

2005 Full Year Results

David Morgan Chief Executive Officer

Philip Chronican Chief Financial Officer

2 November 2005

Westpac – quality, consistency and growth

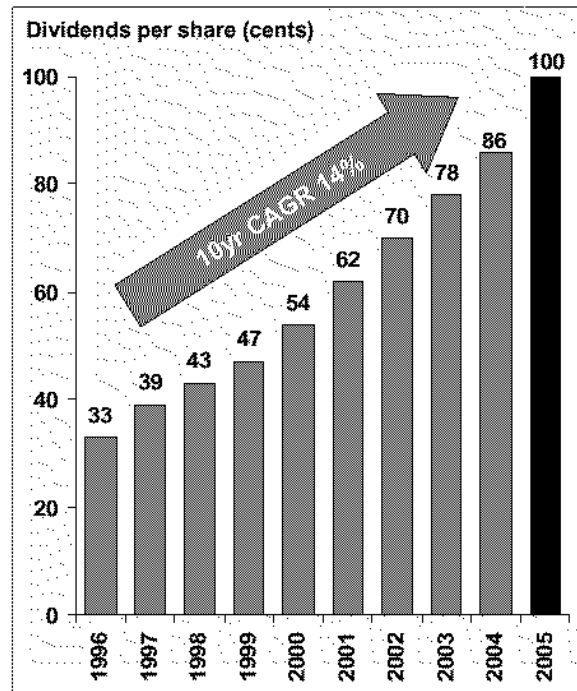
Highest cash EPS growth of major banks		up 12%
Cash ROE		21%
Economic profit		up 17%
Margins held		down 3 basis points
Expense to income ratio	46.6%, down 260 basis points	
Operating income		up 10%
Sources of growth		
Loans and acceptances ¹		up 9%
Customer deposits		up 7%
Assets under administration ²		up 20%

¹ Adding back securitisation & excluding NZ structured finance

² Includes Australian and New Zealand wealth business FUM and FUA, and Hastings/SCG FUM

A dividend uplift and a substantial buy-back

- \$1bn surplus capital generated
- Dividends up 16% to \$1.00
- Sustainable increase in pay-out ratio
- An off-market buy-back¹ of approx. \$700m
- \$1.7bn bought back over last five years
- Significant franking surplus, around \$300m[^], post buy-back



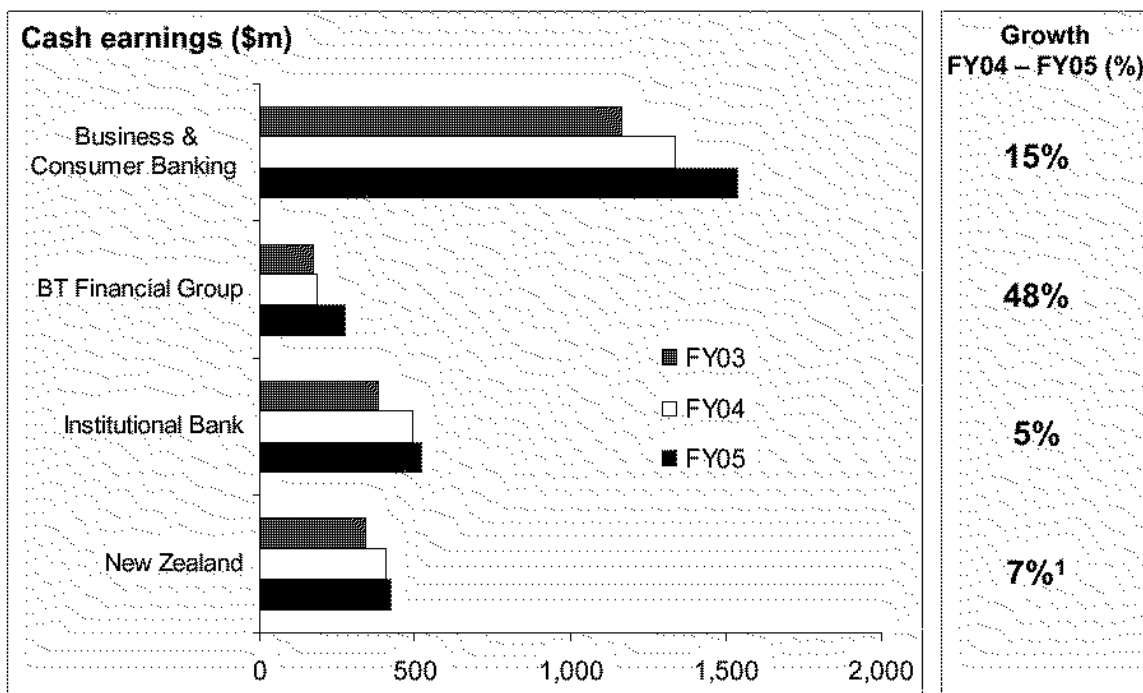
¹ This Buy-Back is not available to persons in the United States of America, Canada or Japan. No offer is being made in the United States, Canada or Japan or to US persons or residents of Canada or Japan

[^] Assuming a Buy-Back Price of \$17.63, representing a Buy-Back Discount of 14% to an assumed Market Price of \$20.50

2005 Full Year Results



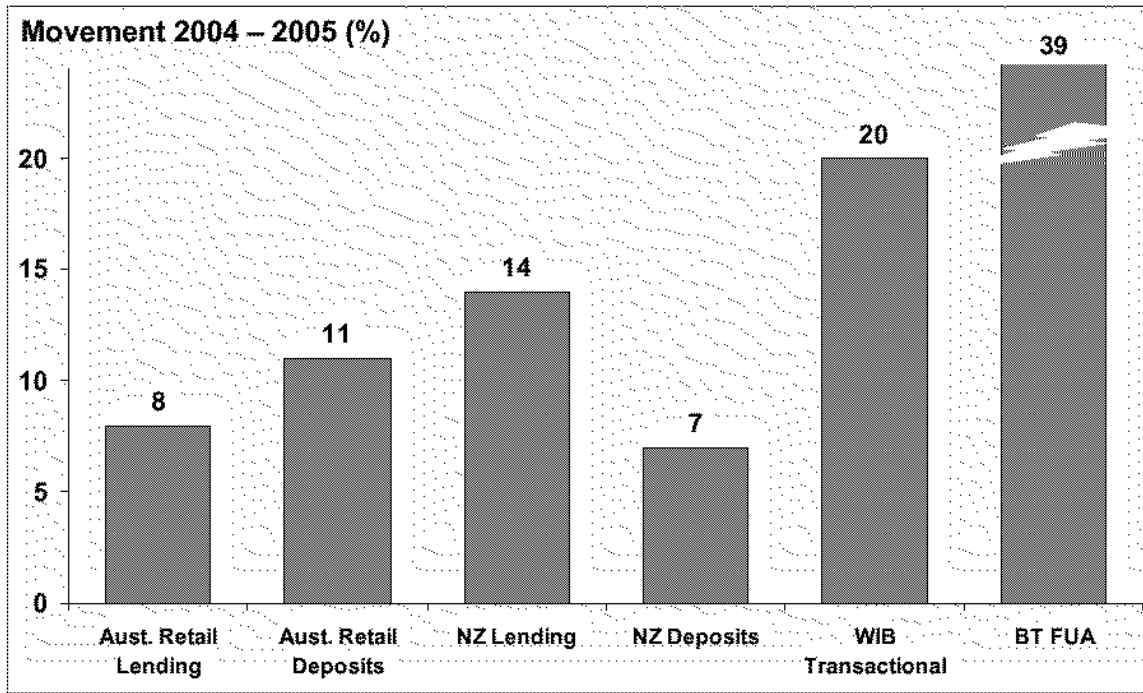
Growth across all operating business units



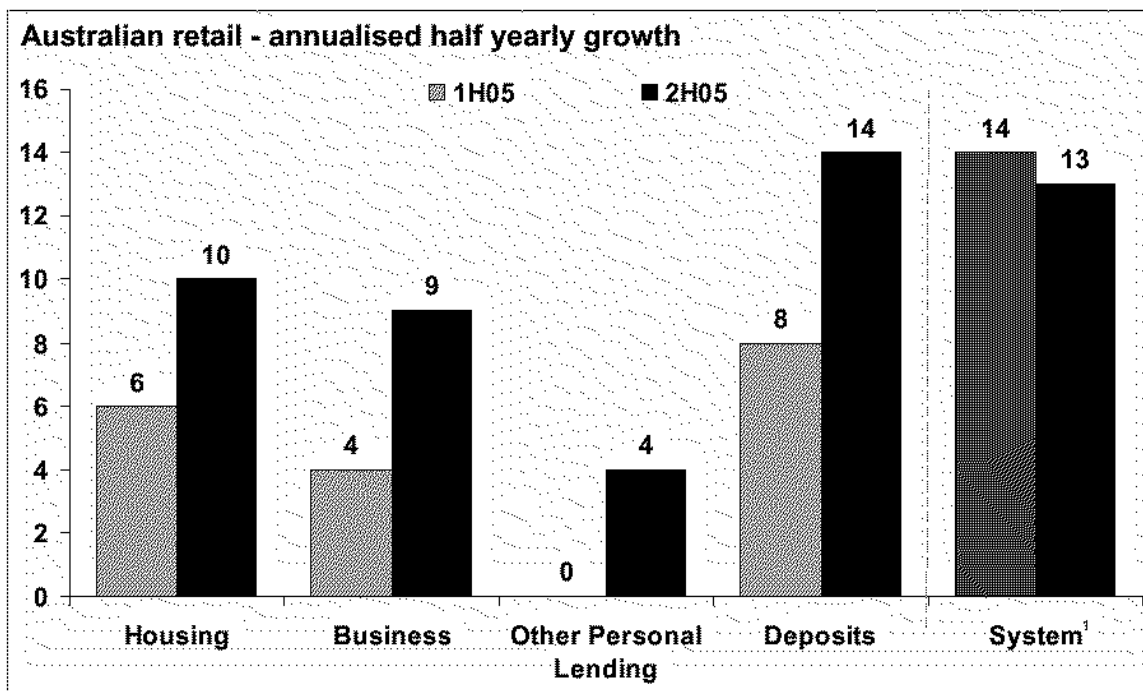
1. NZ growth in NZ dollar terms



Profitable growth across major business aggregates



BCB momentum increasing, upside remains



¹ RBA Credit (incl. securitisations)



Quality growth




Pricing	<ul style="list-style-type: none"> • Not growth for growth's sake • Margins down 3 basis points for the year
Risk	<ul style="list-style-type: none"> • Forward credit indicators continue to improve • Portfolio quality improved – ratio of impaired assets to total commitments down 7 basis points
Sustainability	<ul style="list-style-type: none"> • Expense growth 4% • Expense to income ratio 46.6%
Investment	<ul style="list-style-type: none"> • Investing for the future – particularly in the front line • Investment of \$431m this year

Investing in the strength of the franchise

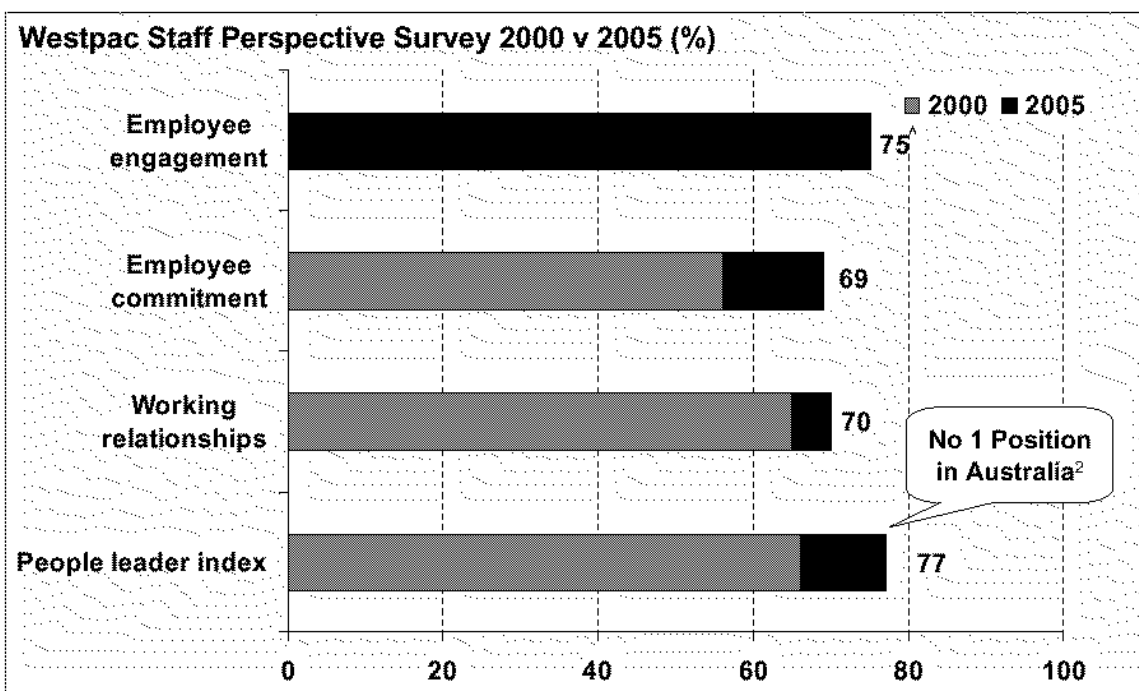
Distribution	<ul style="list-style-type: none"> • More than 40% of branches have extended hours • Capability enhanced with roll out of Service Online in Australia and Assist teller platform in New Zealand • Corporate Online now supporting over 1,000 customers and recently recognised as the market-leading platform¹ • 400 new staff in front line
Productivity	<ul style="list-style-type: none"> • Sales productivity program, Westpac Way - Home Finance Managers sales productivity up 25% • Pinnacle delivered significant back office savings - \$14m in 2005

¹ Peter Lee Large Corporate & Institutional Transactional Banking Survey

Prior investments paying off

	<ul style="list-style-type: none"> • Top quartile investment performance • Delivering on cross-sell – 12% of Wrap and 56% of Corporate Super flows from Westpac customers
	<ul style="list-style-type: none"> • Hastings and SCG FUM \$5.3bn – up 64% over year • Revenues exceeded \$100m
	<ul style="list-style-type: none"> • Partnership with Virgin Money Group established 2003 • Portfolio now exceeds \$1bn • Meeting targets
<p>1BP One Bank Platform</p>	<ul style="list-style-type: none"> • Software applications able to be deployed centrally • Significantly lowered technology platform support costs
<p>Reach</p>	<ul style="list-style-type: none"> • CRM system now supporting more than 5,000 bankers • 31% uplift on 1H05 leads generated from Reach platform

Top quartile results; a highly engaged workforce

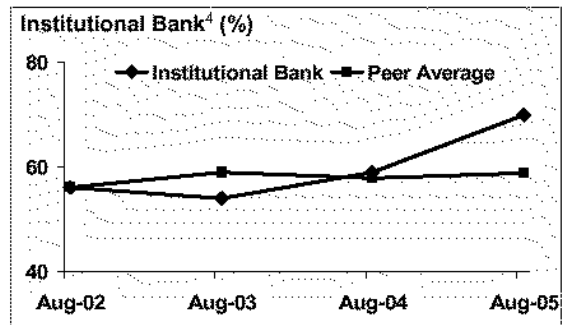
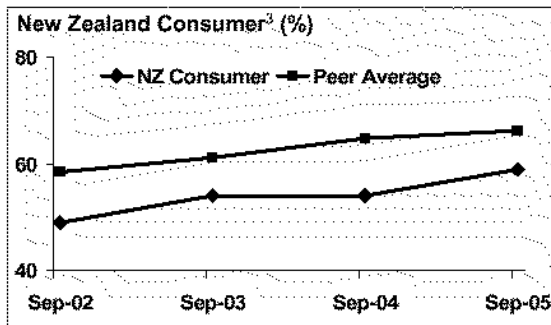
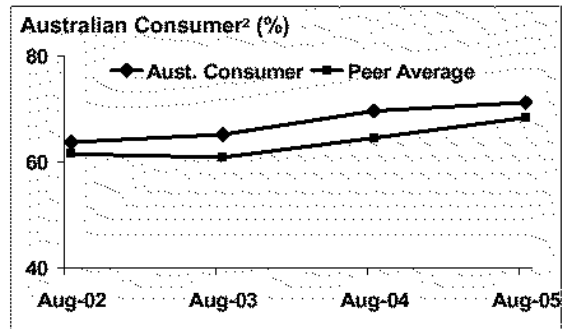
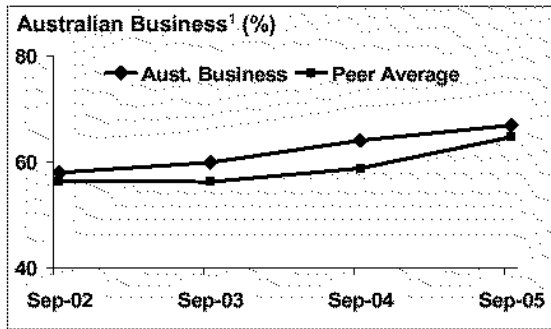


¹Source: ISK 2005

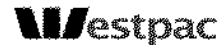
²Metric introduced in 2004 and in 2005 was steady at 75

³Amongst ISK Large Australian Companies

Enhanced customer positioning



1. Source: TNS Business Finance Monitor. Business includes SME, Middle Markets and Priority Banking. Peer average is CBA, NAB and ANZ. Satisfaction defined as 'very' or 'fairly' satisfied with main bank.
 2. Source: Roy Morgan Research. Peer average is CBA, NAB and ANZ. Satisfaction defined as 'very' or 'fairly' satisfied with main financial institution.
 3. Source: AC Nielson. Peer avg is M&NZ, ASB, BNZ and ANZ.
 4. Source: Peter Lee & Associates Survey annual (August). Peer avg is ANZ, NAB, CBA and Citigroup. Satisfaction defined as excellent or above average.



Value creation through sustainability

Progress Achieved

- Number 1 in the Dow Jones Sustainability Index in the global banking sector for the fourth consecutive year, and global best practice for:
 - Risk & Crisis Management
 - Advanced Customer Relationship Management
 - Corporate Governance
 - Economic (Overall)
 - Social (Overall) – Human Capital Development and Stakeholder Engagement

Value Created

- Reduced risks
- Savings through waste reduction (power, water, paper, fuel)
- Enhanced reputation and brand equity
- Increased employee loyalty and lower cost of employment
- Improved customer experience, loyalty and retention
- Enhanced community partnerships



Westpac is continuing to deliver

Consistent, high quality financial performance and growth

Highest cash EPS growth of major banks

Highest ROE of major banks

Broad based business growth

Momentum and upside in Australian retail

Maintained investment without compromising expense growth

The Details

Philip Chronican Chief Financial Officer

2 November 2005

How the result stacks up

		Previous Medium term drivers
Growth in loans & acceptances ¹	Up 9%	8-10%
Margins	Down 3bps	5-9bps
Non-interest income	Up 9%	5-9%
Operating expenses	Up 4%	2-4%
Bad and doubtful debts	19bps	25-35bps
Cash earnings	Up 12%	

¹ Adding back securitisation & excluding NZ structured finance

Revenue productivity driving earnings

			Contribution to earnings growth (%)			
			B+DD	Tax & OEI	Hybrids	Cash earnings growth
Reported	Revenue	10%	3	(8)	1	12
	Expenses	4%				
Normalised ¹	Revenue	9%	3	(4)	(1)	12
	Expenses	4%				

¹ Normalised for accounting treatments that do not impact cash earnings, including: policy holder receipts, MIS income and hybrids

Traditionally stronger second half

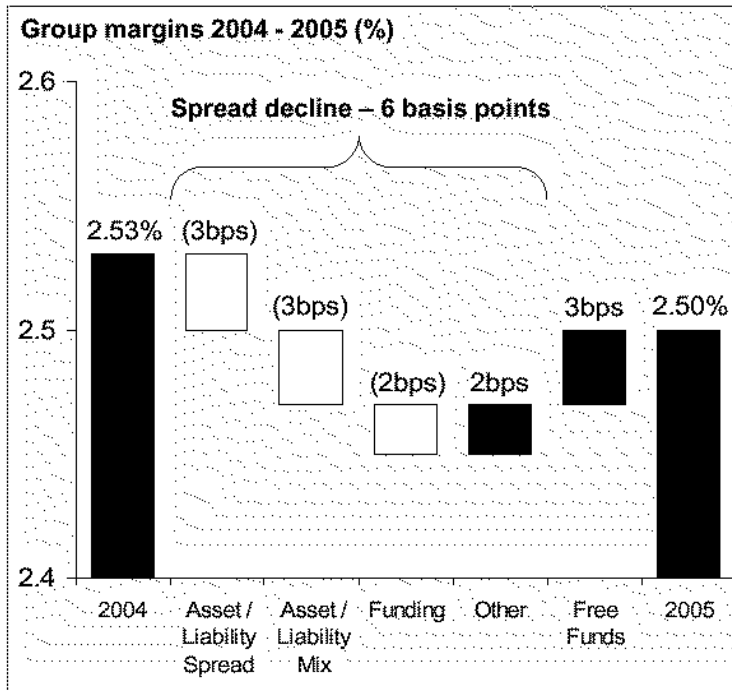
\$m	2H04	1H05	2H05	% Change	
				1H05-2H04	2H05-1H05
Net interest income	2,416	2,545	2,700	5	6
Non-interest income	1,716	1,659	1,901	(3)	15
Operating expenses	(2,015)	(2,034)	(2,071)	(1)	(2)
Core earnings	2,037	2,087	2,445	2	17
Bad debts	(207)	(203)	(179)	2	12
Tax & OEI	(516)	(559)	(773)	(8)	(38)
Cash earnings	1,326	1,380	1,494	4	8

Loan growth

\$bn	Sep-04	Sep-05	% Change ¹	
			Sep-05	Sep-04
Consumer (Australia)	98.9	106.5	8	
<i>Housing</i>	91.6	99.0	8	
<i>Personal (loans & cards)</i>	7.3	7.5	2	
Business (Australia)	36.3	38.9	7	
Institutional Bank	25.5	24.9	(2)	
New Zealand (NZ\$)	28.2	32.2	14	
BT Financial Group	1.8	2.5	37	
Group				
Net loans and acceptances	188.0	200.5	7	
Net loans and advances (adj for NZ SF & securitisation)	203.5	186.9	9	
Avg. interest earning assets	196.5	217.0	10	

¹ % changes have been calculated before rounding of numbers

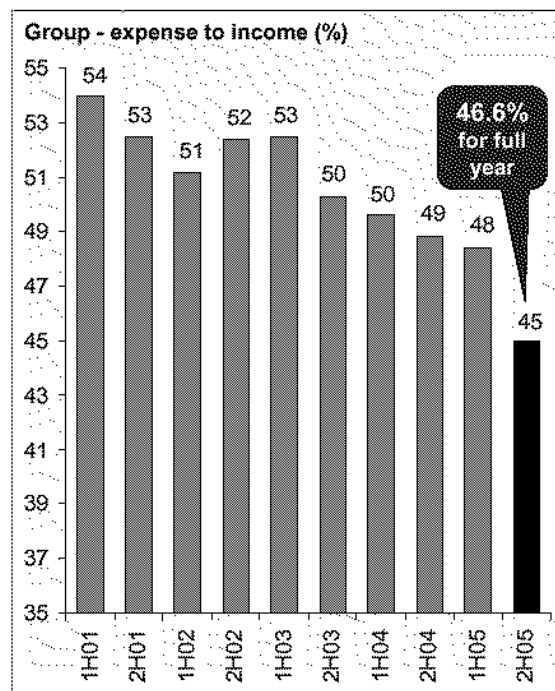
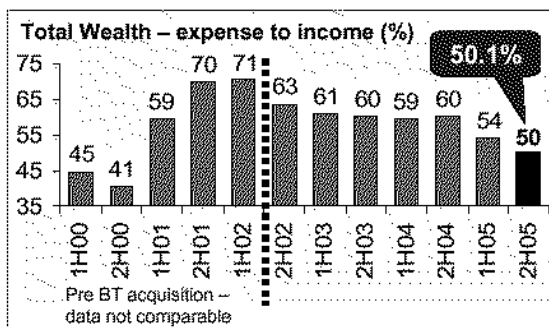
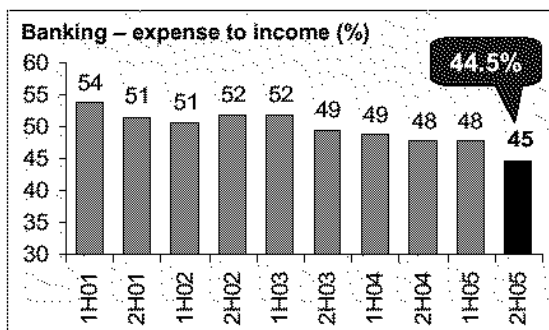
Analysis of margin movements



- Overall margins declined 3bps
- Interest income assisted by:
 - \$27m changes in Treasury composition
 - Approx \$30m change in financial markets income
 - \$17m from the change in broker commission amortisation
- Excluding these items the margin decline would have been around 7bps



Closing the productivity gap



Continued to invest for future growth

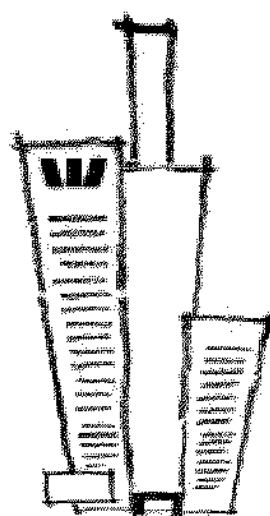
Project expenditure over the year		\$m
Front office capability	Advice Platform Reach – CRM Corporate Online Pinnacle	82
Productivity & Infrastructure	New head office BT Integration One Bank platform	216
Compliance	Basel II, IFRS, SOX	37
Other	System refreshes Product enhancements	96
Total investment spend¹		431

\$m	2003	2004	2005
Capitalised software	300	377	447
Annual amortisation	89	104	142

¹ Includes \$43m in investment provided by partners

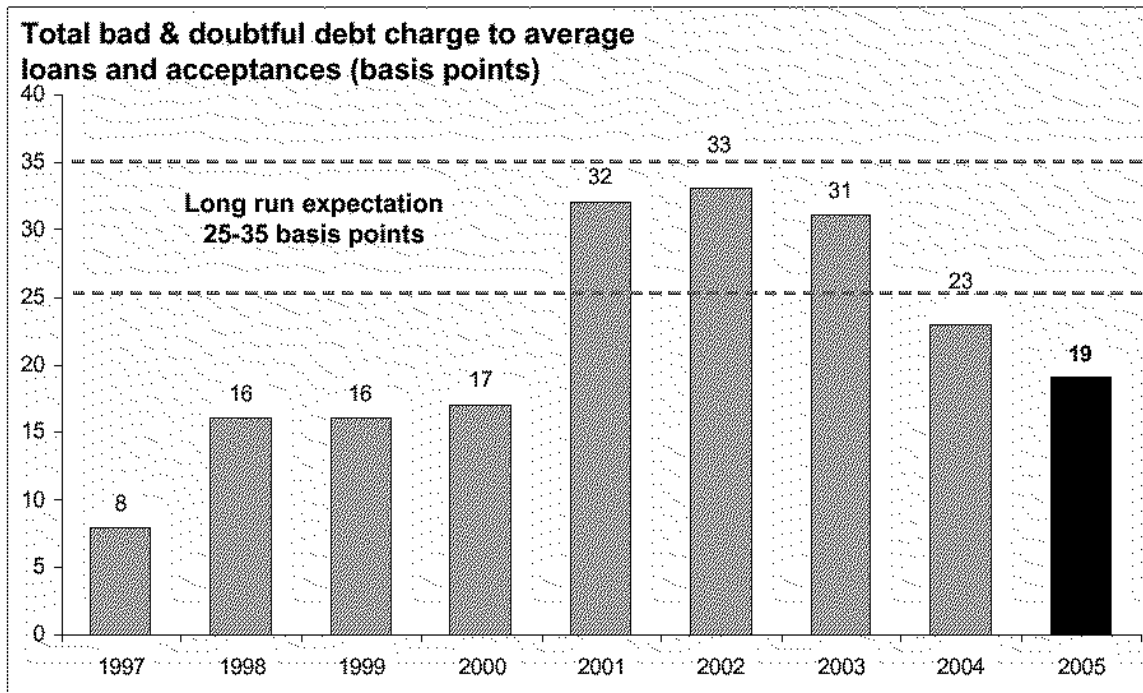
New head office – nearing completion

- Moving from 13 sites to 2 primary sites
- 5,000 staff moving to new premises from Feb 2006
- Lease costs fixed for 12 years
- Refresh of mid-range server environment
- \$66m in net fit-out
- \$141m in technology refresh, of which \$85m provided by suppliers



OUR GREAT PLACE

Bad debt analysis

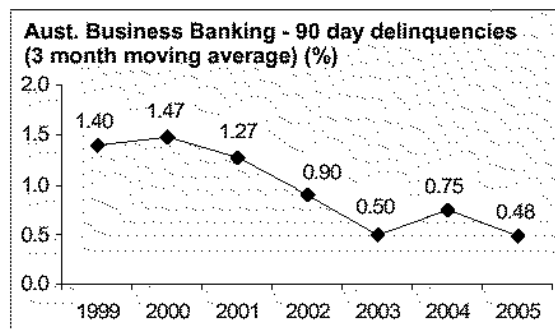
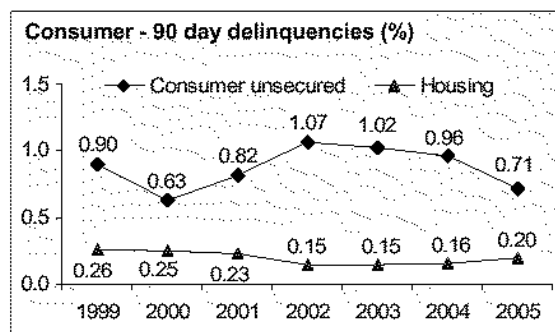


Forward indicators improving further

- Consumer delinquencies have trended down since March 2005:

- 50% of decline due to investments in risk management infrastructure
- 30% of decline due to a reduction in monthly repayments required from customers on credit cards

- Business banking decrease assisted by the exit of a number of larger problem loans



BCB – a revenue led result

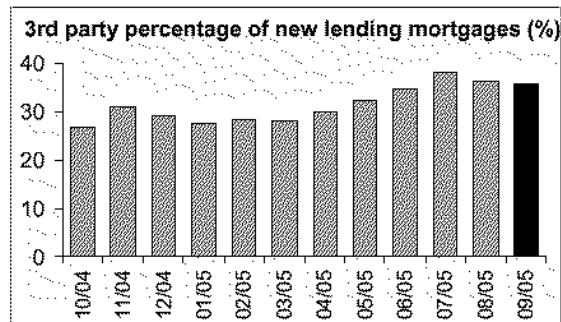
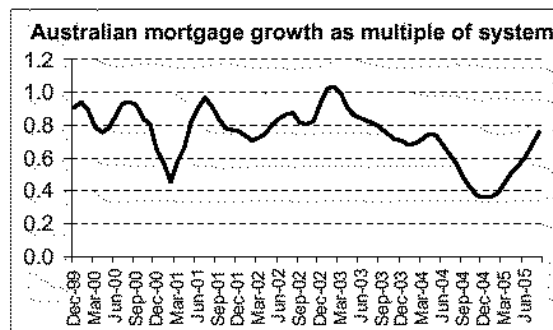
- Cash earnings up 15%
- Revenue growth twice expense growth and driven by:
 - 8% asset growth
 - 11% deposit growth
 - Excellent margin performance
- Investment in infrastructure and customer facing capability
 - 295 new front line staff
 - CRM platform (Reach)
 - Lending originations platform (pinnacle)

\$m	2004	2005	% Change
Net interest income	3,415	3,700	8
Non-interest income	1,290	1,373	6
Operating expenses	(2,465)	(2,570)	(4)
Core earnings	2,240	2,503	12
Bad debts	(340)	(309)	9
Tax & OEI	(563)	(657)	(17)
Cash earnings	1,337	1,537	15

Mortgage lending – approaching system growth

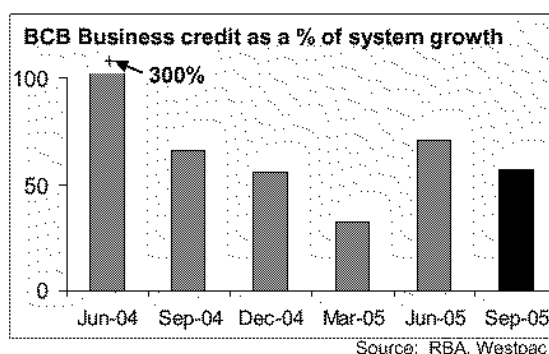
- Mortgage income up 10% in 2005
- Volume growth in 2H05 improved after a disappointing 1H05
- Minimal full year spread decline (2bps)
- Improved 2H05 performance from:
 - Enhanced salesforce effectiveness (25% productivity uplift)
 - Reinvigorated service offering to 3rd party introducers - 35% of loans originated
 - Uplift in loans drawdown through CRM platform - up 31% on 1H05

	1H04	2H04	1H05	2H05
Mortgage spreads	1.18	1.18	1.17	1.16



Business lending – growth returning

- Business lending income up 7%
- Improved growth in 2H05 following disappointing 1H05.
- 2H05 performance lift due to:
 - New product launches
 - Promotional initiatives
 - Increase in business bankers
- Spreads maintained (down only 1bp) full year
- Origination platform impacted growth in FY05 – issues being resolved



Product spreads				
	1H04	2H04	1H05	2H05
Business	1.79	1.80	1.78	1.78
Equipment Finance	2.16	2.02*	2.15	2.11

*Spread in 2H04 impacted by repurchase of portfolio of equipment finance loans under the terms of the sale of AGC to GE Capital Finance in 2002

New Zealand – earnings back on growth path

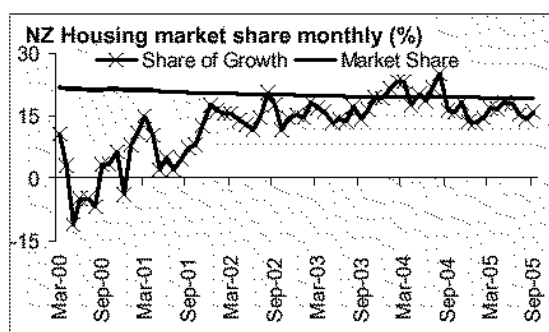
- Cash earnings up 7% in NZ\$
- Strong 2H05 improvement, up 9% on 1H05
- Solid lending growth, up 14%
- Housing spread compression offset in part by strong deposit spreads
- Earnings impacted by
 - BT NZ restructure NZ\$3m
 - Loss on portfolio hedging NZ\$7m

NZ\$m	2004	2005	% Change
Net interest income	893	936	5
Non-interest income	462	470	2
Operating expenses	(653)	(661)	(1)
Core earnings	702	745	6
Bad debts	(41)	(37)	10
Tax & OEI	(210)	(224)	(7)
Cash earnings	451	484	7

New Zealand – growth in a tough environment

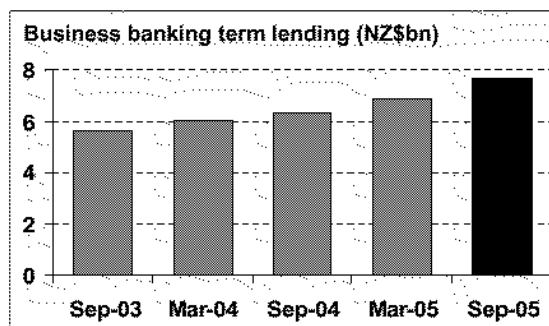
Mortgages

- 13% growth against system growth of 16%
- Spread contraction 18 bps
- Proportion of fixed/floating 75/25 at September 2005



Business

- Rapidly growing portfolio, up 19%
- Strong performance in property finance and middle market lending

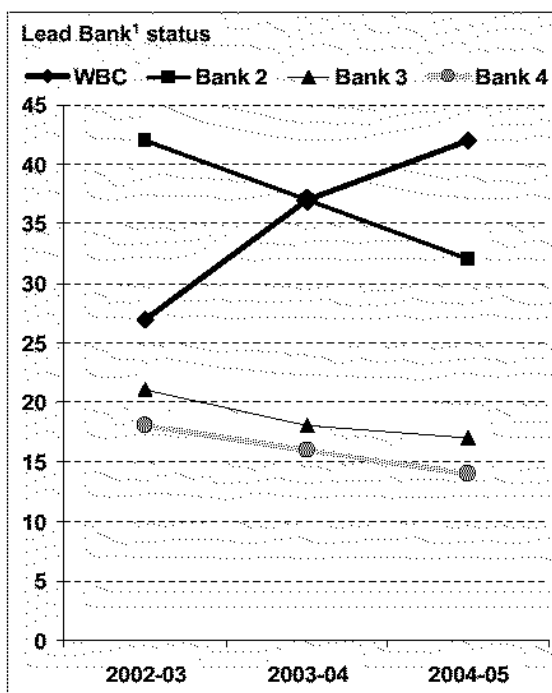


Institutional Bank – improved fundamentals

- Core earnings up 11% with revenue growth up more than 2.5 times expense growth
- Strengthened customer relationships
- Bad debts higher but well below long term trends
- Solid Financial Markets income, up 13%:
 - Strong FX
 - High yield securities

\$m	2004	2005	Change %
Operating income	1,264	1,360	8
Operating expenses	(562)	(578)	(3)
Core earnings	702	782	11
Bad debts	5	(40)	NA
Tax & OEI	(214)	(224)	(5)
Cash earnings	491	515	5

Institutional Bank – clear number 1

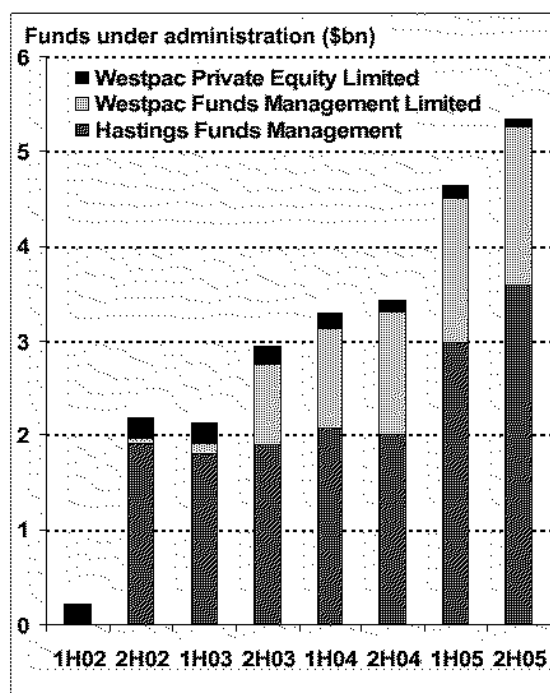


1. Peter Lee Surveys, Australia

- Cross sell revenue running at 2.6x lending revenue
- Number 1 product positioning¹ in:
 - Transactional
 - FX
 - Interest rates
 - Domestic securities
- Economic Profit up 11%, demonstrates efficient use of balance sheet and ability to cross sell

Specialised Capital Group – a growing business

- Specialised Capital revenue (excluding private) equity up 67%
- Hastings
 - Effective ownership from 1 July 2005
 - Consideration of \$86m
 - Settlement 4 November 2005, predominantly by issue of new Westpac shares
 - 4 new funds added:
 - Hastings Diversified Utilities Fund
 - TAPS Trust
 - Hastings High Yield Fund
 - Hastings Private Equity 2



BT - good momentum

- Strong momentum from:
 - Funds under management
 - Strong Wrap and corporate super flows boosting funds under administration
- Good claims experience assisting life insurance
- Cash earnings assisted by
 - JDV sale \$13m
 - Recovery of funds in certain managed funds \$19m
- Life company tax changes to impact 2006 earnings by \$20m

\$m	2004	2005	% Change
Operating income	614	756	23
Operating expenses	(377)	(391)	(4)
Core earnings	237	365	54
Bad debts	-	-	-
Tax & OEI	(50)	(89)	(78)
Cash earnings	187	276	48

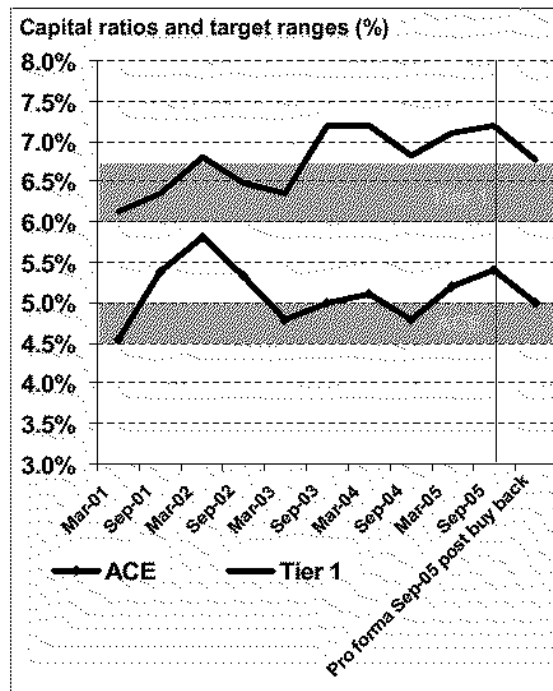
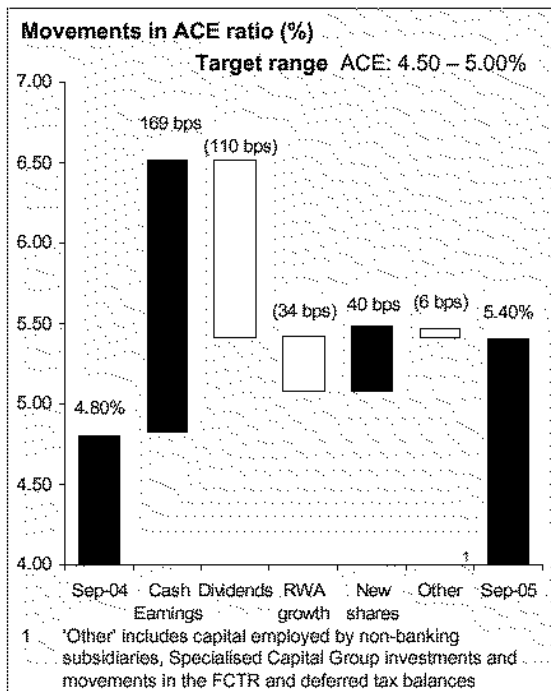
Market share gaining across the business

Current Australian market share			Current share of new business	
Product	Market share (%)	Rank	Market share (%)	Rank
Platforms	12.1	2	13.8	2
Corporate super	7.0	5	10.4	3
Margin lending	14.3	3	23.0	1*
Broking	10.5	3	10.3	3
Life and risk	6.7	7	7.3	7
Funds Management	4.0	8	n/a	n/a

Source:
 Platforms— Assirt Jun 05
 Margin Lending RBA June 05 market share
 *BT competitor analysis on ranking

Broking: IRESS Sept 05
 Life and Risk: Dext&r Mar 05; Corp Super Dext&r Jun 05
 Funds Management Assirt data June 05 and includes Retail, Alliances and Wholesale

Strong capital generation



Off-market buy-back¹

- Target buy-back size approximately \$700m (2% of ordinary shares)
- Off-market tender buy-back structure
- Buy-back price to include a \$4.00 capital component, with balance treated as a fully franked deemed dividend for Australian tax purposes
- Shares can be tendered at discounts of between 8 per cent and 14 per cent inclusive (at 1 per cent intervals) to the Market Price or as a Final Price Tender
- Shareholders will be able to buy Shares in Westpac on the ASX on an ex-entitlement basis on or after the Buy-Back ex-date of Tuesday, 8 November 2005 without jeopardising their ability to claim franking credits on any other Shares tendered into the Buy-Back purchased on or before 2 November 2005
- Shareholders will be entitled to receive the 2005 final dividend even if they tender into the buy-back

¹ This Buy-Back is not available to persons in the United States of America, Canada or Japan. No offer is being made in the United States, Canada or Japan or to US persons or residents of Canada or Japan.

Preparing for New Zealand incorporation

- Agreed to incorporate systemically important operations in New Zealand in December 2004
- Proposed incorporation model has received in-principle agreement from the Reserve Bank of New Zealand
- The incorporation model involves Westpac operating as a branch and an incorporated entity concurrently (dual registration). This model will principally see:
 - Retail operations become part of the locally incorporated entity
 - Institutional business will remain in the New Zealand Branch
- Westpac intends to commence the consultation process for the legislation required to implement local incorporation
- Overall costs for incorporation are expected to be manageable. We recognised a \$10m provision in the 2005 expenses

Guidance

- Ceased giving specific earnings guidance in 2003 – offshore regulatory concerns
- Relative guidance appropriate in current year – more complex going forward, given restructuring provisions taken in some peer banks
- IFRS transition presents further complication – more volatility
- No intention to resume earnings guidance

A sector leading performance across key metrics

	Westpac	Major bank position
Cash earnings per share growth	12%	#1
Cash return on equity	21%	#1
Dividend growth	16%	#1
Franking surplus ¹	\$300m	#1
Expense / Income – banking	46%	#1

1 Assuming a Buy-Back Price of \$17.63, representing a Buy-Back Discount of 14% to an assumed Market Price of \$20.50

Outlook

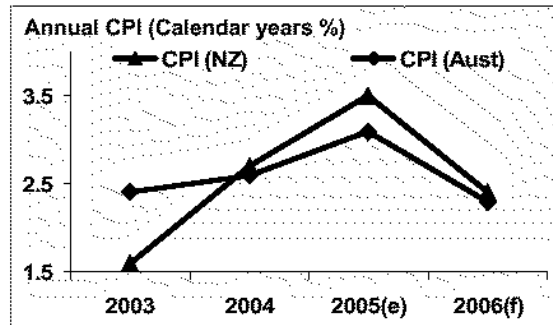
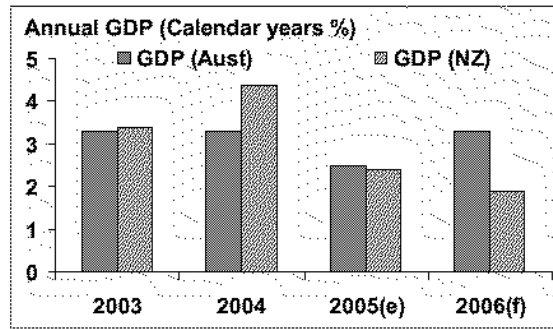
David Morgan

Chief Executive Officer

2 November 2005

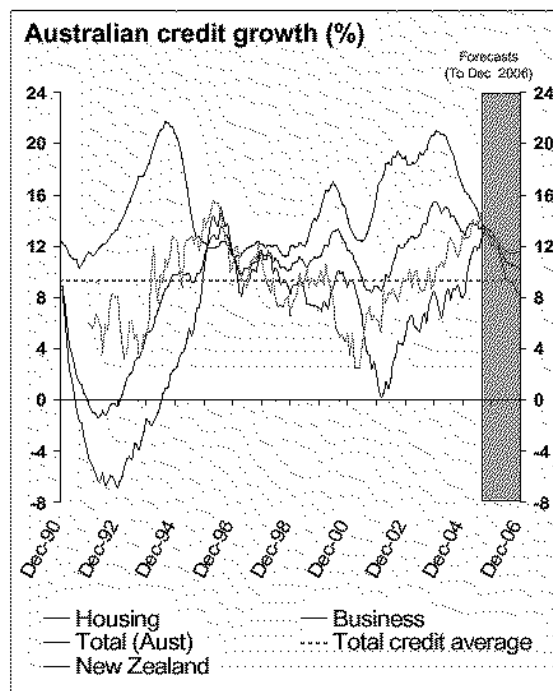
Economic environment sound

- Growth in Australia remains strong, NZ softer
- Inflation under control and unlikely to significantly change in year ahead
- Unemployment at 30 year low



Financial services outlook also positive

- Australian credit growth easing but still above long run average
- Supportive asset quality environment
- Double-digit wealth growth likely to continue

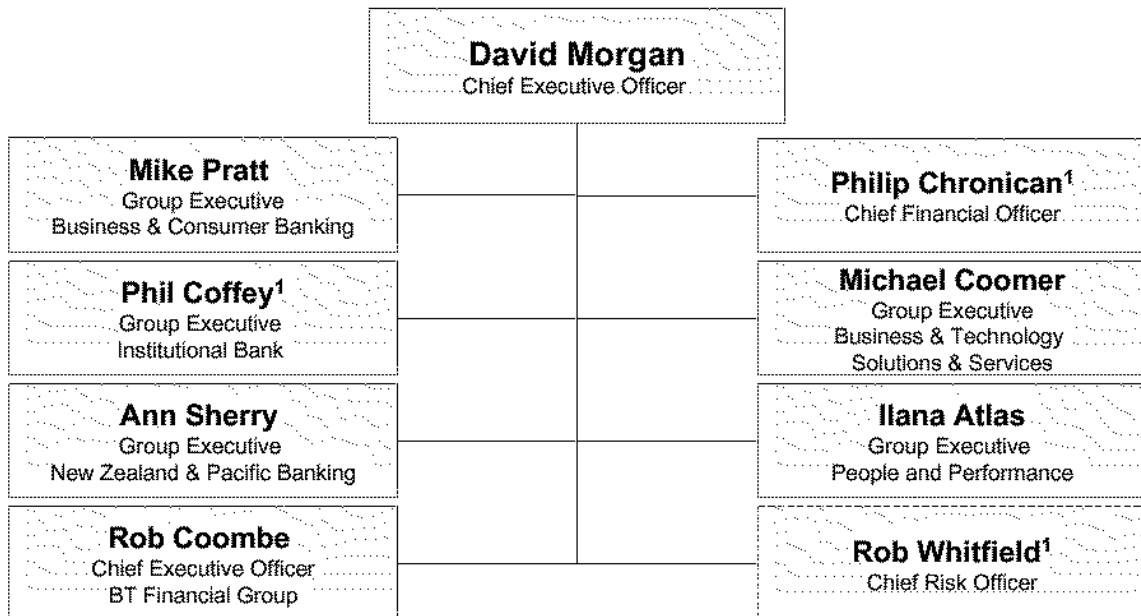


Operating environment remains challenging

Competitive	Regulatory
<ul style="list-style-type: none"> • Expansion of competition footprint • Price increasingly used to attract business • Competition for talent • Westpac has the strength and flexibility to respond 	<ul style="list-style-type: none"> • Compliance requirements remaining heavy • International 'harmonisation' challenges • Maintaining cost pressures • Excellent progress over year on key projects • Greater clarity around impact in year ahead • Excellent progress on NZ incorporation



Right balance of experience, stability and depth

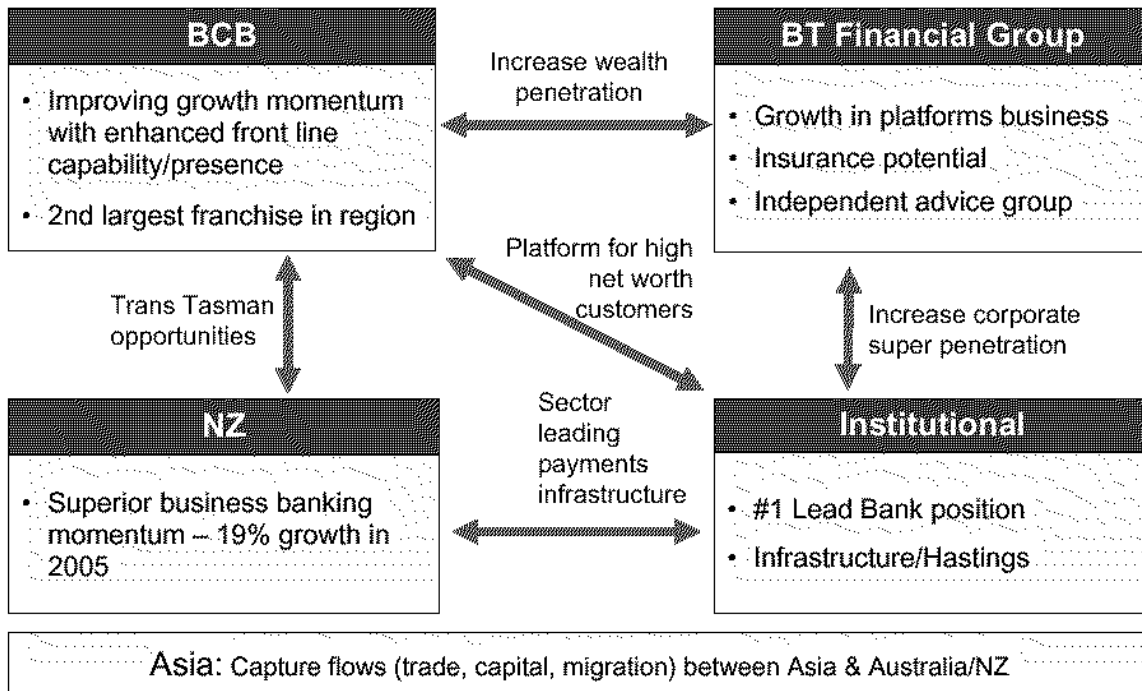


1. Changes in Group Executive from 1 December 2005

- Rob Whitfield, currently Chief Risk Officer has been elevated to the Group Executive
- Philip Chronican will assume the role of Group Executive Institutional Bank
- Phil Coffey will assume the role of Chief Financial Officer

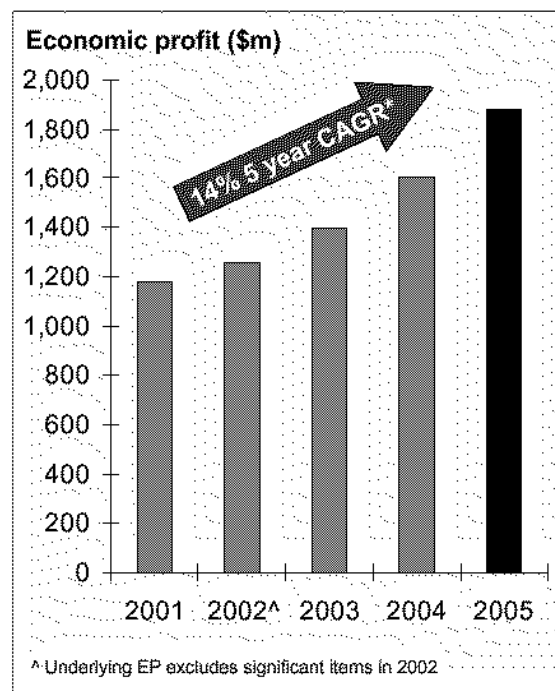


Multiple sources of growth



Westpac is in great financial shape

- Consistency in medium term earnings growth
- Growth delivered while:
 - Maintaining investment
 - Improving risk profile
 - Holding price disciplines
- \$1bn in excess capital generated
- 16% uplift in dividends
- Key financial indicators ahead of major banks



Outlook

- Operating environment remains favourable with good economic fundamentals and well positioned for competitive intensity
- Westpac's franchise is in excellent health
 - Employees - Top quartile engagement
 - Customers - Improved satisfaction in all segments
 - Sustainability - Global banking leader
 - Financial - Performance at upper end of sector
- Confident that we will continue to deliver strong outcomes for shareholders

2005 Full Year Results

2 November 2005

Disclaimer

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

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.

The financial information contained in this presentation includes non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measure, please refer to full year financial statements filed with the Securities Exchange Commission and Australian Stock Exchange.