10 April 2003.

WESTPAC BANKING CORPORATION
FIRST HALF 2003 RESULTS TEMPLATE

Westpac has today released a template with the layout and financial tables that it intends to use in its 2003 interim profit announcement on 8 May 2003. The preliminary release aims to assist investors and analysts by making the format more familiar and enabling them to adjust their models in advance.

Whilst there are some obvious changes to the layout and formatting, the principal focus has been on providing a better linkage between group and business unit results, and enhancing the management discussion and analysis.

Westpac will be reporting on both a 'Reported Cash Earnings' and an 'Underlying Cash Earnings' basis. A reconciliation between the reported result and underlying earnings by adjusting for individually significant items will also be provided. This is in line with the changes introduced with the 2002 full year results announcement on 31 October 2002.

There have been a number of small adjustments between business units during the past 12 months. Where this has occurred the numbers for both prior period and prior corresponding period have been adjusted and the new numbers included in the pro forma tables. None of these changes are material.

Westpac will also detail the key drivers of performance within each business unit and of the cost structure within the business, including a separate 'Banking' cost to income ratio.

The results for Australian Guarantee Corporation (AGC) have been identified separately from Business and Consumer Banking and New Zealand for information purposes.

Please contact one of the people listed below should you have any queries with regard to the template.

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Westpac
Australia's First Bank

PROFIT ANNOUNCEMENT

FOR SIX MONTHS ENDED 31 MARCH 2003

TEMPLATE

Westpac Banking Corporation, ABN 33 007 457 141

TABLE OF CONTENTS

The page numbers may not be the same in the final document.

In this announcement references to 'Westpac', 'we', 'us' and 'our' are to Westpac Banking Corporation. References to 'Westpac', 'we', 'us' and 'our' under the captions include Westpac and its consolidated subsidiaries unless they clearly mean just Westpac Banking Corporation.

1. PROFIT OVERVIEW

1.1 OVERVIEW OF THE HALF YEAR 2003 RESULTS

1.2 OUTLOOK

1.3 CORPORATE GOVERNANCE AND RESPONSIBILITY

Responsibility Initiatives

External Governance and Responsibility Assessment

2. RESULTS AT A GLANCE

2.1 EARNINGS

$m Reported cash earnings	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Net interest income (excluding gross up)		2,053	2,093		
Non-interest income		1,616	1,362		
Net operating income		3,669	3,455		
Operating expenses		(2,156)	(1,739)		
Goodwill		(51)	(49)		
Underlying performance		1,462	1,667		
Bad debts		(190)	(271)		
Profit from ordinary activities before income tax		1,272	1,396		
Tax expense		(95)	(376)		
Net profit attributable to outside equity interests		(3)	(2)		
Net profit attributable to equity holders		1,174	1,018		
Goodwill		51	49		
Embedded value uplift		46	(46)		
Distributions on other equity instruments		(23)	(25)		
Reported cash earnings		1,248	996		

Cash earnings reconciliation					
Reported cash earnings		1,248	996		
Individually significant items		(181)	-		
Underlying cash earnings		1,067	996		
Underlying cash earnings					
Net interest income (excluding gross up)		2,053	2,093		
Non-interest income		1,216	1,302		
Net operating income		3,269	3,395		
Operating expenses		(1,713)	(1,739)		
Goodwill		(51)	(49)		
Underlying performance		1,505	1,607		
Bad debts		(190)	(271)		
Profit from ordinary activities before income tax		1,315	1,336		
Tax expense		(273)	(362)		
Net profit attributable to outside equity interests		(3)	(2)		
Net profit attributable to equity holders		1,039	972		
Goodwill		51	49		
Distributions on other equity instruments		(23)	(25)		
Underlying cash earnings		1,067	996		

2.1.1 Key Financial Data - Earnings

	Half Year March 03	Half Year Sept 02	Half Year March 02	*Mov't* Mar 02- Mar 03	*Mov't* Sep 02- Mar 03
Shareholder value					
Earnings per ordinary share (cents)		63.5	54.8		
Underlying cash earnings per ordinary share (cents)		58.9	55.0		
Weighted average ordinary shares (millions)		1,812	1,812		
Fully franked dividends per ordinary share (cents)		36	34		
Dividend payout ratio - reported cash earnings (%)		51.8	62.1		
Dividend payout ratio - underlying cash earnings (%)		60.6	62.1		
Productivity and efficiency					
Expense to income ratio (%)		57.6	49.4		
Underlying expense to income ratio (%)		51.3	50.2		
Full time equivalent staff (FTE)		24,776	26,704		
Business Performance					
Net interest spread (%)		2.31	2.60		
Net interest margin (%)		2.70	2.90		
Economic profit($m)		736	644		
Underlying economic profit ($m)		600	598		

2.2 BALANCE SHEET

$m	31 March 2003	30 Sept 2002	31 March 2002	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Assets					
Cash		1,669	2,127		
Due from other financial institutions		5,242	5,937		
Trading and investment securities		13,956	12,765		
Loans and acceptances		140,658	138,075		
Life Insurance assets		7,566	7,843		
Other assets[1]		21,946	19,445		
Total Assets		191,037	186,192		
Liabilities					
Due to other financial institutions		4,731	6,867		
Deposits and public borrowings		110,763	109,292		
Debt issues		27,575	24,856		
Acceptances		4,788	4,793		
Life insurance policy liabilities		7,163	7,538		
Loan capital		4,512	4,580		
Other liabilities[2]		21,037	18,078		
Total Liabilities		180,569	176,004		
Total Equity		10,468	10,188		

2.2.1 Key Financial Data – Balance Sheet

	Half Year March 03	Half Year Sept 02	Half Year March 02	Mov't Mar 02- Mar 03	Mov't Sep 02- Mar 03
Profitability and capital adequacy					
Return on average ordinary equity		22.4%	20.8%		
Net capital ratio		9.4%	10.2%		
Tier 1		6.5%	6.8%		
Tangible ordinary equity		6.4%	6.7%		
Average ordinary equity ($m)		10,269	9,511		
Average total equity ($m)		10,751	9,991		
Asset quality					
Total impaired assets to total loans and acceptances		0.5%	0.6%		
Net impaired assets to equity and general provisions		3.5%	4.4%		
Specific provisions to total impaired assets		40.0%	41.3%		
General provisions to non-housing loans and acceptances		2.8%	3.0%		
Total provisions to total loans and acceptances		1.0%	1.2%		
Total bad and doubtful debt charge to average loans and acceptances (basis points)		26	39		

1. *Includes fixed assets, goodwill, other financial market assets, future income tax benefit and the prepaid superannuation contribution asset.*
2. *Includes provisions for income tax, deferred tax and other financial market liabilities.*

3. REVIEW OF GROUP OPERATIONS

3.1 SUMMARY

3.2 REVIEW

Underlying Earnings

	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02-Mar 03	*% Mov't* Sep 02-Mar 03
Net interest income (excluding gross up)		2,053	2,093		
Non-interest income		1,216	1,302		
Net operating income		3,269	3,395		
Operating expenses		(1,713)	(1,739)		
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Distributions on other equity instruments		(23)	(25)		
Underlying cash earnings		1,067	996		

Operating Income

Net Interest Income

Non-Interest Income

Expenses

Bad Debts

3.3 CAPITAL AND DIVIDENDS

Capital

Dividend Policy

3.4 CREDIT QUALITY

4. BUSINESS UNIT PERFORMANCE

Business unit results are presented on a management reporting basis. Internal charges and transfer pricing adjustments are included in the performance of each business reflecting the management, rather than the legal structure. Consequently these results cannot be compared to results for individual legal entities.

An internal transfer pricing framework attributes value between business units. Its primary attributes are:

- product groups pay the distribution areas an arms length fee based on external market benchmarks;
- product balances are fully transfer priced at interbank rates according to the tenor of the underlying transactions;
- all overhead costs are applied to revenue generating businesses; and
- capital is allocated to business groups based on risk factors.

Where the management reporting structure or accounting classifications have changed, comparatives have been restated and may differ from results previously reported. The results for AGC have been identified separately from Business and Consumer Banking for clarity.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Business and Consumer Banking		567	511		
Consumer Distribution		153	144		
Business Distribution		160	143		
Consumer Products		200	169		
Business Products		54	55		
Westpac Institutional Bank		150	125		
New Zealand		167	110		
Corporate Centre & Group Items		120	79		
Total Banking cash earnings		1,004	825		
Wealth Management					
Funds Management		45	53		
Life Insurance		30	25		
Other		(25)	-		
Total Wealth Management cash earnings		50	78		
Total ongoing businesses cash earnings		1,054	903		
AGC		13	93		
Underlying business cash earnings		1,067	996		
Significant items		181	-		
Total reported cash earnings		1,248	996		

Financial Performance

BUSINESS UNIT PERFORMANCE

Expense To Income Ratio

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	bp Mov't Mar 02-Mar 03	bp Mov't Sep 02-Mar 03
Business and Consumer Banking		54.6%	57.3%		
Westpac Institutional Bank		44.3%	40.8%		
New Zealand		45.0%	53.2%		
Total Banking[1]		51.5%	53.8%		
Wealth Management					
Funds Management		62.7%	47.9%		
Life Insurance		32.9%	41.3%		
Total Wealth		63.3%	45.6%		
AGC		29.4%	24.6%		
Total Group - underlying business		51.3%	50.2%		
Total Group		57.6%	49.4%		

1. *Total banking ratios include corporate centre and group items.*

4.1 BUSINESS AND CONSUMER BANKING

In the current year the Business and Consumer Banking is disclosed separately as the following business lines: Consumer Distribution, Business Distribution, Consumer Products and Business Products.

4.1.1 Consumer Distribution

Consumer Distribution includes the activities of: the Financial Planner and Advisory Sales force, our home loans sale force, and the national service network (excluding rural and regional locations). Operating income is earned from product groups for sales and services provided to customers.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Net interest income		(13)	(6)		
Non-interest income		607	582		
Operating income		594	576		
Operating expenses		(378)	(372)		
Core earnings		216	204		
Bad debts		-	-		
Operating profit before tax		216	204		
Tax and outside equity interests		(63)	(60)		
Cash earnings		153	144		
Goodwill		(8)	(8)		
Profit on operations		145	136		
Economic profit		143	131		
Expense to income ratio		63.6%	64.6%		
		$bn	**$bn**		
Total assets		0.1	0.1		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.1.1 Consumer Distribution (Continued)

Key Business Drivers

4.1.2 Business Distribution

Business Distribution includes our middle market and small business sales force and service centres as well as our regional service network. Operating income is earned from the product groups for sales and services provided to customers.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Net interest income		34	46		
Non-interest income		647	595		
Operating income		681	641		
Operating expenses		(397)	(414)		
Core earnings		284	227		
Bad debts		(62)	(24)		
Operating profit before tax		222	203		
Tax and outside equity interests		(62)	(60)		
Cash earnings		160	143		
Goodwill		(11)	(11)		
Profit on operations		149	132		
Economic profit		99	74		
Expense to income ratio		58.3%	64.6%		
		$bn	$bn		
Total assets		0.5	0.5		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.1.2 Business Distribution (Continued)

Key Business Drivers

4.1.3 Consumer Products

Australian Consumer Products comprises home lending, credit cards, transaction and deposit accounts, personal loans, general insurance and certain finance company products. Sales and service commissions passed to the distribution businesses are recorded as a charge against non-interest income.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Net interest income		974	971		
Non-interest income		(401)	(426)		
Operating income		573	545		
Operating expenses		(213)	(212)		
Core earnings		360	333		
Bad debts		(84)	(102)		
Operating profit before tax		276	231		
Tax and outside equity interests		(76)	(62)		
Cash earnings		200	169		
Goodwill		(9)	(9)		
Profit on operations		191	160		
Economic profit		168	121		
Expense to income ratio		37.2%	38.9%		
		$bn	$bn		
Deposits and other public borrowings		40.7	40.5		
Net loans and acceptances		76.6	75.6		
Total assets		77.3	76.4		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.1.3 Consumer Products (Continued)

Key Business Drivers

4.1.4 Business Products

Australian Business Products includes business lending, deposit and transaction accounts, and working capital activities. Sales and service commisions passed to the distribution businesses are recorded as a charge against non-interest income.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Net interest income		427	401		
Non-interest income		(208)	(188)		
Operating income		219	213		
Operating expenses		(141)	(133)		
Core earnings		78	80		
Bad debts		-	-		
Operating profit before tax		78	80		
Tax and outside equity interests		(24)	(25)		
Cash earnings		54	55		
Goodwill		(1)	(1)		
Profit on operations		53	54		
Economic profit		44	46		
Expense to income ratio		64.4%	62.4%		
		$bn	$bn		
Deposits and other public borrowings		20.8	19.8		
Net loans and acceptances		25.1	26.9		
Total assets		26.2	28.9		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.1.4 Business Products (Continued)

Key Business Drivers

4.2 WEALTH MANAGEMENT

Our Wealth Management business designs, manufactures and services financial products that enable customers to build, manage and protect their wealth. These products include managed investments, life insurance, superannuation, margin lending and discount broking. Distribution of Wealth Management products is conducted primarily through our Australian and New Zealand consumer distribution business and an extensive range of independent financial advisers.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Net interest income		14	15		
Non-interest income		155	154		
Operating income		169	169		
Operating expenses		(107)	(77)		
Core earnings		62	92		
Bad debts		-	-		
Operating profit before tax		62	92		
Tax and outside equity interests		(12)	(14)		
Cash earnings		50	78		
Goodwill		(2)	(2)		
Profit on operations		48	76		
Economic profit		18	48		
Expense to income ratio		63.3%	45.6%		
		$bn	$bn		
Total assets		32.4	23.4		
Funds under management		33.8	24.9		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.2 WEALTH MANAGEMENT (Continued)

Key Business Drivers

4.3 WESTPAC INSTITUTIONAL BANK

Our Institutional Bank meets the financial needs of corporations and institutions either based in, or with interests in, Australia and New Zealand. We also provide certain services to middle-market business banking customers in Australia and New Zealand.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Net interest income		240	240		
Non-interest income		215	264		
Operating income		455	504		
Operating expenses		(202)	(206)		
Core earnings		253	299		
Bad debts		(45)	(94)		
Operating profit before tax		208	205		
Tax and outside equity interests		(58)	(79)		
Cash earnings		150	125		
Goodwill		-	-		
Profit on operations		150	125		
Economic profit		75	50		
Expense to income ratio		44.3%	40.8%		
		$bn	$bn		
Deposits and other public borrowings		12.0	10.0		
Net loans and acceptances		21.5	19.3		
Total assets		49.1	42.2		

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.3 WESTPAC INSTITUTIONAL BANK (Continued)

Key Business Drivers

4.4 NEW ZEALAND

Our New Zealand operations provide banking and wealth management products and services to New Zealand consumer and business customers. The table below shows the results and our New Zealand banking and Westpac Investment Management business. All figures are Australian dollar (AUD) except for movements as noted.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03	Local ccy % Mov't Mar 02-Mar03	Local ccy % Mov't Sep 02-Mar03
Net interest income		329	288				
Non-interest income		147	140				
Operating income		476	428				
Operating expenses		(214)	(227)				
Core earnings		262	200				
Bad debts		(16)	(30)				
Operating profit before tax		246	170				
Tax and outside equity interests		(79)	(60)				
Cash earnings		167	110				
Goodwill		(19)	(18)				
Profit on operations		148	92				
Economic profit		87	31				
Expense to income ratio		45.0%	53.2%				
		$bn	$bn				
Deposits and other public borrowings		14.2	13.0				
Net loans and acceptances		18.9	17.4				
Total assets		19.9	18.5				

Financial Performance

First Half '03 – First Half '02

First Half '03 – Second Half '02

4.4 NEW ZEALAND (Continued)

Key Business Drivers

5. FUNDS MANAGEMENT & LIFE INSURANCE

The following results have been presented on a management reporting basis. Internal charges and transfer pricing adjustments have been included in the performance of each business area reflecting the management of our business, rather than its legal structure. Consequently, these results cannot be compared directly to public disclosure of the performance of individual legal entities. The impact of restructuring our wealth management business in 2002 has been treated as an individually significant item and not included in this analysis.

Where the management reporting structure has changed or where accounting re-classification have been made, comparatives have been restated and therefore differ from results previously reported.

5.1 TOTAL FUNDS MANAGEMENT AND LIFE INSURANCE

The performance of our Wealth management business is summarised below by its three main segments: Funds Management, Life Insurance Risk and Other, and on a geographical basis where material.

Profit on Operations $m	**Half Year March 03**	**Half Year Sept 02**	**Half Year March 02**	***% Mov't* Mar 02-Mar 03**	***% Mov't* Sep 02-Mar 03**
Funds management		45	53		
Life Insurance Risk					
Australia		22	16		
New Zealand		8	9		
		30	25		
Core Performance		75	78		
Other		(27)	(2)		
Profit on operations		48	76		

The following table shows the consolidated half year results for our Australian and New Zealand funds management, life insurance risk and other businesses.

$m	**Half Year March 03**	**Half Year Sept 02**	**Half Year March 02**	***% Mov't* Mar 02-Mar 03**	***% Mov't* Sep 02-Mar 03**
Net interest income		14	15		
Non-interest income		155	154		
Operating income		169	169		
Non interest expenses		(107)	(77)		
Core earnings		62	92		
Bad debts		-	-		
Operating profit before tax		62	92		
Tax and outside equity interests		(12)	(14)		
Cash earnings		50	78		
Goodwill		(2)	(2)		
Profit on operations		48	76		
Economic profit		18	48		
Expense to income ratio		63.3%	45.6%		

Operating income can be reconciled to the net life insurance and funds management income disclosed in note 6.1 Statement of Financial Performance and 6.4.4 Non-interest analysis as follows:

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02-Mar 03	*% Mov't* Sep 02-Mar 03
Operating income (as per prior page)		169	169		
Commission expense		63	57		
Transfer pricing - cost of distribution		18	14		
Transfer pricing - cost of funds		35	(10)		
Intercompany consolidation eliminations		(9)	(18)		
Policy holders tax recoveries		(61)	14		
Embedded value uplift elimination		(202)	60		
Total		13	286		

5.2 FUNDS MANAGEMENT BUSINESS

Funds management includes product management, product administration, investment management, margin lending and discount broking.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02-Mar 03	*% Mov't* Sep 02-Mar 03
Net interest income		25	23		
Non-interest Income		150	137		
Gross operating income		175	160		
Commission expense		(41)	(39)		
Operating income		134	121		
Non interest expenses (excluding commission)		(84)	(58)		
Operating profit before tax		50	63		
Tax and outside equity interests		(5)	(10)		
Operating profit after tax		45	53		
Expense to income ratio		62.7%	47.9%		

Financial Performance

Movement in funds under management (FUM)

$bn	FUM Sept 2002	Sales	Redns	Net Inflows	BT at acq'n	Other mov't	FUM Mar 2003	FUM March 2002	% Mov't Sep 02-Mar 03	% Mov't Mar 02-Mar 03
Retail	20.8							16.0		
Wholesale	11.6							7.4		
Australia	32.4							23.4		
New Zealand[1]	1.4							1.5		
FUM	33.8							24.9		
FUA[2]	36.6							28.1		

1. Westpac Banking Corporation and BT Financial Group

2. Includes WRAP and Governance Advisory Service

5.3 LIFE INSURANCE RISK BUSINESS (EXCLUDES GENERAL INSURANCE)

The life insurance risk business result has been determined on a Margin on Service (MoS) basis.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
Net interest income		-	-		
Non-interest Income		92	64		
Gross operating income		92	64		
Commission expense		(22)	(18)		
Operating Income		70	46		
Non interest expenses (excluding commission)		(23)	(19)		
Operating profit before tax		47	27		
Tax and outside equity interests		(17)	(2)		
Operating profit after tax		30	25		
Expense to income ratio		32.9%	41.3%		

Financial Performance

Movement in in-force premium for risk business

$m	In-force Sept 2002	Sales	Lapses	Net Inflows	Other mov't	In-force Mar 2003	In-force March 2002	*% Mov't* Sep 02 - Mar 03	*% Mov't* Mar 02 - Mar 03
Australia	169.7						148.1		
New Zealand	29.3						28.3		
Total in-force premiums	199.0						176.4		

5.4 OTHER BUSINESS

Other business includes earnings on capital and other investments, and amortisation of goodwill on acquired businesses.

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Net interest income		(11)	(10)		
Non-interest Income		(24)	12		
Gross operating income		(35)	2		
Commission expense		-	-		
Operating income		(35)	2		
Non interest expenses		-	-		
Amortisation - goodwill		(2)	(2)		
Operating profit before tax		(37)	-		
Tax and outside equity interests		10	(2)		
Operating profit after tax		(27)	(2)		
Expense to income ratio		n/a	n/a		

Financial Performance

5.5 EMBEDDED VALUE AND VALUE OF NEW BUSINESS

	$m
As at 31 March 2003	
Net assets	
Value of in force business	
Embedded Value	
Change in embedded value since 30 September 2002	
Analysis of Movement since 30 September 2002	
Profits	
Capital Movements	
Dividends Paid	
Acquisitions of Business	
Change in Net Assets	
Acquired embedded value	
Embedded value uplift	
Change in embedded value	
Value of new business	

6. 2003 INTERIM FINANCIAL INFORMATION

6.1 STATEMENT OF FINANCIAL PERFORMANCE

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Interest income					
Deposits with other financial institutions		119	91		
Investment and trading securities		310	304		
Regulatory deposits		3	5		
Loans and other receivables		4,184	4,204		
Interest income		**4,616**	**4,604**		
Tax equivalent gross up[1]		72	67		
Interest income (including gross up)		**4,688**	**4,671**		
Interest expense					
Current and term deposits		(1,903)	(1,697)		
Public borrowings		(28)	(124)		
Deposits from other financial institutions		(79)	(100)		
Loan capital		(97)	(104)		
Other liabilities		(456)	(486)		
Interest expense		**(2,563)**	**(2,511)**		
Net interest income (including gross up)		**2,125**	**2,160**		
Non-interest income					
Fees and commissions received		1,164	1,133		
Fees and commissions paid		(278)	(282)		
Proceeds from sale of assets		2,858	736		
Carrying value of assets sold		(2,071)	(689)		
Net life insurance and funds management income		13	286		
Other non-interest income		(70)	178		
Total non-interest income		**1,616**	**1,362**		
Net operating income (including gross up)		**3,741**	**3,522**		
Operating expenses					
Salaries and other staff expenses		(1,006)	(823)		
Equipment and occupancy expenses		(298)	(291)		
Other expenses		(852)	(625)		
Total operating expenses (exc. Amort. of goodwill)		**(2,156)**	**(1,739)**		
Core earnings		**1,585**	**1,783**		
Amortisation of goodwill		(51)	(49)		
Operating profit before bad and doubtful debts (including gross up)		**1,534**	**1,734**		
Bad debts		(190)	(271)		
Profit from ordinary activities before income tax (including gross up)		**1,344**	**1,463**		
Tax equivalent gross up[1]		(72)	(67)		
Profit from ordinary activities tax expense		**1,272**	**1,396**		
Tax expense		(95)	(376)		
Net profit attributable to outside equity interests		(3)	(2)		
Net profit attributable to equity holders of Westpac Banking Corporation		**1,174**	**1,018**		

1. *We have entered into tax effective financing transactions that derive income subject to either a reduced or zero rate of income tax. The impact is reflected in lower income tax expense and interest income. To provide comparability this income is presented on a tax equivalent basis.*

6.2 STATEMENT OF FINANCIAL POSITION

As at $m	31 March 2003	30 Sept 2002	31 March 2002	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
Assets					
Cash and balances with central banks		1,669	2,127		
Due from other financial institutions		5,242	5,937		
Trading securities		10,643	10,014		
Investment securities		3,313	2,751		
Loans		135,870	133,282		
Acceptances of customers		4,788	4,793		
Life insurance assets		7,566	7,843		
Regulatory deposits with central banks overseas		455	452		
Goodwill		1,754	1,449		
Fixed assets		815	931		
Deferred tax assets		587	446		
Other assets		18,335	16,167		
Total assets		**191,037**	**186,192**		
Liabilities					
Due to other financial institutions		4,731	6,867		
Deposits and public borrowings		110,763	109,292		
Debt issues		27,575	24,856		
Acceptances		4,788	4,793		
Tax liabilities		617	658		
Life insurance policy liabilities		7,163	7,538		
Provisions		1,093	1,002		
Other liabilities		19,327	16,418		
Total liabilities excluding loan capital		176,057	171,424		
Loan capital					
Subordinated bonds, notes and debentures		3,795	3,846		
Subordinated perpetual notes		717	734		
Total loan capital		4,512	4,580		
Total liabilities		**180,569**	**176,004**		
Net assets		**10,468**	**10,188**		
Equity					
Ordinary Shares		3,503	1,764		
NZ Class shares		471	482		
Fixed Interest Resettable Trust Securities (FIRsTS)		-	-		
Trust Originated Preferred Securities (TOPrS^{sm})		465	465		
Reserves		82	2,915		
Retained profits		5,930	4,546		
Equity attributable to equity holders of Westpac Banking Corporation		10,451	10,172		
Outside equity interests in controlled entities		17	16		
Total equity		**10,468**	**10,188**		

6.3 MOVEMENT IN RETAINED PROFITS

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Retained profits at the beginning of the financial period		4,546	4,174		
Net profit attributable to equity holders		1,174	1,018		
Aggregate of amounts transferred (to)/from reserves		880	(2)		
Total available for appropriation		**6,600**	**5,190**		
Dividends provided for or paid		(647)	(619)		
Distributions on other equity instruments		(23)	(25)		
Retained profits at the end of the financial period		**5,930**	**4,546**		

6.4 NOTES TO 2003 INTERIM FINANCIAL STATEMENTS

6.4.1 Changes in Accounting Policies

New Australian accounting standard AASB1044 provisions, contingent liabilities and contingent assets has been adopted from 1 October 2002. The initial application of AASB1044 required an adjustment to opening retained profits in relation to proposed dividends. This resulted in consolidated opening retained profits and consolidated total equity to increase by $651 million. This amount has subsequently been deducted from retained profit following the declaration of the final dividend for 2002. The new standard specifically requires that a provision for dividend can only be recognised if the dividend has been declared, determined or publicly recommended prior to the end of the financial year.

6.4.2 Cash Earnings

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Net profit attributable to equity holders of Westpac Banking Corporation		1,174	1,018		
Goodwill		51	49		
Embedded value uplift		46	(46)		
Distributions on other equity instruments		(23)	(25)		
Cash earnings		**1,248**	**996**		

6.4.3 Interest Spread and Margin Analysis

%	Half Year March 03	Half Year Sept 02	Half Year March 02
Group			
Interest spread on productive assets		2.33	2.62
Impact of impaired loans		(0.02)	(0.02)
Interest spread		2.31	2.60
Benefit of net non-interest bearing liabilities and equity		0.39	0.30
Interest margin		2.70	2.90
Australia			
Interest spread on productive assets		2.21	2.66
Impact of impaired loans		(0.01)	(0.01)
Interest spread		2.20	2.65
Benefit of net non-interest bearing liabilities and equity		0.39	0.28
Interest margin		2.59	2.93
New Zealand			
Interest spread on productive assets		3.19	2.93
Impact of impaired loans		(0.01)	(0.01)
Interest spread		3.18	2.92
Benefit of net non-interest bearing liabilities and equity		0.27	0.15
Interest margin		3.45	3.07
Other Overseas			
Interest spread on productive assets		0.43	0.39
Impact of impaired loans		-	(0.02)
Interest spread		0.43	0.37
Benefit of net non-interest bearing liabilities and equity		0.21	0.29
Interest margin		0.64	0.66

Interest spread on productive assets is determined on the basis of the interest spread formula after excluding non-accrual loans and related interest.

Interest spread is the difference between the average yield on all interest earning assets and the average rate paid on all interest bearing liabilities net of impaired loans. The benefit of net non-interest bearing liabilities and equity is determined by applying the average rate of interest paid on all interest bearing liabilities to the average level of net non-interest bearing funds as a percentage of average interest earning assets. The calculations for Australia and New Zealand take into account the interest expense/income of cross border, intragroup borrowing/lending.

6.4.4 Non-interest Income Analysis

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
Fees and commissions					
Lending fees		372	365		
Transaction fees and commissions received		668	647		
Other non-risk fee income		119	119		
Fees and commissions paid		(278)	(282)		
Service and management fees		5	2		
		886	**851**		
Trading income					
Foreign exchange		81	153		
Trading securities		(6)	7		
Other financial instruments		2	(14)		
		77	**146**		
Wealth management income					
Life insurance and funds management operating income		13	286		
General insurance commissions and premiums (net of claims paid)		38	33		
		51	**319**		
Other income					
Dividends received		14	13		
Lease rentals		5	5		
Cost of hedging overseas operations		(18)	(12)		
Net profit on sale of fixed assets and investments		787	47		
Other		(186)	(7)		
		602	**46**		
Non-interest income		**1,616**	**1,362**		

6.4.5 Expense Analysis

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Salaries and other staff expenses					
Salaries and wages		846	625		
Restructuring expenses		6	39		
Other staff expenses		154	159		
		1,006	**823**		
Equipment and occupancy expenses					
Operating lease rentals		116	129		
Depreciation and amortisation:					
Premises		2	2		
Leasehold improvements		15	14		
Furniture and equipment		27	27		
Technology		34	32		
Computer software		62	58		
Electricity, water, rates and land tax		5	3		
Other equipment and occupancy expenses		37	26		
		298	**291**		
Other expenses					
Amortisation of goodwill		51	49		
Amortisation of deferred expenditure		(3)	30		
Non-lending losses		45	32		
Consultancy fees, computer software maintenance, IT outsourcing costs and other professional services		353	282		
Stationery		40	46		
Postage and freight		52	55		
Telecommunications cost		164	73		
Insurance		8	4		
Advertising		30	39		
Transaction taxes		(7)	11		
Training		12	7		
Travel		25	23		
Integration expenses		86	-		
Other expenses		47	23		
		903	**674**		
Total expenses		**2,207**	**1,788**		
Expense/income ratio before amortisation of goodwill		57.6%	49.4%		

6.4.6 Income Tax

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
Profit from ordinary activities before income tax		1,344	1,463		
Tax equivalent gross up		(72)	(67)		
Profit from ordinary activities before income tax		1,272	1,396		
Prima facie income tax at Australian company tax rate of 30%		381	419		
Add/(deduct) tax effect of permanent differences					
Rebateable and exempt dividends		(82)	(45)		
Tax losses and timing differences now tax effected		31	38		
Life insurance					
Tax adjustment on policyholders' earnings[1]		(43)	10		
Adjustment for life business tax rates		(19)	(6)		
Change in excess of net market value over net assets of life insurance subsidiaries		25	(7)		
Gain on sale of controlled entities and businesses		(226)	-		
Other non-assessable items		(10)	(37)		
Other non-deductible items		21	23		
Adjustment for overseas tax rates		23	(4)		
Prior period adjustments		(8)	(16)		
Other items		2	1		
Total income tax expense attributable to profit from ordinary activities		95	376		
Tax equivalent gross up		72	67		
Total income tax expense (including gross up)		167	443		
Effective tax rate (%) (including gross up)		12.4	30.3		
Effective tax rate (%) (excluding life company accounting)		16.0	32.0		

1. *In accordance with the requirements of Australian accounting standard AASB 1038 Life Insurance Business, our tax expense for the year includes a* ***$x*** *million tax credit for income tax on policyholders' investment earnings ($61 million tax credit in second half 2002 and $14 million tax charge in the first half 2002),* ***$x*** *million of which is in the prima facie tax expense and the balance of* ***$x*** *million shown here.*

6.4.7 Dividends

Cents per share	Half Year March 03	Half Year Sept 02	Half Year March 02
Ordinary dividend			
Interim (fully franked)		-	34
Final (fully franked)		36	-
		36	34
Total dividend provided for or paid[1]		**$m**	**$m**
Ordinary dividends provided or paid		647	619
Under/(over) provision from previous period		-	-
		647	619
Ordinary dividend payout ratio - reported net profit		56.7%	62.0%
Ordinary dividend payout ratio - reported cash earnings		51.8%	62.1%
Distributions on other equity instruments			
TOPrS/FIRsTS distributions provided for or paid		23	25
Total distributions on other equity instruments		23	25

6.4.8 Earnings per Share

	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
Earnings (cents) per ordinary share after deducting distributions on other equity instruments[2]					
Basic		63.5	54.8		
Fully diluted[3]		63.4	54.5		
Cash earnings (cents) per ordinary share after deducting distributions on other equity instruments		66.3	57.5		
Weighted average number of fully paid ordinary shares (millions)		1,812	1,812		

1. *No dividends have been provided for in 2003 due to the adoption of new accounting standard AASB 1044, Provisions, Contingent liabilities and Contingent Assets.*
2. *Total shares comprise Westpac ordinary shares issued and New Zealand Class shares.*
3. *Fully diluted earnings per share is calculated after adjusting for partly paid shares and options outstanding in accordance with the revised accounting standard AASB 1027 and comparatives, have been restated. The interim and final dividends for the New Zealand Class shares are fully imputed.*

6.4.9 Loans

As at $m	31 March 2003	30 Sept 2002	31 March 2002	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Australia					
Overdrafts		3,007	3,019		
Credit card outstandings[1]		4,131	5,690		
Overnight and call money market loans		306	188		
Own acceptances discounted		13,025	13,157		
Term loans:					
Housing		60,445	55,964		
Non-housing		23,815	25,093		
Finance leases		863	1,693		
Investments in leveraged lease and equity lease		8	30		
Margin Lending[2]		560	550		
Other		1,642	2,677		
Total - Australia		107,802	108,061		
New Zealand					
Overdrafts		875	789		
Credit card outstandings[1]		712	853		
Overnight and call money market loans		854	665		
Term loans:					
Housing		12,219	11,312		
Non-housing		7,330	6,527		
Finance leases		-	26		
Redeemable preference share finance		3,777	2,791		
Other		749	821		
Total - New Zealand		26,516	23,784		
Other Overseas					
Overdrafts		139	149		
Term loans:					
Housing		328	270		
Non-housing		1,608	1,586		
Finance leases		14	19		
Other		897	1,070		
Total - Other Overseas		2,986	3,094		
Total gross loans		**137,304**	**134,939**		
Provisions for bad and doubtful debts		(1,434)	(1,657)		
Total net loans		**135,870**	**133,282**		
Securitised loans		**4,318**	**5,317**		

1. *Comparatives for March 2002 include $1.7 billion AGC card outstandings.*
2. *In January 2003, we terminated BT's securitisation arrangements which had funded its margin lending portfolio, and instead funded the margin lending loans on-balance sheet.*

6.4.10 Deposits and Public Borrowings

As at $m	31 March 2003	30 Sept 2002	31 March 2002	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
DEPOSITS					
Australia					
Non-interest bearing		3,611	3,676		
Certificates of deposit		15,525	16,885		
Other interest bearing:					
At call		45,124	41,807		
Term		17,701	15,209		
Total deposits in Australia		81,961	77,577		
New Zealand					
Non-interest bearing		874	848		
Certificates of deposit		2,908	2,464		
Other interest bearing:					
At call		7,039	5,737		
Term		8,279	8,306		
Total deposits in New Zealand		19,100	17,355		
Other Overseas					
Non-interest bearing		234	199		
Certificates of deposit		2,515	3,964		
Other interest bearing:					
At call		487	530		
Term		6,465	6,095		
Total deposits Other Overseas		9,701	10,788		
Total deposits		**110,762**	**105,720**		
PUBLIC BORROWINGS BY SUBSIDIARY BORROWING CORPORATIONS					
Australia					
Secured		-	3,094		
Unsecured		-	475		
Total public borrowings in Australia		**-**	**3,569**		
New Zealand					
Secured		1	3		
Total public borrowings in New Zealand		1	3		
Total public borrowings by subsidiary borrowing corporations		**1**	**3,572**		

6.4.11 Trading Derivatives

Trading Derivatives Outstandings

As at 31 March 2003 $bn	Notional amount[1]	Regulatory credit equivalent[2]	Positive mark-to-market (replacement cost)[3]	Negative mark-to-market[4]
Interest rate				
Futures				
Forwards				
Swaps				
Purchased options				
Sold options				
Foreign exchange				
Forwards				
Swaps				
Purchased options				
Sold options				
Commodities				
Equities				
Gross derivatives				
Less: netting benefit				
Net derivatives				
As at 30 September 2002	**697.5**	**12.3**	**9.1**	**8.4**
As at 31 March 2002	**669.8**	**12.4**	**6.4**	**5.5**

The table incorporates closeout netting which covers derivative contracts where legally enforceable netting agreements are in place.

Maturity Profile of Trading Derivatives Outstandings in Replacement Cost Terms

As at 31 March 2003 $bn	Less than 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years to 5 years	Over 5 years	Total
Interest rate							
Swaps							-
Purchased options							-
Foreign exchange							
Forwards							-
Swaps							-
Purchased options							-
Total derivatives	-	-	-	-	-	-	-

1. *Notional amount refers to the face value or the amount upon which cash flows are calculated.*
2. *Regulatory credit equivalent using Australian Prudential Regulation Authority guidelines for capital adequacy requirements.*
3. *Positive mark-to-market or replacement cost is the cost of replacing all transactions in a gain position. This measure is the industry standard for the calculation of current credit risk.*
4. *Negative mark-to-market represents the cost to our counterparites of replacing all transactions in a loss position.*

Daily Earnings at Risk

We use earnings at risk as the primary method for measuring and monitoring market risk exposure against Board approved limits. The main types of market risk arising from our trading activities are interest rate and foreign exchange risks. Other market risks include commodity, equity, prepayment, specific issuer and capital markets underwriting risks. The table below depicts the aggregate financial markets (including capital markets underwriting) earnings at risk for the last three half years.

$m	High	Low	Average
Six months ended 31 March 2003			
Six months ended 30 September 2002	10.0	3.1	5.1
Six months ended 31 March 2002	8.1	3.0	4.6
Six months ended 30 September 2001	8.7	2.0	3.5

Average Earnings at Risk by Risk Type

The following table depicts the average earnings at risk by risk types for the last three half years.

$m	Average for Half Year 31 March 03	Average for Half Year 30 Sept 02	Average for Half Year 31 March 02
Interest rate risk		3.3	2.7
Foreign exchange risk		1.0	0.8
Volatility risk		0.5	0.6
Other market risk[1]		2.5	2.9
Diversification benefit		(2.2)	(2.4)
Net derivatives	**-**	**5.1**	**4.6**

1. Commodity, equity, prepayment, specific issuer, capital markets underwriting.

6.4.12 Provisions for Bad and Doubtful Debts

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
General provision					
Balance at beginning of period		1,301	1,294		
Charge to net profit		190	271		
Transfer to specific provisions		(70)	(102)		
Recoveries of debts previously written off		35	49		
Write-offs		(171)	(208)		
Provisions of controlled entities/businesses acquired/(disposed)		(133)	-		
Exchange rate and other adjustments		10	(3)		
Balance at period end		1,162	1,301		
Specific provisions					
Balance at beginning of period		356	307		
Transfer from/(to) general provision comprising:					
New specific provisions		149	154		
Specific provisions no longer required		(79)	(52)		
		70	102		
Write-offs[1]		(121)	(41)		
Provisions of controlled entities/businesses acquired/(disposed)		(32)	-		
Exchange rate and other adjustments		(1)	(12)		
Balance at period end		272	356		
Total provisions for bad and doubtful debts		**1,434**	**1,657**		

[1] ***Write-offs from specific provisions comprised:***					
Business and Consumer Banking		(19)	(24)		
Westpac Institutional Bank		(96)	(7)		
New Zealand and Pacific Banking		(6)	(10)		
		(121)	(41)		

6.4.13 Impaired Assets

As at	31 March 2003			30 Sept 2002			31 March 2002		
$m	Gross	Specific Prov'n	Net	Gross	Specific Prov'n	Net	Gross	Specific Prov'n	Net
Non-accrual assets									
Australia				300	(105)	195	452	(184)	268
New Zealand				79	(13)	66	89	(22)	67
Other Overseas				269	(148)	121	307	(149)	158
Total				648	(266)	382	848	(355)	493
Restructured assets									
Australia				3	(1)	2	4	(1)	3
New Zealand				-	-	-	1	-	1
Other Overseas				28	(5)	23	8	-	8
Total				31	(6)	25	13	(1)	12
Total impaired assets				**679**	**(272)**	**407**	**861**	**(356)**	**505**

6.4.14 Movement in Gross Impaired Assets

$m	31 March 2003	30 Sept 2002	31 March 2002	*% Mov't* Mar 02-Mar 03	*% Mov't* Sep 02-Mar 03
Balance at beginning of period		861	902		
New and increased		191	237		
Written off		(103)	(18)		
Returned to performing or repaid		(268)	(252)		
Exchange rate and other adjustments		(2)	(8)		
Balance at period end		679	861		

6.4.15 Income on Non-Accrual and Restructured Assets

$m	Half Year March 03	Half Year Sept 02	Half Year March 02
Interest received on non-accrual and restructured assets		8	8
Estimated interest forgone on non-accrual and restructured assets		23	24
Interest yield on average non-accrual and restructured assets (annualised)		2.3%	2.1%

6.4.16 Impaired Assets and Provisioning Ratios

As at %	31 March 2003	30 Sept 2002	31 March 2002
Total impaired assets to total loans and acceptances		0.5	0.6
Net impaired assets to equity and general provisions		3.5	4.4
Specific provisions to total impaired assets		40.0	41.3
General provisions to non housing loans and acceptances		2.8	3.0
Total provisions to total loans and acceptances		1.0	1.2
Total impaired assets to equity and total provisions		5.7	7.3

6.4.17 Delinquencies (90 Days Past Due Loans)

	31 March 2003	30 Sept 2002	31 March 2002	% Mov't Mar 02- Mar 03	% Mov't Sep 02- Mar 03
Mortgages		0.15%	0.21%		
Other Personal Lending		1.07%	1.02%		
Total Personal Lending		0.22%	0.28%		
Business Banking *		0.63%	0.97%		

* *Australian Business Banking Portfolio*

6.4.18 Charge For Bad And Doubtful Debts

$m	Half Year March 03	Half Year Sept 02	Half Year March 02	% Mov't Mar 02-Mar 03	% Mov't Sep 02-Mar 03
GENERAL PROVISION:					
Recoveries of debts previously written off					
Business and Consumer Banking		(29)	(41)		
Westpac Institutional Bank		-	(3)		
New Zealand and Pacific Banking		(6)	(5)		
		(35)	(49)		
Write-offs					
Business and Consumer Banking		144	184		
Westpac Institutional Bank		1	2		
New Zealand and Pacific Banking		26	22		
		171	208		
Dynamic provisioning charge		(16)	10		
Transfer to specific provisions		70	102		
Charge for bad and doubtful debts		190	271		
SPECIFIC PROVISIONS:					
New provisions					
Business and Consumer Banking		35	25		
Westpac Institutional Bank		108	122		
New Zealand and Pacific Banking		6	7		
		149	154		
No longer required					
Business and Consumer Banking		(19)	(17)		
Westpac Institutional Bank		(52)	(28)		
New Zealand and Pacific Banking		(8)	(7)		
		(79)	(52)		
Transfer from general provisions		70	102		
Bad and doubtful debts charge to average loans and acceptances annualised (basis points)		26	39		

6.4.19 Average Balance Sheets and Interest Rates

	Half Year 31 March 03			Half Year 30 Sept 02			Half Year 31 March 02		
	Average Balance $m	Interest $m	Average Rate %	Average Balance $m	Interest $m	Average Rate %	Average Balance $m	Interest $m	Average Rate %
Assets									
Interest earning assets									
Due from other fin. insts.									
Australia				2,748	59	4.3	2,244	34	3.0
New Zealand				1,807	30	3.3	1,629	27	3.3
Other Overseas				1,873	30	3.2	1,691	30	3.6
Invest & trading securities									
Australia				9,074	224	4.9	9,232	211	4.6
New Zealand				954	30	6.3	850	28	6.6
Other Overseas				2,405	56	4.6	2,701	65	4.8
Regulatory deposits									
New Zealand				-	-	-	-	-	-
Other Overseas				396	3	1.5	440	5	2.3
Loans & other receivables									
Australia				109,798	3,317	6.0	103,758	3,363	6.5
New Zealand				24,264	899	7.4	23,050	808	7.0
Other Overseas				2,748	32	2.3	3,130	92	5.9
Impaired loans									
Australia				327	2	1.3	351	3	1.7
New Zealand				87	2	4.8	103	2	3.9
Other Overseas				278	4	3.2	310	3	1.9
Intragroup receivable									
Other Overseas				14,860	202	2.7	16,818	247	2.9
Interest earning assets & interest income inc. intragroup				171,619	4,890	5.7	166,307	4,918	5.9
Intragroup elimination				(14,860)	(202)		(16,818)	(247)	
Total interest earning assets and interest income				**156,759**	**4,688**	**6.0**	**149,489**	**4,671**	**6.3**
Non-interest earning assets									
Cash, due from other fin. Insts. and reg. deposits				1,916			2,524		
Life investment assets				7,673			7,639		
Other assets[1]				16,690			16,057		
Debt provisions									
Australia				(1,327)			(1,413)		
New Zealand				(76)			(82)		
Other Overseas				(154)			(154)		
Total non-interest earning assets				**24,722**			**24,571**		
Acceptances									
Australia				4,905			10,497		
Other Overseas				-			12		
Total assets				**186,386**			**184,569**		

1. *Includes fixed assets, goodwill, other financial markets assets, future income tax benefit and prepaid superannuation contributions.*

6.4.19 Average Balance Sheets and Interest Rates (Continued)

	Half Year 31 March 03			Half Year 30 Sept 02			Half Year 31 March 02		
	Average Balance $m	Interest $m	Average Rate %	Average Balance $m	Interest $m	Average Rate %	Average Balance $m	Interest $m	Average Rate %
Liabilities and shareholders' equity									
Interest bearing liabilities									
Deposits									
Australia				76,675	1,391	3.6	68,873	1,177	3.4
New Zealand				17,546	395	4.5	16,270	349	4.3
Other Overseas				10,005	117	2.3	9,921	171	3.5
Public borrowings by subs. borrowing corps.									
Australia				1,059	28	5.3	4,851	124	5.1
New Zealand				2	-	-	4	-	-
Due to other fin.insts									
Australia				1,653	24	2.9	1,923	32	3.3
New Zealand				118	4	6.8	206	4	3.9
Other Overseas				2,628	51	3.9	3,572	64	3.6
Loan capital									
Australia				4,438	96	4.3	4,644	102	4.4
New Zealand				43	1	4.6	41	2	9.8
Other interest bearing liabilities									
Australia				17,660	366	4.1	17,434	356	4.1
New Zealand				141	3	4.2	141	5	7.1
Other Overseas				8,065	87	2.2	9,387	125	2.7
Intragroup payable									
Australia				7,460	113	3.0	8,852	134	3.0
New Zealand				7,400	89	2.4	7,966	113	2.8
Interest bearing liabilities & interest expense inc.intragroup				154,893	2,765	3.6	154,085	2,758	3.6
Intragroup elimination				(14,860)	(202)		(16,818)	(247)	
Total interest bearing liabilities and interest expense				**140,033**	**2,563**	**3.7**	**137,267**	**2,511**	**3.7**
Non-interest bearing liabilities									
Deposits and due to other financial institutions									
Australia				4,001			3,563		
New Zealand				930			964		
Other Overseas				258			242		
Life ins. policy liabilities				7,438			7,424		
Other liabilities[1]				18,070			14,609		
Total non-interest bearing liabilities				**30,697**			**26,802**		
Acceptances									
Australia				4,905			10,497		
Other Overseas				-			12		
Total liabilities				**175,635**			**174,578**		
Shareholders' equity				10,269			9,511		
TOPrS				465			465		
FIRsTS									
Outside equity interests				17			15		
Total equity				**10,751**			**9,991**		
Total liabilities and equity				**186,386**			**184,569**		

1. *Includes provisions for dividends, income tax and deferred tax, and other financial market liabilities.*

6.4.20 Capital Adequacy

As at $m	31 March 2003	30 Sept 2002	31 March 2002
Tier 1 capital			
Total equity		10,468	10,188
Premises revaluation reserve		-	(1)
Goodwill (excluding funds management entities)		(1,424)	(1,449)
Net future income tax benefit		(159)	-
Estimated reinvestment under dividend reinvestment plan[1]		166	123
Retained earnings, reserves and goodwill in life and general insurance, funds management and securitisation entities		(683)	(397)
Equity in captive lenders mortgage insurance entities		(31)	(25)
Total Tier 1 capital		**8,337**	**8,439**
Tier 2 capital			
Premises revaluation reserve		-	1
Subordinated undated capital notes		717	734
General provision for doubtful debts		1,162	1,301
Future income tax benefit related to general provision		(348)	(381)
Eligible subordinated bonds, notes and debentures		3,260	3,299
Total Tier 2 capital		**4,791**	**4,954**
Tier 1 and Tier 2 capital		**13,128**	**13,393**
Deductions:			
Investments and capital in life insurance, funds management and securitisation activities		(1,017)	(769)
Net qualifying capital		**12,111**	**12,624**
Risk adjusted assets		**128,651**	**124,056**
Tier 1 capital ratio		6.5%	6.8%
Tier 2 capital ratio		3.7%	4.0%
Deductions		(0.8)%	(0.6)%
Net capital ratio		**9.4%**	**10.2%**
Tangible ordinary equity to risk adjusted assets		6.4%	6.7%

1. *This amount is derived from reinvestment experience of our dividend reinvestment plan. Comparatives have been restated for actual experience.*

6.4.21 Reconciliation to US GAAP

Our operating profit and shareholders' equity adjusted to comply with United States generally accepted accounting principles (US GAAP) are:

$m	**Half Year March 03**	Half Year March 02	**Half Year March 03**	Half Year March 02
	US$	US$	**A$**	A$
Net profit as reported		543		1,018
Premises and sites		(2)		(4)
Amortisation of goodwill		1		1
Superannuation (pension) expense adjustment		18		34
Related income tax expense		(5)		(10)
Wealth management adjustment		(47)		(89)
Related income tax (expense)/credit		11		21
Write-down of available-for-sale securities		27		50
Employee share option compensation		(2)		(3)
TOPrS / FIRsTS distribution		(13)		(25)
Start up cost adjustment		-		-
Related income tax expense		-		-
Other non-financial assets		(10)		(19)
Related income tax expense		(4)		(7)
Software capitalisation adjustment		(4)		(7)
Related income tax credit		1		2
Effect of initial application of SFAS 133		-		
Related income tax credit		-		
Derivative instruments (under SFAS 133)		(43)		(82)
Related income tax expense		13		25
Difference in carrying value of controlled entity sold		-		-
Restructuring costs		-		-
Related income tax expense		-		-
Adjusted US GAAP net profit		484		905
Other comprehensive income				
Foreign currency translation reserve		(27)		(51)
Unrealised net gain/(loss) on available-for-sale securities		(24)		(46)
Reclass. adj. for (gains)/losses incl. in net income		-		-
Total other comprehensive income		(51)		(97)
Total comprehensive income according to US GAAP		433		808

7. OTHER INFORMATION

7.1 CREDIT RATINGS[1]

Rating agency	Long term	Short term
Fitch Ratings		
Moody's Investor Services		
Standard & Poor's		

7.2 EXCHANGE RATES

Six months to/as at	31 March 2003		30 Sept 2002		31 March 2002	
Currency	Average	Spot	Average	Spot	Average	Spot
USD			0.5324	0.5438	0.5150	0.5313
GBP			0.3621	0.3476	0.3588	0.3725
NZD			1.2775	1.1587	1.2256	1.2097

1. *As at March 2003.*

7.3 DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, within the meaning of the United States Private Securities Litigation Reform Act of 1995, with respect to us, including our business operations and strategy and financial performance and condition. These statements appear under the headings 'review of group results', as well as elsewhere in this announcement. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe' or 'continue', or other similar words. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations described in such forward-looking statements.

The factors that could cause this to occur include, among other things, the following:

- unanticipated changes in customer preferences;
- demographic changes;
- changes in competitive conditions in any of the major markets in which we operate;
- changes in the regulatory environment in any of the major markets in which we operate;
- changes in political, social and economic conditions in any of the major markets in which we operate;
- legislative proposals for reform of the financial services industry in any of the major markets in which we operate; and
- various other factors beyond our control.

We are under no duty to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, after the date of this announcement.

7.4 SHAREHOLDER CALENDAR

Westpac shares are listed on the Stock Exchanges in Australia, New Zealand, New York and Tokyo.

Important dates for shareholders to note over the following months are:

Ex-dividend date	5 June 2003	
Record date for Final dividend (Sydney)	12 June 2003	5.00pm (Sydney time)
Record date for Final dividend (New York)[1]	11 June 2003	5.00pm (New York time)
Record date for Final dividend (Tokyo)[2]	12 June 2003	3.00pm (Tokyo time)[3]
Record date for Final dividend (New Zealand)[4,5]	13 June 2003	5.00pm (New Zealand time)
Dividend payment date	4 July 2003	

Share Registries:

Australia
Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000

New Zealand
Computershare Investor Services Ltd
Level 2, 159 Hurtsmere Road
Takapuna North Shore City Auckland

New York
JP Morgan Chase Bank
One Chase Manhattan Plaza
40th Floor
New York NY 10081 USA

Tokyo
The Mitsubishi Trust & Banking Corporation
1-7-7, Nishi-Ikebukuro
Toshima-Ku
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Group Secretary and General Counsel

8 May 2003

1 *Dividends will be converted to local currency at the rate ruling on the date of payment of dividend.*

2 *Dividend will be converted to local currency at the rate ruling on date of receipt of the funds by the paying and share handling agent.*

3 *For shares registered in the books of Tokyo Stock Exchange Members' securities companies.*

4 *Dividends payable to shareholders on the New Zealand register will be converted to local currency at the ruling buying rate for telegraphic transfers at 11.00am on 4 July 2003.*

5 *New Zealand date applies to NZ class shareholders only. New Zealand residents holding Westpac ordinary shares should note Australia dates.*

8. RECONCILIATION OF REPORTED RESULTS

8.1 HALF YEAR RECONCILIATION

6 months to:	30 Sept. 2002						31 March. 2002				
$m	Reported results	Individually significant items	Embedded Value Uplift	Underlying Business	AGC	Ongoing business	Reported results	Embedded Value Uplift	Underlying Business	AGC	Ongoing business
Interest income (incl. gross up)	4,688	-	-	4,688	178	4,510	4,671	-	4,671	535	4,136
Interest expense	(2,563)	-	-	(2,563)	(105)	(2,458)	(2,511)	-	(2,511)	(292)	(2,219)
Net interest income (incl. gross up)	2,125	-	-	2,125	73	2,052	2,160	-	2,160	243	1,917
Total non-interest income	1,616	460	(60)	1,216	12	1,204	1,362	60	1,302	37	1,265
Net operating income (incl. gross up)	3,741	460	(60)	3,341	85	3,256	3,522	60	3,462	280	3,182
Operating expenses											
Salaries and other staff expenses	(1,006)	(221)	-	(785)	(10)	(775)	(823)	-	(823)	(29)	(794)
Equipment and occupancy expenses	(298)	-	-	(298)	(5)	(293)	(291)	-	(291)	(13)	(278)
Other expenses	(852)	(222)	-	(630)	(10)	(620)	(625)	-	(625)	(27)	(598)
Operating expenses (excl goodwill)	(2,156)	(443)	-	(1,713)	(25)	(1,688)	(1,739)	-	(1,739)	(69)	(1,670)
Amortisation of goodwill	(51)	-	-	(51)	-	(51)	(49)	-	(49)	-	(49)
Operating profit before bad debts	1,534	17	(60)	1,577	60	1,517	1,734	60	1,674	211	1,463
Bad and doubtful debts	(190)	-	-	(190)	(31)	(159)	(271)	-	(271)	(70)	(201)
Profit from ordinary activities before income tax (incl. gross up)	1,344	17	(60)	1,387	29	1,358	1,463	60	1,403	141	1,262
Fully tax equivalent gross up	(72)	-	-	(72)	-	(72)	(67)	-	(67)	-	(67)
Profit before income tax	1,272	17	(60)	1,315	29	1,286	1,396	60	1,336	141	1,195
Income tax expense	(95)	164	14	(273)	(16)	(257)	(376)	(14)	(362)	(48)	(314)
Net profit attributable to outside equity interests	(3)	-	-	(3)	-	(3)	(2)	-	(2)	-	(2)
Net profit	**1,174**	**181**	**(46)**	**1,039**	**13**	**1,026**	**1,018**	**46**	**972**	**93**	**879**
Net profit attributable to equity holders	1,174	181	(46)	1,039	13	1,026	1,018	46	972	93	879
Goodwill	51	-	-	51	-	51	49	-	49	-	49
Embedded value uplift	46	-	46	-	-	-	(46)	(46)	-	-	-
Distributions on other equity instruments	(23)	-	-	(23)	-	(23)	(25)	-	(25)	-	(25)
Cash earnings	**1,248**	**181**	**-**	**1,067**	**13**	**1,054**	**996**	**-**	**996**	**93**	**903**
Cash earnings(cents) per ordinary share	**68.9**			**58.9**		**58.2**	**55.0**		**55.0**		**49.8**

8.2 HALF YEAR BALANCE SHEET ANALYSIS

$m	31 March 2003 Reported	30 Sept 2002 Reported	31 March 2002 Reported	AGC	Ongoing Business	*% Mov't* Mar 02- Mar 03	*% Mov't* Sep 02- Mar 03
Assets							
Cash and balances with central banks		1,669	2,127	-	2,127		
Due from other financial institutions		5,242	5,937	-	5,937		
Trading securities		10,643	10,014	-	10,014		
Investment securities		3,313	2,751	-	2,751		
Loans		135,870	133,282	9,780	123,502		
Acceptances of customers		4,788	4,793	-	4,793		
Life insurance assets		7,566	7,843	-	7,843		
Regulatory deposits with central banks overseas		455	452	-	452		
Goodwill		1,754	1,449	-	1,449		
Fixed assets		815	931	32	899		
Deferred tax assets		587	446	52	394		
Other assets		18,335	16,167	145	16,022		
Total assets		191,037	186,192	10,009	176,183		
Liabilities							
Due to other financial institutions		4,731	6,867	-	6,867		
Deposits and public borrowings		110,763	109,292	9,841	99,451		
Debt issues		27,575	24,856	-	24,856		
Acceptances		4,788	4,793	-	4,793		
Tax liabilities		617	658	42	616		
Life insurance policy liabilities		7,163	7,538	-	7,538		
Provisions		1,093	1,002	46	956		
Other liabilities		19,327	16,418	80	16,338		
Total liabilities excluding loan capital		176,057	171,424	10,009	161,415		
Loan capital							
Subordinated bonds, notes and debentures		3,795	3,846	-	3,846		
Subordinated perpetual notes		717	734	-	734		
Total loan capital		4,512	4,580	-	4,580		
Total liabilities		180,569	176,004	10,009	165,995		
Net assets		10,468	10,188	-	10,188		
Equity							
Ordinary Shares		3,503	1,764	-	1,764		
NZ Class shares		471	482	-	482		
Trust originated preferred securities (TOPrS[sm])		465	465	-	465		
FIRsTS		-	-	-	-		
Reserves		82	2,915	-	2,915		
Retained profits		5,930	4,546	-	4,546		
Equity attributable to equity holders of Westpac Banking Corporation		10,451	10,172	-	10,172		
Outside equity interests in controlled entities		17	16	-	16		
Total equity		10,468	10,188	-	10,188		

8.3 DETAILED TAX RECONCILIATION

9. ADDITIONAL DISCLOSURE - US REGULATIONS

10. GLOSSARY

SHAREHOLDER VALUE

Earnings per ordinary share (cents)	Net profit after tax (NPAT) minus FIRsTS/TOPrS dividend, divided by the weighted average number of fully paid ordinary shares
Weighted average ordinary shares	Weighted average number of fully paid ordinary shares listed on the ASX as at 31 March 2003 and NZ class shares
Cash earnings per ordinary share (cents) underlying basis	Underlying cash earnings divided by the weighted average number of fully paid ordinary shares
Return on equity	NPAT minus FIRsTS/TOPrS dividend divided by the average equity excluding outside equity interests minus average FIRsTS/TOPrS

PRODUCTIVITY AND EFFICIENCY

Operating expenses	Total expenses less goodwill
Expense to income ratio (%)	Operating expenses divided by operating Income
Underlying expense to income ratio (%)	Underlying operating expenses divided by underlying operating income
Full time equivalent staff (FTE)	A calculation based on the number of hours worked by full and part time employees as part of their normal duties. For example, the full time equivalent of 1 FTE is 76 hours paid work per fortnight

BUSINESS PERFORMANCE

Net interest spread (%)	The difference between the average yield on all interest bearing assets and the average rate paid on interest bearing liabilities, net of impaired loans
Net interest margin (%)	The net interest spread plus the benefit of net non-interest bearing liabilities & equity
Economic profit ($m)	Cash earnings plus a portion (70%) of the face value of franking credits paid to shareholders, less an equity charge calculated using a 12% cost of equity

CAPITAL ADEQUACY

Net capital ratio	Tier 1 Capital Ratio, plus Tier 2 Capital Ratio minus deductions
Tier 1	Total Tier 1 Capital divided by Risk Adjusted Assets
Average ordinary equity ($m)	Average Equity excluding outside equity interests, minus Average FIRsTS/TOPrS balance
Average total equity ($m)	Total shareholder's equity, including New Zealand and offshore