

FULL YEAR RESULTS 2012
PROFIT ANNOUNCEMENT
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2.0 GROUP RESULTS

2.1 Reported Results

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

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2.2 Reported Balance Sheet

2.2.1 Balance Sheet

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

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2.3 Key Financial Data – Reported Earnings

2.3.1 Key Financial Data – Earnings

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

2.3.2 Key Financial Data – Profitability and Capital Adequacy

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

2.3.3 Key Financial Data – Asset Quality

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

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2.4 Cash Earnings Results

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

Reconciliation of Reported Results to Cash Earnings

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

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2.5 Key Financial Data – Cash Earnings

2.5.1 Key Financial Data – Earnings

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

2.5.2 Key Financial Data – Profitability

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

2.5.3 Key Financial Data – Impairment Charges

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

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2.6 Market Share and System Multiple Metrics

2.6.1 Market Share

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

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2.6.2 System Multiples

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

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3.1 Cash Earnings Summary

Divisional Cash Earnings Summary

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

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

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

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

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3.2 Review of Earnings

3.2.1 Net Interest Income

Loans

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

Deposits

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

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Customer and Treasury Deposits

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

Margins

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

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3.2.2 Non-Interest Income

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

Wealth management income

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

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

Markets Income

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

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3.2.3 Operating Expenses

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

Full Time Equivalent Employees (FTE)

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

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3.2.4 Impairment Charges

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

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3.3.1 Credit Quality Key Metrics

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

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3.4 Balance Sheet and Funding

3.4.1 Balance Sheet

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

3.4.2 Funding and Liquidity Risk Management

Funding by residual maturity

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

Deposits to Net Loans Ratio

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

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Funding view of the balance sheet

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

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

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

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3.5 Capital and Dividends

Risk-weighted Assets

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

Capital Deduction for Regulatory Expected Credit Loss

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

Dividends

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

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4.0 DIVISIONAL RESULTS

4.1 Australian Financial Services

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

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

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4.1.1 Westpac Retail & Business Banking

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

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

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4.1.2 St.George Banking Group

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

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

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4.1.3 BT Financial Group (Australia)

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

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

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4.1.3.1 Funds Management Business

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

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

Movement of FUM/FUA

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

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4.1.3.2 Insurance Business

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

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

Premiums for Risk Businesses

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

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

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

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4.1.3.3 Wealth Management Income Reconciliation

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

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4.2 Westpac Institutional Bank

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

Revenue Contribution by Business Segments

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

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4.4 Pacific Banking

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

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4.5 Group Businesses

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

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5.1 Consolidated Income Statement

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

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5.2 Consolidated Balance Sheet

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

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5.3 Consolidated Cash Flow Statement

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

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5.4 Consolidated Statement of Comprehensive Income

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

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5.5 Consolidated Statement of Changes in Equity

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

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Note 2. Average balance sheet and interest rates

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

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

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

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

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Note 3. Net interest income

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

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Note 4. Non-interest income

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

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Note 5. Operating expenses

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

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Note 6. Deferred expenses and capitalised software

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

Note 7. Income tax

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

Note 8. Dividends

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

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Note 9. Earnings per ordinary share

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

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

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

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Note 10. Loans

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

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Note 11. Provisions for impairment charges

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

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

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Note 12. Impaired loans

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

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Note 13. Movement in gross impaired assets

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

Note 14. Items past 90 days but well secured

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

Note 15. Impaired assets and provisioning ratios

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

Note 16. Delinquencies (90 days past due loans)

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

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Note 17. Deposits

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

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Note 19. Derivative financial instruments

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

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WIB Markets - Daily Value at Risk (VaR)

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

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

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

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

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Note 20. Note to the cash flow statement

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

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Note 22. Funding view of the balance sheet

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Note 3. Net interest income (Cash Earnings basis)

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

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

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

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Note 5. Operating expense analysis (Cash Earnings basis)

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

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Note 6. Earnings per share (Cash Earnings basis)

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

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8.0 SEGMENT RESULT

8.1 Half Year Segment Reported Results

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

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8.1 Half Year Segment Reported Results (continued)

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

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8.2 Full Year Segment Reported Results

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

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8.2 Full Year Segment Reported Results (continued)

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

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

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

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

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

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

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9.0 GROUP RECONCILIATIONS

9.1 Group Half Year Earnings Reconciliation

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

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9.2 Group Half Year Earnings Reconciliation (continued)

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

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9.2 Group Full Year Earnings Reconciliation

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

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9.2 Group Full Year Earnings Reconciliation (continued)

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

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10.0 ECONOMIC PROFIT

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

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

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

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