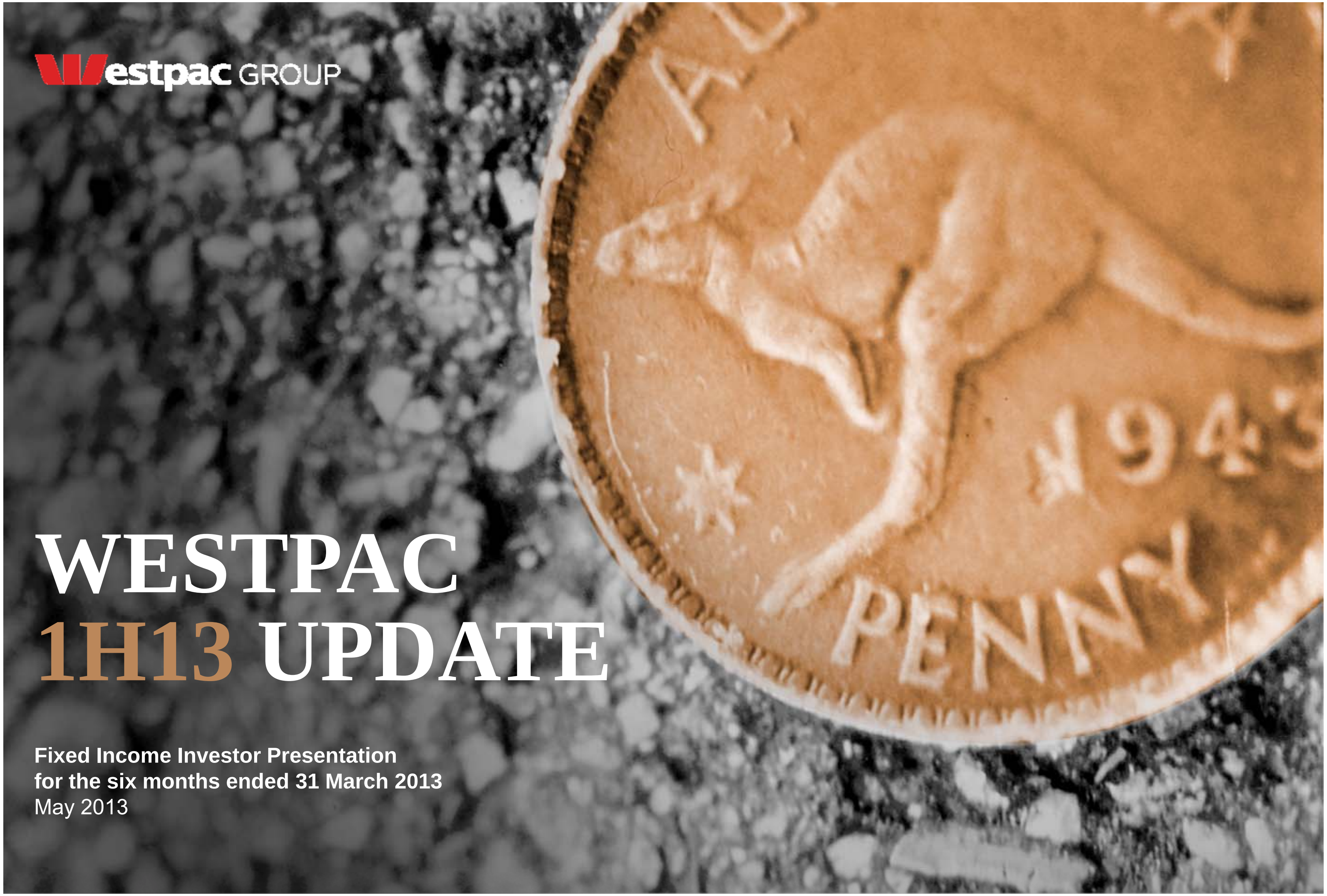

WESTPAC 1H13 UPDATE

Fixed Income Investor Presentation
for the six months ended 31 March 2013
May 2013

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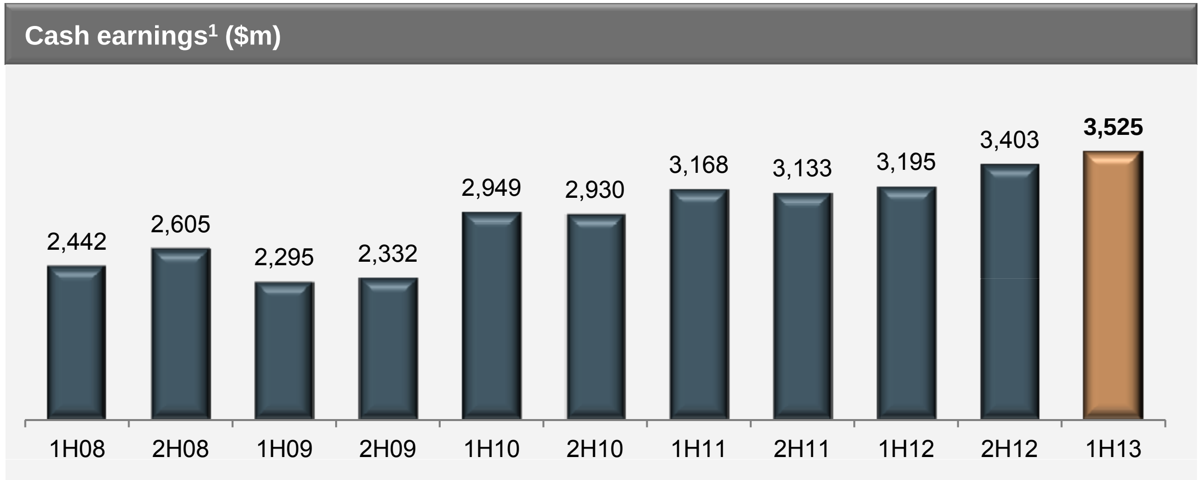
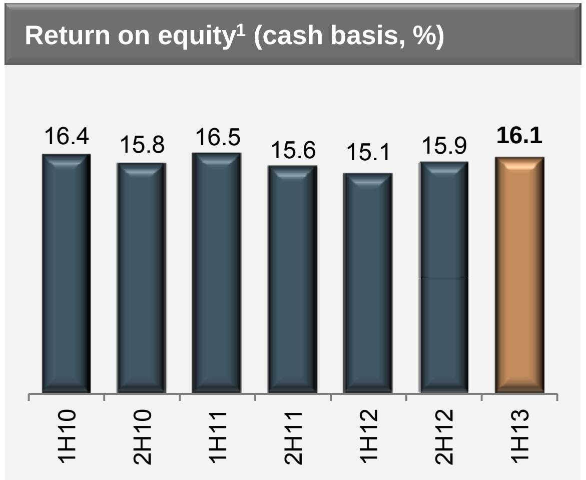
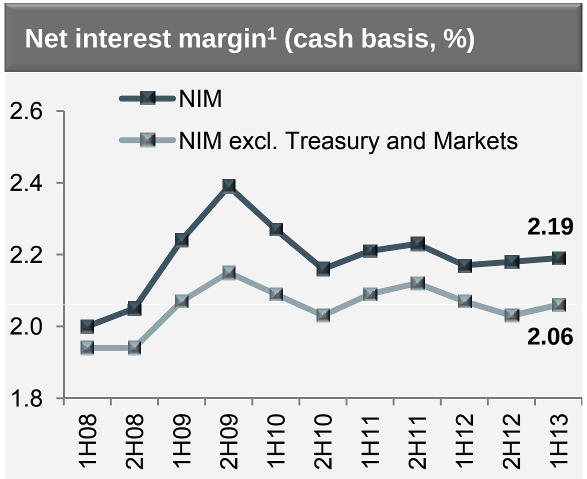
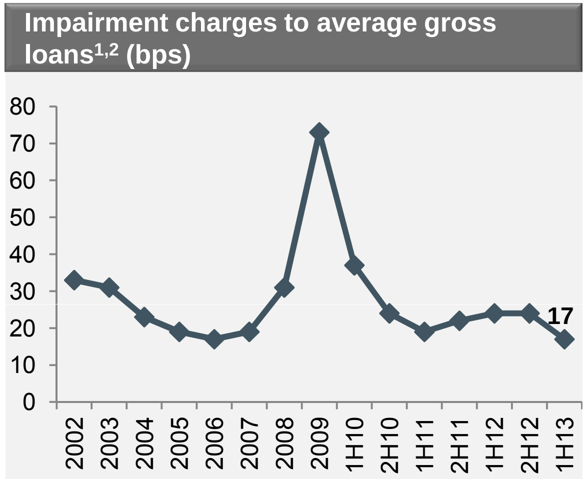
We use words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or similar words to identify forward-looking statements. These statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon us. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from the expectations described in this presentation. Factors that may impact on the forward-looking statements made include those described in the section entitled 'Risk factors' in Westpac's Interim Financial Report for the half year ended 31 March 2013 filed with the SEC. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation.

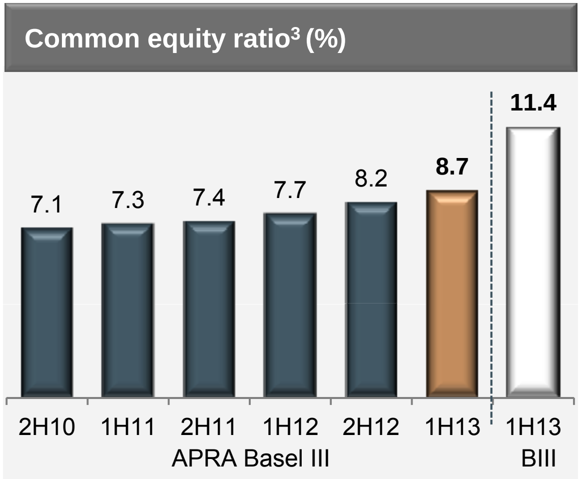
Westpac – consistent, strong performance











1 1H08, 2H08 and 1H09 presented on a pro-forma basis as if the St.George merger was completed on 1 October 2007 to assist comparison. 2 2002-2005 reported under AGAAP; 2006 onwards reported on A-IFRS basis. 2007 does not include St.George. 3. All numbers prior to Mar-13 on a pro forma basis.

Westpac GROUP

Another strong financial result in 2013

	1H13	Change 1H13 – 1H12
Earnings		
Net profit after tax	**$3,304m**	11%
Cash earnings	**$3,525m**	10%
Cash EPS	**113.9c**	8%
Revenue, cash basis	**$9,355m**	5%
Net interest margin, cash basis	**2.19%**	2bps
Expense to income ratio, cash basis	**40.6%**	(51bps)
Return on equity, cash basis	**16.1%**	102bps
Balance sheet		
Total assets	**$678bn**	4%
Total loans	**$521bn**	3%
Customer deposits	**$360bn**	12%

	1H13	Change 1H13 – 1H12
Asset Quality		
Net write-offs to average loans annualised	**21bps**	(8bps)
Total impaired assets to gross loans	**82bps**	(6bps)
Total provisions to gross loans	**80bps**	(6bps)
Collectively assessed provisions to CRWA	**106bps**	(10bps)[2]
Impairment provisions to impaired assets	**40.2%**	240bps
Capital, Funding and Liquidity		
Customer deposits to loans ratio	**69.0%**	581bps
Stable funding ratio[1]	**83%**	390bps
Total liquid assets	**$111bn**	10%
	1H13	**1H12**
Common equity Tier 1 ratio (Basel III fully harmonised)	**11.4%**	10.3%
Common equity Tier 1 ratio	**8.7%** (APRA Basel III)	8.0% (APRA Basel 2.5)
Risk weighted assets	**$308bn** (APRA Basel III)	$300bn (APRA Basel 2.5)

1 Compared to 1H12 on a fully harmonised Basel III pro forma basis. 2 Compared to 1H12 on an APRA Basel III pro forma basis 3 SFR is the stable funding ratio calculated on the basis of customer deposits + wholesale funding with residual maturity greater than 12 months + equity + securitisation, as a proportion of total funding.

Delivering on clear strategic priorities

1	A strong company	**A strengthened balance sheet** • Basel III fully harmonised Common equity Tier 1 ratio 11.4% • Stable funding ratio[1] 83%, up 390bps
2	Reorient to higher growth/higher return sectors and segments	**Maintain ROE above 15%** • Cash ROE 16.1%, up 102bps • Above system growth in deposits[2] and wealth[3] • BT Super for Life FUM up 26%
3	Continue building deeper customer relationships	**Grow customer returns on credit RWA[4]** • Customer return on credit risk weighted assets 4.0%, up 8bps
4	Materially simplify products and processes	**Maintain lowest expense to income ratio of peers** • Expense to income 40.6%, down 51bps
5	One team approach	**Focus on leadership, diversity and flexibility** • Employee engagement 84%, up 300bps[8]

A$95bn market cap.
The world's 11th largest bank by market cap[5]

AA-/Aa2/AA-
One of only 14 banks rated AA- or higher by S&P or Aa2 or higher by Moody's[6]

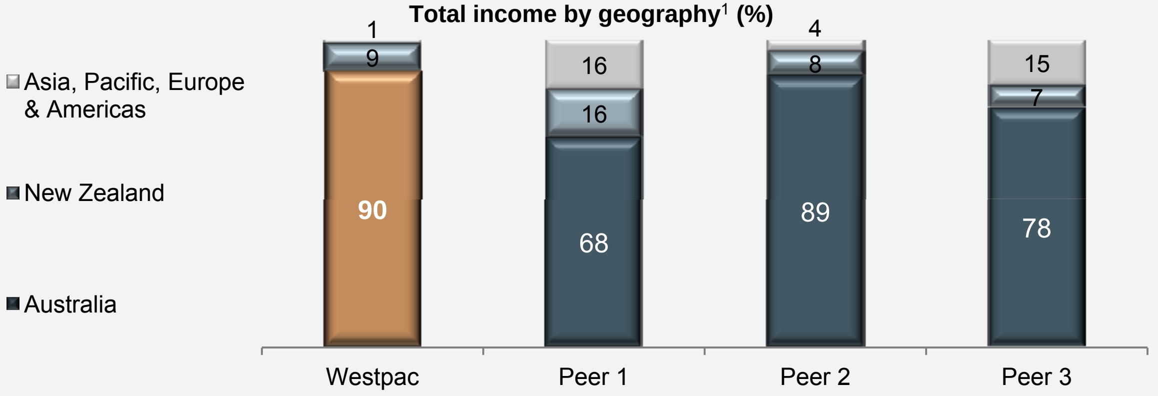
Strong franchise.
>20% market share in core segments[2,3,7]
12m customers

1 Stable funding ratio calculated as customer deposits + wholesale funding with a residual maturity greater than 12 months + equity + securitisation, as a proportion of total funding. 2 APRA Banking Statistics March 2013 3. Plan for Life December 2012 All Master Funds Admin. 4 Customer return calculated as operating income, less Treasury and Markets income, less operating expenses, divided by average credit risk weighted assets. 5. Source: IRESS, CapitalIQ and www.xe.com based in US dollars. As at 28 March 2013 6. As at 28 March 2013 7. RBNZ March 2013 8. Employee engagement measured annually. Results represent FY12 compared to FY11.

Setting Westpac apart – Domestic focus, balance sheet strength and efficiency

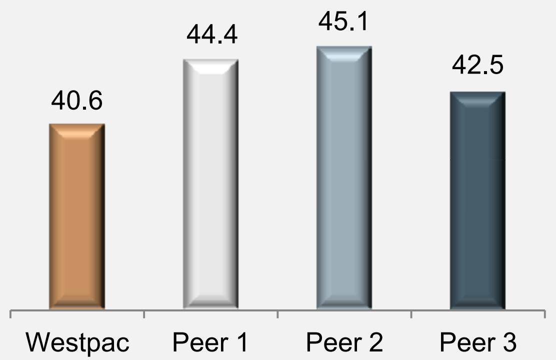
Clear focus on home markets of Australia and New Zealand

Total income by geography[1] (%)



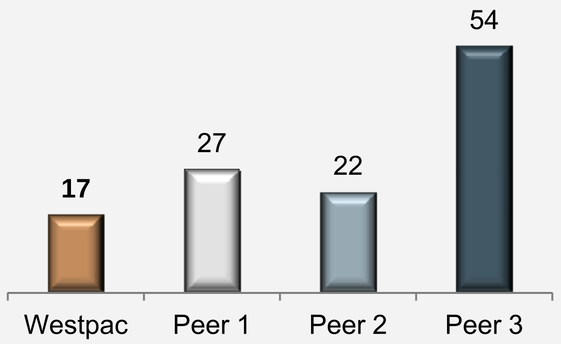
Leader in efficiency

Expense to income ratio[2] (%)



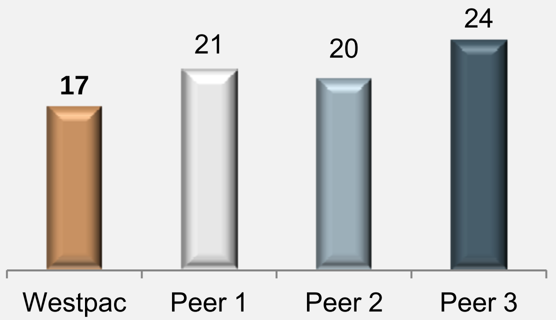
Strong asset quality

Impairment losses on loans to average gross loans[2] (bps)



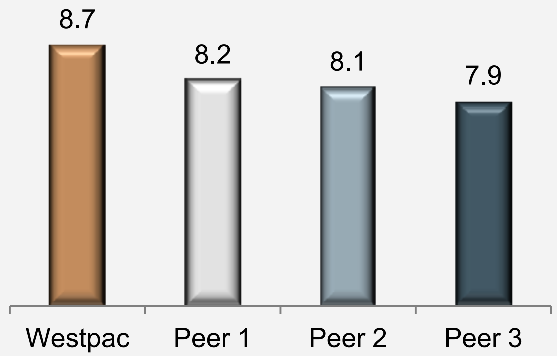
Lowest short term funding of peers

Short term funding to total funding including equity[2,3] (%)



Capital levels ahead of peers

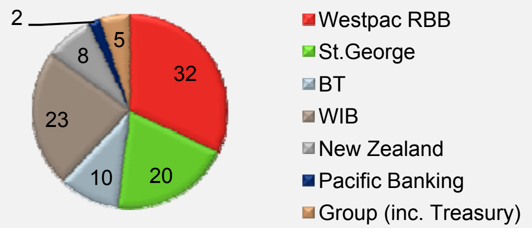
Common equity ratio[2] (APRA Basel III) (%)



1 Source: Company Annual Reports. Westpac, Peer 1 and Peer 3 as at 30 September 2012. Peer 2 as at 30 June 2012. 2 Source: Company reports. Westpac and Peer 1 as at 31 March 2013, Peer 2 as at 31 December 2012 and Peer 3 as at 30 September 2012 3 Short term funding includes Central Bank deposits and long term wholesale funding with a residual maturity less than 1 year.

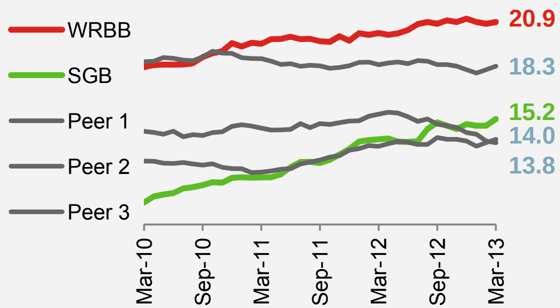
Focus on deeper customer relationships driving earnings

Contribution to cash earnings (%)



Customers with 4+ Products (%)

Wealth penetration[1] leads sector (%)



Australian Financial Services

- **Westpac Retail & Business Banking:** Retail and business banking for Australian consumers, SMEs and commercial customers
  - Cash earnings of $1.1bn in 1H13, up 11% on 1H12
  - Strong franchise continuing to deliver
- **St.George Banking Group:** Australian retail and business banking under the St.George, Bank SA, Bank of Melbourne and RAMS brands
  - Cash earnings of $715m in 1H13, up 25% on 1H12
  - All brands contributing positively; improvement in portfolio quality
- **BT Financial Group:** Westpac's Australian wealth division with $66bn FUM and $96bn FUA at 31 March 2013
  - Cash earnings of $345m in 1H13, up 15% on 1H12
  - Good inflows onto platforms, strong asset management performance and further improvement in cross sell

Institutional

- **Westpac Institutional Bank:** Leading Australasian wholesale bank, with branches and representative offices in Australia, NZ, US, UK and Asia
  - Cash earnings of $813m in 1H13, up 11% on 1H12
  - Strong customer flows particularly in Debt Markets, significant improvement in portfolio quality

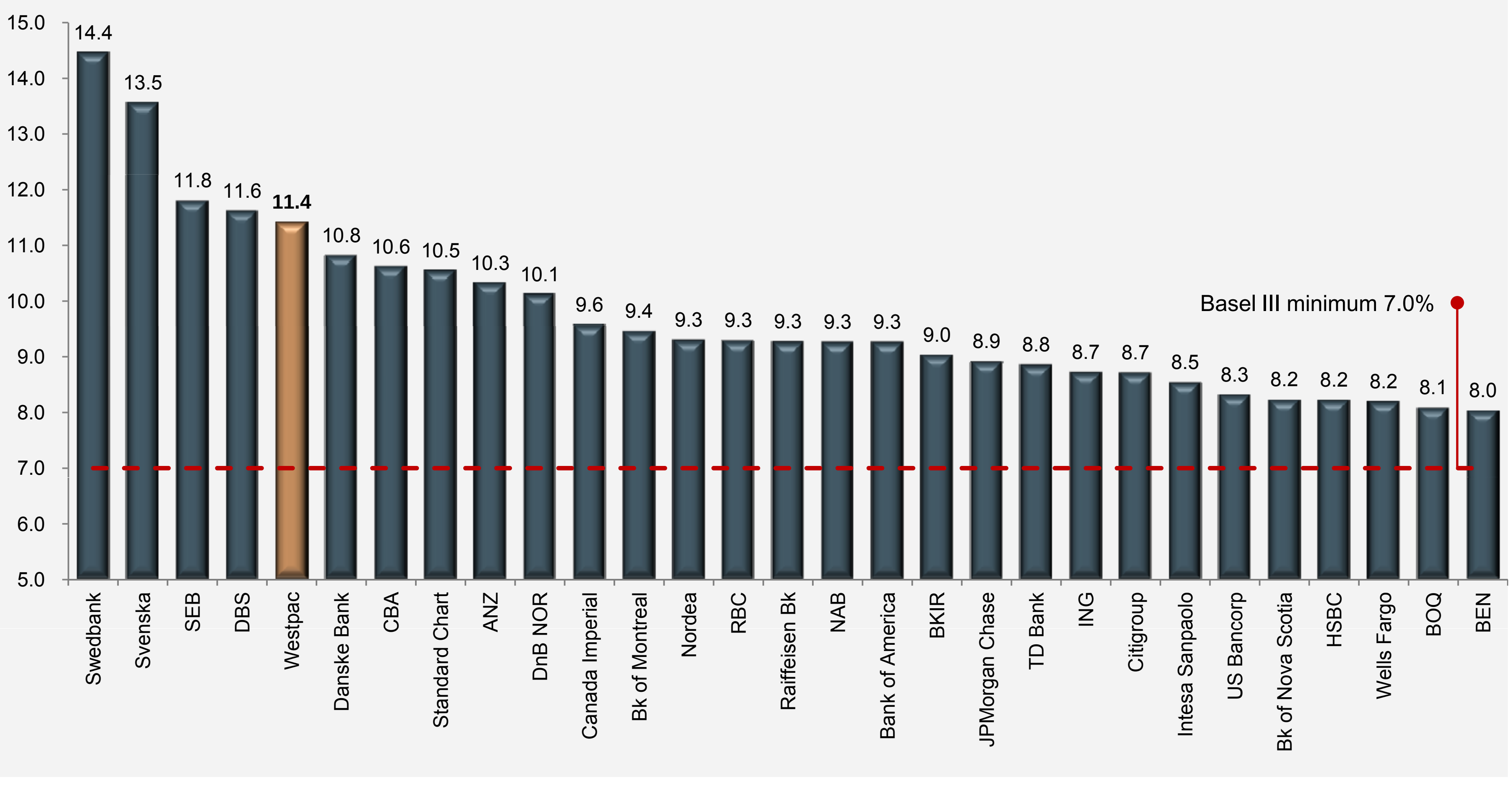
NZ

- **Westpac New Zealand:** One of New Zealand's largest banks, providing banking and wealth services to consumers, businesses and institutions
  - Cash earnings of NZ$370m in 1H13, up 7% on 1H12
  - Strong franchise delivering; improvement in portfolio quality

1. See Appendix 4 for Wealth penetration metrics provider details.

Strong Common equity Tier 1 ratio against global peers

Global peer comparison of Basel III pro-forma Common equity Tier 1 ratios[1] (%)



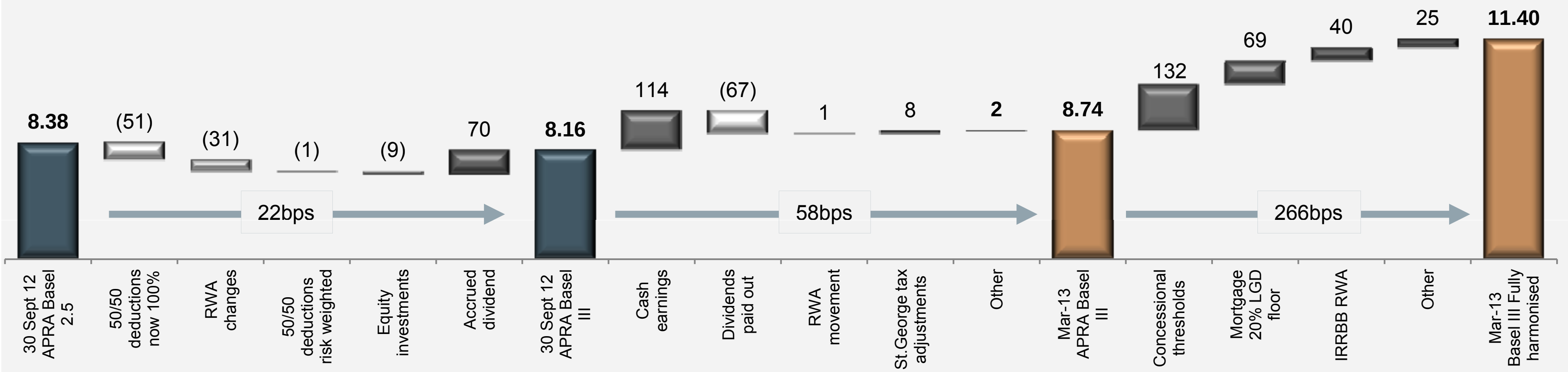
1. Source: Company data, Credit Suisse estimates (based on latest reporting data as at 16 April 2013)

Strong capital position, up across all measures

- Westpac applying APRA Basel III regulations from 1 January 2013
- Preferred range for common equity ratio of 8.0% to 8.5%, comfortably above regulatory minimum (4.5%) and capital conservation buffer (2.5%)
- Strong increase in Common equity Tier 1 ratio in 1H13 to 8.7%, driven by solid earnings growth combined with modest RWA growth
- Strong increase in fully harmonised BCBS[2] Basel III Common equity ratio to 11.40%

Key capital ratios (%)	1H12	2H12	1H13
	APRA Basel 2.5		APRA Basel III
Common equity Tier 1 ratio	8.0	8.4	**8.7**
Additional Tier 1 capital	1.8	1.9	**2.1**
Tier 2 capital	1.0	1.4	**1.7**
Total regulatory capital ratio	10.8	11.7	**12.5**
Risk weighted assets	$300bn	$298bn	**$308bn**
	1H12	2H12	1H13
Common equity Tier 1 ratio (BCBS[1] Basel III)	10.3	10.6	**11.4**

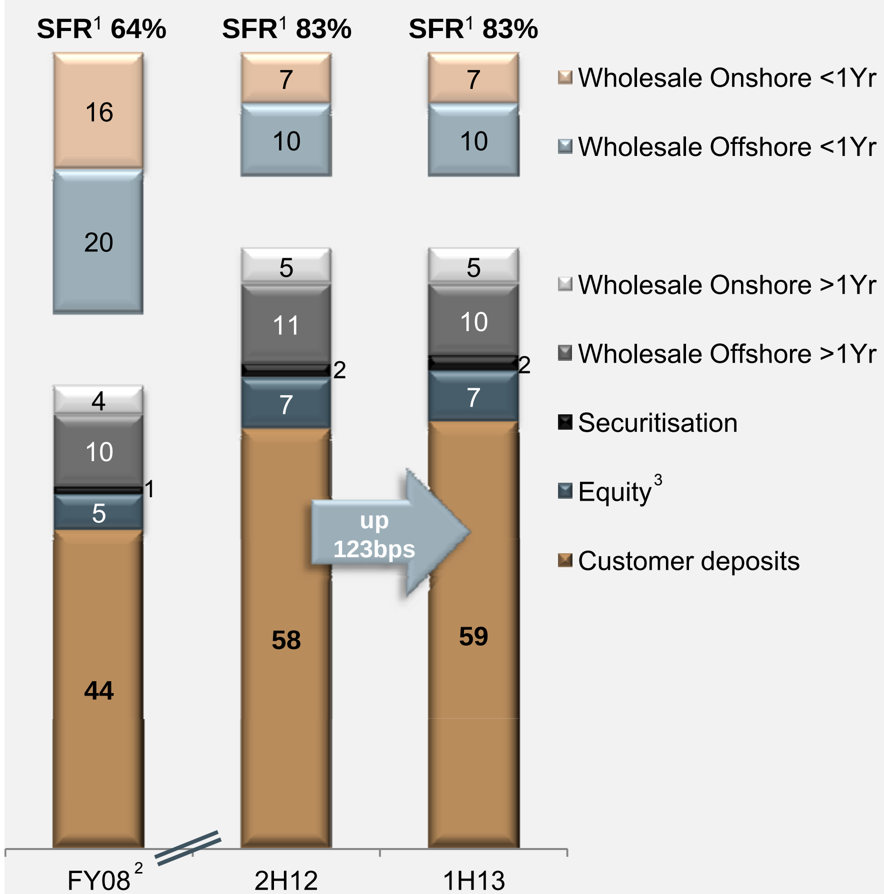
Common equity Tier 1 capital ratio (% and bps)



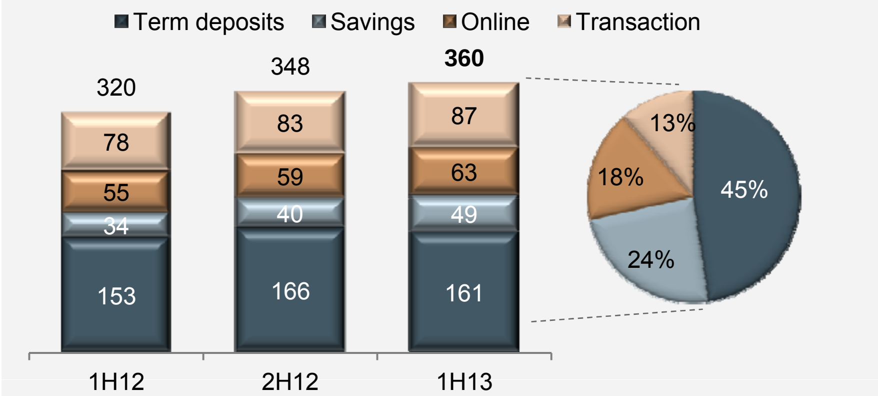
1 Data reported on a Basel 2.5 basis for 1H12 and 2H12 unless otherwise stated. All figures for 1H13 are reported on a Basel III basis. 2 Basel Committee on Banking Supervision.

Strong funding profile supported by customer deposit growth

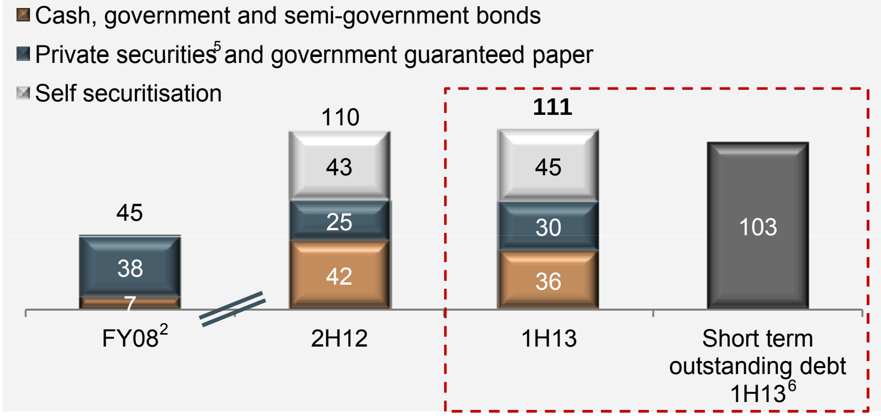
Funding composition by residual maturity (%)



Customer deposit composition[3] ($bn and %)



Liquid assets ($bn)



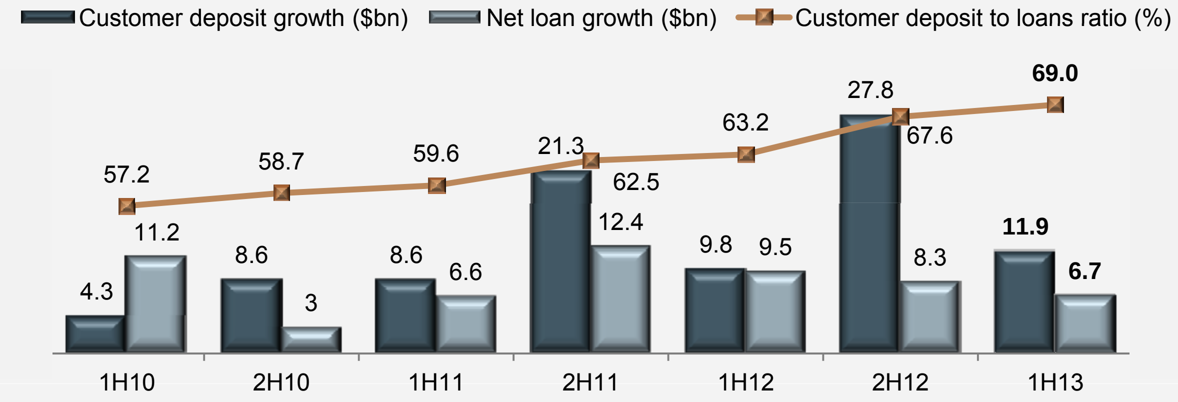
1 SFR is the stable funding ratio calculated on the basis of customer deposits + wholesale funding with residual maturity greater than 12 months + equity + securitisation, as a proportion of total funding. 2 2008 does not include St.George. 3. Equity excludes FX translation, Available for Sale Securities and Cash Flow Hedging Reserves. 4 Short term funding includes Central Bank deposits and long term wholesale funding with a residual maturity less than 1 year. Source: Company reports. Westpac and Peer 1 as at 31 March 2013; Peer 2 as at 31 December 2012; Peer 3 as at 30 September 2012. 5 Private securities include Bank paper, RMBS, and Supra-nationals. 6 Includes long term wholesale funding with a residual maturity less than 1 year.

Westpac GROUP

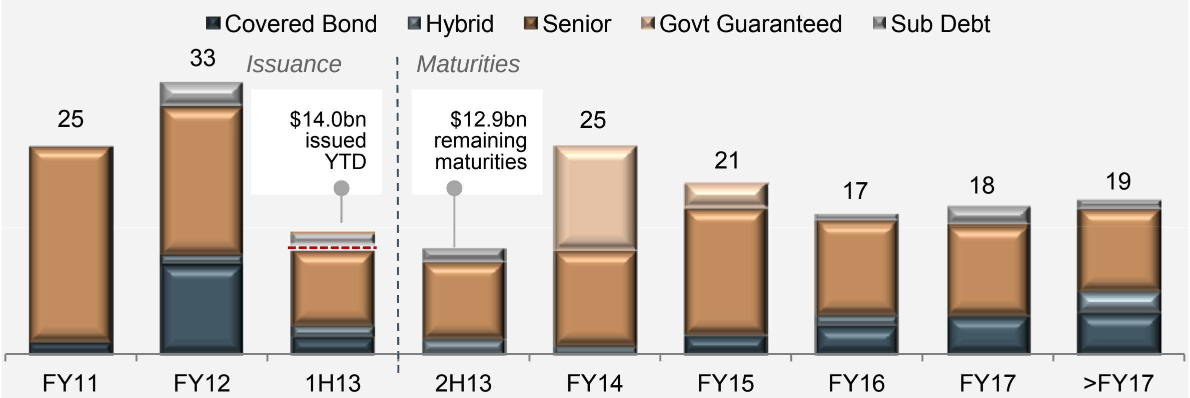
Customer deposits continue to fund loan growth

- Customer deposit growth continued to fund loan growth
  - 142bps improvement in deposit-to-loan ratio to 69.0%
  - Lower wholesale funding needs
- Term wholesale funding focused on refinancing term maturities
  - Expected annual term issuance around $25bn, depending on balance sheet movement and market conditions
  - $12.5bn term debt issued in 1H13, including $1.4bn hybrid issued March 2013
  - Weighted average maturity of new issuance 4.5 years
  - Further $1.4bn issued after 31 March 2013, positioning the Group well for FY13
  - $3.4 billion of Government-guaranteed debt bought back in 1H13, reducing FY14 refinancing needs

Westpac deposit growth funding loan growth



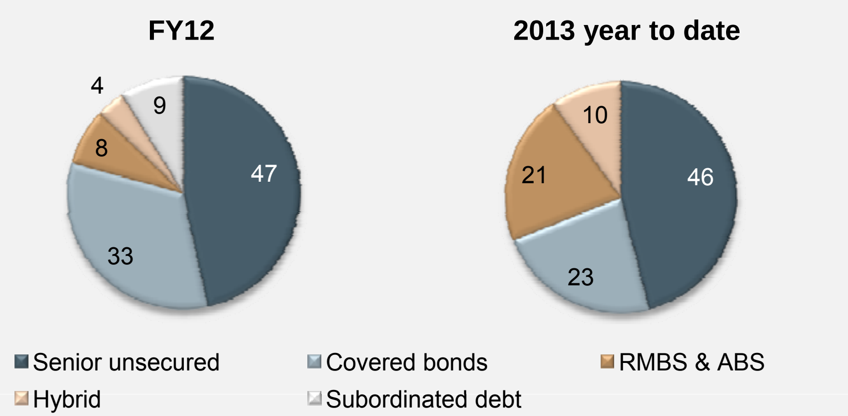
Term debt issuance and maturity profile[1] ($bn)



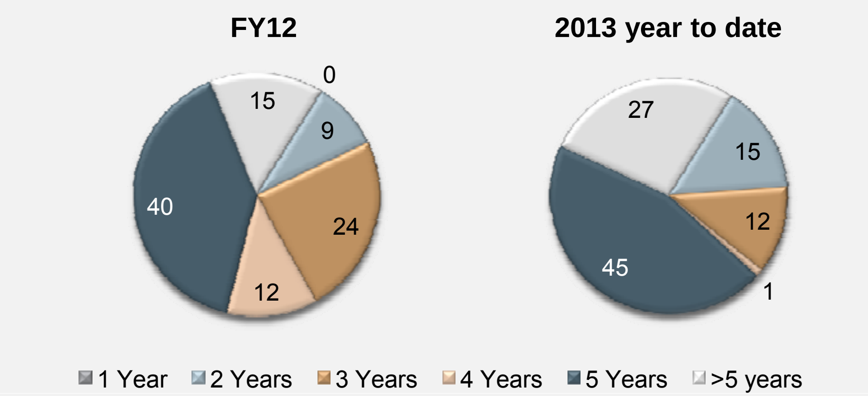
1 Based on residual maturity and FX spot currency translation. Includes all debt issuance with contractual maturity greater than 13 months, excluding US Commercial Paper. Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure. Perpetual sub-debt has been included in >FY17 maturity bucket. Maturities exclude securitisation amortisation

Term issuance focused on flexibility and diversity

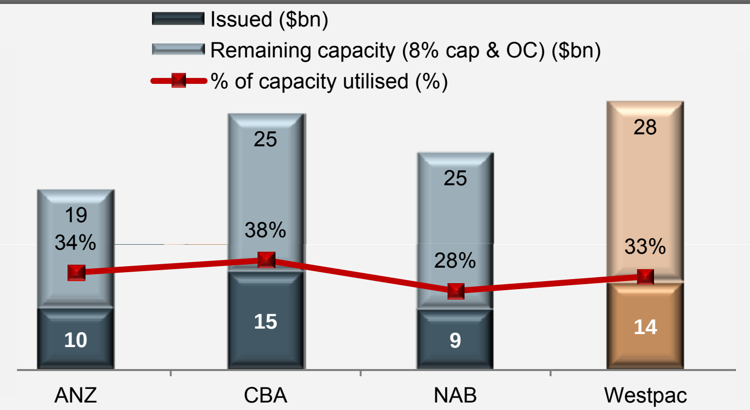
New term issuance by type[1] (%)



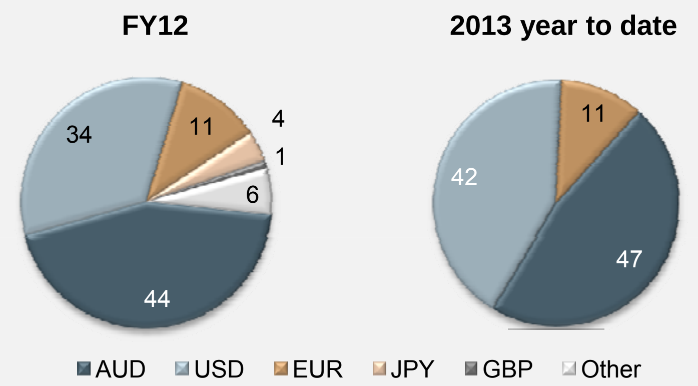
New term issuance by original tenor[1,2] (%)



Australian covered bond issuance[3]



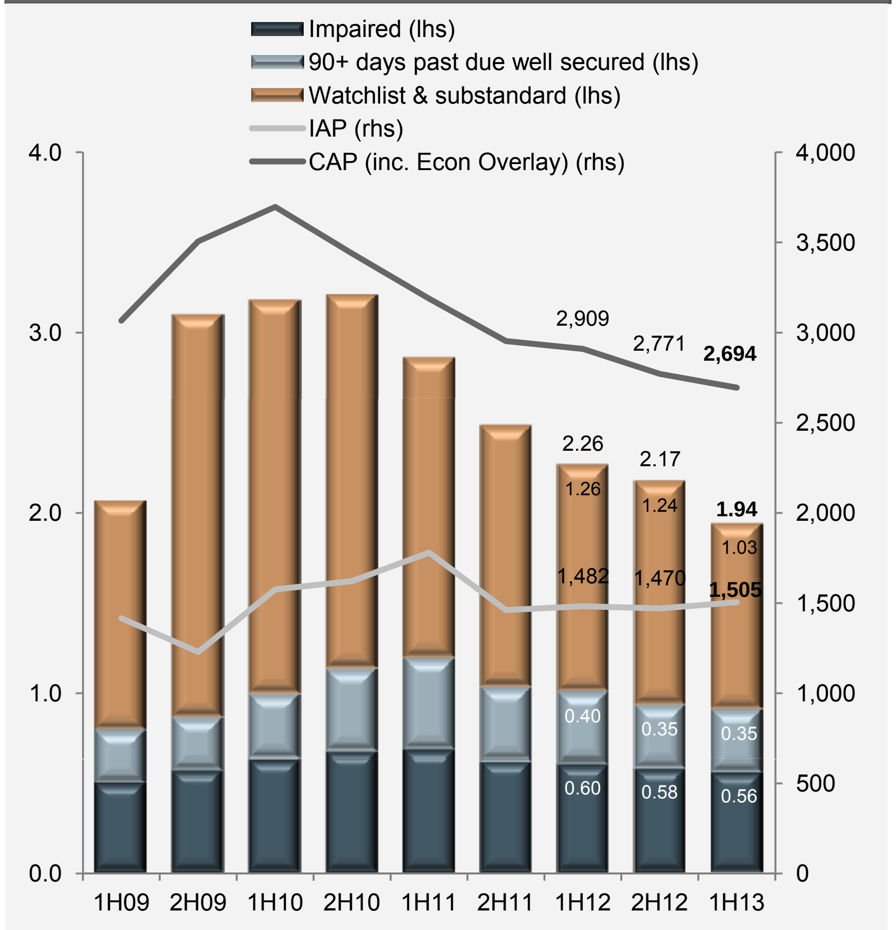
New term issuance by currency[1] (%)



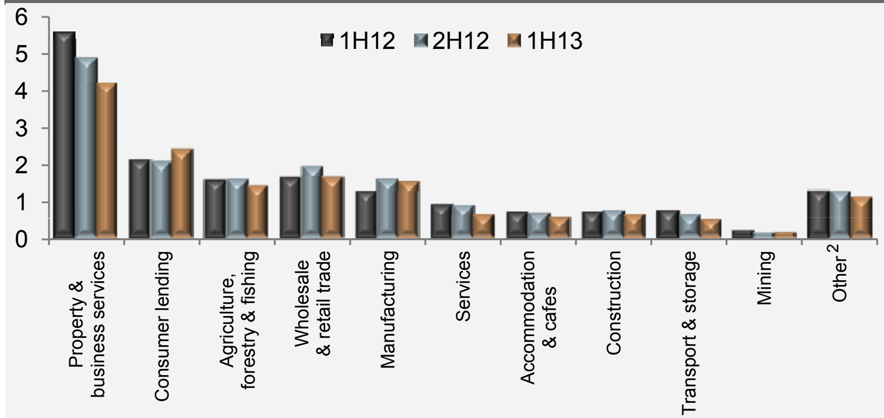
1 Based on residual maturity and FX spot currency translation. Includes all debt issuance with contractual maturity greater than 13 months, excluding US Commercial Paper. Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure. 2 Excludes securitisation. 3 Sources: Westpac, Bloomberg, Company reports as at 22 April 2013

Significant improvement in asset quality

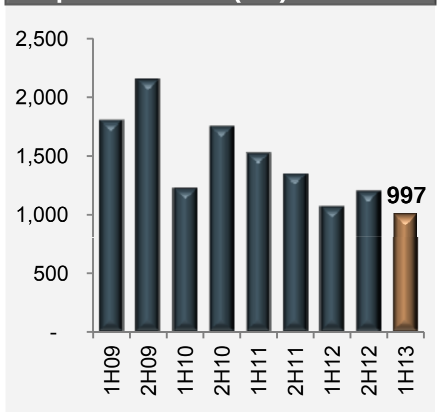
Stressed exposures as a % of TCE[1] (%) and provisions ($m)



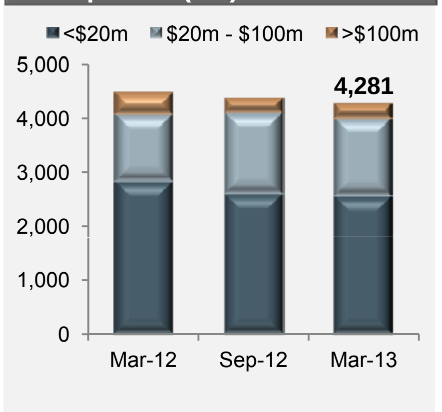
Stressed exposures by industry ($bn)



New and increased gross impaired assets ($m)



Gross impaired assets by size of exposure ($m)

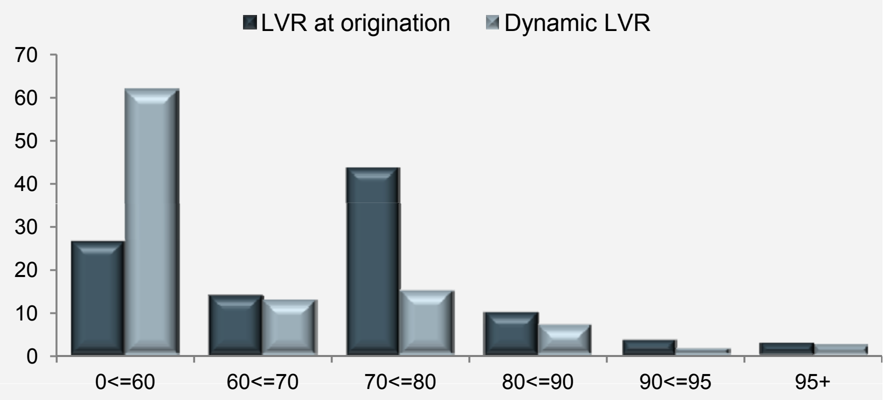


1 TCE is Total Committed Exposures. 2 Other includes Government, admin. and defence, finance and insurance and utilities sectors.

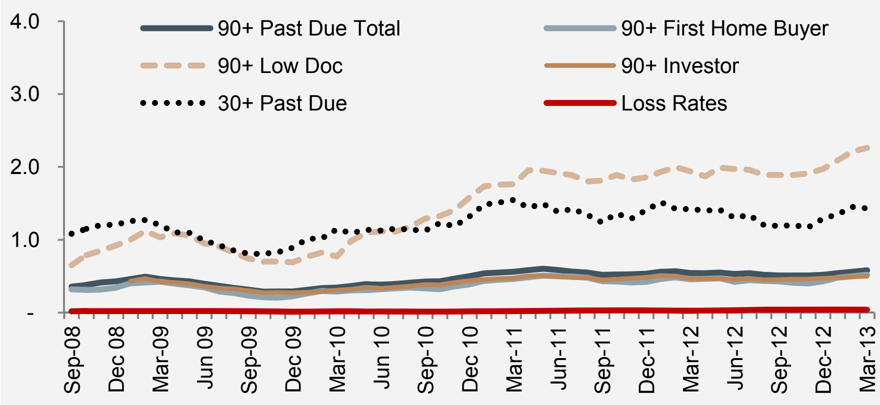
High quality mortgage portfolio, with strong collateralisation

Westpac Australian housing portfolio[1]	2H12 Balance	1H13 Balance	1H13 Flow[2]
Total portfolio ($bn)	316.3	321.9	25.3
Owner-occupied (%)	48.2	48.1	50.6
Investment property loans (%)	41.5	42.2	45.6
Portfolio loan/line of credit (%)	10.3	9.7	3.8
Variable rate / Fixed rate (%)	87 / 13	85 / 15	76 / 24
Low Doc (%)	5.7	5.2	1.5
Proprietary channel (%)	58.4	58.2	57.0
First Home Buyer (%)	11.8	11.7	11.1
Mortgage insured (%)	25.8	24.4	17.0
	2H12	**1H13**	
Average LVR at origination (%)	69	69	
Average dynamic[3,4,5] LVR (%)	48	48	
Average LVR of new loans[6] (%)	69	70	
Average loan size ($'000)	214	219	
Customers ahead on repayments, excluding offset accounts[3,7] (%)	59	56	
Actual mortgage losses (net of insurance)[1,8] ($m)	43	52	
Actual mortgage loss rate[1] annualised (bps)	3	3	

Australian housing portfolio[3,4,5] (%)



Australian mortgages delinquencies and loss rates (%)

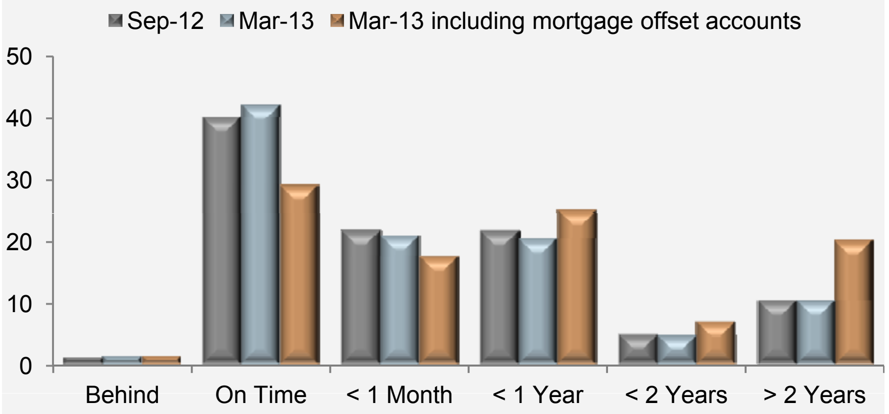


1 Represents WRBB and St.George (including RAMS). 2 Flow is all new mortgage originations total settled amount originated during the 6 month period ended 31 March 2013 and includes RAMS. 3. Excludes RAMS. 4. Dynamic LVR represents the loan-to-value ratio taking into account the current outstanding loan balance, changes in security value and other loan adjustments. 5 Property valuation source Australian Property Monitors. 6. Average LVR of new loans is based on rolling 12 month window for each year end period. 7. Customer loans ahead on payments exclude equity/line of credit products as there are no scheduled principal payments. 8 Mortgage insurance claims 1H13 $10m (2H12 $17m and 1H12 $13m).

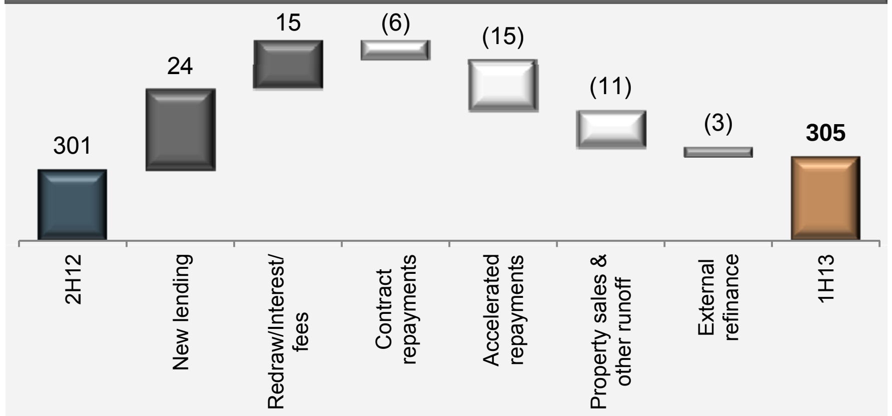
Prepayment levels and serviceability remain strong

- Australian mortgage customers continue to display a cautious approach to debt levels, taking advantage of lower rates to pay down debt
  - Including mortgage offset account balances, 70% of customers are ahead of scheduled payments, with 20% of these being more than 2 years ahead
  - Excluding mortgage offset account balances, 56% of Australian mortgage customers are ahead of scheduled payments
  - Prepayment levels impacted by increased flows into fixed rate loans (where additional repayments are limited)
- When assessing serviceability, Westpac has a minimum assessment rate, often referred to as a floor rate, currently set at 7.46% p.a. across all brands
- In the current low interest rate environment, the minimum assessment rate is more than 190bps higher than the standard lending rate

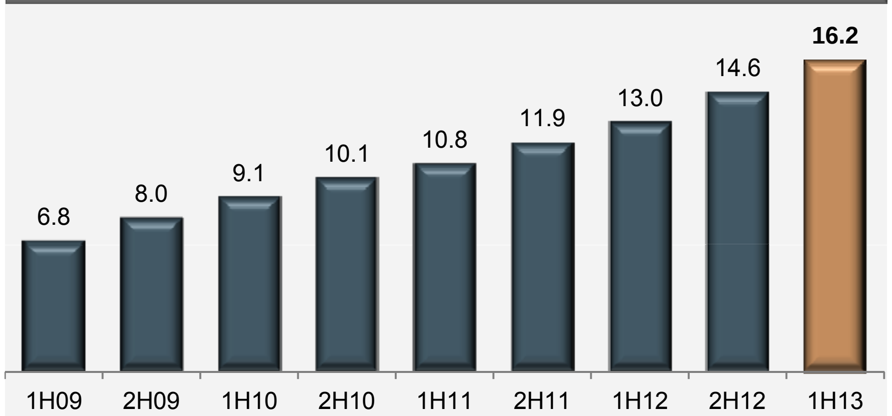
Australian home loan customers ahead on repayments[1,2] (%)



Australian mortgage[1] balance growth ($bn)



Mortgage offset account balances[1] ($bn)



1 Excludes RAMS. 2 Customer loans ahead on payments exclude equity loans/line of credit products as there is no scheduled principal payments. 'Behind' is more than 30 days past due. 'On time' includes up to 30 days past due.

THE AUSTRALIAN ECONOMY

"Australia has built up the capacity to absorb shocks due to...low public debt, a free floating exchange rate and liberal trade and labour markets, which allows the authorities to run strong countercyclical policies during downturns and the economy to adjust."

FITCH AFFIRMS AUSTRALIA AT 'AAA'; STABLE OUTLOOK, 28 MARCH 2013

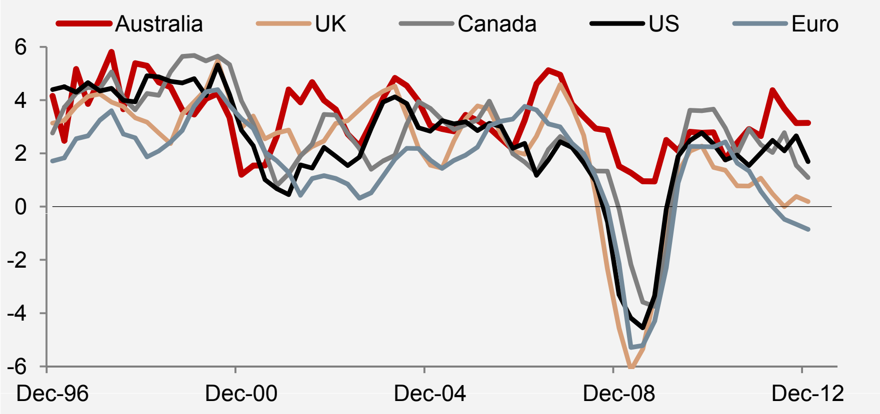
Australian and New Zealand economic forecasts

Key economic indicators as at 30 April 2013[1] (%)		Calendar year			
		2011	2012	2013f	2014f
World	GDP	4.0	3.2	3.4	3.1
Australia	GDP	2.4	3.6	2.5	2.3
	Private consumption	3.3	3.2	2.4	3.0
	Business investment[2,3]	17.0	16.7	5.0	–1.0
	Unemployment – end period	5.2	5.3	5.9	5.8
	CPI headline – year end	3.0	2.2	2.0	2.8
	Interest rates – cash rate	4.50	3.00	2.75	2.75
	Credit growth, Total – year end	3.5	3.6	4.3	5.5
	Credit growth, Housing – year end	5.4	4.5	5.3	6.3
	Credit growth, Business – year end	1.3	2.7	3.0	4.5
New Zealand	GDP	1.4	2.5	2.8	3.6
	Unemployment – end period	6.4	6.9	6.3	5.0
	Consumer prices	1.8	0.9	1.3	2.3
	Interest rates – official cash rate	2.50	2.50	2.50	3.50
	Credit growth – Total	0.9	3.6	4.5	5.3
	Credit growth – Housing	1.2	3.7	5.4	5.9
	Credit growth – Business (incl. agri)	0.8	3.6	3.7	4.8

1. Source: Westpac Economics 2 GDP and component forecasts updated following the release of quarterly national accounts. 3 Business investment adjusted to exclude the effect of private sector purchases of public assets.

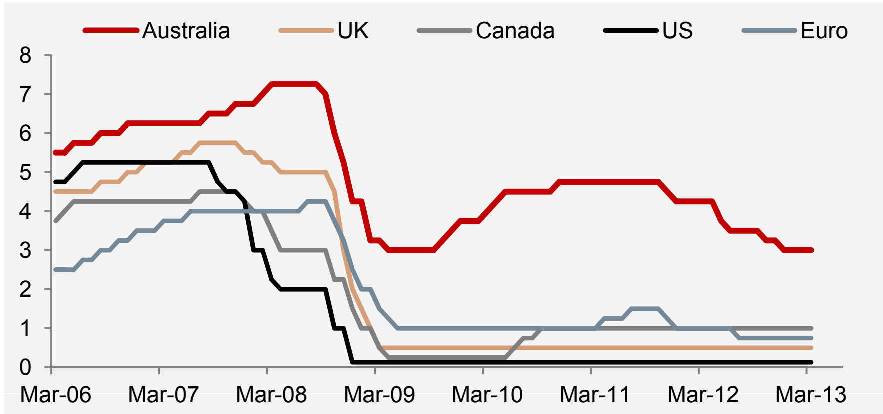
Australia remains well placed relative to developed economies

Real GDP growth (%, year-ended)



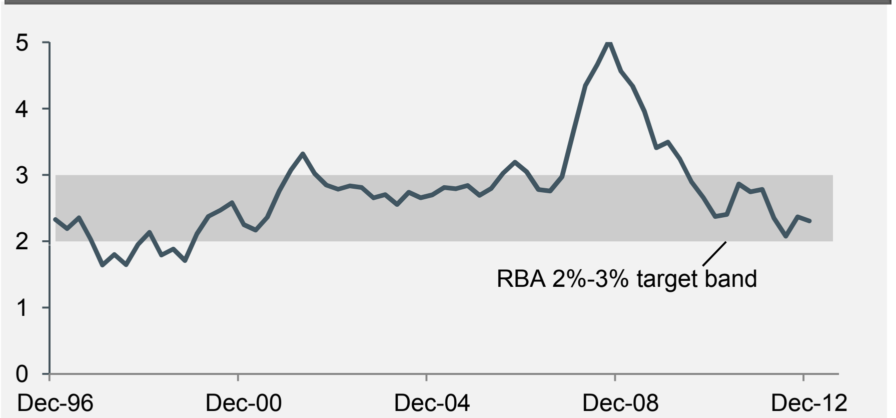
Sources: OECD, Westpac Economics

Major countries' policy rates (%)



Sources: RBA, OECD, Westpac Economics

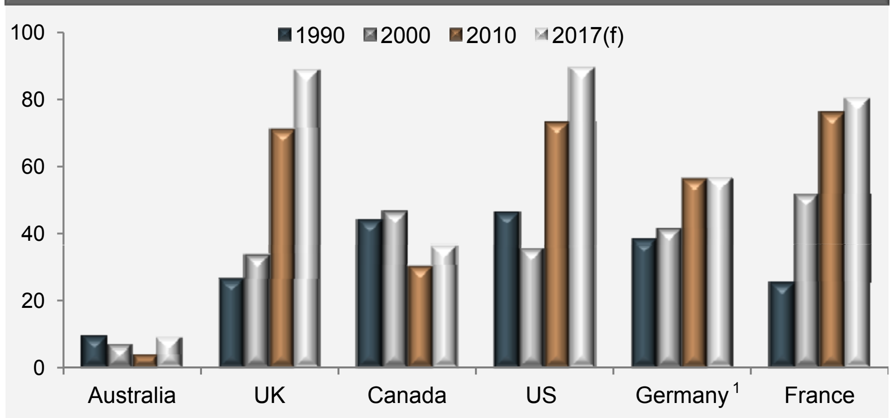
CPI core inflation contained in RBA target band (% annual)



Sources: ABS, RBA, Westpac Economics

1. German figure for 1990 is actually 1995 due to re-unification

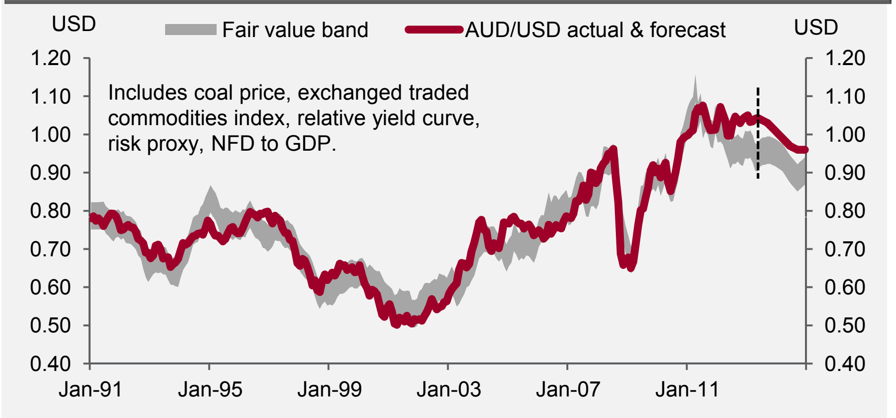
Net public debt levels (% GDP)



Sources: Westpac Economics, IMF

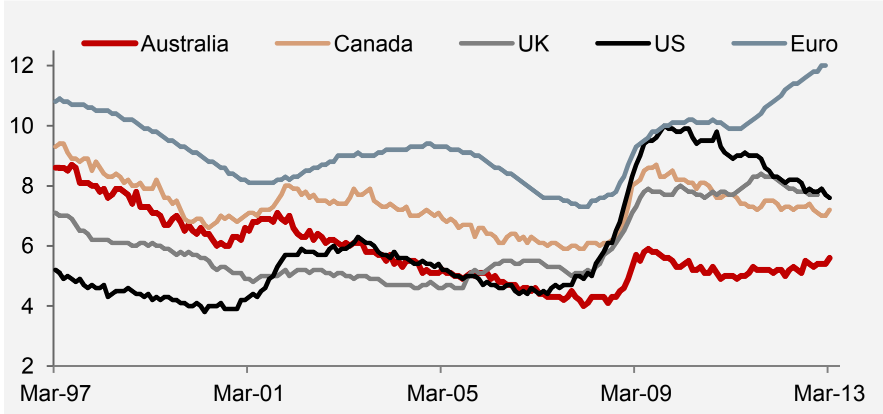
Domestic economic conditions remain sound

Australian dollar



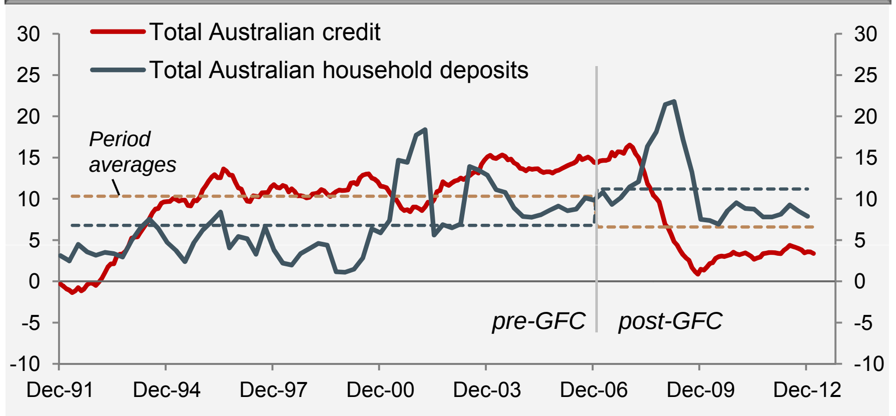
Sources: RBA, Westpac Economics

Unemployment rate (%)



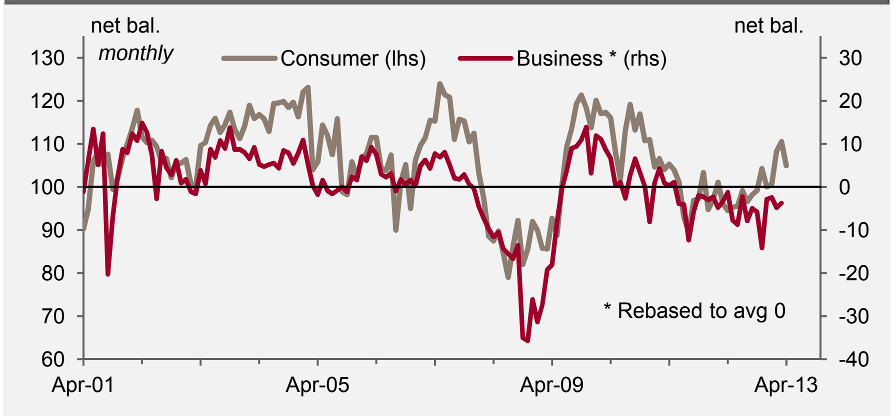
Sources: OECD, Westpac Economics

Credit growth and deposit growth (% annual)



Sources: RBA, Westpac Economics

Business confidence and consumer confidence

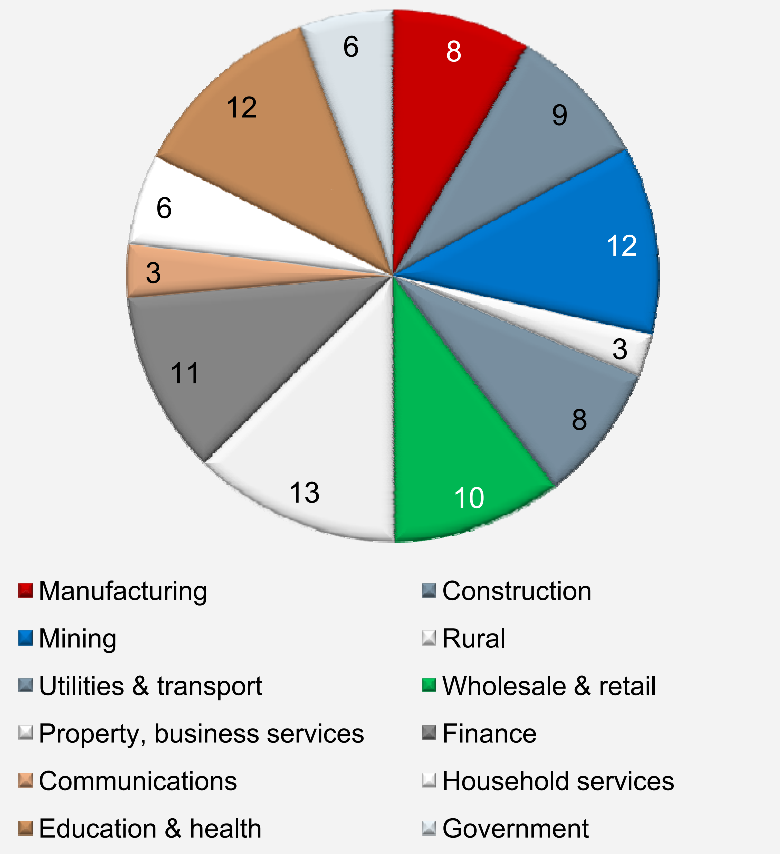


Sources: Westpac MI, NAB, Westpac Economics

Australia has monetary and fiscal flexibility

- In contrast to most other developed economies, Australian policy makers continue to enjoy considerable flexibility
- Australia's official cash rate is currently 3.00%
  - Low by historical standards but still leaves ample scope for additional easing if required
  - Policy rate changes have an immediate impact on lending rates for both given 85% of mortgages are on variable rate terms
- Plenty of fiscal scope
  - Net public debt levels are very low at 8% of GDP
  - While Government is currently focused on fiscal consolidation there is scope for discretionary fiscal easing if needed

Australia's economy diversified and flexible (% of GDP)[1]



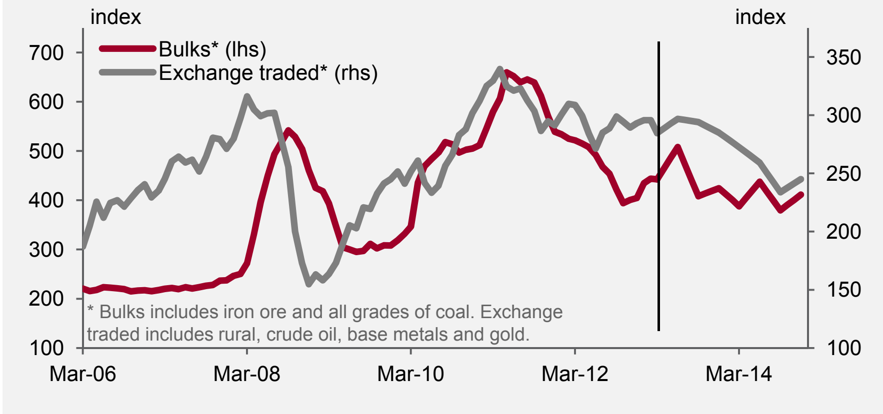
Sources: ABS, Westpac Economics

1. Excludes ownership of dwellings and taxes less subsidies.

Australia's mining boom entering a transition phase

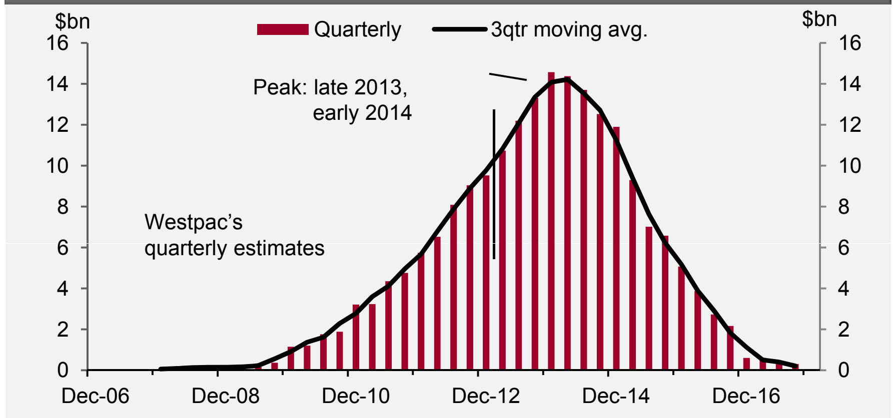
- Australia's mining boom is best described as 3 separate but overlapping stages led by the cycles in:
  1. Prices;
  2. Investment; and
  3. Exports/production
- Upswing in Australia's commodity prices now matured - most prices peaking in 2008
- Investment cycle nearing a peak (led most recently by very large round of gas projects)
  - Expected to mature in 2013 with mining investment likely to become a drag on growth in 2013-14
- This will coincide with the beginning of a sustained upturn in resource exports as projects come on line. Will also see a smaller net contribution to growth nationally and fewer jobs in the mining sector

Price cycle volatile around a high average level



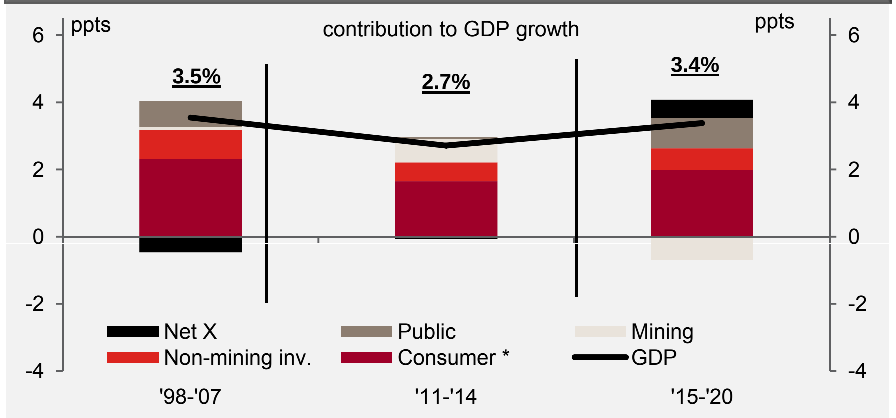
Sources: Westpac Economics, Bloomberg, ABS.

Gas projects dominate; well into investment ramp up



Sources: Westpac Economics, Access "Investment Monitor"

Net exports will contribute to GDP as mining boom matures

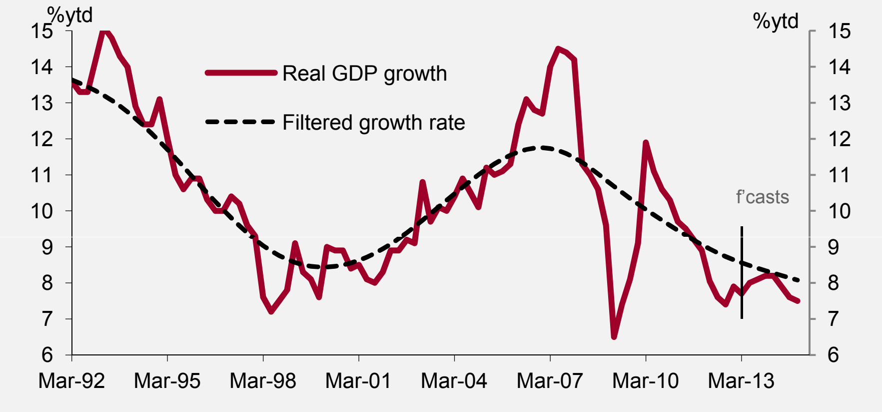


Sources: ABS, Westpac Economics. * Includes housing

Chinese growth finding a sustainable level

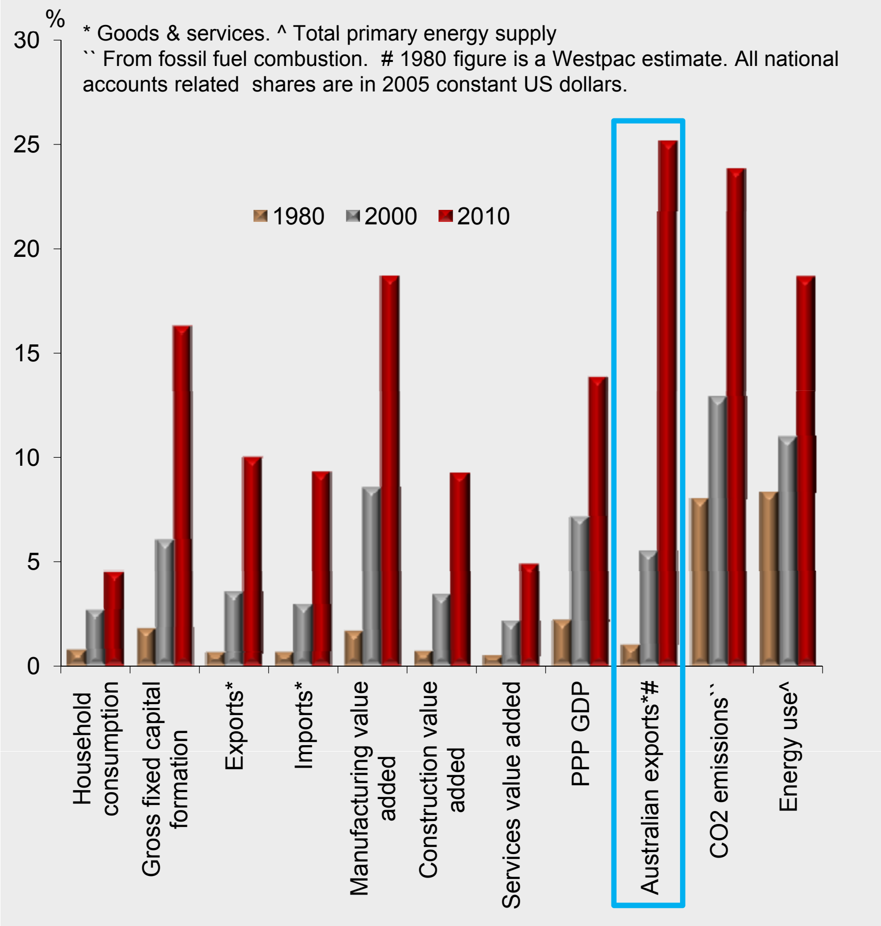
- The Chinese economy is in the middle stages of its development - it is no longer poor but it is still far from rich
- Westpac estimates Chinese potential growth is now between 7% and 8%, with a bias towards the top of that range
  - The 10% average of the 2000s, was achieved in a unique period of history. China benefited from a number of growth accelerating factors concentrated in a short timeframe, including WTO entry, supportive demographics and urbanisation, the global credit bubble and a reform dividend from sound decisions taken in the 1990s (SOE, banks, housing, fiscal)
- As a $US7 trillion economy, China grew at 10%. As a $US10 trillion economy, we expect it to grow at 7%.
  - That represents an equivalent incremental contribution to global absorptive capacity, at higher levels of energy, protein, metal and consumer goods demand per head.

Chinese economic growth (% ytd)



Sources: CEIC, Westpac

China's share: world activity & Australian exports (%)

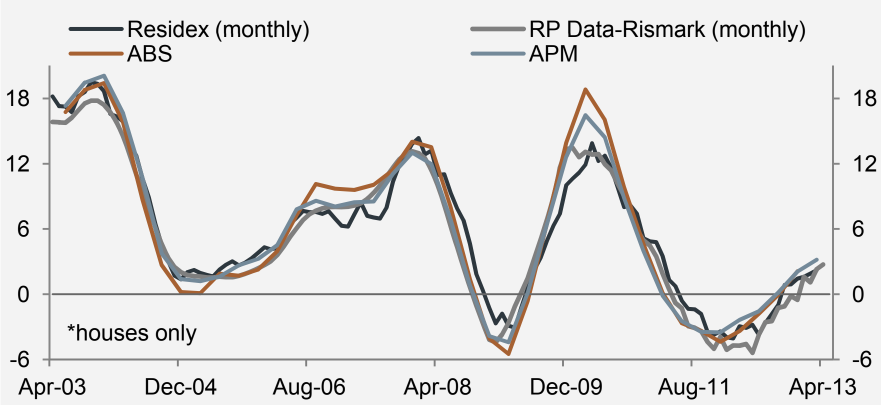


Sources: UN, IMF, IEA, Westpac Economics.

THE AUSTRALIAN MORTGAGE MARKET AND WESTPAC'S HIGH QUALITY RESIDENTIAL MORTGAGE PORTFOLIO

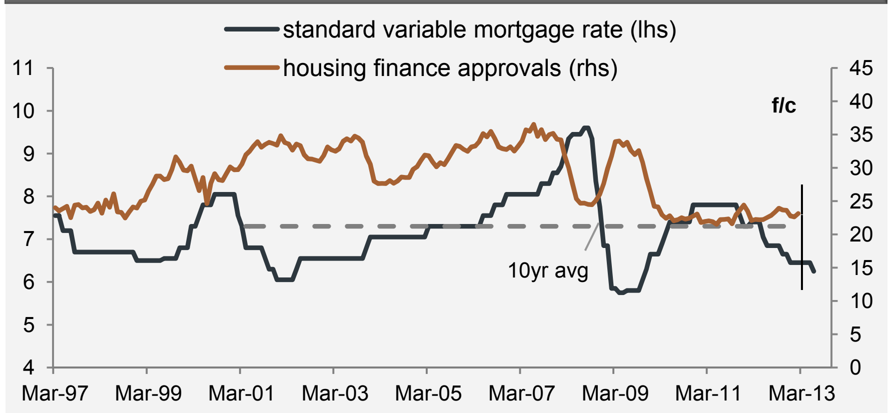
Australian house prices firming after mild correction
Housing affordability improved, rental markets tight

House prices (annual % change)



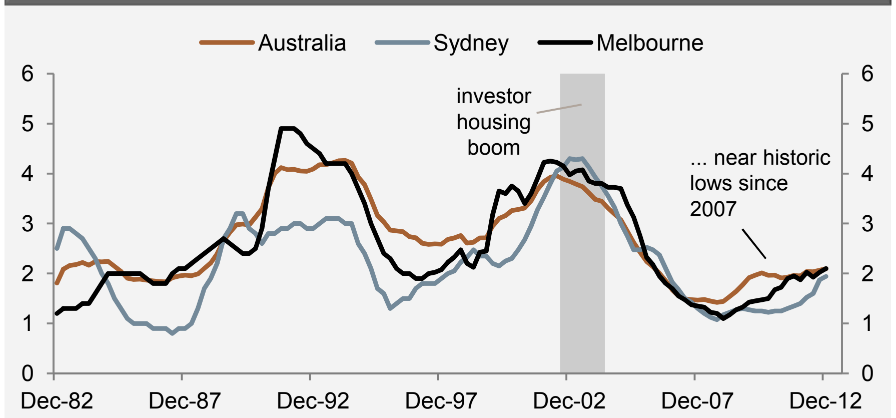
Sources: Residex, RP Data-Rismark, ABS, APM, REIA, Westpac Economics

Interest rates (%)



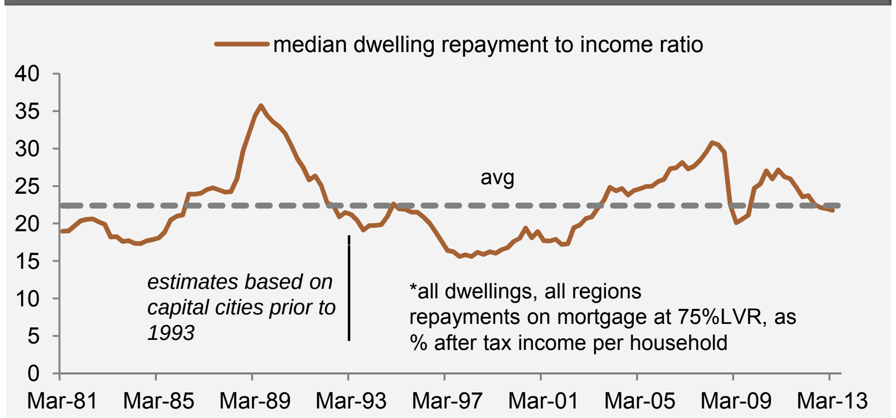
Sources: RBA, ABS, Westpac Economics

Rental vacancy rates (%)



Sources: REIA, Westpac Economics

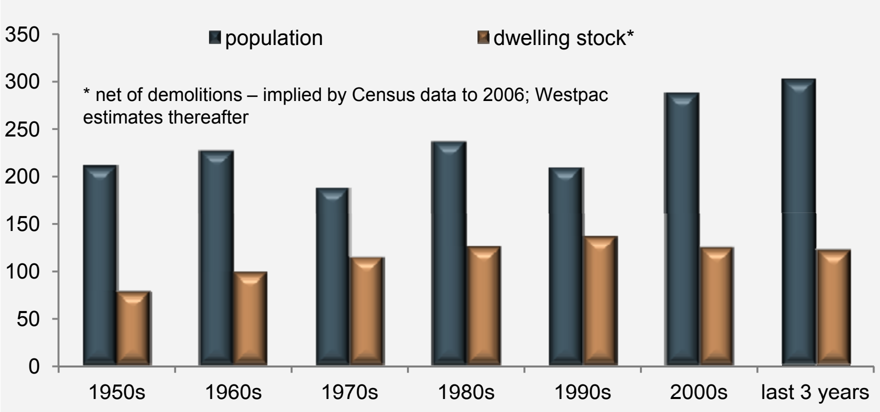
House affordability: all dwellings (%)



Sources: RP Data-Rismark, Residex, Westpac Economics

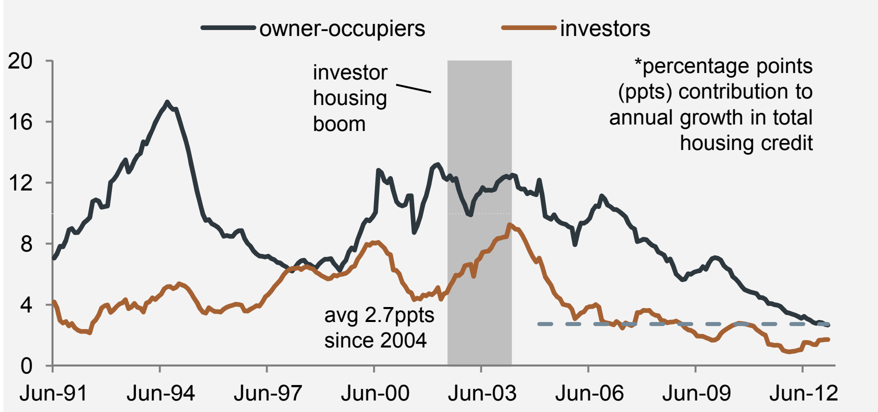
A structural supply/demand imbalance in housing stock; Little evidence of speculative investor activity

Population vs dwelling stock (annual average change, '000)



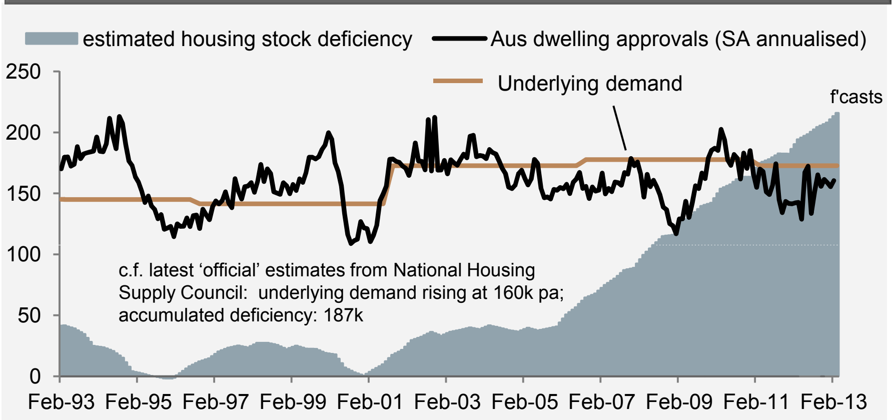
Sources: RP Data-Rismark, Residex, Westpac Economics.

Investor boom ended years ago* (annualised %)



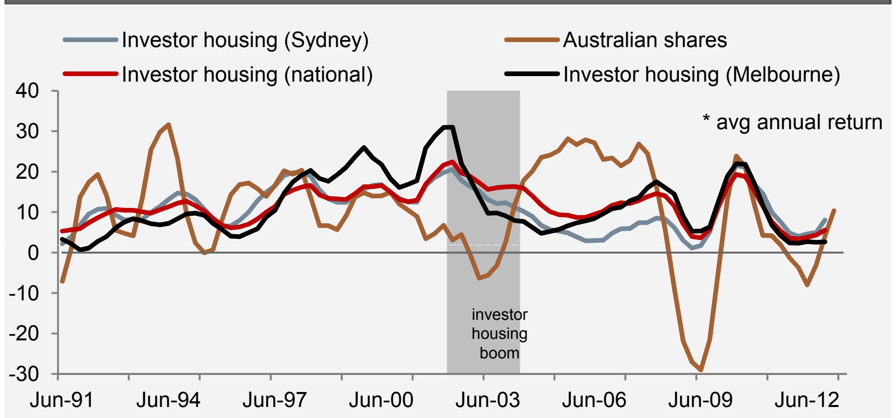
Sources: RBA, Westpac Economics

Australia's housing stock deficiency ('000)



Sources: RBA, ABS, Westpac Economics

Investor returns: housing vs shares* (% per annum)

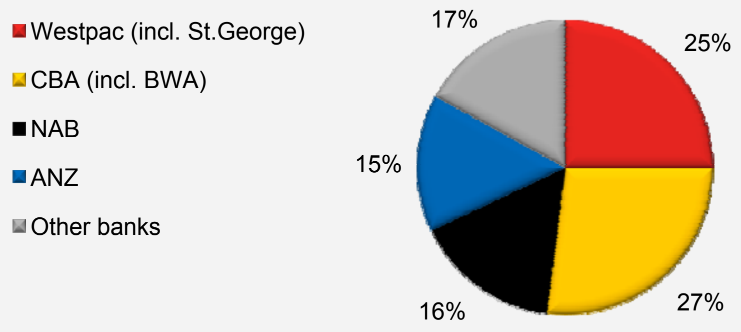


Sources: REIA, RBA, Westpac Economics

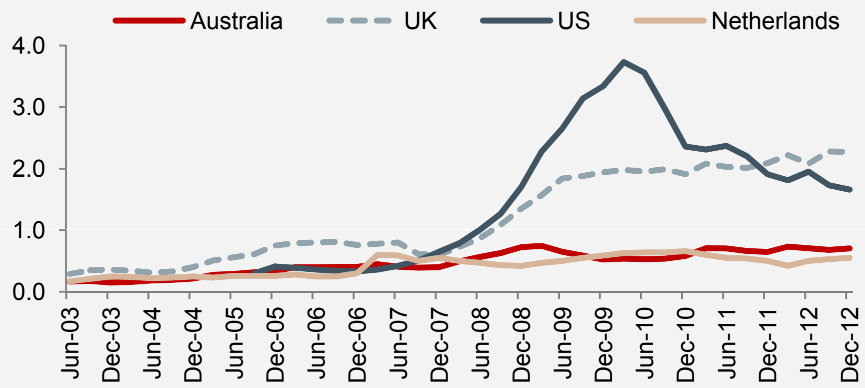
Australian mortgage market features underpin asset quality

Australian mortgage market	
Market share	• 4 major banks dominate - 83% share held • Major banks have a lower share of low doc market, with low flow in this segment over recent years
Lenders recourse	• Banks in Australia have full recourse to the borrower's mortgaged property and other assets and future earnings • Banks can and do pursue defaulting borrowers for losses • Reduces speculative buying behaviour
Products	• Majority of housing loans are variable rate (>85%) • Fixed rate loans for short periods of time (max. 12 years) – in most cases customer opt for 3 to 5 years • Fixed rate borrowers generally incur a break fee if they choose to refinance within the fixed period • Interest rate buffers built into loan serviceability tests at application; Interest only loans assessed on a full P&I basis • Interest payments on primary residence are not tax deductible, provides incentive to pay off mortgage
Regulation	• For mortgage insured loans, mortgage insurance covers the entire loan • Strict prudential supervision provided by one national regulator, APRA
Performance	• Australian 90+ day prime arrears at low levels - absolutely and relative to other major economies

Australian bank mortgage market share[1] (%)



90+ day prime arrears by country[2] (%)

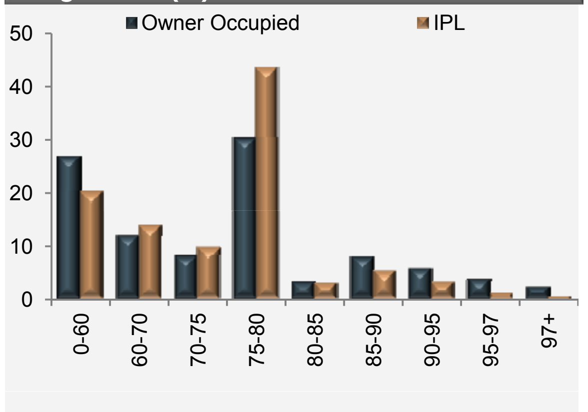


1 Source: APRA Banking Statistics February 2013 2 Source: S&P and Bloomberg.

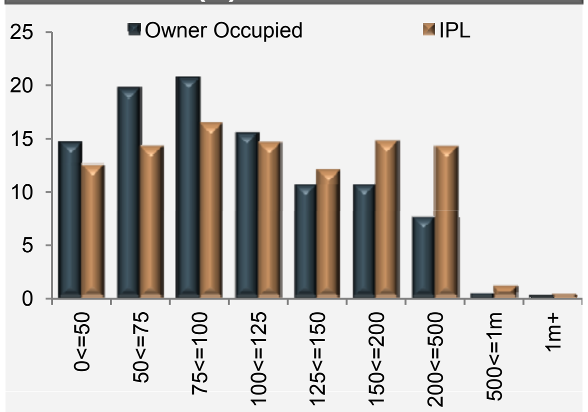
Australian investment property portfolio sound

- Investment property loans (IPLs) make up 42.2% of Westpac's Australian mortgage portfolio
- 43% of IPL loans are originated at 80% LVR, to take advantage of tax deductions and avoid mortgage insurance costs
- While the majority of IPLs are interest-only, the realised amortisation profile closely tracks the principal and interest portfolio, with 40% of interest-only IPL customers ahead on repayments at 1H13
- Compared to owner-occupied applicants, IPL applicants on average are older, have higher incomes and higher credit scores
- Specific credit policies apply to IPLs to assist risk mitigation, for example:
  - Holiday apartments subject to tighter acceptance requirements
  - Additional LVR restrictions apply to single industry towns
- IPL delinquency performance has historically been better than the portfolio average
  - At 1H13, IPL 90+ days delinquencies were 50bps compared to 58bps for the portfolio
- IPL customers with more than one investment loan perform better than IPL customers with one investment loan and better than the overall portfolio

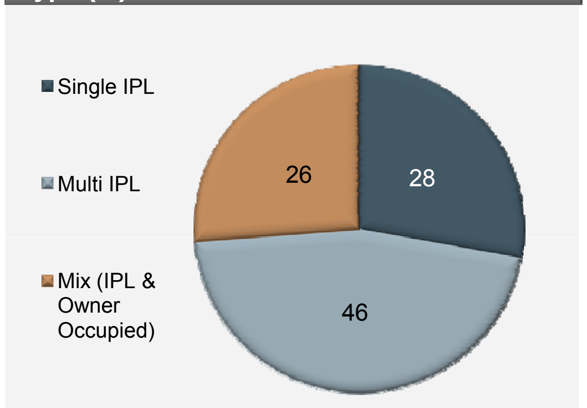
Australian mortgage[1] loan-to-value ratio at origination (%)



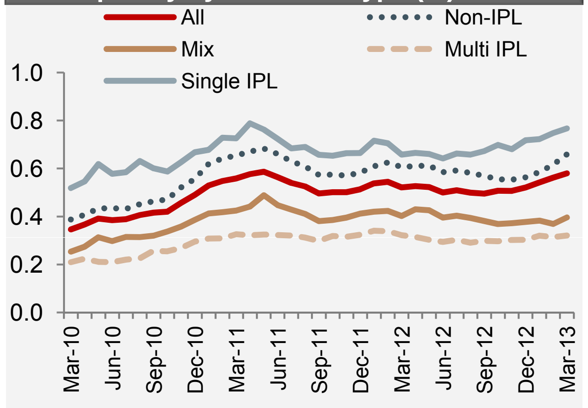
Australian mortgage[1] applicants by gross income band (%)



Australian IPL[1] portfolio by customer type (%)



Australian mortgage[1] 90+ days delinquency by customer type (%)



1 Excludes RAMS.

Mortgage portfolio stress testing outcomes

- Westpac regularly conducts a range of portfolio stress tests as part of its regulatory and risk management activities
- The Australian mortgage portfolio stress testing scenario presented represents a 'typical' severe recession – significant reductions in consumer spending and business investment lead to six consecutive quarters of negative GDP growth, resulting in a material increase in unemployment and nationwide falls in property and other asset prices
- Estimated Australian housing portfolio losses under stress conditions are manageable within the Group's risk appetite and capital base
  - Yearly average losses over the stressed scenario $692m, representing 22bps of the portfolio
  - Cumulative loss modelled over the three years is $2.1bn
- LMI insurance claims would also be higher – an estimated additional $140m in total over the three years (net of reinsurance recoveries)
- Stress testing is also conducted on Westpac's captive mortgage insurer, Westpac Lenders Mortgage Insurance (WLMI), to ensure it is sufficiently capitalised to cover mortgage claims arising from a stressed mortgage environment
- These scenarios seek to ensure that WLMI would be sufficiently capitalised to fund claims from extreme events that would only be expected to occur every 200 years

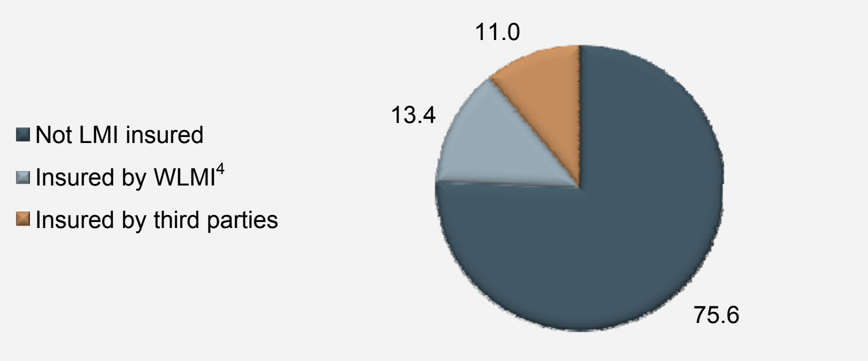
Australian mortgage portfolio stress testing as at 31 March 2013

Key assumptions		Stressed scenario		
	Current	Year 1	Year 2	Year 3
Portfolio size ($bn)	322	321	315	317
Unemployment rate (%)	5.6	11.2	10.2	8.9
Interest rates (cash rate, %)	3.0	2.8	1.0	1.0
House prices (% change cumulative)	0.0	-13.0	-21.2	-23.4
Annual GDP growth (%)	3.1	-3.9	-0.2	1.7
Key outcomes				
Stressed losses (net of LMI recoveries)	3bps	20bps	22bps	23bps

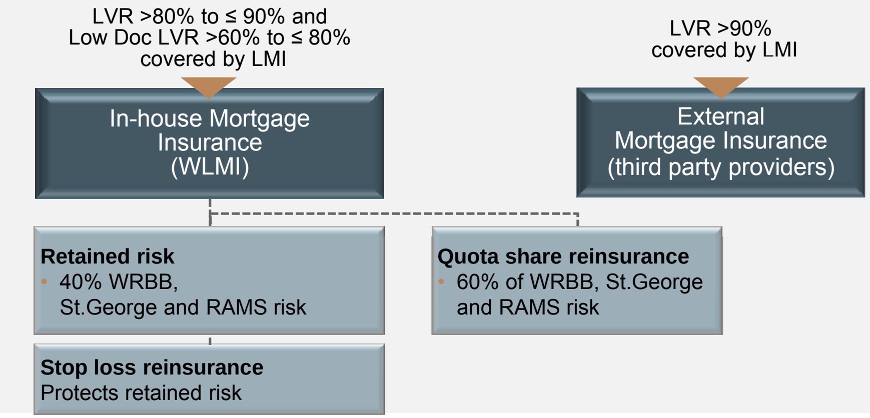
Lenders Mortgage Insurance managing risk transfer

- Westpac Group has one captive mortgage insurer, Westpac Lenders Mortgage Insurance (WLMI), which insures mortgages originated through all brands and channels
- Mortgages with origination LVR between 80-90% and Low Doc between 60-80% are generally covered by WLMI
  - WLMI currently retains 40% of the risk for WRBB, St.George[1] and RAMS brand mortgages
  - Remaining 60% of risk is covered by a quota share arrangement with four parties (Genworth Australia, QBE LMI, Arch Re and Tokio Millennium)
  - Additional stop loss insurance in place with a separate party to cover potential extreme loss scenarios
- Mortgages with origination LVR >90% are insured with third parties (prior to 2009 insured through WLMI)
- WLMI is strongly capitalised (separate from bank capital) and subject to APRA regulation. Capitalised at 1.23x PCR[2]
- Capital conservatively invested (cash and fixed interest) so returns primarily based on premium income and risk management
- Scenarios confirm sufficient capital to fund claims arising from events of severe stress (up to 1 in 200 years)
  - In a 1 in 200 years loss scenario, estimated losses for WLMI are $305m (net of re-insurance recoveries)
- 1H13 insurance claims $10m (2H12 $17m and 1H12 $13m)
- WLMI loss ratio[3] 30%, down from 35% (unchanged from 1H12)

Australian mortgage portfolio LMI coverage (%) as at 31 March 2013

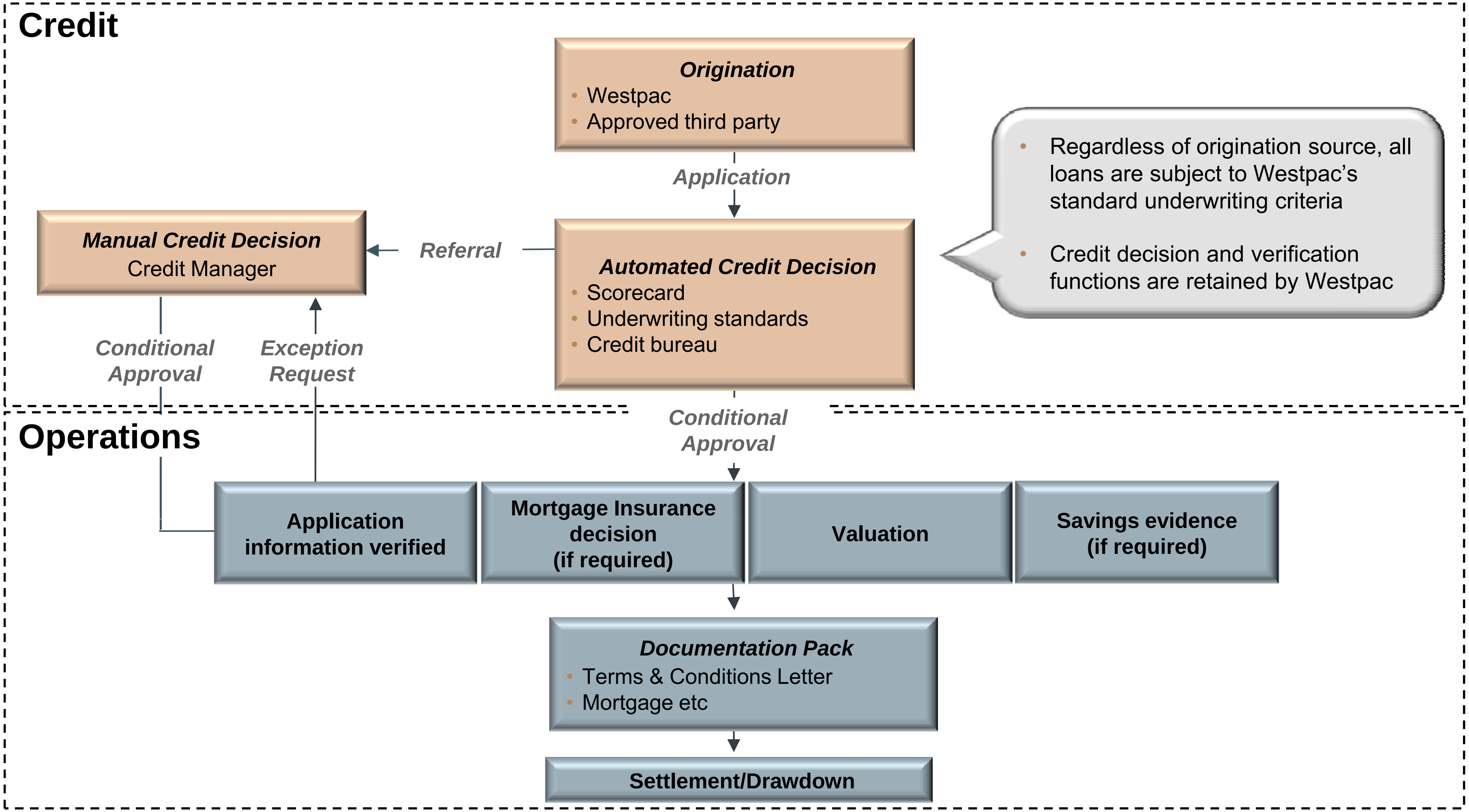


Lenders Mortgage Insurance (LMI) structure as at 31 March 2013



1 St.George includes mortgages originated under the St.George, BankSA and Bank of Melbourne brands. 2 Prudential Capital Requirement (PCR) determined by Australian Prudential Regulation Authority.
3 Loss ratio is claims over the total of earned premium plus reinsurance rebate plus exchange commission. 4 Insured coverage is net of quota share.

Home loan evaluation process - originations



Arrears management and collections

- Customer delinquency management is segmented by risk:
  - Risk is assessed based on historical loan and customer attributes
  - Higher risk customers are contacted earlier and more assertively, leaving lower risk customers to self-cure or be contacted later by collections
- Customers are contacted by SMS, letter and phone
- External property managers are used for the repossession and realisation process
- Properties are repossessed and then sold by the most expedient method
- Shortfall claims are submitted to insurer within 28 days from date of settlement
- Customers experiencing hardship are assessed and managed by Assist, a dedicated hardship team that is part of collections

Typical collections process (medium risk customer)	Days
SMS	3
Phone call	10
1st reminder letter + phone call	18
2nd reminder letter + phone call	22
Final letter + phone call	45
Default notice issued	65+
Letter of demand sent	95+
Legal judgement sought and notice to vacate issued	120+
Valuation conducted by a panel valuer and appraisal obtained	134+
Agent appointed and marketing campaign initiated	140+
Security sold and settlement effected, proceeds applied to debt and shortfall (if any) realised (or LMI claim made if insured)	240+

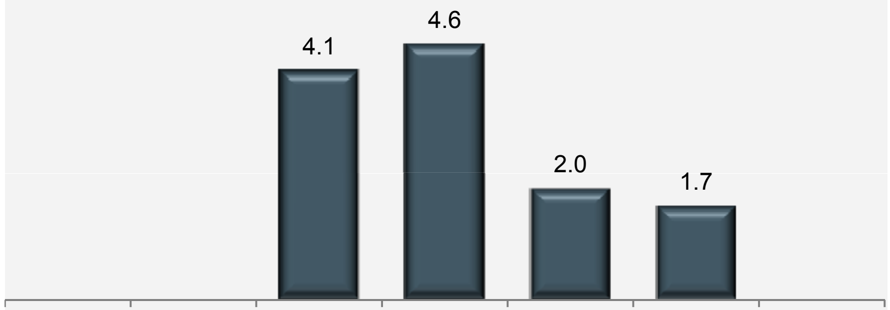
WESTPAC'S AUSTRALIAN COVERED BOND PROGRAMME OFFERS DIVERSITY

Covered bonds offers diversity

- Westpac issues covered bonds through its US$20bn covered bond programme
  - Westpac also maintains RCB/N-bond capability
  - Westpac Securities New Zealand EUR5billion covered bond programme separate and guaranteed by Westpac New Zealand Limited
- A$12.4bn of covered bonds issued since November 2011, with benchmark transactions in US, EUR and AUD
  - Further A$1.2bn issued in Euro benchmark trade in April 2013
- In Australia, covered bond issuance is capped at 8% of Australian assets
  - Limits balance sheet encumbrance
  - 30% of Westpac's covered bond capacity utilised (including over-collateralisation)
  - Weighted average tenor is 4.9 years for issuance since October 2011 to 31 March 2013 for the Australian covered bond programme
  - Maturity profile well managed, with view to maintaining capacity

Covered pool highlights (as at 31 March 2013)	
Total pool loan balance	A$18,620,467,551
Average loan size	A$251,105
Weighted average current LVR (unindexed/indexed)	61.7% / 60.2%
Weighted average seasoning	46 months
Owner occupied security	80.2%
Moody's collateral score[1]	8.2%
Moody's market risk / collateral risk[1]	13.7% / 5.5%
Min. overcollateralisation required (Fitch/Moody's)	15.9% / 10.0%
Min. WBC rating to maintain AAA (Fitch/Moody's)	A+ / A3

Westpac covered bond maturity profile as at 31 March 2013 (A$bn)



1 The collateral score is Moody's opinion of how much credit enhancement is needed to protect investors from the credit deterioration of assets in a cover pool in order to reach a theoretical Aaa expected loss, assuming those assets are otherwise unsupported. The higher the credit quality of the cover pool, the lower the collateral score. Source: Moodys Covered Bond Programme Performance Overview 31 December 2012

Australian covered bonds amongst highest rated / lowest risk

Moody's selected credit risk indicators for covered bonds (global)

Points	Country	Asset Class	Number of Covered Bond Programmes	Median Covered Bond Rating	Country Rating	Country Rating Outlook	Median issuer rating	Median issuer outlook	Median TPI	Median TPI Leeway
0	Sweden	Mortgage	7	Aaa	Aaa	STA	A1	Sta	Probable-High	2.0
1	Australia	Mortgage	5	Aaa	Aaa	STA	Aa2	Sta	Probable	4.0
1	Canada	Mortgage	7	Aaa	Aaa	STA	Aa2	Sta	Probable	4.0
1	Finland	Mortgage	6	Aaa	Aaa	STA	A1	Sta	Probable	3.0
1	Germany	Mortgage	25	Aaa	Aaa	NEG	A2	Sta	High	2.0
1	Norway	Mortgage	13	Aaa	Aaa	STA	A2	Sta	High	1.5
1	Norway	Public Sector	1	Aaa	Aaa	STA	A2(1)	Sta	High	1.5
2	Austria	Public Sector	9	Aaa	Aaa	NEG	A2	Sta	High	1.5
2	Denmark	Mortgage	4	Aaa/A2	Aaa	STA	Baa1	Neg/Sta	High/ Probable High	3.5
2	France	Mortgage	19	Aaa	Aa1	NEG	A2	Sta	Probable-High	1.0
2	France	Public Sector	5	Aaa	Aa1	NEG	A2	Sta	Probable-High	1.0
2	Germany	Public Sector	20	Aaa	Aaa	NEG	A3	Sta	High	1.0
2	Switzerland	Mortgage	2(4)	Aaa	Aaa	STA	A2	Sta	Probable	1.5
3	Korea	Mortgage	3	Aa2	Aa3	STA	Aa3	Sta	Improbable	3.0
4	New Zealand	Mortgage	4	Aaa	Aaa	STA	Aa3	Sta	Improbable	1.0
4	United Kingdom	Public Sector	1	Aaa	Aaa	NEG	A2	Neg	Probable	1.0
4	United Kingdom	Mortgage	16	Aaa	Aaa	NEG	A2	Neg	Probable	1.0
5	Netherlands	Mortgage	6	Aa2	Aaa	NEG	A2	Sta	Probable	0.5
6	Turkey	SME Loans	2	A3	Ba1	POS	Baa3	Sta / Neg	Probable	3(2)
6	United States of America	Mortgage	1	A1	Aaa	NEG	Baa2	Neg	Improbable	3.0

Source: Moody's Investors Service. All data as of 31 October 2012, except for sovereign ratings, which are as of 30 November 2012. German ship and aircraft mortgage-backed programmes are excluded. Key: Sovereign and issuer ratings: Green: Aaa-A3; Yellow: Baa1-Baa3; Red: <Baa3. Outlooks: Green: positive/stable; Yellow: negative/mixed; Red: on review for downgrade. TPIs: Green: Probable-High-Very High; Yellow: Probable; Red: Improbable/Very Improbable. TPI leeway: Green: 2+ notches; Yellow: 1-1.9 notches; Red: <1 notch/n/d. Rank ordering based on points (low to high): Green = 0 points; Yellow = 1 point; Red = 3 points; countries with equal points listed alphabetically.

Westpac Covered Bond Programme

Issuer	Westpac Banking Corporation
Issuer rating	AA-/Aa2/AA- by S&P / Moody's / Fitch
Format	Legislative Covered Bond
Covered Bond rating	Aaa / AAA by Moody's / Fitch
Programme size	US$20 billion
Maturity options	Soft and Hard Bullet
Covered Bond Guarantor	Westpac Covered Bond Trust, a special purpose vehicle (trust)
Covered Bond Guarantee	Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds secured over the Mortgage Loans and its other assets (limited in recourse to its assets)
LVR cap in asset coverage test	80% (subject to indexation)
Asset percentage	Subject to rating agency requirements, programme maximum 95%
Collateral	Prime Australian residential mortgages
Listing	London Stock Exchange

Programme features

Structure	Covered Bonds are issued by Westpac, backed by an unconditional and irrevocable guarantee by the Covered Bond Guarantor (the "CBT Guarantor"), which is limited in recourse to the assets in the Westpac Covered Bond Trust
Security	Security comprises a pool of Australian residential mortgages which meet the eligibility criteria (the "cover pool"). It also includes certain other assets such as cash and investments (subject to legislative and rating agency limits). Mortgages in the cover pool sold to the CBT Guarantor to ensure that covered bondholders have a priority claim over the cover pool in the event of Issuer insolvency
Overcollateralisation	Prior to service of a Notice to Pay on the CBT Guarantor, an Asset Coverage Test will be run monthly to ensure the CBT Guarantor has sufficient assets to support the outstanding covered bonds. Defaulted loans will have nil value applied to them and remaining loans adjusted by the Asset Percentage. The Asset Percentage will be confirmed by the rating agencies quarterly and is subject to a maximum of 95%, which represents a minimum level of overcollateralisation of just over 5%. Following service of a Notice to Pay on the CBT Guarantor, an Amortisation Test is run monthly to ensure the CBT Guarantor has sufficient assets to meet the covered bond obligations
Asset Monitor	PricewaterhouseCoopers monitors the calculation of the Asset Coverage Test and the Amortisation Test on at least an annual basis. They will also provide the asset monitor reporting requirements in relation to the legislation on at least a six monthly basis. This includes verification of the asset register and provision of any other information APRA requires
Hedging	The Total Return Swap and Covered Bond Swap will be used to hedge any exposure of the CBT Guarantor to interest rate and currency risks

Westpac cover pool

Covered Bond Pool eligibility criteria

At the time of sale, each loan:

- Is denominated and payable only in AUD in Australia
- Is secured by a mortgage that constitutes a first ranking Australian mortgage (second allowed as long as first held with the CBT Guarantor)
- Is secured by a mortgage over a property which has erected on it a residential dwelling
- Was approved and originated by the seller in the ordinary course of business
- Is a loan under which the outstanding principal balance owed by the borrower is not more than AUD$2,000,000
- Is a loan under which the relevant borrower is required to repay the loan within 30 years of the relevant cut-off date
- Is not a delinquent mortgage or a defaulted loan and no legal demand has been served on the relevant borrower in respect of a payment on the loan
- The sale of an interest in, or the sale of an interest in any related security, does not contravene or conflict with any law
- The relevant borrower is a resident of Australia
- Not a loan with an interest only payment period of >10 years
- The related mortgage has been or will be stamped
- Where applicable, all progress drawings have been made by the borrower and the residential dwelling has been completed; and
- The borrower has made at least one monthly payment or two fortnightly payments in respect of the loan

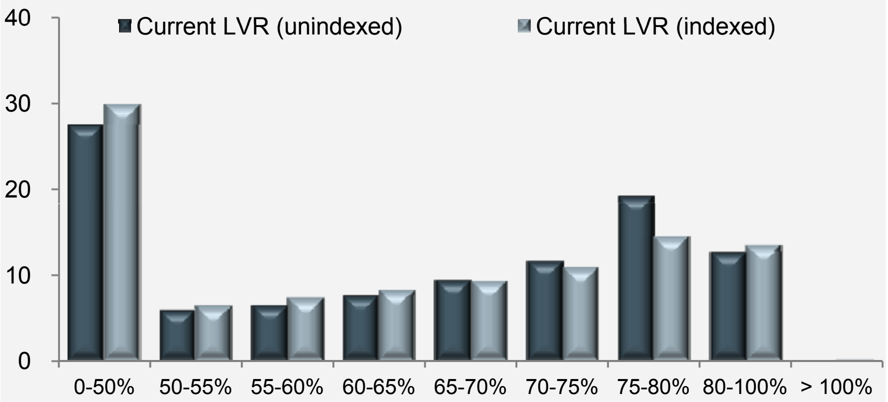
Covered pool loan statistics as at 31 March 2013

Total pool loan balance[1]	A$18,620,467,551
Number of loans	74,154
Average loan size	A$251,105
Max loan size	A$2,000,000
Weighted average current LVR (unindexed)	61.7%
Weighted average current LVR (indexed)	60.2%
Mortgage Insured	16.4%
90 day + arrears	0.0%
Weighted average seasoning	46 months
Weighted average remaining term to maturity	302 months
Weighted average interest rate	5.9%
Fixed / floating split (by bal)	19.2% / 80.8%
Interest only (by bal)	11.6%
Owner occupied security	80.2%

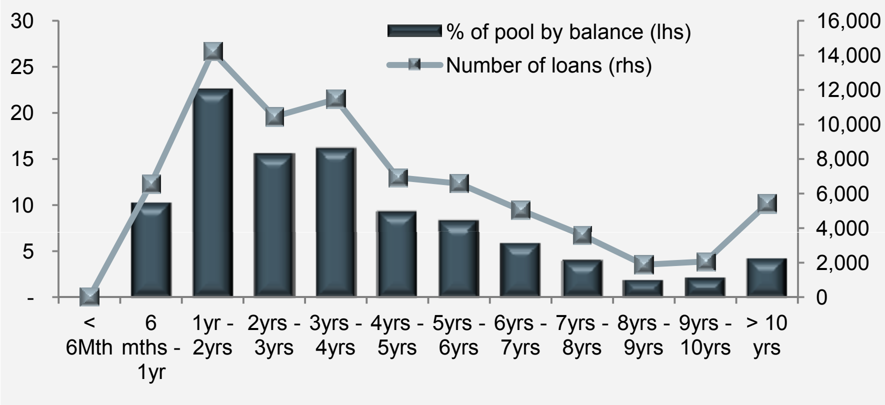
1 Pool loan balance excludes cash balances of A$1,379,532,449. Loans included in the cover pool are Westpac RBB originated.

Pools statistics as at 31 March 2013

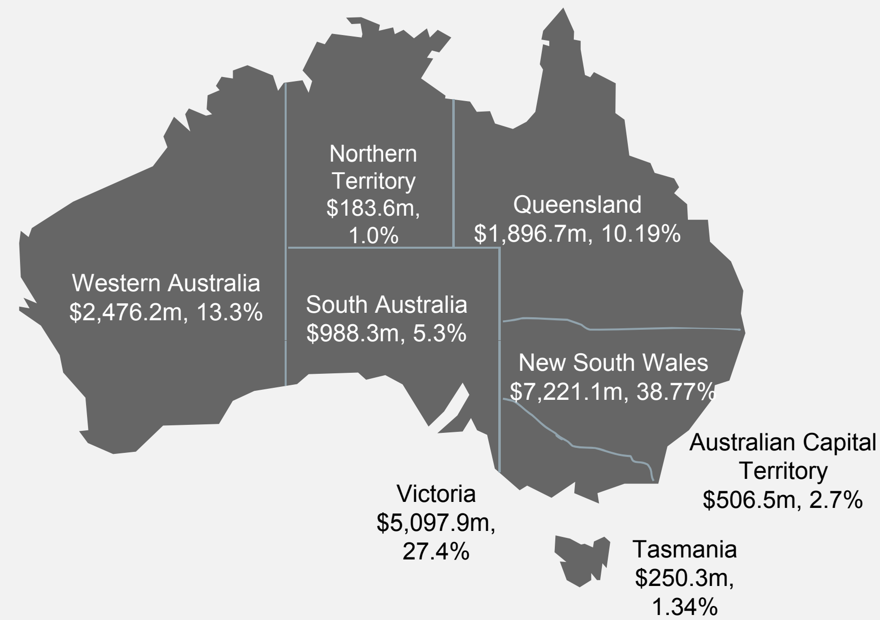
Loan to value ratio by balance (%)



Portfolio seasoning



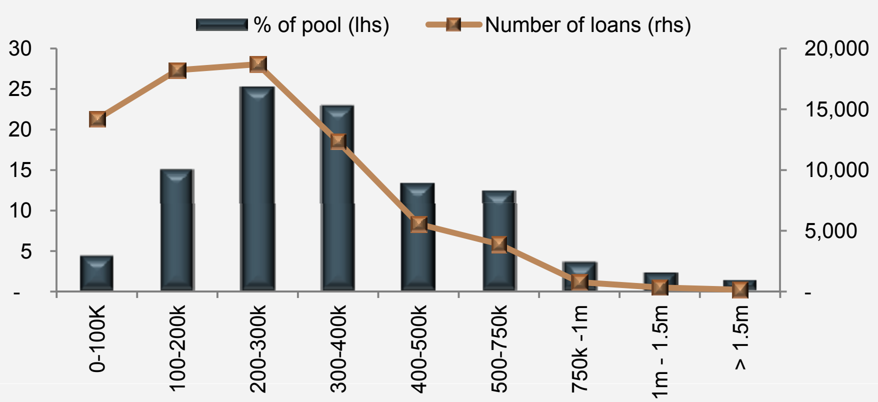
Geographic distribution by state



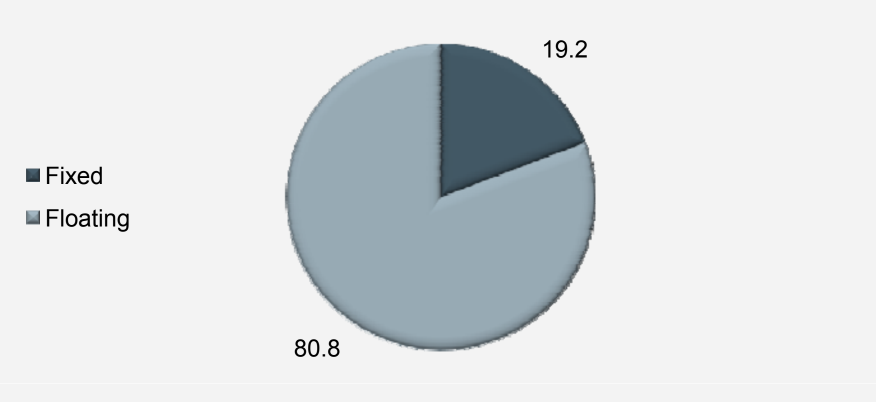
Distribution by region	Value of loans (A$m)	% of pool by value
Metropolitan	14,415	77%
Non-Metropolitan	4,205	23%

Pool statistics as at 31 March 2013 (cont.)

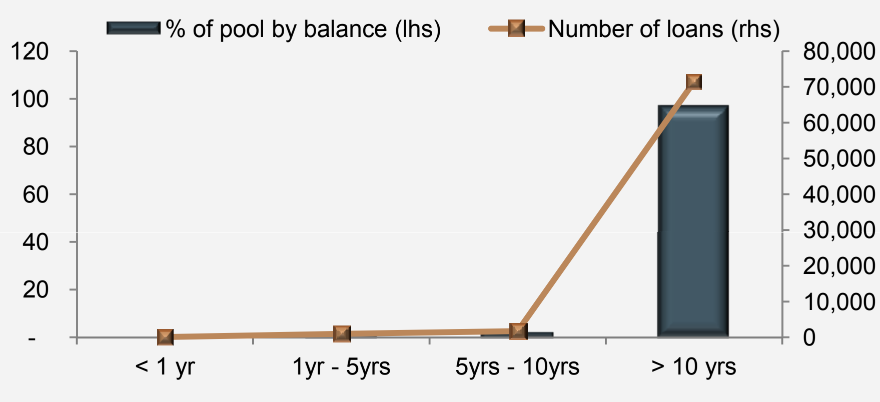
Mortgage principal balance distribution



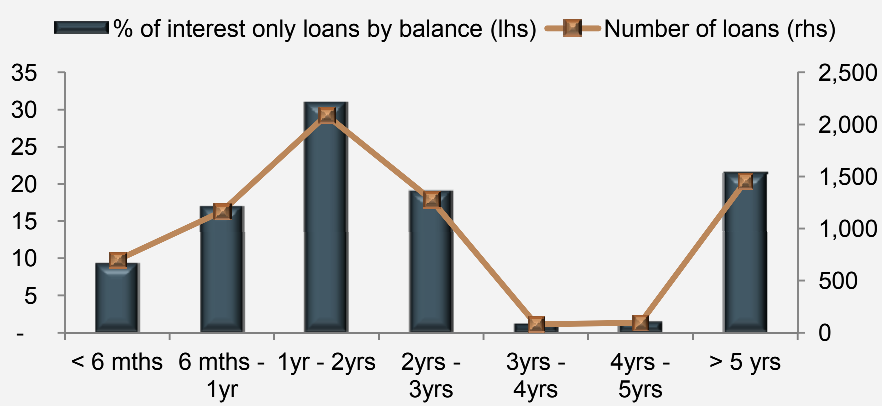
Interest rate split (%)



Years to maturity (legal)



Interest only expiry date remaining period

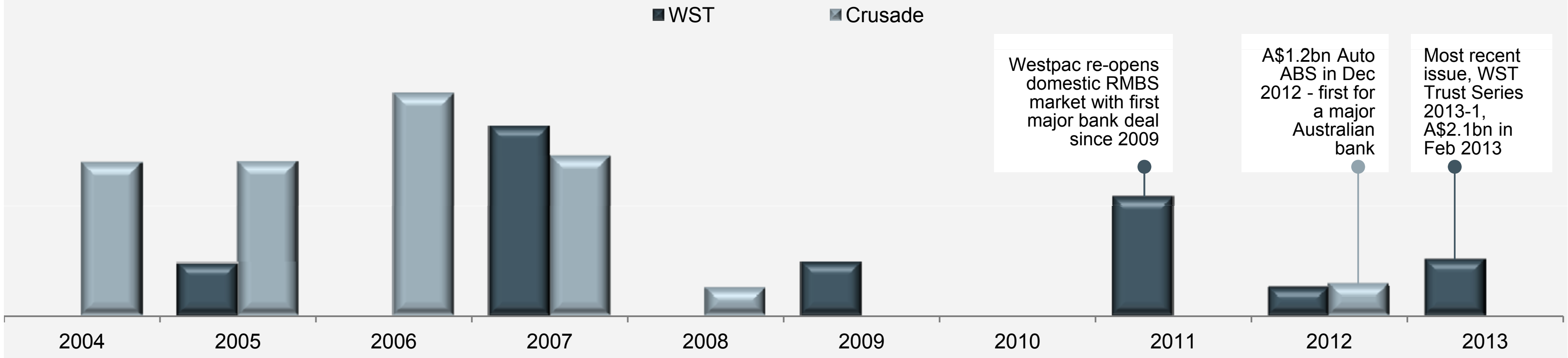


WESTPAC'S AUSTRALIAN SECURITISATION PROGRAMME SUPPORTED BY HIGH QUALITY ASSETS

Securitisation – provides diversity for investors and issuer

- Securitisation is an important part of the Group's funding
  - A$11.5bn in outstanding issuance, represents 2% of the Group's total funding at 1H13, mostly RMBS issuance
  - Provides additional diversity to funding and investor base
- Two transactions in 1H13, $2.1bn RMBS and $1.2bn Auto ABS, both responding to strong investor demand
  - Auto ABS, issued in Dec 2012, was a first for a major Australian bank. Previous Auto ABS issued in 2008 sponsored by St.George prior to the merger with Westpac
  - Transactions have been well supported by Australian domestic market, as well as offshore investors – around 1/3rd of participation in A$2.1bn RMBS issued in Feb 2013 from offshore
- Westpac has outstanding securitisation transactions under both the WST and Crusade programmes
  - Westpac Securitisation Trust (WST) Programme is Westpac's programme for securitising Westpac-originated residential mortgages
  - Crusade Programme is Westpac's vehicle for securitising St.George originated residential mortgages and auto loans
- Following the merger with St.George in 2008
  - Securitisation management and execution integrated into one team
  - Crusade RMBS Programme is in run off
  - Crusade ABS platforms and infrastructure utilised for Auto ABS
  - New securitisation RMBS pools sourced solely from Westpac originated mortgage pools until the origination and servicing platforms are fully integrated

Original RMBS and ABS issuance by calendar year (A$m)



WST RMBS performance

Key pool comparison statistics (issuance)

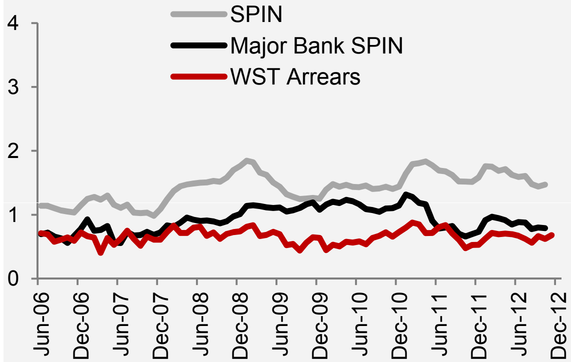
	WST 2013-1	WST 2012 - 1	WST 2011-3	WST 2011-2	WST 2011-1	WST 2009-1
Pricing Date	Feb-13	May-12	Oct-11	Jun-11	Feb-11	Dec-09
Tranche	A	A	A	A	A	A
WAL (yrs)	3.0	3.0	3.0	2.9	2.9	2.6
Price (bps)	85	140	125	100	100	130
Notes Issued A$m	1,932	1,058	1,472	2,024	920	1,840
Average Loan Size A$'000	245	211	251	243	270	198
Wtd Avg LVR	61	63%	63%	63%	64%	58%
LVR > 80%	6.4%	3.1%	1.9%	2.3%	1.4%	0.5%
Max LVR	94.6%	94.4%	95%	95%	95%	93%
Wtd Avg Seasoning mths	45.4	42.0	37.0	35.8	30.2	39.7
Low Doc Loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest Only Loans	9.6%	5.1%	6%	5%	4%	25%
NSW & ACT	36.2%	37.6%	40%	39%	43%	41%
VIC	25.0%	25.5%	25%	25%	28%	24%
Metro / Non-metro	76%/24%	76% / 24%	76% / 24%	77% / 23%	86% / 14%	78% / 22%
LMI Coverage	16%	19%	15%	16%	5%	6%
S&P Credit Support Pre-LMI (Old Criteria)	-	-	-	3.7%	3.7%	3.2%
S&P Credit Support Pre-LMI (New Criteria / *RFC*)	4.3%	4.3%	4.4%	*6.2%*	-	-
Credit Support Provided	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Source: Presales, Bloomberg, Westpac ABS Strategy

High quality product

- All WST transactions backed by prime residential mortgages
- Consistent pool parameters and transaction structures
- Low LVRs
- Long seasoning
- Consistently outperforms SPIN and major bank SPIN

Performance of Avg WST vs the Major Bank Prime SPIN



Source: Standard and Poor's RMBS Performance Watch

Crusade ABS transaction comparison

- Crusade ABS – 100% auto receivables
- Long seasoning

- Credit enhancement in excess of minimum required by agencies
- 12 month revolving period

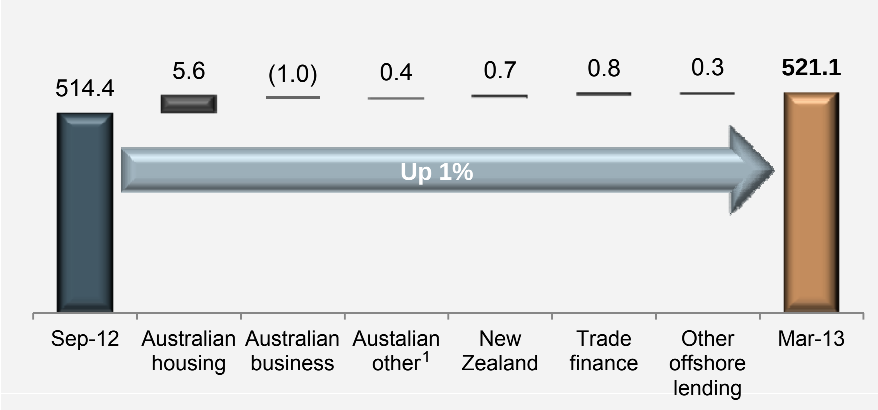
Deal	Crusade ABS 2012-1	SMART 2012-4	SMART 2012-2	REDS EHP	Bella 2012-1	SMART 2012-1
(Issue Date)	(Dec 12)	(Oct 12)	(Jun 12)	(May 2012)	(May 2012)	(Feb 2012)
Size	$1.2bn	$655m	$566m	$700m	$453m	$525m
'AAA' Credit Enhancement	15%	12%	12%	16%	23%	12%
Collateral	Auto: 100%	Auto: 100%	Cars: 79% Trucks: 19% Other: 2%	Cars: 62% Trucks/Bus: 38%	Cars: 56% Trucks: 7% Other: 37%	Cars 79% Trucks 19% Other 2%
Number of Contracts	59,609	39,840	16,518	13,904	13,048	24,897
W.A. Yield	11%	8%	9%	8%	9%	9%
W.A. Seasoning (mth)	19	8	6	24	15	5
W.A. Remaining term (mth)	41	42	43	29	37	43
W.A. Balloon	8%	32%	30%	18%	15%	30%
% of Pool with Balloon	32%		82%	37%	52%	83%
New vs. Used	New: 69%	New: 63%	New: 63%	New: 72%	New: 83%	New: 64%
	Used: 31%	Used: 37%	Used: 37%	Used: 28%	Used: 17%	Used: 36%
Average Loan Size	20,131	32,284	34,285	35,961	35,756	34,844
Max Loan Size	262,970	478,413	331,345	896,334	780,586	336,011
Receivable Contracts	Finance Lease 12%	Finance Lease 35%	Financial Lease 36%	Finance Lease 5%	Finance Lease 11%	Financial Lease 37%
	Goods Loan 14%	Goods Loan 23%	Goods Loan 18%	Goods Loan 52%	Goods Loan 43%	Goods Loan 18%
	Hire Purchase 8%	Hire Purchase 14%	Hire Purchase 17%	Hire Purchase 31%	Hire Purchase 35%	Hire Purchase 17%
	Consumer Finance 66%	Lease Gov Status 28%	Lease (Gov't) 29%	Bill of Sale 11%	Novated Lease 12%	Lease (Gov't) 28%
Adverse Credit History	0%	0%	0%	0%	0%	0%
Novated receivables	12%	62%	64%	0%	12%	64%

ADDITIONAL INFORMATION

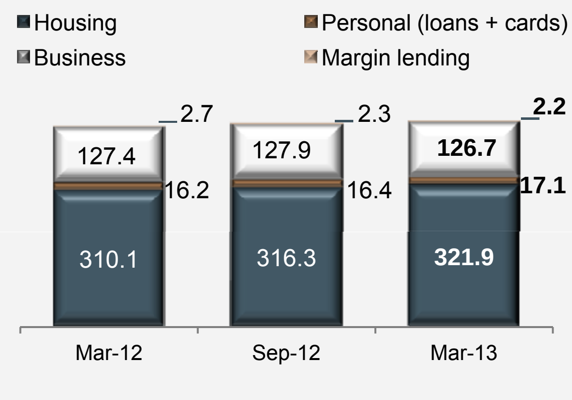
Loan growth predominantly in Australian housing

- Westpac Group loans up 1%
- Australian housing loans up 2%
  - Growth in new lending partly offset by high run-off as customers use lower rates to repay faster
- Australian business lending down 1%
  - Good growth in institutional lending (up 4%), with particularly strong growth in trade finance. Decline in commercial/SME lending, mostly from work-out of stressed facilities
- Australian personal lending up 4%, with growth in personal and auto loans
- New Zealand lending up 1%, primarily mortgages

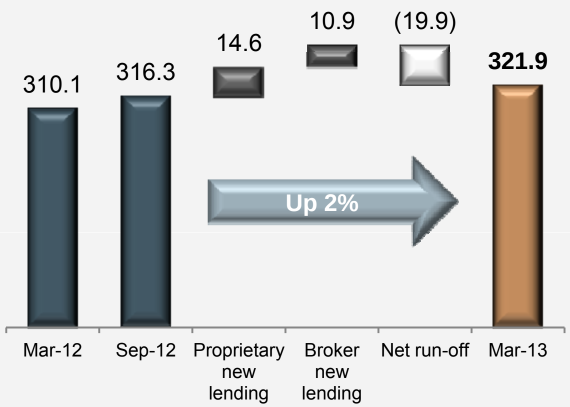
Net loans Sep12 – Mar13 ($bn)



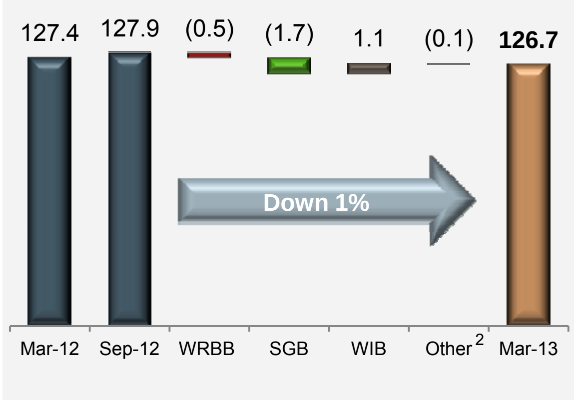
Australian gross loans ($bn)



Australian housing flow (gross loans) ($bn)



Australian business lending flow (gross loans) ($bn)

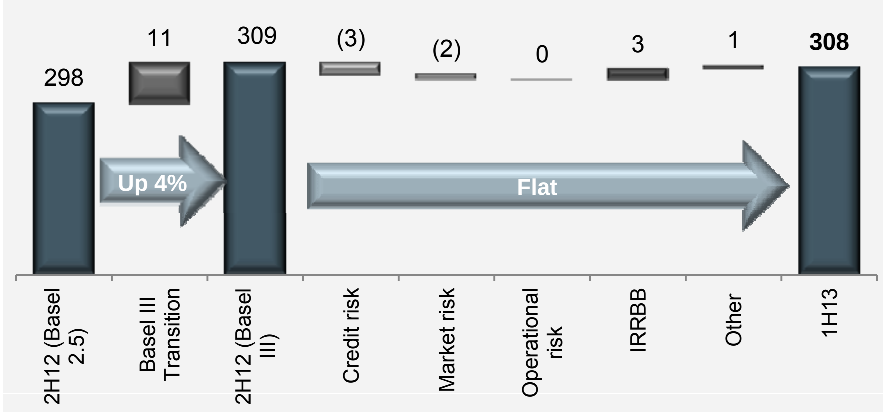


1 Australian margin lending, personal loans, cards and other loans. 2 Includes BTFG and Treasury.

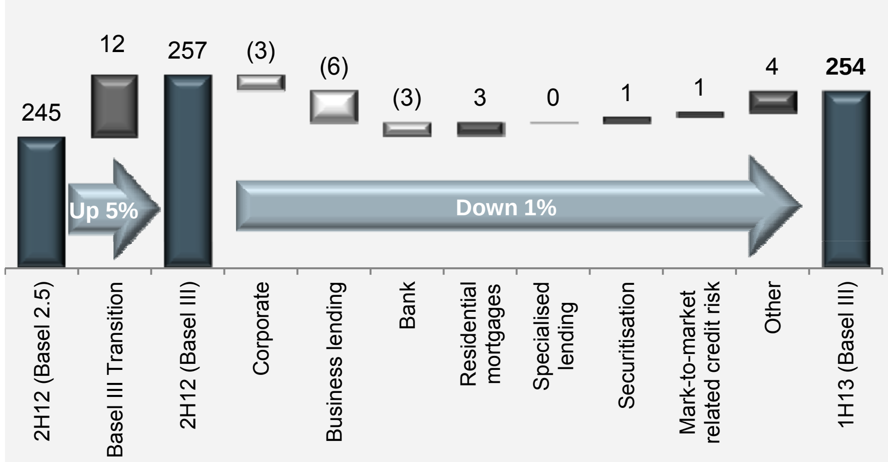
Risk weighted assets relatively flat over half

- Basel III pro forma adjustments added $10.7bn to reported RWA at 30 September 2012
  - $12.0bn increase in credit RWA
  - Removal of $1.3bn RWA for equity risk as equity investments are now treated as a 100% deduction from capital
- Excluding Basel III transitional impacts, other movements in RWA included
  - Credit risk RWA decreased 1% overall or $3.3bn. Lower business lending RWA mostly reflecting the benefit of reduced stressed assets, more than offset growth in RWA in Australian mortgages
  - IRRBB[1] increased $3.5bn due to a reduced embedded gain and changed risk exposure
  - Lower market risk RWA of $1.5bn from a reduced exposure to interest rate risk
  - Other RWA increased $0.7bn

RWA movements ($bn)



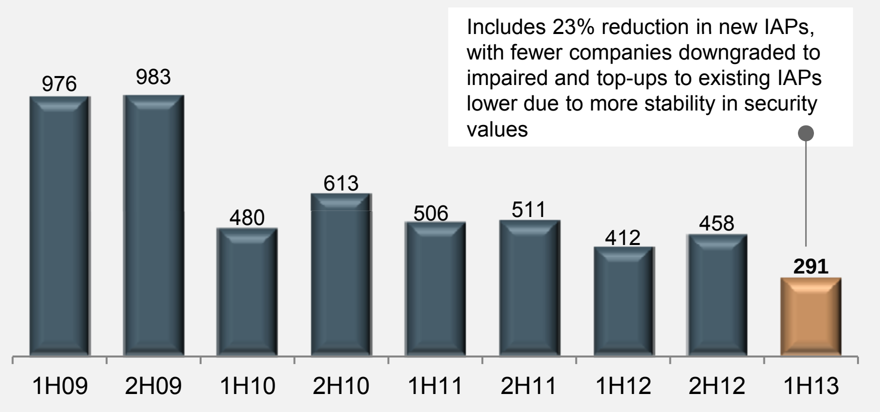
Credit RWA movements ($bn)



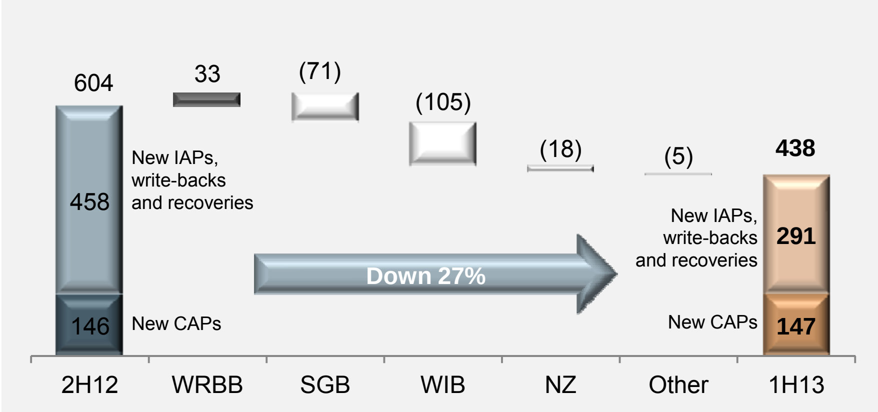
1 IRRBB is Interest rate risk in banking book.

Improvements in asset quality leading to lower impairment charges in 1H13

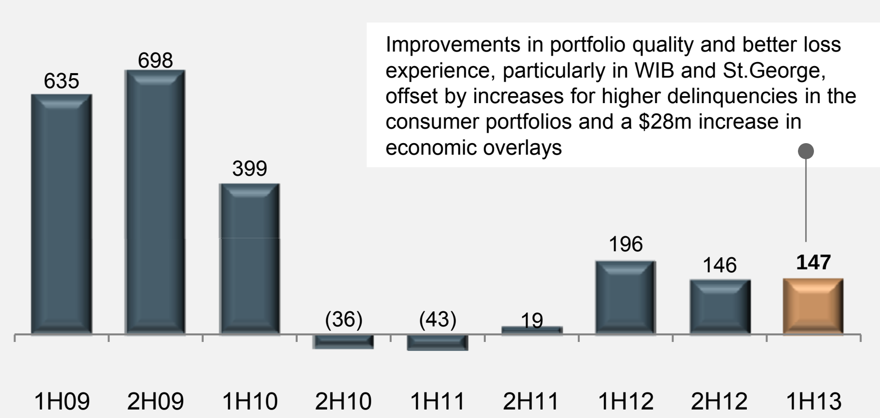
New IAPs, write-backs and recoveries ($m)



Impairment charge movements ($m)



New CAPs ($m)

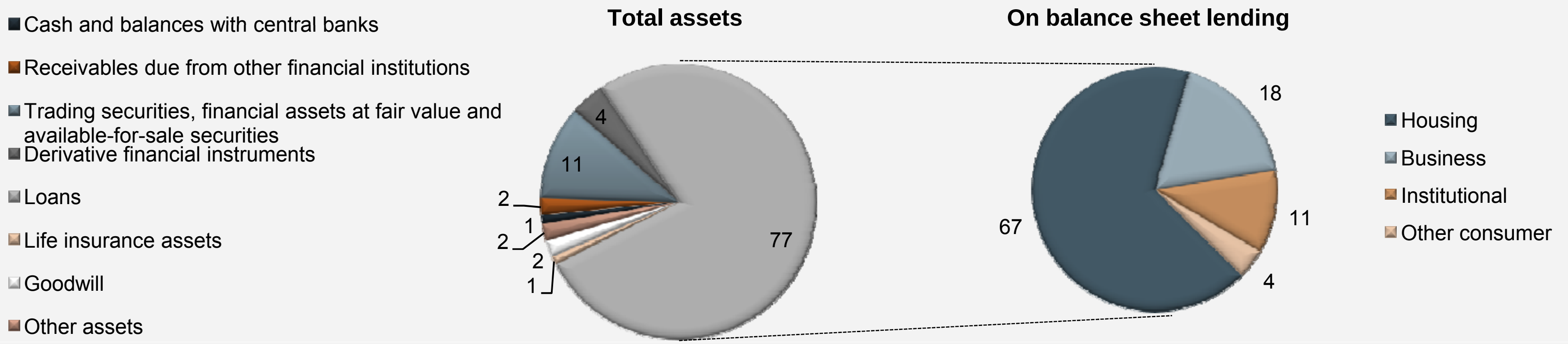


1H13 economic overlay changes ($m)

Balance at Sept-12		363
Movement in property overlay	(32)	
Movement in other overlays	(3)	
New sector overlays, mostly manufacturing	63	
Closing balance at Mar-13		391

High quality portfolio with bias to secured consumer lending

Asset composition as at 31 March 2013 (%)



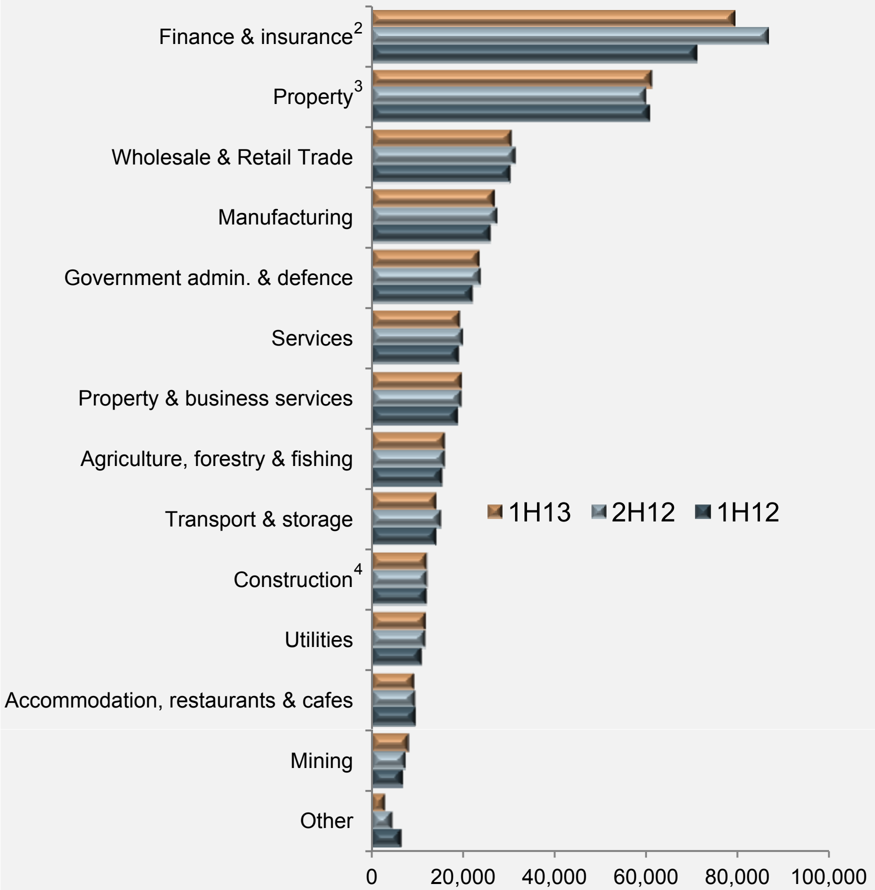
Exposure by risk grade as at 31 March 2013 ($m)

Standard and Poor's risk grade	Australia	NZ / Pacific	Americas	Europe	Asia	Group	% of Total
AAA to AA-	73,116	6,957	1,782	640	693	83,188	11%
A+ to A-	32,321	3,767	1,981	1,425	1,424	40,918	5%
BBB+ to BBB-	44,962	6,753	1,166	1,363	4,034	58,278	8%
BB+ to BB	56,964	7,117	185	169	1,240	65,675	9%
BB- to B+	54,606	7,745	39	0	0	62,390	8%
<B+	10,013	2,262	39	130	0	12,444	2%
Secured consumer	367,214	35,017	0	0	560	402,791	52%
Unsecured consumer	38,747	3,902	0	0	33	42,682	5%
Total committed exposure	**677,943**	**73,520**	**5,192**	**3,727**	**7,984**	**768,366**	
Exposure by region[1] (%)	**88%**	**10%**	**<1%**	**<1%**	**1%**		**100%**

1 Exposure by booking office.

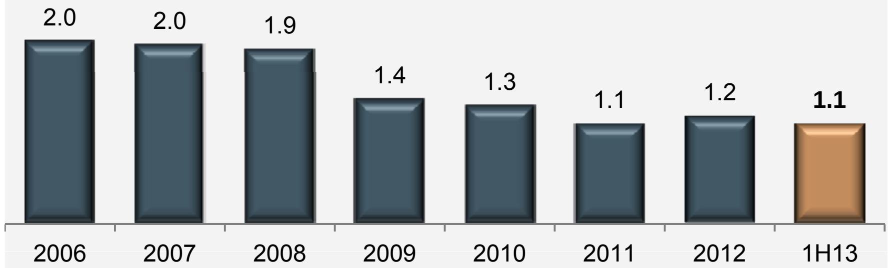
Diversification across industries and large exposures

Exposures at default[1] by sector ($m)

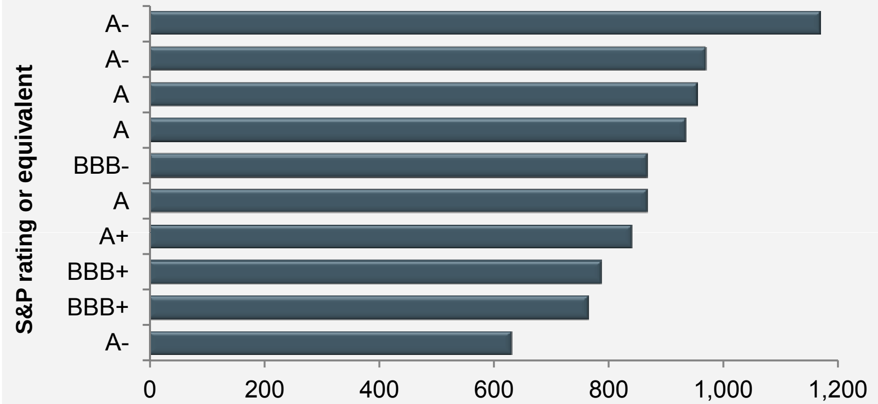


Top 10 exposures to corporations and NBFIs as a % of TCE[5] (%)

- Top 10 single name exposures to corporations and non-bank financial institutions (NBFIs) continue to be well below 2% of TCE
- Largest corporation/NBFI single name exposure represents 0.15% of TCE



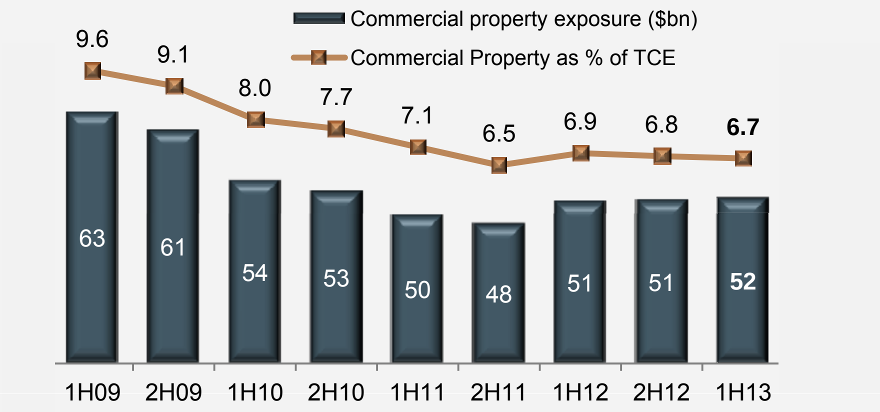
Top 10 exposures to corporations & NBFIs as at 31 Mar 2013 ($m)



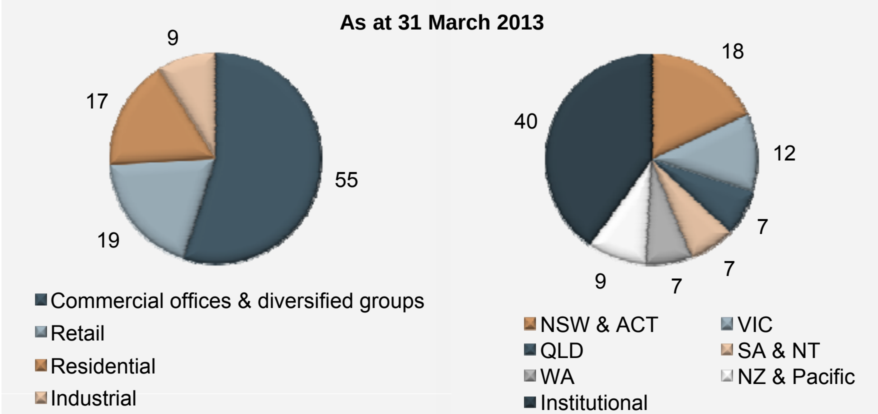
1 Exposure at default represents an estimate of the amount of committed exposure expected to be drawn by the customer at the time of default and excludes consumer lending. 2 Finance and insurance includes banks, non-banks, insurance companies and other firms providing services to the finance and insurance sectors. 3 Property includes both residential and non-residential property investors and developers, and excludes real estate agents. 4 Construction includes building and non-building construction, and industries serving the construction sector. 5 Includes St.George from 2009 onwards.

Commercial property portfolio comfortably within appetite

Commercial property exposures size ($bn) and % of TCE[1]

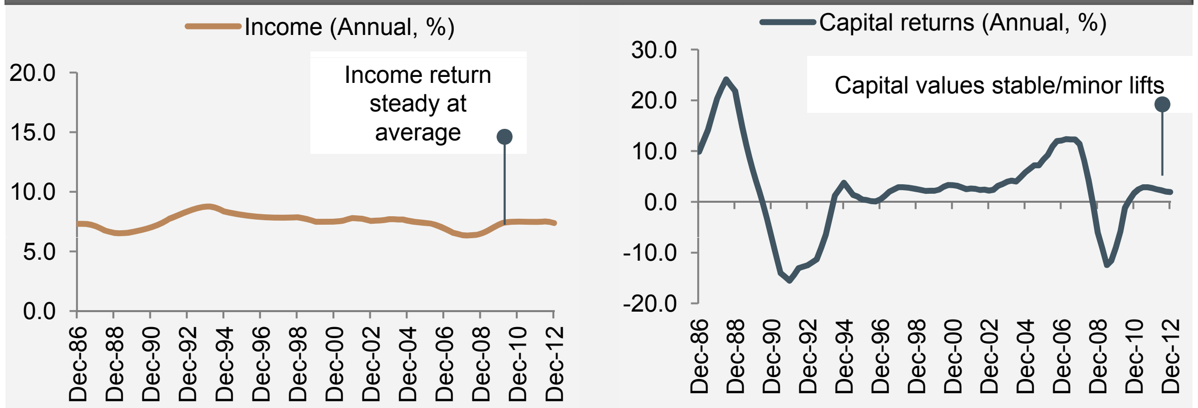


Commercial property portfolio by sector and region (%)



Commercial property portfolio TCE[1] classified as stressed (%)

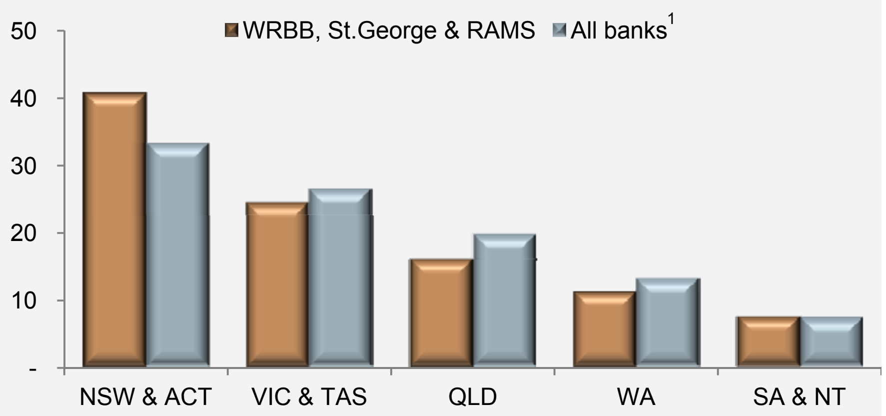
Commercial property returns stabilising[2]



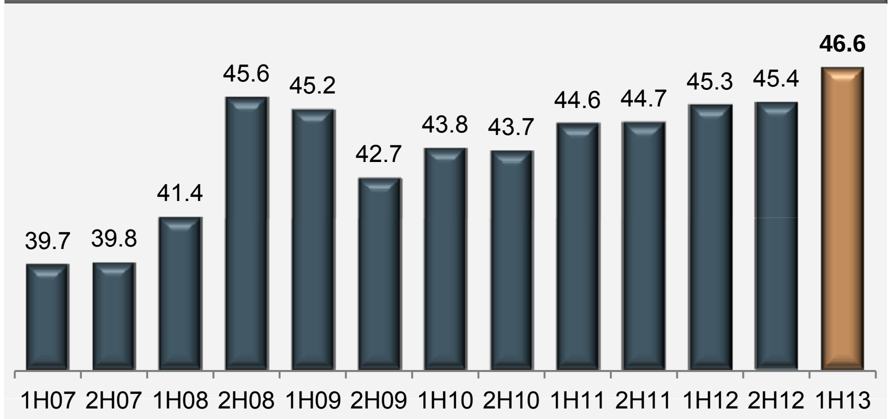
1 TCE is Total Committed Exposures. 2 Source: IPD Investment performance index Q3 2012. Analysis Westpac Property

Australian consumer asset quality sound

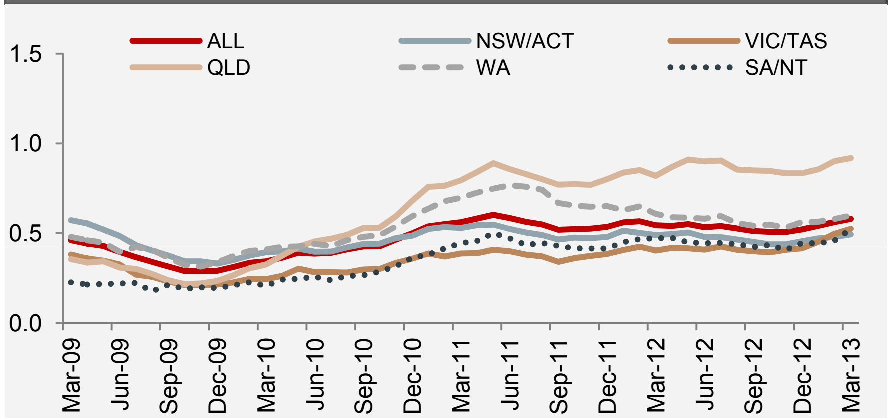
Australian housing portfolio by State (%) as at 31 March 2013



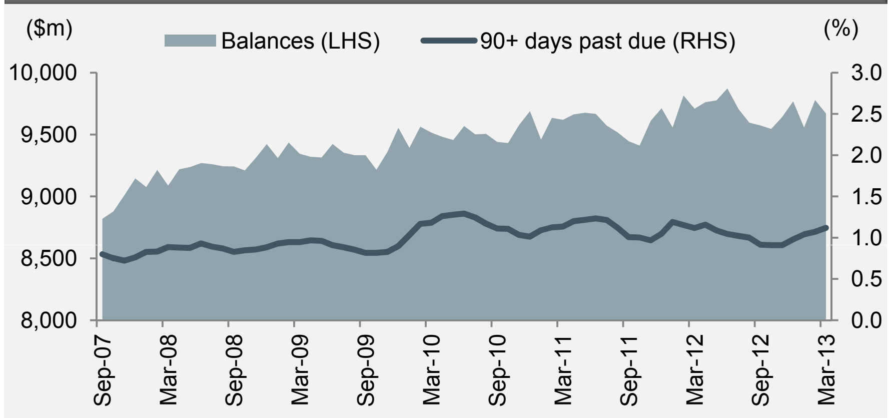
Australian credit card average payments to balance ratio[2] (%)



Australian mortgage 90+ days delinquencies (%)



Australian credit cards

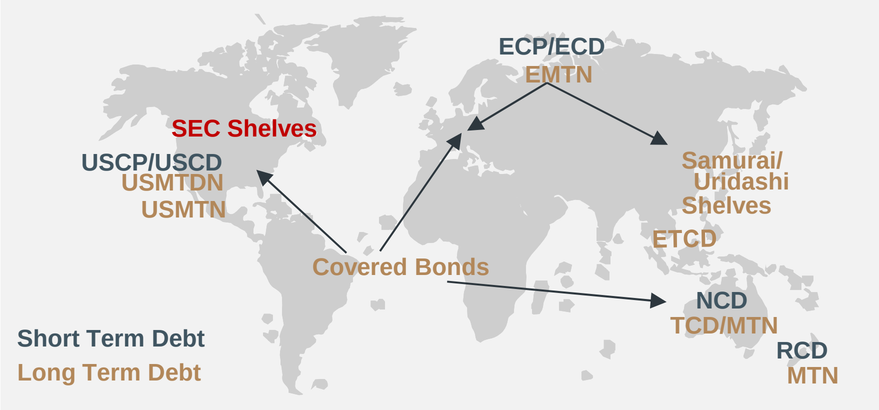


1 ABA Cannex January 2013 2 Cards average payments to balance ratio is calculated using the average payment received compared to the average statement balance at the end of the reporting month.

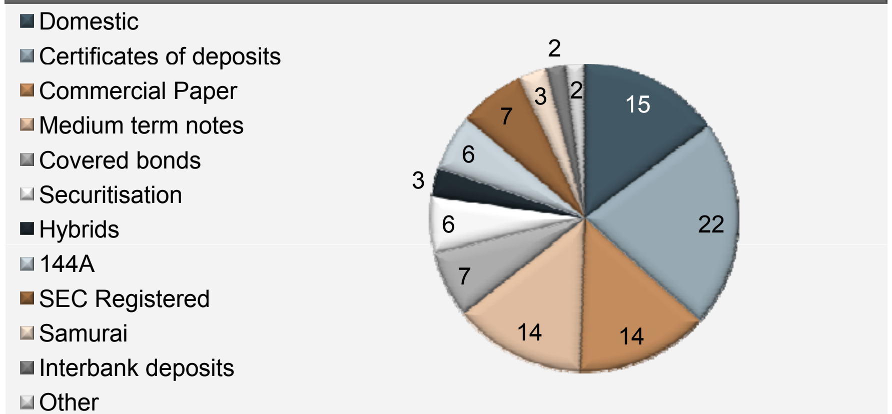
Westpac aims to efficiently meet investor preferences

- Westpac's wholesale funding strategy is focused on diversity and flexibility
- Able to issue in a broad range of formats, tenors and currencies, including covered bonds
- Westpac is the only Australian bank that is SEC registered
  - A comparative advantage over peers
  - SEC registered deals are included in the index; have greater reach into investor base, including retail investors; deliver greater liquidity for investors and have a higher level of disclosure requirements
  - Westpac also maintains its ability to issue in US 144A format

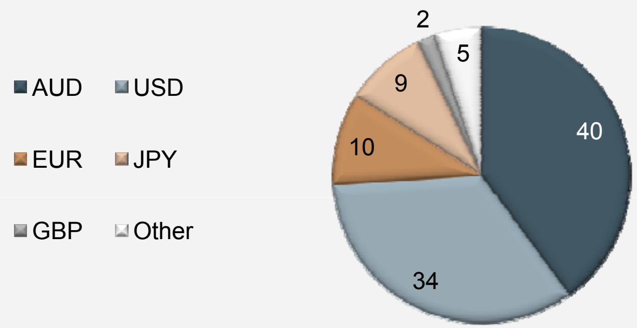
Westpac's wholesale funding capabilities



Wholesale funding composition[1] as at 31 March 2013 (%)



Term wholesale funding by currency[2] as at 31 March 2013 (%)



1 At FX spot currency translation. 2 Based on spot FX currency translation. Includes all debt issuance with contractual maturity greater than 13 months, excluding US Commercial Paper. USD issuance includes issuance in the US, Asia and other regions where USD buyers are located.

Westpac GROUP

Appendix 1: Cash earnings adjustments

Cash earnings adjustment (A$m)	1H13	2H12	1H12
Reported NPAT	**3,304**	**3,003**	**2,967**
TPS revaluations	8	3	24
Treasury shares	29	15	12
Ineffective hedges	(23)	1	(8)
Fair value gain/(loss) on economic hedges	57	(13)	20
Buyback of government guaranteed debt	43	-	(5)
Fair value amortisation of financial instruments	32	28	18
Amortisation of intangible assets[1]	75	77	74
Supplier program	-	46	93
Litigation provision	-	78	–
TOFA tax consolidation adjustment	-	165	-
Cash earnings	**3,525**	**3,403**	**3,195**

1. Amortisation of intangible assets reflects the amortisation of St.George intangible assets including the core deposit intangible and credit card and financial planner relationships in 1H12, 2H12 and 1H13 as well as intangible assets (management contracts) related to the JOHCM acquisition

Appendix 2: Cash earnings adjustments by segment

1H13 Segment Results (A$m)	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Reported NPAT	**1,116**	**651**	**334**	**813**	**298**	**64**	**28**	**3,304**
TPS revaluations	-	-	-	-	-	-	8	8
Treasury shares	-	-	-	-	-	-	29	29
Ineffective hedges	-	-	-	-	-	-	(23)	(23)
Fair value gain/(loss) on economic hedges	-	-	-	-	-	-	57	57
Buyback of government guaranteed debt	-	-	-	-	-	-	43	43
Fair value amortisation of financial instruments[1]	-	-	-	-	-	-	32	32
Amortisation of intangible assets[2]	-	64	11	-	-	-	-	75
Supplier program	-	-	-	-	-	-	-	
Litigation provision	-	-	-	-	-	-	-	
TOFA tax consolidation adjustment	-	-	-	-	-	-	-	
Cash earnings	**1,116**	**715**	**345**	**813**	**298**	**64**	**174**	**3.525**

1 Amortisation of fair value adjustments recognised on merger with St.George 2 Amortisation of intangible assets reflects the amortisation of St.George intangible assets including the core deposit intangible and credit card and financial planner relationships in 1H12, 2H12 and 1H13 as well as intangible assets (management contracts) related to the JOHCM acquisition

Appendix 3: APRA to BCBS Basel III reconciliation

- The Australian Prudential Regulation Authority (APRA) has maintained the conservative stance adopted under its Basel III capital standards, resulting in a significant variance between capital measured under APRA and fully harmonised Basel III
- Key differences in the calculation of Common Equity Tier 1 ratios between APRA's Basel III and fully harmonised Basel III under Basel Committee on Banking Supervision (BCBS) are detailed below

Description	Common equity ratio
Westpac's Common equity Tier 1 ratio under APRA Basel III	**8.74%**
Under BCBS, supervisors have the option of applying concessional thresholds when determining the capital requirements of deferred tax assets, investments in non-consolidated subsidiaries (NCS) and equity investments in commercial entities held in the banking book. Risk weighted asset treatments apply in lieu of common equity deductions if these items are individually less than 10% and together less than 15% of common equity. To the extent the amounts are greater than the concessional thresholds, common equity deductions apply APRA has chosen not to apply this concessional treatment and requires a 100% deduction from common equity for deferred tax assets, investments in non-consolidated financial institutions, NCS, equity investments, and all under-writing positions in financial and commercial institutions held for more than 5 business days Westpac's common equity ratio would increase if APRA applied concessional thresholds	+132bps
Mortgage risk weights under APRA are based on a minimum loss given default (LGD) of 20% whereas BCBS sets a minimum LGD of 10%. The actual LGD used must be supported by historical data but APRA's higher minimum means that Australian mortgage risk weights are typically higher than those calculated using the lower BCBS LGD minimum	+69bps
APRA applies a risk weighted asset requirement to Interest rate risk in the banking book (IRRBB). This is not currently considered under BCBS standards	+40bps
Other differences	+25bps
Westpac's fully harmonised Basel III Common equity Tier 1 ratio under BCBS	**11.40%**

Appendix 4: Definitions

Financial performance	
Core earnings	Operating profit before income tax and impairment charges
AIEA	Average interest earning assets
Net interest spread	The difference between the average yield on all interest bearing assets and the average rate paid on all interest bearing liabilities
Net interest margin	Net interest income divided by average interest earning assets
Full-time equivalent employees (FTE)	A calculation based on the number of hours worked by full and part-time employees as part of their normal duties. For example, the full-time equivalent of one FTE is 76 hours paid work per fortnight
Wealth and Home and Contents Penetration Metrics	Data based on Roy Morgan Research, Respondents aged 14+. Wealth penetration is defined as the number of Australians who have Managed Investments, Superannuation or Insurance with each group and who also have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with that group as a proportion of the total number of Australians who have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with that group. Home and Contents penetration is defined as the number of Australians who have Household Insurance (Building, contents and valuable items) within the Group and who also have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with that group as a proportion of the total number of Australians who have a Deposit or Transaction Account, Mortgage, Personal Lending or Major Card with that group. 12 month rolling average to Sep 2012. WRBB includes Bank of Melbourne (until Jul 2011), BT, Challenge Bank, RAMS (until Dec 2011), Rothschild, and Westpac. St.George includes Advance Bank, Asgard, BankSA, Bank of Melbourne (from Aug 2011), Barclays, Dragondirect, Sealcorp, St.George and RAMS (from Jan 2012). Westpac Group includes Bank of Melbourne, BT, Challenge Bank, RAMS, Rothschild, Westpac, Advance Bank, Asgard, BankSA, Barclays, Dragondirect, Sealcorp and St.George

Asset quality	
Stressed loans	Stressed loans are Watchlist and Substandard, 90 days past due well secured and impaired assets
Impaired assets	Impaired assets can be classified as 1. Non-accrual assets: Exposures with individually assessed impairment provisions held against them, excluding restructured loans 2. Restructured assets: exposures where the original contractual terms have been formally modified to provide concessions of interest or principal for reasons related to the financial difficulties of the customer 3. 90 days past due (and not well secured): exposures where contractual payments are 90 days or more in arrears and not well secured 4. other assets acquired through security enforcement 5. any other assets where the full collection of interest and principal is in doubt
90 days past due - well secured	A loan facility where payments of interest and/or principal are 90 or more calendar days past due and the value of the security is sufficient to cover the repayment of all principal and interest amounts due, and interest is being taken to profit on an accrual basis
Watchlist and substandard	Loan facilities where customers are experiencing operating weakness and financial difficulty but are not expected to incur loss of interest or principal
Individually assessed provisions or IAPs	Provisions raised for losses that have already been incurred on loans that are known to be impaired and are individually significant. The estimated losses on these impaired loans will be based on expected future cash flows discounted to their present value and as this discount unwinds, interest will be recognised in the statement of financial performance
Collectively assessed provisions or CAPs	Loans not found to be individually impaired or significant will be collectively assessed in pools of similar assets with similar risk characteristics. The size of the provision is an estimate of the losses already incurred and will be estimated on the basis of historical loss experience of assets with credit characteristics similar to those in the collective pool. The historical loss experience will be adjusted based on current observable data

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