

# Appendix 2

## Key Tables for the 2012 Interim Results Announcement

30 April 2012

As referred to in the market release dated

30 April 2012

## 2.0 GROUP RESULTS

### 2.1 Reported Results

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Net interest income		6,151	5,845		
Non-interest income		2,415	2,502		
Net operating income before operating expenses and impairment charges		8,566	8,347		
Operating expenses		(3,753)	(3,653)		
<b>Net profit before impairment charges and income tax expense</b>		4,813	4,694		
Impairment charges		(530)	(463)		
<b>Profit before income tax</b>		4,283	4,231		
Income tax expense		(1,220)	(235)		
<b>Net profit for the period</b>		3,063	3,996		
Profit attributable to non-controlling interests		(33)	(35)		
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION</b>		3,030	3,961		

### 2.2 Reported Balance Sheet

#### 2.2.1 Balance Sheet

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11 - Mar 12
<b>Assets</b>					
Cash and balances with central banks		16,258	4,781		
Receivables due from other financial institutions		8,551	8,981		
Trading securities, other financial assets designated at fair value and available-for-sale securities		69,006	61,233		
Derivative financial instruments		49,145	31,555		
Loans		496,609	484,207		
Life insurance assets		7,916	9,586		
Other assets		22,743	21,615		
<b>Total assets</b>		670,228	621,958		
<b>Liabilities</b>					
Payables due to other financial institutions		14,512	12,873		
Deposits		370,278	342,498		
Trading liabilities and other financial liabilities designated at fair value		9,803	7,700		
Derivative financial instruments		39,405	35,258		
Debt issues and acceptances		165,931	153,597		
Life insurance liabilities		7,002	8,723		
Loan capital		8,173	8,250		
Other liabilities		11,316	10,940		
<b>Total liabilities</b>		626,420	579,839		
<b>Equity</b>					
Total equity attributable to owners of Westpac Banking Corporation		41,826	40,196		
Non-controlling interests		1,982	1,923		
<b>Total equity</b>		43,808	42,119		

## 2.3 Key Financial Data – Reported Earnings

### 2.3.1 Key Financial Data – Earnings

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Shareholder Value</b>					
Earnings per ordinary share (cents)		100.6	132.5		
Weighted average ordinary shares (millions)		3,007	2,987		
Fully franked dividends per ordinary share (cents)		80	76		
Net tangible assets per ordinary share (\$)		9.96	9.55		
<b>Productivity and efficiency</b>					
Expense to income ratio		43.8%	43.8%		
<b>Business performance</b>					
Interest spread		1.90%	1.82%		
Benefit of net non-interest bearing assets, liabilities and equity		0.31%	0.35%		
Net interest margin		2.21%	2.17%		
Average interest earning assets (\$m)		555,187	541,217		

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

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Return on average ordinary equity		15.1%	20.6%		
Average ordinary equity (\$m)		40,143	38,609		
Average total equity (\$m)		42,062	40,532		
Total committed exposures (TCE) (\$m)		744,209	702,228		
Common equity capital ratio		8.1%	8.0%		
Tier 1 capital ratio		9.7%	9.5%		
Total regulatory capital ratio		11.0%	11.0%		
Risk weighted assets (\$m)		279,961	276,827		

### 2.3.3 Key Financial Data – Asset Quality

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11 - Mar 12	%Mov't Mar 11 - Mar 12
Total impaired assets to gross loans		0.92%	0.98%		
Total impaired assets to equity and total provisions		9.6%	10.1%		
Total impairment provisions to total impaired assets		36.0%	42.2%		
Total stressed exposures as a % of total committed exposures		2.48%	2.85%		
Total provisions to gross loans		88bps	102bps		
Collectively assessed provisions to performing non-housing loans		169bps	182bps		
Mortgages 90 days past due		0.55%	0.59%		
Other consumer loans 90 days past due		1.16%	1.34%		
Collectively assessed provisions to credit risk weighted assets		126bps	138bps		

## 2.4 Cash Earnings Results

Analysis of Cash Earnings by key line item	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>\$m</b>					
Net interest income		6,205	5,964		
Non-interest income		2,417	2,537		
Net operating income		8,622	8,501		
Operating expenses		(3,605)	(3,501)		
<b>Core earnings</b>		5,017	5,000		
Impairment charges		(530)	(463)		
<b>Operating profit before income tax</b>		4,487	4,537		
Income tax expense		(1,321)	(1,334)		
<b>Net profit</b>		3,166	3,203		
Net profit attributable to non-controlling interests		(33)	(35)		
<b>Cash Earnings</b>		3,133	3,168		
<i>Effective tax rate</i>		29.4%	29.4%		

## Reconciliation of Reported Results to Cash Earnings

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>\$m</b>					
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION</b>		3,030	3,961		
<b>Cash Earnings adjustments (post-tax):</b>					
<b>Non-merger related Cash Earnings adjustments:</b>					
TPS revaluations		(6)	27		
Treasury shares		(13)	7		
Ineffective hedges		17	(4)		
Fair value gain/(loss) on economic hedges		(26)	62		
Buyback of government guaranteed debt		(15)	20		
Tax provision		(23)	93		
Supplier program		-	-		
Amortisation of intangible assets		-	-		
<b>Total non-merger related Cash Earnings adjustments</b>		(66)	205		
<b>St.George merger related Cash Earnings adjustments:</b>					
Merger transaction and integration expenses		32	34		
Amortisation of intangible assets		74	72		
Fair value amortisation of financial instruments		63	6		
Tax consolidation adjustment		-	(1,110)		
<b>Total St.George merger related Cash Earnings adjustments</b>		169	(998)		
<b>Total Cash Earnings adjustments</b>		103	(793)		
<b>Cash Earnings</b>		3,133	3,168		

## 2.5 Key Financial Data – Cash Earnings

### 2.5.1 Key Financial Data – Earnings

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Shareholder Value</b>					
Cash Earnings per ordinary share (cents)		103.8	105.6		
Economic profit (\$m)		1,695	1,883		
Weighted average ordinary shares (millions) - Cash Earnings		3,019	3,000		
Dividend payout ratio - Cash Earnings		77.4%	72.0%		
<b>Productivity and efficiency</b>					
Expense to income ratio - Cash Earnings		41.8%	41.2%		
Total Banking expense to income ratio - Cash Earnings		40.8%	40.2%		
Full - time equivalent employees (FTE)		37,712	37,889		
<b>Business performance</b>					
Interest spread		1.93%	1.87%		
Benefit of net non-interest bearing assets, liabilities and equity		0.30%	0.34%		
Net interest margin		2.23%	2.21%		
Average interest earning assets (\$m)		555,187	541,217		

### 2.5.2 Key Financial Data – Profitability

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Cash Earnings to average ordinary equity		15.6%	16.5%		
Cash Earnings to average tangible ordinary equity		21.1%	22.7%		
Average ordinary equity (\$m)		40,143	38,609		
Average tangible ordinary equity (\$m)		29,612	27,980		

### 2.5.3 Key Financial Data – Impairment Charges

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Impairment charges to average loans annualised		22bps	19bps		
Write-offs to average loans annualised		49bps	28bps		

## 2.6 Market Share and System Multiple Metrics

### 2.6.1 Market Share

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

## 2.6.2 System Multiples

<b>Australia</b>	<b>Half Year March 12</b>	<b>Half Year Sept 11</b>	<b>Half Year March 11</b>
<b>Banking System (APRA)</b>			
Housing credit		0.9	0.9
Cards		n/a	0.1
Household deposits		1.1	0.1
Business deposits		1.1	1.6
<b>Financial System (RBA)</b>			
Housing credit		1.1	1.0
Business credit		n/a	n/a
Retail deposits		1.1	1.0
<b>New Zealand</b>	<b>Half Year March 12</b>	<b>Half Year Sept 11</b>	<b>Half Year March 11</b>
Consumer lending		3.1	1.1
Deposits		3.1	0.7

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**3.1 Divisional Cash Earnings Summary**

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
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
<b>Core earnings</b>									
Impairment charges									
<b>Operating profit before income tax</b>									
Income tax expense									
<b>Net profit</b>									
Net profit attributable to non-controlling interests									
<b>Cash Earnings</b>									

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,684	1,479	226	4,389	782	573	64	397	6,205
Non-interest income	547	283	816	1,646	552	154	59	6	2,417
Net operating income	3,231	1,762	1,042	6,035	1,334	727	123	403	8,622
Operating expenses	(1,562)	(671)	(518)	(2,751)	(470)	(322)	(46)	(16)	(3,605)
<b>Core earnings</b>	1,669	1,091	524	3,284	864	405	77	387	5,017
Impairment charges	(274)	(213)	(1)	(488)	78	(84)	(18)	(18)	(530)
<b>Operating profit before income tax</b>	1,395	878	523	2,796	942	321	59	369	4,487
Income tax expense	(401)	(263)	(158)	(822)	(281)	(98)	(19)	(101)	(1,321)
<b>Net profit</b>	994	615	365	1,974	661	223	40	268	3,166
Net profit attributable to non-controlling interests	-	-	(2)	(2)	-	(1)	(3)	(27)	(33)
<b>Cash Earnings</b>	994	615	363	1,972	661	222	37	241	3,133

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,575	1,427	177	4,179	761	544	58	422	5,964
Non-interest income	544	266	797	1,607	630	150	48	102	2,537
Net operating income	3,119	1,693	974	5,786	1,391	694	106	524	8,501
Operating expenses	(1,525)	(652)	(487)	(2,664)	(468)	(305)	(39)	(25)	(3,501)
<b>Core earnings</b>	1,594	1,041	487	3,122	923	389	67	499	5,000
Impairment charges	(273)	(180)	5	(448)	12	(101)	(7)	81	(463)
<b>Operating profit before income tax</b>	1,321	861	492	2,674	935	288	60	580	4,537
Income tax expense	(400)	(259)	(145)	(804)	(280)	(81)	(17)	(152)	(1,334)
<b>Net profit</b>	921	602	347	1,870	655	207	43	428	3,203
Net profit attributable to non-controlling interests	-	-	(5)	(5)	-	(2)	(3)	(25)	(35)
<b>Cash Earnings</b>	921	602	342	1,865	655	205	40	403	3,168



## 3.2 Review of Earnings

### 3.2.1 Net Interest Income

#### Loans

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11 Mar 12	%Mov't Mar 11 - Mar 12
<b>\$m</b>					
<b>Australia</b>		445,060	437,598		
Housing		304,569	295,115		
Personal (loans and cards)		15,688	15,741		
Business		125,273	127,136		
Margin lending		2,852	3,406		
Other (including provisions)		(3,322)	(3,800)		
<b>New Zealand (NZ \$)</b>		58,114	56,771		
Housing		35,044	34,429		
Personal (loans and cards)		1,605	1,597		
Business		21,990	21,455		
Other (including provisions)		(525)	(710)		
<b>Other overseas</b>		5,962	4,833		
<b>Total loans</b>		496,609	484,207		

#### Deposits

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11 - Mar 12	%Mov't Mar 11 - Mar 12
<b>\$m</b>					
<b>Australia</b>		306,182	290,164		
At call		142,411	142,275		
Term		112,617	99,361		
Certificates of deposit		37,222	35,427		
Non-interest bearing		13,932	13,101		
<b>New Zealand (NZ \$)</b>		39,574	38,715		
At call		14,386	13,603		
Term		20,880	20,796		
Certificates of deposit		1,556	1,485		
Non-interest bearing		2,752	2,831		
<b>Other overseas</b>		33,047	23,838		
<b>Total deposits</b>		370,278	342,498		

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**Customer and Treasury Deposits**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11 - Mar 12
<b>\$m</b>					
<b>Total Customer Deposits</b>		310,139	288,820		
Australia		268,960	254,737		
New Zealand (\$A)		29,828	27,403		
Other		11,351	6,680		
<b>Treasury deposits</b>		60,139	53,678		
<b>Total</b>		370,278	342,498		

**Margins**

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11 - Mar 12
<b>\$m</b>					
Net interest income		6,205	5,964		
Markets net interest income		111	78		
Treasury net interest income		199	266		
Net interest income excluding Treasury & Markets		5,895	5,620		
Average interest earning assets		555,187	541,217		
Group net interest margin		2.23%	2.21%		
Group net interest margin excluding Treasury & Markets		2.12%	2.08%		

### 3.2.2 Non-Interest Income

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
Fees and commissions		1,285	1,283		
Wealth management and insurance income		812	811		
Trading income		254	304		
Other income		66	139		
<b>Non-interest income</b>		<b>2,417</b>	<b>2,537</b>		

#### Wealth management and insurance income

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$bn</b>					
<b>Funds under Management (FUM)</b>					
BT		34.9	38.4		
Advance Asset Management		6.5	7.2		
Westpac Institutional Bank		6.3	6.6		
New Zealand (A\$)		2.1	1.8		
<b>Group FUM</b>		<b>49.8</b>	<b>54.0</b>		
<b>Funds under Administration (FUA)</b>					
BT		48.1	50.8		
Asgard		29.3	31.8		
New Zealand (A\$)		0.9	0.8		
<b>Group FUA</b>		<b>78.3</b>	<b>83.4</b>		

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$bn</b>					
Average FUM for the Group		53.0	52.7		
Average FUA for the Group		82.9	81.8		

#### Markets Income

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
Net interest income		111	78		
Non-interest income		196	256		
<i>Trading income</i>		199	242		
<i>Other non-interest income</i>		(3)	14		
<b>Total Markets Income</b>		<b>307</b>	<b>334</b>		

### 3.2.3 Operating Expenses

	Half Year	Half Year	Half Year	%Mov't	%Mov't
\$m	March 12	Sept 11	March 11	Sept 11- Mar 12	Mar 11- Mar 12
Salaries and other staff expenses		(2,004)	(1,984)		
Equipment and occupancy expenses		(578)	(533)		
Other expenses		(1,023)	(984)		
<b>Total expenses</b>		<b>(3,605)</b>	<b>(3,501)</b>		

### Full Time Equivalent Employees (FTE)

	As at	As at	As at	%Mov't	%Mov't
Analysis of movement in FTE	31 March 2012	30 Sept 2011	31 March 2011	Sept 11- Mar 12	Mar 11- Mar 12
Permanent employees		33,898	34,293		
Temporary employees		3,908	3,825		
Total employees		37,806	38,118		
Integration employees		94	229		
<b>Reported FTE</b>		<b>37,712</b>	<b>37,889</b>		
<b>Average Reported FTE</b>		<b>37,801</b>	<b>38,184</b>		

### 3.2.4 Impairment Charges

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Individually assessed provisions (IAPs)</b>					
New IAPs		(853)	(766)		
Write-backs		320	222		
Recoveries		22	38		
<b>Total IAP, write-backs and recoveries</b>		(511)	(506)		
<b>Collectively assessed provisions (CAPs)</b>					
Write-offs		(402)	(337)		
Other changes in CAPs		383	380		
<b>Total new CAPs</b>		(19)	43		
<b>Total impairment charges</b>		(530)	(463)		

### 3.3.1 Credit Quality Key Metrics

	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Stressed Exposures by Credit Grade as a % of total committed exposures</b>			
Impaired		0.62%	0.68%
90 days past due, well secured		0.41%	0.51%
Watchlist and substandard		1.45%	1.66%
<b>Total Stressed Exposures</b>		2.48%	2.85%
<b>Business and Institutional Impaired Assets to total committed exposures</b>			
Business impaired assets to divisional business total committed exposures:			
Business Australia		2.40%	2.39%
Business New Zealand		3.38%	3.81%
Institutional		0.36%	0.51%
<b>Other consumer loans 90 days past due</b>			
90 days past due:			
Group		1.16%	1.34%
Australia		1.18%	1.35%
New Zealand		0.91%	1.12%
<b>Mortgages 90 days past due</b>			
90 days past due:			
Group		0.55%	0.59%
Australia		0.53%	0.56%
New Zealand		0.60%	0.80%
<b>Other</b>			
Total impaired assets to gross loans		0.92%	0.98%
Total impairment provisions to total impaired assets		36.0%	42.2%
Total provisions to gross loans		88bps	102bps
Collectively assessed provisions to performing non-housing loans		169bps	182bps
Collectively assessed provisions to risk weighted assets		105bps	115bps
Collectively assessed provisions to credit risk weighted assets		126bps	138bps
<b>Other</b>			
Impairment charges to average loans annualised		22bps	19bps
Write-offs to average loans annualised		49bps	28bps

### 3.4 Balance Sheet and Funding

#### 3.4.1 Balance Sheet

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	% Mov't Sept 11- Mar 12	% Mov't Mar 11 - Mar 12
<b>Assets</b>					
Cash and balances with central banks		16,258	4,781		
Receivables due from other financial institutions		8,551	8,981		
Trading securities, other financial assets designated at fair value and available-for-sale securities		69,006	61,233		
Derivative financial instruments		49,145	31,555		
Loans		496,609	484,207		
Life insurance assets		7,916	9,586		
Other assets		22,743	21,615		
<b>Total assets</b>		<b>670,228</b>	<b>621,958</b>		
<b>Liabilities</b>					
Payables due to other financial institutions		14,512	12,873		
Deposits		370,278	342,498		
Trading liabilities and other financial liabilities designated at fair value		9,803	7,700		
Derivative financial instruments		39,405	35,258		
Debt issues and acceptances		165,931	153,597		
Life insurance liabilities		7,002	8,723		
Loan capital		8,173	8,250		
Other liabilities		11,316	10,940		
<b>Total liabilities</b>		<b>626,420</b>	<b>579,839</b>		
<b>Equity</b>					
Total equity attributable to owners of Westpac Banking Corporation		41,826	40,196		
Non-controlling interests		1,982	1,923		
<b>Total equity</b>		<b>43,808</b>	<b>42,119</b>		

### 3.4.2 Funding by residual maturity

	As at 31 March 2012		As at 30 Sept 2011		As at 31 March 2011	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
<b>Customer Deposits</b>			310,139	52	288,820	52
<b>Wholesale funding - residual maturity</b>						
Securitisation			10,911	2	10,229	2
Greater than 12 months			96,536	16	98,166	18
<b>Equity</b>			41,976	7	40,948	7
<b>Stable Funding Ratio (SFR)</b>			459,562	77	438,163	79
Less than 6 months			87,503	15	77,598	14
6 to 12 months			19,279	3	17,846	3
Long term to short term scroll			27,041	5	21,523	4
<b>Short term wholesale funding</b>			133,823	23	116,967	21
<b>Total funding</b>			593,385	100	555,130	100

### Deposits to Net Loans Ratio

	As at 31 March 2012		As at 30 Sept 2011		As at 31 March 2011	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
Customer deposits			310,139		288,820	
Net loans			496,609	62.5	484,207	59.6



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**Funding view of the balance sheet**

\$m	As at 31 March 2012					
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
Total assets						
Total liabilities						
Total equity						
<b>Total</b>						
Net loans						

\$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)
<b>Total</b>	103,415	(310,139)	(241,271)	440,288	7,707	-
Net loans	33,384	-	-	463,225	-	496,609

\$m	As at 31 March 2011					
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	Total
Total assets	84,972	-	-	469,823	67,163	621,958
Total liabilities	(166)	(288,820)	(223,439)	-	(67,414)	(579,839)
Total equity	-	-	(1,923)	(40,948)	752	(42,119)
<b>Total</b>	84,806	(288,820)	(225,362)	428,875	501	-
Net loans	33,598	-	-	450,609	-	484,207

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**Risk-weighted Assets**

	Loans (per Section 5)			Basel II (Advanced / Standardised) RWA		
	As at 31 March 2012	As at 30 Sept 2011	% Mov't Sept 11- Mar 12	As at 31 March 2012	As at 30 Sept 2011	% Mov't Sept 11- Mar 12
<b>\$m</b>						
<b>Business purposes</b>						
On balance sheet		147,505			115,262	
Off-balance sheet		-			47,344	
<b>Total business purposes</b>		147,505			162,606	
<b>Consumer purposes</b>						
On balance sheet		353,149			66,336	
Off-balance sheet		-			5,915	
<b>Total consumer purposes</b>		353,149			72,251	
Provision for impairment		(4,045)				
<b>Total credit risk</b>		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	
<b>Total non-credit</b>					45,104	
(% of total RWA)					16%	
<b>Total</b>		496,609			279,961	

**Capital Deduction for Regulatory Expected Credit Loss**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011
<b>\$m</b>			
<b>Provisions associated with eligible portfolios</b>			
Total provisions for impairment charges (Section 5 Note 11)		4,414	4,968
plus general reserve for credit losses adjustment		38	26
less ineligible provisions		391	80
less certain deferred tax assets		(746)	(790)
<b>Total eligible provisions</b>		4,097	4,284
<b>Regulatory expected downturn loss</b>		5,877	6,268
<b>Capital deduction in provisions for regulatory expected downturn loss</b>		(1,780)	(1,984)
<b>Deducted from Capital as follows:</b>			
Tier 1 reduction		(890)	(992)
Tier 2 reduction		(890)	(992)

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**Dividends**

<b>Ordinary dividend (cents per share)</b>	<b>As at 31 March 2012</b>	<b>As at 30 Sept 2011</b>	<b>As at 31 March 2011</b>
Interim (fully franked) - determined dividend		-	76
Final (fully franked)		80	-
<b>Total ordinary dividend</b>		80	76

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**4.1 Australian Financial Services**

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
Net interest income		4,389	4,179		
Non-interest income		1,646	1,607		
Net operating income		6,035	5,786		
Operating expenses		(2,751)	(2,664)		
<b>Core earnings</b>		3,284	3,122		
Impairment charges		(488)	(448)		
<b>Operating profit before tax</b>		2,796	2,674		
Tax and non-controlling interests		(824)	(809)		
<b>Cash Earnings</b>		1,972	1,865		
Economic profit		1,719	1,607		
Expense to income ratio		45.6%	46.0%		
Net interest margin		2.08%	2.02%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		98.5	87.6		
Other		115.8	114.8		
<b>Total deposits</b>		214.3	202.4		
<b>Net loans</b>					
Mortgages		304.0	294.4		
Business		76.5	76.4		
Other		18.0	18.3		
<b>Total net loans</b>		398.5	389.1		
<b>Total assets</b>		422.8	414.7		
Total committed exposure		458.4	444.4		
Consumer lending (mortgages) third party origination		37%	32%		
	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Westpac Retail & Business Banking		994	921		
St.George Banking Group		615	602		
BT Financial Group (Australia)		363	342		
<b>Total Cash Earnings</b>		1,972	1,865		

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**4.1.1 Westpac Retail and Business Banking**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>\$m</b>					
Net interest income		2,684	2,575		
Non-interest income		547	544		
Net operating income		3,231	3,119		
Operating expenses		(1,562)	(1,525)		
<b>Core earnings</b>		1,669	1,594		
Impairment charges		(274)	(273)		
<b>Operating profit before tax</b>		1,395	1,321		
Tax and non-controlling interests		(401)	(400)		
<b>Cash Earnings</b>		994	921		
Economic profit		926	861		
Expense to income ratio		48.3%	48.9%		
Net interest margin		2.17%	2.15%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		51.7	48.0		
Other		73.4	71.6		
<b>Total deposits</b>		125.1	119.6		
<b>Net loans</b>					
Mortgages		188.8	181.8		
Business		44.4	44.2		
Other		8.9	9.0		
<b>Total net loans</b>		242.1	235.0		
<b>Total assets</b>		247.0	240.1		
Total committed exposure		296.9	287.3		
Consumer lending (mortgages) third party origination		41%	35%		

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

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**4.1.2 St.George Banking Group**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11 - Mar 12	% Mov't Mar 11 - Mar 12
<b>\$m</b>					
Net interest income		1,479	1,427		
Non-interest income		283	266		
Net operating income		1,762	1,693		
Operating expenses		(671)	(652)		
<b>Core earnings</b>		1,091	1,041		
Impairment charges		(213)	(180)		
<b>Operating profit before tax</b>		878	861		
Tax and non-controlling interests		(263)	(259)		
<b>Cash Earnings</b>		615	602		
Economic profit		495	481		
Expense to income ratio		38.1%	38.5%		
Net interest margin		1.94%	1.89%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		33.9	29.2		
Other		36.9	37.3		
<b>Total deposits</b>		70.8	66.5		
<b>Net loans</b>					
Mortgages		105.1	102.8		
Business		30.8	30.8		
Other		6.1	5.9		
<b>Total net loans</b>		142.0	139.5		
<b>Total assets</b>		149.6	147.0		
Total committed exposure		161.5	157.1		
Consumer lending (mortgages) third party origination		30%	29%		

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

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**4.1.3 BT Financial Group (Australia)**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11 - Mar 12	% Mov't Mar 11 - Mar 12
<b>\$m</b>					
Net interest income		226	177		
Non-interest income		816	797		
Net operating income		1,042	974		
Operating expenses		(518)	(487)		
<b>Core earnings</b>		524	487		
Impairment charges		(1)	5		
<b>Operating profit before tax</b>		523	492		
Tax and non-controlling interests		(160)	(150)		
<b>Cash Earnings</b>		363	342		
Economic profit		298	265		
Expense to income ratio		49.7%	50.0%		
Income on invested capital		61	73		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		18.4	16.3		
Net loans		14.4	14.6		
Funds under management (FUM)		41.4	45.6		
Average Funds under management		44.6	44.4		
Funds under administration (FUA)		77.4	82.6		
Average Funds under administration		82.1	81.0		

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11 - Mar 12	% Mov't Mar 11 - Mar 12
<b>Cash Earnings</b>					
<b>\$m</b>					
Funds management business		229	237		
Insurance		124	75		
Total funds management and insurance		353	312		
Capital and other		10	30		
<b>Total Cash Earnings</b>		363	342		

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**4.1.3.1 Funds Management Business**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11 - Mar 12	% Mov't Mar 11 - Mar 12
<b>\$m</b>					
Net interest income		191	173		
Non-interest income		748	751		
Gross operating income		939	924		
Commission expense		(166)	(164)		
Net operating income		773	760		
Operating expenses		(442)	(419)		
<b>Core earnings</b>		331	341		
Impairment charges		(1)	5		
<b>Operating profit before tax</b>		330	346		
Tax and non-controlling interests		(101)	(109)		
<b>Cash Earnings</b>		229	237		
Expense to income ratio		57.2%	55.1%		
<b>Cash Earnings</b>					
	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11 - Mar 12	% Mov't Mar 11 - Mar 12
<b>\$m</b>					
Other Funds Management business		222	228		
BTIM		7	9		
<b>Total Cash Earnings</b>		229	237		



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**Movement of FUM/FUA**

<b>\$bn</b>	<b>Sept 2011</b>	<b>Sales</b>	<b>Redns</b>	<b>Net Flows</b>	<b>Other Mov't</b>	<b>Half Year March 12</b>	<b>March 2011</b>	<b>%Mov't Sept 11 - Mar 12</b>	<b>%Mov't Mar 11 - Mar 12</b>
Retail	14.8						16.5		
Institutional	13.0						14.1		
Wholesale	13.6						15.0		
<b>Total FUM</b>	<b>41.4</b>						<b>45.6</b>		
Wrap	65.6						70.5		
Corporate Super	8.6						9.0		
Other	3.2						3.1		
<b>Total FUA</b>	<b>77.4</b>						<b>82.6</b>		

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**4.1.3.2 Insurance Business**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% <i>Mov't</i> Sept 11 - Mar 12	% <i>Mov't</i> Mar 11 - Mar 12
<b>\$m</b>					
Net interest income		(3)	7		
Non-interest income		307	208		
Gross operating income		304	215		
Commission expense		(64)	(49)		
Net operating income		240	166		
Operating expenses		(61)	(59)		
<b>Core earnings</b>		179	107		
Tax and non-controlling interests		(55)	(32)		
<b>Cash Earnings</b>		124	75		
Expense to income ratio		25.4%	35.5%		
<b>Cash Earnings</b>					
<b>\$m</b>					
Life Insurance		66	55		
General Insurance		22	(17)		
Lenders Mortgage Insurance		36	37		
<b>Total Cash Earnings</b>		124	75		

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**Premiums for Risk Businesses**

<b>Life Insurance in-force premiums</b>				<b>%Mov't</b>	<b>%Mov't</b>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 11 -</b>	<b>Mar 11 -</b>
<b>\$m</b>	<b>March 12</b>	<b>Sept 11</b>	<b>March 11</b>	<b>Mar 12</b>	<b>Mar 12</b>
Life Insurance in-force premiums at start of period		469	451		
Sales		70	51		
Lapses		(33)	(31)		
Net Inflows		37	20		
Other Movements		-	(2)		
Life Insurance in-force premiums at end of period		506	469		

  

<b>Loss ratios for Insurance Business</b>				<b>%Mov't</b>	<b>%Mov't</b>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 11 -</b>	<b>Mar 11 -</b>
<b>(%)</b>	<b>March 12</b>	<b>Sept 11</b>	<b>March 11</b>	<b>Mar 12</b>	<b>Mar 12</b>
Life Insurance		31	30		
General Insurance		66	118		
Lenders Mortgage Insurance		19	12		

  

<b>Gross written premiums</b>				<b>%Mov't</b>	<b>%Mov't</b>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 11 -</b>	<b>Mar 11 -</b>
<b>\$m</b>	<b>March 12</b>	<b>Sept 11</b>	<b>March 11</b>	<b>Mar 12</b>	<b>Mar 12</b>
General Insurance gross w ritten premium		151	156		
Lenders Mortgage Insurance gross w ritten premium		27	26		

#### 4.1.3.3 Wealth Management Income Reconciliation

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11 - Mar 12	%Mov't Mar 11 - Mar 12
BTFG non-interest income		816	797		
Net commission, premium, fee and banking income		(75)	(74)		
<b>BTFG wealth management and insurance income</b>		<b>741</b>	<b>723</b>		
NZ w ealth management & insurance		38	36		
WIB w ealth management		45	47		
Other		(12)	5		
<b>Total wealth management &amp; insurance income (Cash Earnings basis, Section 6, Note 4)</b>		<b>812</b>	<b>811</b>		

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**4.2 Westpac Institutional Bank**

\$m	Half Year	Half Year	Half Year	% Mov't	% Mov't
	March 12	Sept 11	March 11	Sept 11 - Mar 12	Mar 11 - Mar 12
Net interest income		782	761		
Non-interest income		552	630		
Net operating income		1,334	1,391		
Operating expenses		(470)	(468)		
<b>Core earnings</b>		864	923		
Impairment charges		78	12		
<b>Operating profit before tax</b>		942	935		
Tax and non-controlling interests		(281)	(280)		
<b>Cash Earnings</b>		661	655		
Economic profit		533	514		
Expense to income ratio		35.2%	33.6%		
Net interest margin		1.92%	1.85%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		48.3	47.3		
Net loans		51.8	52.6		
Total assets		101.5	89.2		
Total committed exposure		204.3	183.8		
Impaired assets to total committed exposure		0.71%	0.86%		
Funds under management		6.3	6.6		

**Revenue Contribution by Business Segments**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11
Debt Markets		628	714
Foreign Exchange and Commodities, Carbon and Energy (FX&CCE)		240	207
Global Transactional Services		263	249
Hastings		32	45
Other		171	176
<b>Total</b>		1,334	1,391

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**4.3 New Zealand**

				<i>% Mov't</i>	<i>% Mov't</i>
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>	<b>Sept 11 -</b>	<b>Mar 11 -</b>
<b>NZ\$m</b>	<b>March 12</b>	<b>Sept 11</b>	<b>March 11</b>	<b>Mar 12</b>	<b>Mar 12</b>
Net interest income		745	715		
Non-interest income		201	198		
Net operating income		946	913		
Operating expenses		(417)	(402)		
<b>Core earnings</b>		529	511		
Impairment charges		(108)	(133)		
<b>Operating profit before tax</b>		421	378		
Tax and non-controlling interests		(130)	(109)		
<b>Cash Earnings</b>		291	269		
Economic profit		111	88		
Expense to income ratio		44.1%	44.0%		
Net interest margin		2.37%	2.27%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
<b>Deposits</b>					
Term deposits		20.8	20.6		
Other		17.2	16.4		
<b>Total deposits</b>		38.0	37.0		
<b>Net loans</b>					
Mortgages		34.9	34.2		
Business		21.0	20.4		
Other		1.7	1.6		
<b>Total net loans</b>		57.6	56.2		
<b>Total assets</b>		59.1	57.7		
Total committed exposure		81.1	78.7		
Funds under management		2.7	2.4		
	<b>Half Year</b>	<b>Half Year</b>	<b>Half Year</b>		
	<b>March 12</b>	<b>Sept 11</b>	<b>March 11</b>		
<b>Credit Quality</b>					
Mortgage delinquencies > 90 days		0.60%	0.80%		
Other consumer loans delinquencies > 90		0.91%	1.12%		
Impaired assets to total committed exposure		1.18%	1.34%		

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**4.4 Pacific Banking**

				<i>%Mov't</i>	<i>%Mov't</i>
	Half Year	Half Year	Half Year	Sept 11 -	Mar 11 -
<b>\$m</b>	March 12	Sept 11	March 11	Mar 12	Mar 12
Net interest income		64	58		
Non-interest income		59	48		
Net operating income		123	106		
Operating expenses		(46)	(39)		
<b>Core earnings</b>		77	67		
Impairment charges		(18)	(7)		
<b>Operating profit before tax</b>		59	60		
Tax and non-controlling interests		(22)	(20)		
<b>Cash Earnings</b>		37	40		
Economic profit		24	29		
Expense to income ratio		37.4%	36.8%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		2.4	1.9		
Total assets		3.0	2.3		
Total committed exposure		3.0	2.5		

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**4.5 Group Businesses**

				<i>%Mov't</i>	<i>%Mov't</i>
	Half Year	Half Year	Half Year	Sept 11 -	Mar 11 -
\$m	March 12	Sept 11	March 11	Mar 12	Mar 12
Net interest income		397	422		
Non-interest income		6	102		
Net operating income		403	524		
Operating expenses		(16)	(25)		
<b>Core earnings</b>		387	499		
Impairment charges		(18)	81		
<b>Operating profit before tax</b>		369	580		
Tax and non-controlling interests		(128)	(177)		
<b>Cash Earnings</b>		241	403		
<b>Treasury</b>				<i>%Mov't</i>	<i>%Mov't</i>
	Half Year	Half Year	Half Year	Sept 11 -	Mar 11 -
\$m	March 12	Sept 11	March 11	Mar 12	Mar 12
Net interest income		259	301		
Non-interest income		(8)	3		
<b>Cash Earnings</b>		167	193		



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**5.1 Consolidated Income Statement**

\$m	Note	Half Year	Half Year	Half Year	% Mov't	% Mov't
		March 12	Sept 11	March 11	Sept 11- Mar 12	Mar 11- Mar 12
Interest income	3		19,358	18,740		
Interest expense	3		(13,207)	(12,895)		
Net interest income			6,151	5,845		
Non-interest income	4		2,415	2,502		
Net operating income before operating expenses and impairment charges			8,566	8,347		
Operating expenses	5		(3,753)	(3,653)		
Impairment charges	11		(530)	(463)		
<b>Profit before income tax</b>			4,283	4,231		
Income tax expense	7		(1,220)	(235)		
<b>Net profit for the period</b>			3,063	3,996		
Profit attributable to non-controlling interests			(33)	(35)		
<b>Net profit attributable to owners of Westpac Banking Corporation</b>			3,030	3,961		

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**5.2 Consolidated Balance Sheet**

\$m	Note	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Assets</b>						
Cash and balances with central banks			16,258	4,781		
Receivables due from other financial institutions			8,551	8,981		
Derivative financial instruments	19		49,145	31,555		
Trading securities			47,971	44,894		
Other financial assets designated at fair value			2,960	2,548		
Available-for-sale securities			18,075	13,791		
Loans - housing and personal	10		351,969	340,772		
Loans - business	10		144,640	143,435		
Life insurance assets			7,916	9,586		
Regulatory deposits with central banks overseas			1,739	1,281		
Deferred tax assets			2,651	2,863		
Goodwill and other intangible assets			11,779	11,595		
Property, plant and equipment			1,158	1,090		
Other assets			5,416	4,786		
<b>Total assets</b>			<b>670,228</b>	<b>621,958</b>		
<b>Liabilities</b>						
Payables due to other financial institutions			14,512	12,873		
Deposits	17		370,278	342,498		
Derivative financial instruments	19		39,405	35,258		
Trading liabilities and other financial liabilities designated at fair value			9,803	7,700		
Debt issues			165,659	153,179		
Acceptances			272	418		
Current tax liabilities			581	436		
Deferred tax liabilities			11	32		
Life insurance liabilities			7,002	8,723		
Provisions			1,671	1,433		
Other liabilities			9,053	9,039		
<b>Total liabilities excluding loan capital</b>			<b>618,247</b>	<b>571,589</b>		
<b>Loan capital</b>						
Subordinated bonds			5,226	5,387		
Subordinated perpetual notes			400	378		
Trust Preferred Securities			616	557		
Westpac CPS			-	-		
Westpac SPS			1,030	1,028		
Westpac SPS II			901	900		
<b>Total loan capital</b>			<b>8,173</b>	<b>8,250</b>		
<b>Total liabilities</b>			<b>626,420</b>	<b>579,839</b>		
<b>Net assets</b>						
<b>Shareholders' equity</b>						
Share capital:						
Ordinary share capital			25,456	24,998		
Treasury shares and RSP treasury shares			(187)	(186)		
Reserves			498	(142)		
Retained profits			16,059	15,526		
<b>Total equity attributable to owners of Westpac Banking Corporation</b>			<b>41,826</b>	<b>40,196</b>		
<b>Non-controlling interests</b>						
Trust preferred securities 2003 (TPS 2003)			1,137	1,137		
Trust preferred securities 2006 (TPS 2006)			755	755		
Other			90	31		
<b>Total non-controlling interests</b>			<b>1,982</b>	<b>1,923</b>		
<b>Total shareholders' equity and non-controlling interests</b>			<b>43,808</b>	<b>42,119</b>		

### 5.3 Consolidated Cash Flow Statement

\$m	Note	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Cash flows from operating activities</b>						
Interest received			19,309	18,555		
Interest paid			(13,129)	(12,737)		
Dividends received excluding life business			9	8		
Other non-interest income received			370	2,279		
Operating expenses paid			(2,531)	(2,930)		
Net (increase)/decrease in trading and fair value assets			(3,173)	(4,944)		
Net increase/(decrease) in trading and fair value liabilities			2,044	2,888		
Net (increase)/decrease in derivative financial instruments			(6,595)	(10,365)		
Income tax paid excluding life business			(1,053)	(808)		
Life business:						
Receipts from policyholders and customers			787	1,469		
Interest and other items of similar nature			27	13		
Dividends received			232	147		
Payments to policyholders and suppliers			(680)	(1,151)		
Income tax paid			(19)	(36)		
<b>Net cash (used in)/provided by operating activities</b>	20		(4,402)	(7,612)		
<b>Cash flows from investing activities</b>						
Proceeds from available-for-sale securities			1,102	1,743		
Purchase of available-for-sale securities			(4,600)	(3,378)		
Net (increase)/decrease in:						
Receivables due from other financial institutions			462	3,212		
Loans			(9,525)	(8,800)		
Life insurance assets			114	(368)		
Regulatory deposits with central banks overseas			(342)	(42)		
Other assets			841	(1,288)		
Purchase of intangible assets			(411)	(331)		
Purchase of property, plant and equipment			(195)	(207)		
Proceeds from disposal of property, plant and equipment			9	6		
Purchase of controlled entity, net of cash acquired			-	-		
<b>Net cash used in investing activities</b>			(12,545)	(9,453)		
<b>Cash flows from financing activities</b>						
Issue of loan capital (net of issue costs)			-	-		
Redemption of loan capital			(300)	(1,104)		
Proceeds from share placement and share purchase plan			68	-		
Proceeds from exercise of employee options			14	9		
Purchase of shares on exercise of employee options and rights			-	-		
Net increase/(decrease) in:						
Payables due to other financial institutions			1,119	4,320		
Deposits			23,776	7,722		
Debt issues and acceptances			5,043	9,285		
Other liabilities and provisions			(465)	(853)		
Purchase of treasury shares			(3)	-		
Sale of treasury shares			2	4		
Payment of dividends			(1,840)	(1,906)		
Payment of distributions to non-controlling interests			(41)	(41)		
<b>Net cash provided by financing activities</b>			27,373	17,436		
<b>Net increase in cash and cash equivalents</b>			10,426	371		
Effect of exchange rate changes on cash and cash equivalents			1,051	(54)		
Cash and cash equivalents as at the beginning of the period			4,781	4,464		
<b>Cash and cash equivalents as at the end of the period</b>			16,258	4,781		

#### 5.4 Consolidated Statement of Comprehensive Income

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Net profit for the period</b>		3,063	3,996		
<b>Other comprehensive income:</b>					
Gains/(losses) on available-for-sale securities:					
Recognised in equity		(61)	(12)		
Transferred to income statement		(11)	(55)		
Gains/(losses) on cash flow hedging instruments:					
Recognised in equity		807	(11)		
Transferred to income statement		-	-		
Defined benefit obligation actuarial gains/(losses) recognised in equity (net of tax)		(213)	24		
Exchange differences on translation of foreign operations		149	(124)		
Income tax on items taken directly to or transferred directly from equity:					
Available-for-sale securities reserve		20	19		
Cash flow hedging reserve		(242)	(1)		
Foreign currency translation reserve		(60)	28		
<b>Other comprehensive income for the period (net of tax)</b>		389	(132)		
<b>Total comprehensive income for the period</b>		3,452	3,864		
Attributable to:					
Owners of Westpac Banking Corporation		3,419	3,829		
Non-controlling interests		33	35		
<b>Total comprehensive income for the period</b>		3,452	3,864		

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**5.5 Consolidated Statement of Changes in Equity**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Share capital</b>					
Balance as at beginning of period		24,812	24,496		
Shares issued:					
Under dividend reinvestment plan		444	303		
Under option and share right schemes		14	9		
Shares purchased for delivery upon exercise of options and share rights (net of tax)		-	-		
Disposal/(acquisition) of treasury shares		(1)	4		
<b>Balance as at period end</b>		<b>25,269</b>	<b>24,812</b>		
<b>Available-for-sale securities reserve</b>					
Balance as at beginning of period		84	131		
Current period movement due to changes in other comprehensive income:					
Net gains/(losses) from changes in fair value		(61)	(12)		
Exchange differences		(1)	1		
Income tax effect		20	3		
Transferred to income statements		(11)	(55)		
Income tax effect		-	16		
<b>Balance as at period end</b>		<b>31</b>	<b>84</b>		
<b>Share based payment reserve</b>					
Balance as at beginning of period		610	540		
Current period movement due to transactions with employees		38	70		
<b>Balance as at period end</b>		<b>648</b>	<b>610</b>		
<b>Cash flow hedging reserve</b>					
Balance as at beginning of period		(453)	(441)		
Current period movement due to changes in other comprehensive income:					
Net gains/(losses) from changes in fair value		807	(11)		
Income tax effect		(242)	(1)		
Transferred to income statements		-	-		
Income tax effect		-	-		
<b>Balance as at period end</b>		<b>112</b>	<b>(453)</b>		
<b>Foreign currency translation reserve</b>					
Balance as at beginning of period		(383)	(287)		
Current period movement due to changes in other comprehensive income:					
Foreign currency translation adjustment		149	(124)		
Tax on foreign currency translation adjustment		(60)	28		
<b>Balance as at period end</b>		<b>(294)</b>	<b>(383)</b>		
<b>Other reserves</b>					
Balance as at beginning of period		-	-		
Transactions with owners:		1	-		
<b>Balance as at period end</b>		<b>1</b>	<b>-</b>		
<b>Total reserves</b>		<b>498</b>	<b>(142)</b>		
<b>Movements in retained profits were as follows</b>					
Balance as at beginning of period		15,526	13,750		
Current period movement due to changes in comprehensive income:					
Actuarial gains/(losses) on defined benefit obligations (net of tax)		(213)	24		
Profit attributable to owners of Westpac Banking Corporation		3,030	3,961		
Transactions with owners:					
Final dividend		-	(2,209)		
Interim dividend		(2,284)	-		
<b>Balance as at period end</b>		<b>16,059</b>	<b>15,526</b>		
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>33</b>	<b>35</b>		
<b>Total comprehensive income attributable to owners of Westpac Banking Corporation</b>		<b>3,419</b>	<b>3,829</b>		
<b>Total comprehensive income for the period</b>		<b>3,452</b>	<b>3,864</b>		

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**Note 2. Average balance sheet and interest rates**

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Assets</b>									
<b>Interest earning assets</b>									
Receivables due from other financial institutions				9,041	147	3.2%	9,982	104	2.1%
Trading securities				48,018	1,248	5.2%	44,286	1,108	5.0%
Available-for-sale securities				15,125	438	5.8%	12,097	351	5.8%
Other financial assets designated at fair value				1,729	63	7.3%	1,376	36	5.2%
Regulatory deposits				1,325	7	1.1%	1,281	5	0.8%
Loans and other receivables				479,949	17,455	7.3%	472,195	17,136	7.3%
<b>Total interest earning assets and interest income</b>				<b>555,187</b>	<b>19,358</b>	<b>7.0%</b>	<b>541,217</b>	<b>18,740</b>	<b>6.9%</b>
<b>Non-interest earning assets</b>									
Cash, receivables due from other financial institutions and regulatory deposits				1,427			1,273		
Life insurance assets				8,452			12,573		
All other assets				71,088			65,597		
<b>Total non-interest earning assets</b>				<b>80,967</b>			<b>79,443</b>		
<b>Total assets</b>				<b>636,154</b>			<b>620,660</b>		

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Deposits				340,018	7,346	4.3%	328,711	7,336	4.5%
Payables due to other financial institutions				8,751	95	2.2%	7,415	96	2.6%
Loan capital				7,974	241	6.0%	8,546	228	5.4%
Other interest bearing liabilities				164,807	5,525	6.7%	160,804	5,235	6.5%
<b>Total interest bearing liabilities and interest expense</b>				<b>521,550</b>	<b>13,207</b>	<b>5.1%</b>	<b>505,476</b>	<b>12,895</b>	<b>5.1%</b>
<b>Non-interest bearing liabilities</b>									
Deposits and payables due to other financial institutions				16,996			16,053		
Life insurance policy liabilities				8,146			11,766		
All other liabilities				47,400			46,833		
<b>Total non-interest bearing liabilities</b>				<b>72,542</b>			<b>74,652</b>		
<b>Total liabilities</b>				<b>594,092</b>			<b>580,128</b>		
Shareholders' equity				40,143			38,609		
Non-controlling interests				1,919			1,923		
<b>Total equity</b>				<b>42,062</b>			<b>40,532</b>		
<b>Total liabilities and equity</b>				<b>636,154</b>			<b>620,660</b>		

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

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance \$m	Interest \$m	Average Rate %	Average Balance \$m	Interest \$m	Average Rate %	Average Balance \$m	Interest \$m	Average Rate %
<b>Loans and other receivables</b>									
Australia				428,855	15,892	7.4%	422,938	15,575	7.4%
New Zealand				45,191	1,443	6.4%	44,194	1,457	6.6%
Other overseas				5,903	120	4.1%	5,063	104	4.1%
<b>Deposits</b>									
Australia				282,900	6,698	4.7%	276,831	6,654	4.8%
New Zealand				28,875	526	3.6%	27,688	560	4.1%
Other overseas				28,243	122	0.9%	24,192	122	1.0%

**Note 3. Net interest income**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Interest income</b>					
Cash		34	37		
Receivables due from other financial institutions		147	104		
Net ineffectiveness on qualifying hedges		(21)	8		
Trading securities		1,248	1,108		
Other financial assets designated at fair value		63	36		
Available-for-sale securities		438	351		
Loans		17,440	17,090		
Regulatory deposits with central banks overseas		7	5		
Other interest income		2	1		
<b>Total interest income</b>		<b>19,358</b>	<b>18,740</b>		
<b>Interest expense</b>					
Payables due to other financial institutions		(95)	(96)		
Certificates of deposit		(896)	(1,011)		
At call and term deposits		(6,450)	(6,325)		
Trading liabilities		(2,944)	(2,794)		
Other financial liabilities designated at fair value		(25)	(13)		
Debt issues and acceptances		(2,299)	(2,279)		
Loan capital		(241)	(228)		
Other interest expense		(257)	(149)		
<b>Total interest expense</b>		<b>(13,207)</b>	<b>(12,895)</b>		
<b>Net interest income</b>		<b>6,151</b>	<b>5,845</b>		



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**Note 4. Non-interest income**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Fees and commissions</b>					
Facility Fees		569	536		
Transaction fees and commissions		576	604		
Other non-risk fee income		140	143		
<b>Total fees and commissions</b>		1,285	1,283		
<b>Wealth management and insurance income</b>					
Life insurance and funds management net operating income		729	734		
General insurance and Lenders mortgage insurance premiums less claims incurred		93	62		
<b>Total wealth management and insurance income</b>		822	796		
<b>Trading income</b>					
Foreign exchange income		174	155		
Other trading securities		80	149		
<b>Total trading income</b>		254	304		
<b>Other income</b>					
Dividends received		9	8		
Rental income		1	1		
Net gain/(loss) on ineffective hedges		(2)	(3)		
Hedging overseas operations		20	35		
Net gain/(loss) on derivatives held for risk management purposes		(3)	(25)		
Net gain/(loss) on disposal of assets		6	45		
Net gain/(loss) on financial instruments designated at fair value		12	16		
Other		11	42		
<b>Total other income</b>		54	119		
<b>Total non-interest income</b>		2,415	2,502		

**Note 5. Operating expenses**

<b>\$m</b>	<b>Half Year March 12</b>	<b>Half Year Sept 11</b>	<b>Half Year March 11</b>	<b>%Mov't Sept 11- Mar 12</b>	<b>%Mov't Mar 11- Mar 12</b>
<b>Salaries and other staff expenses</b>					
Salaries and wages		1,521	1,494		
Other staff expenses		464	466		
Restructuring costs		58	52		
<b>Total salaries and other staff expenses</b>		<b>2,043</b>	<b>2,012</b>		
<b>Equipment and occupancy expenses</b>					
Operating lease rentals		253	252		
Depreciation, amortisation and impairment:					
Premises		8	8		
Leasehold improvements		50	39		
Furniture and equipment		32	31		
Technology		38	38		
Software		144	121		
Other		55	46		
<b>Total equipment and occupancy expenses</b>		<b>580</b>	<b>535</b>		
<b>Other expenses</b>					
Amortisation of deferred expenditure & intangible assets		106	106		
Non-lending losses		23	20		
Purchased services:					
Technology and information services		132	122		
Legal		19	10		
Other professional services		238	210		
Credit card loyalty programmes		60	67		
Postage and stationery		118	109		
Outsourcing costs		287	305		
Insurance		6	8		
Advertising		101	75		
Training		16	12		
Travel		34	36		
Other expenses		(10)	26		
<b>Total other expenses</b>		<b>1,130</b>	<b>1,106</b>		
<b>Total operating expenses</b>		<b>3,753</b>	<b>3,653</b>		

**Note 6. Deferred expenses and capitalised software**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
Capitalised software		1,303	1,038		
Deferred acquisition costs		144	149		
Other		13	9		

**Note 7. Income tax**

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
<b>The income tax expense for the period is reconciled to the profit before income tax as follows</b>					
<b>Profit before income tax</b>		4,283	4,231		
Prima facie income tax based on the Australian company tax rate of 30%		1,285	1,269		
<b>The effect of amounts which are not deductible (assessable) in calculating taxable income</b>					
Change in tax rate		5	2		
Rebateable and exempt dividends		(2)	-		
Life insurance:					
Tax adjustment on policy holders earnings		(5)	(5)		
Adjustment for life business tax rates		(7)	1		
Other non-assessable items		(14)	(26)		
Other non-deductible items		44	22		
Adjustment for overseas tax rates		(2)	3		
Income tax (over)/under provided in prior years		(21)	(12)		
St.George tax consolidation adjustment		-	(1,110)		
Other items		(63)	91		
<b>Total income tax expense in the income statement</b>		1,220	235		
Average effective income tax rate		28.5%	5.6%		
Effective tax rate (excluding life company accounting)		28.6%	5.7%		

**Note 8. Dividends**

	<b>Half Year March 12</b>	<b>Half Year Sept 11</b>	<b>Half Year March 11</b>
<b>Ordinary dividend (cents per share)</b>			
Interim (fully franked) - determined dividend		-	76
Final (fully franked)		80	-
		80	76
<b>Total dividends paid (\$m)</b>			
Ordinary dividends paid		2,284	2,209
		2,284	2,209
<b>Ordinary dividend payout ratio</b>		79.5%	57.4%

**Note 9. Earnings per ordinary share**

	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Earnings per ordinary share (cents)</b>					
Basic		100.6	132.5		
Fully diluted		96.9	128.0		
<b>Weighted average number of fully paid ordinary shares (millions)</b>					
Basic		3,007	2,987		
Fully diluted		3,194	3,143		

	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Reconciliation of ordinary shares on issue before the effect of own shares held (millions)</b>			
Opening balance		3,009	2,989
Number of shares issued under the Dividend Reinvestment Plan (DRP)		20	14
Number of shares issued under the Employee Share Plan (ESP)		-	1
Number of shares issued under Restricted Share Plan (RSP), option and share right schemes		1	5
<b>Closing balance</b>		3,030	3,009

	Half Year 31 Mar 2012		Half Year 30 Sept 2011		Half Year 31 March 2011	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
<b>Reconciliation of earnings used in the calculation of earnings per ordinary share (\$m)</b>						
Net profit attributable to owners of Westpac Banking Corporation			3,030	3,030	3,961	3,961
Distribution on RSP treasury shares			(5)	-	(3)	-
2004 TPS distributions			-	11	-	9
2007 convertible notes distributions			-	16	-	15
Westpac SPS distributions			-	18	-	19
Westpac SPS II distributions			-	20	-	19
Westpac CPS			-	-	-	-
<b>Net profit attributable to owners of Westpac Banking Corporation adjusted for the effect of dilution</b>			3,025	3,095	3,958	4,023
<b>Weighted average number of ordinary shares (millions)</b>						
Weighted average number of ordinary shares			3,019	3,019	3,000	3,000
Effect of own shares held			(12)	(12)	(13)	(13)
Potential dilutive adjustment:						
Exercise of options and share rights and vesting of restricted shares			-	8	-	6
Conversion of 2004 TPS			-	27	-	22
Conversion of 2007 convertible notes			-	52	-	44
Conversion of Westpac SPS			-	53	-	45
Conversion of Westpac SPS II			-	47	-	39
Conversion of Westpac CPS			-	-	-	-
<b>Total weighted average number of ordinary shares</b>			3,007	3,194	2,987	3,143
<b>Earnings per ordinary share (cents)</b>			100.6	96.9	132.5	128.0

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**Note 10. Loans**

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Loans are classified based on the location of the lending office:					
<b>Australia</b>					
Overdrafts		3,247	3,590		
Credit card outstandings		9,532	9,714		
Overnight and at call money market loans		13	139		
Acceptance of finance		39,260	40,077		
Term loans:					
Housing		269,597	259,614		
Housing - line of credit		34,972	35,501		
Total housing		304,569	295,115		
Non-housing		79,479	82,080		
Finance leases		6,296	4,837		
Margin lending		2,852	3,406		
Other		3,234	2,547		
<b>Total Australia</b>		448,482	441,505		
<b>New Zealand</b>					
Overdrafts		970	927		
Credit card outstandings		996	930		
Overnight and at call money market loans		1,235	1,065		
Term loans:					
Housing		27,486	25,330		
Non-housing		15,035	13,827		
Other		387	320		
<b>Total New Zealand</b>		46,109	42,399		
<b>Other Overseas</b>					
Overdrafts		180	167		
Term loans:					
Housing		1,010	936		
Non-Housing		4,061	3,363		
Finance leases		64	45		
Other		748	407		
<b>Total Other Overseas</b>		6,063	4,918		
<b>Total loans</b>		500,654	488,822		
Provision on loans		(4,045)	(4,615)		
<b>Total net loans</b>		496,609	484,207		

**Note 11. Provisions for impairment charges**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Collectively assessed provisions</b>			
Balance at beginning of the period		3,188	3,439
Provisions raised/(released)		19	(43)
Write-offs		(402)	(337)
Interest adjustment		125	139
Exchange rate and other adjustments		23	(10)
<b>Closing balance</b>		<b>2,953</b>	<b>3,188</b>
<b>Individually assessed provisions</b>			
Balance at beginning of the period		1,780	1,622
Provisions raised		853	766
Write-backs		(320)	(222)
Write-offs		(820)	(368)
Interest adjustment		9	(20)
Exchange rate and other adjustments		(41)	2
<b>Closing balance</b>		<b>1,461</b>	<b>1,780</b>
<b>Total provisions for impairment charges on loans and credit commitments</b>		<b>4,414</b>	<b>4,968</b>
Less: provisions for credit commitments		(369)	(353)
<b>Total provisions for impairment charges on loans</b>		<b>4,045</b>	<b>4,615</b>

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Reconciliation of impairment charges</b>			
Individually assessed provisions raised		853	766
Write-backs		(320)	(222)
Recoveries		(22)	(38)
Collectively assessed provisions raised/(released)		19	(43)
<b>Impairment charges</b>		<b>530</b>	<b>463</b>

**Note 12. Impaired loans**

	Australia			New Zealand			Other Overseas			Total		
	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011
<b>\$m</b>												
<b>Non-Performing Loans:</b>												
Gross amount		3,437	3,542		736	765		114	97		4,287	4,404
Impairment provision		(1,215)	(1,458)		(212)	(320)		(60)	(44)		(1,487)	(1,822)
Net		2,222	2,084		524	445		54	53		2,800	2,582
<b>Restructured loans:</b>												
Gross amount		21	42		1	-		107	100		129	142
Impairment provision		(11)	(15)		-	-		(18)	(18)		(29)	(33)
Net		10	27		1	-		89	82		100	109
<b>Overdrafts, personal loans and revolving credit greater than 90 days:</b>												
Gross amount		186	215		13	14		1	1		200	230
Impairment provision		(138)	(151)		(8)	(9)		(1)	(1)		(147)	(161)
Net		48	64		5	5		-	-		53	69
<b>Total Impaired loans:</b>												
Gross amount		3,644	3,799		750	779		222	198		4,616	4,776
Impairment provision		(1,364)	(1,624)		(220)	(329)		(79)	(63)		(1,663)	(2,016)
Net		2,280	2,175		530	450		143	135		2,953	2,760



**Note 13. Movement in gross impaired assets**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
Balance as at beginning of period		4,776	4,585		
New and increased		1,343	1,519		
Write-offs		(1,222)	(705)		
Returned to performing or repaid		(745)	(925)		
Portfolio managed - new /increased/returned/repaid		402	337		
Exchange rate and other adjustments		62	(35)		
<b>Balance as at period end</b>		<b>4,616</b>	<b>4,776</b>		

**Note 14. Items past 90 days but well secured**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>\$m</b>					
<b>Australia</b>					
Housing products		1,384	1,461		
Other products		1,456	1,899		
<b>Total Australia</b>		<b>2,840</b>	<b>3,360</b>		
<b>New Zealand</b>					
Housing products		102	137		
Other products		36	19		
<b>Other Overseas</b>		46	42		
<b>Total Overseas</b>		<b>184</b>	<b>198</b>		
<b>Total</b>		<b>3,024</b>	<b>3,558</b>		

**Note 15. Impaired assets and provisioning ratios**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	Mov't Sept 11- Mar 12	Mov't Mar 11- Mar 12
Net impaired assets to equity and collectively assessed provisions		6.3%	6.1%		
Total impaired assets to gross loans		0.92%	0.98%		
Total impaired assets to equity and total provisions		9.6%	10.1%		
Total impairment provisions to total impaired assets		36.0%	42.2%		
Total provisions to gross loans		88bps	102bps		
Collectively assessed provisions to performing non-housing loans		169bps	182bps		
Collectively assessed provisions to risk weighted assets		105bps	115bps		
Collectively assessed provisions to credit risk weighted assets		126bps	138bps		
Total provisions to risk weighted assets		158bps	179bps		

**Note 16. Delinquencies (90 days past due loans)**

	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	<i>Mov't</i> Sept 11- Mar 12	<i>Mov't</i> Mar 11- Mar 12
Mortgages		0.55%	0.59%		
Other personal lending		1.16%	1.34%		
Total personal lending		0.58%	0.63%		

**Note 17. Deposits**

\$m	As at 31 March 2012	As at 30 Sept 2011	As at 31 March 2011	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Australia</b>					
<b>Certificates of deposit</b>					
At fair value		36,620	33,738		
At amortised cost		602	1,689		
<b>Total certificates of deposit</b>		<b>37,222</b>	<b>35,427</b>		
<b>At call and term deposits</b>					
Non-interest bearing, repayable at call		13,932	13,101		
Other interest bearing:					
At call		142,411	142,275		
Term		112,617	99,361		
<b>Total at call and term deposits</b>		<b>268,960</b>	<b>254,737</b>		
<b>Total Australia</b>		<b>306,182</b>	<b>290,164</b>		
<b>New Zealand</b>					
<b>Certificates of deposit</b>					
At fair value		1,221	1,093		
<b>Total certificates of deposit</b>		<b>1,221</b>	<b>1,093</b>		
<b>At call and term deposits</b>					
Non-interest bearing, repayable at call		2,160	2,084		
Other interest bearing:					
At call		11,287	10,011		
Term		16,381	15,308		
<b>Total at call and term deposits</b>		<b>29,828</b>	<b>27,403</b>		
<b>Total New Zealand</b>		<b>31,049</b>	<b>28,496</b>		
<b>Other Overseas</b>					
<b>Certificates of deposit</b>					
At fair value		20,538	16,066		
At amortised cost		1,158	1,092		
<b>Total certificates of deposit</b>		<b>21,696</b>	<b>17,158</b>		
<b>At call and term deposits</b>					
Non-interest bearing, repayable at call		567	420		
Other interest bearing:					
At call		1,995	1,949		
Term		8,789	4,311		
<b>Total at call and term deposits</b>		<b>11,351</b>	<b>6,680</b>		
<b>Total other overseas</b>		<b>33,047</b>	<b>23,838</b>		
<b>Total deposits</b>		<b>370,278</b>	<b>342,498</b>		
<b>Total deposits at fair value</b>		<b>58,561</b>	<b>50,897</b>		
<b>Total deposits at amortised cost</b>		<b>311,717</b>	<b>291,601</b>		
<b>Total deposits</b>		<b>370,278</b>	<b>342,498</b>		

**Note 19. Derivative financial instruments**

\$m	Notional Amount	Fair Value (Asset)	Fair Value (Liability)
<b>Held for trading</b>			
<b>Interest rate</b>			
Futures			
Forwards			
Swaps			
Options			
<b>Foreign exchange</b>			
Forwards			
Swaps			
Options			
<b>Commodities</b>			
<b>Equities</b>			
<b>Credit</b>			
<b>Total held for trading derivatives</b>			
<b>Fair value hedges</b>			
<b>Interest rate</b>			
Swaps			
<b>Foreign exchange</b>			
Swaps			
<b>Total fair value hedging derivatives</b>			
<b>Cash flow hedges</b>			
<b>Interest rate</b>			
Swaps			
<b>Foreign exchange</b>			
Swaps			
<b>Total cash flow hedging derivatives</b>			
<b>Net investment hedges</b>			
Other			
<b>Total net investment hedges</b>			
<b>Total derivatives as at 31 March 2012</b>			
<b>Total derivatives as at 30 September 2011</b>	2,050,074	49,145	(39,405)
<b>Total derivatives as at 31 March 2011</b>	2,123,154	31,555	(35,258)

**Note 19. Derivative financial instruments (continued)**

**Markets - Daily Value at Risk (VaR)**

<b>\$m</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
Six months ended 31 March 2012			
Six months ended 30 September 2011	14.6	6.7	10.2
Six months ended 31 March 2011	10.4	4.6	7.3

<b>Average</b>	<b>Half Year 31 Mar 2012</b>	<b>Half Year 30 Sept 2011</b>	<b>Half Year 31 March 2011</b>
<b>\$m</b>			
Interest rate risk		8.3	5.6
Foreign exchange risk		3.2	2.6
Equity risk		0.6	0.4
Commodity risk		3.5	2.0
Other market risks		4.3	3.3
Diversification benefit		(9.7)	(6.6)
<b>Net market risk</b>		10.2	7.3

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

<b>\$m</b>	<b>High</b>	<b>Low</b>	<b>Average</b>
Six months ended 31 March 2012			
Six months ended 30 September 2011	47.8	22.9	33.1
Six months ended 31 March 2011	42.1	19.5	28.0

**Note 20. Note to the cash flow statement**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Reconciliation of net cash (used in)/provided by operating activities to net profit</b>					
<b>Net profit</b>		3,063	3,996		
Adjustments:					
Depreciation, amortisation and impairment		378	343		
(Decrease)/increase in sundry provisions and other non-cash		(875)	592		
Impairment charges on loans		552	501		
(Increase)/decrease in trading and fair value assets		(3,173)	(4,944)		
Increase/(decrease) in trading and fair value liabilities		2,044	2,888		
(Decrease)/increase in derivative financial instruments		(6,595)	(10,365)		
(Increase)/decrease in accrued interest receivable		(22)	(172)		
Increase/(decrease) in accrued interest payable		78	158		
(Decrease)/increase in current and deferred tax		148	(609)		
<b>Net cash (used in)/provided by operating activities</b>		<b>(4,402)</b>	<b>(7,612)</b>		
<b>Details of assets and liabilities of controlled entities acquired</b>					
Total assets (tangible and financial)		-	-		
Identifiable intangible assets		-	-		
Total liabilities		-	-		
<b>Fair value of identifiable net assets acquired</b>		<b>-</b>	<b>-</b>		
Goodwill		-	-		
<b>Total</b>		<b>-</b>	<b>-</b>		
<b>Consideration paid</b>					
Debt and equity instruments issued		-	-		
Cash paid		-	-		
<b>Total consideration transferred</b>		<b>-</b>	<b>-</b>		
Cash paid		-	-		
Less cash acquired		-	-		
<b>Net cash paid</b>		<b>-</b>	<b>-</b>		

**Note 22. Funding view of the balance sheet**

\$m	As at 31 March 2012					Total
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	
<b>Assets</b>						
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						
<b>Total assets</b>						
<b>Liabilities</b>						
Payables due to other financial institutions						
Deposits:						
At call						
Term deposits						
Medium term deposit notes						
Certificates of deposit						
Derivative financial instruments						
Trading liabilities and other financial liabilities designated at fair value						
Acceptances						
Debt issues						
Life insurance liabilities						
Other liabilities						
Loan capital						
<b>Total liabilities</b>						
<b>Total equity</b>						
<b>Total net</b>						

**Note 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	
<b>Assets</b>						
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
<b>Total assets</b>	<b>103,549</b>	<b>-</b>	<b>-</b>	<b>482,264</b>	<b>84,415</b>	<b>670,228</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>134</b>	<b>310,139</b>	<b>239,289</b>	<b>-</b>	<b>76,858</b>	<b>626,420</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>1,982</b>	<b>41,976</b>	<b>(150)</b>	<b>43,808</b>
<b>Total net</b>	<b>103,415</b>	<b>(310,139)</b>	<b>(241,271)</b>	<b>440,288</b>	<b>7,707</b>	<b>-</b>



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

\$m	As at 31 March 2011					Total
	Liquid Assets	Customer Deposits	Wholesale Funding	Customer Franchise	Market Inventory	
<b>Assets</b>						
Cash	1,021	-	-	3,760	-	4,781
Receivables due from other financial institutions	2,613	-	-	2,769	3,599	8,981
Trading securities, other financial assets designated at fair value and available-for-sale securities	47,740	-	-	-	13,493	61,233
Derivative financial instruments	-	-	-	-	31,555	31,555
Loans	33,598	-	-	450,609	-	484,207
Life insurance assets	-	-	-	-	9,586	9,586
Goodwill and other intangibles	-	-	-	11,595	-	11,595
Fixed assets	-	-	-	1,090	-	1,090
Other assets	-	-	-	-	8,930	8,930
<b>Total assets</b>	<b>84,972</b>	<b>-</b>	<b>-</b>	<b>469,823</b>	<b>67,163</b>	<b>621,958</b>
<b>Liabilities</b>						
Payables due to other financial institutions	-	-	7,914	-	4,959	12,873
Deposits:						
At call	-	169,840	-	-	-	169,840
Term deposits	-	118,980	-	-	-	118,980
Medium term deposit notes	-	-	881	-	-	881
Certificates of deposit	-	-	52,797	-	-	52,797
Derivative financial instruments	-	-	-	-	35,258	35,258
Trading liabilities and other financial liabilities designated at fair value	166	-	-	-	7,534	7,700
Acceptances	-	-	418	-	-	418
Debt issues	-	-	153,179	-	-	153,179
Life insurance liabilities	-	-	-	-	8,723	8,723
Other liabilities	-	-	-	-	10,940	10,940
Loan capital	-	-	8,250	-	-	8,250
<b>Total liabilities</b>	<b>166</b>	<b>288,820</b>	<b>223,439</b>	<b>-</b>	<b>67,414</b>	<b>579,839</b>
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>1,923</b>	<b>40,948</b>	<b>(752)</b>	<b>42,119</b>
<b>Total net</b>	<b>84,806</b>	<b>(288,820)</b>	<b>(225,362)</b>	<b>428,875</b>	<b>501</b>	<b>-</b>

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

	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Group</b>			
Average external interest earning assets (\$m)		555,187	541,217
Net interest income (\$m)		6,205	5,964
Net interest spread		1.93%	1.87%
Benefit of net non-interest bearing assets, liabilities and equity		0.30%	0.34%
Net interest margin		2.23%	2.21%
<b>Analysis by division</b>			
<b>Average external interest earning assets (\$m)</b>			
Westpac Retail & Business Banking		231,519	224,748
Westpac Institutional Bank		66,444	64,352
St.George Banking Group		137,266	135,746
New Zealand (A\$)		43,872	42,705
BT Financial Group		14,501	14,639
Pacific Banking		2,357	2,150
Group Businesses		59,228	56,877
<b>Group total</b>		<b>555,187</b>	<b>541,217</b>
<i>New Zealand (NZ\$)</i>		56,664	55,975
<b>Net interest income (\$m) (excluding capital benefit)</b>			
Westpac Retail & Business Banking		2,519	2,407
Westpac Institutional Bank		638	595
St.George Banking Group		1,338	1,279
New Zealand (A\$)		516	481
BT Financial Group		145	92
Pacific Banking		59	52
Group Businesses		990	1,058
<b>Group total</b>		<b>6,205</b>	<b>5,964</b>
<i>New Zealand (NZ\$)</i>		672	633
<b>Interest margin</b>			
Westpac Retail & Business Banking		2.17%	2.15%
Westpac Institutional Bank		1.92%	1.85%
St.George Banking Group		1.94%	1.89%
New Zealand (A\$)		2.35%	2.26%
BT Financial Group		1.99%	1.26%
Pacific Banking		4.99%	4.85%
Group Businesses		3.33%	3.73%
<i>New Zealand (NZ\$)</i>		2.37%	2.27%

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

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate	Average Balance	Interest Income	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Assets</b>									
<b>Interest earning assets</b>									
Receivables due from other financial institutions				9,041	147	3.2%	9,982	104	2.1%
Trading securities				48,018	1,248	5.2%	44,286	1,108	5.0%
Available-for-sale securities				15,125	438	5.8%	12,097	351	5.8%
Other financial assets designated at fair value				1,729	63	7.3%	1,376	36	5.2%
Regulatory deposits				1,325	7	1.1%	1,281	5	0.8%
Loans and other receivables				479,949	17,490	7.3%	472,195	17,076	7.3%
<b>Total interest earning assets and interest income</b>				<b>555,187</b>	<b>19,393</b>	<b>7.0%</b>	<b>541,217</b>	<b>18,680</b>	<b>6.9%</b>
<b>Non-interest earning assets</b>									
Cash, receivables due from other financial institutions and regulatory deposits				1,427			1,273		
Life insurance assets				8,452			12,573		
All other assets				71,088			65,597		
<b>Total non-interest earning assets</b>				<b>80,967</b>			<b>79,443</b>		
<b>Total assets</b>				<b>636,154</b>			<b>620,660</b>		

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate	Average Balance	Interest Expense	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Deposits				340,018	7,346	4.3%	328,711	7,336	4.5%
Payables due to other financial institutions				8,751	95	2.2%	7,415	96	2.6%
Loan capital				7,974	228	5.7%	8,546	215	5.0%
Other interest bearing liabilities				164,807	5,519	6.7%	160,804	5,069	6.3%
<b>Total interest bearing liabilities and interest expense</b>				<b>521,550</b>	<b>13,188</b>	<b>5.0%</b>	<b>505,476</b>	<b>12,716</b>	<b>5.0%</b>
<b>Non-interest bearing liabilities</b>									
Deposits and payables due to other financial institutions				16,996			16,053		
Life insurance policy liabilities				8,146			11,766		
All other liabilities				47,400			46,833		
<b>Total non-interest bearing liabilities</b>				<b>72,542</b>			<b>74,652</b>		
<b>Total liabilities</b>				<b>594,092</b>			<b>580,128</b>		
Shareholders' equity				40,143			38,609		
Non-controlling interests				1,919			1,923		
<b>Total equity</b>				<b>42,062</b>			<b>40,532</b>		
<b>Total liabilities and equity</b>				<b>636,154</b>			<b>620,660</b>		

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

	Half Year 31 March 2012			Half Year 30 September 2011			Half Year 31 March 2011		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Loans and other receivables</b>									
Australia				428,855	15,946	7.4%	422,938	15,510	7.4%
New Zealand				45,191	1,424	6.3%	44,194	1,462	6.6%
Other overseas				5,903	120	4.1%	5,063	104	4.1%
<b>Deposits</b>									
Australia				282,900	6,698	4.7%	276,831	6,654	4.8%
New Zealand				28,875	526	3.6%	27,688	560	4.1%
Other overseas				28,243	122	0.9%	24,192	122	1.0%

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**Note 3. Net interest income (Cash Earnings basis)**

<b>\$m</b>	<b>Half Year March 12</b>	<b>Half Year Sept 11</b>	<b>Half Year March 11</b>	<b>% Mov't Sept 11- Mar 12</b>	<b>% Mov't Mar 11- Mar 12</b>
<b>Interest income</b>					
Cash		34	37		
Loans		17,452	17,037		
Receivables due from other financial institutions		147	104		
Available-for-sale securities		438	351		
Regulatory deposits with central banks overseas		7	5		
Trading securities		1,248	1,108		
Net ineffectiveness on qualifying hedges		1	-		
Other financial assets designated at fair value		63	36		
Other interest income		3	2		
<b>Total interest income</b>		<b>19,393</b>	<b>18,680</b>		
<b>Interest expense</b>					
At call and term deposits		(6,450)	(6,325)		
Certificates of deposit		(896)	(1,011)		
Payables due to other financial institutions		(95)	(96)		
Debt issues and acceptances		(2,215)	(2,171)		
Loan capital		(228)	(215)		
Trading liabilities		(3,022)	(2,736)		
Other financial liabilities designated at fair value		(25)	(13)		
Other interest expense		(257)	(149)		
<b>Total interest expense</b>		<b>(13,188)</b>	<b>(12,716)</b>		
<b>Net interest income</b>		<b>6,205</b>	<b>5,964</b>		

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

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	% Mov't Sept 11- Mar 12	% Mov't Mar 11- Mar 12
<b>Fees and commissions</b>					
Facility fees		569	536		
Transaction fees and commissions		576	604		
Other non-risk fee income		140	143		
<b>Total fees and commissions</b>		1,285	1,283		
<b>Wealth management and insurance income</b>					
Life insurance and funds management net operating income		713	750		
General insurance and Lenders mortgage insurance premiums less claims incurred		99	61		
<b>Total wealth management and insurance income</b>		812	811		
<b>Trading income</b>					
Foreign exchange income		174	155		
Other trading securities		80	149		
<b>Total trading income</b>		254	304		
<b>Other income</b>					
Dividends received		9	8		
Rental income		1	1		
Net gain/(loss) on ineffective hedges		-	-		
Hedging overseas operations		33	25		
Net gain/(loss) on derivatives held for risk management purposes		(5)	2		
Net gain/(loss) on disposal of assets		6	45		
Net gain/(loss) on financial instruments designated at fair value		20	16		
Other		2	42		
<b>Total other income</b>		66	139		
<b>Total non-interest income (Cash Earnings basis)</b>		2,417	2,537		

**Note 5. Operating expense analysis (Cash Earnings basis)**

\$m	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
<b>Salaries and other staff expenses</b>					
Salaries and wages		1,501	1,468		
Other staff expenses		463	464		
Restructuring costs		40	52		
<b>Total salaries and other staff expenses</b>		<b>2,004</b>	<b>1,984</b>		
<b>Equipment and occupancy expenses</b>					
Operating lease rentals		253	252		
Depreciation, amortisation and impairment:					
Premises		8	4		
Leasehold improvements		50	38		
Furniture and equipment		32	29		
Technology		37	37		
Software		144	121		
Other		54	52		
<b>Total equipment and occupancy expenses</b>		<b>578</b>	<b>533</b>		
<b>Other expenses</b>					
Amortisation of deferred expenditure and intangible assets		2	2		
Non-lending losses		23	20		
Purchased services:					
Technology and information services		132	122		
Legal		19	10		
Other professional services		235	196		
Credit card loyalty programmes		60	67		
Postage and stationery		118	109		
Outsourcing costs		287	304		
Insurance		6	8		
Advertising		101	75		
Training		16	12		
Travel		34	36		
Other expenses		(10)	23		
<b>Total other expenses</b>		<b>1,023</b>	<b>984</b>		
<b>Total operating expenses</b>		<b>3,605</b>	<b>3,501</b>		

**Note 6. Earnings per share (Cash Earnings basis)**

	Half Year March 12	Half Year Sept 11	Half Year March 11	%Mov't Sept 11- Mar 12	%Mov't Mar 11- Mar 12
Cash Earnings per ordinary share (cents)		103.8	105.6		
Weighted average number of fully paid ordinary shares (millions)		3,019	3,000		

	Half Year March 12	Half Year Sept 11	Half Year March 11
<b>Reconciliation of ordinary shares on issue before the effect of own shares held (millions)</b>			
Opening balance		3,009	2,989
Number of shares issued under the Dividend Reinvestment Plan (DRP)		20	14
Number of shares issued under the Employee Share Plan (ESP)		-	1
Number of shares issued under option and share right schemes		1	5
<b>Closing balance</b>		<b>3,030</b>	<b>3,009</b>



## 8.0 SEGMENT RESULT

### 8.1 Half Year Segment Reported Results

	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank New Zealand	Pacific Banking	Group Businesses	Group
<b>Six Months to 31 March 2012</b>								
Net interest income								
Non-interest income								
Net operating income								
Operating expenses								
Impairment charges								
<b>Profit from ordinary activities before income tax expense</b>								
Tax expense								
<b>Net profit</b>								
Net profit attributable to non-controlling interests								
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>								
<b>WBC Cash Earnings adjustments:</b>								
TPS revaluations								
Treasury shares								
Ineffective hedges								
Merger transaction and integration expenses								
FV gain / (loss) on economic hedges								
Amortisation of intangible assets								
Fair value amortisation of financial instruments								
Tax consolidation adjustment								
Buyback of government guaranteed debt								
Tax provision								
Supplier program								
<b>Cash Earnings</b>								

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**8.1 Half Year Segment Reported Results (continued)**

Six months to 30 September 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
<b>\$m</b>									
Net interest income	2,684	1,479	226	4,389	782	573	64	343	6,151
Non-interest income	547	283	816	1,646	552	154	59	4	2,415
Net operating income	3,231	1,762	1,042	6,035	1,334	727	123	347	8,566
Operating expenses	(1,562)	(763)	(530)	(2,855)	(470)	(322)	(46)	(60)	(3,753)
Impairment charges	(274)	(213)	(1)	(488)	78	(84)	(18)	(18)	(530)
<b>Profit from ordinary activities before income tax expense</b>	<b>1,395</b>	<b>786</b>	<b>511</b>	<b>2,692</b>	<b>942</b>	<b>321</b>	<b>59</b>	<b>269</b>	<b>4,283</b>
Tax expense	(401)	(236)	(155)	(792)	(281)	(98)	(19)	(30)	(1,220)
<b>Net profit</b>	<b>994</b>	<b>550</b>	<b>356</b>	<b>1,900</b>	<b>661</b>	<b>223</b>	<b>40</b>	<b>239</b>	<b>3,063</b>
Net profit attributable to non-controlling interests	-	-	(2)	(2)	-	(1)	(3)	(27)	(33)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	<b>994</b>	<b>550</b>	<b>354</b>	<b>1,898</b>	<b>661</b>	<b>222</b>	<b>37</b>	<b>212</b>	<b>3,030</b>
<b>WBC Cash Earnings adjustments:</b>									
TPS revaluations	-	-	-	-	-	-	-	(6)	(6)
Treasury shares	-	-	-	-	-	-	-	(13)	(13)
Ineffective hedges	-	-	-	-	-	-	-	17	17
Merger transaction and integration expenses	-	-	-	-	-	-	-	32	32
FV gain / (loss) on economic hedges	-	-	-	-	-	-	-	(26)	(26)
Amortisation of intangible assets	-	65	9	74	-	-	-	-	74
Fair value amortisation of financial instruments	-	-	-	-	-	-	-	63	63
Tax consolidation adjustment	-	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	-	-	-	-	-	-	-	(15)	(15)
Tax provision	-	-	-	-	-	-	-	(23)	(23)
<b>Cash Earnings</b>	<b>994</b>	<b>615</b>	<b>363</b>	<b>1,972</b>	<b>661</b>	<b>222</b>	<b>37</b>	<b>241</b>	<b>3,133</b>

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**8.1 Half Year Segment Reported Results (continued)**

Six months to 31 March 2011	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking	Group Businesses	Group
Net interest income	2,575	1,427	177	4,179	761	544	58	303	5,845
Non-interest income	544	266	797	1,607	630	150	48	67	2,502
Net operating income	3,119	1,693	974	5,786	1,391	694	106	370	8,347
Operating expenses	(1,525)	(744)	(499)	(2,768)	(468)	(305)	(39)	(73)	(3,653)
Impairment charges	(273)	(180)	5	(448)	12	(101)	(7)	81	(463)
<b>Profit from ordinary activities before income tax expense</b>	1,321	769	480	2,570	935	288	60	378	4,231
Tax expense	(400)	(231)	(141)	(772)	(280)	(81)	(17)	915	(235)
<b>Net profit</b>	921	538	339	1,798	655	207	43	1,293	3,996
Net profit attributable to non-controlling interests	-	-	(5)	(5)	-	(2)	(3)	(25)	(35)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	921	538	334	1,793	655	205	40	1,268	3,961
<b>WBC Cash Earnings adjustments:</b>									
TPS revaluations	-	-	-	-	-	-	-	27	27
Treasury shares	-	-	-	-	-	-	-	7	7
Ineffective hedges	-	-	-	-	-	-	-	(4)	(4)
Merger transaction and integration expenses	-	-	-	-	-	-	-	34	34
FV gain / (loss) on economic hedges	-	-	-	-	-	-	-	62	62
Amortisation of intangible assets	-	64	8	72	-	-	-	-	72
Fair value amortisation of financial instruments	-	-	-	-	-	-	-	6	6
Tax consolidation adjustment	-	-	-	-	-	-	-	(1,110)	(1,110)
Buyback of government guaranteed debt	-	-	-	-	-	-	-	20	20
Tax provision	-	-	-	-	-	-	-	93	93
<b>Cash Earnings</b>	<b>921</b>	<b>602</b>	<b>342</b>	<b>1,865</b>	<b>655</b>	<b>205</b>	<b>40</b>	<b>403</b>	<b>3,168</b>

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**8.2 New Zealand Division Performance (A\$ Equivalent to Section 4.3)**

\$m	Half Year	Half Year	Half Year	% Mov't	% Mov't
	March 12	Sept 11	March 11	Sept 11 - Mar 12	Mar 11 - Mar 12
Net interest income		573	544		
Non-interest income		154	150		
Net operating income		727	694		
Operating expenses		(322)	(305)		
<b>Core earnings</b>		405	389		
Impairment charges		(84)	(101)		
<b>Operating profit before tax</b>		321	288		
Tax and non-controlling interests		(99)	(83)		
<b>Cash Earnings</b>		222	205		
Economic profit		86	67		
Expense to income ratio		44.3%	43.9%		
	<b>\$bn</b>	<b>\$bn</b>	<b>\$bn</b>		
Deposits		29.8	27.2		
Net loans		45.2	41.4		
Total assets		46.3	42.5		
Total committed exposure		63.6	57.9		
Funds under management		2.1	1.8		

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

	Half Year March 12 vs Half Year Sept 11			Half Year March 12 vs Half Year March 11		
	Cash Earnings growth	FX impact \$m	Growth ex-FX	Cash Earnings growth	FX impact \$m	Growth ex-FX
Net interest income						
Non-interest income						
Net operating income						
Operating expenses						
<b>Core earnings</b>						
Impairment charges						
<b>Operating profit before income tax</b>						
Income tax expense						
<b>Net profit</b>						
Net profit attributable to non-controlling interests						
<b>Cash Earnings</b>						

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**9.0 GROUP RECONCILIATIONS**

**9.1 Group Half Year Earnings Reconciliation**

Six months to 31 March 2012	WBC	Policyholder									Fair value		Buyback of			
\$m	Reported	Tax	TPS	Treasury	Ineffective	GG Fee	FX	Hedging	Amortisation	Fair value	consolidation	Tax	government	Tax	Supplier	Cash
	Results	Recoveries	Revaluations	Shares	Hedges	Merger	T&I	Hedge	of intangible	of financial	adjustment	provision	debt	program	Earnings	
Net interest income																
<i>Fees and commissions</i>																
<i>Wealth management &amp; 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																
<b>Core earnings</b>																
Impairment charges																
<b>Operating profit before tax</b>																
Income tax expense																
<b>Net profit</b>																
Net profit attributable to non-controlling interests																
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>																
<b>WBC Cash Earnings adjustments:</b>																
TPS revaluations																
Treasury shares																
Ineffective hedges																
Merger transaction and integration expenses																
FV gain / (loss) on economic hedges																
Amortisation of intangible assets																
Fair value amortisation of financial instruments																
Tax consolidation adjustment																
Buyback of government guaranteed debt																
Tax provision																
Supplier program																
<b>Cash Earnings</b>																

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**9.1 Group Half Year Earnings Reconciliation (continued)**

Six months to 30 September 2011	WBC Policyholder														Cash Earnings	
	Reported Results	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		Supplier program
Net interest income	6,151	-	-	-	21	2	(18)	(18)	-	89	-	(22)	-	-	-	6,205
<i>Fees and commissions</i>	1,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,285
<i>Wealth management &amp; insurance income</i>	822	5	-	(15)	-	-	-	-	-	-	-	-	-	-	-	812
<i>Trading income</i>	254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	254
<i>Other income</i>	54	-	10	-	2	-	-	-	-	-	-	-	-	-	-	66
Non-interest income	2,415	5	10	(15)	2	-	-	-	-	-	-	-	-	-	-	2,417
Net operating income	8,566	5	10	(15)	23	2	(18)	(18)	-	89	-	(22)	-	-	-	8,622
<i>Salaries and other staff expenses</i>	(2,043)	-	-	-	-	39	-	-	-	-	-	-	-	-	-	(2,004)
<i>Equipment and occupancy expenses</i>	(580)	-	-	-	-	2	-	-	-	-	-	-	-	-	-	(578)
<i>Other expenses</i>	(1,130)	-	-	-	-	3	-	-	104	-	-	-	-	-	-	(1,023)
Operating expenses	(3,753)	-	-	-	-	44	-	-	104	-	-	-	-	-	-	(3,605)
<b>Core earnings</b>	4,813	5	10	(15)	23	46	(18)	(18)	104	89	-	(22)	-	-	-	5,017
Impairment charges	(530)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(530)
<b>Operating profit before tax</b>	4,283	5	10	(15)	23	46	(18)	(18)	104	89	-	(22)	-	-	-	4,487
Income tax expense	(1,220)	(5)	(16)	2	(6)	(14)	5	5	(30)	(26)	-	7	(23)	-	-	(1,321)
<b>Net profit</b>	3,063	-	(6)	(13)	17	32	(13)	(13)	74	63	-	(15)	(23)	-	-	3,166
Net profit attributable to non-controlling interests	(33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	3,030	-	(6)	(13)	17	32	(13)	(13)	74	63	-	(15)	(23)	-	-	3,133
<b>WBC Cash Earnings adjustments:</b>																
TPS revaluations	(6)	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	(13)	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	17	-	-	-	(17)	-	-	-	-	-	-	-	-	-	-	-
Merger transaction and integration expenses	32	-	-	-	-	(32)	-	-	-	-	-	-	-	-	-	-
FV gain / (loss) on economic hedges	(26)	-	-	-	-	-	13	13	-	-	-	-	-	-	-	-
Amortisation of intangible assets	74	-	-	-	-	-	-	-	(74)	-	-	-	-	-	-	-
Fair value amortisation of financial instruments	63	-	-	-	-	-	-	-	-	(63)	-	-	-	-	-	-
Tax consolidation adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	(15)	-	-	-	-	-	-	-	-	-	-	15	-	-	-	-
Tax provision	(23)	-	-	-	-	-	-	-	-	-	-	-	23	-	-	-
Supplier program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Earnings</b>	3,133	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,133

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**9.1 Group Half Year Earnings Reconciliation (continued)**

Six months to 31 March 2011	WBC	Policyholder								Fair value	Tax	Buyback of			
\$m	Reported	Tax	TPS	Treasury	Ineffective	GG Fee	FX	Hedging	Amortisation	of financial	consolidation	government	Tax	Supplier	Cash
	Results	Recoveries	Revaluations	Shares	Hedges	Merger T&I	Hedge	of MTM	of intangible	instruments	adjustment	guaranteed	provision	program	Earnings
Net interest income	5,845	-	-	-	(8)	1	12	76	-	9	-	29	-	-	5,964
<i>Fees and commissions</i>	1,283	-	-	-	-	-	-	-	-	-	-	-	-	-	1,283
<i>Wealth management &amp; insurance income</i>	796	7	-	8	-	-	-	-	-	-	-	-	-	-	811
<i>Trading income</i>	304	-	-	-	-	-	-	-	-	-	-	-	-	-	304
<i>Other income</i>	119	-	17	-	3	-	-	-	-	-	-	-	-	-	139
Non-interest income	2,502	7	17	8	3	-	-	-	-	-	-	-	-	-	2,537
Net operating income	8,347	7	17	8	(5)	1	12	76	-	9	-	29	-	-	8,501
<i>Salaries and other staff expenses</i>	(2,012)	-	-	-	-	28	-	-	-	-	-	-	-	-	(1,984)
<i>Equipment and occupancy expenses</i>	(535)	-	-	-	-	2	-	-	-	-	-	-	-	-	(533)
<i>Other expenses</i>	(1,106)	-	-	-	-	18	-	-	104	-	-	-	-	-	(984)
Operating expenses	(3,653)	-	-	-	-	48	-	-	104	-	-	-	-	-	(3,501)
<b>Core earnings</b>	4,694	7	17	8	(5)	49	12	76	104	9	-	29	-	-	5,000
Impairment charges	(463)	-	-	-	-	-	-	-	-	-	-	-	-	-	(463)
<b>Operating profit before tax</b>	4,231	7	17	8	(5)	49	12	76	104	9	-	29	-	-	4,537
Income tax expense	(235)	(7)	10	(1)	1	(15)	(4)	(22)	(32)	(3)	(1,110)	(9)	93	-	(1,334)
<b>Net profit</b>	3,996	-	27	7	(4)	34	8	54	72	6	(1,110)	20	93	-	3,203
Net profit attributable to non-controlling interests	(35)	-	-	-	-	-	-	-	-	-	-	-	-	-	(35)
<b>NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC</b>	3,961	-	27	7	(4)	34	8	54	72	6	(1,110)	20	93	-	3,168
<b>WBC Cash Earnings adjustments:</b>															
TPS revaluations	27	-	(27)	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	7	-	-	(7)	-	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	(4)	-	-	-	4	-	-	-	-	-	-	-	-	-	-
Merger transaction and integration expenses	34	-	-	-	-	(34)	-	-	-	-	-	-	-	-	-
FV gain / (loss) on economic hedges	62	-	-	-	-	-	(8)	(54)	-	-	-	-	-	-	-
Amortisation of intangible assets	72	-	-	-	-	-	-	-	(72)	-	-	-	-	-	-
Fair value amortisation of financial instruments	6	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-
Tax consolidation adjustment	(1,110)	-	-	-	-	-	-	-	-	-	1,110	-	-	-	-
Buyback of government guaranteed debt	20	-	-	-	-	-	-	-	-	-	-	(20)	-	-	-
Tax provision	93	-	-	-	-	-	-	-	-	-	-	-	(93)	-	-
Supplier program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Earnings</b>	3,168	-	-	-	-	-	-	-	-	-	-	-	-	-	3,168

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**10.0 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
\$m								
<b>Cash Earnings</b>								
Franking benefit								
Adjusted Cash Earnings								
Average ordinary equity								
Equity charge								
<b>Economic profit</b>								
Six 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
\$m								
<b>Cash Earnings</b>	3,133	994	615	363	1,972	661	222	37
Franking benefit	776	281	184	110	575	184	-	-
Adjusted Cash Earnings	3,909	1,275	799	473	2,547	845	222	37
Average ordinary equity	40,143	6,341	5,515	3,181	15,037	5,657	2,470	222
Equity charge	(2,214)	(349)	(304)	(175)	(828)	(312)	(136)	(13)
<b>Economic profit</b>	1,695	926	495	298	1,719	533	86	24
Six months to 31 March 2011								
	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Pacific Banking
\$m								
<b>Cash Earnings</b>	3,168	921	602	342	1,865	655	205	40
Franking benefit	833	280	181	102	563	193	-	-
Adjusted Cash Earnings	4,001	1,201	783	444	2,428	848	205	40
Average ordinary equity	38,609	6,195	5,510	3,259	14,964	6,093	2,511	208
Equity charge	(2,118)	(340)	(302)	(179)	(821)	(334)	(138)	(11)
<b>Economic profit</b>	1,883	861	481	265	1,607	514	67	29