Westpac
Australia's First Bank

Westpac Trust Preferred Securities

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May 2006

Joint Lead Managers

Deutsche Bank | Goldman Sachs JBWere | Macquarie | UBS Investment Bank | Westpac Australia's First Bank

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The information contained herein is subject to completion, verification and amendment. This document has not been lodged with ASIC. The information that the Issuer and Westpac will assume responsibility for is set out in the PDS. Nothing in this document constitutes investment, legal, tax, financial product or other advice. The information in this document does not take into account your investment objectives, financial situation or particular needs.

You should consider the PDS in deciding whether to acquire Westpac TPS. A copy of the PDS is available at www.westpac.com.au/investorcentre.

Any investor wishing to acquire Westpac TPS will need to complete the application form that will be attached to, or accompany, printed copies of the PDS.

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See also the "Important information" section at the back of this presentation.

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Offer overview

Offer summary

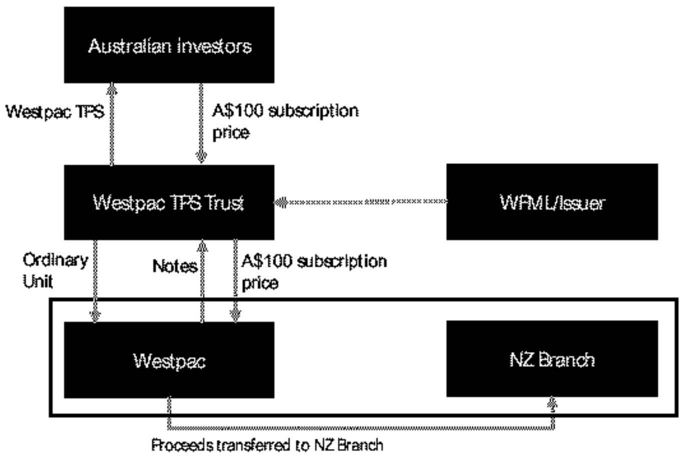
Issuer	Westpac Funds Management Limited as responsible entity of the Westpac TPS Trust
Offer size	Approximately A$500m—with the ability to raise more or less
Issue Price	A$100 per Westpac TPS
Distributions	Non-cumulative, quarterly, floating rate Distributions—expected to be fully franked—subject to Distribution Payment Tests
Listing	Expected to be listed on ASX
Credit Rating	Expected to be rated 'A-' by S&P and 'A2' by Moody's

Offer summary

Term	Automatically Exchange into Westpac Preference Shares on 30 September 2055—unless Redeemed, Converted or Exchanged earlier
Step-Up Date	30 June 2016—the Initial Margin will increase by a one time step-up of 1.00% per annum
Conversion	Westpac can initiate Redemption for cash (subject to any required APRA approval) or Conversion into Ordinary Shares in certain circumstances, including on or after the Step-Up Date
Exchange	Automatic Exchange into Westpac Preference Shares on certain Automatic Exchange Events—including if on issue at 30 September 2055

Structure overview

- Westpac TPS are units in the Westpac TPS Trust
- Westpac Funds Management Limited, a wholly owned subsidiary of Westpac, is the responsible entity of the Trust and the Issuer of the Westpac TPS
- The gross proceeds of the Offer will be invested by the Trust in Notes issued by Westpac
- Westpac will transfer the gross proceeds from the Notes issue to its New Zealand Branch where these proceeds will be used in the normal course of Westpac's New Zealand business



Indicative timetable

Key dates for the Offer [1]	
Announcement of Westpac TPS Offer and lodgement of the PDS with ASIC	11 May 2006
Syndicate Broker & Institutional bookbuild	17 and 18 May 2006
Opening date and Initial Margin announced[2]	19 May 2006
Closing date for Securityholder Offer	5.00pm 13 June 2006
Closing date for Broker Firm Offer	10.00am 19 June 2006
Issue date	21 June 2006
Westpac TPS commence deferred settled trading on ASX	22 June 2006
Holding statements despatched by	26 June 2006
Westpac TPS commence normal trading on ASX	27 June 2006
Key dates for Westpac TPS	
Record date for first Distribution	15 September 2006
First Distribution Payment Date	30 September 2006
First Distribution paid	3 October 2006
Step-Up Date	30 June 2016

1. The key dates for the Offer are indicative only and are subject to change.
2. The Issuer will lodge and distribute a Replacement PDS including the initial margin determined under the Bookbuild. The date of lodgement of the Replacement PDS is also the Opening Date.

Bookbuild details

- The Initial Margin used to calculate the distribution rate (until the Step-up Date) will be determined by a bookbuild process
- The bookbuild range for the Initial Margin is 100 bps to 110 bps

Timetable for bookbuild	
Bookbuild will open at	9.00am (Sydney time), Wednesday 17 May 2006
Co-Manager and Participating Broker bids due at	9.00am (Sydney time), Thursday 18 May 2006
Institutional bids due at	3.00pm (Sydney time), Thursday 18 May 2006
Margin announced and allocations confirmed thereafter	

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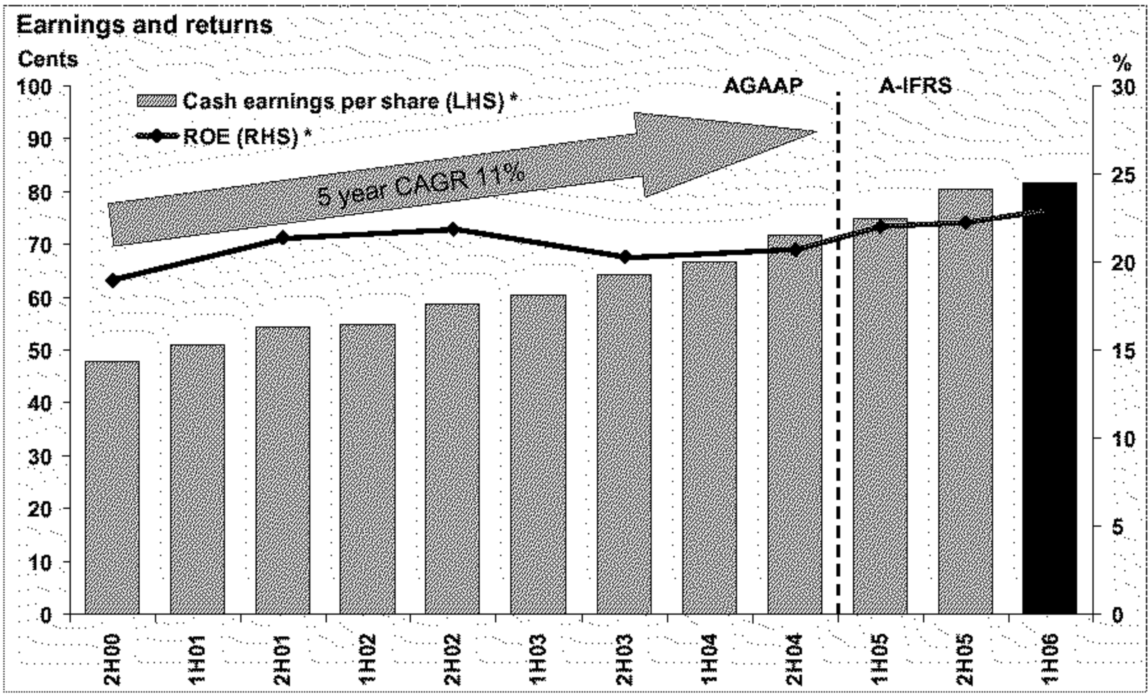
Westpac Banking Corporation

A solid first half performance

	1H05	1H06	% Change
Cash earnings	$1,344m	$1,511m	up 12%
Cash EPS	73.0c	81.7c	up 12%
Cash ROE	22.0%	23.0%	up 100 bps
Net profit after tax	$1,261m	$1,469m	up 16%
Cost to income ratio	49.8%	46.8%	down 300 bps
Net interest margin	2.44%	2.40%	down 4 bps
Stressed loans to total commitments	78 bps	73 bps	down 5 bps
Fully franked dividend	49c	56c	up 14%

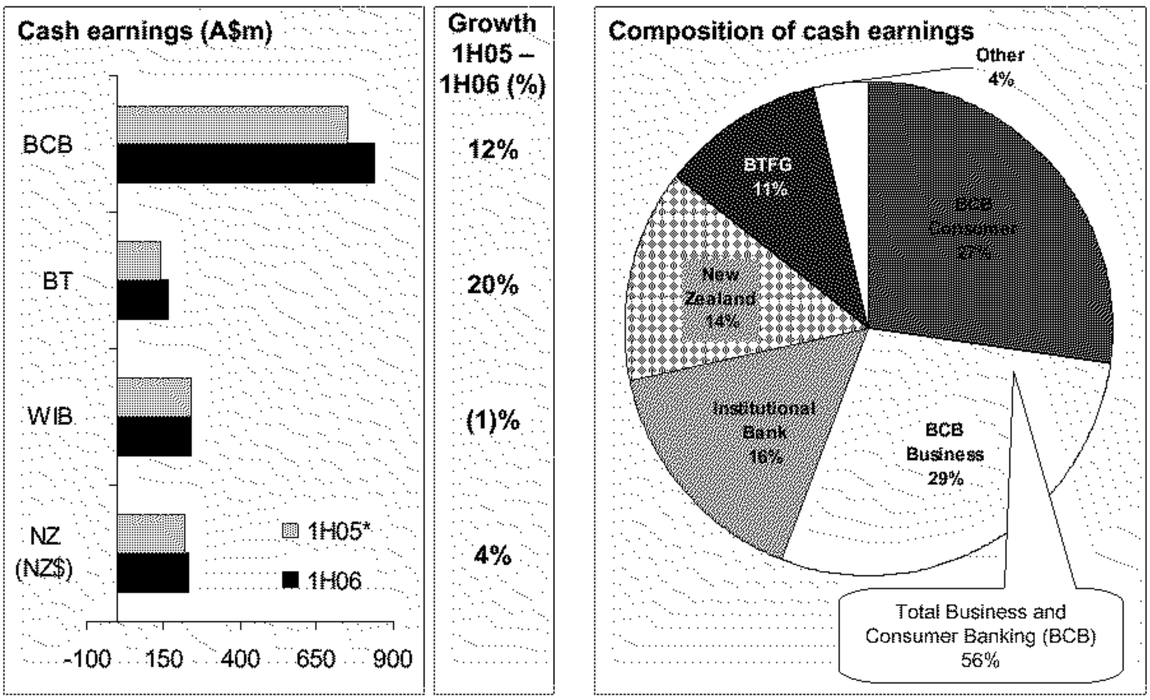
Westpac

Consistent growth and returns



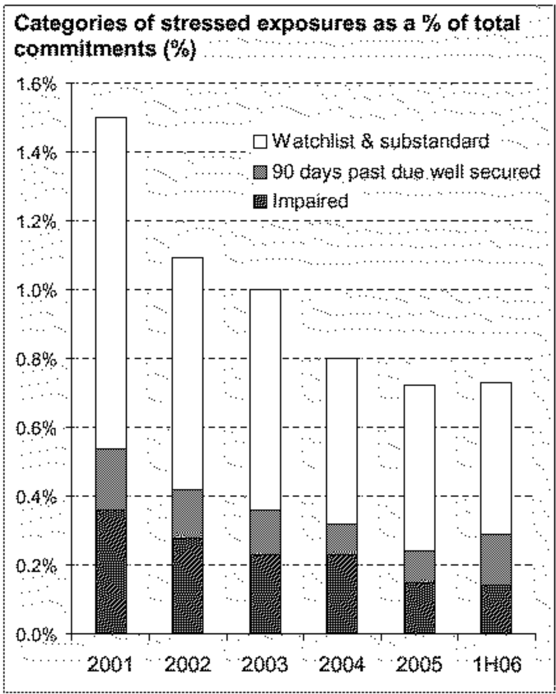
* AGAAP to 30 Sept 2004; A-IFRS from 1 Oct 2005.

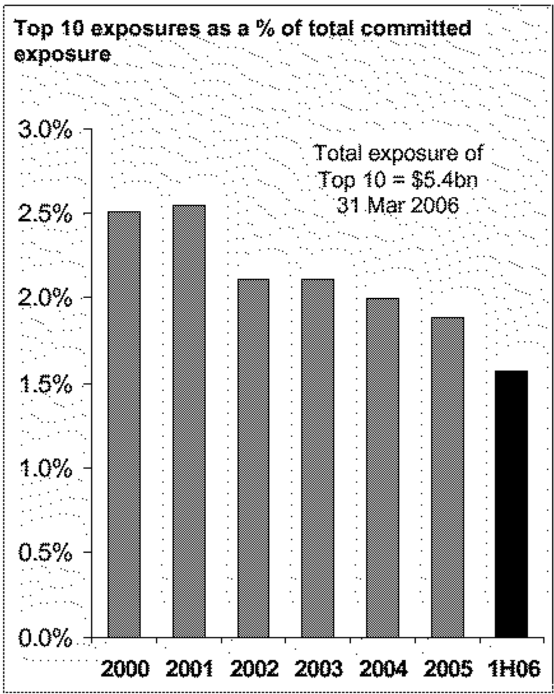
Australian retail and BT leading the growth



*1H05 re-stated to A-IFRS excluding AASB 132 & 139

Asset quality remains positive





Source: Westpac

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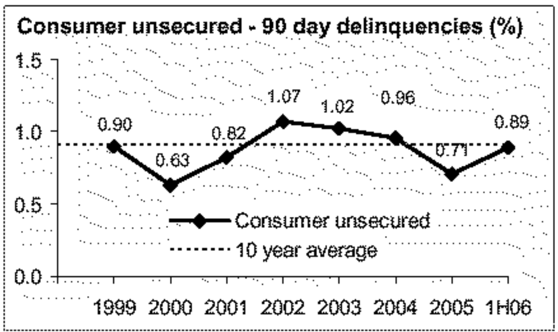
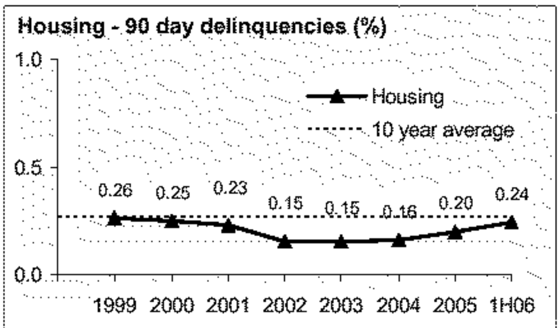
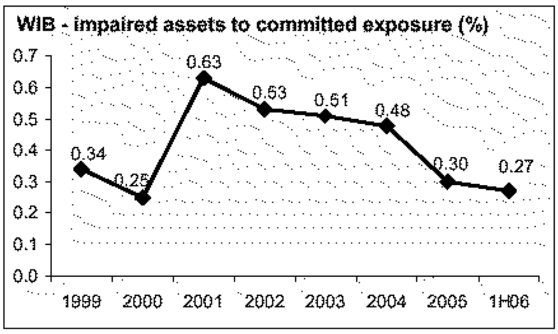
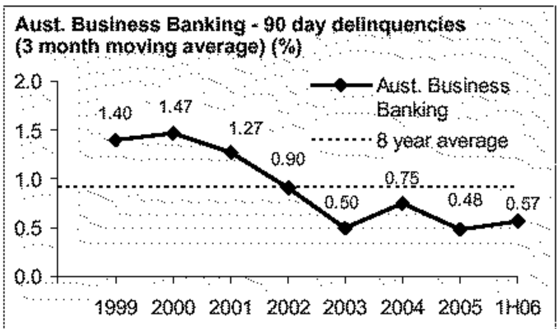
Forward credit indicators







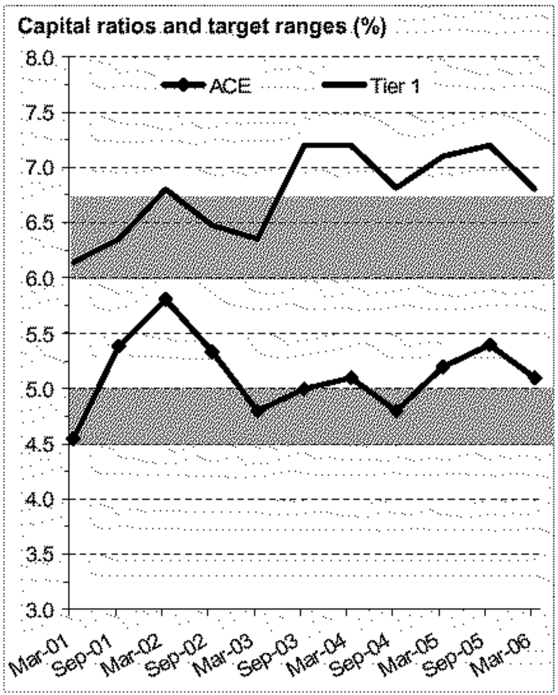


Source: Westpac

Westpac

Strong capital generation

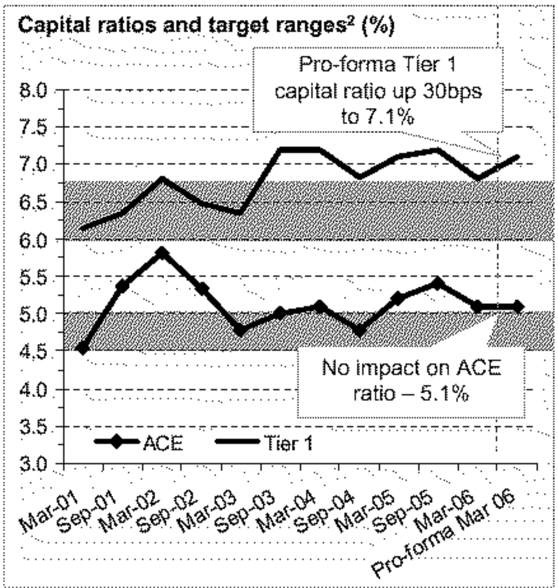
- $580m in capital generated over half
- Capital ratios above target ranges at 31 March 06:
  - ACE ratio of 5.1%
  - Tier 1 ratio of 6.8%
- Capital levels will remain within target ranges even after the APRA changes in July 2006
- We are still discussing potential transition arrangements and possible changes to target ranges



Pro-forma financial information

The following pro-forma consolidated balance sheet and capital adequacy position as at 31 March 2006 set out the expected effect of the Westpac TPS Offer on Westpac as at 31 March 2006 – adjusted as if the issue of Westpac TPS was completed as at that date.

Consolidated balance sheet[1]		
A$m	Reported Mar 06	Pro forma Mar 06
Total assets	291,879	292,370
Total liabilities	277,237	277,236
Net assets	**14,642**	**15,134**
Total equity attributable to equity holders of Westpac Banking Corporation	13,478	13,478
Total minority interests	1,164	1,656
Total shareholder's equity and minority interests	**14,642**	**15,134**



1. A-IFRS basis. Assumes the issue of $500m of Westpac TPS less expected Offer costs (net of tax). Refer Westpac TPS PDS Section 6.4.1 for more information
2. AGAAP basis, reflecting APRA's current approach to capital calculations. Refer Westpac TPS PDS Section 6.4.2 for more information

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Key terms of Westpac TPS

Summary termsheet

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Step-Up Date	30 June 2016—the Initial Margin will increase by a one time step-up of 1.00% per annum
Conversion	Westpac can initiate Redemption for cash (subject to any required APRA approval) or Conversion into Ordinary Shares in certain circumstances, including on or after the Step-Up Date
Exchange	Automatic Exchange into Westpac Preference Shares on certain Automatic Exchange Events—including if on issue at 30 September 2055

Distributions

- Distributions are quarterly, non-cumulative, based on a floating rate and expected to be fully franked
- Distributions are subject to the Distribution Payment Test
- Distributions are scheduled to be paid quarterly in arrears on 31 March, 30 June, 30 September, and 31 December (the first Distribution Payment Date is scheduled for 30 September 2006)
- The Step-Up Date is 30 June 2016, when the Initial Margin will increase by a one time step-up of 1.00% per annum
- If a Distribution is not paid within 20 Business Days after a Distribution Payment Date a "stopper" applies to Westpac
  - The "stopper" can be removed if the Issuer pays an Optional Distribution (subject to APRA approval) equal to the scheduled but unpaid Distributions from the last 12 months
- The Distributions are expected to be fully franked. If a Distribution is not fully franked, it will be grossed-up for any shortfall in franking (subject to the Distribution Payment Test)

Redemption and Conversion

- Westpac may initiate Redemption (subject to any required APRA approval) or Conversion of **all or some** Westpac TPS on any of:
  - the Step-Up Date;
  - any Distribution Payment Date after the Step-Up Date; or
  - an Acquisition, Tax or Regulatory Event
- Conversion into Westpac ordinary shares is at a 2.5% discount to the 20 day VWAP, subject to a maximum conversion number
- Westpac may initiate Redemption or Conversion of **all (but not some only)** Westpac TPS if:
  - a Trust Event occurs (including removal of trustee of or winding up of Westpac TPS Trust); or
  - the aggregate issue price of all Westpac TPS on issue is less than $50 million
- Westpac TPS Holders have no right to request Redemption or Conversion

Exchange

- Westpac TPS will automatically Exchange into Westpac Preference Shares upon the occurrence of an Automatic Exchange Event. This occurs in the limited circumstances of:
  - an Event of Default
    - a Liquidation Event occurs in relation to Westpac;
    - Westpac ceases or suspends conduct of all its business; or
    - Westpac makes a payment in breach of its "stopper";
  - an APRA Event (unless APRA determines otherwise)
    - APRA determines in writing that Westpac has a Tier 1 Capital Ratio of less than 5% or a Total Capital Adequacy Ratio of less than 8%;
    - APRA requires Westpac to increase its capital, or appoint a statutory manager, or commences winding-up proceedings; or
    - the retained earnings of Westpac Group fall below zero; or
  - Westpac TPS being on issue on 30 September 2055
- Westpac TPS Holders have no right to request Exchange

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Syndicate details

Contacts

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Important information

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