

UBS Financial Services Conference

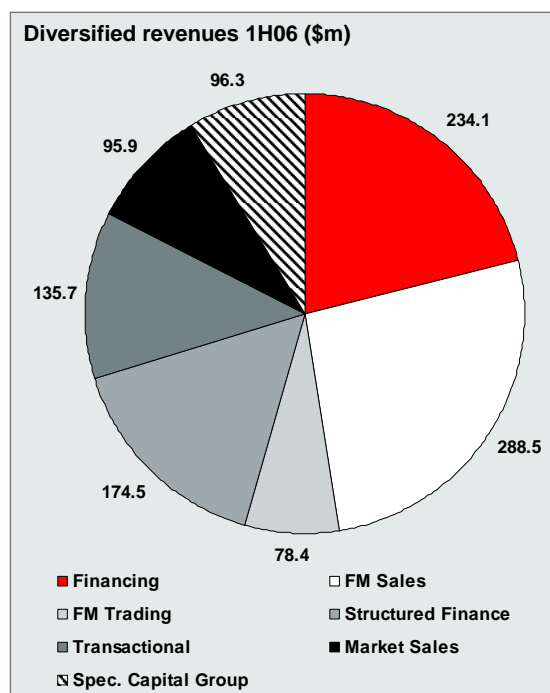
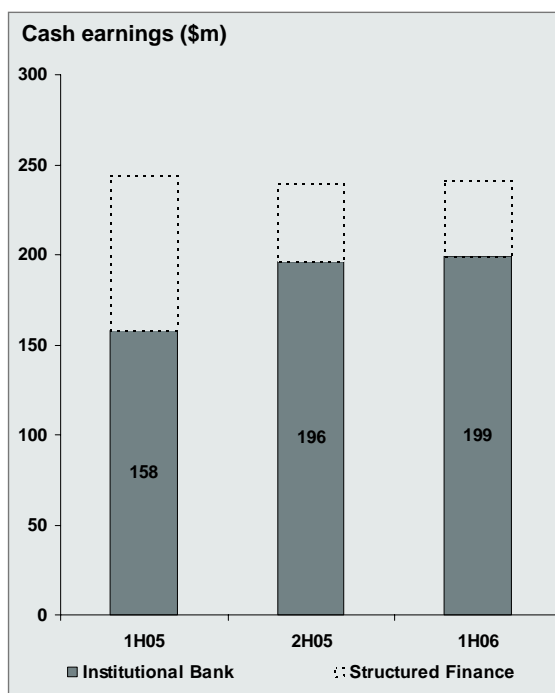
Philip Chronican
Westpac Institutional Bank
22 June 2006

Australia's lead institutional bank

Westpac Institutional Bank has:

- A clear strategy to build on its lead bank status
- Strong and sustainable core products
- Established options for growth

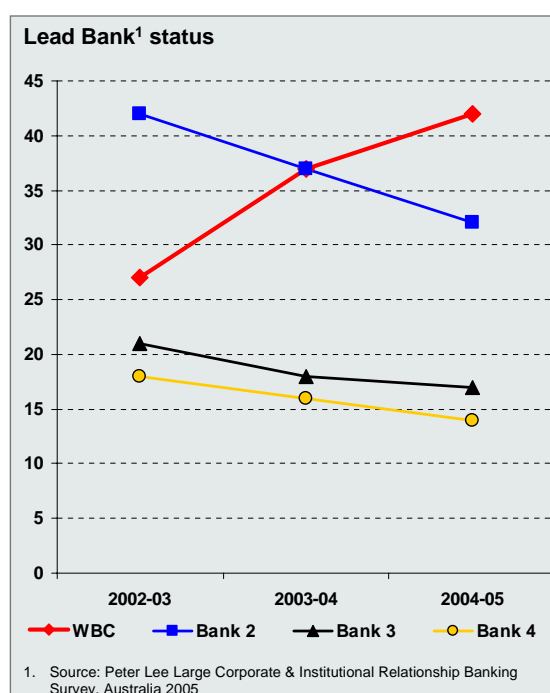
Australia's lead institutional bank



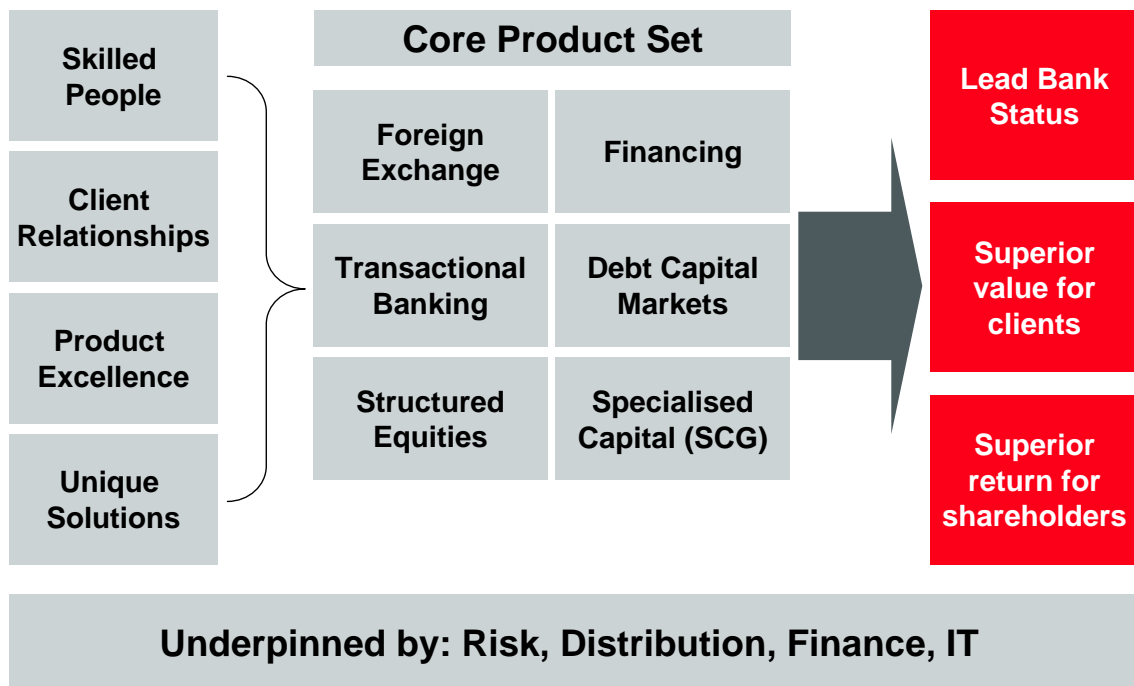
The lead bank imperative

Maintaining the lead bank position is crucial in generating superior value. Lead banks (typically the top 2) tend to have access to:

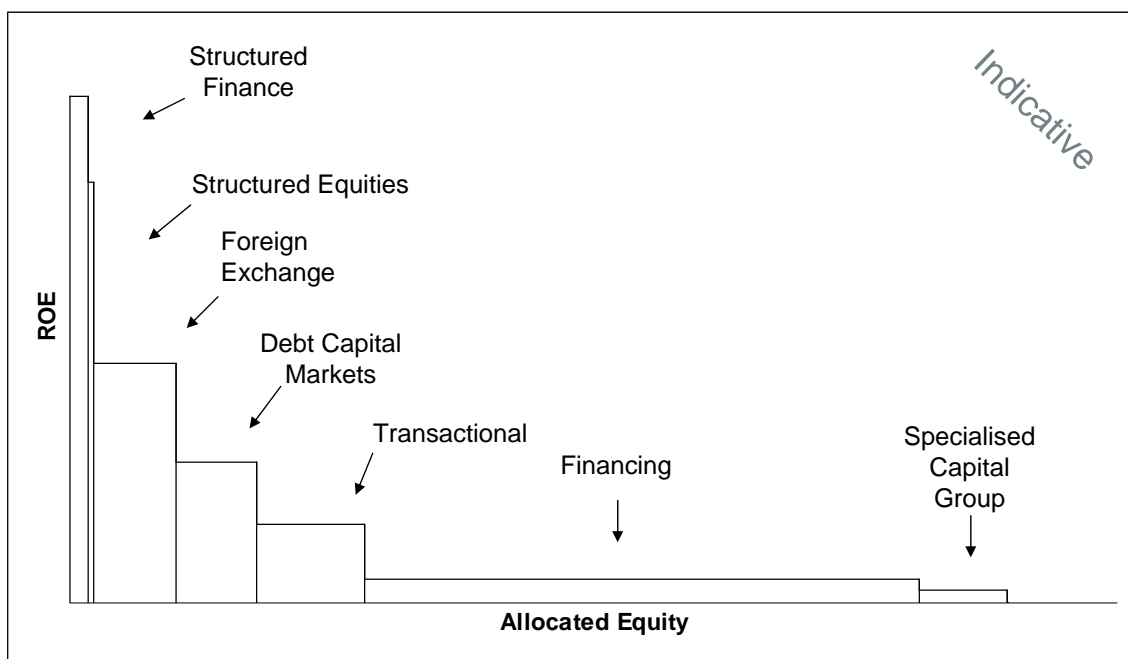
- 55-70% of market share¹
- The majority of higher value transactions, eg capital market issues
- Increased cross sell opportunities – 4.5 products for lead bank vs 2.9 for non lead bank¹



Achieving lead bank status



WIB portfolio of businesses – ROE v allocated equity



Portfolio approach

Products	Key attributes	Market position	Product status
Financing	\$27bn in loans and acceptances Strong position in specialised funding and bridging facilities	N/A	Core
FX	AUD / NZD specialist globally	1 st 1	
Transactional	Key relationship product supported by superior online capability	1 st 1	
Debt Capital Markets	Top bookrunner of Australian syndicated loans Leading in number of new issues, #2 on volume	2 nd 2	
Specialised Capital Group	\$6bn in funds under management Only major bank with specialist capital capability	1 st of majors	Growth
Structured Equities	Strong sales capability to customer base	3 rd 3	
Structured Finance	NZ issues now run down Limited recent activity	N/A	Mature

Source: 1 Peter Lee
2 Bloomberg
3 Westpac

7

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Case study: Debt Capital Markets

Strategy

- Core line of business adding value to existing relationships
- Deliver those products in which we have a sustainable comparative advantage

Key strengths

- Westpac has moved from #7 to #2 in the market in the last 12 months
- Strong distribution channels and understanding of customer needs enable efficient distribution of products to domestic and offshore investors
- Deep knowledge of AUD and NZD markets

8

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Debt Capital Markets

Core products	Key features
Domestic	<ul style="list-style-type: none">• Wide range of fixed and floating rate securities
Kangaroo	<ul style="list-style-type: none">• Growing sector for financial institutions and high-rated corporate issuers
US Private Placements	<ul style="list-style-type: none">• Strong relationship with Bank of America providing Australian corporates access to deeper international markets• Estimated share of Australian issues is 32%

Case study: Transactional Banking

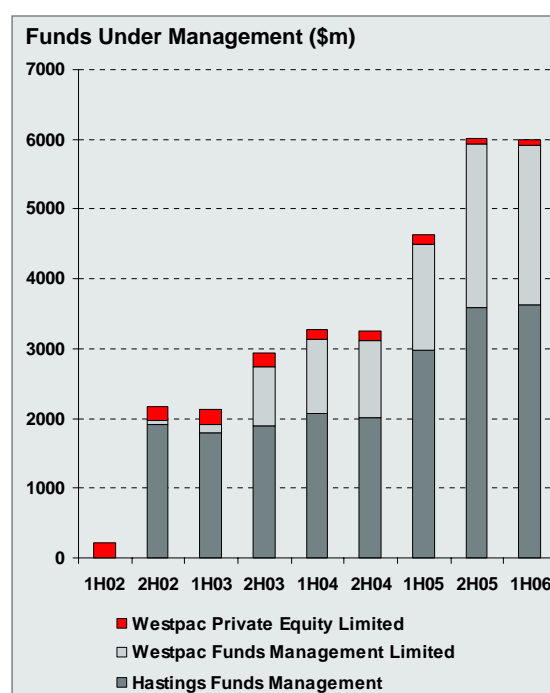
- Capability required by corporates and institutions operating domestically
- Lead relationships with 43% of top 500 Australian / NZ large corporates and financial institutions
- Leader in government business
- Leading technology
- Revenues from transactional up 10% year on year

Transactional Banking

Core products	Key features
Corporate Online	<ul style="list-style-type: none"> • Only web based corporate transaction system offered by major banks • Superior capability and serviceability
Present & Pay	<p>Extending Transactional Banking</p> <ul style="list-style-type: none"> • Time and money saving for clients • Increased buyer satisfaction • Market leading capability • A competitive advantage for Westpac

Funds under management

- Specialised Capital Group remains an important growth business
- Current competition for assets has limited availability at a reasonable price
- Leverages Westpac's strengths:
 - Extends intermediation capability
 - Detailed understanding of Aust/NZ corporates
 - Established distribution
- Funds to be launched:
 - Westpac Residential Property Trust
 - Westpac Diversified Property Trust



Asia: the WIB approach

Our goal

- Capture value from Asian growth by building on our strengths and developing the capability to better capture business flows

Customers

- Australia/New Zealand clients operating in Asia
- Asian corporates/individuals with interests in Australia/NZ

Businesses / Products

- Trade, FX and Capital Markets
- Private Banking
- Utilise third party relationships where we do not have geographic coverage or a comparative advantage (Standard Chartered, Bank of Tokyo Mitsubishi)



Asia: building capability

Geographic

- Repositioning geographic footprint and seeking to expand activities into India and China

People

- Employees in Asia doubled in the last 18 months to 70 people, predominantly in sales-related roles

Recent success stories

- Co-lead in an AUD850M 3-5 year financing for a San Miguel subsidiary, National Foods
- Jointly led a Kangaroo issuance for a large Asian institution - ADB
- Super Senior Credit Default Swap transaction with a regional bank
- Increased transaction activity with Central Banks in Asia



Summary: more than just a lender

Westpac Institutional Bank

- Has a clear business model
- Has a strong foundation to supply clients with a wide range of financial products and services
- Is highly regarded by customers
- Is well positioned with established growth options

