Westpac
Australia's First Bank

Deutsche Bank Asia Pacific Financial Institutions Conference 2003

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Westpac at a glance

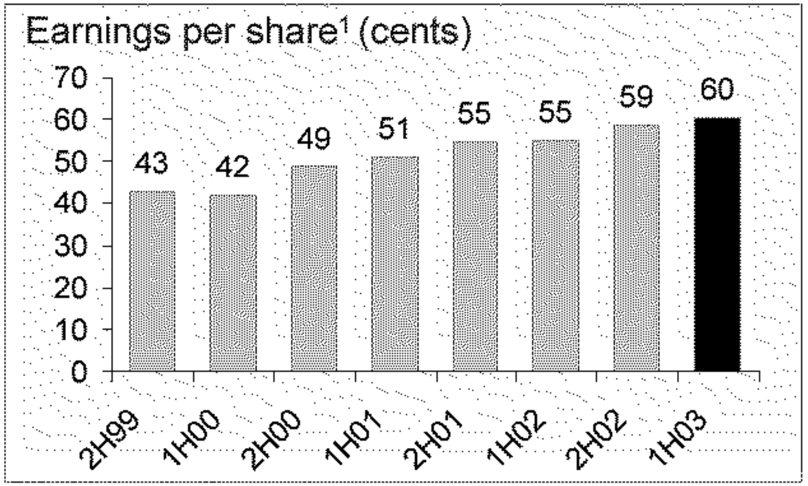
- Established 1817
- Top 100 bank globally[1]
- Core markets of Australia, New Zealand and near Pacific
- 7.5 million customers
- Leader in sustainability

	March 2003
4 year EPS CAGR	11%
Return on equity[2]	21%
Dividend yield[3]	4.6%
Total assets	A$206bn
Market cap[3]	A$30bn

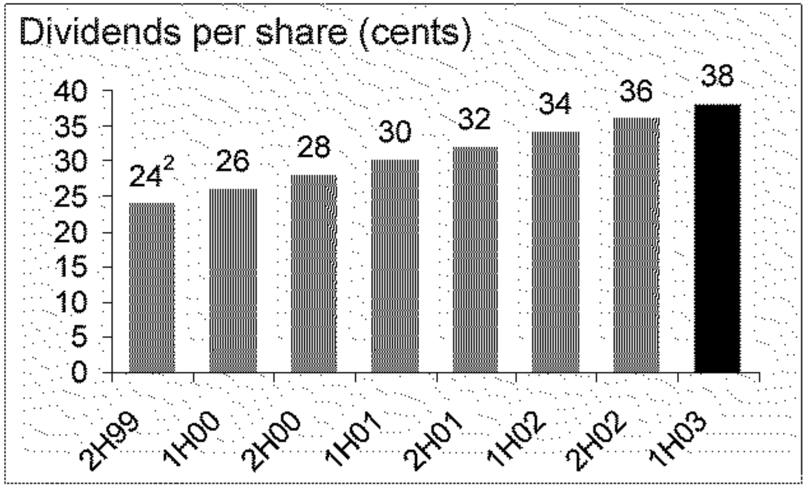
1 Euromoney June 2003
2 Cash earnings basis
3 As at 30 June 2003

Consistent earnings and dividend growth

- Strong growth across all businesses
- Performance driven by:
  - Solid asset growth
  - Sustaining margins
  - Further improvement in asset quality
- Dividends growing at or above earnings
  - Cash EPS 10%
  - Dividends 12%
- Dividends fully franked



[1] Underlying cash earnings



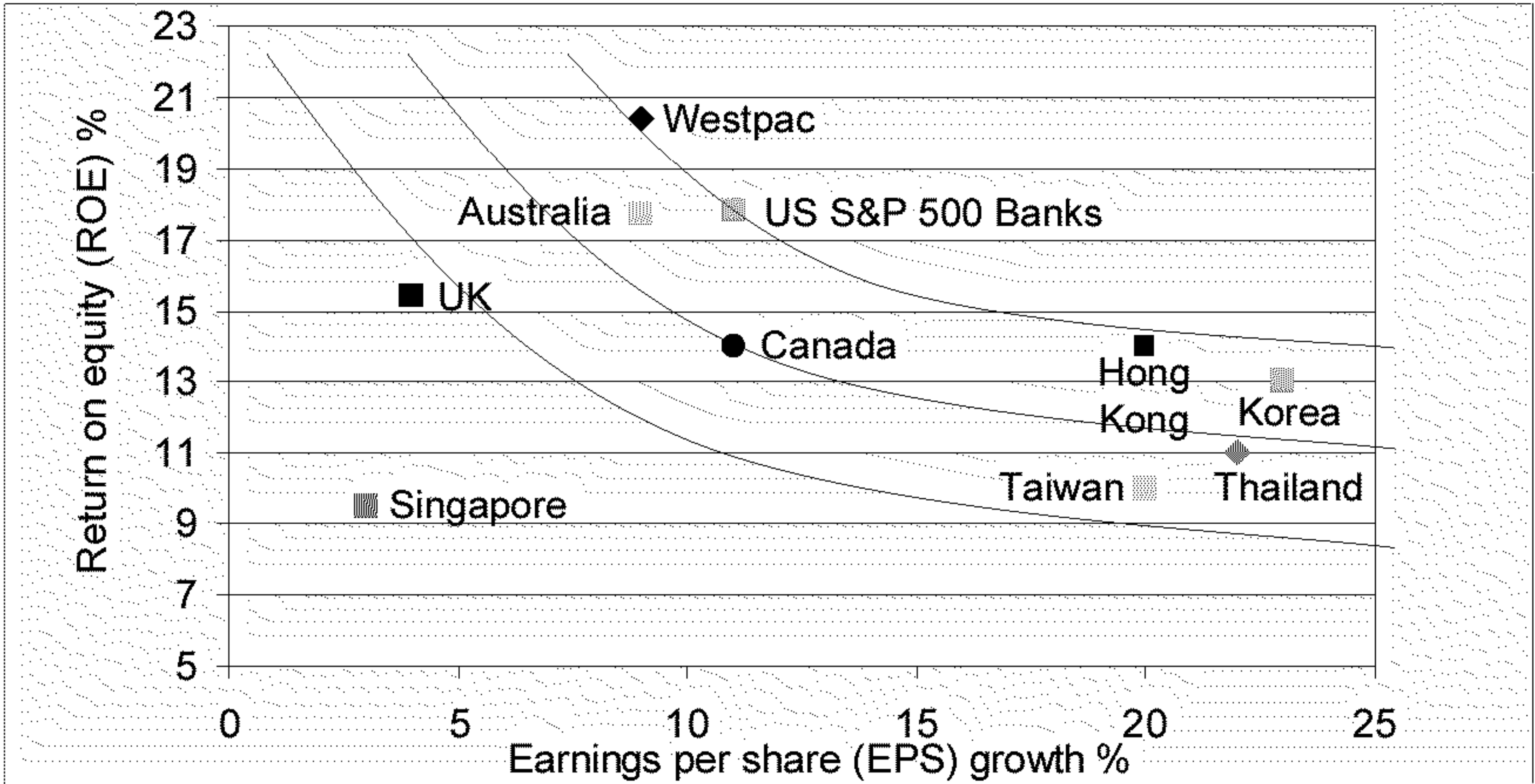
[2] Unfranked

Points of differentiation

- Strategy
  - Focused on core markets - Australia, New Zealand & near Pacific
  - Right exposure to contemporary wealth management business
- Low risk
  - De-risked income streams
  - Leading asset quality and strong provisioning coverage
- Leader in sustainability
- Customer franchise
  - Large, high quality customer base that remains largely untapped

Core markets offering favourable growth return mix

Actual and forecast return/growth profile for major banking sectors 2002-04

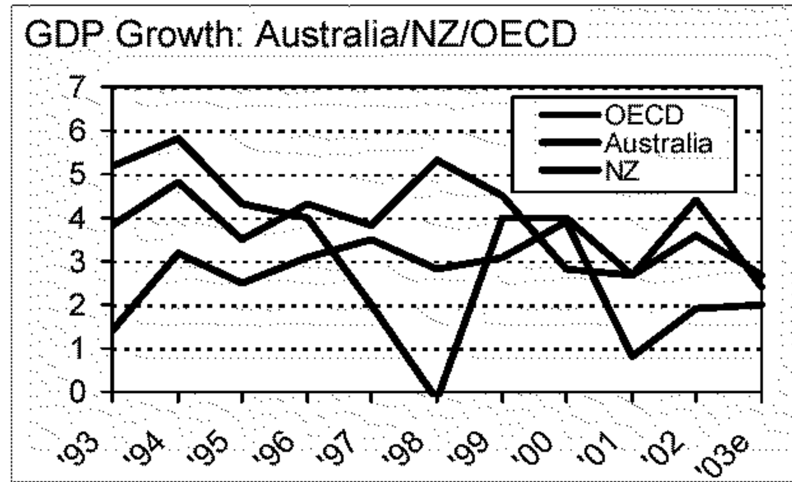


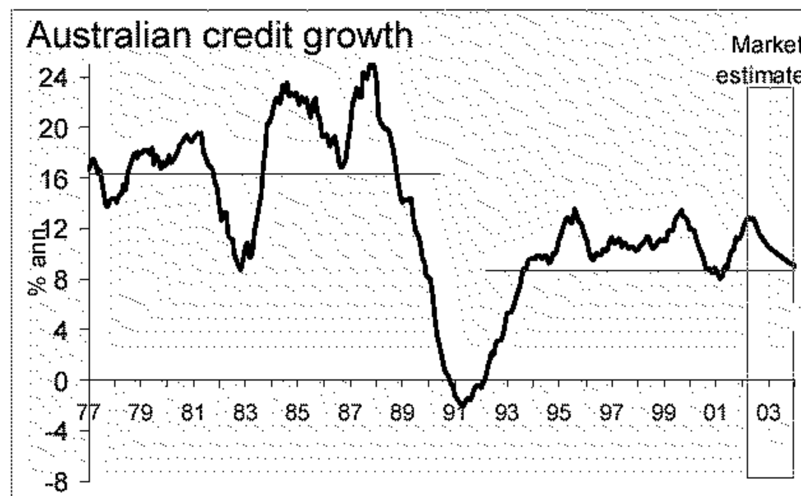
Source: Deutsche Bank and CSFB actuals and estimates

ROE and EPS growth represent 2 or 3 year average of actuals reported in prior year and forecasts for the 2003 & 2004 years for the major banks in each economy. Canada & Asian estimates have been normalised for large swings in EPS.

Australia and NZ – growth exceeding global norms

- Australia GDP consistently outperformed OECD growth
- Credit growth expected to ease back to longer term average ~ 8.5%
- Housing growth easing but double digit growth still anticipated
- Capacity for growth in corporate/SME sectors
- NZ credit growth expected to ease from 9% to around 6%-7%





Wealth – patient acquisition of a select business mix

Right Assets

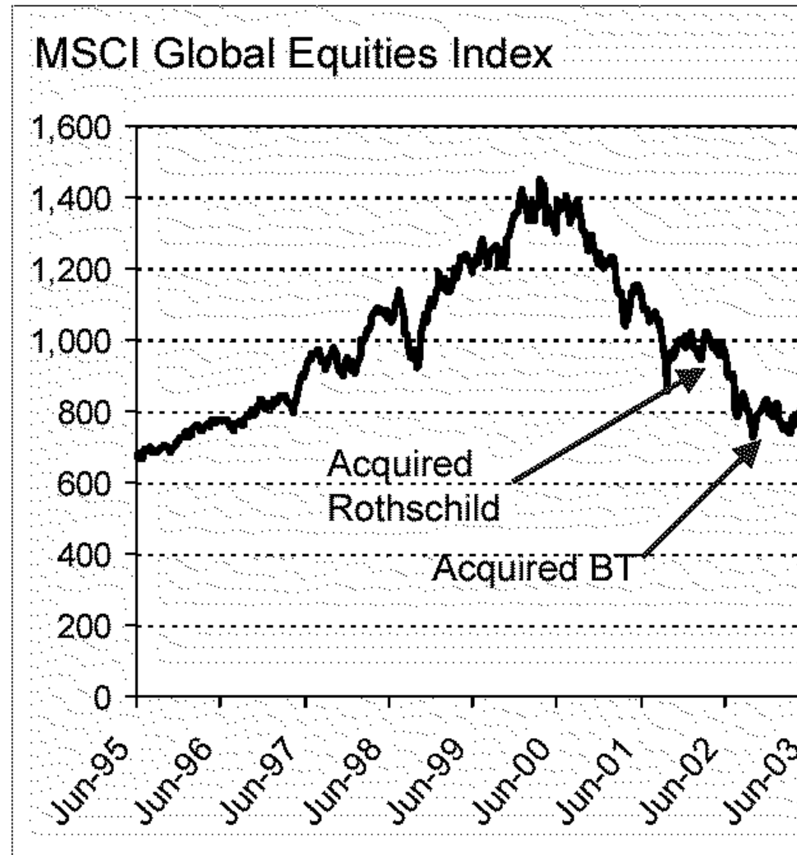
Key assets acquired

- Leading wrap and corporate super platforms
- Retail funds
- Margin Lending

Risks avoided

- Heavy equity exposure
- Legacy life businesses
- Over investment in asset management

Right Time



Source: IRESS

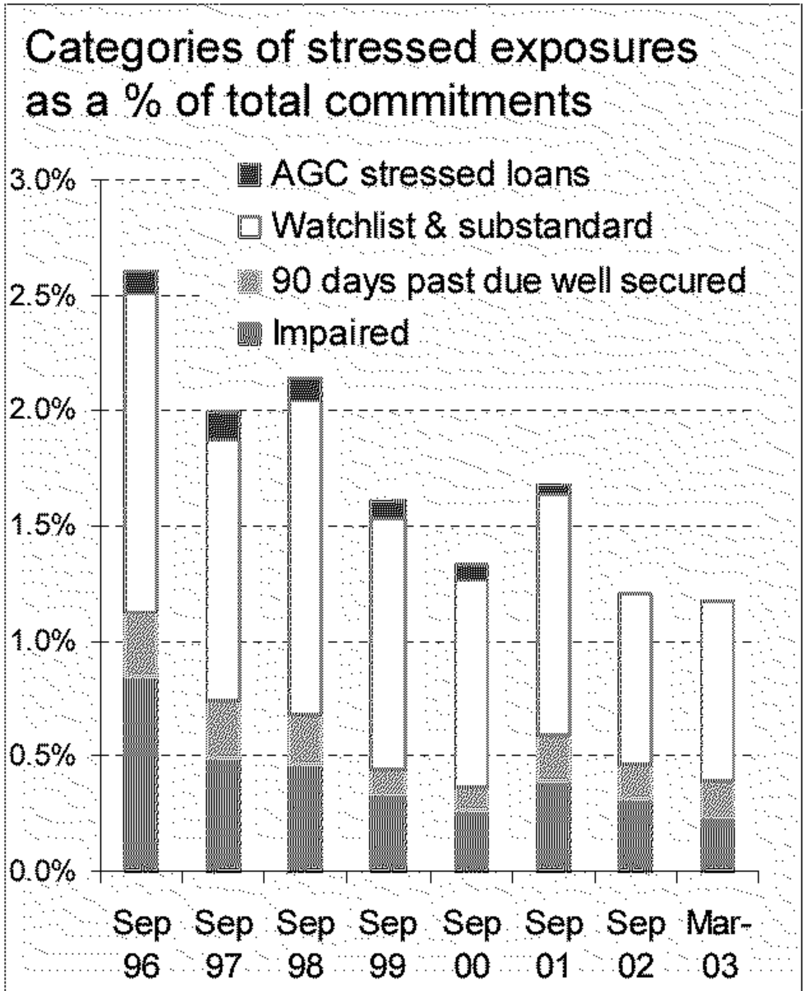
Optimal wealth position–represented across value chain

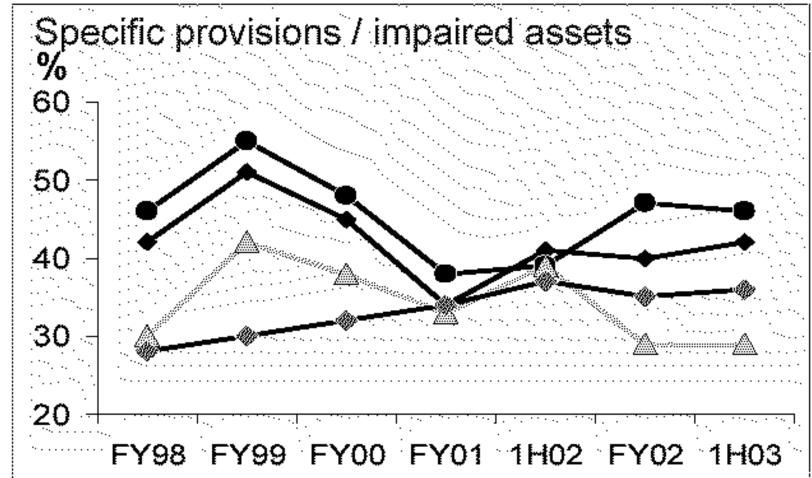
Customers	Distribution & Advice	Bundling Platform	Product Manufacture	Investment Management	Back Office
Access to 7.5m existing customers and through External Financial Advisor (EFA) channels	700 Westpac planners & advisers Over 15,000 EFAs	Leading wrap and corporate super platforms	Broad product range Proven servicing capability	Manage funds where comparative advantage Use external managers elsewhere	Outsourced partners for funds admin Centralised back office servicing centre

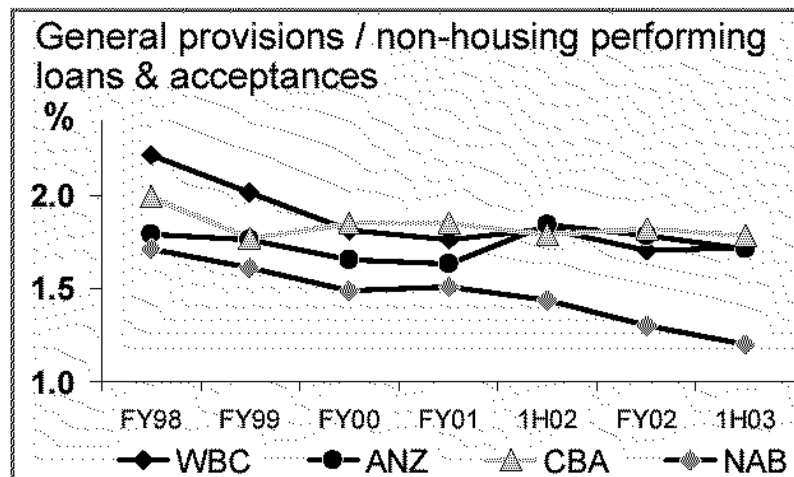
De-risked earnings and increased disclosure

- Removed embedded value accounting for wealth management
- Sold lower growth, higher risk finance business (AGC)
- Conservative capitalisation/amortisation policy
  - Removed capitalisation of outsourced transactions
  - Expensing restructuring costs
  - No software currently amortised over more than 3 years
- Partially hedged offshore securities portfolio
- Significantly enhanced credit and other financial disclosures

Stressed exposures lower - provisions increased

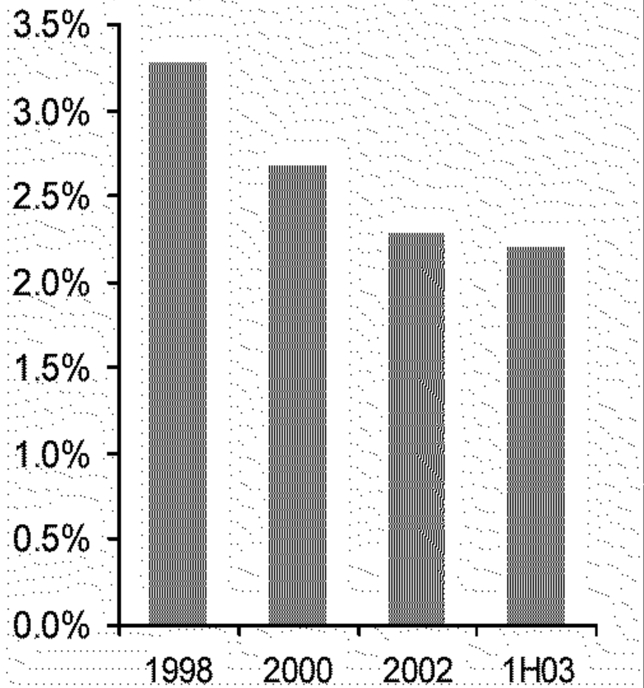






Reduced concentrations and focusing on core markets

Top 10 exposures as a % of total committed exposure[1]



1 31 March 2003, excluding banks and governments

Total Exposure by Region[2]

$m	Aust	NZ / Pacific	Europe & Americas	Asia inc Japan	Group
Invest grade	59,999	16,230	8,999	267	85,495
BB+ to B+	33,418	6,772	705	84	**40,979**
<B+	1,216	650	359	52	**2,277**
Secured Consumer[3]	75,488	13,799	0	0	**89,390**
Unsecured consumer[4]	6,772	1,003	0	0	**7,672**
Total	**176,893**	**38,455**	10,063	401	**225,812**
% of Total	78%	17%	5%	Nom	100%

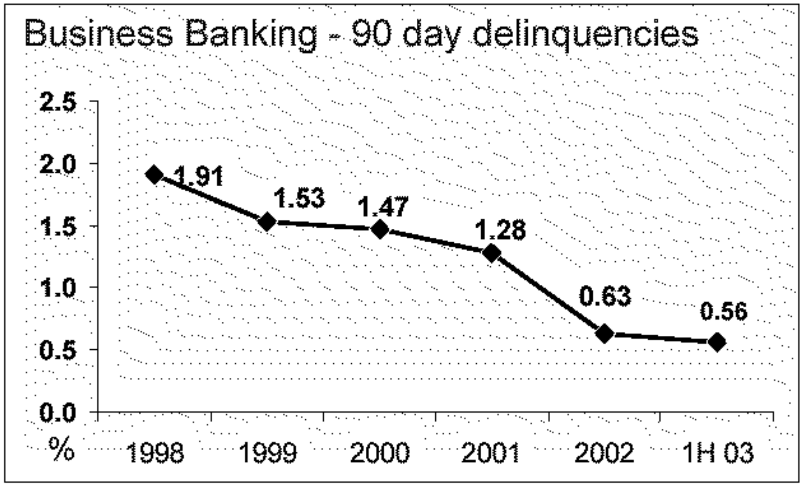
2 As at 31 March 2003

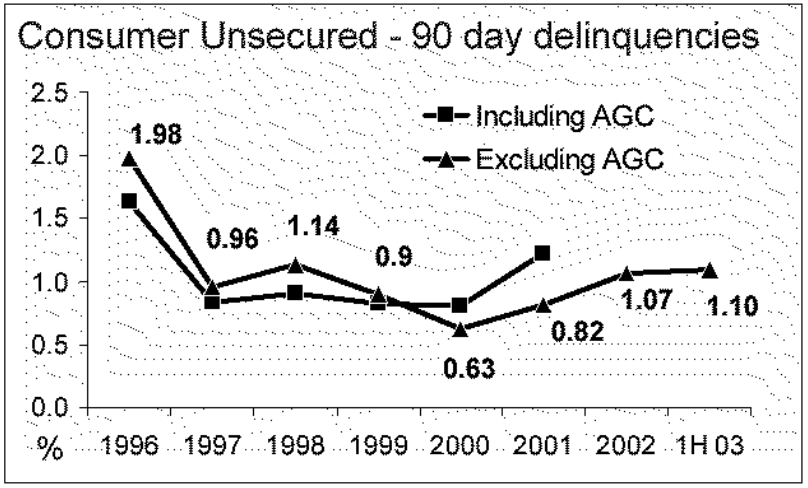
3 Includes mortgages for housing, investment property loans, equity access loans and margin lending.

4 Credit cards and personal loans

Forward indicators in good shape

- Business delinquencies less than one third of levels recorded 4 years ago
- Consumer delinquencies returning to more normal levels





Leader in sustainability

- Significant change in how we manage the business and relate to all stakeholders
- Corporate responsibility, starting at the Board, is being fully integrated into our business model
- For customers our Service Mission is to be No. 1 for service in our industry by September 2005
- Westpac is recognised as a great place to work with employee commitment increasing by 5 percentage points to 65%
- Our community investment includes charitable gifts, eco-projects, in-kind assistance and social subsidies
  - Over 70% of all staff participate in volunteering

Leader in sustainability – gaining recognition

- Ranked number one in the global banking sector by the Dow Jones Sustainability Index
- Ranked third globally in the banking sector by oekom Corporate Responsibility Rating
- United Nations Association of Australia Triple Bottom Line Award 2002

2003 Social Impact Report[1]
Reporting on Westpac's corporate responsibility policies, practices and performance

1 Available at www.westpac.com.au under 'Westpac Info', then 'Social accountability'

Strong customer franchise

Customer numbers

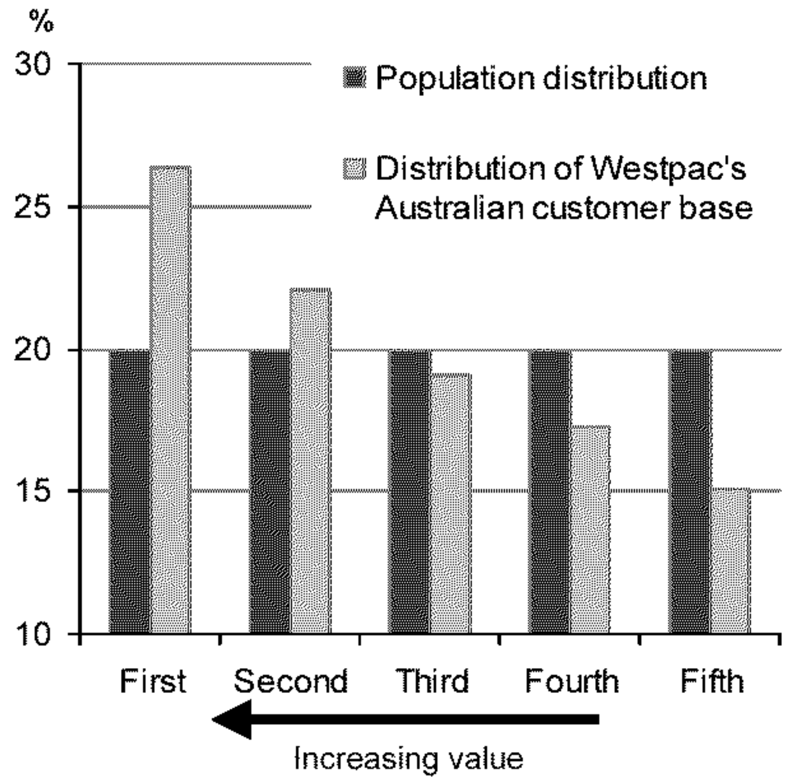
Australia	6.0m
New Zealand	1.3m
Other	0.2m
Total	**7.5m**

Market share – May 2003

Australia	
Housing	17.8%
Other personal	12.1%
Other mainly business	10.7%
Total	**14.1%**

Source: APRA

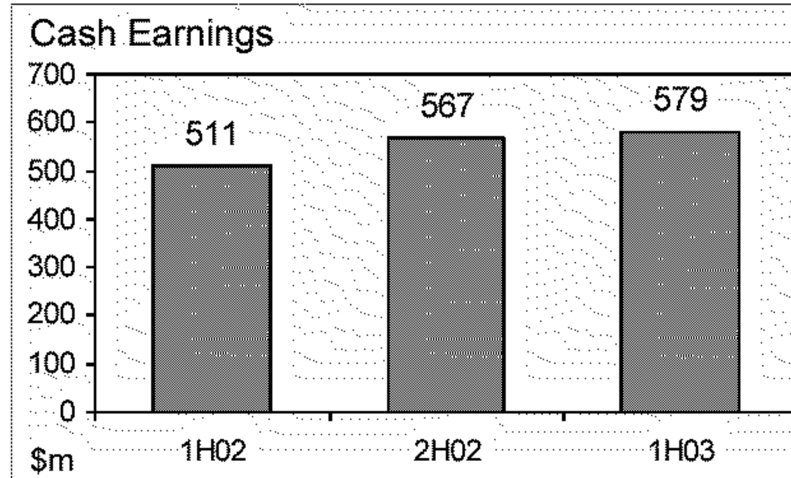
Australian value quintiles[8]

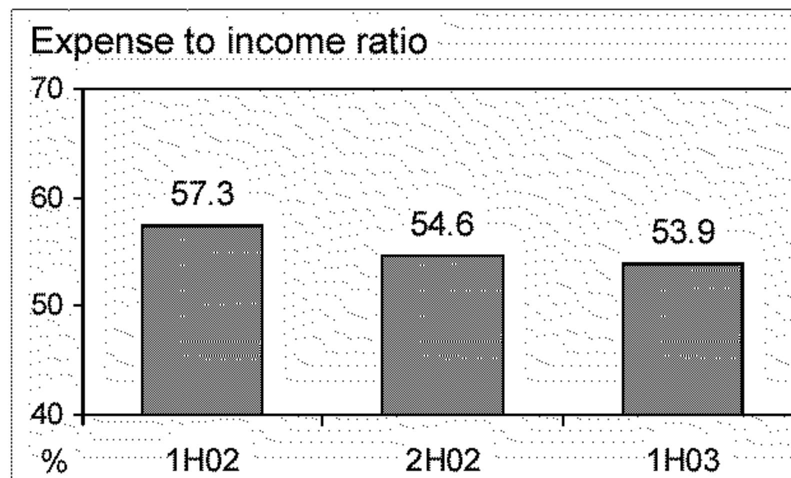


[8] Source: Roy Morgan Research : Ranking of Australians by education, income and occupation

Australian Retail[1]

- Cash earnings up 13%
- Loans and acceptances up 21%
- Deposits up 20%
- Deepened customer relationships
- Reduced customer attrition
- Expense to income down 340bps over year

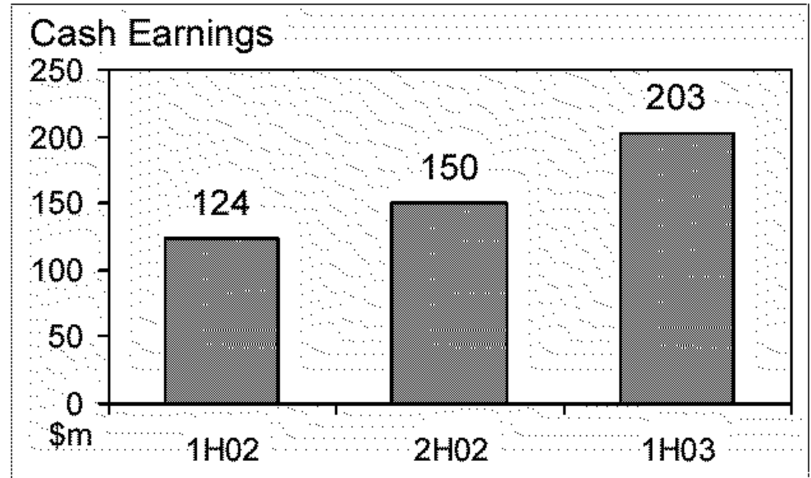


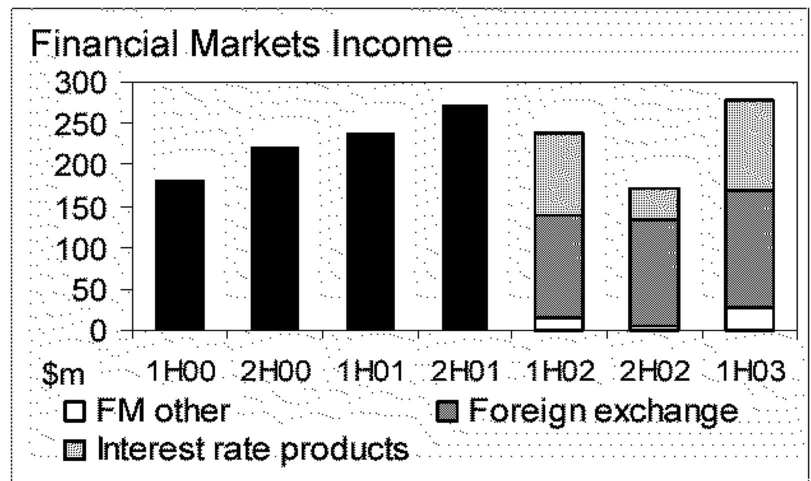


[1] Business and Consumer Banking

Institutional Bank[1]

- Cash earnings up 64%
- Net interest income up 24%
- Strong growth in loans and structured finance deals
- Financial markets income up 17% from growth in customer business
- Asset quality improves further
  - Impaired assets down 38%
  - No material change to value of overseas investment portfolio

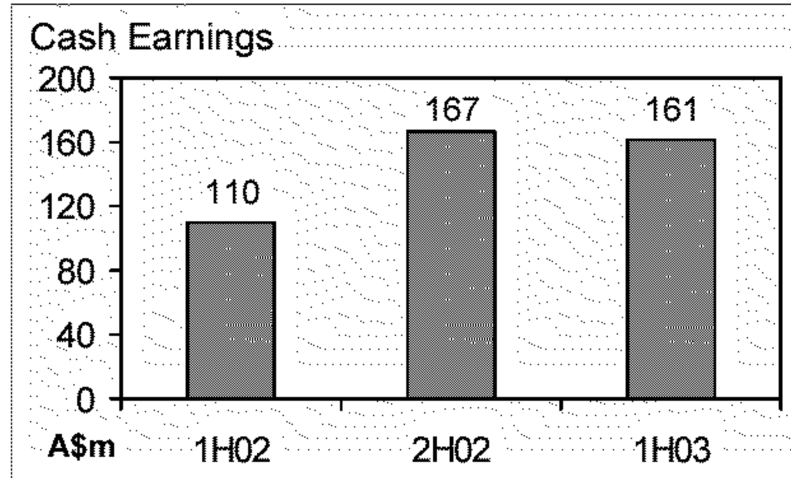


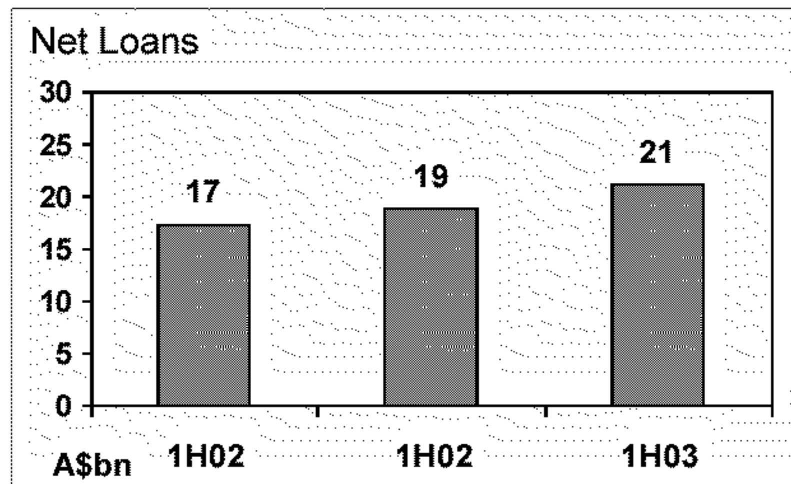


[1] Includes New Zealand Corporate banking

New Zealand retail

- Cash earnings up 40%[1] (up 46% in A$)
- Net loans up 9%[1]
- Expenses up 1%[1] for the year due to one-off relocation and re-branding costs
- Bad debts down 31%[1]

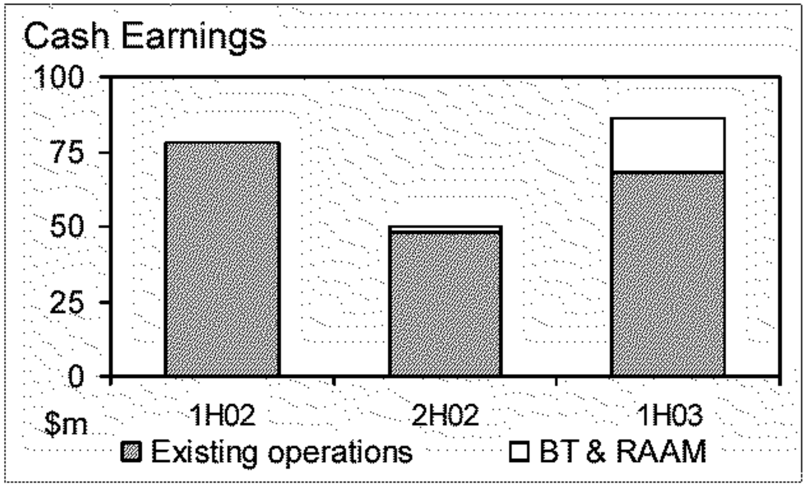


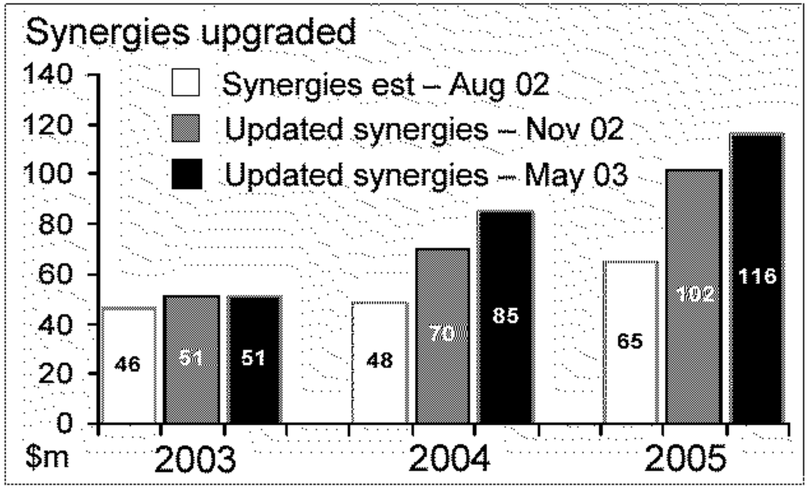


[1] NZD currency

BT Financial Group

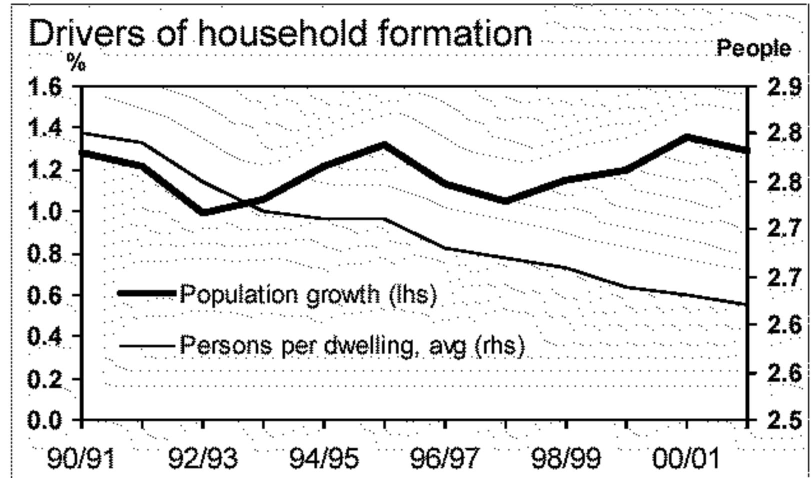
- Cash earnings up 10%
- Core business gathering momentum
- Improved performance and stronger ratings
- Synergies upgraded
- Outflows slowing
- No impairment to carrying value

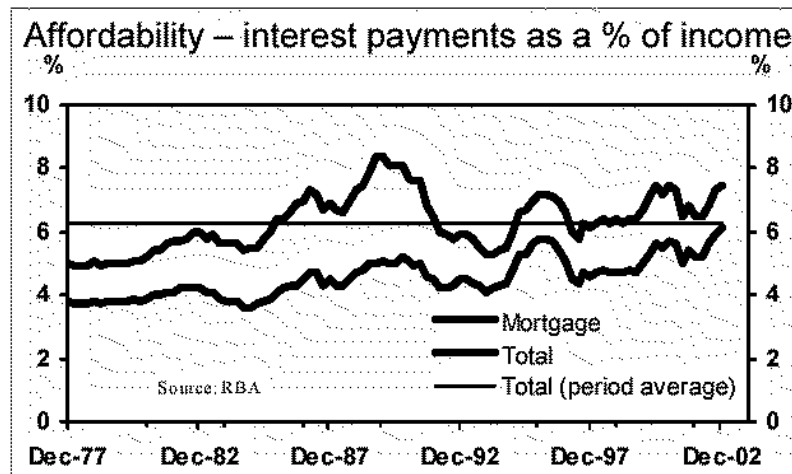




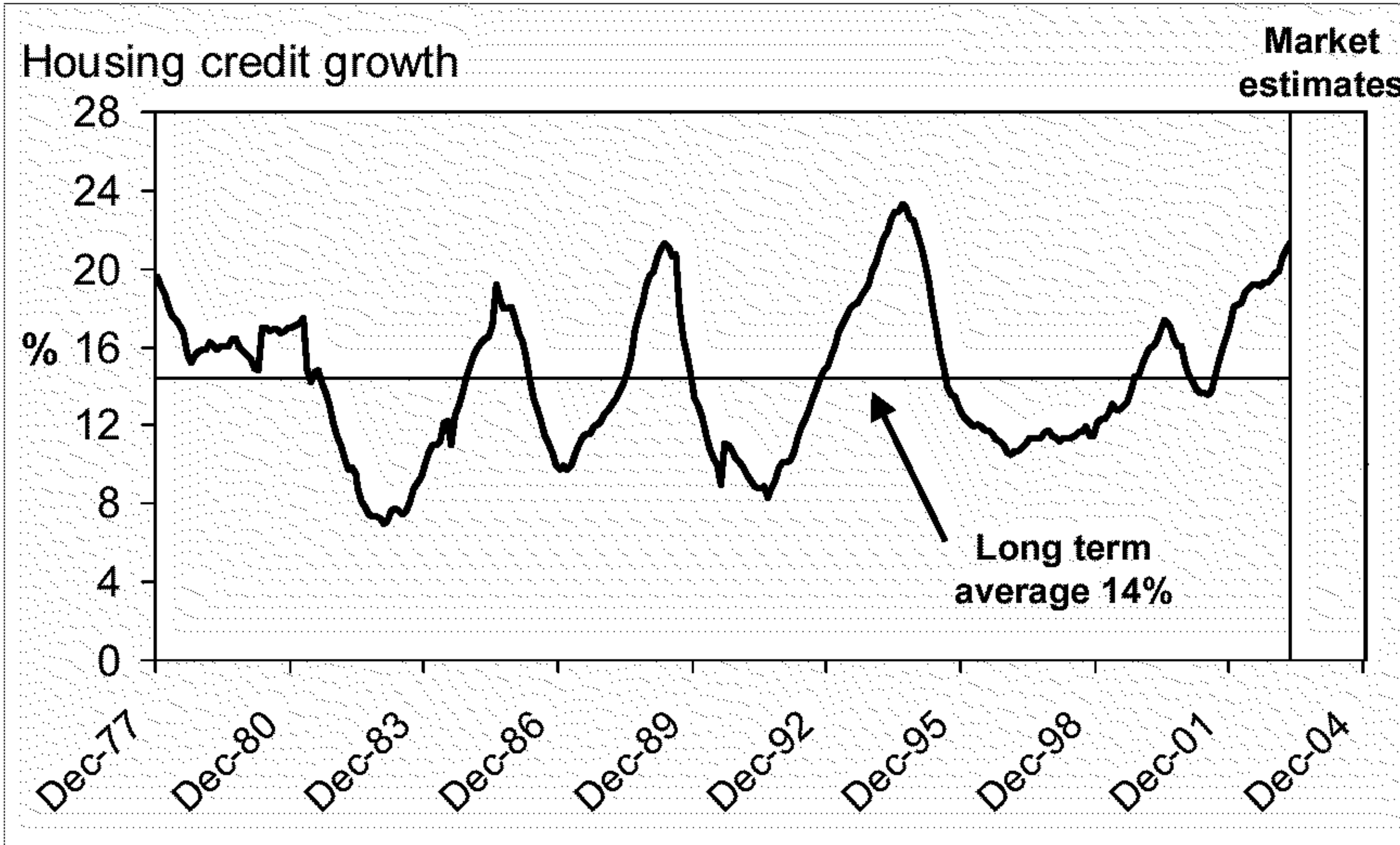
Housing market – drivers of growth

- Housing growth expected to grow ahead of nominal GDP supported by:
  - Positive population growth
  - Decrease in average household size
- Affordability challenging but not stretched
- Over 70% of borrowers paying in excess of scheduled repayments



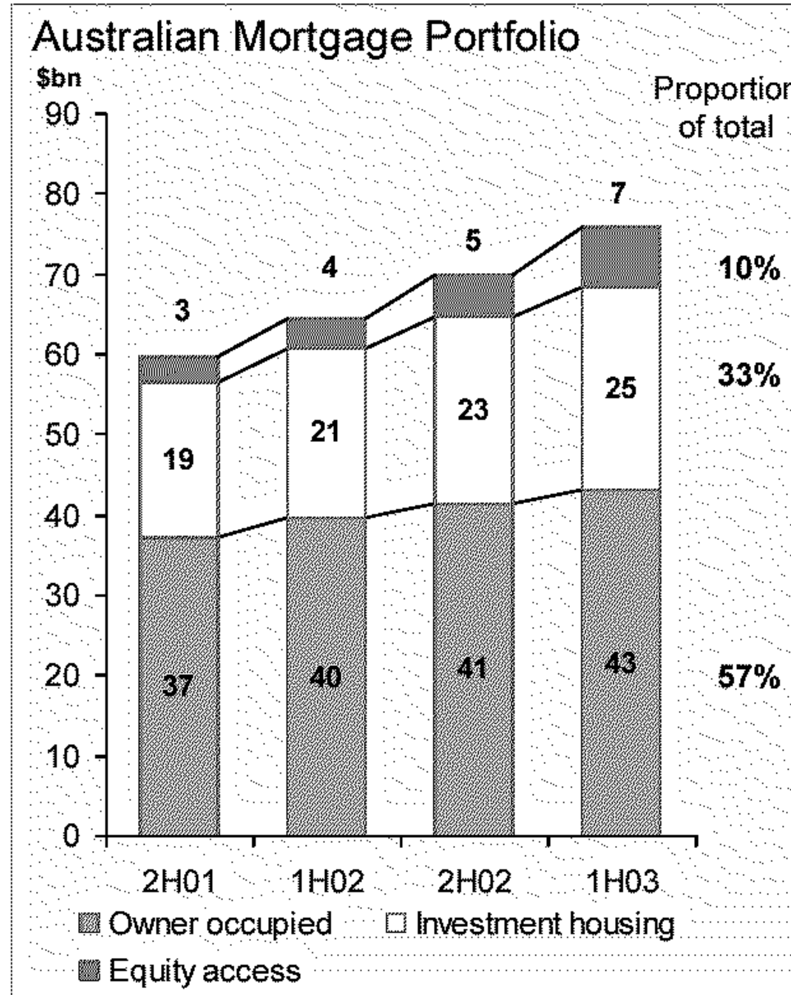


Housing credit – growth expected to slow



Housing market – Westpac's portfolio

- Average LVR new loans 61%
- 20% of portfolio mortgage insured
- Broker originated loans
  - Represent on average 26% of volume and 30% of value of new loans
  - Strict accreditation and monitoring
  - Same underwriting standards as Westpac originated loans

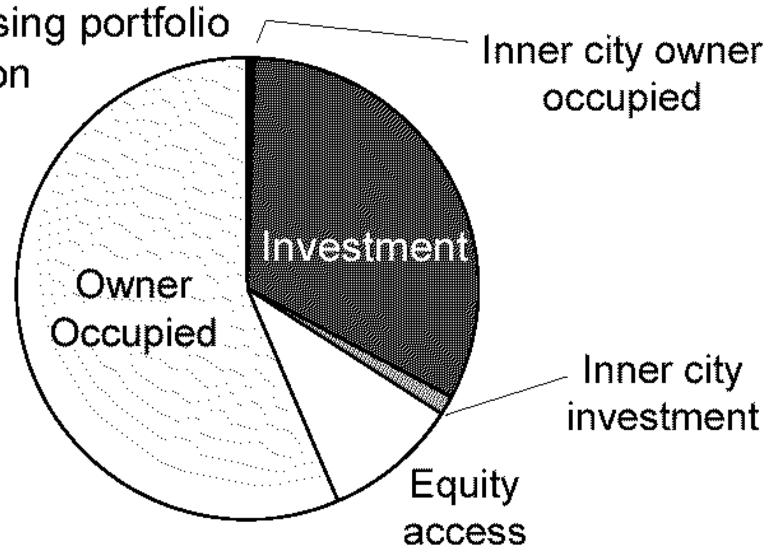


Investment lending for inner city apartments

- Market expected to soften:
  - Significant new supply coming on stream
  - Vacancy rates between 3% and 5%
  - Property yields between 3% and 4.5%
- Average LVR 59%
- Stress testing with 30% decline in value and significantly higher probability of default suggest less than $10m loss

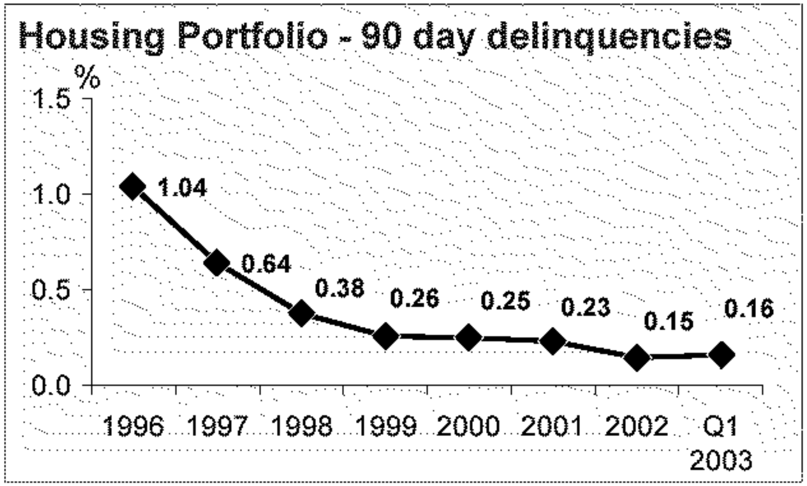
$m	Exposure	Commit-ments	Deposit bonds
Sydney	662	67	6
Melbourne	257	14	2
Brisbane	196	12	3
Total	1,116	93	11

Total Housing portfolio composition $ 75bn



Housing portfolio quality

- Average write-off less than 3 basis points
- Delinquencies remain at historic lows
- Behaviour of investment book and broker introduced loans track owner occupied portfolio
- Stress testing provides additional evidence of sound book quality



Housing portfolio stress testing

Interest rates - 4% increase	$5.2m
Housing prices fall - 20% decline	$20.3m
Unemployment rate – 2% pt rise	$3.3m
Total write-offs (joint impact)[1]	$71.0m
Total write-offs bps[1]	10.1bps

1 Total write-offs on residential mortgage products should all factors coincide.

Acquisition strategy

- No specific requirement to acquire customers
  - Three regional bank acquisitions 1995 - 1998
- Filled major strategic capability gaps
  - Two wealth acquisitions in 2002
- Opportunities will continue to arise in core markets, with not all assets in the hands of their natural owners
- Disciplined approach
  - Aligned with strategic direction
  - Strict valuation criteria
  - Minimal franchise stress

Priorities for 2003

- Maintain momentum in ongoing businesses
  - NZ program review
  - Implement Australian restructuring programs
  - Complete end-to-end re-engineering of lending process
  - Enhance customer experience and relationship management
- Deliver value from new acquisitions
  - Complete wealth integration and deliver synergies

Westpac outlook remains positive

- Solid revenue momentum across all businesses
- Low risk profile
- All businesses in good shape
- Recent strategic initiatives delivering value
- Overall position - previous cash earnings per share guidance of 7% – 9% stands
- Downside risks remain under control at this stage

Disclaimer

The material contained in this presentation is intended to be general background information on Westpac Banking Corporation and its activities as at 7 July 2003.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.