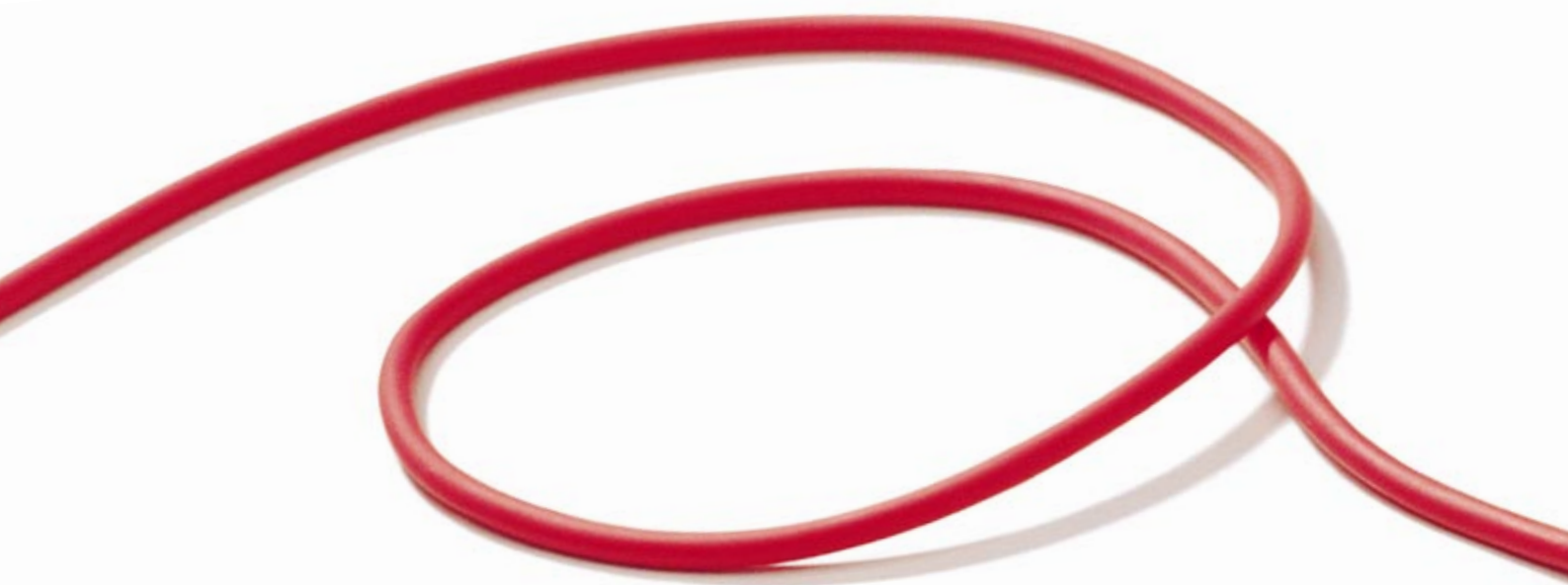


An old bank...



in the new



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Westpac Banking Corporation
ABN 33 007 457 141

On track



John Uhrig *Chairman*



“In last year’s report I talked about the opportunities the new century offers us. This year’s result is an excellent first step towards realising those opportunities. We live in a world where change is the norm, where old rules no longer apply. We’re facing the challenge of meeting that change head on. Our first step was to fully understand where we are. Now we’re implementing a clear plan to unlock our potential even more. In my final year as Chairman I’m delighted Westpac has been able to deliver our best-ever result and provide shareholders with a clear understanding of how we intend to better it in coming years.”

Chairman's report

As an Official Partner of the Sydney 2000 Olympic Games and Paralympic Games, we shared in the athletes' success and delivered our own record-breaking performance. The activities flowing from our five point strategy, outlined in this report, are delivering operational efficiencies, improved business growth and enhanced shareholder value. In many ways it has been a year of Olympic proportions.

Our record result of \$1,715 million profit after tax is an 18% improvement on 1999. Earnings per share were 88.8 cents, an improvement of 15% on last year. The return on average equity is 18.4% compared to last year's figure of 16.8%.

Last year I announced that we had established two clear financial objectives against which we'll measure our progress – sustained returns on equity well in excess of our cost of capital, and earnings per share growth consistently exceeding the economy's underlying growth rate.

For the 2000 financial year I'm pleased to report our return on equity was well above our cost of capital of 12% and our earnings per share growth was well above the economy's underlying growth rate of 4.5%. By both measures this has been a successful year.

As a consequence of the improved financial performance the board intends declaring a final half year dividend of 28 cents per share. Together with the interim dividend of 26 cents per share, the full year dividend of 54 cents per share fully franked will represent a 15% increase on last year's dividend.

Market capitalisation rose to \$23 billion as at 30 September 2000 from \$17.5 billion the previous year. This is despite the fact that we bought back 108.7 million Westpac shares on-market at a cost of \$1.27 billion during the year.

Importantly, the quality of our assets remains high and is supported by strong credit risk management principles now firmly embedded in the business. Although official interest rates have increased, our bad debt experience is well within expectations and we remain comfortably provisioned. The level of total provisions increased to 249% of total impaired assets.

We continue to tap into our customer base in a targeted way, improving on the opportunities to increase the product take-up of our 7.8 million customers. As evidence of our effectiveness in this area, the number of customers with multiple product holdings has doubled over the past three years. Improvements in Internet banking and eCommerce, and the changes we're making to our physical representation network, are providing our customers with 24-hour every day access to the bank in support of their increased product holdings.

Partnering our Australian Olympic and Paralympic heroes

Over the past four years, Westpac has supported 61 Australian athletes. It's not how they do it, but it does help.



Steve Porter
Silver Medal, Wheelchair Rugby, Sydney 2000 Olympic Games. Represented Australia 1999 World Wheelchair Games. Won 1999 Trans Tasman Clash (Australia v's New Zealand). 1996 Atlanta Paralympic Games. 1995 World Championships. 1994 World Wheelchair Games. Westpac Team Leader Human Relations Operations.



Liz Weekes
Gold Medal, Water Polo, Sydney 2000 Olympic Games. Campaigned tirelessly to ensure women's water polo was included as an event for Sydney 2000. Member of the Australian gold medal winning team at the 1995 World Cup. Sponsored by Westpac since 1998.



Amy Winters
Gold Medal, Athletics, 200m and 100m, Bronze Medal 400m, Sydney 2000 Paralympic Games. Gold Medal 200m, Bronze Medal 100m, 1996 Atlanta Paralympic Games. 100m world record holder. 1999 Sport NSW Athlete of the Year with a Disability. Marketing Coordinator, Westpac Institutional Bank, Olympics Unit.



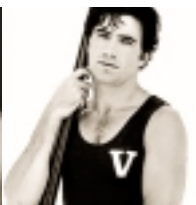
Matt Dunn
Triple Olympian, Semi-finalist Swimming 200m Individual Medley, Sydney 2000 Olympic Games. 1999 Pan Pacific 400m Individual Medley Relay team at the 1998 Commonwealth Games. Considered one of the best turners in world swimming. Sponsored by Westpac since 1997.



Jane Webb
Silver Medal, Wheelchair Basketball, Sydney 2000 Paralympic Games. 1996 Atlanta Paralympic Games. Series winner 2000 Australia v's Canada test series. Undeclared 1999 Australia v's USA test series. Bronze Medal, 1998 World Championships. Energy Australia Gold Cup 1998 (3rd). Westpac Project Manager, Sydney 2000 Olympics and Paralympics.



Susie O'Neill OAM
Madame Butterfly – Australia's most successful swimmer ever. Gold Medal 200m Freestyle, Sydney 2000 Olympic Games. World record holder 200m Butterfly. 35 Australian titles. Inducted as a full member of the IOC, September 2000. Sponsored by Westpac since 1997.



Christian Ryan
Silver Medal Men's Eight Rowing, Sydney 2000 Olympic Games. 1999 World Rowing Championships, Canada. Gold Medal, 1998 U/23 World Rowing Championships in Greece. Gold Medal, 1998 Australian Rowing Championships. Bank of Melbourne MIS and Finance Assistant.

We have laid sound foundations for further growth. We have a trusted brand and a competitive product range, award winning internet and eCommerce offerings. We have a quality balance sheet, satisfied customers driving improving sales volumes and market share, and a strongly motivated workforce. With these fundamentals in place your Board is confident that Westpac is well positioned to meet the challenges of the future.

For many Australians this has been an exciting year because of the 2000 Olympic Games and Paralympic Games in Sydney. Being an Official Olympic and Paralympic Partner has made this an especially exciting year for us at Westpac in Australia.

Our sponsorship of these extraordinary events has given us a high profile in the lead-up to, and during the Games, and is delivering the benefits we envisaged when, in 1994, we aggressively sought the Games' exclusive banking rights.

We believed that Westpac, as Australia's First Bank, should be the Official Banker to the Games. The wisdom of those actions has now been proven by the result.

The financial results we have achieved and the success of our Olympic Partnerships reflect the efforts of our staff. They have demonstrated a capacity for achievement in an environment of rapid change and increasing competition that is truly remarkable. On behalf of the board I thank them all for their hard work and dedication.

Following my retirement from the board after the Annual General Meeting on 15 December 2000, Deputy Chairman Leon Davis will assume the role of Chairman. I'm confident the bank will be in good hands under his direction.

Since I became Chairman in 1992 we have seen an extraordinary change in Westpac's fortunes.

From a position where shareholders were bearing the fallout from the late 1980s and early 1990s, we have achieved a remarkable recovery.

This turnaround is symbolised by the solid improvements in our financial performance in recent years, and confirmed by another record performance in this financial year.

It has been a privilege to preside over that period of change, and to see the bank well equipped, once again, to play a leading role in the financial affairs of the communities it serves.

My thanks to my fellow directors, and to the management and staff of the bank, for their support during these historic and interesting times. My best wishes to all stakeholders in Westpac for a prosperous future.




Karni Liddell

Bronze Medal 4x50m Freestyle Relay, Sydney 2000 Paralympic Games. Gold Medal 100m Freestyle, 1999 British Nationals. Gold Medal, 50m and 100m Freestyle, 1999 German Nationals. Bronze Medal 50m Freestyle, 1996 Atlanta Paralympic Games. 50m Freestyle world record holder. Westpac Project Assistant, Head Office Queensland.

Grant Hackett

Gold Medals for 1,500m Freestyle and 4 x 200m Freestyle Relay, Sydney 2000 Olympic Games. Current World, Commonwealth, Olympic, Pan Pacific and Australian 1,500m Freestyle champion. Second fastest 1,500m Freestyle time in history. Sponsored by Westpac since 1998.

Sue Grayson

Track and Field – Marathon. Selected to the Australian Team 1987. Represented Australia at World Championships for road and cross country running in the marathon at the 1996 Olympic Games. Westpac Learning and Development Consultant since 1999.

Troy Sachs OAM

Wheelchair Basketball, Sydney 2000 Paralympic Games. Gold Medal, 1996 Atlanta Paralympic Games. 1997 Most Valuable Player & Highest Scorer NWBL. 1996 Athlete of the Year. NSW Wheelchair Sports Association. 1994 World Championships. Communications Assistant, Westpac Stakeholder Communications.

Belinda Stowell

Gold Medal, Sailing, Women's 470 Dinghy Class, Sydney 2000 Olympic Games. Winner 470 Olympic Class Championships 1997, 1998, 1999. Winner 470 Olympic Class Sydney Regatta 1999. Winner 470 Olympic Class New Zealand Nationals 1998, 1999. Assistant Manager, Westpac Institutional Bank.

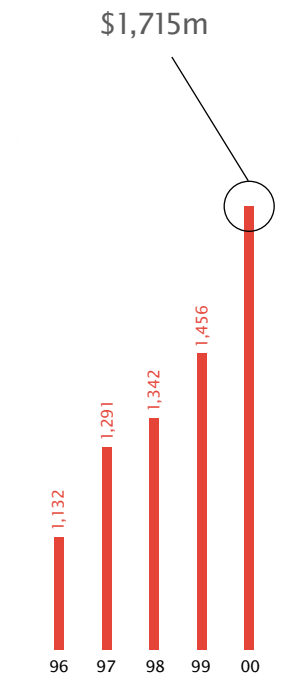
Ian Thorpe

The youngest male world champion in history. 3 Gold Medals and 3 world records for 400m Freestyle, 4 X 200m Freestyle Relay, 4 X 100m Freestyle Relay, Sydney 2000 Olympic Games. 2000 Young Australian of the Year. Sponsored by Westpac since 1998.

Sally Smalley

Road Cycling. 1998 and 1995 Australian team member. 4th place in the 1995 Oceania Games. Sally's mantra is "Perseverance – never give up – ever!" Customer Service Representative, Telephone Banking, Bank of Melbourne.

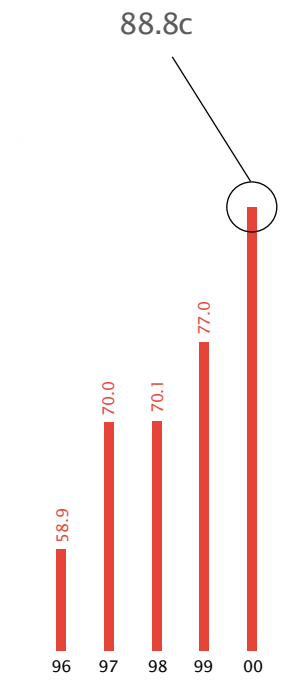
So, how well did



Profit

Operating profit after tax and before abnormals, attributable to shareholders.

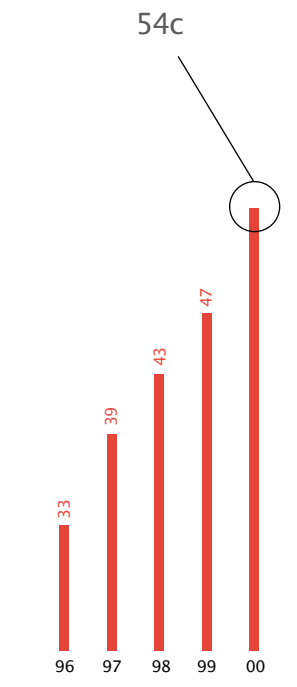
Operating profit increased by 18% to \$1,715 million. This result is the eighth consecutive record annual result. The latest result reflects the progress on the priorities set in 1999 to improve cost efficiency, to realise the potential from the regional bank mergers, and to progressively tap eCommerce opportunities.



Earnings

Earnings per share, before abnormals.

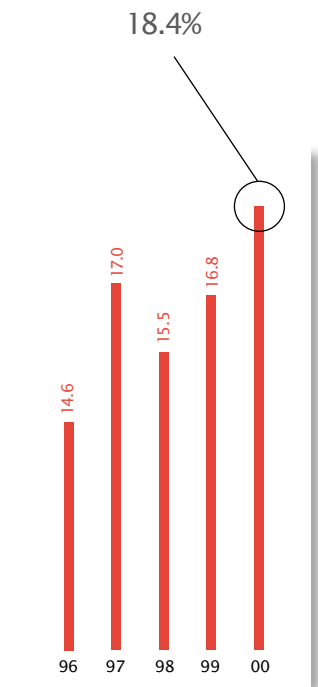
Earnings increased to 88.8 cents per share, an improvement of 15% on the previous year. Including the full year impact of the NZ Class shares issued in October 1999 and the distributions on the Tier 1 qualifying hybrid equity, net of the share buy-back, earnings per share increased slightly less than profit growth.



Dividends

Dividends per ordinary share.

The return to full franking and the record profit will allow the Board to deliver a 15% increase in dividends to 54 cents per share. This is in line with the growth in earnings per share, and represents a payout ratio of 60.8% for this year.

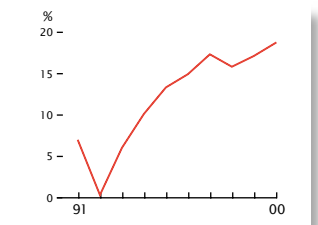
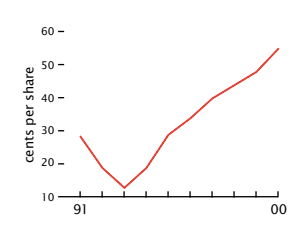
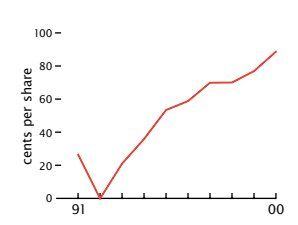
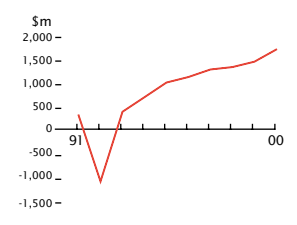


Return

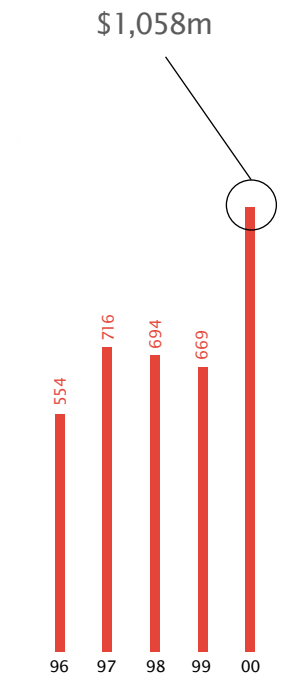
Return on average ordinary equity, before abnormals.

Return on equity increased to 18.4% from 16.8% last year, continuing the steady and constant improvement of recent years. Returns are now comfortably above our cost of capital of 12%.

Ten year trends



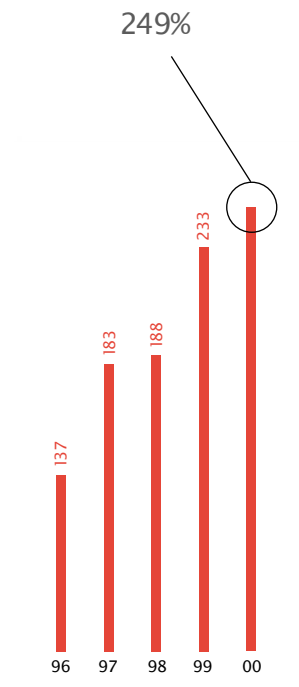
we do?



Economic Profit

The excess of net profit after tax, plus 70% of the face value of franking credits, over the minimum required rate of return on equity invested of 12%

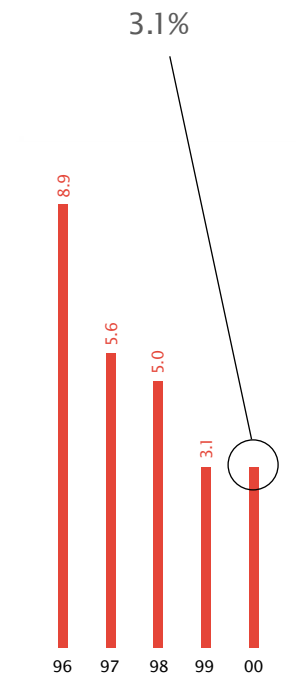
In the latest year, Economic Profit improved substantially to \$1,058 million from \$669 million last year, reflecting improved profitability and the return to fully franked dividends this year.



Provisions

Total provisions to total impaired assets.

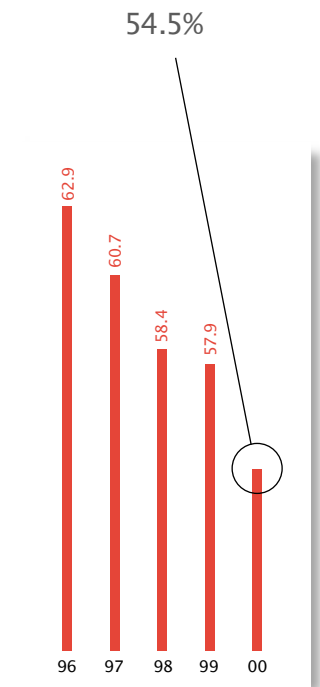
Total provisioning for impaired assets increased in the year from 233% to 249%, providing an increasingly comfortable level of cover.



Asset Quality

Net impaired assets to equity and general provisions.

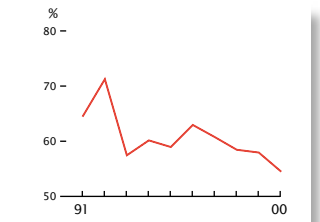
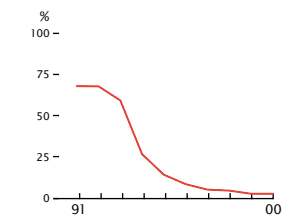
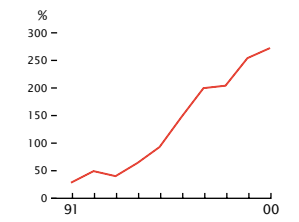
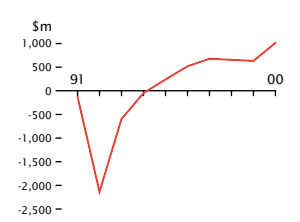
The ratio has remained at 3.1%, reflecting continued sound asset quality.



Efficiency

Expense to income ratio, before intangibles.

The ratio has continued to improve, falling to 54.5% from 57.9% last year. Expenses were flat in nominal terms, adjusted for one-off accounting impacts, despite the impact of Y2K and GST implementation costs, GST related cost increases, and our Olympic and Paralympic sponsorship program. Efficiency improved through the year with the second half-year ratio falling to 53.5%.



“We have a long and proud history. For 183 years we have been both a leader and innovator in our industry. We intend to be at the front of the pack as we bridge the gap between the old and new economies. Here’s our five point plan to ensure we do.”



David Morgan *Chief Executive Officer*

Take five 

My second year as Chief Executive has been exciting both in terms of the bank's achievements and our involvement in once-in-a-lifetime events.

Our role in the Sydney 2000 Olympic Games and Paralympic Games was a highlight. Operationally we made profound changes to the way we do business and provide customer service. Most importantly, we've been able to deliver our best ever financial result, achieved in the fiercest competitive environment we've ever encountered.

In last year's annual report I mentioned that I'd inherited a company with solid foundations. Much of this is due to the strong leadership and guidance John Uhrig has provided throughout his eight years as Chairman. I also said that we could now concentrate on improving our performance. That's what we've been doing. We're now starting to reap the rewards of turning potential into reality and opportunities into value.

Our Performance Enhancement Program, encompassing initiatives right across the organisation, has delivered \$300 million in real cost efficiencies. This is providing us with the funds to invest more in the businesses that both provide new growth and continue to create real value.

During the year we outlined a well-defined customer focused strategy. This not only commits us to continue searching for cost efficiencies but allows us to capitalise on the opportunities available to us in our customer base. The strategy has five elements and will guide us as we continue to evolve from being a fully integrated manufacturer and distributor of financial products to a trusted provider of financial solutions.

The key element driving our strategy is our unwavering focus on customers. We recognise that it's only by successfully satisfying customer needs and improving the customer experience in dealing with us that we can continue to create value for shareholders.

As we move forward our challenge is to make customer primacy a reality, every day and in every part of our business, in a way that also delivers sustainable shareholder value. It's a challenge made more difficult by the continuing sophistication of customer needs and proliferation of competitors. However, we're excited by and equal to that challenge.

Our Olympic and Paralympic experience in Australia was one of heightened brand awareness, of participation both as an official partner and as the Games' official banker. Our investment in the Sydney 2000 Olympics has more than paid for itself. I was particularly proud of how dedicated and professional our staff were in carrying out Olympic and Paralympic associated activities.

Our investment in upgrading our systems for Y2K readiness paid off. The moment of truth passed without any serious incident, confirming the quality of our extensive preparation.

Amid all of this business-focused activity, we continued to look for ways to provide tangible support to the communities in which we operate and which support us. Various volunteering programs, sponsorships, and other philanthropic activities are part of our community development program which reached new heights this year.

The following pages of this report bring our strategic approach alive and provide some examples of the activities flowing from it.

I invite you to take five minutes to read on to better understand our strategy, the progress we're making and how we're going about it.

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

To understand our strengths we've left no stone unturned in reviewing our operations over the past year. We've gained a better understanding of just where we're creating value in our business and where the opportunities for improvement lie.

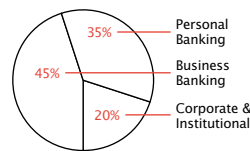


What we did

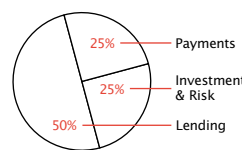
- Undertook a major exercise to identify value in our businesses.
- Looked at our costs, revenues and capital requirements from all angles.
- Implemented external benchmarking to measure our efficiency.
- Identified potential annual cost savings of \$300 million across the company.
- Restructured the organisation around the value chain.
- Set up a strategic sourcing unit to centralise and automate purchasing.

What we plan to do

- Continue to test ourselves against external benchmarks.
- Further optimise our capital usage.
- Embed economic profit measures across the organisation.
- Continue to prioritise our investment opportunities based on enhancement of shareholder value.



Where we create value across our business



Where we create value across our products

Take



Understanding our strengths

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Being more efficient

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Finding new opportunities

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Getting closer to customers

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Backing our people

We may have been in business for 183 years, but we've never experienced the degree of competition and the impact of technology that we're experiencing now. That's why we pulled our business apart, sliced it and diced it in various ways, and looked at it from every angle to get a really good understanding of how we stack up against the new economics.

We compared ourselves with companies at the frontier of good practice. Now we know in great detail the parts of the business in good shape and where our opportunities for improvement are.

Looking across the company and our portfolio of businesses, we found the greatest value in our sales and marketing activities. At the other end, we found we needed to improve the value of our servicing and operations areas. Not a great surprise. But the real revelation was in discovering that where our resources and energies were going was not fully in line with where we could generate our best returns.

With this understanding, we've reorganised ourselves to put our resources – both money and people – where we can best create value. We're now shifting the balance to our frontline activities and the people who interact with our customers day-to-day.

But we won't just neglect the back office areas. They are vital to our business and the quality of service our customers get. That's why we're actively looking for more cost-effective ways to provide these support and operational functions.

We can generate benefits of scale by taking many of these activities outside the organisation, by contracting specialised firms that can often handle these functions better. We've been investigating outsourcing, insourcing and joint venturing to realise those benefits.

Within our customer groupings our small and medium sized business customer group is not only producing highest value compared to other customer groups but offers the best opportunity to generate further value.

This knowledge is driving a determined effort to expand our business banking franchise. It includes, among other things, diverting resources and reinvesting savings from other areas for more training and development of our customer-facing business banking staff.

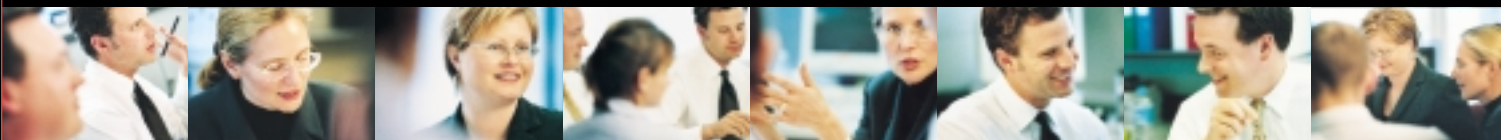
We're also introducing more efficient ways to work with our business banking customers. We're making loan approval and monitoring simpler. We've established a professional call centre dedicated to their service needs. And because our small business customers needs are less complex than larger businesses, and they often need quick and convenient responses, we established our Business Direct service to provide telephone assistance and easy to use do-it-yourself tools.

One way we're reducing costs is to better manage our purchasing. We're also introducing eProcurement which will not only reduce costs further, but also save lots of paper.

There are many more cost-saving and income-increasing opportunities in other parts of the business. We're aggressively attacking these through this five point strategic plan.

Our new insights from getting to the bottom of where we're delivering the best returns for shareholders are now guiding our spending, clarifying our business direction and creating the priorities for our strategic initiatives.

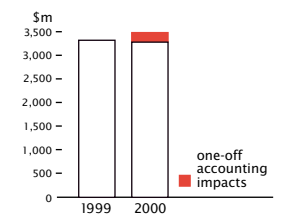
"When we value-mapped our business, we found some surprises. We were spending around \$1.2 billion through over 10,000 suppliers each year. We were not using our buying power as well as we could. There were savings to be had, and although individually some savings were small, the team believed some \$50 million per annum of savings could be found by better using our buying power. Better still, by moving much of our purchasing on-line, we are taking the paper out of the many hundreds of thousands of orders, invoices and payments we carry out each year. So, by taking a closer look at our business, we have been able cut our costs and at the same time have a favourable impact on our environment."



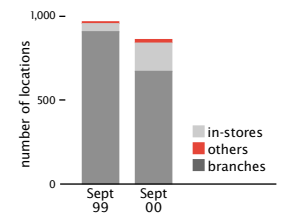
Saving time and trees.

Chris Hughes, Alex Holcomb, Rachel Lamb, William Ammentorp

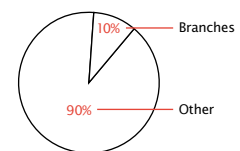
Being more efficient means we must have all parts of our business as productive as they can be. Our customers shouldn't have to, and won't, pay for any inefficiencies. And our competitors are all too ready to grab the advantage where they see a weakness.



Keeping our costs flat



How our distribution network is changing (Australia)



How our customers make financial transactions

What we did

- Set up the Performance Enhancement Program to realise the \$300 million in identified cost savings.
- Completed the initial Network Development Program with targeted floorspace reduction of 30%.
- Outsourced our telecommunications, information technology and operations to IBM GSA and Telstra, saving 15-20% on prospective costs.
- Consolidated Operations Centres from four to two.
- Created a Business Services Group to provide shared professional services to all business units.

What we plan to do

- Implement eProcurement.
- e-enable legacy systems and eliminate paper based processes.
- Enhance the efficiency and scope of our Call Centres.
- Explore and realise operational efficiencies between Australia and New Zealand.

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Understanding our strengths

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Being more efficient

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Backing our people

Being more efficient isn't just about delivering better earnings, it's the real path to growing our business.

That's why we've been working steadily to reduce costs across our traditional businesses and to improve the way we do things. Put simply, we need run our existing enterprises more cost-efficiently to have the funds to invest in new areas of opportunity.

Last year we launched our Performance Enhancement Program. Through this we not only improved our processes but reduced our operating expenses by some \$300 million.

We're leaving nothing untouched as we bring the power of the internet and new technologies to all our business activities. Through these we're not only improving our servicing and delivery, we're doing it more cheaply.

We're using the savings to invest in our future. By being able to keep overall costs flat we have the ideal platform to enhance our financial performance and deliver real benefits to shareholders.

There is no better insight into how we're improving service while reducing costs than how customers are choosing to interact with the bank. Our customers are so attracted to the convenience of ATMs, EFTPOS, telephone and internet banking, they're conducting about 90% of their transactions via these and other means outside our traditional branches. This proportion is increasing daily.

With customers leading the way we had to look at whether our wide network of full service branches would adequately meet their growing needs for lower cost, more convenient channels. And it wouldn't. That's why we're streamlining the costs of our face-to-face banking outlets to make them affordable for customers and more viable from a business viewpoint.

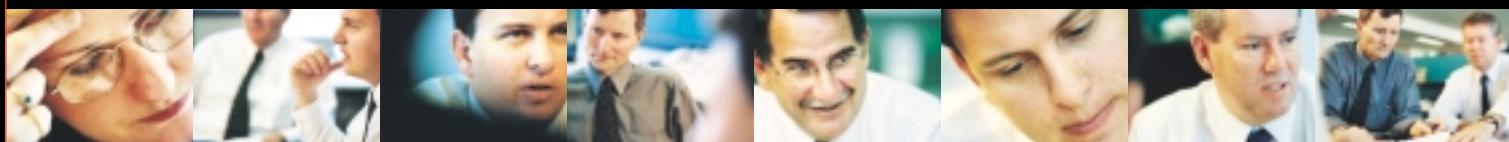
To date 105 branches have either been refurbished or moved to more accessible locations. In 118 instances we amalgamated branches that were close to each other and where it made sense to bring them together. We also responded to our customers by giving more than 500 branches new sales and customer education facilities. And in all our full-service branches we've increased staff training in sales and customer service to ensure a consistent experience wherever our customers visit a branch.

For places where full service branches are not economically viable we developed what we call 'in-store banking'. This makes sure the community still has face-to-face banking services. Our customers like it. They appreciate the greater convenience because our in-store banking hosts – be they newsagents, pharmacists, or other kinds of store owners – usually trade beyond normal banking hours, often including weekends.

From four test sites some two years ago, we now have 169 in-stores ranging across small remote communities to suburban metropolitan locations, including ten towns where we had no branch. This unique, fully-branded third party banking network in Australia represents 20% of our face-to-face banking network.

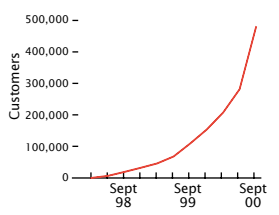
Getting the best out of our business does not stop there. It's a never-ending task to continue responding to customers' evolving needs and emerging technology and business practices. By continually reviewing where we are, we can be ready to meet new opportunities for efficiency and effectiveness in serving our customers. We'll continue to take up the challenge to be the best we can be.

"To try to get the best out of our businesses, an obvious focus for attention was our branch network. With customers increasingly using the phone, ATMs, EFTPOS and now the internet, the traditional branch was clearly not going to be viable in many areas in the future. Closing branches completely didn't appeal to us or our customers, and so we went back to the future to resurrect an idea from the 1960s. With new technology we were able to use the old third party agency concept and greatly expand our services. And so in-store banking was born."

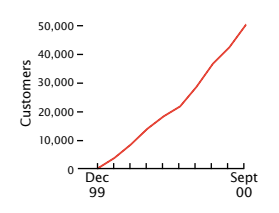


Breaking with tradition was the breakthrough we needed.
Vikki Davis, Daniel Musson, Peter Mair, Allan Phelps, Peter Troy

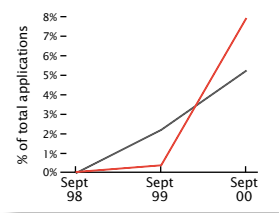
Finding new opportunities is all about believing the sky's the limit and being passionate about creating better solutions for our customers.



Take-up for internet banking



Take-up for internet broking



Personal loan and credit card applications on-line

■ Personal Loans
■ Credit Cards

What we did

- Redesigned and extended our website.
- Launched leading-edge on-line and eBusiness initiatives including:
 - *Westpac broking*
 - *Internet banking in New Zealand*
 - *Healthpay payroll solution*
 - *SME superannuation*
 - *Yieldbroker*
 - *domain.com.au housing portal*
 - *eMarket*
 - *Online FX*
 - *eBonds*
- Purchased a 49% stake in Metiom Australasia, a business-to-business and eProcurement portal.
- Introduced Australia's first Wireless Application Protocol (WAP) banking service.
- Originated 500 personal loans and 1,600 credit cards per month on-line (equivalent to sales volume achieved across 80 branches).

What we plan to do

- Extend our on-line offerings.
- Deliver greater personalisation and customisation.
- Deliver electronic bill presentment solutions.
- Enhance our on-line Investor Centre.



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Backing our people

Increasingly, the internet is becoming part of our everyday life. Whether it's for communication, entertainment, education, shopping, trading or banking, the internet is being used more and more because of its convenience.

Across Australia over 35% of adults are now on-line and 60% of small businesses are now connected. So it's no surprise the internet represents a great opportunity for us to expand the scope of our existing businesses and to create new ones.

Helping our customers manage their financial affairs and conduct their trading activity is something we've always done. So it's natural for us to look for ways to continue doing this via the internet, and to pursue the new opportunities it provides.

One thing's for sure – the internet has brought about a shift in power to the customer. Customers are enjoying more choice and access to an ever-increasing amount of information on which to base their buying decisions. The challenge for us, and the key to our strategy, is to become their trusted on-line financial partner as they embrace the internet and expand their horizons.

And we're responding. Over 490,000 of our customers now use our on-line banking and 51,000 are using Westpac Broking, our on-line discount share broking offering. And many more are taking advantage of eMarket, our secure payments environment for on-line shopping. Through the internet we can now transfer funds from a Westpac Group account to any account at any bank, building society or credit union within Australia, on-line. And we recently launched Australia's first Wireless Application Protocol (WAP) internet banking service that allows customers to do on-line banking from their mobile phones.

In realising that more and more people are using the net to search for their ideal home, we've brought our home loan to them through the leading real estate site, www.domain.com.au.

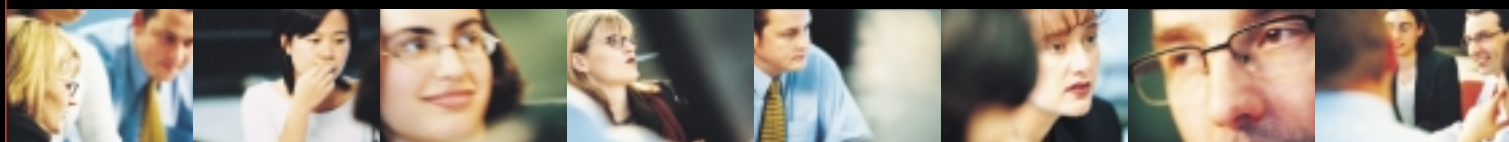
Even at the big end of town we've been busy with eBonds, an on-line bond distribution platform; Online FX; Yieldbroker, an on-line fixed interest trading hub; and HealthPay, Australia's first electronic service offering a total payroll deduction processing solution for employers and recipient funds.

We are committed to continuing to support our customers' transacting needs, particularly as business increasingly moves to trading via the internet. Westpac is a leading provider of payment and transactional services in Australia and New Zealand today, with 35% of leading companies using us as their principal provider of these services. We're determined to stay at the forefront of developments.

We're not only enhancing our services using the new technologies, we're also creating new businesses. Our investment in Metiom Australasia (formerly Intelisys Australasia) to provide an infrastructure for open business-to-business marketplace trading is a good example.

Like an iceberg, most eCommerce activity is not readily visible. The effects, however, are already truly astonishing, even though we're still in the early stages of discovering what's possible. As more and more customers are connected, and as the scope of their needs inevitably increases, we believe the sky's the limit in us becoming their trusted financial services provider.

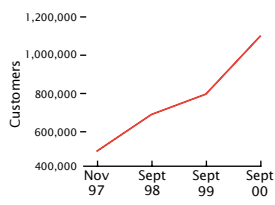
"Getting to the bank can be a major logistical exercise, but banking and making payments on-line at a time that suits is a wonderful alternative, and it's easy to do. That's just the kind of outcome we wanted when we developed on-line banking and extended our website to offer new on-line services such as Westpac Broking. And it's why we made the site more interesting and easy to navigate, so that no-one would feel intimidated when visiting www.westpac.com.au, except perhaps another bank."



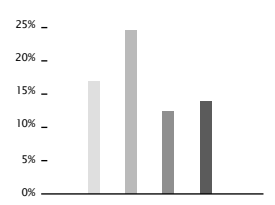
There's a lot of room to move in cyberspace.

Vanessa Pickford, Thien Lam, Emmy Riggall, John Durand, Jennifer Rufati, Ian Muir

Getting closer to customers is about getting to really understand what makes them tick. We're privileged to have such a large customer franchise. But while we have a lot of information about our customers, we haven't always used it well. Now our customers are telling us we need to know them better.



Growth in higher value customers



Last year's growth in key products (Australia)

- Home mortgages
- Credit card outstandings
- Retail funds under management
- General insurance sales

What we did

- Made 3 million pre-qualified offers to customers.
- Installed Siebel Systems Customer Relationship Management software.
- Installed ENACT sales management software.
- Created Business Direct Call Centres for SMEs.
- Conducted 148,000 customer needs analysis interviews via our 545 Financial Planners and Advisers.
- Achieved strong growth in key products.
- Doubled the number of our valuable customers (essentially those with multiple products).

What we plan to do

- Double the value of our customers, based upon economic profit, over the next three years.
- Continue to focus on customer retention.
- Extend the use of Customer Relationship Management solutions to all customer segments.
- Use customer scoring and pre-approvals to deliver quicker credit decisions.
- Further simplify sales processes.
- Extend our on-line offerings.



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Backing our people

To get a better insight into the needs of our customers, we invested in technology to bring together all the information we have scattered throughout our various business areas. This has given us the best holistic Group-wide view of our customers that we've ever had – just what they're telling us we need.

Each of our 7.8 million customers has their own lifestyle, personal interests and financial position, so there's a wide range of financial needs we want to satisfy.

What we've found in all that diversity, however, is that there are some really basic expectations common to all our customers. Interestingly, these aren't so much about products or price, or even how we deliver our services, but more about their relationship with us and how we interact with them day to day.

Our customers are saying "Show me you know me. Recognise me when I contact you, regardless of how I contact you. Know what's happened before. Don't pass me off. Surprise me with your initiative – show you have my interests at heart."

Winning customer confidence and trust, which are so vital to our business, is all about the less tangible service and relationship fundamentals. That's why we've concentrated on meeting these basic customer expectations across our entire business. During the last year we've made good progress on this front.

Meeting these expectations has meant changing our approach to sales and distribution. Rather than starting with products, geographical areas or distribution channels, we now start with the needs of customers.

The key to understanding their needs is to make good use of the information they give us. By knowing our customers better we've increased product usage across every customer segment in the last 12 months. During this period, for example, we delivered almost three million offers to customers who were pre-qualified on the basis of the information we have about them.

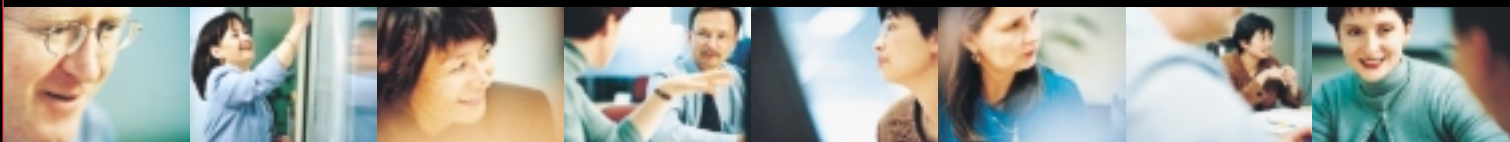
Not surprisingly, this has not only strengthened our relationships with customers but it has lifted their satisfaction levels as well.

As a result, over the past three years we've doubled the number of our personal customers who have more than three products, and seen the value of our business customers increase by more than 50%.

To build on this success we're now using the world's leading Customer Relationship Management software from Seibel Systems. This system provides us with a proactive approach to meeting our customers' total financial needs. And our customers are responding favourably.

The statistics are impressive and the results are the best we've ever achieved. But in all of this, we're very clear that it's a journey that can only be successful if we continue to focus on what our customers are telling us: "Do the basics really well. Continue to delight me with your initiative. Most importantly, show you are really with me."

"Broadening and deepening our customer relationships involves just about everyone. It starts with getting our customer information organised, understanding needs, having leading-edge technology, putting all of this in the hands of our sales-force and finally delivering a great customer experience. The technology is the easy bit – the secret is in the seamless teamwork. Knowing our customers well and deepening our financial relationships have other benefits too, like knowing where to get the best yum cha."



Like the community we serve, we're a multicultural lot.

Jim L'Estrange, Virginia Hottes, Eriko Kinoshita, John Horosko, Jenni Yap, Judy Ruoso, Deborah Thompson

Backing our people means rethinking how we work together to reach our goals. We can't expect our people's full support if they don't understand why we're doing what we're doing. And if we aren't all working towards the same objective, it's doubtful we'll get there.



What our staff are telling us

■ Westpac
■ Global financial services norm

What we did

- Introduced Westpac Learning Maps.
- CEO conducted two sets of People Management Forums with 700 of our senior managers.
- Aligned executive remuneration to shareholder value based measures.
- Approx 50% of staff have become shareholders under our employee share plan.
- Reorganised our Training and Development in line with best practice.
- Enhanced our staff benefits program.
- Opened our fourth Westpac staff child care centre.
- Closely tracked the views of our staff.

What we plan to do

- Relentlessly embed a performance culture.
- Address the issues raised by staff and conduct follow-up surveys.
- Continue to improve the way we communicate with our people.
- Get all staff to be shareholders under our employee share plan.
- Improve flexible working arrangements for employees.
- Broaden understanding of the benefits of workforce diversity.

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If we're to make the most of the opportunities outlined in the first four parts of our five point plan, then we must continue to develop our people with an eye to tomorrow. We need a workforce with an unwavering focus on our customers, adaptable to change, and able to deliver service excellence. We'll also need to change the way we work.

This will be a massive task because it not only involves new skills, it also requires a major cultural change. When the history of this period is written it won't only be about technological advances and ordinary people's mastery of that, it will be about the revolution in the way people work and how they relate to each other in the workplace.

We are all seeing the death of the old 'command and control' culture and the end of the divide between management and staff. Now, leaders and managers are responsible for teams possessing knowledge that they don't possess themselves. These leaders don't direct, they facilitate, motivate and coach.

Increasingly, in this performance-driven world people need to have initiative and adaptability. In this new workplace, we must have both the human capabilities and a culture that recognises and rewards success.

An important first step was to get our people committed to our strategy. This meant giving them the opportunity to understand the business environment and their part in it. We had to line up their individual efforts towards a common goal. And we had to develop their skills to deal successfully with the ever increasing rate of change. We are progressing on all three.

As an Australian first, we developed 'learning maps' to improve understanding throughout the organisation. The first three maps focus on our competitive environment, on creating shareholder value, and on our customers. Through these maps our people get a greater understanding of the issues that challenge us. From these maps they'll be able to draw their own conclusions on what it all means for the shape of our company's future.

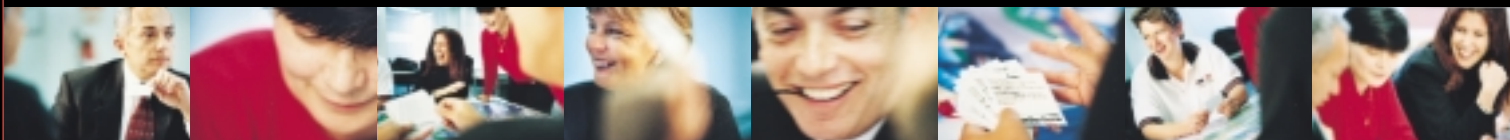
To use an old saying, this process helps our people understand that they're building a cathedral, not just cutting stone.

We've also been making sure our people have performance objectives with clear sightline to overall business performance. And we've begun a formal 'shareholder value management program' to measure, manage for and reward value, so that professional rewards link directly with shareholder interests.

To change behaviour we have a program we call 'the leadership journey'. This focuses on key behaviours necessary for success in our competitive marketplace. Most importantly we will be making it available on-line, thanks to the progress in e-enabling the organisation.

We know what we have to do to build our organisation's capabilities and culture to succeed. We know it's a big task but we're getting on with it.

"When we initially canvassed the idea of using visual Learning Maps to give our people a better understanding of our business, our executive team volunteered to be the guinea pigs. They thought it was such an engaging experience and were so enthusiastic about the idea that we immediately started to develop our own learning maps with US-based Root Learning, the leader in this field. The outcome has been well above our expectations. Everyone in the company is getting to share some of the same information the board and executives saw and can now draw their own conclusions while gaining a better understanding of the background to the changes affecting them. In a way, all our staff get to sit in the big chair."



Teaching the teachers – everyone has something new to learn.

Peter Freese, Lisa Thomson, Gaby Pimstone, Louise Coughlan, Elaine Hornsby

Did you know?

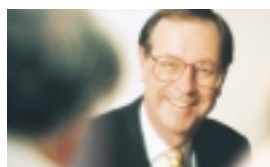
Top team



David Morgan

*BEC, MSc, PhD
Chief Executive Officer*

Appointed CEO in 1999, David has led all the major businesses in Westpac, including Westpac Financial Services, Retail Banking, Commercial Banking, Corporate and Institutional Banking, and International Banking, since joining the company in 1990. David has extensive experience in the financial sector, having worked in the International Monetary Fund in the 1970s, and the Federal Treasury in the 1980s as Senior Deputy Secretary.



Patrick Handley

*BA, MBA
Executive Director, and
Chief Financial Officer*

Appointed Chief Financial Officer in 1993. In 1997 Pat was appointed Executive Director, responsible for Finance, Taxation and Accounting, Group Treasury, Risk Management, Legal and Investor Relations. Prior to Westpac Pat had 23 years banking experience in the US. At BancOne Corporation for thirteen years, he was Chief Financial Officer for eight of them, with additional management responsibilities for its mortgage and leasing subsidiaries as well as its acquisition program.



David Clarke

*LLB (NZ)
Group Executive, Banking
Financial Services*

David recently joined Westpac to lead the business unit responsible for developing and aggregating product solutions for customers. This encompasses the credit card operation, finance company, funds management business, and personal and business products. Previously an Executive Director with the Lend Lease Group, he has substantial financial services experience having built MLC into one of Australia's leading funds management businesses.



Jeremy Gross

*BBus
Group Executive, Information
Technology and Operations*

Jerry joined Westpac last year to advance the efficiency of the corporation and drive the eCommerce agenda. Since then he has embarked on one of the largest outsourcing deals in the global financial services sector and begun the integration of the New Zealand and Australian operations. Previously, Jerry was Chief Technology Officer at Countrywide in the US, a company engaged primarily in the mortgage banking business, and was key to positioning Countrywide as the global leader in mortgage processing on-line.



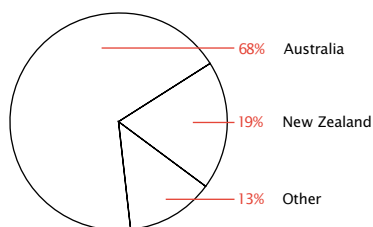
Michael Hawker

*BSc
Group Executive,
Australian Business
and Personal Banking*

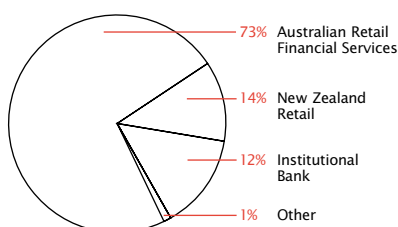
Michael was appointed Group Executive of Westpac Australian Banking in 1997 with responsibility for personal and business banking nationally. He has worked in both the wholesale and retail divisions of Westpac since he joined us as General Manager, Financial Markets Division in 1995. Michael has worked with Citibank in Australia becoming Deputy Managing Director, and subsequently in London as an Executive Director of Citibank PLC.

Snapshot

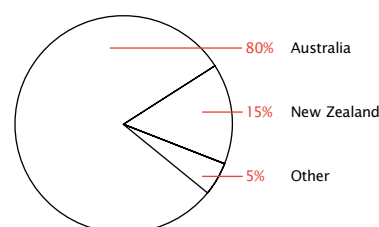
Profit by region



Revenue by key business unit



Assets by region



Customers

	million
Australia	6.30
New Zealand	1.23
Other	0.27
Total	7.80

Personnel by region (FTE)

Australia	23,711
New Zealand	5,557
Other	1,252
Total	30,520

Total assets

	\$billion
Australia	\$133.7
New Zealand	\$24.9
Other	\$9.0
Total	\$167.6

Who we are

Westpac Banking Corporation was founded in Sydney in 1817 as the Bank of New South Wales; and in 1982 we changed our name. With almost eight million customers, Westpac today is a leading provider of banking and financial services in Australia, New Zealand and nine Pacific Island nations. In these markets we operate through more than 1,100 branches and agencies.

We also maintain offices in the key financial centres around the world. Across the company we provide a broad range of banking and financial services for personal, business, and institutional customers. Our activities include a full range of traditional banking services, plus investment management and insurance, and finance company activities.

What we value

Our values represent the essential spirit of our company – our corporate religion. We have three core values.

- **Teamwork** Working together to achieve common goals.
- **Integrity** Act honestly. Do what you say you will do.
- **Performance** Deliver superior results.



Alexandra Holcomb
BA, MBA, MA,
Dip. Fr. Bus and Cult.
Group Executive,
Group Strategy

With Westpac since 1996 Alex has been responsible for the Institutional and International Bank Strategy, and more recently, the Westpac Group strategy. She has helped shape the strategic choices made by the corporation, including the customer-focused strategy. Previously with Booz-Allen & Hamilton and Chase based in New York, Singapore and Australia, she has worked extensively in financial services throughout Asia, Europe and the US for 17 years.



Harry Price
Group Executive,
WestpacTrust, Pacific
Banking, and Performance
Enhancement Program

Harry joined Westpac's predecessor, the Bank of New South Wales, in Dunedin New Zealand in 1961. He has had extensive banking experience, and was appointed Chief Executive for New Zealand in 1992. Following our acquisition of Trust Bank New Zealand Ltd in 1996 he was appointed Chief Executive of WestpacTrust. His appointment as Group Executive in 1999 has broadened his responsibilities to include Pacific Banking and the Group-wide Performance Enhancement Program.



Ann Sherry
BA, Grad. Dip. IR, Grad. Dip. Erg
Group Executive,
Human Resources

After joining Westpac in 1995 Ann headed the Human Resources function for the International and Institutional Bank, and subsequently led the team managing human resources, change management, and public affairs for the merger with the Bank of Melbourne. She was appointed Head of Westpac Group Human Resources in 1999. Ann has had extensive experience in Government. She was First Assistant Secretary of the Office of the Status of Women, advising the Prime Minister.



David Willis
BCom, MAICA, MNZSA
Group Executive, Westpac
Institutional Bank

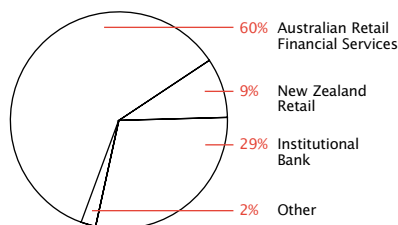
David joined Westpac in 1996 and now leads our global wholesale banking operation, spanning Australia and New Zealand, US, UK and Asia. Previously with Lloyds Bank PLC as Managing Director of its Australian operations, he has extensive experience in Financial and Capital Markets, Corporate lending, Private Banking and Corporate Advisory Services. This included extensive periods living and working in Boston, New York, London and Tokyo.



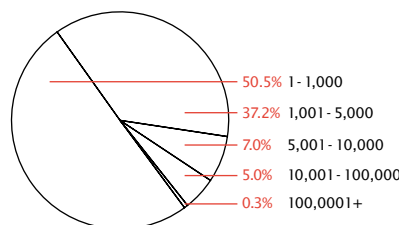
Ilana Atlas
BJuris, LLB, LLM
Group Secretary and
General Counsel

Ilana recently joined Westpac, and works closely with the Chairman of the Board and the other directors. She has worked extensively as a corporate lawyer and in managerial roles including responsibility for human resources, and then as the Managing Partner of Mallesons Stephen Jacques. Having advised many of Australia's largest corporations and Governments, she has been involved in demutualisations in the financial services sector and privatisation of major companies.

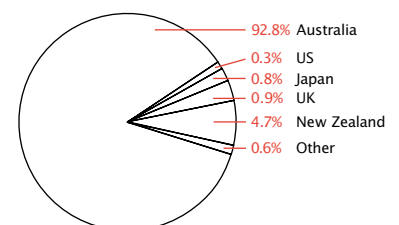
Assets by key business unit



Shareholders by size



Shareholders by region



Distribution	Branches/In-stores	ATMs
Australia	857	1507
New Zealand	209	487
Other	55	8
Total	1,121	2,002

Credit ratings	Short term	Long term
Moody's		
Investor Services	P-1	Aa3
Standard & Poor's	A-1+	AA-
Fitch IBCA	F1+	AA-

Market capitalisation	\$23 billion
30 Sept 2000	
Listed on	
<ul style="list-style-type: none"> ▪ Australian Stock Exchange ▪ New York Stock Exchange (ADR's) ▪ Tokyo Stock Exchange ▪ New Zealand Stock Exchange 	

Australian Retail Financial Services

Who we are and what we do

Australian Retail Financial Services represents the regional bank operations branded Westpac in New South Wales, Queensland, South Australia, Tasmania, and Northern Territory, Bank of Melbourne in Victoria, and Challenge Bank in Western Australia, plus the Australian operations of Australian Guarantee Corporation, and Westpac Financial Services Group.

We conduct our activities via a nationwide network of 857 branches, banking centres

and in-store branches, 1,507 automatic teller machines (ATMs) and over 46,900 electronic funds transfer (EFTPOS) terminals, as well as a national telephone banking service and an internet banking service providing 7-24 convenient access. Our retail banking operations cater for personal and business customers, and include deposit taking, transaction accounts, credit cards, and other lending. We are a major home loan provider, and

we meet the finance needs of business customers up to \$20 million. Investment, superannuation, and general and life insurance products are also sold through our branch network.

Australian Guarantee Corporation, our finance company, is one of Australia's largest and provides motor dealer finance, business finance, personal finance, and personal investment products.



Private Banking

Leadership position

- 18,000 high net worth clients representing a growing market share of this segment.
- Each client has a dedicated Executive Manager.
- Total financial services, including investment planning and financial advice, customised to client needs.

Opportunities for growth

- Improve competitive differentiation through superior relationship management.
- Consolidate our client relationships by seeking greater share of total financial services.
- Product innovation for customised and exclusive investment opportunities.
- Greater emphasis on risk management and protection products.
- Deepen understanding and provision of customised wealth creation solutions for the affluent segment.



Priority Banking

Leadership position

- 817,000 customers and expanding rapidly – some relationship-managed.
- 72 Priority Banking Relationship Managers.
- Specially tailored product offerings.
- Special packages for professionals.
- 20% of total housing market.

Opportunities for growth

- Upsell potential in the 3.8 million personal banking customers.
- Increase cross-sales to this high potential customer base.
- Deepen customer relationships by product packaging.
- More focused, timely, and coordinated customer contact programs.
- Special offers for professionals and other high income groups based upon specific needs.
- Improve customer retention through superior customer service and targeted product initiatives.



Personal Banking

Leadership position

- 3.8 million customers representing 25% market reach.
- Nation-wide multi-channel distribution network with 857 services outlets.
- Comprehensive product range with 7-24 convenient access.
- Specialist offerings to market segments, including youth and the elderly.

Opportunities for growth

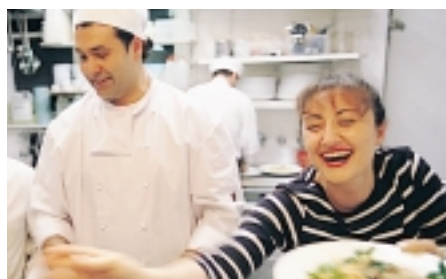
- Increase the number of products per customer.
- Use customer information better to drive product offers and service.
- Identify potentially valuable customers and upsell to priority customer status.
- Lower the cost to serve.
- Continue to unwind historical cross-subsidies.
- Fully e-enable customer services and processes.
- Speed up our credit decisions via customer scoring and improved credit scorecards.

The detail	2000	1999	1998
Profit on operations (after tax)	\$1,075m	\$900m	\$766m
Economic profit	\$700m	\$595m	\$407m
Total assets	\$101.0bn	\$81.6bn	\$73.8bn
Expense to income ratio	57.9%	61.1%	62.7%
Personnel numbers	22,297	25,060	25,869

Business group results

To enable a more detailed analysis of our results, the results of our business operations shown on pages 32 to 35 of this report have been presented on a management reporting basis. Internal charges and adjustments have been included in the performance of each

business group to reflect the management of our business rather than our legal structure. Therefore these results cannot be compared directly to public disclosure of the performance of our individual legal entities or geographic disclosures elsewhere in this report.



Small Business

Leadership position

- 365,000 customers.
- Business Direct, providing immediate telephone access to a specialised business banking manager.
- Professional call centre facilities dedicated to resolving operational matters for business customers.

Opportunities for growth

- Realise the great potential for expanded relationships.
- Use customer information better to anticipate and respond to customer needs.
- Encourage customers through pricing strategies to take multiple products and to bring more of their business to us.
- Broaden services and access via development of a business desktop (internet).



Middle Market Business

Leadership position

- Main bank to 18% of the market with approximately 140,000 customers.
- Full range of financial services covering local and global operations.
- Wide distribution of business banking teams throughout the branch network.
- Sector specialists, including agribusiness, franchising, imports/exports, and property finance, providing specialised advice.
- In excess of \$20 billion committed to Australian business.

Opportunities for growth

- Realise the great potential for expanded customer relationships by meeting more of their financial needs.
- Encourage customers through pricing strategies to take multiple products.
- Improve sales management and sales force productivity through Customer Relationship Management technology and practices.
- Target industries where we have an opportunity gap, such as health and community services, communication services, and agribusiness growth sectors.
- Use pricing strategies to encourage customers to deepen relationships.



Australian Guarantee Corporation Limited

Leadership position

- Australia's most profitable finance company with a well known and respected brand.
- Wholesale finance provided to 250 motor dealers and retail finance provided to new and used car buyers through dealers at point of sale.
- Leading provider of vendor finance via 8,000 retail stores and specialist suppliers.
- Provides a wide range of business finance – equipment finance, vendor rental, insurance premium funding and current asset finance.
- Funded by 140,000 personal investors providing \$6.2 billion via a range of fixed rate/fixed term debentures, short-term deposits and money market access accounts.

Opportunities for growth

- Expand the product range delivered under the AGC brand to include home loans, insurance and credit cards.
- Increase the cross-sell to the 26,000 new customers acquired every month.
- Increase emphasis on customer retention.
- Apply internet technology to the point of sale opportunities generated by more than 8,000 intermediaries.

Westpac Institutional Bank

Who we are and what we do

Our Institutional Bank provides financial services to the corporate and institutional customer base. To do this, we assist and advise in the management of cash, funding, capital and market risk, for companies, institutions and governments operating in or investing in Australia and New Zealand. Our 13 industry teams assist businesses in meeting their financial needs.

The strength of this business is demonstrated by the leading customer and product market shares and the numerous other awards received. We have the highest customer satisfaction rating among the domestic major banks, and have the most nominations as principal corporate and transactional banker to Australia's top 500 companies.*

We operate through branches and subsidiaries located in Australia, New Zealand, New York, London, Tokyo, Singapore, Hong Kong; are represented in Thailand, Indonesia, and China; and maintain correspondent relationships with approximately 1,500 international financial institutions in over 90 countries to facilitate trade payments and capital transactions.

The details	2000	1999	1998
Profit on operations (after tax)	\$306m	\$248m	\$180m
Economic profit	\$226m	\$166m	\$88m
Total assets	\$48.1bn	\$36.0bn	\$41.0bn
Expense to income ratio	41.1%	43.8%	44.5%
Personnel numbers	1,227	1,249	1,314

* (East & Partners, Australian Corporate Banking Report, April 2000)



Financial Markets

Leadership positions

- Frequently voted the leading bank in the domestic markets.
- Consistently recognised internationally as the leading bank for AUD and NZD exposure management.
- Leaders in industry based research.

Opportunities for growth

- Develop new products in commodities.
- Cross-sell WIB products/services to smaller business banking customers.
- Cross-sell structured investment products into the retail market.
- Better serve customers with internet-enabled products.
- Continue to develop risk management.

Funding (debt and equity)

Leadership positions

- Leading corporate bond house (Best domestic bond house – *Euromoney* Magazine – Pacific Rim Awards, July 2000; Australian bond house of the year – IFR Asia 1999; and Debt house of the year – INSTO Distinction Awards 1999).
- Well developed capability to cross-sell into retail markets.
- Leading provider of on balance sheet finance.

Opportunities for growth

- Develop a wider range of capital offerings for retail customers.
- Develop more structured products for customers with specific needs.

Advice

Leadership positions

- Specialists in Australian and New Zealand business.
- Capacity to leverage the extensive intellectual capital of the entire Westpac Group.
- Capacity to enhance the growth strategies of customers.

Opportunities for growth

- Improve cross sales of advisory services to transactional customers.
- Use our specialised understanding of business in Australia and New Zealand to broaden our customer base.

Transactional Services (cash management and payments)

Leadership positions

- Leading provider of domestic and international payment and trade services.
- Principal transaction banker to 35% of the top 500 companies in Australia.

Opportunities for growth

- Leverage our strong product offering and eCommerce position to enhance our customers' operational efficiency.
- Expand solutions across the supply chain to assist our customers to manage payment relationships with their customers.
- Expand application and transactional solutions to our business customers.

WestpacTrust

Who we are and what we do

WestpacTrust is one of New Zealand's leading full service banks with 1.23 million customers. More than one in three New Zealanders has a relationship with WestpacTrust. It is the leading provider of banking services to small and medium business, and is the banker to the New Zealand Government.

WestpacTrust has 209 branches nationwide, 487 ATMs, Phone Banking and Phone Assist call centres. Its on-line Banking service was launched in April 2000 and already has over 55,000 registered customers.



Personal Banking

Leadership position

- Largest customer base of any New Zealand bank.
- 150 years of serving New Zealand.
- Extensive national network.
- Strong community focus.
- Supporter of important community initiatives, including rescue helicopters, Life Education Trust and sports stadiums.

Opportunities for growth

- Increase share of Auckland housing market.
- Improve cross-selling of financial services.
- Improve credit card take-up and use.
- Extend on-line Banking services.
- Develop more tailored product packages.
- Leverage business and corporate relationships.

The details	2000	1999	1998
Profit on operations (after tax)	\$250m	\$258m	\$212m
Economic profit	\$114m	\$122m	\$79m
Total assets	\$15.4bn	\$16.3bn	\$17.0bn
Expense to income ratio	50.7%	53.2%	58.1%
Personnel numbers	5,310	5,564	6,138

(The figures above relate to retail operations in New Zealand. Any institutional banking activities carried out under the WestpacTrust banner are included in the figures for Westpac Institutional Bank on page 34.

Operating results reflect the impact of the fall in the NZ dollar relative to the Australian dollar over the period between 1998 and 2000.)



Business Banking

Leadership position

- Commitment to supporting New Zealand business.
- Largest in SME market.
- Largest provider of card merchant services.
- Dominant in transaction business.
- Leading provider of on-line banking solutions.

Opportunities for growth

- Leverage Government and small/middle business relationships through development of internet capability.
- Improve penetration of large business market.
- Improve market share in agribusiness.
- Integrate products and services in targeted packages.
- Leverage our relationships with corporates and professional associations.

Pacific Banking

Who we are and what we do

Pacific Banking provides a full range of deposit, loan, transaction account and international trade facilities to personal and business customers. In selected locations, finance company activities such as leasing, equipment finance and motor vehicle loans are also offered. It is represented in nine Pacific Island nations, and operates through 55 outlets, eight ATMs and an extensive EFTPOS network.



The details	2000	1999	1998
Profit on operations (after tax)	\$31.1m	\$58.7m	\$58.5m
Economic profit	\$21m	\$42m	\$42m
Total assets	\$840.8m	\$690.8m	\$1,760m
Expense to income ratio	44.4%	52.1%	60.2%
Personnel numbers	1,083	1,174	1,677

Leadership position

- Depth of experience (Fiji Centenary 2001, first bank in Papua New Guinea – 90 years).
- Breadth of representation: nine Pacific countries.
- Low cost operations.
- Local focus, global strength.
- First bank to introduce Telephone Banking to the Pacific.

Opportunities for growth

- Increase distribution channels.
- Leverage new branding (now consistent with Westpac Australia in most locations).
- Develop eBusiness capability.
- Develop interchange arrangements in Fiji and Papua New Guinea.
- Leverage the Australian bank's standard operating model in all locations to achieve greater synergies and lower costs.
- Leverage Australian Investment/Funds Management and Insurance capabilities.