

# ASX Release

02 November 2018

## Finalisation of provisions for customer payments in FY18 and Westpac Group Full Year Financial Results template

Westpac Group has today confirmed that there will be no material changes to the composition of its financial results for Full Year 2018. Westpac is providing an update on two items.

- On the 27 September 2018, Westpac announced an estimate of provisions for customer payments and related costs that will impact its Full Year 2018 results. Following additional analysis and further regulatory engagement, the provisions/costs have now been finalised. They will reduce cash earnings in Full Year 2018 by \$281 million. This is \$46 million higher than estimated in the Group's initial release.

The following provisions will be reflected in the Group's income statement:

| Line items           | Consumer Bank   | BTFG            | Other          | Total           |
|----------------------|-----------------|-----------------|----------------|-----------------|
| Net interest income  | (\$99m)         | -               | (\$6m)         | (\$105m)        |
| Non-interest income  | (\$6m)          | (\$146m)        | (\$11m)        | (\$163m)        |
| Operating expenses   | (\$39m)         | (\$55m)         | (\$18m)        | (\$112m)        |
| <b>Core earnings</b> | <b>(\$144m)</b> | <b>(\$201m)</b> | <b>(\$35m)</b> | <b>(\$380m)</b> |
| Income tax expense   | \$34            | \$60m           | \$5m           | \$99m           |
| <b>Cash earnings</b> | <b>(\$110m)</b> | <b>(\$141m)</b> | <b>(\$30m)</b> | <b>(\$281m)</b> |

- In Westpac's First Half 2018 results, the Group indicated its intention to exit its infrastructure funds management business, Hastings Funds Management (Hastings). The exit has a small impact on cash earnings but a more significant impact on key line items.

The table below details the contribution of Hastings in 2018. It includes all revenue and expenses, including the costs/benefits of exiting Hastings.

| Line item            | First Half 2018 | Second Half 2018 | Full Year 2018 |
|----------------------|-----------------|------------------|----------------|
| Net interest income  | -               | \$1m             | \$1m           |
| Non-interest income  | \$23m           | \$180m           | \$203m         |
| Operating expenses   | (\$37m)         | (\$121m)         | (\$158m)       |
| <b>Core earnings</b> | <b>(\$14m)</b>  | <b>(\$60m)</b>   | <b>\$46m</b>   |
| Income tax expense   | \$12m           | (\$41m)          | (\$29m)        |
| <b>Cash earnings</b> | <b>(\$2m)</b>   | <b>\$19m</b>     | <b>\$17m</b>   |

### Template

In addition to the above, in Westpac's First Half 2018 results the Group implemented a number of changes to the presentation of divisional financial information. This included updating the Group's cost of funds transfer pricing methodology, allocating additional capital from Group Businesses to operating divisions, and realigning divisional earnings. These changes have no impact on the Group's overall results or balance sheet. Today's template provides restated FY17 disclosures.

Westpac is scheduled to announce its Full Year 2018 Financial Results on 5<sup>th</sup> November which will be available on the Westpac website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre).

Ends.

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# **2018 Full Year Financial Results Template**

## 1.1 Reported results

| \$m   | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| Net interest income   |                      | 8,278                 |                                |                      | 15,516               |                                 |
| Non-interest income   |                      | 2,875                 |                                |                      | 6,286                |                                 |
| Net operating income before operating expenses<br>and impairment charges    |                      | 11,153                |                                |                      | 21,802               |                                 |
| Operating expenses  |                      | (4,725)               |                                |                      | (9,434)              |                                 |
| <b>Net profit before impairment charges and income tax<br/>expense</b>      |                      | <b>6,428</b>          |                                |                      | <b>12,368</b>        |                                 |
| Impairment charges  |                      | (393)                 |                                |                      | (853)                |                                 |
| <b>Profit before income tax</b>   |                      | <b>6,035</b>          |                                |                      | <b>11,515</b>        |                                 |
| Income tax expense  |                      | (1,835)               |                                |                      | (3,518)              |                                 |
| <b>Net profit for the period</b>  |                      | <b>4,200</b>          |                                |                      | <b>7,997</b>         |                                 |
| Net profit attributable to non-controlling interests                        |                      | (2)                   |                                |                      | (7)                  |                                 |
| <b>NET PROFIT ATTRIBUTABLE TO OWNERS OF<br/>WESTPAC BANKING CORPORATION</b> |                      | <b>4,198</b>          |                                |                      | <b>7,990</b>         |                                 |

## 1.2 Key financial information

|  |                      |                       | % Mov't             |                      |                      | % Mov't              |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| <b>Shareholder value</b>   |                      |                       |                     |                      |                      |                      |
| Earnings per ordinary share (cents)                                |                      | 123.7                 |                     |                      | 238.0                |                      |
| Weighted average ordinary shares (millions)                        |                      | 3,392                 |                     |                      | 3,355                |                      |
| Fully franked dividends per ordinary share (cents)                 |                      | 94                    |                     |                      | 188                  |                      |
| Return on average ordinary equity                                  |                      | 13.79%                |                     |                      | 13.65%               |                      |
| Average ordinary equity (\$m)                                      |                      | 61,051                |                     |                      | 58,556               |                      |
| Average total equity (\$m)   |                      | 61,065                |                     |                      | 58,576               |                      |
| Net tangible asset per ordinary share (\$)                         |                      | 15.00                 |                     |                      | 14.66                |                      |
| <b>Business performance</b>  |                      |                       |                     |                      |                      |                      |
| Interest spread  |                      | 2.00%                 |                     |                      | 1.89%                |                      |
| Benefit of net non-interest bearing assets, liabilities and equity |                      | 0.16%                 |                     |                      | 0.17%                |                      |
| Net interest margin  |                      | 2.16%                 |                     |                      | 2.06%                |                      |
| Average interest-earning assets (\$m)                              |                      | 767,011               |                     |                      | 752,294              |                      |
| Expense to income ratio  |                      | 42.37%                |                     |                      | 43.27%               |                      |
| <b>Capital, funding and liquidity</b>                              |                      |                       |                     |                      |                      |                      |
| Common equity Tier 1 capital ratio                                 |                      |                       |                     |                      |                      |                      |
| - APRA Basel III   |                      | 10.50%                |                     |                      | 10.56%               |                      |
| - Internationally comparable                                       |                      | 16.13%                |                     |                      | 16.20%               |                      |
| Credit risk weighted assets (credit RWA) (\$m)                     |                      | 361,391               |                     |                      | 349,258              |                      |
| Total risk weighted assets (RWA) (\$m)                             |                      | 415,744               |                     |                      | 404,235              |                      |
| Liquidity coverage ratio (LCR)                                     |                      | 134%                  |                     |                      | 124%                 |                      |
| Net stable funding ratio (NSFR)                                    |                      | 112%                  |                     |                      | 109%                 |                      |
| <b>Asset quality</b>   |                      |                       |                     |                      |                      |                      |
| Gross impaired assets to gross loans                               |                      | 0.22%                 |                     |                      | 0.22%                |                      |
| Gross impaired assets to equity and total provisions               |                      | 2.33%                 |                     |                      | 2.39%                |                      |
| Gross impaired asset provisions to gross impaired assets           |                      | 45.54%                |                     |                      | 46.30%               |                      |
| Total committed exposures (TCE) (\$m)                              |                      | 1,023,017             |                     |                      | 1,005,882            |                      |
| Total stressed exposures as a % of TCE                             |                      | 1.09%                 |                     |                      | 1.05%                |                      |
| Total provisions to gross loans                                    |                      | 45bps                 |                     |                      | 45bps                |                      |
| Mortgage 90+ day delinquencies                                     |                      | 0.65%                 |                     |                      | 0.62%                |                      |
| Other consumer loans 90+ day delinquencies                         |                      | 1.64%                 |                     |                      | 1.57%                |                      |
| Collectively assessed provisions to credit RWA                     |                      | 75bps                 |                     |                      | 76bps                |                      |
| <b>Balance sheet (\$m)</b>   |                      |                       |                     |                      |                      |                      |
| Loans  |                      | 701,393               |                     |                      | 684,919              |                      |
| Total assets   |                      | 871,855               |                     |                      | 851,875              |                      |
| Deposits and other borrowings                                      |                      | 547,736               |                     |                      | 533,591              |                      |
| Total liabilities  |                      | 809,190               |                     |                      | 790,533              |                      |
| Total equity   |                      | 62,665                |                     |                      | 61,342               |                      |
| <b>Wealth Management</b>   |                      |                       |                     |                      |                      |                      |
| Average Group Funds (\$bn)   |                      | 217.3                 |                     |                      | 208.4                |                      |
| Life insurance in-force premiums (Australia)                       |                      | 1,276                 |                     |                      | 1,068                |                      |
| General insurance gross written premiums (Australia)               |                      | 251                   |                     |                      | 508                  |                      |

### 1.3 Cash earnings results

|  |                      |                       | % Mov't             |                      |                      | % Mov't              |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| Net interest income                                  |                      | 8,301                 |                     |                      | 15,704               |                      |
| Non-interest income                                  |                      | 2,850                 |                     |                      | 5,852                |                      |
| Net operating income                                 |                      | 11,151                |                     |                      | 21,556               |                      |
| Operating expenses                                   |                      | (4,654)               |                     |                      | (9,105)              |                      |
| <b>Core earnings</b>                                 |                      | <b>6,497</b>          |                     |                      | <b>12,451</b>        |                      |
| Impairment charges                                   |                      | (393)                 |                     |                      | (853)                |                      |
| <b>Operating profit before income tax</b>            |                      | <b>6,104</b>          |                     |                      | <b>11,598</b>        |                      |
| Income tax expense                                   |                      | (1,851)               |                     |                      | (3,529)              |                      |
| <b>Net profit</b>                                    |                      | <b>4,253</b>          |                     |                      | <b>8,069</b>         |                      |
| Net profit attributable to non-controlling interests |                      | (2)                   |                     |                      | (7)                  |                      |
| <b>Cash earnings</b>                                 |                      | <b>4,251</b>          |                     |                      | <b>8,062</b>         |                      |

#### 1.3.1 Key financial information - cash earnings basis

|  |                      |                       | % Mov't             |                      |                      | % Mov't              |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| <b>Shareholder value</b>   |                      |                       |                     |                      |                      |                      |
| Cash earnings per ordinary share (cents)                           |                      | 125.0                 |                     |                      | 239.7                |                      |
| Economic profit (\$m)  |                      | 2,049                 |                     |                      | 3,774                |                      |
| Weighted average ordinary shares (millions)                        |                      | 3,400                 |                     |                      | 3,364                |                      |
| Dividend payout ratio  |                      | 75.28%                |                     |                      | 78.71%               |                      |
| Cash earnings on average ordinary equity (ROE)                     |                      | 13.96%                |                     |                      | 13.77%               |                      |
| Cash earnings on average tangible ordinary equity (ROTE)           |                      | 16.60%                |                     |                      | 16.55%               |                      |
| Average ordinary equity (\$m)                                      |                      | 61,051                |                     |                      | 58,556               |                      |
| Average tangible ordinary equity (\$m)                             |                      | 51,344                |                     |                      | 48,725               |                      |
| <b>Business performance</b>  |                      |                       |                     |                      |                      |                      |
| Interest spread  |                      | 2.00%                 |                     |                      | 1.91%                |                      |
| Benefit of net non-interest bearing assets, liabilities and equity |                      | 0.17%                 |                     |                      | 0.18%                |                      |
| Net interest margin  |                      | 2.17%                 |                     |                      | 2.09%                |                      |
| Average interest-earning assets (\$m)                              |                      | 767,011               |                     |                      | 752,294              |                      |
| Expense to income ratio  |                      | 41.74%                |                     |                      | 42.24%               |                      |
| Full time equivalent employees (FTE)                               |                      | 35,720                |                     |                      | 35,096               |                      |
| Revenue per FTE (\$ '000's)  |                      | 315                   |                     |                      | 613                  |                      |
| Effective tax rate   |                      | 30.32%                |                     |                      | 30.43%               |                      |
| <b>Impairment charges</b>  |                      |                       |                     |                      |                      |                      |
| Impairment charges to average loans annualised                     |                      | 11bps                 |                     |                      | 13bps                |                      |
| Net write-offs to average loans annualised                         |                      | 13bps                 |                     |                      | 22bps                |                      |

## 2.2.1 Net interest income

|  |                      |                       | <i>% Mov't</i>      |                      |                      | <i>% Mov't</i>       |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| <b>Net interest income</b>                             |                      |                       |                     |                      |                      |                      |
| Net interest income excluding Treasury & Markets       |                      | 7,842                 |                     |                      | 14,981               |                      |
| Treasury net interest income                           |                      | 396                   |                     |                      | 652                  |                      |
| Market net interest income                             |                      | 63                    |                     |                      | 71                   |                      |
| Net interest income                                    |                      | <b>8,301</b>          |                     |                      | <b>15,704</b>        |                      |
| <b>Average interest-earning assets</b>                 |                      |                       |                     |                      |                      |                      |
| Loans  |                      | 651,943               |                     |                      | 633,821              |                      |
| Third party liquid assets                              |                      | 93,357                |                     |                      | 95,033               |                      |
| Other interest-earning assets                          |                      | 21,711                |                     |                      | 23,440               |                      |
| Average interest-earning assets                        |                      | <b>767,011</b>        |                     |                      | <b>752,294</b>       |                      |
| <b>Net interest margin</b>                             |                      |                       |                     |                      |                      |                      |
| Group net interest margin                              |                      | 2.17%                 |                     |                      | 2.09%                |                      |
| Group net interest margin excluding Treasury & Markets |                      | 2.05%                 |                     |                      | 1.99%                |                      |

## 2.2.6 Group funds

|   | As at<br>30 Sept<br>2018 | As at<br>31 March<br>2018 | As at<br>30 Sept<br>2017 | % Mov't<br>Sept 18 -<br>Mar 18 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---|--------------------------|---------------------------|--------------------------|--------------------------------|---------------------------------|
| <b>\$bn</b>   |                          |                           |                          |                                |                                 |
| Superannuation  |                          | 37.4                      | 36.2                     |                                |                                 |
| Platforms   |                          | 118.6                     | 115.3                    |                                |                                 |
| Packaged Funds  |                          | 38.0                      | 36.4                     |                                |                                 |
| Other   |                          | 3.7                       | 3.5                      |                                |                                 |
| New Zealand (A\$)   |                          | 9.7                       | 9.3                      |                                |                                 |
| <b>Total Group funds (excluding Westpac Institutional Bank)</b>           |                          | <b>207.4</b>              | <b>200.7</b>             |                                |                                 |
| Westpac Institutional Bank  |                          | 6.6                       | 12.5                     |                                |                                 |
| <b>Total Group funds</b>  |                          | <b>214.0</b>              | <b>213.2</b>             |                                |                                 |
| <b>Average funds for the Group (excluding Westpac Institutional Bank)</b> |                          | 207.6                     | 201.9                    |                                |                                 |
| Westpac Institutional Bank  |                          | 9.7                       | 12.0                     |                                |                                 |
| <b>Average funds for the Group</b>  |                          | <b>217.3</b>              | <b>213.9</b>             |                                |                                 |



### 2.4.1 Balance sheet

| \$m   | As at<br>30 Sept<br>2018 | As at<br>31 March<br>2018 | As at<br>30 Sept<br>2017 | % Mov't<br>Sept 18 -<br>Mar 18 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---|--------------------------|---------------------------|--------------------------|--------------------------------|---------------------------------|
| <b>Assets</b>   |                          |                           |                          |                                |                                 |
| Cash and balances with central banks  |                          | 21,580                    | 18,397                   |                                |                                 |
| Receivables due from other financial institutions   |                          | 3,977                     | 7,128                    |                                |                                 |
| Trading securities, other financial assets designated at fair value and available-for-sale securities |                          | 85,484                    | 86,034                   |                                |                                 |
| Derivative financial instruments  |                          | 26,904                    | 24,033                   |                                |                                 |
| Loans   |                          | 701,393                   | 684,919                  |                                |                                 |
| Life insurance assets   |                          | 10,481                    | 10,643                   |                                |                                 |
| Other assets  |                          | 22,036                    | 20,721                   |                                |                                 |
| <b>Total assets</b>   |                          | <b>871,855</b>            | <b>851,875</b>           |                                |                                 |
| <b>Liabilities</b>  |                          |                           |                          |                                |                                 |
| Payables due to other financial institutions  |                          | 19,073                    | 21,907                   |                                |                                 |
| Deposits and other borrowings   |                          | 547,736                   | 533,591                  |                                |                                 |
| Other financial liabilities at fair value through income statement                                    |                          | 5,590                     | 4,056                    |                                |                                 |
| Derivative financial instruments  |                          | 24,066                    | 25,375                   |                                |                                 |
| Debt issues   |                          | 174,138                   | 168,356                  |                                |                                 |
| Life insurance liabilities  |                          | 8,763                     | 9,019                    |                                |                                 |
| Loan capital  |                          | 18,333                    | 17,666                   |                                |                                 |
| Other liabilities   |                          | 11,491                    | 10,563                   |                                |                                 |
| <b>Total liabilities</b>  |                          | <b>809,190</b>            | <b>790,533</b>           |                                |                                 |
| <b>Equity</b>   |                          |                           |                          |                                |                                 |
| Total equity attributable to owners of Westpac Banking Corporation                                    |                          | 62,615                    | 61,288                   |                                |                                 |
| Non-controlling interests   |                          | 50                        | 54                       |                                |                                 |
| <b>Total equity</b>   |                          | <b>62,665</b>             | <b>61,342</b>            |                                |                                 |

### 3.1 Consumer Bank

|                                    |  | <b>Half Year</b> | <b>% Mov't</b>          | <b>Full Year</b> | <b>% Mov't</b>           |
|------------------------------------|--|------------------|-------------------------|------------------|--------------------------|
| <b>\$m</b>                         |  | <b>Sept 18</b>   | <b>Sept 18 - Mar 18</b> | <b>Sept 18</b>   | <b>Sept 18 - Sept 17</b> |
| Net interest income                |  | 4,040            |                         | 7,638            |                          |
| Non-interest income                |  | 377              |                         | 813              |                          |
| Net operating income               |  | 4,417            |                         | 8,451            |                          |
| Operating expenses                 |  | (1,730)          |                         | (3,378)          |                          |
| <b>Core earnings</b>               |  | <b>2,687</b>     |                         | <b>5,073</b>     |                          |
| Impairment charges                 |  | (233)            |                         | (565)            |                          |
| <b>Operating profit before tax</b> |  | <b>2,454</b>     |                         | <b>4,508</b>     |                          |
| Tax and non-controlling interests  |  | (737)            |                         | (1,353)          |                          |
| <b>Cash earnings</b>               |  | <b>1,717</b>     |                         | <b>3,155</b>     |                          |
| Economic profit                    |  | 1,266            |                         | 2,420            |                          |
| Expense to income ratio            |  | 39.17%           |                         | 39.97%           |                          |
| Net interest margin                |  | 2.37%            |                         | 2.31%            |                          |

|                                 | <b>As at</b>        | <b>As at</b>         | <b>% Mov't</b>          | <b>As at</b>        | <b>As at</b>        | <b>% Mov't</b>           |
|---------------------------------|---------------------|----------------------|-------------------------|---------------------|---------------------|--------------------------|
| <b>\$bn</b>                     | <b>30 Sept 2018</b> | <b>31 March 2018</b> | <b>Sept 18 - Mar 18</b> | <b>30 Sept 2018</b> | <b>30 Sept 2017</b> | <b>Sept 18 - Sept 17</b> |
| <b>Deposits</b>                 |                     |                      |                         |                     |                     |                          |
| Term deposits                   |                     | 58.1                 |                         |                     | 57.9                |                          |
| Other                           |                     | 141.3                |                         |                     | 138.6               |                          |
| <b>Total deposits</b>           |                     | <b>199.4</b>         |                         |                     | <b>196.5</b>        |                          |
| <b>Net loans</b>                |                     |                      |                         |                     |                     |                          |
| Mortgages                       |                     | 366.0                |                         |                     | 357.4               |                          |
| Other                           |                     | 13.6                 |                         |                     | 13.9                |                          |
| Provisions                      |                     | (0.9)                |                         |                     | (0.9)               |                          |
| <b>Total net loans</b>          |                     | <b>378.7</b>         |                         |                     | <b>370.4</b>        |                          |
| Deposit to loan ratio           |                     | 52.65%               |                         |                     | 53.05%              |                          |
| <b>Total assets</b>             |                     | <b>386.0</b>         |                         |                     | <b>377.5</b>        |                          |
| TCE                             |                     | 441.1                |                         |                     | 432.3               |                          |
| Average interest-earning assets |                     | 341.6                |                         |                     | 330.1               |                          |

|  | <b>As at</b>        | <b>As at</b>         | <b>As at</b>        | <b>As at</b>         |
|--|---------------------|----------------------|---------------------|----------------------|
|  | <b>30 Sept 2018</b> | <b>31 March 2018</b> | <b>30 Sept 2017</b> | <b>31 March 2017</b> |
| <b>Credit quality</b>                          |                     |                      |                     |                      |
| Impairment charges to average loans annualised |                     | 0.12%                | 0.16%               | 0.15%                |
| Mortgage 90+ day delinquencies                 |                     | 0.73%                | 0.71%               | 0.72%                |
| Other consumer loans 90+ day delinquencies     |                     | 1.65%                | 1.64%               | 1.86%                |
| Total stressed assets to TCE                   |                     | 0.65%                | 0.64%               | 0.66%                |

### 3.2 Business Bank

|                                    |                      |                       | % Mov't             |                      |                      | % Mov't              |
|------------------------------------|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m                                | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| Net interest income                |                      | 2,021                 |                     |                      | 3,885                |                      |
| Non-interest income                |                      | 589                   |                     |                      | 1,141                |                      |
| Net operating income               |                      | 2,610                 |                     |                      | 5,026                |                      |
| Operating expenses                 |                      | (930)                 |                     |                      | (1,818)              |                      |
| <b>Core earnings</b>               |                      | <b>1,680</b>          |                     |                      | <b>3,208</b>         |                      |
| Impairment charges                 |                      | (137)                 |                     |                      | (343)                |                      |
| <b>Operating profit before tax</b> |                      | <b>1,543</b>          |                     |                      | <b>2,865</b>         |                      |
| Tax and non-controlling interests  |                      | (463)                 |                     |                      | (862)                |                      |
| <b>Cash earnings</b>               |                      | <b>1,080</b>          |                     |                      | <b>2,003</b>         |                      |
| Economic profit                    |                      | 717                   |                     |                      | 1,300                |                      |
| Expense to income ratio            |                      | 35.63%                |                     |                      | 36.17%               |                      |
| Net interest margin                |                      | 2.78%                 |                     |                      | 2.72%                |                      |

|                                 | As at<br>30 Sept<br>2018 | As at<br>31 March<br>2018 | % Mov't<br>Sept 18 -<br>Mar 18 | As at<br>30 Sept<br>2018 | As at<br>30 Sept<br>2017 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---------------------------------|--------------------------|---------------------------|--------------------------------|--------------------------|--------------------------|---------------------------------|
| <b>\$bn</b>                     |                          |                           |                                |                          |                          |                                 |
| <b>Deposits</b>                 |                          |                           |                                |                          |                          |                                 |
| Term deposits                   |                          | 45.0                      |                                |                          | 43.7                     |                                 |
| Other                           |                          | 63.3                      |                                |                          | 63.3                     |                                 |
| <b>Total deposits</b>           |                          | <b>108.3</b>              |                                |                          | <b>107.0</b>             |                                 |
| <b>Net loans</b>                |                          |                           |                                |                          |                          |                                 |
| Mortgages                       |                          | 54.7                      |                                |                          | 53.9                     |                                 |
| Business                        |                          | 89.5                      |                                |                          | 87.9                     |                                 |
| Other                           |                          | 8.6                       |                                |                          | 8.7                      |                                 |
| Provisions                      |                          | (1.1)                     |                                |                          | (1.1)                    |                                 |
| <b>Total net loans</b>          |                          | <b>151.7</b>              |                                |                          | <b>149.4</b>             |                                 |
| Deposit to loan ratio           |                          | 71.39%                    |                                |                          | 71.62%                   |                                 |
| <b>Total assets</b>             |                          | <b>155.0</b>              |                                |                          | <b>153.1</b>             |                                 |
| TCE                             |                          | 199.8                     |                                |                          | 199.1                    |                                 |
| Average interest-earning assets |                          | 145.8                     |                                |                          | 142.8                    |                                 |

|  | As at<br>30 Sept<br>2018 | As at<br>31 March<br>2018 | As at<br>30 Sept<br>2017 | As at<br>31 March<br>2017 |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| <b>Credit quality</b>                          |                          |                           |                          |                           |
| Impairment charges to average loans annualised |                          | 0.18%                     | 0.19%                    | 0.27%                     |
| Mortgage 90+ day delinquencies                 |                          | 0.64%                     | 0.60%                    | 0.55%                     |
| Other consumer loans 90+ day delinquencies     |                          | 1.81%                     | 1.68%                    | 1.32%                     |
| Business: impaired assets to TCE               |                          | 0.48%                     | 0.47%                    | 0.63%                     |
| Total stressed assets to TCE                   |                          | 2.48%                     | 2.13%                    | 2.29%                     |

### 3.3 BT Financial Group (Australia)

|                                    | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|------------------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>                         |                      |                       |                                |                      |                      |                                 |
| Net interest income                |                      | 285                   |                                |                      | 511                  |                                 |
| Non-interest income                |                      | 898                   |                                |                      | 1,744                |                                 |
| Net operating income               |                      | 1,183                 |                                |                      | 2,255                |                                 |
| Operating expenses                 |                      | (601)                 |                                |                      | (1,199)              |                                 |
| <b>Core earnings</b>               |                      | <b>582</b>            |                                |                      | <b>1,056</b>         |                                 |
| Impairment charges                 |                      | (3)                   |                                |                      | (4)                  |                                 |
| <b>Operating profit before tax</b> |                      | <b>579</b>            |                                |                      | <b>1,052</b>         |                                 |
| Tax and non-controlling interests  |                      | (175)                 |                                |                      | (316)                |                                 |
| <b>Cash earnings</b>               |                      | <b>404</b>            |                                |                      | <b>736</b>           |                                 |
| Economic profit                    |                      | 332                   |                                |                      | 565                  |                                 |
| Expense to income ratio            |                      | 50.80%                |                                |                      | 53.17%               |                                 |
| Income on invested capital         |                      | 25                    |                                |                      | 66                   |                                 |

  

|                        | As at<br>30 Sept<br>2018 | As at<br>31 March<br>2018 | % Mov't<br>Sept 18 -<br>Mar 18 | As at<br>30 Sept<br>2018 | As at<br>30 Sept<br>2017 | % Mov't<br>Sept 18 -<br>Sept 17 |
|------------------------|--------------------------|---------------------------|--------------------------------|--------------------------|--------------------------|---------------------------------|
| <b>\$bn</b>            |                          |                           |                                |                          |                          |                                 |
| Deposits               |                          | 31.7                      |                                |                          | 30.7                     |                                 |
| <b>Net loans</b>       |                          |                           |                                |                          |                          |                                 |
| Loans                  |                          | 20.8                      |                                |                          | 20.1                     |                                 |
| Provisions             |                          | -                         |                                |                          | -                        |                                 |
| <b>Total net loans</b> |                          | <b>20.8</b>               |                                |                          | <b>20.1</b>              |                                 |
| Deposit to loan ratio  |                          | 152.40%                   |                                |                          | 152.74%                  |                                 |
| Total funds            |                          | 197.7                     |                                |                          | 191.4                    |                                 |
| Average funds          |                          | 198.2                     |                                |                          | 188.0                    |                                 |

  

|                                      | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|--------------------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>Cash earnings</b>                 |                      |                       |                                |                      |                      |                                 |
| <b>\$m</b>                           |                      |                       |                                |                      |                      |                                 |
| Funds Management business            |                      | 253                   |                                |                      | 413                  |                                 |
| Insurance                            |                      | 133                   |                                |                      | 290                  |                                 |
| Total Funds Management and Insurance |                      | 386                   |                                |                      | 703                  |                                 |
| Capital and other                    |                      | 18                    |                                |                      | 33                   |                                 |
| <b>Total cash earnings</b>           |                      | <b>404</b>            |                                |                      | <b>736</b>           |                                 |

### 3.3.1 Funds Management business

|                                    | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|------------------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>                         |                      |                       |                                |                      |                      |                                 |
| Net interest income                |                      | 281                   |                                |                      | 496                  |                                 |
| Non-interest income                |                      | 631                   |                                |                      | 1,183                |                                 |
| Net operating income               |                      | 912                   |                                |                      | 1,679                |                                 |
| Operating expenses                 |                      | (544)                 |                                |                      | (1,084)              |                                 |
| <b>Core earnings</b>               |                      | <b>368</b>            |                                |                      | <b>595</b>           |                                 |
| Impairment charges                 |                      | (4)                   |                                |                      | (3)                  |                                 |
| <b>Operating profit before tax</b> |                      | <b>364</b>            |                                |                      | <b>592</b>           |                                 |
| Tax and non-controlling interests  |                      | (111)                 |                                |                      | (179)                |                                 |
| <b>Cash earnings</b>               |                      | <b>253</b>            |                                |                      | <b>413</b>           |                                 |
| Expense to income ratio            |                      | 59.65%                |                                |                      | 64.56%               |                                 |

### Movement of FUM / FUA

|                    | As at<br>30 Sept<br>2018 | Inflows | Outflows | Net<br>Flows | Other<br>Mov't | As at<br>30 Sept<br>2017 | % Mov't<br>Sept 18 -<br>Sept 17 | As at<br>31 March<br>2018 | % Mov't<br>Sept 18 -<br>Mar 18 |
|--------------------|--------------------------|---------|----------|--------------|----------------|--------------------------|---------------------------------|---------------------------|--------------------------------|
| <b>\$bn</b>        |                          |         |          |              |                |                          |                                 |                           |                                |
| Superannuation     |                          |         |          |              |                | 36.2                     |                                 | 37.4                      |                                |
| Platforms          |                          |         |          |              |                | 115.3                    |                                 | 118.6                     |                                |
| Packaged funds     |                          |         |          |              |                | 36.4                     |                                 | 38.0                      |                                |
| Other              |                          |         |          |              |                | 3.5                      |                                 | 3.7                       |                                |
| <b>Total funds</b> |                          |         |          |              |                | <b>191.4</b>             |                                 | <b>197.7</b>              |                                |

### 3.3.2 Insurance business

|                                    | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|------------------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>                         |                      |                       |                                |                      |                      |                                 |
| Net interest income                |                      | 3                     |                                |                      | 10                   |                                 |
| Non-interest income                |                      | 243                   |                                |                      | 499                  |                                 |
| Net operating income               |                      | 246                   |                                |                      | 509                  |                                 |
| Operating expenses                 |                      | (55)                  |                                |                      | (99)                 |                                 |
| <b>Core earnings</b>               |                      | <b>191</b>            |                                |                      | <b>410</b>           |                                 |
| Impairment (charges) / benefits    |                      | -                     |                                |                      | -                    |                                 |
| <b>Operating profit before tax</b> |                      | <b>191</b>            |                                |                      | <b>410</b>           |                                 |
| Tax and non-controlling interests  |                      | (58)                  |                                |                      | (120)                |                                 |
| <b>Cash earnings</b>               |                      | <b>133</b>            |                                |                      | <b>290</b>           |                                 |
| Expense to income ratio            |                      | 22.36%                |                                |                      | 19.45%               |                                 |

|                            | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|----------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>                 |                      |                       |                                |                      |                      |                                 |
| Life Insurance             |                      | 75                    |                                |                      | 160                  |                                 |
| General Insurance          |                      | 43                    |                                |                      | 91                   |                                 |
| Lenders Mortgage Insurance |                      | 15                    |                                |                      | 39                   |                                 |
| <b>Total cash earnings</b> |                      | <b>133</b>            |                                |                      | <b>290</b>           |                                 |

### Insurance key metrics

| Life Insurance in-force premiums                         | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|--|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>   |                      |                       |                                |                      |                      |                                 |
| Life Insurance in-force premiums at start of period      |                      | 1,068                 |                                |                      | 973                  |                                 |
| Sales / New Business                                     |                      | 283                   |                                |                      | 234                  |                                 |
| Lapses   |                      | (75)                  |                                |                      | (139)                |                                 |
| <b>Life Insurance in-force premiums at end of period</b> |                      | <b>1,276</b>          |                                |                      | <b>1,068</b>         |                                 |

| Claims ratios for Insurance Business | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|--------------------------------------|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| (%)                                  |                      |                       |                                |                      |                      |                                 |
| Life Insurance                       |                      | 44                    |                                |                      | 37                   |                                 |
| General Insurance                    |                      | 54                    |                                |                      | 53                   |                                 |
| Lenders Mortgage Insurance           |                      | 20                    |                                |                      | 17                   |                                 |

| Gross written premiums                           | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|--|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>\$m</b>                                       |                      |                       |                                |                      |                      |                                 |
| General Insurance gross written premium          |                      | 251                   |                                |                      | 508                  |                                 |
| Lenders Mortgage Insurance gross written premium |                      | 90                    |                                |                      | 250                  |                                 |

### 3.4 Westpac Institutional Bank

|                                    |                              |                               | <i>% Mov't</i>              |                              |                              | <i>% Mov't</i>               |
|------------------------------------|------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>\$m</b>                         | <b>Half Year<br/>Sept 18</b> | <b>Half Year<br/>March 18</b> | <b>Sept 18 -<br/>Mar 18</b> | <b>Full Year<br/>Sept 18</b> | <b>Full Year<br/>Sept 17</b> | <b>Sept 18 -<br/>Sept 17</b> |
| Net interest income                |                              | 675                           |                             |                              | 1,328                        |                              |
| Non-interest income                |                              | 749                           |                             |                              | 1,707                        |                              |
| Net operating income               |                              | 1,424                         |                             |                              | 3,035                        |                              |
| Operating expenses                 |                              | (675)                         |                             |                              | (1,351)                      |                              |
| <b>Core earnings</b>               |                              | <b>749</b>                    |                             |                              | <b>1,684</b>                 |                              |
| Impairment (charges) / benefits    |                              | 17                            |                             |                              | (56)                         |                              |
| <b>Operating profit before tax</b> |                              | <b>766</b>                    |                             |                              | <b>1,628</b>                 |                              |
| Tax and non-controlling interests  |                              | (215)                         |                             |                              | (469)                        |                              |
| <b>Cash earnings</b>               |                              | <b>551</b>                    |                             |                              | <b>1,159</b>                 |                              |
| Economic profit                    |                              | 224                           |                             |                              | 467                          |                              |
| Expense to income ratio            |                              | 47.40%                        |                             |                              | 44.51%                       |                              |
| Net interest margin                |                              | 1.58%                         |                             |                              | 1.59%                        |                              |

|   |                                   |                                    | <i>% Mov't</i>              |                                   |                                   | <i>% Mov't</i>               |
|---|-----------------------------------|------------------------------------|-----------------------------|-----------------------------------|-----------------------------------|------------------------------|
| <b>\$bn</b>   | <b>As at<br/>30 Sept<br/>2018</b> | <b>As at<br/>31 March<br/>2018</b> | <b>Sept 18 -<br/>Mar 18</b> | <b>As at<br/>30 Sept<br/>2018</b> | <b>As at<br/>30 Sept<br/>2017</b> | <b>Sept 18 -<br/>Sept 17</b> |
| Deposits  |                                   | 98.9                               |                             |                                   | 92.1                              |                              |
| <b>Net loans</b>  |                                   |                                    |                             |                                   |                                   |                              |
| Loans   |                                   | 76.4                               |                             |                                   | 74.4                              |                              |
| Provisions  |                                   | (0.3)                              |                             |                                   | (0.3)                             |                              |
| <b>Total net loans</b>                                      |                                   | <b>76.1</b>                        |                             |                                   | <b>74.1</b>                       |                              |
| Deposit to loan ratio                                       |                                   | 129.96%                            |                             |                                   | 124.29%                           |                              |
| Total assets  |                                   | 104.8                              |                             |                                   | 103.1                             |                              |
| TCE   |                                   | 251.2                              |                             |                                   | 249.1                             |                              |
| Average interest-earning assets                             |                                   | 85.9                               |                             |                                   | 83.6                              |                              |
| Impairment charges / (benefits) to average loans annualised |                                   | (0.05%)                            |                             |                                   | 0.08%                             |                              |
| Impaired assets to TCE                                      |                                   | 0.04%                              |                             |                                   | 0.07%                             |                              |
| Total stressed assets to TCE                                |                                   | 0.52%                              |                             |                                   | 0.55%                             |                              |
| Total funds   |                                   | 6.6                                |                             |                                   | 12.5                              |                              |

#### Revenue contribution

|                                  |                              |                               | <i>% Mov't</i>              |                              |                              | <i>% Mov't</i>               |
|----------------------------------|------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>\$m</b>                       | <b>Half Year<br/>Sept 18</b> | <b>Half Year<br/>March 18</b> | <b>Sept 18 -<br/>Mar 18</b> | <b>Full Year<br/>Sept 18</b> | <b>Full Year<br/>Sept 17</b> | <b>Sept 18 -<br/>Sept 17</b> |
| Lending and deposit revenue      |                              | 790                           |                             |                              | 1,549                        |                              |
| Markets, sales and fee income    |                              | 451                           |                             |                              | 951                          |                              |
| <b>Total customer revenue</b>    |                              | <b>1,241</b>                  |                             |                              | <b>2,500</b>                 |                              |
| Derivative valuation adjustments |                              | -                             |                             |                              | 46                           |                              |
| Trading revenue                  |                              | 161                           |                             |                              | 317                          |                              |
| Hastings                         |                              | 23                            |                             |                              | 93                           |                              |
| Other                            |                              | (1)                           |                             |                              | 79                           |                              |
| <b>Total WIB revenue</b>         |                              | <b>1,424</b>                  |                             |                              | <b>3,035</b>                 |                              |

### 3.5 Westpac New Zealand

|                                    |                              |                               | <i>% Mov't</i>              |                              |                              | <i>% Mov't</i>               |
|------------------------------------|------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>NZ\$m</b>                       | <b>Half Year<br/>Sept 18</b> | <b>Half Year<br/>March 18</b> | <b>Sept 18 -<br/>Mar 18</b> | <b>Full Year<br/>Sept 18</b> | <b>Full Year<br/>Sept 17</b> | <b>Sept 18 -<br/>Sept 17</b> |
| Net interest income                |                              | 922                           |                             |                              | 1,738                        |                              |
| Non-interest income                |                              | 244                           |                             |                              | 511                          |                              |
| Net operating income               |                              | 1,166                         |                             |                              | 2,249                        |                              |
| Operating expenses                 |                              | (468)                         |                             |                              | (962)                        |                              |
| <b>Core earnings</b>               |                              | <b>698</b>                    |                             |                              | <b>1,287</b>                 |                              |
| Impairment (charges) / benefits    |                              | (27)                          |                             |                              | 76                           |                              |
| <b>Operating profit before tax</b> |                              | <b>671</b>                    |                             |                              | <b>1,363</b>                 |                              |
| Tax and non-controlling interests  |                              | (189)                         |                             |                              | (392)                        |                              |
| <b>Cash earnings</b>               |                              | <b>482</b>                    |                             |                              | <b>971</b>                   |                              |
| Economic profit                    |                              | 207                           |                             |                              | 431                          |                              |
| Expense to income ratio            |                              | 40.14%                        |                             |                              | 42.77%                       |                              |
| Net interest margin                |                              | 2.15%                         |                             |                              | 2.03%                        |                              |

|                                 | <b>As at<br/>30 Sept<br/>2018</b> | <b>As at<br/>31 March<br/>2018</b> | <i>% Mov't</i><br><b>Sept 18 -<br/>Mar 18</b> | <b>As at<br/>30 Sept<br/>2018</b> | <b>As at<br/>30 Sept<br/>2017</b> | <i>% Mov't</i><br><b>Sept 18 -<br/>Sept 17</b> |
|---------------------------------|-----------------------------------|------------------------------------|---|-----------------------------------|-----------------------------------|--|
| <b>NZ\$bn</b>                   |                                   |                                    |   |                                   |                                   |  |
| <b>Deposits</b>                 |                                   |                                    |   |                                   |                                   |  |
| Term deposits                   |                                   | 31.6                               |   |                                   | 30.0                              |  |
| Other                           |                                   | 30.0                               |   |                                   | 28.4                              |  |
| <b>Total deposits</b>           |                                   | <b>61.6</b>                        |   |                                   | <b>58.4</b>                       |  |
| <b>Net loans</b>                |                                   |                                    |   |                                   |                                   |  |
| Mortgages                       |                                   | 47.9                               |   |                                   | 46.9                              |  |
| Business                        |                                   | 29.5                               |   |                                   | 28.6                              |  |
| Other                           |                                   | 2.1                                |   |                                   | 2.2                               |  |
| Provisions                      |                                   | (0.4)                              |   |                                   | (0.4)                             |  |
| <b>Total net loans</b>          |                                   | <b>79.1</b>                        |   |                                   | <b>77.3</b>                       |  |
| Deposit to loan ratio           |                                   | 77.88%                             |   |                                   | 75.55%                            |  |
| <b>Total assets</b>             |                                   | <b>89.8</b>                        |   |                                   | <b>88.3</b>                       |  |
| TCE                             |                                   | 111.7                              |   |                                   | 108.8                             |  |
| Third party liquid assets       |                                   | 8.6                                |   |                                   | 8.7                               |  |
| Average interest-earning assets |                                   | 86.0                               |   |                                   | 85.8                              |  |
| Total funds                     |                                   | 10.3                               |   |                                   | 10.1                              |  |

|   | <b>As at<br/>30 Sept<br/>2018</b> | <b>As at<br/>31 March<br/>2018</b> | <b>As at<br/>30 Sept<br/>2017</b> | <b>As at<br/>31 March<br/>2017</b> |
|---|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| <b>Credit quality</b>                                       |                                   |                                    |                                   |                                    |
| Impairment charges / (benefits) to average loans annualised |                                   | 0.07%                              | (0.10%)                           | (0.09%)                            |
| Mortgage 90+ day delinquencies                              |                                   | 0.16%                              | 0.12%                             | 0.14%                              |
| Other consumer loans 90+ day delinquencies                  |                                   | 0.86%                              | 0.57%                             | 0.58%                              |
| Impaired assets to TCE                                      |                                   | 0.21%                              | 0.18%                             | 0.20%                              |
| Total stressed assets to TCE                                |                                   | 1.86%                              | 2.06%                             | 2.41%                              |

### 3.6 Group Businesses

|                                    |           |            | <i>% Mov't</i> |           |            | <i>% Mov't</i> |
|------------------------------------|-----------|------------|----------------|-----------|------------|----------------|
|                                    | Half Year | Half Year  | Sept 18 -      | Full Year | Full Year  | Sept 18 -      |
| \$m                                | Sept 18   | March 18   | Mar 18         | Sept 18   | Sept 17    | Sept 17        |
| Net interest income                |           | 437        |                |           | 713        |                |
| Non-interest income                |           | 13         |                |           | (33)       |                |
| Net operating income               |           | 450        |                |           | 680        |                |
| Operating expenses                 |           | (289)      |                |           | (456)      |                |
| <b>Core earnings</b>               |           | <b>161</b> |                |           | <b>224</b> |                |
| Impairment (charges) / benefits    |           | (13)       |                |           | 43         |                |
| <b>Operating profit before tax</b> |           | <b>148</b> |                |           | <b>267</b> |                |
| Tax and non-controlling interests  |           | (90)       |                |           | (175)      |                |
| <b>Cash earnings</b>               |           | <b>58</b>  |                |           | <b>92</b>  |                |

  

|                      |           |            | <i>% Mov't</i> |           |            | <i>% Mov't</i> |
|----------------------|-----------|------------|----------------|-----------|------------|----------------|
|                      | Half Year | Half Year  | Sept 18 -      | Full Year | Full Year  | Sept 18 -      |
| \$m                  | Sept 18   | March 18   | Mar 18         | Sept 18   | Sept 17    | Sept 17        |
| Net interest income  |           | 406        |                |           | 675        |                |
| Non-interest income  |           | 6          |                |           | 8          |                |
| Net operating income |           | 412        |                |           | 683        |                |
| <b>Cash earnings</b> |           | <b>269</b> |                |           | <b>436</b> |                |



Note 2. Segment reporting

| Half Year Sept 18  |               |               |                                |                            |                           |                  |       |
|--|---------------|---------------|--------------------------------|----------------------------|---------------------------|------------------|-------|
|  | Consumer Bank | Business Bank | BT Financial Group (Australia) | Westpac Institutional Bank | Westpac New Zealand (A\$) | Group Businesses | Group |
| <b>\$m</b>   |               |               |                                |                            |                           |                  |       |
| Net interest income  |               |               |                                |                            |                           |                  |       |
| Non-interest income  |               |               |                                |                            |                           |                  |       |
| <b>Net operating income before operating expenses and impairment charges</b>           |               |               |                                |                            |                           |                  |       |
| Operating expenses   |               |               |                                |                            |                           |                  |       |
| Impairment (charges) / benefits  |               |               |                                |                            |                           |                  |       |
| <b>Profit before income tax</b>  |               |               |                                |                            |                           |                  |       |
| Income tax expense   |               |               |                                |                            |                           |                  |       |
| Net profit attributable to non-controlling interests                                   |               |               |                                |                            |                           |                  |       |
| <b>Cash earnings for the period</b>  |               |               |                                |                            |                           |                  |       |
| Net cash earnings adjustments  |               |               |                                |                            |                           |                  |       |
| <b>Net profit for the period attributable to owners of Westpac Banking Corporation</b> |               |               |                                |                            |                           |                  |       |
| <b>Total assets</b>  |               |               |                                |                            |                           |                  |       |
| <b>Total liabilities</b>   |               |               |                                |                            |                           |                  |       |

| Half Year March 18   |                |                |                                |                            |                           |                  |                |
|--|----------------|----------------|--------------------------------|----------------------------|---------------------------|------------------|----------------|
|  | Consumer Bank  | Business Bank  | BT Financial Group (Australia) | Westpac Institutional Bank | Westpac New Zealand (A\$) | Group Businesses | Group          |
| <b>\$m</b>   |                |                |                                |                            |                           |                  |                |
| Net interest income  | 4,040          | 2,021          | 285                            | 675                        | 843                       | 437              | 8,301          |
| Non-interest income  | 377            | 589            | 898                            | 749                        | 224                       | 13               | 2,850          |
| <b>Net operating income before operating expenses and impairment charges</b>           | <b>4,417</b>   | <b>2,610</b>   | <b>1,183</b>                   | <b>1,424</b>               | <b>1,067</b>              | <b>450</b>       | <b>11,151</b>  |
| Operating expenses   | (1,730)        | (930)          | (601)                          | (675)                      | (429)                     | (289)            | (4,654)        |
| Impairment (charges) / benefits  | (233)          | (137)          | (3)                            | 17                         | (24)                      | (13)             | (393)          |
| <b>Profit before income tax</b>  | <b>2,454</b>   | <b>1,543</b>   | <b>579</b>                     | <b>766</b>                 | <b>614</b>                | <b>148</b>       | <b>6,104</b>   |
| Income tax expense   | (737)          | (463)          | (175)                          | (212)                      | (173)                     | (91)             | (1,851)        |
| Net profit attributable to non-controlling interests                                   | -              | -              | -                              | (3)                        | -                         | 1                | (2)            |
| <b>Cash earnings for the period</b>  | <b>1,717</b>   | <b>1,080</b>   | <b>404</b>                     | <b>551</b>                 | <b>441</b>                | <b>58</b>        | <b>4,251</b>   |
| Net cash earnings adjustments  | (15)           | (2)            | -                              | -                          | 10                        | (46)             | (53)           |
| <b>Net profit for the period attributable to owners of Westpac Banking Corporation</b> | <b>1,702</b>   | <b>1,078</b>   | <b>404</b>                     | <b>551</b>                 | <b>451</b>                | <b>12</b>        | <b>4,198</b>   |
| <b>Total assets</b>  | <b>385,959</b> | <b>154,969</b> | <b>35,806</b>                  | <b>104,766</b>             | <b>84,285</b>             | <b>106,070</b>   | <b>871,855</b> |
| <b>Total liabilities</b>   | <b>203,801</b> | <b>111,486</b> | <b>42,058</b>                  | <b>124,130</b>             | <b>73,801</b>             | <b>253,914</b>   | <b>809,190</b> |

| Full Year Sept 18  |               |               |                                |                            |                           |                  |       |
|--|---------------|---------------|--------------------------------|----------------------------|---------------------------|------------------|-------|
|  | Consumer Bank | Business Bank | BT Financial Group (Australia) | Westpac Institutional Bank | Westpac New Zealand (A\$) | Group Businesses | Group |
| <b>\$m</b>   |               |               |                                |                            |                           |                  |       |
| Net interest income  |               |               |                                |                            |                           |                  |       |
| Non-interest income  |               |               |                                |                            |                           |                  |       |
| <b>Net operating income before operating expenses and impairment charges</b>           |               |               |                                |                            |                           |                  |       |
| Operating expenses   |               |               |                                |                            |                           |                  |       |
| Impairment (charges) / benefits  |               |               |                                |                            |                           |                  |       |
| <b>Profit before income tax</b>  |               |               |                                |                            |                           |                  |       |
| Income tax expense   |               |               |                                |                            |                           |                  |       |
| Net profit attributable to non-controlling interests                                   |               |               |                                |                            |                           |                  |       |
| <b>Cash earnings for the period</b>  |               |               |                                |                            |                           |                  |       |
| Net cash earnings adjustments  |               |               |                                |                            |                           |                  |       |
| <b>Net profit for the period attributable to owners of Westpac Banking Corporation</b> |               |               |                                |                            |                           |                  |       |
| <b>Total assets</b>  |               |               |                                |                            |                           |                  |       |
| <b>Total liabilities</b>   |               |               |                                |                            |                           |                  |       |

| Full Year Sept 17  |                |                |                                |                            |                           |                  |                |
|--|----------------|----------------|--------------------------------|----------------------------|---------------------------|------------------|----------------|
|  | Consumer Bank  | Business Bank  | BT Financial Group (Australia) | Westpac Institutional Bank | Westpac New Zealand (A\$) | Group Businesses | Group          |
| <b>\$m</b>   |                |                |                                |                            |                           |                  |                |
| Net interest income  | 7,638          | 3,885          | 511                            | 1,328                      | 1,629                     | 713              | 15,704         |
| Non-interest income  | 813            | 1,141          | 1,744                          | 1,707                      | 480                       | (33)             | 5,852          |
| <b>Net operating income before operating expenses and impairment charges</b>           | <b>8,451</b>   | <b>5,026</b>   | <b>2,255</b>                   | <b>3,035</b>               | <b>2,109</b>              | <b>680</b>       | <b>21,556</b>  |
| Operating expenses   | (3,378)        | (1,818)        | (1,199)                        | (1,351)                    | (903)                     | (456)            | (9,105)        |
| Impairment (charges) / benefits  | (565)          | (343)          | (4)                            | (56)                       | 72                        | 43               | (853)          |
| <b>Profit before income tax</b>  | <b>4,508</b>   | <b>2,865</b>   | <b>1,052</b>                   | <b>1,628</b>               | <b>1,278</b>              | <b>267</b>       | <b>11,598</b>  |
| Income tax expense   | (1,353)        | (862)          | (316)                          | (462)                      | (361)                     | (175)            | (3,529)        |
| Net profit attributable to non-controlling interests                                   | -              | -              | -                              | (7)                        | -                         | -                | (7)            |
| <b>Cash earnings for the period</b>  | <b>3,155</b>   | <b>2,003</b>   | <b>736</b>                     | <b>1,159</b>               | <b>917</b>                | <b>92</b>        | <b>8,062</b>   |
| Net cash earnings adjustments  | (116)          | (10)           | 160                            | -                          | (14)                      | (92)             | (72)           |
| <b>Net profit for the period attributable to owners of Westpac Banking Corporation</b> | <b>3,039</b>   | <b>1,993</b>   | <b>896</b>                     | <b>1,159</b>               | <b>903</b>                | <b>-</b>         | <b>7,990</b>   |
| <b>Total assets</b>  | <b>377,457</b> | <b>153,078</b> | <b>35,237</b>                  | <b>103,080</b>             | <b>81,285</b>             | <b>101,738</b>   | <b>851,875</b> |
| <b>Total liabilities</b>   | <b>202,689</b> | <b>111,385</b> | <b>41,431</b>                  | <b>118,875</b>             | <b>71,432</b>             | <b>244,721</b>   | <b>790,533</b> |

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

|  | Half Year<br>Sept 18 | Half Year<br>March 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 |
|--|----------------------|-----------------------|----------------------|----------------------|
| <b>Group</b>   |                      |                       |                      |                      |
| Average interest-earning assets (\$m)                              |                      | 767,011               |                      | 752,294              |
| Net interest income (\$m)  |                      | 8,301                 |                      | 15,704               |
| Interest spread  |                      | 2.00%                 |                      | 1.91%                |
| Benefit of net non-interest bearing assets, liabilities and equity |                      | 0.17%                 |                      | 0.18%                |
| Net interest margin  |                      | 2.17%                 |                      | 2.09%                |
| <b>Analysis by division</b>  |                      |                       |                      |                      |
| <b>Average interest-earning assets (\$m)</b>                       |                      |                       |                      |                      |
| Consumer Bank  |                      | 341,604               |                      | 330,114              |
| Business Bank  |                      | 145,822               |                      | 142,773              |
| BT Financial Group   |                      | 18,371                |                      | 17,563               |
| Westpac Institutional Bank   |                      | 85,911                |                      | 83,558               |
| Westpac New Zealand (A\$)  |                      | 78,774                |                      | 80,502               |
| Group Businesses   |                      | 96,529                |                      | 97,784               |
| <b>Group total</b>   |                      | <b>767,011</b>        |                      | <b>752,294</b>       |
| <i>Westpac New Zealand (NZ\$)</i>                                  |                      | 86,039                |                      | 85,818               |
| <b>Net interest income (\$m)</b>                                   |                      |                       |                      |                      |
| Consumer Bank  |                      | 4,040                 |                      | 7,638                |
| Business Bank  |                      | 2,021                 |                      | 3,885                |
| BT Financial Group   |                      | 285                   |                      | 511                  |
| Westpac Institutional Bank   |                      | 675                   |                      | 1,328                |
| Westpac New Zealand (A\$)  |                      | 843                   |                      | 1,629                |
| Group Businesses   |                      | 437                   |                      | 713                  |
| <b>Group total</b>   |                      | <b>8,301</b>          |                      | <b>15,704</b>        |
| <i>Westpac New Zealand (NZ\$)</i>                                  |                      | 922                   |                      | 1,738                |
| <b>Interest margin</b>   |                      |                       |                      |                      |
| Consumer Bank  |                      | 2.37%                 |                      | 2.31%                |
| Business Bank  |                      | 2.78%                 |                      | 2.72%                |
| BT Financial Group   |                      | 3.11%                 |                      | 2.91%                |
| Westpac Institutional Bank   |                      | 1.58%                 |                      | 1.59%                |
| Westpac New Zealand (NZ\$)   |                      | 2.15%                 |                      | 2.03%                |
| Group Businesses   |                      | 0.91%                 |                      | 0.73%                |
| <b>Group total</b>   |                      | <b>2.17%</b>          |                      | <b>2.09%</b>         |

**Note 2. Average balance sheet (cash earnings basis)**

|   | Half Year<br>30 September 2018 |          |                 | Half Year<br>31 March 2018 |               |                 |
|---|--------------------------------|----------|-----------------|----------------------------|---------------|-----------------|
|   | Average<br>balance             | Interest | Average<br>rate | Average<br>balance         | Interest      | Average<br>rate |
|   | \$m                            | \$m      | %               | \$m                        | \$m           | %               |
| <b>Assets</b>   |                                |          |                 |                            |               |                 |
| <b>Interest earning assets</b>  |                                |          |                 |                            |               |                 |
| Receivables due from other financial institutions                               |                                |          |                 | 5,934                      | 49            | 1.7             |
| Trading securities and other financial assets designated at fair value          |                                |          |                 | 23,860                     | 275           | 2.3             |
| Available-for-sale securities   |                                |          |                 | 61,023                     | 930           | 3.1             |
| Regulatory deposits with central banks overseas                                 |                                |          |                 | 958                        | 9             | 1.9             |
| Loans and other receivables   |                                |          |                 | 675,236                    | 14,840        | 4.4             |
| <b>Total interest earning assets and interest income</b>                        |                                |          |                 | <b>767,011</b>             | <b>16,103</b> | <b>4.2</b>      |
| <b>Non-interest earning assets</b>  |                                |          |                 |                            |               |                 |
| Cash, receivables due from other financial institutions and regulatory deposits |                                |          |                 | 2,459                      |               |                 |
| Derivative financial instruments  |                                |          |                 | 34,130                     |               |                 |
| Life insurance assets   |                                |          |                 | 10,753                     |               |                 |
| All other assets  |                                |          |                 | 61,643                     |               |                 |
| <b>Total non-interest earning assets</b>  |                                |          |                 | <b>108,985</b>             |               |                 |
| <b>Total assets</b>   |                                |          |                 | <b>875,996</b>             |               |                 |
| <b>Liabilities</b>  |                                |          |                 |                            |               |                 |
| <b>Interest bearing liabilities</b>   |                                |          |                 |                            |               |                 |
| Payables due to other financial institutions                                    |                                |          |                 | 19,571                     | 153           | 1.6             |
| Deposits and other borrowings   |                                |          |                 | 494,871                    | 4,368         | 1.8             |
| Loan capital  |                                |          |                 | 17,935                     | 376           | 4.2             |
| Other interest bearing liabilities  |                                |          |                 | 176,399                    | 2,905         | 3.3             |
| <b>Total interest bearing liabilities and interest expense</b>                  |                                |          |                 | <b>708,776</b>             | <b>7,802</b>  | <b>2.2</b>      |
| <b>Non-interest bearing liabilities</b>   |                                |          |                 |                            |               |                 |
| Deposits and payables due to other financial institutions                       |                                |          |                 | 47,978                     |               |                 |
| Derivative financial instruments  |                                |          |                 | 36,916                     |               |                 |
| Life insurance policy liabilities   |                                |          |                 | 9,013                      |               |                 |
| All other liabilities   |                                |          |                 | 12,248                     |               |                 |
| <b>Total non-interest bearing liabilities</b>                                   |                                |          |                 | <b>106,155</b>             |               |                 |
| <b>Total liabilities</b>  |                                |          |                 | <b>814,931</b>             |               |                 |
| Shareholders' equity  |                                |          |                 | 61,051                     |               |                 |
| Non-controlling interests   |                                |          |                 | 14                         |               |                 |
| <b>Total equity</b>   |                                |          |                 | <b>61,065</b>              |               |                 |
| <b>Total liabilities and equity</b>   |                                |          |                 | <b>875,996</b>             |               |                 |
| <b>Loans and other receivables</b>  |                                |          |                 |                            |               |                 |
| Australia   |                                |          |                 | 574,357                    | 12,779        | 4.5             |
| New Zealand   |                                |          |                 | 72,807                     | 1,736         | 4.8             |
| Other overseas  |                                |          |                 | 28,072                     | 325           | 2.3             |
| <b>Deposits and other borrowings</b>  |                                |          |                 |                            |               |                 |
| Australia   |                                |          |                 | 419,786                    | 3,580         | 1.7             |
| New Zealand   |                                |          |                 | 50,272                     | 577           | 2.3             |
| Other overseas  |                                |          |                 | 24,813                     | 211           | 1.7             |

|   | Full Year<br>30 September 2018 |          |                 | Full Year<br>30 September 2017 |               |                 |
|---|--------------------------------|----------|-----------------|--------------------------------|---------------|-----------------|
|   | Average<br>balance             | Interest | Average<br>rate | Average<br>balance             | Interest      | Average<br>rate |
|   | \$m                            | \$m      | %               | \$m                            | \$m           | %               |
| <b>Assets</b>   |                                |          |                 |                                |               |                 |
| <b>Interest earning assets</b>  |                                |          |                 |                                |               |                 |
| Receivables due from other financial institutions                               |                                |          |                 | 9,123                          | 110           | 1.2             |
| Trading securities and other financial assets designated at fair value          |                                |          |                 | 25,870                         | 558           | 2.2             |
| Available-for-sale securities   |                                |          |                 | 58,208                         | 1,795         | 3.1             |
| Regulatory deposits with central banks overseas                                 |                                |          |                 | 1,035                          | 17            | 1.6             |
| Loans and other receivables   |                                |          |                 | 658,058                        | 28,774        | 4.4             |
| <b>Total interest earning assets and interest income</b>                        |                                |          |                 | <b>752,294</b>                 | <b>31,254</b> | <b>4.2</b>      |
| <b>Non-interest earning assets</b>  |                                |          |                 |                                |               |                 |
| Cash, receivables due from other financial institutions and regulatory deposits |                                |          |                 | 2,000                          |               |                 |
| Derivative financial instruments  |                                |          |                 | 37,673                         |               |                 |
| Life insurance assets   |                                |          |                 | 12,447                         |               |                 |
| All other assets  |                                |          |                 | 60,111                         |               |                 |
| <b>Total non-interest earning assets</b>  |                                |          |                 | <b>112,231</b>                 |               |                 |
| <b>Total assets</b>   |                                |          |                 | <b>864,525</b>                 |               |                 |
| <b>Liabilities</b>  |                                |          |                 |                                |               |                 |
| <b>Interest bearing liabilities</b>   |                                |          |                 |                                |               |                 |
| Payables due to other financial institutions                                    |                                |          |                 | 18,833                         | 279           | 1.5             |
| Deposits and other borrowings   |                                |          |                 | 484,713                        | 8,868         | 1.8             |
| Loan capital  |                                |          |                 | 17,208                         | 693           | 4.0             |
| Other interest bearing liabilities  |                                |          |                 | 174,170                        | 5,710         | 3.3             |
| <b>Total interest bearing liabilities and interest expense</b>                  |                                |          |                 | <b>694,924</b>                 | <b>15,550</b> | <b>2.2</b>      |
| <b>Non-interest bearing liabilities</b>   |                                |          |                 |                                |               |                 |
| Deposits and payables due to other financial institutions                       |                                |          |                 | 46,099                         |               |                 |
| Derivative financial instruments  |                                |          |                 | 42,780                         |               |                 |
| Life insurance policy liabilities   |                                |          |                 | 10,560                         |               |                 |
| All other liabilities   |                                |          |                 | 11,586                         |               |                 |
| <b>Total non-interest bearing liabilities</b>                                   |                                |          |                 | <b>111,025</b>                 |               |                 |
| <b>Total liabilities</b>  |                                |          |                 | <b>805,949</b>                 |               |                 |
| Shareholders' equity  |                                |          |                 | 58,556                         |               |                 |
| Non-controlling interests   |                                |          |                 | 20                             |               |                 |
| <b>Total equity</b>   |                                |          |                 | <b>58,576</b>                  |               |                 |
| <b>Total liabilities and equity</b>   |                                |          |                 | <b>864,525</b>                 |               |                 |
| <b>Loans and other receivables</b>  |                                |          |                 |                                |               |                 |
| Australia   |                                |          |                 | 557,865                        | 24,783        | 4.4             |
| New Zealand   |                                |          |                 | 72,938                         | 3,470         | 4.8             |
| Other overseas  |                                |          |                 | 27,255                         | 521           | 1.9             |
| <b>Deposits and other borrowings</b>  |                                |          |                 |                                |               |                 |
| Australia   |                                |          |                 | 409,586                        | 7,344         | 1.8             |
| New Zealand   |                                |          |                 | 51,042                         | 1,173         | 2.3             |
| Other overseas  |                                |          |                 | 24,085                         | 351           | 1.5             |

**Note 3. Net interest income (cash earnings basis)**

|  |                      |                       | % Mov't             |                      |                      | % Mov't              |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| <b>Interest income</b>   |                      |                       |                     |                      |                      |                      |
| Cash and balances with central banks                             |                      | 140                   |                     |                      | 241                  |                      |
| Receivables due from other financial institutions                |                      | 49                    |                     |                      | 110                  |                      |
| Net ineffectiveness on qualifying hedges                         |                      | -                     |                     |                      | -                    |                      |
| Trading securities and financial assets designated at fair value |                      | 275                   |                     |                      | 558                  |                      |
| Available-for-sale securities                                    |                      | 930                   |                     |                      | 1,795                |                      |
| Loans  |                      | 14,678                |                     |                      | 28,504               |                      |
| Regulatory deposits with central banks overseas                  |                      | 9                     |                     |                      | 17                   |                      |
| Other interest income  |                      | 22                    |                     |                      | 29                   |                      |
| <b>Total interest income</b>                                     |                      | <b>16,103</b>         |                     |                      | <b>31,254</b>        |                      |
| <b>Interest expense</b>  |                      |                       |                     |                      |                      |                      |
| Payables due to other financial institutions                     |                      | (153)                 |                     |                      | (279)                |                      |
| Deposits and other borrowings                                    |                      | (4,368)               |                     |                      | (8,868)              |                      |
| Trading liabilities  |                      | (564)                 |                     |                      | (1,898)              |                      |
| Debt issues  |                      | (2,088)               |                     |                      | (3,585)              |                      |
| Loan capital   |                      | (376)                 |                     |                      | (693)                |                      |
| Bank levy  |                      | (186)                 |                     |                      | (95)                 |                      |
| Other interest expense   |                      | (67)                  |                     |                      | (132)                |                      |
| <b>Total interest expense</b>                                    |                      | <b>(7,802)</b>        |                     |                      | <b>(15,550)</b>      |                      |
| <b>Total net interest income</b>                                 |                      | <b>8,301</b>          |                     |                      | <b>15,704</b>        |                      |

**Note 4. Non-interest income (cash earnings basis)**

| \$m   | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| <b>Fees and commissions</b>   |                      |                       |                                |                      |                      |                                 |
| Facility fees   |                      | 679                   |                                |                      | 1,333                |                                 |
| Transaction fees and commissions received                             |                      | 553                   |                                |                      | 1,193                |                                 |
| Other non-risk fee income   |                      | 116                   |                                |                      | 229                  |                                 |
| <b>Total fees and commissions</b>                                     |                      | <b>1,348</b>          |                                |                      | <b>2,755</b>         |                                 |
| <b>Wealth management and insurance income</b>                         |                      |                       |                                |                      |                      |                                 |
| Life insurance and funds management net operating income              |                      | 823                   |                                |                      | 1,600                |                                 |
| General insurance and lenders mortgage insurance net operating income |                      | 106                   |                                |                      | 210                  |                                 |
| <b>Total wealth management and insurance income</b>                   |                      | <b>929</b>            |                                |                      | <b>1,810</b>         |                                 |
| <b>Trading income</b>   |                      | <b>507</b>            |                                |                      | <b>1,217</b>         |                                 |
| <b>Other income</b>   |                      |                       |                                |                      |                      |                                 |
| Dividends received from other entities                                |                      | 1                     |                                |                      | 2                    |                                 |
| Net gain on disposal of assets  |                      | 10                    |                                |                      | 6                    |                                 |
| Net gain/(loss) on hedging overseas operations                        |                      | -                     |                                |                      | -                    |                                 |
| Net gain/(loss) on derivatives held for risk management purposes      |                      | 14                    |                                |                      | (30)                 |                                 |
| Net gain/(loss) on financial instruments designated at fair value     |                      | 26                    |                                |                      | 11                   |                                 |
| Net gain/(loss) on disposal of controlled entities                    |                      | (9)                   |                                |                      | -                    |                                 |
| Rental income on operating leases                                     |                      | 14                    |                                |                      | 32                   |                                 |
| Share of associates net profit  |                      | (3)                   |                                |                      | 30                   |                                 |
| Other   |                      | 13                    |                                |                      | 19                   |                                 |
| <b>Total other income</b>   |                      | <b>66</b>             |                                |                      | <b>70</b>            |                                 |
| <b>Total non-interest income</b>                                      |                      | <b>2,850</b>          |                                |                      | <b>5,852</b>         |                                 |

**Wealth management and insurance income reconciliation**

| \$m   | Half Year<br>Sept 18 | Half Year<br>March 18 | % Mov't<br>Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | % Mov't<br>Sept 18 -<br>Sept 17 |
|---|----------------------|-----------------------|--------------------------------|----------------------|----------------------|---------------------------------|
| BTFG non-interest income                            |                      | 898                   |                                |                      | 1,744                |                                 |
| Net commission, premium, fee and banking income     |                      | (78)                  |                                |                      | (147)                |                                 |
| <b>BTFG wealth management and insurance income</b>  |                      | <b>820</b>            |                                |                      | <b>1,597</b>         |                                 |
| NZ wealth management and insurance income           |                      | 77                    |                                |                      | 148                  |                                 |
| WIB wealth management income                        |                      | 32                    |                                |                      | 93                   |                                 |
| CB and BB wealth management and insurance income    |                      | -                     |                                |                      | (28)                 |                                 |
| <b>Total wealth management and insurance income</b> |                      | <b>929</b>            |                                |                      | <b>1,810</b>         |                                 |

**Note 5. Operating expenses (cash earnings basis)**

|  |                      |                       | % Mov't             |                      |                      | % Mov't              |
|--|----------------------|-----------------------|---------------------|----------------------|----------------------|----------------------|
| \$m  | Half Year<br>Sept 18 | Half Year<br>March 18 | Sept 18 -<br>Mar 18 | Full Year<br>Sept 18 | Full Year<br>Sept 17 | Sept 18 -<br>Sept 17 |
| <b>Staff expenses</b>                            |                      |                       |                     |                      |                      |                      |
| Employee remuneration, entitlements and on-costs |                      | 2,119                 |                     |                      | 4,098                |                      |
| Superannuation expense                           |                      | 197                   |                     |                      | 380                  |                      |
| Share based payments                             |                      | 48                    |                     |                      | 113                  |                      |
| Restructuring costs                              |                      | 34                    |                     |                      | 75                   |                      |
| <b>Total staff expenses</b>                      |                      | <b>2,398</b>          |                     |                      | <b>4,666</b>         |                      |
| <b>Occupancy expenses</b>                        |                      |                       |                     |                      |                      |                      |
| Operating lease rentals                          |                      | 319                   |                     |                      | 649                  |                      |
| Depreciation of property and equipment           |                      | 85                    |                     |                      | 179                  |                      |
| Other  |                      | 71                    |                     |                      | 134                  |                      |
| <b>Total occupancy expenses</b>                  |                      | <b>475</b>            |                     |                      | <b>962</b>           |                      |
| <b>Technology expenses</b>                       |                      |                       |                     |                      |                      |                      |
| Amortisation and impairment of software assets   |                      | 303                   |                     |                      | 628                  |                      |
| Depreciation and impairment of IT equipment      |                      | 73                    |                     |                      | 158                  |                      |
| Technology services                              |                      | 341                   |                     |                      | 639                  |                      |
| Software and maintenance and licenses            |                      | 185                   |                     |                      | 313                  |                      |
| Telecommunications                               |                      | 102                   |                     |                      | 190                  |                      |
| Data processing                                  |                      | 38                    |                     |                      | 80                   |                      |
| <b>Total technology expenses</b>                 |                      | <b>1,042</b>          |                     |                      | <b>2,008</b>         |                      |
| <b>Other expenses</b>                            |                      |                       |                     |                      |                      |                      |
| Professional and processing services             |                      | 385                   |                     |                      | 755                  |                      |
| Amortisation and impairment of intangible assets |                      | 18                    |                     |                      | 10                   |                      |
| Postage and stationery                           |                      | 95                    |                     |                      | 217                  |                      |
| Advertising                                      |                      | 93                    |                     |                      | 155                  |                      |
| Credit card loyalty programs                     |                      | 70                    |                     |                      | 152                  |                      |
| Non-lending losses                               |                      | 40                    |                     |                      | 73                   |                      |
| Other expenses                                   |                      | 38                    |                     |                      | 107                  |                      |
| <b>Total other expenses</b>                      |                      | <b>739</b>            |                     |                      | <b>1,469</b>         |                      |
| <b>Operating expenses</b>                        |                      | <b>4,654</b>          |                     |                      | <b>9,105</b>         |                      |