

ASX RELEASE

30 October 2014

Westpac Group 2014 Full Year Results Announcement Template

The Westpac Group has today released the template for its 2014 Full Year Results Announcement.

This release provides:

- Details of additional cash earnings adjustments that will be made in Second Half 2014 (Appendix 1, Section 1);
- A summary of enhancements to disclosures (Appendix 1, Section 2); and
- A results announcement template (the 'Template') in Appendix 2, detailing the structure of how information in the 2014 Full Year Results Announcement will be presented.

The Westpac Group notes that following the adoption of new or revised accounting standards in 2014, 2013 comparatives were required to be restated. Please refer to the 2014 Interim Results Announcement Template at www.westpac.com.au/investorcentre for further details.

The Template for the 2014 Full Year Results Announcement will also be available on the Westpac website at www.westpac.com.au/investorcentre.

The Westpac Group is scheduled to announce its 2014 Full Year Results on Monday, 3 November 2014.

Ends.

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Appendix 1

1. Additional Second Half 2014 cash earnings adjustments

Westpac Bicentennial Foundation grant

On 2 April, Westpac announced the launch of the Westpac Bicentennial Foundation, with an exclusive focus on the education and advancement of Australians. The Foundation is designed to support 100 scholarships in perpetuity. A one-off contribution of \$100 million (\$70 million after tax) has been made to the Foundation and, as previously indicated, has been treated as a cash earnings adjustment due to its size and because it does not reflect ongoing operations.

Bell litigation provision

The Group has previously recognised provisions in respect of the long running Bell Group litigation. During Second Half 2014, the litigation was settled and provisions no longer required were released. The provisions released have been treated consistently with the initial provisions raised, giving rise to a cash earnings adjustment.

Prior period tax provisions

In prior years, the Group has recognised provisions in respect of certain tax positions for transactions previously undertaken by the Group. A number of these matters have now been resolved, resulting in a release of provisions which are no longer required. The provisions released have been treated consistently with the initial provisions raised, giving rise to a cash earnings adjustment.

2. Enhancements to disclosures

A number of changes have been made to the 2014 Full Year Results Announcement to improve and / or simplify the readability of this document. These include:

- Within the key financial data in Section 1.3 of the 2014 Full Year Results Announcement, the 'Internationally fully harmonised Basel III' ratio has been replaced with an 'Internationally comparable' ratio. This reflects Westpac's estimated ratio after adjusting the APRA Basel III common equity Tier 1 capital ratio for various items as identified in the August 2014 Australian Bankers Association's report titled 'International comparability of capital ratios of Australia's major banks' prepared by PwC;
- Changes to the disclosure of loan information in Section 2.2.1 'Other overseas' will now be categorised into two lines: Trade finance and Other (Appendix 1, Section 2.1);
- The split of 'Non-interest income' has been removed from the markets related income in Section 2.2.2 and the CVA impact on markets related income has been disclosed as a separate line item (Appendix 1, Section 2.2);
- The Dividends disclosure in Section 2.5 has been expanded to include information on the dividend payout ratio, adjusted franking credit balances and New Zealand imputation credits applied to dividends;
- The additional Segment reported results previously disclosed in Section 7.1 have been removed. To ensure relevant information is still disclosed, the Economic Profit table in Section 9 has been updated to include divisional reported results and the cash earnings adjustments for each (Appendix 1, Section 2.3);
- All information relating to exchange rates has been relocated to Section 7: Exchange Rates; and
- Percentage movements in all tables will now represent an increase or decrease to the relevant comparative period. Previously movements were reported depending on whether they were positive or negative to the result.

A number of other minor changes in descriptions and the positioning of tables have also been made. None of these changes impact the level or detail of information reported.

2.1 Section 2.2.1 Net Interest Income – Loans

Loans	Revised Disclosure		Previous Disclosure	
	As at 31 March 2014	As at 30 Sept 2013	As at 31 March 2014	As at 30 Sept 2013
\$m				
Other overseas	13,974	9,955	13,974	9,955
Trade finance	7,098	4,706		
Other loans	6,876	5,249		
Total loans	564,569	536,164	564,569	536,164

2.2 Section 2.2.2 Markets related income

Markets related income	Revised Disclosure		Previous Disclosure	
	Half Year March 14	Full Year Sept 13	Half Year March 14	Full Year Sept 13
\$m				
<i>Net interest income</i>	45	70	45	70
Non-interest income	483	951	483	951
Trading income			449	925
Other non-interest income			34	26
Total Markets Income	528	1,021	528	1,021
Customer Income	389	740	389	740
Non-customer Income	139	281	139	281
Total Markets Income	528	1,021	528	1,021
CVA included in total markets income above	(1)	87		

2.3 Section 9 Economic Profit

Revised Disclosure - First Half 2014

Six months to 31 March 2014 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand ¹	Westpac Pacific
Reported results	3,622	1,251	713	427	2,391	752	393	65
Cash earnings adjustments	150	-	59	11	70	-	-	-
Cash earnings	3,772	1,251	772	438	2,461	752	393	65
Franking benefit	996	376	233	121	730	215	-	-
Adjusted cash earnings	4,768	1,627	1,005	559	3,191	967	393	65
Average ordinary equity	45,907	9,449	7,006	2,834	19,289	7,831	3,722	385
Equity charge	(2,518)	(518)	(384)	(155)	(1,057)	(430)	(204)	(21)
Economic profit	2,250	1,109	621	404	2,134	537	189	44

Previous Disclosure - First Half 2014

Six months to 31 March 2014 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand ¹	Westpac Pacific
Cash earnings	3,772	1,251	772	438	2,461	752	393	65
Franking benefit	996	376	233	121	730	215	-	-
Adjusted cash earnings	4,768	1,627	1,005	559	3,191	967	393	65
Average ordinary equity	45,907	9,449	7,006	2,834	19,289	7,831	3,722	385
Equity charge	(2,518)	(518)	(384)	(155)	(1,057)	(430)	(204)	(21)
Economic profit	2,250	1,109	621	404	2,134	537	189	44

Revised Disclosure - Full Year 2013

Twelve months to 30 September 2013 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand ¹	Westpac Pacific
Reported results	6,751	2,355	1,264	751	4,370	1,575	632	143
Cash earnings adjustments	312	-	128	22	150	-	-	-
Cash earnings	7,063	2,355	1,392	773	4,520	1,575	632	143
Franking benefit	1,884	707	419	223	1,349	441	-	-
Adjusted cash earnings	8,947	3,062	1,811	996	5,869	2,016	632	143
Average ordinary equity	44,350	8,558	6,161	2,832	17,551	7,702	3,291	353
Equity charge	(4,879)	(941)	(678)	(312)	(1,931)	(847)	(362)	(39)
Economic profit	4,068	2,121	1,133	684	3,938	1,169	270	104

Previous Disclosure - Full Year 2013

Twelve months to 30 September 2013 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand ¹	Westpac Pacific
Cash earnings	7,063	2,355	1,392	773	4,520	1,575	632	143
Franking benefit	1,884	707	419	223	1,349	441	-	-
Adjusted cash earnings	8,947	3,062	1,811	996	5,869	2,016	632	143
Average ordinary equity	44,350	8,558	6,161	2,832	17,551	7,702	3,291	353
Equity charge	(4,879)	(941)	(678)	(312)	(1,931)	(847)	(362)	(39)
Economic profit	4,068	2,121	1,133	684	3,938	1,169	270	104

¹ In A\$ equivalents.

Appendix 2

Key Tables for the 2014 Full Year
Results Announcement

Scheduled 3 November 2014

2014

Full Year Results Template

 **Westpac** GROUP

Westpac Banking Corporation ABN 33 007 457 141

WESTPAC BANKING CORPORATION ABN 33 007 457 141

 **Westpac**

 **bankSA**

 **st.george**

 **BT** Financial Group

 **RAMS**

 **Bank of
Melbourne**

1.0 Group results**1.1 Reported results**

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Net interest income		6,639			12,821	
Non-interest income		3,151			5,774	
Net operating income before operating expenses and impairment charges		9,790			18,595	
Operating expenses		(4,195)			(7,976)	
Net profit before impairment charges and income tax expense		5,595			10,619	
Impairment charges		(341)			(847)	
Profit before income tax		5,254			9,772	
Income tax expense		(1,595)			(2,947)	
Net profit for the period		3,659			6,825	
Profit attributable to non-controlling interests		(37)			(74)	
NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION		3,622			6,751	

1.2 Reported balance sheet

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Assets					
Cash and balances with central banks		16,375	11,699		
Receivables due from other financial institutions		8,744	11,210		
Trading securities, other financial assets designated at fair value and available-for-sale securities		79,392	79,100		
Derivative financial instruments		26,207	28,356		
Loans		564,569	536,164		
Life insurance assets		12,841	13,149		
Other assets		21,247	21,419		
Total assets		729,375	701,097		
Liabilities					
Payables due to other financial institutions		15,211	8,836		
Deposits and other borrowings		437,405	424,482		
Other financial liabilities at fair value through income statement		15,077	10,302		
Derivative financial instruments		31,330	32,990		
Debt issues		150,098	144,133		
Life insurance liabilities		11,594	11,938		
Loan capital		10,320	9,330		
Other liabilities		10,309	11,549		
Total liabilities		681,344	653,560		
Equity					
Total equity attributable to owners of Westpac Banking Corporation		47,165	46,674		
Non-controlling interests		866	863		
Total equity		48,031	47,537		

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Profit announcement template

1.3 Key financial data

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
Shareholder Value						
Earnings per ordinary share (cents)		116.8			218.3	
Weighted average ordinary shares (millions)		3,098			3,087	
Fully franked dividends per ordinary share (cents)		90			174	
Fully franked special dividend per ordinary share (cents)		-			20	
Return on average ordinary equity		15.82%			15.22%	
Average ordinary equity (\$m)		45,907			44,350	
Average total equity (\$m)		46,770			46,322	
Net tangible asset per ordinary share (\$)		11.13			11.09	
Productivity and efficiency						
Expense to income ratio		42.8%			42.9%	
Business performance						
Interest spread		1.90%			1.90%	
Benefit of net non-interest bearing assets, liabilities and equity		0.19%			0.24%	
Net interest margin		2.09%			2.14%	
Average interest-earning assets (\$m)		635,657			599,869	
Capital adequacy ratio (%)						
Common equity Tier 1 capital ratio						
- APRA Basel III		8.82%			9.10%	
- Internationally comparable		13.07%			13.27%	
Credit risk w eighted assets (credit RWA) (\$bn)		272.0			260.3	
Total risk w eighted assets (RWA) (\$bn)		322.5			307.4	
Asset quality						
Total impaired assets to gross loans		0.51%			0.67%	
Total impaired assets to equity and total provisions		5.6%			7.0%	
Total impaired asset provisions to total impaired assets		46.4%			43.2%	
Total stressed exposures as a % of total committed exposures		1.37%			1.60%	
Total provisions to gross loans		67bps			73bps	
Collectively assessed provisions to performing non-housing loans		134bps			142bps	
Mortgages 90 days past due		0.48%			0.51%	
Other consumer loans 90 days past due		1.12%			1.04%	
Collectively assessed provisions to credit RWA		97bps			99bps	
Other information						
Total committed exposures (TCE) (\$bn)		844.0			809.3	

1.4 Cash earnings results

1.4.1 Key financial information

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Net interest income		6,677			12,912	
Non-interest income		3,182			5,921	
Net operating income		9,859			18,833	
Operating expenses		(4,065)			(7,759)	
Core earnings		5,794			11,074	
Impairment charges		(341)			(847)	
Operating profit before income tax		5,453			10,227	
Income tax expense		(1,643)			(3,088)	
Net profit		3,810			7,139	
Net profit attributable to non-controlling interests		(38)			(76)	
Cash earnings		3,772			7,063	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Shareholder value						
Cash earnings per ordinary share (cents)		121.3			227.8	
Economic profit (\$m)		2,250			4,068	
Weighted average ordinary shares (millions) - cash earnings		3,109			3,100	
Dividend payout ratio - cash earnings		74.2%			76.5%	
Cash earnings return on average ordinary equity		16.48%			15.93%	
Cash earnings return on average tangible ordinary equity		21.40%			20.87%	
Average ordinary equity (\$m)		45,907			44,350	
Average tangible ordinary equity (\$m)		35,350			33,850	
Productivity and efficiency						
Expense to income ratio - cash earnings		41.2%			41.2%	
Total banking expense to income ratio - cash earnings		40.0%			40.0%	
Full time equivalent employees (FTE)		36,494			35,597	
Revenue per FTE (\$ '000's)		274			525	
Business performance						
Interest spread		1.91%			1.92%	
Benefit of net non-interest bearing assets, liabilities and equity		0.20%			0.23%	
Net interest margin		2.11%			2.15%	
Average interest-earning assets (\$m)		635,657			599,869	
Customer return on credit RWA		4.03%			3.98%	
Effective tax rate		30.1%			30.2%	
Impairment Charges						
Impairment charges to average loans annualised		12bps			16bps	
Net write-offs to average loans annualised		22bps			25bps	

Reconciliation of reported results to cash earnings

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
NET PROFIT ATTRIBUTABLE TO OWNERS OF WESTPAC BANKING CORPORATION		3,622			6,751	
TPS revaluations		-			9	
Treasury shares		13			42	
Ineffective hedges		17			(20)	
Fair value on economic hedges		46			21	
Buyback of government guaranteed debt		(30)			43	
Fair value amortisation of financial instruments		9			67	
Amortisation of intangible assets		70			150	
Acquisition transaction and integration expenses		25			-	
Bell litigation provision		-			-	
Westpac Bicentennial Foundation grant		-			-	
Prior period tax provisions		-			-	
Total cash earnings adjustments (post-tax)		150			312	
Cash earnings		3,772			7,063	

1.5 Market share and system multiple metrics**1.5.1 Market share**

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	As at 31 March 2013
Australia				
Banking system (APRA)				
Housing credit		25%	25%	25%
Cards		23%	22%	22%
Household deposits		23%	23%	23%
Business deposits		20%	21%	21%
Financial system (RBA)				
Housing credit		23%	23%	23%
Business credit		19%	18%	18%
Retail deposits		21%	22%	22%
New Zealand				
Consumer lending		20%	20%	20%
Deposits		21%	21%	21%
Business lending		16%	16%	17%
Australian Wealth Management				
Platforms (includes Wrap and Corporate Super)		20%	20%	20%
Retail (excludes Cash)		19%	18%	19%
Corporate Super		14%	14%	14%
Funds Management - BTIM		5%	5%	5%
Wholesale - BTIM/Advance Asset Management		2%	2%	2%
Australian Life Insurance				
Life Insurance - in-force		9%	8%	8%
Life Insurance - new business		11%	10%	10%

1.5.2 System multiples

	Full Year Sept 14	Half Year Sept 14	Half Year March 14	Full Year Sept 13	Half Year Sept 13	Half Year March 13
Australia						
Banking system (APRA)						
Housing credit			0.9	0.7	0.7	0.7
Cards			1.9	n/a	n/a	0.6
Household deposits			1.0	1.3	1.3	1.2
Business deposits			n/a	0.4	1.1	n/a
Financial system (RBA)						
Housing credit			0.9	0.8	0.7	0.8
Business credit			1.1	n/a	n/a	n/a
Retail deposits			0.0	0.9	0.7	1.1
New Zealand						
Consumer lending			1.0	0.8	0.9	0.6
Deposits			1.0	0.9	0.6	1.2

2.1 Cash earnings summary

Divisional cash earnings summary

Six months to 30 September 2014	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash earnings									

Six months to 31 March 2014	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
\$m									
Net interest income	2,918	1,708	205	4,831	811	714	70	251	6,677
Non-interest income	691	252	1,116	2,059	770	217	87	49	3,182
Net operating income	3,609	1,960	1,321	6,890	1,581	931	157	300	9,859
Operating expenses	(1,595)	(747)	(670)	(3,012)	(590)	(385)	(52)	(26)	(4,065)
Core earnings	2,014	1,213	651	3,878	991	546	105	274	5,794
Impairment charges	(226)	(108)	4	(330)	90	(3)	(6)	(92)	(341)
Operating profit before income tax	1,788	1,105	655	3,548	1,081	543	99	182	5,453
Income tax expense	(537)	(333)	(192)	(1,062)	(329)	(149)	(29)	(74)	(1,643)
Net profit	1,251	772	463	2,486	752	394	70	108	3,810
Net profit attributable to non-controlling interests	-	-	(25)	(25)	-	(1)	(5)	(7)	(38)
Cash earnings	1,251	772	438	2,461	752	393	65	101	3,772

Movement Sept 2014 - March 2014	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
\$m									
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash earnings									

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Twelve months to 30 September 2014	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash earnings									

Twelve months to 30 September 2013	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
Net interest income	5,655	3,216	406	9,277	1,630	1,281	148	576	12,912
Non-interest income	1,320	469	1,917	3,706	1,633	389	167	26	5,921
Net operating income	6,975	3,685	2,323	12,983	3,263	1,670	315	602	18,833
Operating expenses	(3,124)	(1,402)	(1,206)	(5,732)	(1,115)	(697)	(98)	(117)	(7,759)
Core earnings	3,851	2,283	1,117	7,251	2,148	973	217	485	11,074
Impairment charges	(486)	(293)	(1)	(780)	89	(97)	(3)	(56)	(847)
Operating profit before income tax	3,365	1,990	1,116	6,471	2,237	876	214	429	10,227
Income tax expense	(1,010)	(598)	(325)	(1,933)	(662)	(241)	(60)	(192)	(3,088)
Net profit	2,355	1,392	791	4,538	1,575	635	154	237	7,139
Net profit attributable to non-controlling interests	-	-	(18)	(18)	-	(3)	(11)	(44)	(76)
Cash earnings	2,355	1,392	773	4,520	1,575	632	143	193	7,063

Movement Sept 2014 - Sept 2013	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand (\$A)	Westpac Pacific	Group Businesses	Group
Net interest income									
Non-interest income									
Net operating income									
Operating expenses									
Core earnings									
Impairment charges									
Operating profit before income tax									
Income tax expense									
Net profit									
Net profit attributable to non-controlling interests									
Cash earnings									

2.2 Review of earnings**2.2.1 Net interest income****Loans**

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Movt Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Australia		490,959	471,115		
Housing		338,036	328,532		
Personal (loans and cards)		20,524	17,142		
Business		133,197	126,320		
Margin lending		2,038	2,041		
Other (including provisions)		(2,836)	(2,920)		
New Zealand (A\$)		59,636	55,094		
New Zealand (NZ\$)		63,604	62,038		
Housing		38,669	37,596		
Personal (loans and cards)		1,786	1,728		
Business		23,493	23,142		
Other (including provisions)		(344)	(428)		
Other overseas		13,974	9,955		
Trade finance		7,098	4,706		
Other loans		6,876	5,249		
Total loans		564,569	536,164		

Deposits and other borrowings

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Movt Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Customer deposits					
Australia		329,369	327,594		
At call		178,755	175,102		
Term		127,447	132,028		
Non-interest bearing		23,167	20,464		
New Zealand (A\$)		45,344	41,428		
New Zealand (NZ\$)		48,359	46,648		
At call		20,420	18,488		
Term		24,481	24,889		
Non-interest bearing		3,458	3,271		
Other overseas (A\$)		14,178	13,610		
Total customer deposits		388,891	382,632		
Certificates of deposit		48,514	41,850		
Australia		32,047	29,286		
New Zealand (A\$)		1,225	1,362		
Other overseas (A\$)		15,242	11,202		
Total deposits and other borrowings		437,405	424,482		

Margins

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		6,677			12,912	
Markets net interest income		45			70	
Treasury net interest income		250			466	
Net interest income excluding Treasury & Markets		6,382			12,376	
Average interest-earning assets		635,657			599,869	
Group net interest margin		2.11%			2.15%	
Group net interest margin excluding Treasury & Markets		2.01%			2.06%	

2.2.2 Non-interest income

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Fees and commissions		1,458			2,723	
Wealth management and insurance income		1,111			1,958	
Trading income		547			1,070	
Other income		66			170	
Non-interest income		3,182			5,921	

Wealth management and insurance income

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	%Mov't Sept 14 - Mar 14	%Mov't Sept 14 - Sept 13
\$bn					
Funds Under Management (FUM)					
BT		71.4	66.5		
Advance Asset Management		10.7	9.7		
Westpac Institutional Bank		6.6	6.0		
New Zealand (A\$)		4.6	3.9		
Group FUM		93.3	86.1		
Funds Under Administration (FUA)					
BT		72.9	69.7		
Asgard		33.9	33.0		
New Zealand (A\$)		1.4	1.2		
Group FUA		108.2	103.9		

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$bn						
Average FUM for the Group		91.3			76.5	
Average FUA for the Group		106.2			95.9	

Markets related income

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Net interest income		45			70	
Non-interest income		483			951	
Total Markets income		528			1,021	
Customer income		389			740	
Non-customer income		139			281	
Total Markets income		528			1,021	
CVA included in total markets income above		(1)			87	

2.2.3 Operating expenses

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Salaries and other staff expenses		(2,344)			(4,336)	
Equipment and occupancy expenses		(692)			(1,370)	
Other expenses		(1,029)			(2,053)	
Total expenses		(4,065)			(7,759)	

Full time equivalent employees (FTE)

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Analysis of movement in FTE					
Permanent employees		33,619	33,045		
Temporary employees		2,875	2,552		
FTE		36,494	35,597		
Average FTE		35,962	35,904		

Investment programs

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Expensed		186			376	
Capitalised software and fixed assets		345			769	
Total		531			1,145	
Growth and productivity		249			590	
Regulatory change		155			301	
Other technology		127			254	
Total		531			1,145	

Capitalised software

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Opening balance		1,897			1,551	
Total additions		332			738	
Amortisation expense		(209)			(388)	
Impairment expense		(6)			(15)	
Foreign exchange translation		9			15	
Other		-			(4)	
Closing balance		2,023			1,897	

2.2.4 Impairment charges

			<i>% Mov't</i>			<i>% Mov't</i>
\$m	Half Year Sept 14	Half Year March 14	Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	Sept 14 - Sept 13
Individually assessed provisions (IAPs)						
New IAPs		(349)			(1,112)	
Write-backs		244			479	
Recoveries		48			76	
Total IAPs, write-backs and recoveries		(57)			(557)	
Collectively assessed provisions (CAPs)						
Write-offs		(331)			(708)	
Other changes in CAPs		47			418	
Total new CAPs		(284)			(290)	
Total impairment charges		(341)			(847)	

2.3.1 Credit quality key metrics

Stressed exposures by credit grade as a % of total committed exposures	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Impaired		0.34%	0.44%	0.56%
90 days past due, well secured		0.28%	0.31%	0.35%
Watchlist and substandard		0.75%	0.85%	1.03%
Total Stressed Exposures		1.37%	1.60%	1.94%
Impaired assets to total committed exposures for business and institutional	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Business impaired assets to business total committed exposures:				
Business Australia		1.20%	1.60%	2.13%
Business New Zealand		1.16%	1.88%	2.62%
Institutional		0.29%	0.37%	0.43%
90 days past due for mortgages	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
90 days past due:				
Group		0.48%	0.51%	0.57%
Australia		0.50%	0.53%	0.58%
New Zealand		0.29%	0.29%	0.39%
90 days past due for other consumer loans	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
90 days past due:				
Group		1.12%	1.04%	1.30%
Australia		1.15%	1.06%	1.32%
New Zealand		0.90%	0.81%	0.96%
Other	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Total impaired assets to gross loans		0.51%	0.67%	0.82%
Total impaired asset provisions to total impaired assets		46.4%	43.2%	40.2%
Total provisions to gross loans		67bps	73bps	80bps
Collectively assessed provisions to performing non-housing loans		134bps	142bps	151bps
Collectively assessed provisions to risk weighted assets		82bps	84bps	87bps
Collectively assessed provisions to credit risk weighted assets		97bps	99bps	106bps
Impairment charges to average loans annualised		12bps	15bps	17bps
Net write-offs to average loans annualised		22bps	29bps	21bps

2.4 Balance sheet and funding**2.4.1 Balance sheet**

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Assets					
Cash and balances with central banks		16,375	11,699		
Receivables due from other financial institutions		8,744	11,210		
Trading securities, other financial assets designated at fair value and available-for-sale securities		79,392	79,100		
Derivative financial instruments		26,207	28,356		
Loans		564,569	536,164		
Life insurance assets		12,841	13,149		
Other assets		21,247	21,419		
Total assets		729,375	701,097		
Liabilities					
Payables due to other financial institutions		15,211	8,836		
Deposits and other borrowings		437,405	424,482		
Financial liabilities at fair value through income statement		15,077	10,302		
Derivative financial instruments		31,330	32,990		
Debt issues		150,098	144,133		
Life insurance liabilities		11,594	11,938		
Loan capital		10,320	9,330		
Other liabilities		10,309	11,549		
Total liabilities		681,344	653,560		
Equity					
Total equity attributable to owners of Westpac Banking Corporation		47,165	46,674		
Non-controlling interests		866	863		
Total equity		48,031	47,537		

2.4.2 Funding and liquidity risk management

Funding by residual maturity

	As at 30 Sept 2014		As at 31 March 2014		As at 30 Sept 2013	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
Customer deposits			388,891	59.6	382,632	60.6
Wholesale funding - residual maturity						
Securitisation			11,488	1.8	10,372	1.6
Greater than 12 months			96,592	14.8	89,604	14.3
Equity			47,215	7.2	46,641	7.4
Stable Funding Ratio (SFR)			544,186	83.4	529,249	83.9
Less than 6 months			63,748	9.8	58,948	9.3
6 to 12 months			22,051	3.4	19,269	3.1
Long term to short term scroll			22,415	3.4	23,628	3.7
Short term wholesale funding			108,214	16.6	101,845	16.1
Total funding			652,400	100.0	631,094	100.0

Deposit to net loans ratio

	As at 30 Sept 2014		As at 31 March 2014		AS at 30 Sept 2013	
	\$m	Ratio %	\$m	Ratio %	\$m	Ratio %
Customer deposits			388,891		382,632	
Net loans			564,569	68.9	536,164	71.4

Funding view of the balance sheet

\$m	As at 30 Sept 2014					
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	Total
Total assets						
Total liabilities						
Total equity						
Total						
Net loans						

\$m	As at 31 March 2014					
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	Total
Total assets	126,519	-	-	526,055	76,801	729,375
Total liabilities	-	(388,891)	(215,430)	-	(77,023)	(681,344)
Total equity	-	-	(866)	(47,215)	50	(48,031)
Total	126,519	(388,891)	(216,296)	478,840	(172)	-
Net loans	58,078	-	-	506,491	-	564,569

\$m	As at 30 Sept 2013					
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	Total
Total assets	125,647	-	-	500,030	75,420	701,097
Total liabilities	-	(382,632)	(200,958)	-	(69,970)	(653,560)
Total equity	-	-	(863)	(46,641)	(33)	(47,537)
Total	125,647	(382,632)	(201,821)	453,389	5,417	-
Net loans	54,536	-	-	481,628	-	536,164

2.5 Capital and dividends

	Preferred range	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013
Regulatory capital structure				
Common equity Tier 1 (CET1) capital ratio			8.8%	9.1%
Additional Tier 1 capital			1.5%	1.6%
Tier 1 capital ratio			10.3%	10.7%
Tier 2 capital			1.8%	1.6%
Total regulatory capital ratio			12.1%	12.3%
Risk Weighted Assets (RWA) \$m			322,498	307,372

Risk weighted assets

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Credit risk		272,038	260,268		
Market risk		10,610	9,059		
Operational risk		28,474	27,299		
Interest rate risk in the banking book		8,459	6,929		
Other		2,917	3,817		
Total		322,498	307,372		

Capital deduction for regulatory expected credit loss

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013
Provisions associated with eligible portfolios			
Total provisions for impairment charges (Section 4 Note 11)		3,791	3,949
plus general reserve for credit losses adjustment		92	83
plus provisions associated with partial write-offs		528	640
less ineligible provisions		(141)	(139)
Total eligible provisions		4,270	4,533
Regulatory expected downturn loss		4,964	5,165
Common equity Tier 1 capital deduction for regulatory expected downturn loss in excess of eligible provisions		(694)	(632)

Dividends

Ordinary dividend (cents per share)	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Interim (fully franked)		90			86	
Final (fully franked)		-			88	
Total ordinary dividend		90			174	
Special (fully franked)		-			20	
Payout ratio (cash earnings)		74.2%			76.5%	
Adjusted franking credit balance (\$m)		315			585	
Imputation credit (cents per share - NZ)		6.0			17.1	

3.0 Divisional results**3.1 Australian Financial Services**

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		4,831			9,277	
Non-interest income		2,059			3,706	
Net operating income		6,890			12,983	
Operating expenses		(3,012)			(5,732)	
Core earnings		3,878			7,251	
Impairment charges		(330)			(780)	
Operating profit before tax		3,548			6,471	
Tax and non-controlling interests		(1,087)			(1,951)	
Cash earnings		2,461			4,520	
Economic profit		2,134			3,938	
Expense to income ratio		43.7%			44.2%	
Net interest margin		2.35%			2.31%	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Westpac Retail & Business Banking		1,251			2,355	
St. George Banking Group		772			1,392	
BT Financial Group (Australia)		438			773	
Total cash earnings		2,461			4,520	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$bn						
Deposits						
Term deposits		101.0			105.2	
Other		162.3			153.8	
Total deposits		263.3			259.0	
Net loans						
Mortgages		337.8			328.2	
Business		80.2			76.7	
Other		22.0			18.8	
Total net loans		440.0			423.7	
Deposit to loan ratio		59.8%			61.1%	
Total assets		466.6			453.9	
Total committed exposure		535.9			514.2	
Average interest-earning assets		412.2			401.1	
Consumer lending (mortgages) third party origination		44%			43%	

3.1.1 Westpac Retail and Business Banking

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Net interest income		2,918			5,655	
Non-interest income		691			1,320	
Net operating income		3,609			6,975	
Operating expenses		(1,595)			(3,124)	
Core earnings		2,014			3,851	
Impairment charges		(226)			(486)	
Operating profit before tax		1,788			3,365	
Tax and non-controlling interests		(537)			(1,010)	
Cash earnings		1,251			2,355	
Economic profit		1,109			2,121	
Expense to income ratio		44.2%			44.8%	
Net interest margin		2.37%			2.33%	

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$bn						
Deposits						
Term deposits		52.4			53.8	
Other		101.3			96.3	
Total deposits		153.7			150.1	
Net loans						
Mortgages		205.6			200.7	
Business		47.1			46.6	
Other		9.4			9.1	
Total net loans		262.1			256.4	
Deposit to loan ratio		58.6%			58.5%	
Total assets		268.2			261.9	
Total committed exposure		328.4			320.3	
Average interest-earning assets		246.7			242.5	

	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Credit Quality				
Mortgage delinquencies > 90 days		0.47%	0.50%	0.55%
Other consumer loans delinquencies > 90 days		1.17%	1.04%	1.15%
Business impaired assets to total committed exposure		0.85%	1.07%	1.14%
Total stressed assets to total committed exposure		1.22%	1.31%	1.39%

3.1.2 St.George Banking Group

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Net interest income		1,708			3,216	
Non-interest income		252			469	
Net operating income		1,960			3,685	
Operating expenses		(747)			(1,402)	
Core earnings		1,213			2,283	
Impairment charges		(108)			(293)	
Operating profit before tax		1,105			1,990	
Tax and non-controlling interests		(333)			(598)	
Cash earnings		772			1,392	
Economic profit		621			1,133	
Expense to income ratio		38.1%			38.0%	
Net interest margin		2.27%			2.22%	

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$bn						
Deposits						
Term deposits		36.4			39.6	
Other		52.4			49.0	
Total deposits		88.8			88.6	
Net loans						
Mortgages		120.2			116.3	
Business		31.8			28.9	
Other		10.5			7.5	
Total net loans		162.5			152.7	
Deposit to loan ratio		54.7%			58.0%	
Total assets		169.6			159.8	
Total committed exposure		188.3			175.6	
Average interest-earning assets		150.7			144.6	

	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Credit Quality				
Mortgage delinquencies > 90 days		0.58%	0.59%	0.64%
Other consumer loans delinquencies > 90 days		1.14%	1.10%	1.54%
Business impaired assets to total committed exposure		1.71%	2.33%	3.17%
Total stressed assets to total committed exposure		1.79%	2.26%	2.77%

3.1.3 BT Financial Group (Australia)

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		205			406	
Non-interest income		1,116			1,917	
Net operating income		1,321			2,323	
Operating expenses		(670)			(1,206)	
Core earnings		651			1,117	
Impairment (charges) / benefits		4			(1)	
Operating profit before tax		655			1,116	
Tax and non-controlling interests		(217)			(343)	
Cash earnings		438			773	
Economic profit		404			684	
Expense to income ratio		50.7%			51.9%	
Income on invested capital		36			106	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$bn						
Deposits		20.8			20.3	
Net loans		15.4			14.6	
Deposit to loan ratio		135.1%			139.0%	
Funds under management (FUM)		82.1			76.2	
Average funds under management		80.5			66.5	
Funds under administration (FUA)		106.8			102.7	
Average funds under administration		104.8			94.9	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Cash earnings						
\$m						
Funds management business		265			429	
Insurance		147			268	
Total funds management and insurance		412			697	
Capital and other		26			76	
Total cash earnings		438			773	

3.1.3.1 Funds management business

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		176			339	
Non-interest income		868			1,426	
Net operating income		1,044			1,765	
Operating expenses		(634)			(1,127)	
Core earnings		410			638	
Impairment (charges) / benefits		4			(1)	
Operating profit before tax		414			637	
Tax and non-controlling interests		(149)			(208)	
Cash earnings		265			429	
Expense to income ratio		60.7%			63.9%	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Cash earnings						
\$m						
Funds management business (ex BTIM)		208			386	
BTIM		57			43	
Total cash earnings		265			429	

Movement of FUM/FUA

	Sept 2013	Inflows	Outflows	Net Flows	Other Mov't	Sept 2014	March 2014	% Mov't Sept 14 - Sept 13	% Mov't Sept 14 - Mar 14
\$bn									
Retail	16.3						16.5		
Institutional	22.4						21.9		
Wholesale	37.5						43.7		
Total FUM	76.2						82.1		
Wrap	82.8						86.6		
Corporate Super	15.9						17.2		
Other	4.0						3.0		
Total FUA	102.7						106.8		

3.1.3.2 Insurance business

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		3			6	
Non-interest income		242			437	
Net operating income		245			443	
Operating expenses		(35)			(59)	
Core earnings		210			384	
Tax and non-controlling interests		(63)			(116)	
Cash earnings		147			268	
Expense to income ratio		14.3%			13.3%	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Cash earnings						
\$m						
Life Insurance		77			142	
General Insurance		56			94	
Lenders Mortgage Insurance		14			32	
Total cash earnings		147			268	

Insurance key metrics

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Life Insurance in-force premiums						
\$m						
Life Insurance in-force premiums at start of period		685			601	
Sales		101			183	
Lapses		(49)			(90)	
Net inflows		52			93	
Other movements		(3)			(9)	
Life Insurance in-force premiums at end of period		734			685	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Loss ratios for Insurance Business						
(%)						
Life Insurance		29			30	
General Insurance		45			45	
Lenders Mortgage Insurance		10			35	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Gross written premiums						
\$m						
General Insurance gross written premium		227			416	
Lenders Mortgage Insurance gross written premium		24			50	

3.2 Westpac Institutional Bank

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Net interest income		811			1,630	
Non-interest income		770			1,633	
Net operating income		1,581			3,263	
Operating expenses		(590)			(1,115)	
Core earnings		991			2,148	
Impairment (charges) / benefits		90			89	
Operating profit before tax		1,081			2,237	
Tax and non-controlling interests		(329)			(662)	
Cash earnings		752			1,575	
Economic profit		537			1,169	
Expense to income ratio		37.3%			34.2%	
Net interest margin		2.04%			2.25%	

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$bn						
Deposits		72.2			72.8	
Net loans		64.0			56.5	
Deposit to loan ratio		112.8%			128.9%	
Total assets		105.7			97.2	
Total committed exposure		220.6			213.9	
Average interest-earning assets		79.8			72.5	
Impaired assets to total committed exposure		0.34%			0.42%	
Total stressed assets to total committed exposure		1.03%			1.16%	
Funds under management		6.6			6.0	

Revenue contribution by business segments

	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
\$m						
Debt Markets		912			1,884	
Foreign Exchange and Commodities, Carbon and Energy (FX&CCE)		253			428	
Global Transactional Services		383			802	
Hastings		23			139	
Other		10			10	
Total		1,581			3,263	

3.3 Westpac New Zealand

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
NZ\$m						
Net interest income		783			1,554	
Non-interest income		239			473	
Net operating income		1,022			2,027	
Operating expenses		(422)			(845)	
Core earnings		600			1,182	
Impairment charges		(4)			(117)	
Operating profit before tax		596			1,065	
Tax and non-controlling interests		(164)			(297)	
Cash earnings		432			768	
Economic profit		208			328	
Expense to income ratio		41.3%			41.7%	
Net interest margin		2.28%			2.33%	

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
NZ\$bn						
Deposits						
Term deposits		24.5			24.9	
Other		23.9			21.7	
Total deposits		48.4			46.6	
Net loans						
Mortgages		38.6			37.5	
Business		22.8			22.3	
Other		1.8			1.8	
Total net loans		63.2			61.6	
Deposit to loan ratio		76.6%			75.7%	
Total assets		71.3			69.2	
Total committed exposure		90.1			88.0	
Liquid assets		7.6			6.9	
Average interest-earning assets		68.8			66.7	
Funds Under Management		4.9			4.4	
Funds Under Administration		1.5			1.4	

	Half Year Sept 14	Half Year March 14	Half Year Sept 13	Half Year March 13
Credit Quality				
Mortgage delinquencies > 90 days		0.29%	0.29%	0.39%
Other consumer loans delinquencies > 90 days		0.90%	0.81%	0.96%
Impaired assets to total committed exposure		0.47%	0.77%	0.99%
Total stressed assets to total committed exposure		1.85%	2.36%	2.96%

3.4 Westpac Pacific

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		70			148	
Non-interest income		87			167	
Net operating income		157			315	
Operating expenses		(52)			(98)	
Core earnings		105			217	
Impairment charges		(6)			(3)	
Operating profit before tax		99			214	
Tax and non-controlling interests		(34)			(71)	
Cash earnings		65			143	
Economic profit		44			104	
Expense to income ratio		33.1%			31.1%	
\$bn						
Deposits		2.5			2.6	
Net loans		1.6			1.7	
Deposit to loan ratio		156.3%			152.9%	
Total assets		3.0			3.0	
Total committed exposure		3.0			3.1	
Average interest-earning assets		2.9			2.9	

3.5 Group Businesses

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Net interest income		251			576	
Non-interest income		49			26	
Net operating income		300			602	
Operating expenses		(26)			(117)	
Core earnings		274			485	
Impairment charges		(92)			(56)	
Operating profit before tax		182			429	
Tax and non-controlling interests		(81)			(236)	
Cash earnings		101			193	
Treasury						
\$m						
Net interest income		292			556	
Non-interest income		11			21	
Net operating income		303			577	
Cash earnings		198			366	

4.1 Consolidated income statement

\$m	Note	Half Year Sept 14	Half Year Mar 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
Interest income	3		15,864			33,009	
Interest expense	3		(9,225)			(20,188)	
Net interest income			6,639			12,821	
Non-interest income	4		3,151			5,774	
Net operating income before operating expenses and impairment charges			9,790			18,595	
Operating expenses	5		(4,195)			(7,976)	
Impairment charges	11		(341)			(847)	
Profit before income tax			5,254			9,772	
Income tax expense	7		(1,595)			(2,947)	
Net profit for the period			3,659			6,825	
Profit attributable to non-controlling interests			(37)			(74)	
Net profit attributable to owners of Westpac Banking Corporation			3,622			6,751	

4.2 Consolidated balance sheet

\$m	Note	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Assets						
Cash and balances with central banks			16,375	11,699		
Receivables due from other financial institutions			8,744	11,210		
Trading securities and other financial assets designated at fair value			46,207	49,089		
Derivative financial instruments	19		26,207	28,356		
Available-for-sale securities			33,185	30,011		
Loans	10		564,569	536,164		
Life insurance assets			12,841	13,149		
Regulatory deposits with central banks overseas			1,575	1,571		
Property, plant and equipment			1,294	1,174		
Deferred tax assets			1,395	1,773		
Goodwill and other intangible assets			12,683	12,341		
Other assets			4,300	4,560		
Total assets			729,375	701,097		
Liabilities						
Payables due to other financial institutions			15,211	8,836		
Deposits and other borrowings	17		437,405	424,482		
Other financial liabilities at fair value through income statement			15,077	10,302		
Derivative financial instruments	19		31,330	32,990		
Debt issues			150,098	144,133		
Current tax liabilities			430	895		
Life insurance liabilities			11,594	11,938		
Provisions			1,364	1,576		
Deferred tax liabilities			27	22		
Other liabilities			8,488	9,056		
Total liabilities excluding loan capital			671,024	644,230		
Loan capital						
Subordinated notes			5,873	4,886		
Subordinated perpetual notes			382	378		
Convertible debentures and trust preferred securities			612	616		
Convertible preference shares			1,178	1,177		
Stapled preferred securities II (SPS II)			907	906		
Capital Notes			1,368	1,367		
Total loan capital			10,320	9,330		
Total liabilities			681,344	653,560		
Net assets			48,031	47,537		
Shareholders' equity						
Share capital:						
Ordinary share capital			26,954	27,021		
Treasury shares and RSP treasury shares			(305)	(253)		
Reserves			960	953		
Retained profits			19,556	18,953		
Total equity attributable to owners of Westpac Banking Corporation			47,165	46,674		
Non-controlling interests						
Trust Preferred Securities 2006 (TPS 2006)			755	755		
Other			111	108		
Total non-controlling interests			866	863		
Total shareholders' equity and non-controlling interests			48,031	47,537		

4.3 Consolidated cash flow statement

\$m	Note	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Cash flows from operating activities							
Interest received			15,745			33,048	
Interest paid			(9,263)			(20,520)	
Dividends received excluding life business			5			10	
Other non-interest income received			2,770			6,618	
Operating expenses paid			(4,276)			(6,717)	
Income tax paid excluding life business			(1,581)			(2,691)	
Life business:							
Receipts from policyholders and customers			765			1,759	
Interest and other items of similar nature			30			45	
Dividends received			92			301	
Payments to policyholders and suppliers			(844)			(1,912)	
Income tax paid			(59)			(109)	
Cash flows from operating activities before changes in operating assets and liabilities							
			3,384			9,832	
Net (increase)/decrease in:							
Trading and other financial assets designated at fair value							
			3,593			(319)	
Loans							
			(17,678)			(15,667)	
Due from other financial institutions							
			2,468			(511)	
Life insurance assets and liabilities							
			(21)			(154)	
Regulatory deposits with central banks overseas							
			(6)			489	
Derivative financial instruments							
			937			9,126	
Net increase/(decrease) in:							
through							
income statement							
			4,840			266	
Deposits and other borrowings							
			10,253			22,155	
Due to other financial institutions							
			6,199			363	
Net cash provided by/(used in) operating activities							
	20		13,969			25,580	
Cash flows from investing activities							
Proceeds from available-for-sale securities			3,535			5,043	
Purchase of available-for-sale securities			(6,751)			(11,802)	
Purchase of intangible assets			(358)			(738)	
Purchase of property, plant and equipment			(157)			(304)	
Proceeds from disposal of property, plant and equipment			5			7	
Purchase of controlled entity, net of cash acquired	20		(7,744)			-	
Net cash (used in)/provided by investing activities							
			(11,470)			(7,794)	
Cash flows from financing activities							
Issue of loan capital (net of issue costs)			998			1,958	
Redemption of loan capital			(23)			(2,244)	
Net increase/(decrease) in debt issues			4,004			(14,005)	
Proceeds from exercise of employee options			25			124	
Purchase of shares on exercise of employee options and rights			(73)			(174)	
Shares purchased for delivery of employee share plan			(27)			-	
Purchase of RSP treasury shares			(59)			(68)	
Net sale/(purchase) of other treasury shares			7			7	
Payment of dividends			(3,043)			(5,028)	
Payment of distributions to non-controlling interests			(31)			(50)	
Securities			-			(805)	
Net cash (used in)/provided by financing activities							
			1,778			(20,285)	
Net increase/(decrease) in cash and cash equivalents							
			4,277			(2,499)	
Effect of exchange rate changes on cash and cash equivalents							
			399			1,675	
Cash and cash equivalents as at the beginning of the period							
			11,699			12,523	
Cash and cash equivalents as at the end of the period							
			16,375			11,699	

4.4 Consolidated statement of comprehensive income

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Net profit for the period		3,659			6,825	
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Gains/(losses) on available-for-sale securities:						
Recognised in equity		180			57	
Transferred to income statements		(67)			(104)	
Gains/(losses) on cash flow hedging instruments:						
Recognised in equity		(122)			(51)	
Transferred to income statements		(110)			(234)	
Exchange differences on translation of foreign operations		(4)			114	
Income tax on items taken directly to or transferred directly from equity:						
Available-for-sale securities reserve		(34)			15	
Cash flow hedging reserve		71			85	
Foreign currency translation reserve		-			(11)	
Items that will not be reclassified subsequently to profit or loss						
Own credit adjustment on financial liabilities designated at fair value		(14)			44	
Remeasurement of defined benefit obligation recognised in equity (net of tax)		38			247	
Other comprehensive income for the period (net of tax)		(62)			162	
Total comprehensive income for the period		3,597			6,987	
Attributable to:						
Owners of Westpac Banking Corporation		3,560			6,913	
Non-controlling interests		37			74	
Total comprehensive income for the period		3,597			6,987	

4.5 Consolidated statement of changes in equity

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Share capital						
Balance as at beginning of period		26,768			26,163	
Shares issued:						
Dividend reinvestment plan		-			531	
Exercise of employee share options and rights		25			124	
Redemption of Westpac SPS		-			173	
Shares purchased for delivery upon exercise of options and share rights (net of tax)		(65)			(162)	
Shares purchased for delivery of employee share plan		(27)			-	
Acquisition of RSP treasury shares		(59)			(68)	
Disposal/(acquisition) of other treasury shares		7			7	
Balance as at period end		26,649			26,768	
Available-for-sale securities reserve						
Balance as at beginning of period		12			44	
Current period movement due to changes in other comprehensive income:						
Net gains/(losses) from changes in fair value		180			57	
Income tax effect		(54)			(17)	
Transferred to income statements		(67)			(104)	
Income tax effect		20			32	
Balance as at end of period end		91			12	
Share-based payment reserve						
Balance as at beginning of period		920			790	
Current period movement due to transactions with employees		90			130	
Balance as at period end		1,010			920	
Cash flow hedging reserve						
Balance as at beginning of period		271			471	
Current period movement due to changes in other comprehensive income:						
Net gains/(losses) from changes in fair value		(122)			(51)	
Income tax effect		38			14	
Transferred to income statements		(110)			(234)	
Income tax effect		33			71	
Balance as at period end		110			271	
Foreign currency translation reserve						
Balance as at beginning of period		(251)			(354)	
Current period movement due to changes in other comprehensive income:						
Exchange differences on translation of foreign operations		(4)			114	
Tax on foreign currency translation adjustment		-			(11)	
Balance as at period end		(255)			(251)	
Other reserves						
Balance as at beginning of period		1			7	
Transactions with owners		3			(6)	
Balance as at period end		4			1	
Total reserves		960			953	
Movements in retained profits were as follows						
Balance as at beginning of period		18,953			17,174	
Current period movement due to changes in other comprehensive income:						
Profit attributable to owners of Westpac Banking Corporation		3,622			6,751	
Own credit adjustment on financial liabilities designated at fair value		(14)			44	
Remeasurement of defined benefit obligation recognised in equity (net of tax)		38			247	
Transaction with owners:						
Ordinary dividends paid		(2,733)			(5,249)	
Special dividends paid		(310)			(310)	
Realised gain on redemption of 2003 TPS		-			296	
Balance as at period end		19,556			18,953	
Total comprehensive income attributable to owners of Westpac Banking Corporation		3,560			6,913	
Total comprehensive income attributable to non-controlling interests		37			74	
Total comprehensive income for the period		3,597			6,987	

Note 2 Average balance sheet and interest rates

	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest income	Average rate	Average balance	Interest income	Average rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				9,149	113	1.2%
Trading securities				46,266	1,665	3.6%
Available-for-sale securities				24,649	1,226	5.0%
Other financial assets designated at fair value				1,811	67	3.7%
Regulatory deposits				1,512	23	1.5%
Loans and other receivables				516,482	29,915	5.8%
Total interest earning assets and interest income				599,869	33,009	5.5%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				723		
Life insurance assets				12,713		
All other assets				74,990		
Total non-interest earning assets				88,426		
Total assets				688,295		

	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits and other borrowings				386,676	12,555	3.2%
Payables due to other financial institutions				9,324	190	2.0%
Loan capital				9,619	529	5.5%
Other interest bearing liabilities				154,851	6,914	4.5%
Total interest bearing liabilities and interest expense				560,470	20,188	3.6%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				22,534		
Life insurance policy liabilities				11,574		
All other liabilities				47,395		
Total non-interest bearing liabilities				81,503		
Total liabilities				641,973		
Shareholders' equity				44,350		
Non-controlling interests				1,972		
Total equity				46,322		
Total liabilities and equity				688,295		

Note 2 Average balance sheet and interest rates (continued)

	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				449,405	26,712	5.9%
New Zealand				50,801	2,924	5.8%
Other overseas				16,276	279	1.7%
Deposits and other borrowings						
Australia				325,634	11,141	3.4%
New Zealand				35,674	1,214	3.4%
Other overseas				25,368	200	0.8%

Note 3 Net interest income

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Interest income						
Cash		104			102	
Receivables due from other financial institutions		43			113	
Net ineffectiveness on qualifying hedges		(22)			31	
Trading securities		753			1,665	
Other financial assets designated at fair value		36			67	
Available-for-sale securities		664			1,226	
Loans		14,271			29,781	
Regulatory deposits with central banks overseas		10			23	
Other interest income		5			1	
Total interest income		15,864			33,009	
Interest expense						
Payables due to other financial institutions		(144)			(190)	
Certificates of deposit		(435)			(1,009)	
At call and term deposits		(5,269)			(11,546)	
Trading liabilities		(1,243)			(2,806)	
Debt issues		(1,861)			(4,008)	
Loan capital		(231)			(529)	
Other interest expense		(42)			(100)	
Total interest expense		(9,225)			(20,188)	
Net interest income		6,639			12,821	

Note 4 Non-interest income

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Fees and commissions						
Facility fees		644			1,253	
Transaction fees and commissions received		631			1,160	
Other non-risk fee income		183			310	
Total fees and commissions		1,458			2,723	
Wealth management and insurance income						
Life insurance and funds management net operating income		990			1,738	
General insurance and lenders mortgage insurance net operating income		112			206	
Total wealth management and insurance income		1,102			1,944	
Trading income						
Foreign exchange income		274			440	
Other trading securities		272			629	
Total trading income		546			1,069	
Other income						
Dividends received		5			10	
Net gain on disposal of assets		53			67	
Net gain/(loss) on ineffective hedges		(1)			(1)	
Net gain/(loss) on hedging overseas operations		4			(6)	
Net gain/(loss) on derivatives held for risk management purposes		(71)			(118)	
Net gain/(loss) on financial instruments designated at fair value		(2)			32	
Rental income on operating leases		12			-	
Other		45			54	
Total other income		45			38	
Total non-interest income		3,151			5,774	

Note 5 Operating expenses

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Salaries and other staff expenses						
Salaries and wages		1,783			3,264	
Other staff expenses		522			1,044	
Restructuring costs		46			28	
Total salaries and other staff expenses		2,351			4,336	
Equipment and occupancy expenses						
Operating lease rentals		271			565	
Depreciation, amortisation and impairment:						
Premises		6			13	
Leasehold improvements		54			108	
Furniture and equipment		30			62	
Technology		47			94	
Software		215			403	
Assets under lease		5			-	
Other		64			125	
Total equipment and occupancy expenses		692			1,370	
Other expenses						
Amortisation of deferred expenditure and intangible assets		107			224	
Non-lending losses		22			43	
Purchased services:						
Technology and information services		209			350	
Legal		22			26	
Other professional services		184			380	
Credit card loyalty programs		76			135	
Postage and stationery		100			222	
Outsourcing costs		281			587	
Insurance		8			20	
Advertising		72			164	
Training		9			21	
Travel		33			64	
Westpac Bicentennial Foundation grant		-			-	
Other expenses		29			34	
Total other expenses		1,152			2,270	
Total operating expenses		4,195			7,976	

Note 6 Deferred expenses and capitalised software

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Capitalised software		2,023	1,897		
Deferred acquisition costs		118	126		
Other deferred expenditure		28	24		

Note 7 Income tax

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
The income tax expense for the period is reconciled to the profit before income tax as follows						
Profit before income tax		5,254			9,772	
Prima facie income tax based on the Australian company tax rate of 30%		1,576			2,932	
The effect of amounts which are not deductible/(assessable) in calculating taxable income						
Change in tax rate		1			(2)	
Dividends adjustments		3			(2)	
Life insurance:						
Tax adjustment on policyholders earnings		3			24	
Adjustment for life business tax rates		(4)			(8)	
Hybrid capital distributions		16			26	
Other non-assessable items		(12)			(18)	
Other non-deductible items		24			37	
Adjustment for overseas tax rates		(10)			-	
Income tax under/(over) provided in prior years		(1)			(7)	
Other items		(1)			(35)	
Total income tax expense in the income statement		1,595			2,947	
Average effective income tax rate		30.4%			30.2%	
Effective tax rate (excluding life company accounting)		30.3%			29.9%	

Note 8 Dividends

	Half Year Sept 14	Half Year Mar 14	Full Year Sept 14	Full Year Sept 13
Dividends per ordinary share (cents per share)				
Interim (fully franked)		90		86
Final (fully franked)		-		88
Total ordinary dividend		90		174
Special (fully franked)		-		20
Total dividend		90		194
Total dividends paid (\$m)				
Ordinary dividends paid		2,733		5,249
Special dividends paid		310		310
Total dividends paid		3,043		5,559
Ordinary dividend payout ratio		77.1%		79.7%

Note 9 Earnings per ordinary share

	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Half Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Earnings per ordinary share (cents)						
Basic		116.8			218.3	
Fully diluted		114.5			213.5	
Weighted average number of fully paid ordinary shares (millions)						
Basic		3,098			3,087	
Fully diluted		3,230			3,238	

	Half Year Sept 14	Half Year Mar 14	Full Year Sept 14	Full Year Sept 13
Reconciliation of ordinary shares on issue before the effect of own shares held (millions)				
Opening balance			3,109	3,080
Number of shares issued under the Dividend Reinvestment Plan (DRP)			-	22
Number of shares issued upon conversion of the Westpac Stapled Preferred Securities (SPS)			-	5
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
Closing balance			3,109	3,109

	Half Year 30 Sept 2014		Half Year 31 March 2014		Full Year 30 Sept 2014		Full Year 30 Sept 2013	
	Basic	Diluted	Basic	Diluted	Basic	Diluted	Basic	Diluted
Net profit attributable to owners of Westpac Banking Corporation (\$m)			3,622	3,622			6,751	6,751
RSP treasury shares distributions			(4)	-			(12)	-
2004 Trust Preferred Securities (TPS 2004) distributions			-	10			-	21
Stapled preferred share (SPS) distributions			-	-			-	27
Stapled preferred share II (SPS II) distributions			-	14			-	30
Convertible preference share dividends			-	24			-	53
Westpac Capital Notes distributions			-	28			-	30
Net profit attributable to owners of Westpac Banking Corporation adjusted for the effect of dilution			3,618	3,698			6,739	6,912
Weighted average number of ordinary shares (millions)								
Weighted average number of ordinary shares			3,109	3,109			3,100	3,100
Effect of own shares held			(11)	(11)			(13)	(13)
Potential dilutive adjustment:								
Exercise of options and share rights and vesting of restricted shares			-	12			-	14
Conversion of Trust Preferred Securities 2004 (TPS 2004)			-	17			-	17
Conversion of stapled preferred securities (SPS)			-	-			-	31
Conversion of stapled preferred securities II (SPS II)			-	27			-	28
Conversion of convertible preference shares (CPS)			-	35			-	37
Conversion of Westpac Capital Notes			-	41			-	24
Total weighted average number of ordinary shares			3,098	3,230			3,087	3,238
Earnings per ordinary share (cents)			116.8	114.5			218.3	213.5

Note 10 Loans

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	%Mov't Sept 14 - Mar 14	%Mov't Sept 14 - Sept 13
Loans are classified based on the location of the booking office:					
Australia					
Overdrafts		2,789	2,965		
Credit card outstandings		9,926	9,560		
Overnight and at call money market loans		55	112		
Acceptance of finance		34,338	36,191		
Term loans:					
Housing		309,791	298,967		
Housing – line of credit		28,245	29,565		
Total housing		338,036	328,532		
Non-housing		98,219	87,240		
Finance leases		5,849	4,976		
Margin lending		2,038	2,041		
Trade finance		1,879	1,670		
Other		772	857		
Total Australia		493,901	474,144		
New Zealand					
Overdrafts		1,131	1,125		
Credit card outstandings		1,293	1,201		
Overnight and at call money market loans		1,352	1,230		
Term loans:					
Housing		36,258	33,389		
Non-housing		19,603	18,242		
Trade finance		262	256		
Other		164	142		
Total New Zealand		60,063	55,585		
Other Overseas					
Overdrafts		147	149		
Term loans:					
Housing		843	885		
Non-housing		5,934	4,260		
Trade finance		7,098	4,706		
Other		71	77		
Total Other Overseas		14,093	10,077		
Total loans		568,057	539,806		
Provision on loans		(3,488)	(3,642)		
Total net loans		564,569	536,164		

Note 11 Provisions for impairment charges

\$m	Half Year Sept 14	Half Year March 14	Full Year Sept 14	Full Year Sept 13
Collectively assessed provisions				
Balance at beginning of the period		2,585		2,771
Provisions raised/(released)		284		290
Write-offs		(331)		(708)
Interest adjustment		91		196
Exchange rate and other adjustments		23		36
Closing balance		2,652		2,585
Individually assessed provisions				
Balance at beginning of the period		1,364		1,470
Provisions raised		349		1,112
Write-backs		(244)		(479)
Write-offs		(314)		(691)
Interest adjustment		(23)		(75)
Exchange rate and other adjustments		7		27
Closing balance		1,139		1,364
Total provisions for impairment charges on loans and credit commitments		3,791		3,949
Less: provisions for credit commitments		(303)		(307)
Total provisions for impairment charges on loans		3,488		3,642

\$m	Half Year Sept 14	Half Year March 14	Full Year Sept 14	Full Year Sept 13
Reconciliation of impairment charges				
Individually assessed provisions raised		349		1,112
Write-backs		(244)		(479)
Recoveries		(48)		(76)
Collectively assessed provisions raised/(released)		284		290
Impairment charges		341		847

Note 12 Impaired Loans

	Australia			New Zealand			Other overseas			Total		
	As at 30 Sept 2014	As at 31 Mar 2014	As at 30 Sept 2013	As at 30 Sept 2014	As at 31 Mar 2014	As at 30 Sept 2013	As at 30 Sept 2014	As at 31 Mar 2014	As at 30 Sept 2013	As at 30 Sept 2014	As at 31 Mar 2014	As at 30 Sept 2013
\$m												
Non-Performing Loans:												
Gross amount		2,065	2,574		377	586		105	89		2,547	3,249
Impairment provision		(952)	(1,099)		(129)	(210)		(64)	(54)		(1,145)	(1,363)
Net		1,113	1,475		248	376		41	35		1,402	1,886
Restructured loans:												
Gross amount		39	34		-	-		64	122		103	156
Impairment provision		(23)	(23)		-	-		(20)	(33)		(43)	(56)
Net		16	11		-	-		44	89		60	100
Overdrafts, personal loans and revolving credit greater than 90 days past due:												
Gross amount		226	181		16	14		1	-		243	195
Impairment provision		(142)	(126)		(12)	(9)		(1)	-		(155)	(135)
Net		84	55		4	5		-	-		88	60
Total Impaired loans:												
Gross amount		2,330	2,789		393	600		170	211		2,893	3,600
Impairment provision		(1,117)	(1,248)		(141)	(219)		(85)	(87)		(1,343)	(1,554)
Net		1,213	1,541		252	381		85	124		1,550	2,046

Note 13 Movement in gross impaired assets

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
\$m					
Balance as at beginning of period		3,600	4,281		
New and increased		708	958		
Write-offs		(645)	(812)		
Returned to performing or repaid		(1,179)	(1,232)		
Portfolio managed - new /increased/returned/repaid		367	336		
Exchange rate and other adjustments		42	69		
Balance as at period end		2,893	3,600		

Note 14 Items past 90 days but well secured

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
\$m					
Australia					
Housing products		1,540	1,508		
Other products		754	821		
Total Australia		2,294	2,329		
New Zealand					
Housing products		76	70		
Other products		24	66		
Other Overseas		18	22		
Total Overseas		118	158		
Total		2,412	2,487		

Note 15 Impaired assets and provisioning ratios

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	% Mov't Sept 14 - Mar 14	% Mov't Sept 14 - Sept 13
Net impaired assets to equity and collectively assessed provisions		3.1%	4.1%		
Total impaired assets to gross loans		0.51%	0.67%		
Total impaired assets to equity and total provisions		5.6%	7.0%		
Total impaired asset provisions to total impaired assets		46.4%	43.2%		
Total provisions to gross loans		67bps	73bps		
Collectively assessed provisions to performing non-housing loans		134bps	142bps		
Collectively assessed provisions to RWA		82bps	84bps		
Collectively assessed provisions to credit RWA		97bps	99bps		
Total provisions to RWA		118bps	128bps		

Note 16 Delinquencies (90 days past due loans)

	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	Mov't Sept 14 - Mar 14	Mov't Sept 14 - Sept 13
Mortgages		0.48%	0.51%		
Other personal lending		1.12%	1.04%		
Total personal lending		0.52%	0.54%		

Note 17 Deposits and other borrowings

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013	%Mov't Sept 14 - Mar 14	%Mov't Sept 14 - Sept 13
Australia					
Certificates of deposit		32,047	29,286		
At call and term deposits					
Non-interest bearing, repayable at call		23,167	20,464		
Other interest bearing:					
At call		178,755	175,102		
Term		127,447	132,028		
Total at call and term deposits		329,369	327,594		
Total Australia		361,416	356,880		
New Zealand					
Certificates of deposit		1,225	1,362		
At call and term deposits					
Non-interest bearing, repayable at call		3,242	2,905		
Other interest bearing:					
At call		19,147	16,419		
Term		22,955	22,104		
Total at call and term deposits		45,344	41,428		
Total New Zealand		46,569	42,790		
Other overseas					
Certificates of deposit		15,242	11,202		
At call and term deposits					
Non-interest bearing, repayable at call		798	766		
Other interest bearing:					
At call		1,727	1,914		
Term		11,653	10,930		
Total at call and term deposits		14,178	13,610		
Total other overseas		29,420	24,812		
Total deposits and other borrowings		437,405	424,482		
Deposits and other borrowings at fair value		48,044	42,015		
Deposits and other borrowings at amortised cost		389,361	382,467		
Total deposits and other borrowings		437,405	424,482		

Note 18 Capital adequacy

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013
Tier 1 capital			
Common equity Tier 1 capital			
Paid up ordinary capital		26,954	27,021
Treasury shares		(240)	(181)
Equity based remuneration		885	801
Foreign currency translation reserve		(303)	(283)
Accumulated other comprehensive income		90	13
Non-controlling interests - other		48	51
Retained earnings		19,556	18,897
Less retained earnings in life and general insurance, funds management and securitisation entities		(1,124)	(1,096)
Deferred fees		118	138
Total common equity Tier 1 capital		45,984	45,361
Deductions from common equity Tier 1 capital			
Goodwill (excluding funds management entities)		(9,196)	(8,988)
Deferred tax assets		(1,401)	(1,772)
Goodwill in life and general insurance, funds management and securitisation entities		(1,264)	(1,265)
Capitalised expenditure		(1,076)	(761)
Capitalised software		(1,903)	(1,773)
Investments in subsidiaries not consolidated for regulatory purposes		(1,321)	(1,499)
Regulatory expected loss		(694)	(632)
General reserve for credit losses adjustment		(92)	(83)
Securitisation		(8)	(7)
Equity investments		(367)	(413)
Regulatory adjustments to fair value positions		(203)	(193)
Other Tier 1 deductions		(4)	(6)
Total deductions from common equity Tier 1 capital		(17,529)	(17,392)
Total common equity after deductions Tier 1 capital		28,455	27,969
Additional Tier 1 capital			
Basel III complying instruments		1,383	1,367
Basel III non complying instruments (net of transitional amortisation)		3,466	3,402
Total Additional Tier 1 capital		4,849	4,769
Net Tier 1 regulatory capital		33,304	32,738

Note 18 Capital adequacy (continued)

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013
Tier 2 capital			
Basel III complying instruments		1,925	916
Basel III non complying instruments (net of transitional amortisation)		3,966	3,984
Eligible general reserve for credit loss		67	68
Total Tier 2 capital		5,958	4,968
Deductions from Tier 2 capital			
Investments in subsidiaries not consolidated for regulatory purposes		(140)	-
Holdings of own and other financial institutions Tier 2 capital instruments		(106)	(50)
Total deductions from Tier 2 capital		(246)	(50)
Net Tier 2 regulatory capital		5,712	4,918
Total regulatory capital		39,016	37,656
Risk weighted assets		322,498	307,372
Common equity Tier 1 capital ratio		8.8%	9.1%
Additional Tier 1 capital		1.5%	1.6%
Tier 1 capital ratio		10.3%	10.7%
Tier 2 capital		1.8%	1.6%
Total regulatory capital ratio		12.1%	12.3%

Note 18 Capital adequacy (continued)

\$m	As at 30 Sept 2014	As at 31 March 2014	As at 30 Sept 2013
Credit risk - on-balance sheet			
Corporate		34,600	33,105
Business lending		26,222	27,611
Sovereign		1,140	1,322
Bank		4,619	4,953
Residential mortgages		55,926	54,946
Australian credit cards		4,538	3,515
Other retail		9,338	8,673
Small business		5,194	5,143
Specialised lending: Property and project finance		38,267	37,519
Securitisation		2,329	2,679
Standardised		12,857	5,557
Total on-balance sheet assets - credit risk		195,030	185,023
Credit risk - off-balance sheet			
Corporate		33,940	33,010
Business lending		7,224	7,209
Sovereign		247	723
Bank		4,019	4,514
Residential mortgages		6,253	6,074
Australian credit cards		1,650	1,355
Other retail		927	884
Small business		1,314	1,363
Specialised lending: Property and project finance		9,780	8,651
Securitisation		3,192	3,197
Standardised		1,205	1,098
Mark-to-market related credit risk		7,257	7,167
Total off-balance sheet assets - credit risk		77,008	75,245
Market risk		10,610	9,059
Operational risk		28,474	27,299
Interest rate risk in the banking book		8,459	6,929
Other assets		2,917	3,817
Total risk weighted assets		322,498	307,372

Note 19 Derivative financial instruments

\$m	Notional Amount	Fair Value Asset	Fair Value Liability
Held for trading			
Interest rate			
Futures			
Forwards			
Swaps			
Options			
Foreign exchange			
Forwards			
Swaps			
Options			
Commodities			
Equities			
Credit			
Total held for trading derivatives			
Fair value hedges			
Interest rate			
Swaps			
Foreign exchange			
Swaps			
Total fair value hedging derivatives			
Cash flow hedges			
Interest rate			
Swaps			
Foreign exchange			
Swaps			
Total cash flow hedging derivatives			
Total net investment hedges			
Total derivatives as at 30 September 2014			
Total derivatives as at 31 March 2014	2,975,942	26,207	(31,330)
Total derivatives as at 30 September 2013	2,718,380	28,356	(32,990)

Markets – Daily Value at Risk (VaR)

\$m	High	Low	Average
Six months ended 30 September 2014			
Six months ended 31 March 2014	16.7	5.3	10.0
Six months ended 30 September 2013	14.3	6.4	8.6
Average	Half Year 30 Sept 2014	Half Year 31 Mar 2014	Half Year 30 Sept 2013
\$m			
Interest rate risk		6.1	5.0
Foreign exchange risk		2.2	2.1
Equity risk		0.4	0.4
Commodity risk		2.1	3.7
Credit and other market risks		5.8	4.8
Diversification benefit		(6.6)	(7.4)
Net market risk		10.0	8.6

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

\$m	High	Low	Average
Six months ended 30 September 2014			
Six months ended 31 March 2014	24.0	11.2	15.5
Six months ended 30 September 2013	26.6	10.7	17.9

Note 20 Note to the cash flow statement

\$m	Half Year Sept 14	Half Year Mar 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Reconciliation of net cash provided by/ (used in) operating activities to net profit for the period						
Net profit for the period		3,659			6,825	
Adjustments:						
Depreciation, amortisation and impairment (Decrease)/increase in sundry provisions and other non-cash items		464			904	
Impairment charges on loans (Increase)/decrease in loans		(970)			1,660	
Increase/(decrease) in deposits and other borrowings		389			923	
(Increase)/decrease in receivables due from other financial institutions		(17,678)			(15,667)	
(Decrease)/increase in payables due to other financial institutions		10,253			22,155	
(Increase)/decrease in trading and fair value assets		2,468			(511)	
Increase/(decrease) in other financial liabilities at fair value through income statement		6,199			363	
(Increase)/decrease in derivative financial instruments		3,593			(319)	
(Increase)/decrease in accrued interest receivable		4,840			266	
Increase/(decrease) in accrued interest payable		937			9,126	
(Decrease)/increase in current and deferred tax		(89)			84	
		(51)			(376)	
		(45)			147	
Net cash provided by/(used in) operating activities		13,969			25,580	
Fair value of assets and liabilities of controlled entities and businesses acquired						
Assets acquired						
Cash and cash equivalents		149			-	
Derivative assets		30			-	
Loans and advances		7,895			-	
Identifiable intangible assets		56			-	
Operating lease assets		80			-	
Other assets and prepayments		6			-	
Total assets acquired		8,216			-	
Liabilities acquired						
Trade creditors and other accrued expenses		24			-	
Provisions		11			-	
Deferred tax liabilities		25			-	
Debt securities on issue		488			-	
Borrowings		6,368			-	
Total liabilities acquired		6,916			-	
Fair value of identifiable net assets acquired		1,300			-	
Goodwill		225			-	
Total		1,525			-	
Cash consideration						
Purchase of shares		1,525			-	
Replacement of intergroup funding		6,368			-	
Total cash consideration		7,893			-	
Cash consideration		7,893			-	
Less cash and cash equivalents acquired		(149)			-	
Cash paid (net of cash acquired)		7,744			-	

Note 22 Funding view of the balance sheet

\$m	As at 30 September 2014					Total
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	
Assets						
Cash and balances with central banks						
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						
Property, plant and equipment						
Other assets						
Total assets						
Liabilities						
Payables due to other financial institutions						
Deposits and other borrowings:						
At call						
Term deposits						
Certificates of deposit						
Derivative financial instruments						
Financial liabilities at fair value through income statement						
Acceptances						
Debt issues						
Life insurance liabilities						
Other liabilities						
Loan capital						
Total liabilities						
Total equity						
Total net						

Note 22 Funding view of the balance sheet (continued)

\$m	As at 31 March 2014					Total
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	
Assets						
Cash and balances with central banks	12,273	-	-	4,102	-	16,375
Receivables due from other financial institutions	1,310	-	-	1,485	5,949	8,744
Trading securities, other financial assets designated at fair value and available-for-sale securities	54,423	-	-	-	24,969	79,392
Derivative financial instruments	-	-	-	-	26,207	26,207
Loans	58,078	-	-	506,491	-	564,569
Life insurance assets	-	-	-	-	12,841	12,841
Goodwill and other intangibles	-	-	-	12,683	-	12,683
Property, plant and equipment	-	-	-	1,294	-	1,294
Other assets	435	-	-	-	6,835	7,270
Total assets	126,519	-	-	526,055	76,801	729,375
Liabilities						
Payables due to other financial institutions	-	-	6,498	-	8,713	15,211
Deposits and other borrowings:						
At call	-	226,836	-	-	-	226,836
Term deposits	-	162,055	-	-	-	162,055
Certificates of deposit	-	-	48,514	-	-	48,514
Derivative financial instruments	-	-	-	-	31,330	31,330
Financial liabilities at fair value through income statement	-	-	-	-	15,077	15,077
Acceptances	-	-	92	-	-	92
Debt issues	-	-	150,006	-	-	150,006
Life insurance liabilities	-	-	-	-	11,594	11,594
Other liabilities	-	-	-	-	10,309	10,309
Loan capital	-	-	10,320	-	-	10,320
Total liabilities	-	388,891	215,430	-	77,023	681,344
Total equity	-	-	866	47,215	(50)	48,031
Total net	126,519	(388,891)	(216,296)	478,840	(172)	-

Note 22 Funding view of the balance sheet (continued)

\$m	As at 30 September 2013					Total
	Liquid assets	Customer deposits	Wholesale funding	Customer franchise	Market inventory	
Assets						
Cash and balances with central banks	8,522	-	-	3,177	-	11,699
Receivables due from other financial institutions	1,370	-	-	1,710	8,130	11,210
Trading securities, other financial assets designated at fair value and available-for-sale securities	61,219	-	-	-	17,881	79,100
Derivative financial instruments	-	-	-	-	28,356	28,356
Loans	54,536	-	-	481,628	-	536,164
Life insurance assets	-	-	-	-	13,149	13,149
Goodwill and other intangibles	-	-	-	12,341	-	12,341
Property, plant and equipment	-	-	-	1,174	-	1,174
Other assets	-	-	-	-	7,904	7,904
Total assets	125,647	-	-	500,030	75,420	701,097
Liabilities						
Payables due to other financial institutions	-	-	5,645	-	3,191	8,836
Deposits and other borrowings:						
At call	-	217,570	-	-	-	217,570
Term deposits	-	165,062	-	-	-	165,062
Certificates of deposit	-	-	41,850	-	-	41,850
Derivative financial instruments	-	-	-	-	32,990	32,990
Financial liabilities at fair value through income statement	-	-	-	-	10,302	10,302
Acceptances	-	-	102	-	-	102
Debt issues	-	-	144,031	-	-	144,031
Life insurance liabilities	-	-	-	-	11,938	11,938
Other liabilities	-	-	-	-	11,549	11,549
Loan capital	-	-	9,330	-	-	9,330
Total liabilities	-	382,632	200,958	-	69,970	653,560
Total equity	-	-	863	46,641	33	47,537
Total net	125,647	(382,632)	(201,821)	453,389	5,417	-

Note 1 Interest spread and margin analysis (cash earnings basis)

	Half Year Sept 14	Half Year March 14	Full Year Sept 14	Full Year Sept 13
Group				
Average interest-earning assets (\$m)		635,657		599,869
Net interest income (\$m)		6,677		12,912
Net interest spread		1.91%		1.92%
Benefit of net non-interest bearing assets, liabilities and equity		0.20%		0.23%
Net interest margin		2.11%		2.15%
Analysis by division				
Average interest-earning assets (\$m)				
Australian Financial Services		412,169		401,071
Westpac Retail & Business Banking		246,717		242,453
St.George Banking Group		150,720		144,568
BT Financial Group		14,732		14,050
Westpac Institutional Bank		79,831		72,456
Westpac New Zealand (A\$)		62,764		54,991
Westpac Pacific		2,893		2,865
Group Businesses		78,000		68,486
Group total		635,657		599,869
<i>Westpac New Zealand (NZ\$)</i>		68,808		66,729
Net interest income (\$m) (including capital benefit)				
Australian Financial Services		4,831		9,277
Westpac Retail & Business Banking		2,918		5,655
St.George Banking Group		1,708		3,216
BT Financial Group		205		406
Westpac Institutional Bank		811		1,630
Westpac New Zealand (A\$)		714		1,281
Westpac Pacific		70		148
Group Businesses		251		576
Group total		6,677		12,912
<i>Westpac New Zealand (NZ\$)</i>		783		1,554
Interest margin				
Australian Financial Services		2.35%		2.31%
Westpac Retail & Business Banking		2.37%		2.33%
St.George Banking Group		2.27%		2.22%
BT Financial Group		2.79%		2.89%
Westpac Institutional Bank		2.04%		2.25%
Westpac Pacific		4.85%		5.17%
Group Businesses		0.65%		0.84%
<i>Westpac New Zealand (NZ\$)</i>		2.28%		2.33%

Note 2 Average balance sheet and interest rates (cash earnings basis)

	Half Year 30 September 2014			Half Year 31 March 2014		
	Average balance	Interest income	Average rate	Average balance	Interest income	Average rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				8,599	43	1.0%
Trading securities				46,425	753	3.3%
Available-for-sale securities				29,377	664	4.5%
Other financial assets designated at fair value				2,068	36	3.5%
Regulatory deposits				1,402	10	1.4%
Loans and other receivables				547,786	14,382	5.3%
Total interest earning assets and interest income				635,657	15,888	5.0%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				1,213		
Life insurance assets				13,356		
All other assets				74,428		
Total non-interest earning assets				88,997		
Total assets				724,654		

	Half Year 30 September 2014			Half Year 31 March 2014		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits and other borrowings				408,126	5,704	2.8%
Payables due to other financial institutions				14,408	144	2.0%
Loan capital				9,427	218	4.6%
Other interest bearing liabilities				163,379	3,145	3.9%
expense				595,340	9,211	3.1%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				26,614		
Life insurance policy liabilities				12,064		
All other liabilities				43,866		
Total non-interest bearing liabilities				82,544		
Total liabilities				677,884		
Shareholders' equity				45,907		
Non-controlling interests				863		
Total equity				46,770		
Total liabilities and equity				724,654		

Note 2 Average balance sheet and interest rates (cash earnings basis) (continued)

	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest income	Average rate	Average balance	Interest income	Average rate
	\$m	\$m	%	\$m	\$m	%
Assets						
Interest earning assets						
Receivables due from other financial institutions				9,149	113	1.2%
Trading securities				46,266	1,665	3.6%
Available-for-sale securities				24,649	1,226	5.0%
Other financial assets designated at fair value				1,811	67	3.7%
Regulatory deposits				1,512	23	1.5%
Loans and other receivables				516,482	29,886	5.8%
Total interest earning assets and interest income				599,869	32,980	5.5%
Non-interest earning assets						
Cash, receivables due from other financial institutions and regulatory deposits				723		
Life insurance assets				12,713		
All other assets				74,990		
Total non-interest earning assets				88,426		
Total assets				688,295		

	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest expense	Average rate	Average balance	Interest expense	Average rate
	\$m	\$m	%	\$m	\$m	%
Liabilities						
Interest bearing liabilities						
Deposits and other borrowings				386,676	12,555	3.2%
Payables due to other financial institutions				9,324	190	2.0%
Loan capital				9,619	504	5.2%
Other interest bearing liabilities				154,851	6,819	4.4%
Total interest bearing liabilities and interest expense				560,470	20,068	3.6%
Non-interest bearing liabilities						
Deposits and payables due to other financial institutions				22,534		
Life insurance policy liabilities				11,574		
All other liabilities				47,395		
Total non-interest bearing liabilities				81,503		
Total liabilities				641,973		
Shareholders' equity				44,350		
Non-controlling interests				1,972		
Total equity				46,322		
Total liabilities and equity				688,295		

Note 2 Average balance sheet and interest rates (cash earnings basis) (continued)

	Half Year 30 September 2014			Half Year 31 March 2014		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				465,618	12,578	5.4%
New Zealand				58,464	1,644	5.6%
Other overseas				23,704	160	1.4%
Deposits and other borrowings						
Australia				338,600	4,928	2.9%
New Zealand				41,877	682	3.3%
Other overseas				27,649	94	0.7%
	Full Year 30 September 2014			Full Year 30 September 2013		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Loans and other receivables						
Australia				449,405	26,682	5.9%
New Zealand				50,801	2,925	5.8%
Other overseas				16,276	279	1.7%
Deposits and other borrowings						
Australia				325,634	11,141	3.4%
New Zealand				35,674	1,214	3.4%
Other overseas				25,368	200	0.8%

Note 3 Net interest income (cash earnings basis)

\$m	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
Interest income						
Cash		104			102	
Loans		14,271			29,781	
Receivables due from other financial institutions		43			113	
Available-for-sale securities		664			1,226	
Regulatory deposits with central banks overseas		10			23	
Trading securities		753			1,665	
Net ineffectiveness on qualifying hedges		2			2	
Other financial assets designated at fair value		36			67	
Other interest income		5			1	
Total interest income		15,888			32,980	
Interest expense						
At call and term deposits		(5,269)			(11,546)	
Certificates of deposit		(435)			(1,009)	
Payables due to other financial institutions		(144)			(190)	
Debt issues and acceptances		(1,869)			(3,957)	
Loan capital		(218)			(504)	
Trading liabilities		(1,242)			(2,762)	
Other interest expense		(34)			(100)	
Total interest expense		(9,211)			(20,068)	
Net interest income		6,677			12,912	

Note 4 Non-interest income (cash earnings basis)

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Fees and commissions						
Facility fees		644			1,253	
Transaction fees and commissions		631			1,160	
Other non-risk fee income		183			310	
Total fees and commissions		1,458			2,723	
Wealth management and insurance income						
Life insurance and funds management net operating income		999			1,788	
General insurance and lenders mortgage insurance net operating income		112			170	
Total wealth management and insurance income		1,111			1,958	
Trading income						
Foreign exchange income		274			440	
Other trading securities		273			630	
Total trading income		547			1,070	
Other income						
Dividends received		5			10	
Net gain/(loss) on disposal of assets		53			67	
Net gain/(loss) on ineffective hedges		(1)			(1)	
Net gain/(loss) on hedging overseas operations		4			28	
Net gain/(loss) on derivatives held for risk management purposes		(51)			(22)	
Net gain/(loss) on financial instruments designated at fair value		(2)			32	
Rental income on operating leases		12			-	
Other		46			56	
Total other income		66			170	
Total non-interest income (Cash earnings basis)		3,182			5,921	

Wealth management and insurance income reconciliation

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
BTFG non-interest income		1,116			1,917	
Net commission, premium, fee and banking income		(91)			(207)	
BTFG wealth management and insurance income		1,025			1,710	
NZ wealth management & insurance		65			108	
WIB wealth management		21			140	
Total wealth management & insurance income		1,111			1,958	

Note 5 Operating expense analysis (cash earnings basis)

\$m	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
Salaries and other staff expenses						
Salaries and wages		1,776			3,264	
Other staff expenses		522			1,044	
Restructuring costs		46			28	
Total salaries and other staff expenses		2,344			4,336	
Equipment and occupancy expenses						
Operating lease rentals		271			565	
Depreciation, amortisation and impairment:						
Premises		6			13	
Leasehold improvements		54			108	
Furniture and equipment		30			62	
Technology		47			94	
Software		215			403	
Assets under lease		5			-	
Other		64			125	
Total equipment and occupancy expenses		692			1,370	
Other expenses						
Amortisation of deferred expenditure and intangible assets		5			7	
Non-lending losses		22			43	
Purchased services:						
Technology and information services		209			350	
Legal		9			26	
Other professional services		181			380	
Credit card loyalty programs		76			135	
Postage and stationery		100			222	
Outsourcing costs		281			587	
Insurance		8			20	
Advertising		72			164	
Training		9			21	
Travel		33			64	
Westpac Bicentennial Foundation grant		-			-	
Other expenses		24			34	
Total other expenses		1,029			2,053	
Total operating expenses		4,065			7,759	

Note 6 Earnings per share (cash earnings basis)

	Half Year Sept 14	Half Year March 14	% Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	% Mov't Sept 14 - Sept 13
\$m						
Cash earnings		3,772			7,063	
Weighted average number of fully paid ordinary shares (millions)		3,109			3,100	
Cash earnings per ordinary share (cents)		121.3			227.8	
	Half Year Sept 14	Half Year March 14	Full Year Sept 14	Full Year Sept 13		
Reconciliation of ordinary shares on issue before the effect of own shares held (millions)						
Opening balance		3,109		3,080		
Number of shares issued under the Dividend Reinvestment Plan (DRP)		-		22		
Number of shares issued upon conversion of the Westpac Stapled Preferred Securities (SPS)		-		5		
Number of shares issued under the Employee Share Plan (ESP)		-		1		
Number of shares issued under option and share right schemes		-		1		
Closing balance		3,109		3,109		

7.1 Exchange rates against A\$

Twelve months to/as at Currency	30 September 2014		30 September 2013	
	Average	Spot	Average	Spot
US\$			0.9964	0.9316
GBP			0.6384	0.5767
NZ\$			1.2153	1.1260

Six months to/as at Currency	30 September 2014		31 March 2014		30 September 2013	
	Average	Spot	Average	Spot	Average	Spot
US\$			0.9124	0.9230	0.9542	0.9316
GBP			0.5578	0.5549	0.6191	0.5767
NZ\$			1.0973	1.0665	1.1775	1.1260

7.2 New Zealand Division Performance (A\$ Equivalent to Section 3.3)

\$m	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
Non-interest income		217			389	
Net operating income		931			1,670	
Operating expenses		(385)			(697)	
Core earnings		546			973	
Impairment charges		(3)			(97)	
Operating profit before tax		543			876	
Tax and non-controlling interests		(150)			(244)	
Cash earnings		393			632	
Economic profit		189			270	
Expense to income ratio		41.3%			41.7%	
Net interest margin		2.28%			2.33%	

\$bn	Half Year Sept 14	Half Year March 14	%Mov't Sept 14 - Mar 14	Full Year Sept 14	Full Year Sept 13	%Mov't Sept 14 - Sept 13
Net loans		59.2			54.7	
Deposit to loan ratio		76.6%			75.7%	
Total assets		66.9			61.5	
Total committed exposure		84.5			78.2	
Liquid assets		6.8			6.2	
Average interest-earning assets		62.8			55.0	
Funds under management		4.6			3.9	
Funds under administration		1.4			1.2	

8.0 Group reconciliations

8.1 Group half year earnings reconciliation

Six months to 30 September 2014	Reported results	Cash Earnings adjustments											Cash earnings		
		Policyholder tax recoveries	TPS revaluations	Treasury shares	Ineffective hedges	Fair value on economic hedges	Buyback of government guaranteed debt	Fair value amortisation of financial instruments	Amortisation of intangible assets	Acquisition transaction and integration expenses	Bell litigation provision	Westpac Bicentennial Foundation grant		Prior period tax provisions	
\$m															
Net interest income															
<i>Fees and commissions</i>															
<i>Wealth management & insurance income</i>															
<i>Trading income</i>															
<i>Other income</i>															
Non-interest income															
Net operating income															
<i>Salaries and other staff expenses</i>															
<i>Equipment and occupancy expenses</i>															
<i>Other expenses</i>															
Operating expenses															
Core earnings															
Impairment charges															
Operating profit before tax															
Income tax expense															
Net profit															
Net profit attributable to non-controlling interests															
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC															
WBC Cash Earnings adjustments:															
TPS revaluations															
Treasury shares															
Ineffective hedges															
Fair value on economic hedges															
Buyback of government guaranteed debt															
Fair value amortisation of financial instruments															
Amortisation of intangible assets															
Acquisition transaction and integration expenses															
Bell litigation provision															
Westpac Bicentennial Foundation grant															
Prior period tax provisions															
Cash earnings															

8.1 Group half year earnings reconciliation (continued)

Six months to 31 March 2014	Reported results	Cash Earnings adjustments											Cash earnings	
		Policyholder tax recoveries	TPS revaluations	Treasury shares	Ineffective hedges	Fair value on economic hedges	Buyback of government guaranteed debt	Fair value amortisation of financial instruments	Amortisation of intangible assets	Acquisition transaction and integration expenses	Bell litigation provision	Westpac Bicentennial Foundation grant		Prior period tax provisions
Net interest income	6,639	-	-	-	24	44	(43)	13	-	-	-	-	-	6,677
<i>Fees and commissions</i>	1,458	-	-	-	-	-	-	-	-	-	-	-	-	1,458
<i>Wealth management & insurance income</i>	1,102	(5)	-	14	-	-	-	-	-	-	-	-	-	1,111
<i>Trading income</i>	546	-	-	-	-	1	-	-	-	-	-	-	-	547
<i>Other income</i>	45	-	-	-	-	21	-	-	-	-	-	-	-	66
Non-interest income	3,151	(5)	-	14	-	22	-	-	-	-	-	-	-	3,182
Net operating income	9,790	(5)	-	14	24	66	(43)	13	-	-	-	-	-	9,859
<i>Salaries and other staff expenses</i>	(2,351)	-	-	-	-	-	-	-	-	7	-	-	-	(2,344)
<i>Equipment and occupancy expenses</i>	(692)	-	-	-	-	-	-	-	-	-	-	-	-	(692)
<i>Other expenses</i>	(1,152)	-	-	-	-	-	-	-	102	21	-	-	-	(1,029)
Operating expenses	(4,195)	-	-	-	-	-	-	-	102	28	-	-	-	(4,065)
Core earnings	5,595	(5)	-	14	24	66	(43)	13	102	28	-	-	-	5,794
Impairment charges	(341)	-	-	-	-	-	-	-	-	-	-	-	-	(341)
Operating profit before tax	5,254	(5)	-	14	24	66	(43)	13	102	28	-	-	-	5,453
Income tax expense	(1,595)	5	-	(1)	(7)	(20)	13	(4)	(31)	(3)	-	-	-	(1,643)
Net profit	3,659	-	-	13	17	46	(30)	9	71	25	-	-	-	3,810
Net profit attributable to non-controlling interests	(37)	-	-	-	-	-	-	-	(1)	-	-	-	-	(38)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	3,622	-	-	13	17	46	(30)	9	70	25	-	-	-	3,772
WBC Cash Earnings adjustments:														
TPS revaluations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	13	-	-	(13)	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	17	-	-	-	(17)	-	-	-	-	-	-	-	-	-
Fair value on economic hedges	46	-	-	-	-	(46)	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	(30)	-	-	-	-	-	30	-	-	-	-	-	-	-
Fair value amortisation of financial instruments	9	-	-	-	-	-	-	(9)	-	-	-	-	-	-
Amortisation of intangible assets	70	-	-	-	-	-	-	-	(70)	-	-	-	-	-
Acquisition transaction and integration expenses	25	-	-	-	-	-	-	-	-	(25)	-	-	-	-
Bell litigation provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Westpac Bicentennial Foundation grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period tax provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash earnings	3,772	-	-	-	-	-	-	-	-	-	-	-	-	3,772

8.1 Group full year earnings reconciliation

Twelve months to 30 September 2014	Reported results	Cash Earnings adjustments											Cash earnings		
		Policyholder tax recoveries	TPS revaluations	Treasury shares	Ineffective hedges	Fair value on economic hedges	Buyback of government guaranteed debt	Fair value amortisation of financial instruments	Amortisation of intangible assets	Acquisition transaction and integration expenses	Bell litigation provision	Westpac Bicentennial Foundation grant		Prior period tax provisions	
\$m															
Net interest income															
<i>Fees and commissions</i>															
<i>Wealth management & insurance income</i>															
<i>Trading income</i>															
<i>Other income</i>															
Non-interest income															
Net operating income															
<i>Salaries and other staff expenses</i>															
<i>Equipment and occupancy expenses</i>															
<i>Other expenses</i>															
Operating expenses															
Core earnings															
Impairment charges															
Operating profit before tax															
Income tax expense															
Net profit															
Net profit attributable to non-controlling interests															
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC															
WBC Cash Earnings adjustments:															
TPS revaluations															
Treasury shares															
Ineffective hedges															
Fair value on economic hedges															
Buyback of government guaranteed debt															
Fair value amortisation of financial instruments															
Amortisation of intangible assets															
Acquisition transaction and integration expenses															
Bell litigation provision															
Westpac Bicentennial Foundation grant															
Prior period tax provisions															
Cash earnings															

8.1 Group full year earnings reconciliation (continued)

Twelve months to 30 September 2013	Reported results	Cash Earnings adjustments											Cash earnings	
		Policyholder tax recoveries	TPS revaluations	Treasury shares	Ineffective hedges	Fair value on economic hedges	Buyback of government guaranteed debt	Fair value amortisation of financial instruments	Amortisation of intangible assets	Acquisition transaction and integration expenses	Bell litigation provision	Westpac Bicentennial Foundation grant		Prior period tax provisions
Net interest income	12,821	-	-	-	(29)	(37)	62	95	-	-	-	-	-	12,912
<i>Fees and commissions</i>	2,723	-	-	-	-	-	-	-	-	-	-	-	-	2,723
<i>Wealth management & insurance income</i>	1,944	(35)	-	49	-	-	-	-	-	-	-	-	-	1,958
<i>Trading income</i>	1,069	-	-	-	1	-	-	-	-	-	-	-	-	1,070
<i>Other income</i>	38	-	67	-	-	65	-	-	-	-	-	-	-	170
Non-interest income	5,774	(35)	67	49	1	65	-	-	-	-	-	-	-	5,921
Net operating income	18,595	(35)	67	49	(28)	28	62	95	-	-	-	-	-	18,833
<i>Salaries and other staff expenses</i>	(4,336)	-	-	-	-	-	-	-	-	-	-	-	-	(4,336)
<i>Equipment and occupancy expenses</i>	(1,370)	-	-	-	-	-	-	-	-	-	-	-	-	(1,370)
<i>Other expenses</i>	(2,270)	-	-	-	-	-	-	-	217	-	-	-	-	(2,053)
Operating expenses	(7,976)	-	-	-	-	-	-	-	217	-	-	-	-	(7,759)
Core earnings	10,619	(35)	67	49	(28)	28	62	95	217	-	-	-	-	11,074
Impairment charges	(847)	-	-	-	-	-	-	-	-	-	-	-	-	(847)
Operating profit before tax	9,772	(35)	67	49	(28)	28	62	95	217	-	-	-	-	10,227
Income tax expense	(2,947)	35	(58)	(7)	8	(7)	(19)	(28)	(65)	-	-	-	-	(3,088)
Net profit	6,825	-	9	42	(20)	21	43	67	152	-	-	-	-	7,139
Net profit attributable to non-controlling interests	(74)	-	-	-	-	-	-	-	(2)	-	-	-	-	(76)
NET PROFIT ATTRIBUTABLE TO OWNERS OF WBC	6,751	-	9	42	(20)	21	43	67	150	-	-	-	-	7,063
WBC Cash Earnings adjustments:														
TPS revaluations	9	-	(9)	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	42	-	-	(42)	-	-	-	-	-	-	-	-	-	-
Ineffective hedges	(20)	-	-	-	20	-	-	-	-	-	-	-	-	-
Fair value on economic hedges	21	-	-	-	-	(21)	-	-	-	-	-	-	-	-
Buyback of government guaranteed debt	43	-	-	-	-	-	(43)	-	-	-	-	-	-	-
Fair value amortisation of financial instruments	67	-	-	-	-	-	-	(67)	-	-	-	-	-	-
Amortisation of intangible assets	150	-	-	-	-	-	-	-	(150)	-	-	-	-	-
Acquisition transaction and integration expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bell litigation provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Westpac Bicentennial Foundation grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior period tax provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash earnings	7,063	-	-	-	-	-	-	-	-	-	-	-	-	7,063

9.0 Economic profit

Six months to 30 September 2014 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Westpac Pacific
Reported Results								
Cash earnings adjustments								
Cash earnings								
Franking benefit								
Adjusted cash earnings								
Average ordinary equity								
Equity charge								
Economic profit								
Six months to 31 March 2014 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Westpac Pacific
Reported Results	3,622	1,251	713	427	2,391	752	393	65
Cash earnings adjustments	150	-	59	11	70	-	-	-
Cash earnings	3,772	1,251	772	438	2,461	752	393	65
Franking benefit	996	376	233	121	730	215	-	-
Adjusted cash earnings	4,768	1,627	1,005	559	3,191	967	393	65
Average ordinary equity	45,907	9,449	7,006	2,834	19,289	7,831	3,722	385
Equity charge	(2,518)	(518)	(384)	(155)	(1,057)	(430)	(204)	(21)
Economic profit	2,250	1,109	621	404	2,134	537	189	44
Twelve months to 30 September 2014 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Westpac Pacific
Reported Results								
Cash earnings adjustments								
Cash earnings								
Franking benefit								
Adjusted cash earnings								
Average ordinary equity								
Equity charge								
Economic profit								
Twelve months to 30 September 2013 \$m	Group	Westpac Retail & Business Banking	St.George Banking Group	BT Financial Group (Australia)	AFS	Westpac Institutional Bank	New Zealand	Westpac Pacific
Reported Results	6,751	2,355	1,264	751	4,370	1,575	632	143
Cash earnings adjustments	312	-	128	22	150	-	-	-
Cash earnings	7,063	2,355	1,392	773	4,520	1,575	632	143
Franking benefit	1,884	707	419	223	1,349	441	-	-
Adjusted cash earnings	8,947	3,062	1,811	996	5,869	2,016	632	143
Average ordinary equity	44,350	8,558	6,161	2,832	17,551	7,702	3,291	353
Equity charge	(4,879)	(941)	(678)	(312)	(1,931)	(847)	(362)	(39)
Economic profit	4,068	2,121	1,133	684	3,938	1,169	270	104