

May 2012

Peter Clare Chief Executive Officer



	1H12	Change 2H11 – 1H12
Cash earnings ¹	\$333m	14%
Core earnings ²	\$559m	1 6% √
Impairment charges	\$98m	9%
Net loans	\$58.2bn	1%
Deposits	\$39.4bn	1 4%
Return on Average Assets	1.1%	13bps
Tier 1 Capital Ratio ³	11.7%	121bps

1 Cash earnings is equivalent to Net Profit After Tax (NPAT)

2 Core earnings equals NPAT before impairment charges, tax and minority interests

3 Tier 1 Capital Ratio is of the Westpac New Zealand Limited Banking Group



Award winning support of our community



The Westpac Chopper Appeal campaign voted overall campaign of the year at the Asia Pacific PR awards 2011.

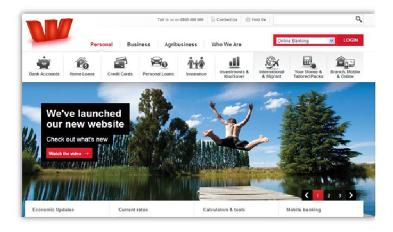
Grow NZ maintains its backing of small New Zealand businesses and the community.

Continuing support of Women in Leadership and taking a lead role in International Women's Day.

'Mobile Branch' set up in the Christchurch container mall. Westpac Business Hub continues to support the business community.



Award winning innovation continues to delight our customers



www.westpac.co.nz relaunched with a fresh new look and improved functionality.



"The feature's main benefit is convenience. After the initial setup, customers don't have to log in to use the app; they just touch a button on the phone, and there it is."

Ann Carrns - nytimes.com



A refreshed brand with a powerful message...



..."Help is what we do"



Leigh Bartlett Chief Financial Officer



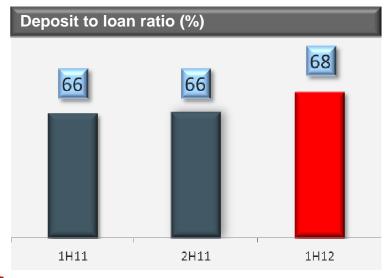
Strong Financial Result

	1H11	2H11	1H12	Movement	
(\$m)				1H12 – 2H11	1H12 – 1H11
Net interest income	715	745	761	1 2%	6%
Non-interest income	198	201	215	7%	9%
Net operating income	913	946	976	3%	1 7%
Operating expenses	(402)	(417)	(417)	➡ 0%	4%
Core earnings	511	529	559	6%	9%
Impairment charges	(133)	(108)	(98)	9%	26%
Cash Earnings	269	291	333	14%	24%
Expense to income ratio	44.0%	44.1%	42.7%	📕 140bps	📕 130bps
Net interest margin	2.27%	2.37%	2.43%	f 6bps	24bps



Good Balance Sheet Growth

	1H11	2H11	1H12	Movement	
(\$bn)				1H12 – 2H11	1H12 – 1H11
Net Loans	56.2	57.6	58.2	1%	4%
Housing	34.2	34.9	35.4	1%	4%
Business	20.4	21.0	21.0	■ 0%	3%
Total Deposits	37.0	38.0	39.4	1 4%	6%







Focus on Customer Centric Productivity



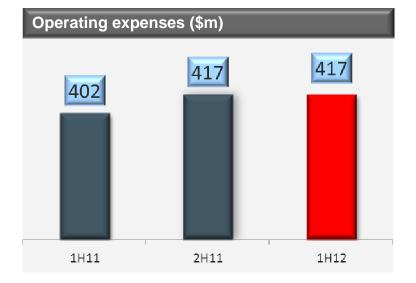
Operating expenses flat on 2H11

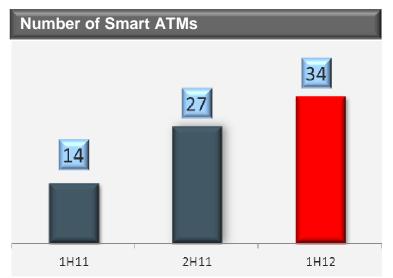
branch enhancements

On-going investment in technology and

Continued focus on productivity and, in

particular, improving customer experience





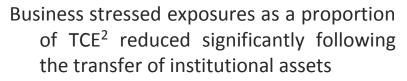
1. Time-To-First-Yes reflects the proportion of Retail Home Lending decisions approved within one hour



Continued Focus on Asset Quality

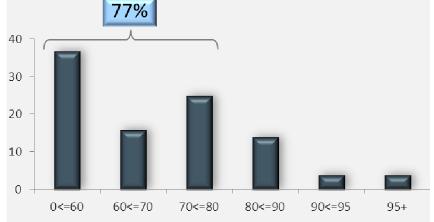


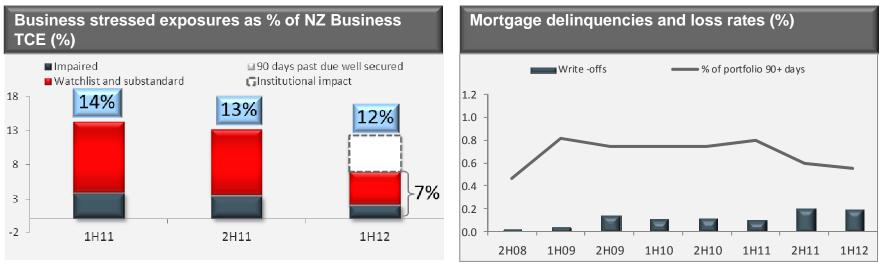
Impairment charges down 9% on 2H11

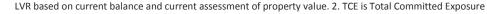


- Business stressed exposures fell to 7.01% of TCE, down circa 600bps on 2H11
- Housing 90+ delinquencies have improved to 0.55%, down 5bps on 2H11



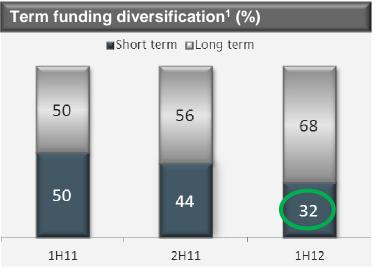


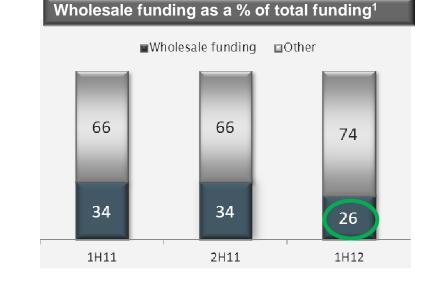


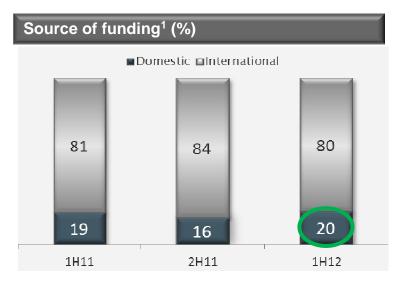


Improved Funding Structure











Percentages shown are based on hedged values, and will therefore differ from Westpac New Zealand Limited Disclosure Statements which are prepared at fair value

Peter Clare Chief Executive Officer



New Zealand economy recovery remains steady

Construction sector growth still anticipated

Increasing regulation

Sovereign debt issues linger in Europe



Confidence is improving

Solid bank operating sustainably

Best bankers supported by innovation

We are open for business

Supporting our loyal customers

Continue local operating model

Grow NZ and rebuild Canterbury



Disclaimer: Westpac New Zealand Banking represents the New Zealand customer-facing businesses (excluding those activities provided by the WBC NZ Branch) within The Westpac Group. Westpac New Zealand Banking is a management divisional view only, and is not the same as Westpac New Zealand Limited. The financial performance of New Zealand's legal entity, Westpac New Zealand Limited, will be available when its disclosure statement is published by 31st May 2012.

