Westpac

UBS Insights Presentation

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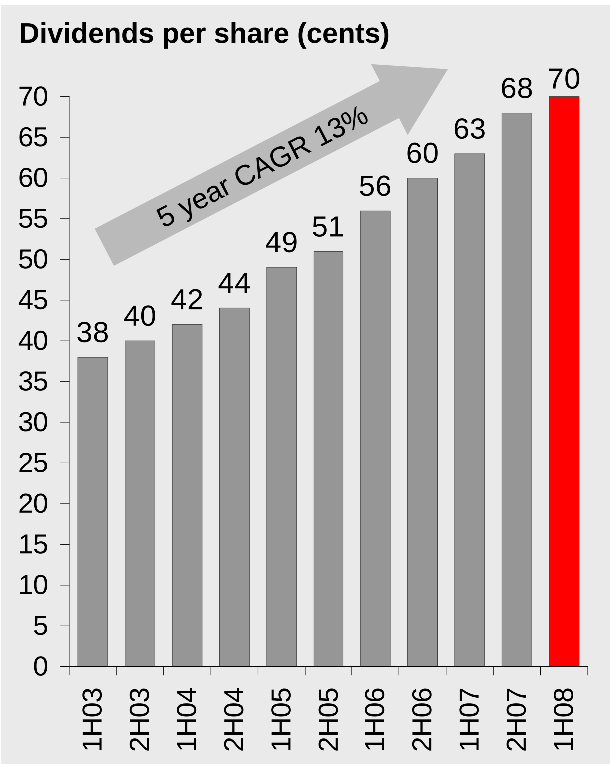
Agenda

- Well placed in challenging environment
- Good progress on strategic goals
- Merger on track
- Positive outlook for earnings

Westpac is well placed in challenging environment

- Cash earnings to 31 March 2008 up 10% to $1,839m
- Update on 8 August 2008:
  - Strong credit and market risk disciplines
    - No new large impaired loans
    - No surprises in securities portfolios
  - Strong funding, liquidity and capital position
  - On track to deliver 6 – 8% cash earnings for 2008

Consistent dividend path



- Interim dividend up 11%
- Pay-out ratio of 71%, in line with recent outcomes

Good progress on our strategic goals

	1H08 Commentary	Progress
Customer	• Drive a strong customer culture integrating banking and wealth	• Strategies in place for key segments: affluent, SME and commercial • Lifted focus on the customer including in call centres and complaint resolution • Single line of accountability for managing customers • Reorientated investment around specific customer needs and segments
Distribution	• Strengthen and drive locally empowered businesses	• Local market model with a staged roll out planned • Increasing skills and leadership in the field

Good progress on strategic goals

	1H08 Commentary	Progress
Operations	• Transform service delivery, from a customer perspective	• New Product and Operations division • Commenced end-to-end redesign of to simplify and enhance efficiency
Technology	• Strengthen capability; focus on simplicity, reliability and flexibility	• Dedicated technology division to increase the focus on this important strategic capability • Immediate focus on strengthening reliability • Developing longer-run technology strategy
People	• Drive ‘one team’ approach	• Breaking down the barriers that have inhibited a single customer focus – early signs very positive • Alignment of strategic direction to ‘one team’

Merger summary

Rationale	• Create shareholder value by building a stronger company with an enhanced growth profile • Strong cultural fit
Transaction	• All scrip offer; exchange ratio of 1.31 WBC shares for each SGB share • Bid at a 28% premium[1] • Scheme of arrangement voted on by SGB shareholders
Summary of merged group	• Stronger franchise – 10m customers • Enhanced distribution – over 1,200 branches and 2,700 ATMs, with separate brands retained • Improved efficiency – leading to a sub 40% cost to income ratio

1. Based on the closing prices of Westpac and St.George shares on 9 May 2008, adjusted to remove their respective interim dividends of 70 cents and 88 cents respectively

The strategic rationale – it's a growth story

- Significant value to St.George and Westpac shareholders
- A strong suite of brands benefiting from enhanced scale
- An institution focused on Australian/New Zealand growth opportunities
- Strong strategic fit for the sector:
  - Aligned customer focus
  - Complementary employee cultures
  - Leaders in sustainability and community engagement
- Building a stronger organisation with a better platform for growth, including: increased customer and product diversity; improved efficiency; and, a stronger funding and capital position
- Accelerate investment in world class operations and technology

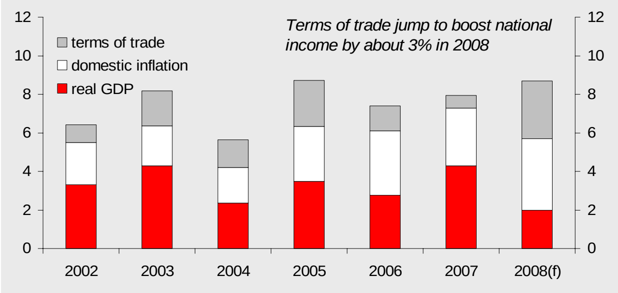
Merger on track

- Timetable broadly on track
- ACCC clearance received 13 August
- Expect St. George shareholder vote in early November
- Implementation expected by late November
- Merger implementation team in place, to ensure Westpac is merger ready

Economy responding to tighter conditions

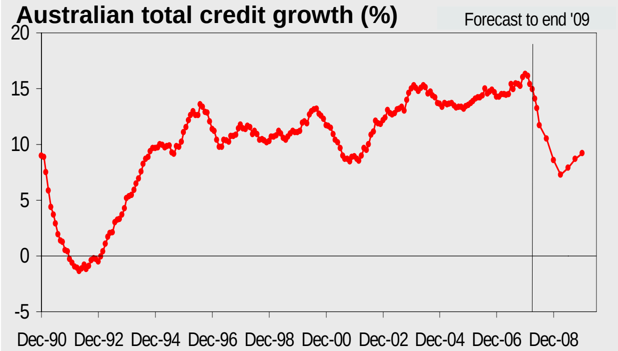
- Domestic demand has slowed in 2008
- Downside to growth partially offset by:
  - Stronger terms of trade
  - Employment growth slowing modestly
  - Options to boost growth remain
- Global markets remain unsettled
- Credit growth slowing to annualised rate of 5.6% in the three months to June 2008
- Funding remains expensive but accessible

Australian nominal GDP, contribution to growth (Year end %)



Sources: ABS, Westpac Economics

Australian total credit growth (%)



Sources: RBA, Westpac

Westpac is well placed

- Successfully responded to more challenging environment
- Good progress on strategic goals
- Merger on track
- Robust risk management – no credit surprises
- Strong capital and funding position
- Positive outlook for earnings

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