	2,336
Net profit attributable to non-controlling interests	(41)	-	-	-	-	-	-	-	-	-	-	(41)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	2,175	163	-	(106)	(4)	(8)	(5)	90	54	(118)	54	2,295
St. George Cash Earnings prior to merger	163	(163)	-	-	-	-	-	-	-	-	-	-
<b>WBC Cash Earnings adjustments:</b>												
TPS revaluations	(106)	-	-	106	-	-	-	-	-	-	-	-
Treasury shares	(4)	-	-	-	4	-	-	-	-	-	-	-
FV gain/(loss) on economic hedges	(8)	-	-	-	-	8	-	-	-	-	-	-
Ineffective hedges	(5)	-	-	-	-	-	5	-	-	-	-	-
Merger transaction and integration expenses	90	-	-	-	-	-	-	(90)	-	-	-	-
Amortisation of intangible assets	54	-	-	-	-	-	-	-	(54)	-	-	-
Short-term w wholesale funding and deposits	(118)	-	-	-	-	-	-	-	-	118	-	-
Significant items	54	-	-	-	-	-	-	-	-	-	(54)	-
<b>Pro forma Cash Earnings</b>	2,295	-	-	-	-	-	-	-	-	-	-	2,295

**10.2 Half Year Segment Result – Cash Earnings Basis**

<b>Six months to 31 March 2010</b>	<b>Westpac Retail &amp; Business Banking</b>	<b>St.George Bank</b>	<b>Westpac Institutional Bank</b>	<b>BT Financial Group (Australia)</b>	<b>New Zealand</b>	<b>Pacific Banking</b>	<b>Group Businesses</b>	<b>Group</b>
<b>\$m</b>								
Net interest income								
Non-interest income								
Net operating income								
Operating expenses								
Impairment charges								
<b>Profit from ordinary activities before income tax expense</b>								
Tax expense								
<b>Net profit</b>								
Net profit attributable to non-controlling interests								
<b>Cash Earnings</b>								
<b>Six months to 30 Sept 2009</b>								
<b>\$m</b>								
Net interest income	2,533	1,340	880	146	491	57	596	6,043
Non-interest income	568	331	544	693	154	44	71	2,405
Net operating income	3,101	1,671	1,424	839	645	101	667	8,448
Operating expenses	(1,465)	(605)	(521)	(429)	(301)	(40)	(24)	(3,385)
Impairment charges	(327)	(396)	(621)	(10)	(313)	(19)	5	(1,681)
<b>Profit from ordinary activities before income tax expense</b>	1,309	670	282	400	31	42	648	3,382
Tax expense	(391)	(200)	(79)	(120)	(5)	(6)	(219)	(1,020)
<b>Net profit</b>	918	470	203	280	26	36	429	2,362
Net profit attributable to non-controlling interests	-	-	-	(2)	-	(3)	(25)	(30)
<b>Cash Earnings</b>	918	470	203	278	26	33	404	2,332

10.2 Half Year Segment Result – Cash Earnings Basis (continued)

Six months to 31 March 2009	Westpac Retail & Business Banking	St. George Bank	Westpac Institutional Bank	BT Financial Group (Australia)	New Zealand	Pacific Banking	Group Businesses	Group
<b>\$m</b>								
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)
<b>Profit from ordinary activities before income tax expense</b>	1,414	821	234	314	238	103	217	3,341
Tax expense	(424)	(248)	(76)	(97)	(68)	(30)	(62)	(1,005)
<b>Net profit</b>	990	573	158	217	170	73	155	2,336
Net profit attributable to non-controlling interests	-	-	-	(2)	(2)	(4)	(33)	(41)
<b>Pro forma Cash Earnings</b>	990	573	158	215	168	69	122	2,295

10.3 Group Businesses - Half Year Earnings Reconciliation

Six months to 31 March 2010	Cash Earnings adjustments											Cash Earnings
	WBC Reported Results	Policy Holder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	GG Fee FX Hedge	NZ Structured Finance	Hedging of MTM		
<b>\$m</b>												
Net interest income												
Non-interest income												
Net operating income												
Operating expenses												
<b>Core earnings</b>												
Impairment charges												
<b>Operating profit before tax</b>												
Income tax expense												
<b>Net profit</b>												
Net profit attributable to non-controlling interests												
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>												
TPS revaluations												
Treasury shares												
Ineffective hedges												
Merger transaction and integration expenses												
FV gain/(loss) on economic hedges												
NZ structured finance transaction												
<b>Cash Earnings</b>												

10.3 Group Businesses - Half Year Earnings Reconciliation (continued)

Six months to 30 Sept 2009	Cash Earnings adjustments										Cash Earnings
	WBC Reported Results	Policy Holder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Short-term wholesale funding and deposits	Significant items	NZ Structured Finance	
<b>\$m</b>											
Net interest income	641	-	-	-	-	9	1	(55)	-	-	596
Non-interest income	(4)	(11)	41	39	2	4	-	-	-	-	71
Net operating income	637	(11)	41	39	2	13	1	(55)	-	-	667
Operating expenses	(277)	-	-	-	-	-	209	-	44	-	(24)
<b>Core earnings</b>	360	(11)	41	39	2	13	210	(55)	44	-	643
Impairment charges	5	-	-	-	-	-	-	-	-	-	5
<b>Operating profit before tax</b>	365	(11)	41	39	2	13	210	(55)	44	-	648
Income tax expense	(923)	11	60	(3)	(1)	(4)	(66)	17	(13)	703	(219)
<b>Net profit</b>	(558)	-	101	36	1	9	144	(38)	31	703	429
Net profit attributable to non-controlling interests	(25)	-	-	-	-	-	-	-	-	-	(25)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS</b>	(583)	-	101	36	1	9	144	(38)	31	703	404
TPS revaluations	101	-	(101)	-	-	-	-	-	-	-	-
Treasury shares	36	-	-	(36)	-	-	-	-	-	-	-
FV gain/(loss) on economic hedges	1	-	-	-	(1)	-	-	-	-	-	-
Ineffective hedges	9	-	-	-	-	(9)	-	-	-	-	-
Merger transaction and integration expenses	144	-	-	-	-	-	(144)	-	-	-	-
Short-term w holesale funding and deposits	(38)	-	-	-	-	-	-	38	-	-	-
Significant items	31	-	-	-	-	-	-	-	(31)	-	-
NZ structured finance transaction	703	-	-	-	-	-	-	-	-	(703)	-
<b>Cash Earnings</b>	404	-	-	-	-	-	-	-	-	-	404

10.3 Group Businesses - Half Year Earnings Reconciliation (continued)

Six months to 31 March 2009	WBC Reported Results	Cash Earnings adjustments									Pro Forma Cash Earnings	
		St. George GBU Cash Earnings prior to merger	Policy Holder Tax Recoveries	Hybrid Revaluations	Treasury Shares	Unrealised NZ Retail Earnings Hedges	Ineffective Hedges	Merger T&I	Short-term wholesale funding and deposits	Significant items		
<b>\$m</b>												
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	-
<b>Core earnings</b>	<b>387</b>	<b>18</b>	<b>4</b>	<b>(84)</b>	<b>(4)</b>	<b>(11)</b>	<b>(7)</b>	<b>125</b>	<b>(168)</b>	<b>77</b>	<b>77</b>	<b>337</b>
Impairment charges	(123)	3	-	-	-	-	-	-	-	-	-	(120)
<b>Operating profit before tax</b>	<b>264</b>	<b>21</b>	<b>4</b>	<b>(84)</b>	<b>(4)</b>	<b>(11)</b>	<b>(7)</b>	<b>125</b>	<b>(168)</b>	<b>77</b>	<b>77</b>	<b>217</b>
Income tax expense	(31)	(2)	(4)	(22)	-	3	2	(35)	50	(23)	(23)	(62)
<b>Net profit</b>	<b>233</b>	<b>19</b>	<b>-</b>	<b>(106)</b>	<b>(4)</b>	<b>(8)</b>	<b>(5)</b>	<b>90</b>	<b>(118)</b>	<b>54</b>	<b>54</b>	<b>155</b>
Net profit attributable to non-controlling interests	(33)	-	-	-	-	-	-	-	-	-	-	(33)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	<b>200</b>	<b>19</b>	<b>-</b>	<b>(106)</b>	<b>(4)</b>	<b>(8)</b>	<b>(5)</b>	<b>90</b>	<b>(118)</b>	<b>54</b>	<b>54</b>	<b>122</b>
St. George Cash Earnings prior to merger	19	(19)	-	-	-	-	-	-	-	-	-	-
TPS revaluations	(106)	-	-	106	-	-	-	-	-	-	-	-
Treasury shares	(4)	-	-	-	4	-	-	-	-	-	-	-
FV gain/(loss) on economic hedges	(8)	-	-	-	-	8	-	-	-	-	-	-
Ineffective hedges	(5)	-	-	-	-	-	5	-	-	-	-	-
Merger transaction and integration expenses	90	-	-	-	-	-	-	(90)	-	-	-	-
Short-term w holesale funding and deposits	(118)	-	-	-	-	-	-	-	118	-	-	-
Significant items	54	-	-	-	-	-	-	-	-	(54)	(54)	-
<b>Pro forma Cash Earnings</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>

10.4 Reconciliation of First Half 2009 Pro Forma Group Cash Earnings

	Cash Earnings reconciliation		
	Including St.George from 18 November 2008	St.George Cash Earnings 1 October 2008 to 17 November 2008	Pro forma Cash Earnings Half Year March 2009
<b>\$m</b>			
Net interest income	5,390	288	5,678
Non-interest income	2,427	202	2,629
Net operating income	7,817	490	8,307
Operating expenses	(3,149)	(206)	(3,355)
<b>Core earnings</b>	4,668	284	4,952
Impairment charges	(1,557)	(54)	(1,611)
<b>Operating profit before tax</b>	3,111	230	3,341
Income tax expense	(938)	(67)	(1,005)
<b>Net profit</b>	2,173	163	2,336
Net profit attributable to non-controlling interests	(41)	-	(41)
<b>Cash Earnings</b>	2,132	163	2,295



**11.0 Economic Profit**

<b>First Half 2010 \$m</b>	<b>Group</b>	<b>Westpac Retail &amp; Business Banking</b>	<b>St.George Bank</b>	<b>Westpac Institutional Bank</b>	<b>BT Financial Group (Australia)</b>	<b>New Zealand</b>	<b>Pacific Banking</b>
<b>Cash Earnings</b>							
Franking benefit							
Adjusted cash earnings							
Average ordinary equity							
Equity charge							
<b>Economic profit</b>							

<b>Second Half 2009 \$m</b>	<b>Group</b>	<b>Westpac Retail &amp; Business Banking</b>	<b>St.George Bank</b>	<b>Westpac Institutional Bank</b>	<b>BT Financial Group (Australia)</b>	<b>New Zealand</b>	<b>Pacific Banking</b>
<b>Cash Earnings</b>	2,332	918	470	203	278	26	33
Franking benefit	662	274	140	68	83	-	-
Adjusted cash earnings	2,994	1,192	610	271	361	26	33
Average ordinary equity	34,796	6,009	5,273	7,242	2,934	2,296	201
Equity charge	(1,919)	(331)	(291)	(399)	(162)	(125)	(11)
<b>Economic profit</b>	<b>1,075</b>	<b>861</b>	<b>319</b>	<b>(128)</b>	<b>199</b>	<b>(99)</b>	<b>22</b>

<b>First Half 2009 \$m</b>	<b>Group</b>	<b>Westpac Retail &amp; Business Banking</b>	<b>St.George Bank (Pro forma)</b>	<b>Westpac Institutional Bank (Pro forma)</b>	<b>BT Financial Group (Australia)</b>	<b>New Zealand</b>	<b>Pacific Banking</b>
<b>Cash Earnings</b>	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)
<b>Economic profit</b>	<b>1,019</b>	<b>966</b>	<b>474</b>	<b>(233)</b>	<b>130</b>	<b>45</b>	<b>56</b>