Westpac
Australia's First Bank

2004 Interim results presentation

David Morgan
Chief Executive Officer

6 May 2004

Maintaining consistent growth and return

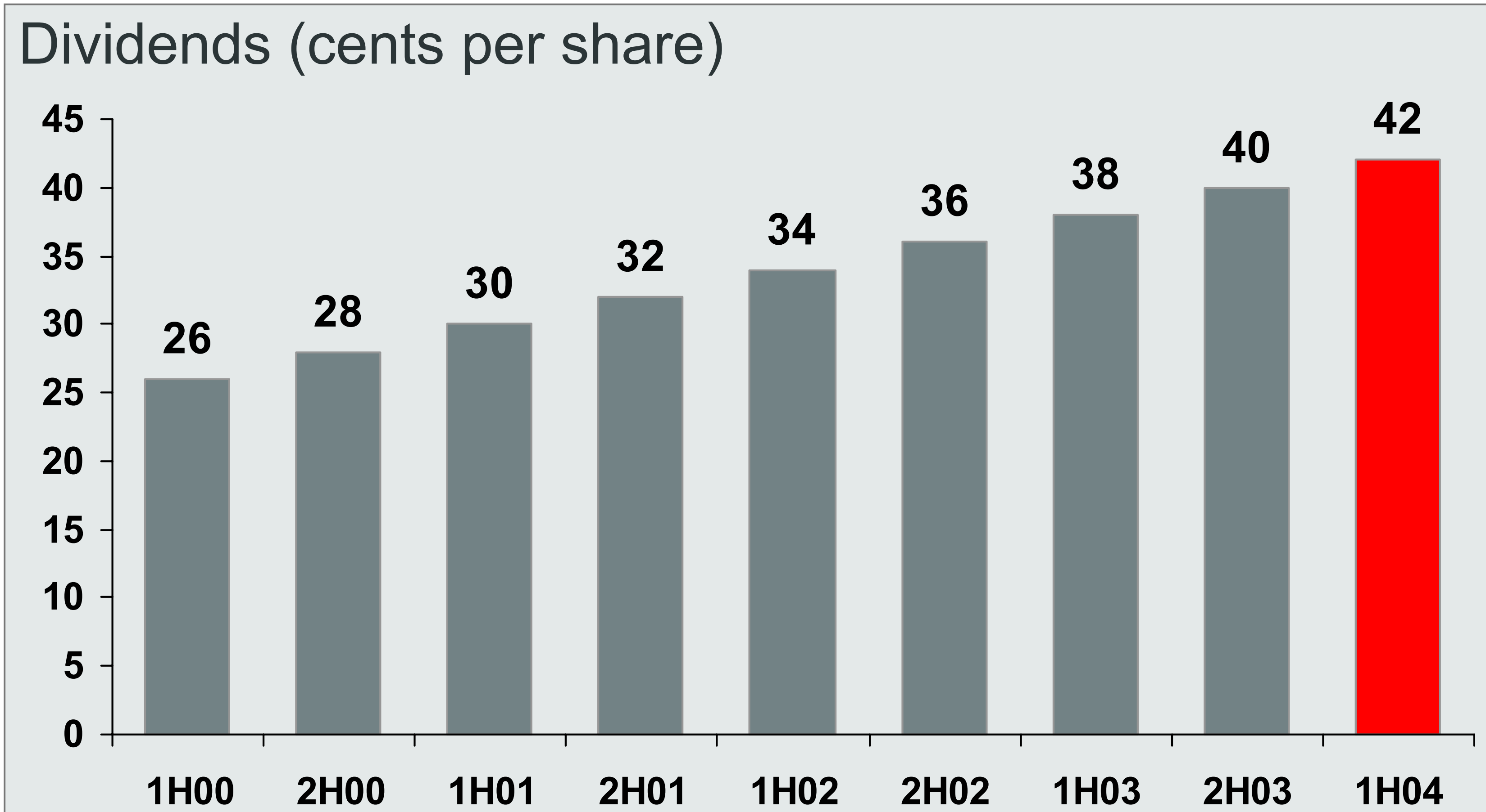
- Record result
  - Net profit of $1,225m — up 17%
  - Cash earnings of $1,233m — up 13%
  - Cash earnings per share of 66.7 cents — up 11%
- High returns
  - Cash return on equity — 20%
  - Interim dividend of 42 cents — up 11%
- Robust growth
  - Revenue — up 10%
  - Margins — down 9 bps
- Quality of earnings maintained
  - Impaired assets to total loans & acceptances — stable

Optimising value for shareholders

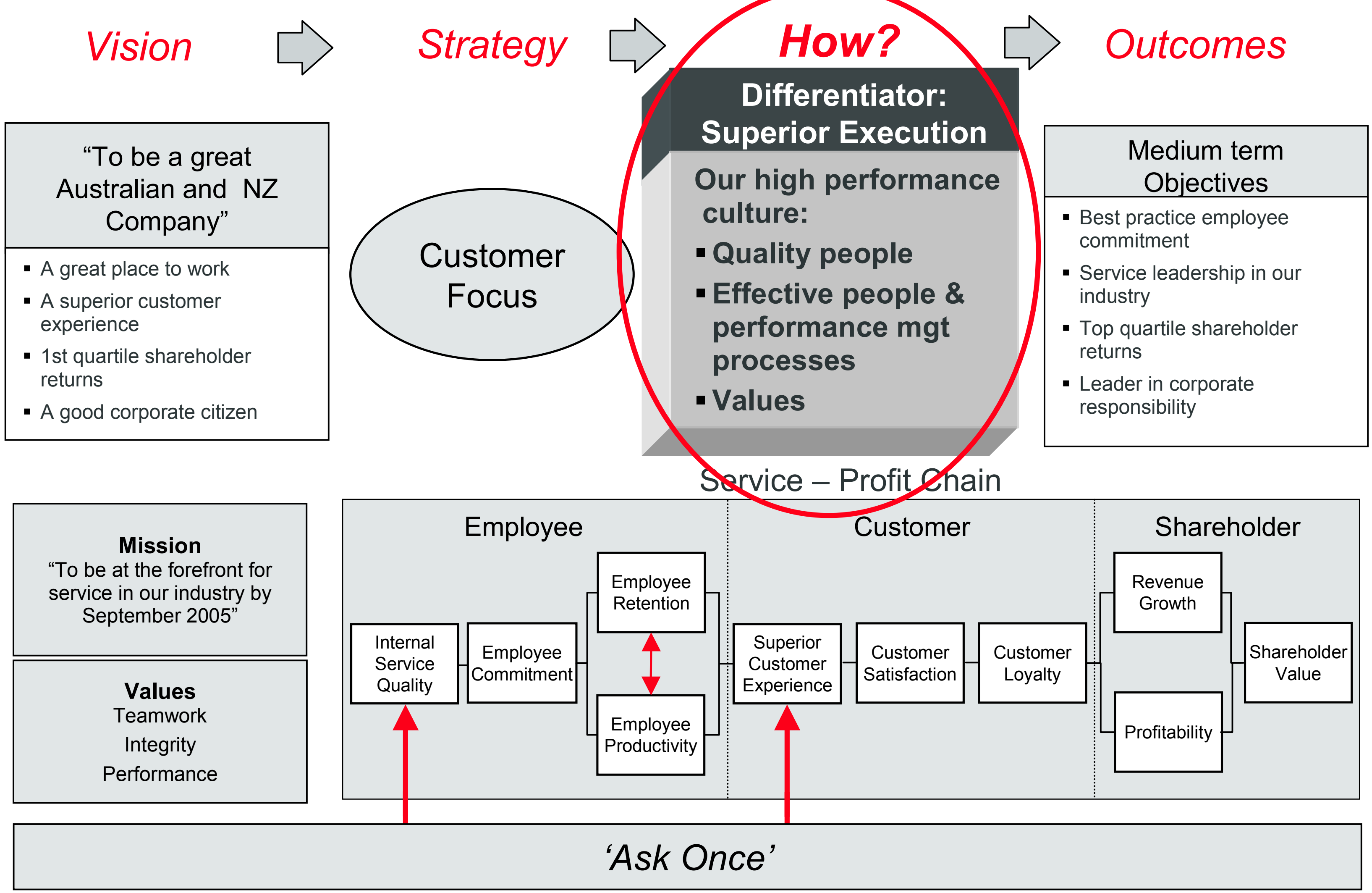
- Approximately $500m off-market buy-back:
  - Bringing ACE ratio close to mid point of target range
  - Reducing ordinary shares on issue by approximately 2%
  - Effective utilisation of excess franking credits
- TPS II hybrid equity issued in April 04 enabling redemption of higher cost TOPrS hybrid equity in July 2004

Consistent dividend growth

- Dividend up 4 cents or 11% on prior corresponding period



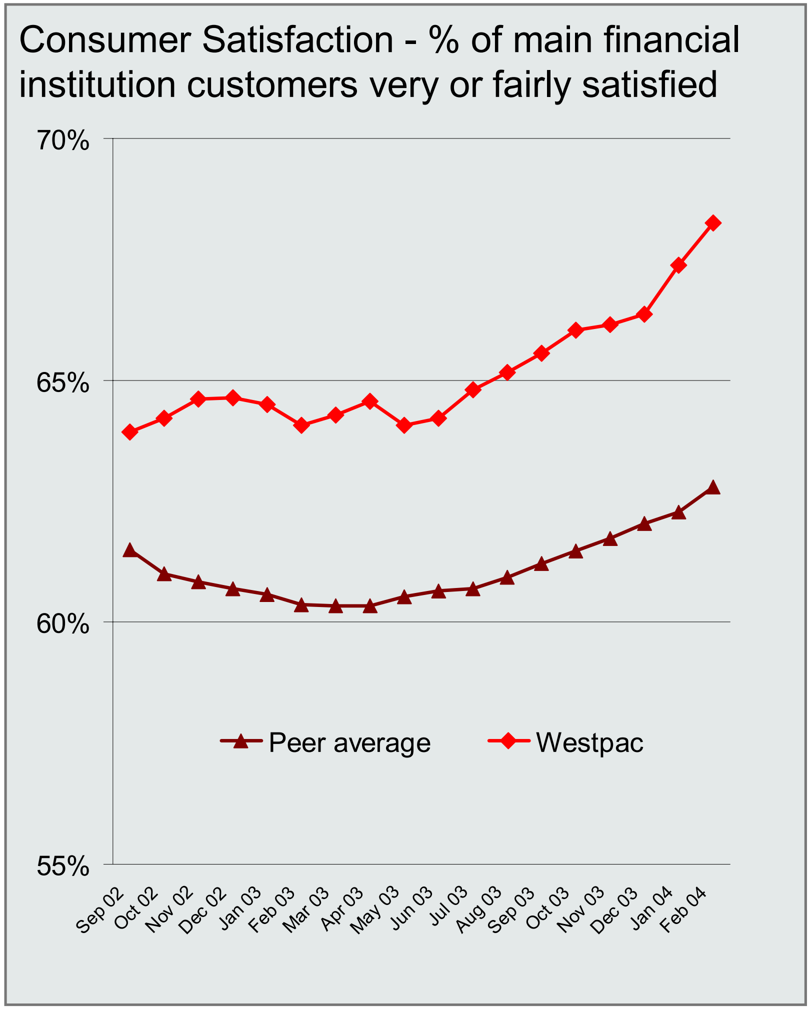
Clear and simple strategy

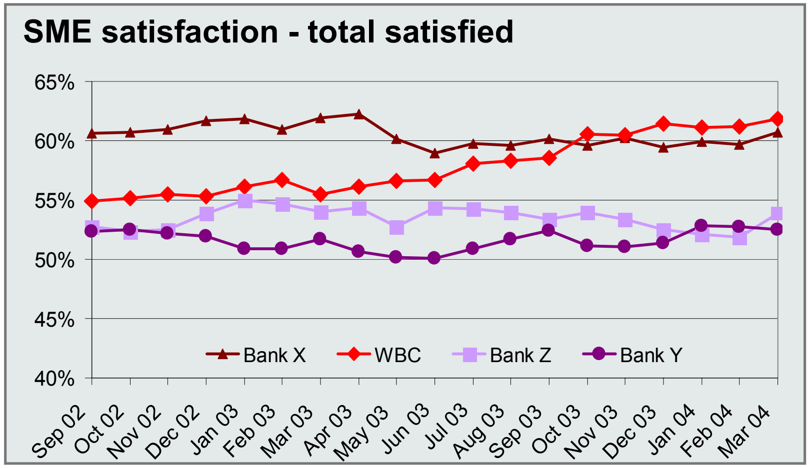


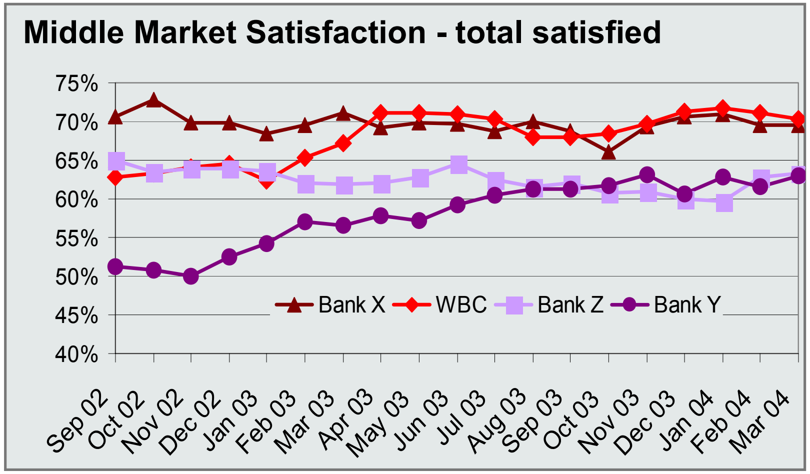
Focused strategy and sound execution

- Australia and New Zealand remain highly attractive banking markets
  - Australian system credit growth 15% to March 2004
  - New Zealand private sector credit growth 11% to March 2004
- Balanced approach between disciplined pricing and growth
- Businesses focused – no diversion
- Wealth integration nearing completion, on-time, on-budget and ahead on synergies

Customer satisfaction improving







Source: Consumer - Roy Morgan Research. Data based on rolling four quarter average. Consumer satisfaction is up to February 2004 and based on consumers aged 14+ who regard Westpac as their MFI.
Business - TNS Business Finance Monitor is since June 2002.

Market share enhanced

- Westpac has consistently increased market share of financial system credit over the last 3 years (year to 30 September):
  - 2001 - 50 basis point increase
  - 2002 - 40 basis point increase
  - 2003 - 90 basis point increase

Australian market share – RBA financial system aggregates	Mar 04 %	Mar 03 %	Change (bps) – half year
Credit			
Household (housing & other personal)	16.9	17.5	-60 bps
Other (mainly business)	12.3	11.5	+80 bps
Total credit	**15.0**	**14.9**	**+10 bps**
Retail deposits	14.1	13.9	+20 bps

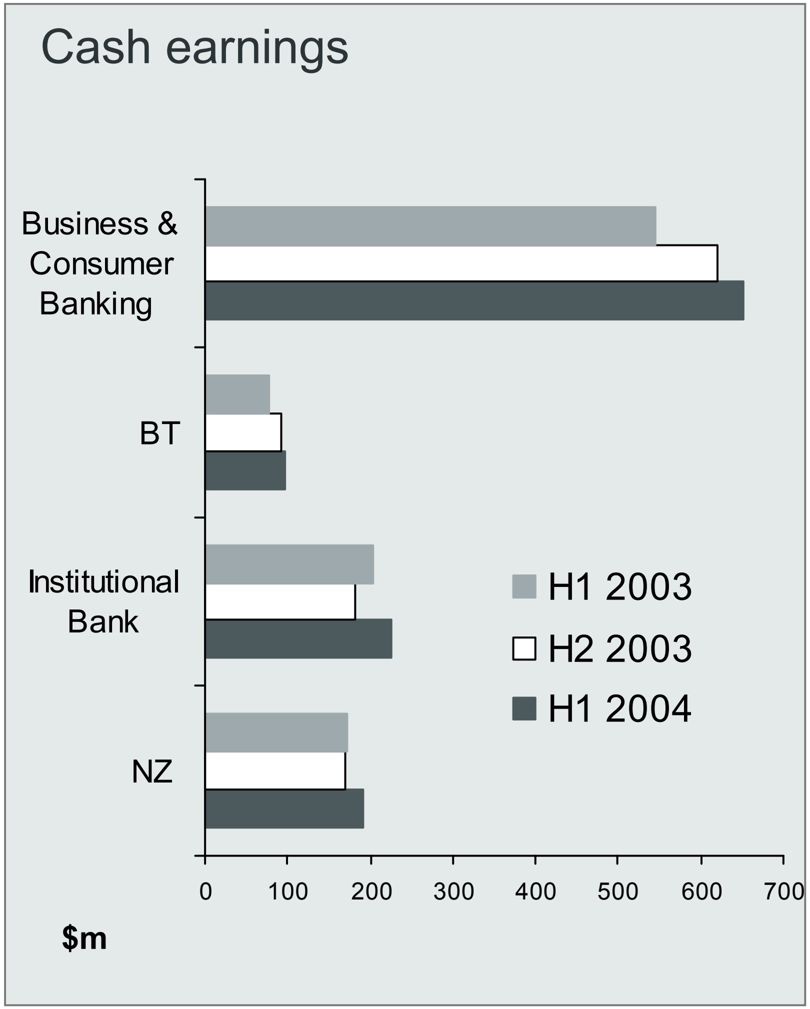
Growth in most wealth products remains strong

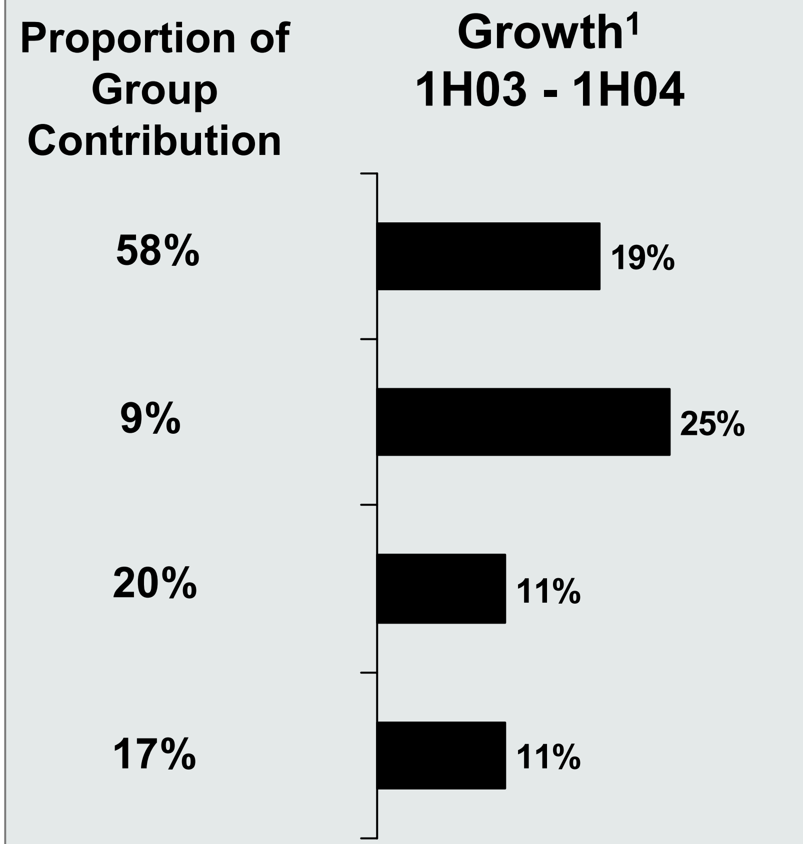
Current Australian market share			Share of new business	
Product	Market share (%)	Rank	Market share (%)	Rank
Retail	9.2	5	7.7	7
Corporate super	6.2	5	14.3	2
Wrap and master trust	11.1	3	15.1	3
Life and risk	6.7	7	10.6	3
Margin lending	14.4	2	9.3	n/a
Broking	10.4	3	10.4	3
Institutional	2.6	12	7.2	n/a

Sources:

Retail& Wrap & M'trust	*- ASSIRT February 2004 (as at Dec 2003)*
	- New Business – September 2003 – ASSIRT Market share report September 2003
Corporate super	*- Dexx&r Employer Super League Table December 2003*
Life and risk	*- Dexx&r Life analysis, Quarterly Statistics ending 30 September 2003*
Margin lending	*- BT loan book verses RBA industry total – 31 December 2003*
Broking	*- ASX market analysis March 2004*
Institutional	*- Institutional Rainmaker Mandate Analysis 2003 – 04 (does not include externally managed FUM)*

Sound contribution across all businesses





[1] NZ % growth in AUD terms

Business unit performance: BCB[1]

- Balance right with 27% growth in economic profit
- Profitable growth delivered, strong increase in loan and deposits, partially offset by softer margins
- Continued success in business sector strategy - lending growth 18% higher
- Expenses supported significant compliance spend

$m	1H04	1H03	% Change
Operating income	2,313	2,072	12
Operating exp	(1,210)	(1,143)	(6)
Core earnings	1,103	929	19
Bad debts	(171)	(147)	(16)
Operating profit	932	782	19
Tax & OEI	(280)	(236)	(19)
Cash earnings	**652**	**546**	**19**
Expense to income	**52.3%**	**55.2%**	**290bps**

[1] BCB – Business and Consumer Banking, Australia

Business unit performance: WIB[1]

- Core performance flat - improved revenues across most divisions offset by weaker financial markets performance
- Improved results from Financing and Specialised Capital Group
- Financial Markets impacted by softer trading income and stronger AUD. Programs are underway to improve performance
- Bad debts sharply lower

$m	1H04	1H03	% Change
Operating income	561	560	0
Operating exp	(238)	(234)	(2)
Core earnings	323	326	(1)
Bad debts	2	(43)	Large
Operating profit	325	283	15
Tax & OEI	(100)	(80)	(25)
Cash earnings	**225**	**203**	**11**
Expense to income	**42.4**	**41.8**	**-60bps**

[1] WIB – Westpac Institutional Bank, including corporate and institutional business in New Zealand

Business unit performance: BT Financial Group

- Integration on track, on time and 04 synergies expected to be higher than planned based on current run-rate
- Investment performance turnaround now achieved, assisting improved future fund flows
- Insurance continues to perform well

$m	1H04	1H03[1]	% Change
Operating income	308	270	14
Operating exp	(186)	(169)	(10)
Core earnings	122	101	21
Bad debts	-	-	-
Operating profit	122	101	21
Tax & OEI	(26)	(24)	(8)
Cash earnings	**96**	**77**	**25**
Expense to income	**60.4**	**62.6**	**220bps**

1. Period 1H03 included only five months of BTFM contribution

Business unit performance: New Zealand

- Strong business momentum since September 2003
- Lending up 16% (in $NZ)
- Mortgage market share improving - captured 23% of growth in period
- Business transformation continues to be successful

$m	**1H04**	**1H03**	**% Change**
Operating income	591	523	13
Operating exp	(289)	(248)	(17)
Core earnings	302	275	10
Bad debts	(20)	(22)	9
Operating profit	282	253	11
Tax & OEI	(90)	(80)	(13)
Cash earnings	**192**	**173**	**11**
Expense to income	**48.9**	**47.4**	**-150bps**

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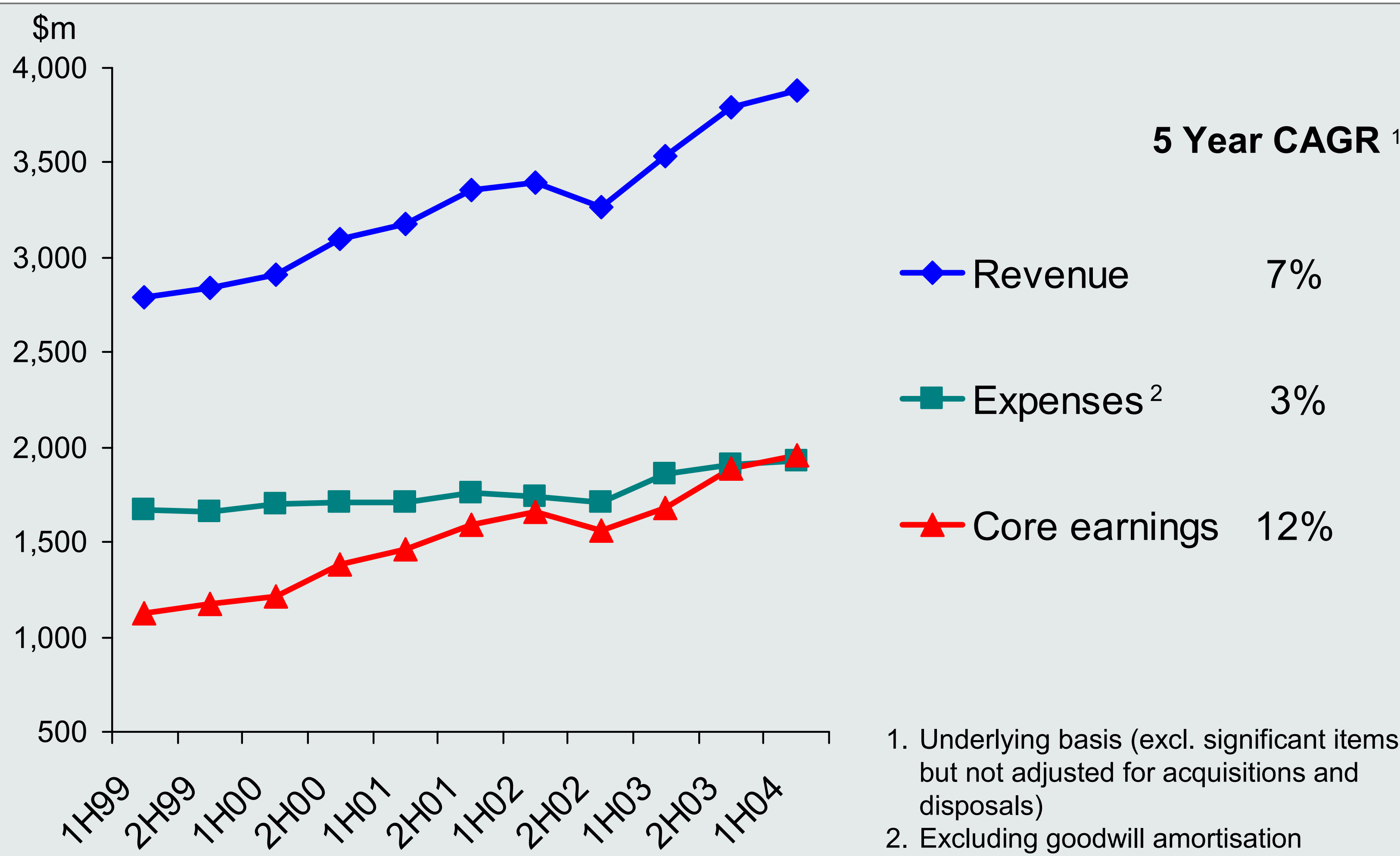
Sustaining core earnings growth



1. Underlying basis (excl. significant items but not adjusted for acquisitions and disposals)
2. Excluding goodwill amortisation

Consistency over the medium term

- Achieved total shareholder return of 80% over the last 5 years
- Shareholder performance hall of fame ranks those companies with a market cap greater than $US10 billion who have most frequently been placed in the top third in the annual Shareholder Performance Index (SPI)[2]

Global Shareholder Performance Hall of Fame

Mercer Oliver Wyman[1]

Rank	Name
1	UnitedHealth Group
2	Royal Bank of Canada
3	Royal Bank of Scotland
4	Citigroup
5	Danske Bank Group
6	**Westpac**

1. Mercer Oliver Wyman State of the Financial Services Industry 2004. Companies are ranked by their 2003 SPI
2. SPI – Measures risk adjusted performance over the medium term. The calculation is based on a five year moving window of performance. The SPI is calculated by dividing the average monthly total shareholder return by the standard deviation of the monthly shareholder return.

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The Details

Philip Chronican
Chief Financial Officer

6 May 2004

Cash earnings – maintaining the growth

$m	1H04	1H03	% Change 1H03 – 1H04
Net interest income	2,339	2,098	11
Non-interest income	1,539	1,439	7
Operating expenses	(1,925)	(1,857)	(4)
Goodwill	(84)	(78)	(8)
Bad debts	(207)	(214)	3
Net profit before tax	1,662	1,388	20
Net profit after tax	**1,225**	**1,051**	**17**
Cash earnings	**1,233**	**1,095**	**13**

Cash earnings – half on half patterns

- Movement in 2H03 to 1H04 is more subdued than annual growth
- This pattern of growth has been consistent given:
  - Dec/Jan are more subdued months
  - June business refinancing cycle
- In 1H04 this pattern has been exacerbated by credit card interchange changes reducing the delta between 2H03 and 1H04 by $33m

$m	1H	2H	%2H-1H	%1H-2H
2001	920	981	2.6	6.6
2002	996	1,067	1.5	7.1
2003	1,095	1,176	2.6	7.4
2004	1,233	-	4.8	na

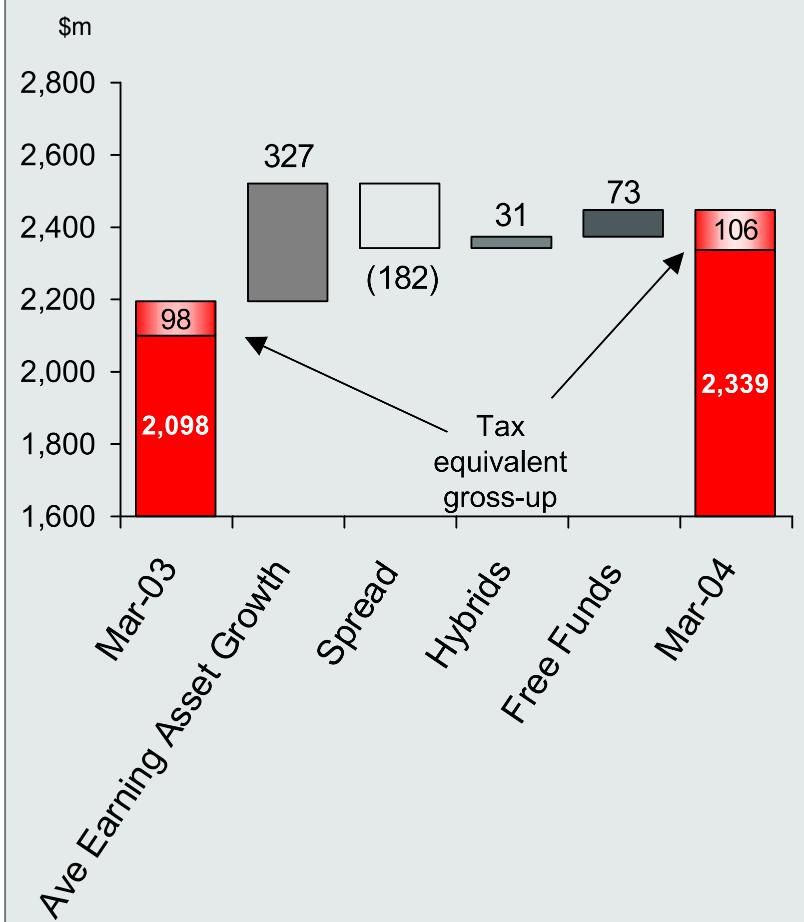
Net impact of recent credit card changes on operating income relative to 1H03

$m	2H03	1H04
Net impact	+24	(9)

Net interest income analysis

- Net interest income up 11%
- Behind these movements has been
  - Average interest earning assets up 15%
  - Rising interest rates supporting deposit margins and earnings on free funds
  - Additional hybrid capital contributing to reported spreads
  - Business mix changes contributing to a decline in overall margins
- Removing the impact of new hybrid issuance would see net interest income rise by 10%

Movement in net interest income



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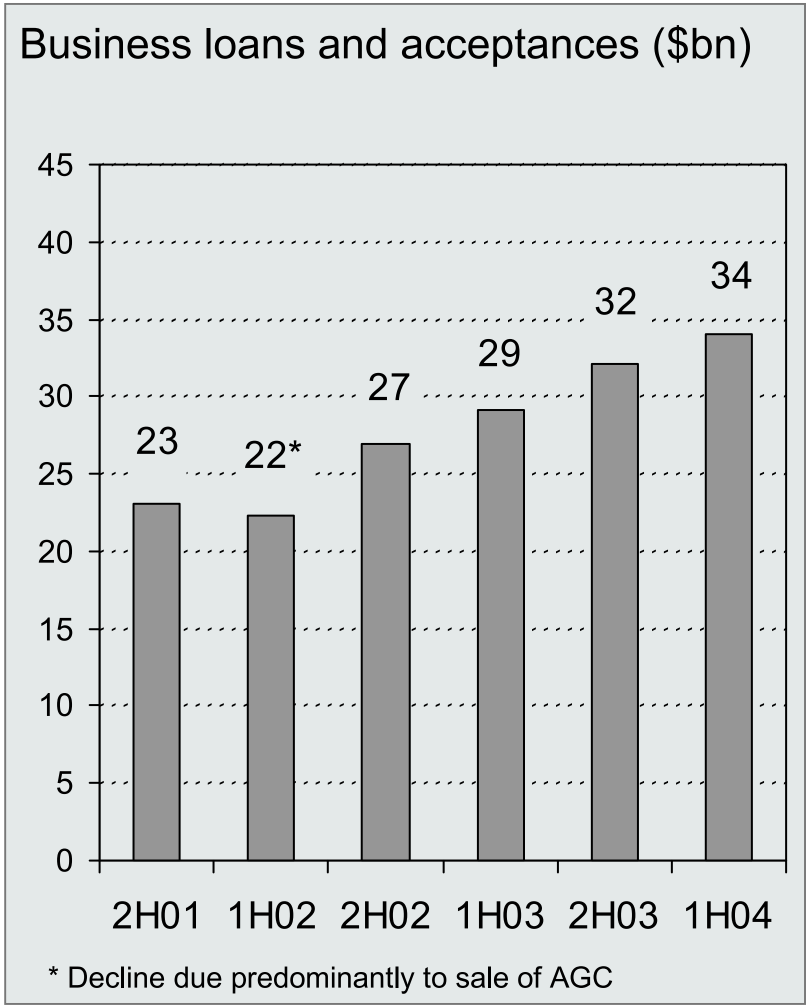
Loan growth remaining robust

$bn	1H04	2H03	1H03	% Change 1H04 - 1H03
Business Unit				
Consumer (Australia)	92.1	85.9	78.5	17
Housing[1]	85.2	79.3	72.1	18
Personal (loans & cards)	6.9	6.6	6.4	8
Business (incl. equip. finance)	33.3	31.2	28.3	18
Westpac Institutional Bank	22.6	22.2	22.4	1
New Zealand ($NZ)	*26.7*	*24.5*	*23.1*	*16*
BT Financial Group	1.7	1.6	1.5	13
Group				
Net loans and acceptances	174.9	164.3	153.8	14
Risk weighted assets	148.9	142.9	137.8	8
Avg int. earning assets	190.5	179.3	166.2	15

[1] Securitised loans have been deducted from the total

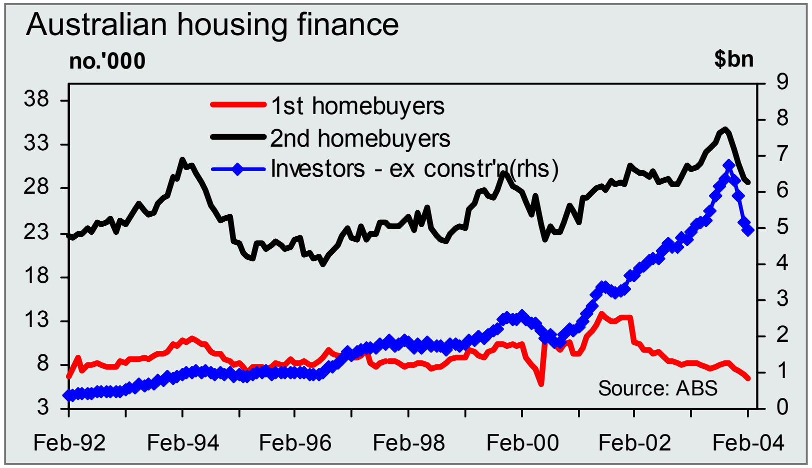
Business lending continues to improve

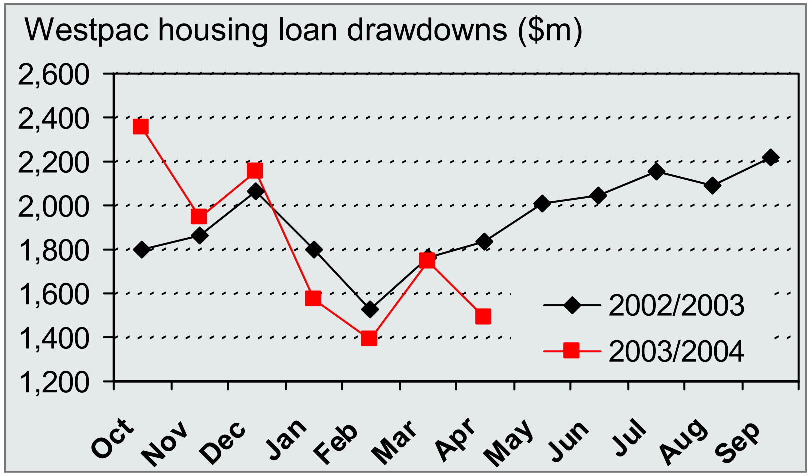
- Business lending (SME and Middle Market) up 18% against market growth of around 6%
- Key drivers of improvement:
  - Leading business customer satisfaction
  - Roll-out of CRM technology in business direct
  - Selective return of business banking managers to branch network
  - Industry packages supported by specialist teams
  - Continued success in growing equipment finance. Increased to $5.8bn from $3.6bn over year.



Housing market – beginning to slow

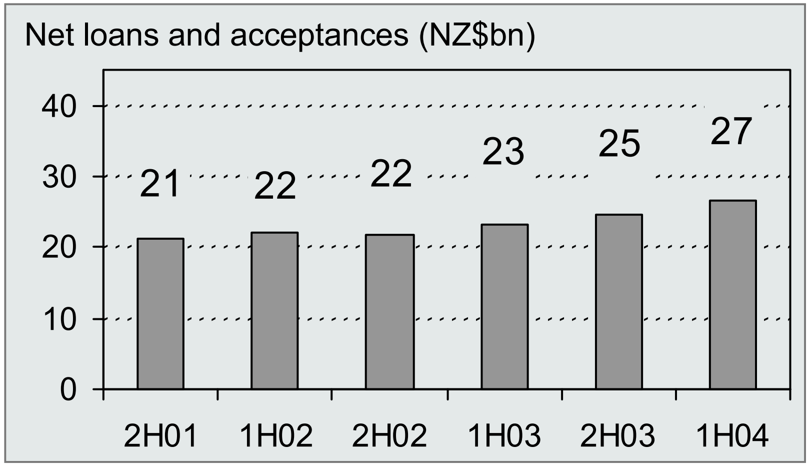
- Overall housing lending up 18% against system growth of 24% leading to market share easing by 110 basis points over past year
- Strategy has been to focus on profitable growth:
  - Proportion of third party originated loans constant at 30%
  - Investor housing growing 22% against market growth closer to 30%
  - Cautious approach to 'low-doc' loans

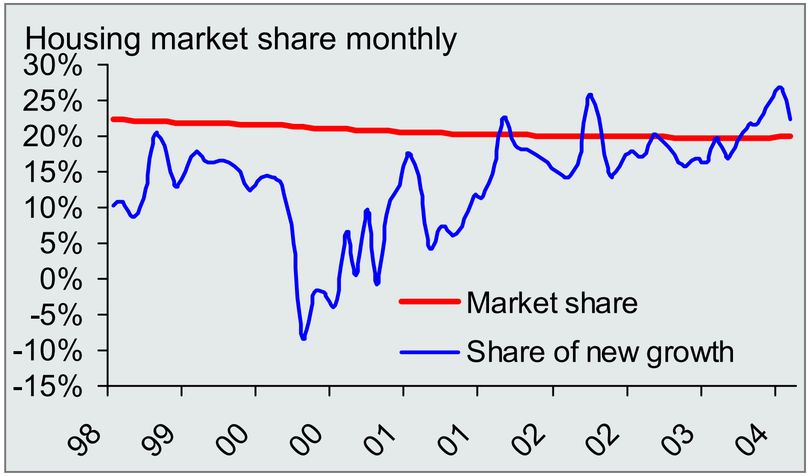




New Zealand – good growth across the business

- Total lending up 16% (in $NZ) against private sector credit growth of 11%
- Business lending has been robust up 23%
- In housing, first time since 1998 that Westpac NZ has consistently increased market share (5 out of the last 7 months)
- Improvement due to:
  - Increased focus on Auckland
  - Greater specialisation of workforce
  - Successful focused marketing spend





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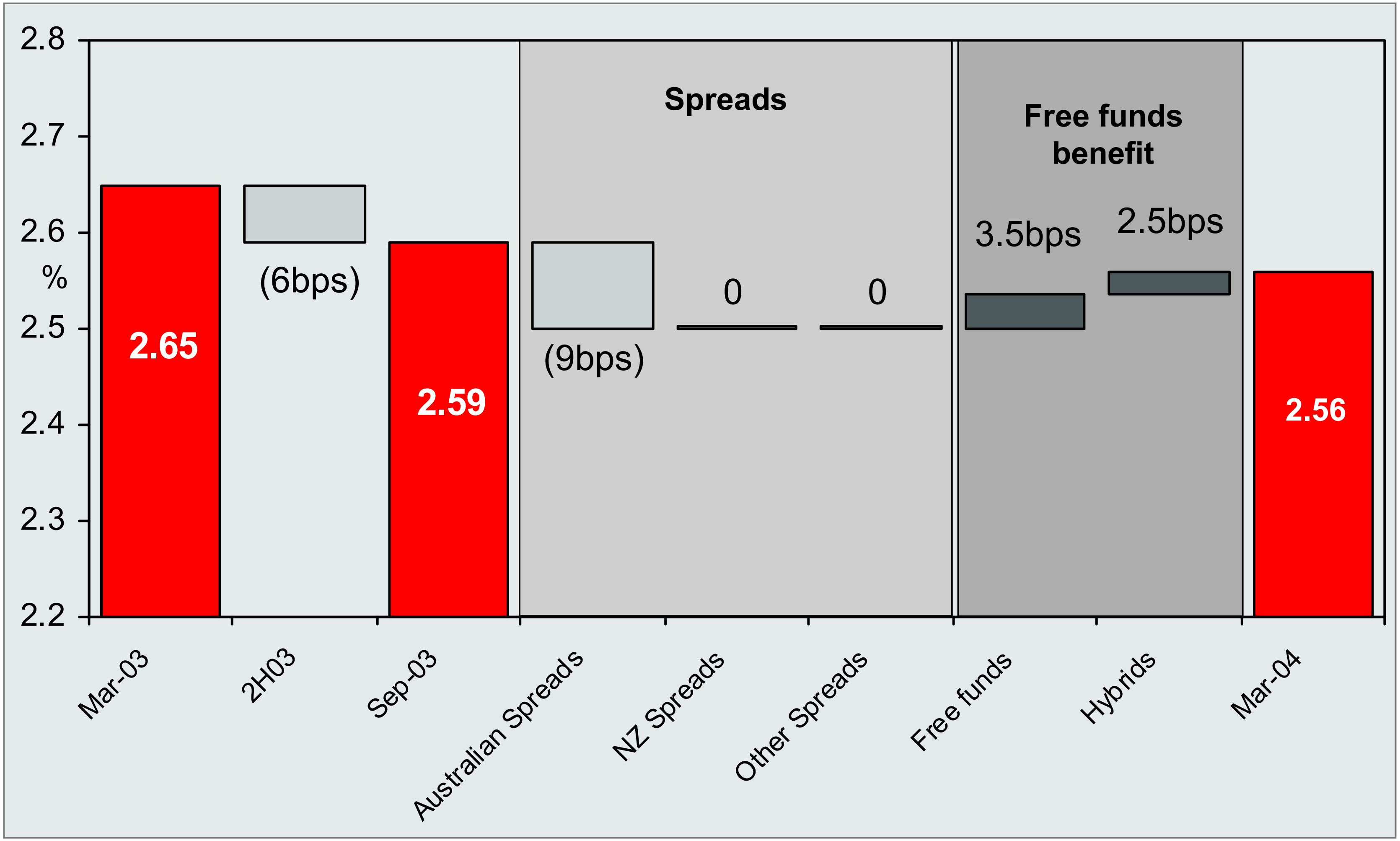
Deposit growth

$bn	1H04	2H03	1H03	% Change Mar 03 – Mar 04
Business Unit				
Consumer	49.0	46.8	44.1	11
Business (Australia)	23.8	22.7	21.1	13
Westpac Institutional Bank	12.3	10.9	11.7	5
New Zealand ($NZ)	*18.0*	*17.3*	*16.6*	*8*
Other [1]	35.0	33.6	29.9	17
Group				
Non-interest bearing	5	4	5	0
Certificates of deposit	29	30	27	7
Other interest bearing – At call	62	61	56	11
Other interest bearing – Term	40	34	34	18
Total deposits	**136**	**129**	**122**	**11**

[1] Other include Treasury and Pacific Banking

Group margin dynamics



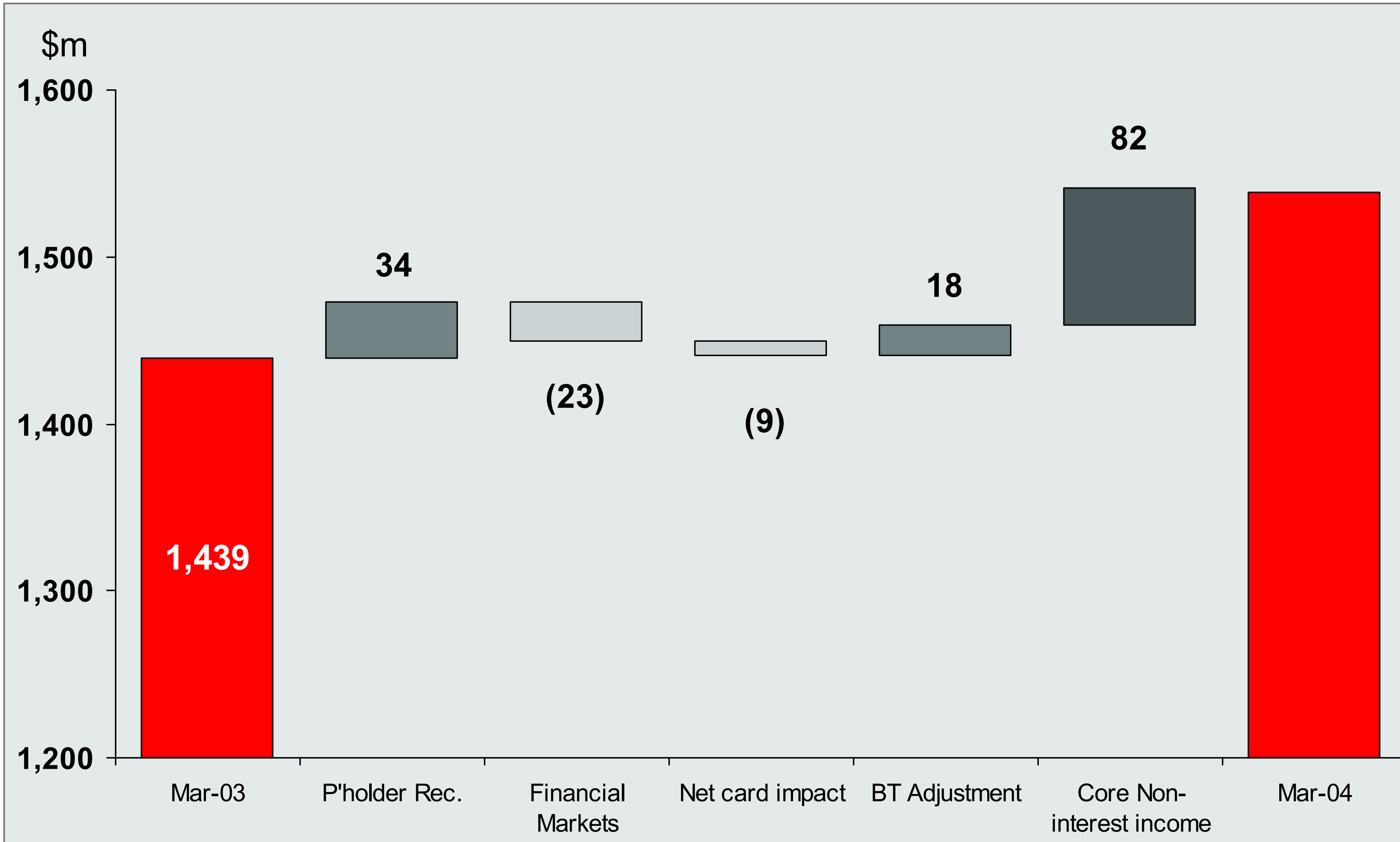
Australian margins

- The decline in Australian margins has been due to a variety of factors
- Transitory change in the cash/bills spread has impacted spread by around 6 basis points in 1H04
- Funding portfolio composition impacted by strong lending growth not fully matched by deposit growth
- Reduced asset margins almost fully offset by improved liability margins
- Australian spread impact on group spreads is 9 basis points

Indicative

Product	2H03 to 1H04
Cash /30 Day bills spread	(6)bps
Funding & portfolio	(5)bps
Assets mix	(6)bps
Liabilities	4bps
Change in Australian spread	(13)bps

Non-interest income analysis



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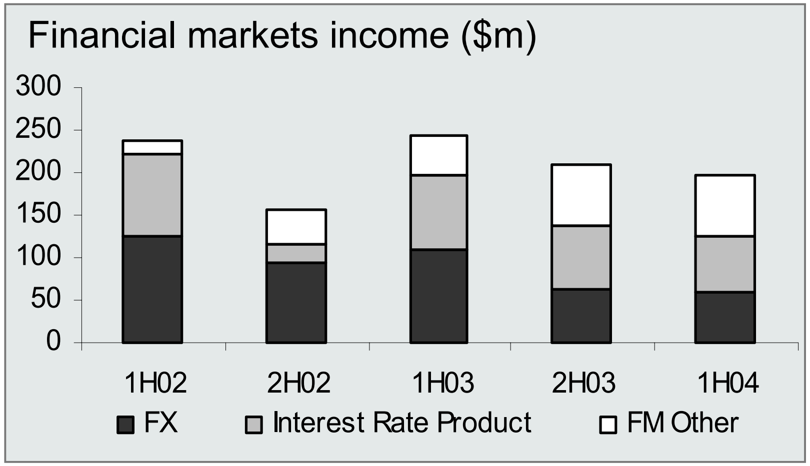
Credit cards – fee impact of recent changes

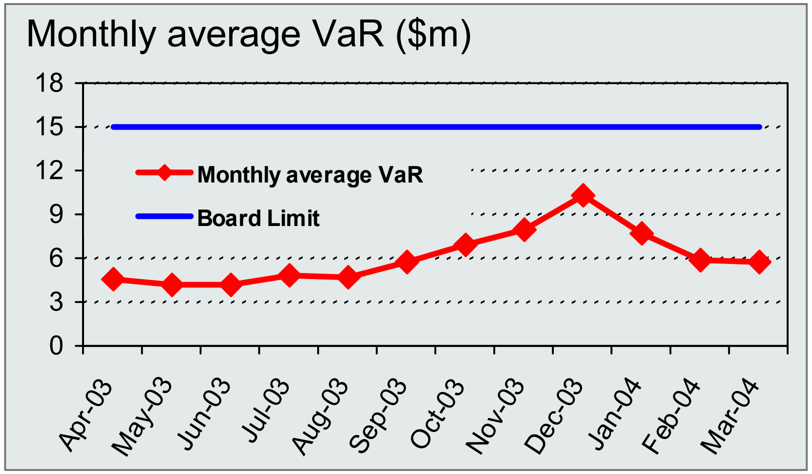
- Net impact of interchange reforms and our strategic response will be broadly earnings neutral by 2005 and beyond.
- Repricing implemented in 1H03
- Interchange reforms Oct 03
- Reward point changes to impact in 2H04 and beyond

$m	1H03	2H03	1H04
Interchange income	103	106	76
Rewards costs	(76)	(82)	(81)
Fee repricing		30	30
Other fee income	35	32	28
Cards non-interest income	**62**	**86**	**53**

Institutional Bank financial markets income

- Financial markets income 20% lower than prior corresponding period and 6% below previous half.
- Result consistent with expected volatility, although recent performance has been below average
- Recent period was accompanied by a small rise in the average value at risk (VaR). VaR is well within approved limits
- Measures to improve performance have been implemented
  - Ceasing coverage of interbank markets where we no longer have a competitive advantage - including some currency options
  - A number of operational changes





Expenses – tightly managed

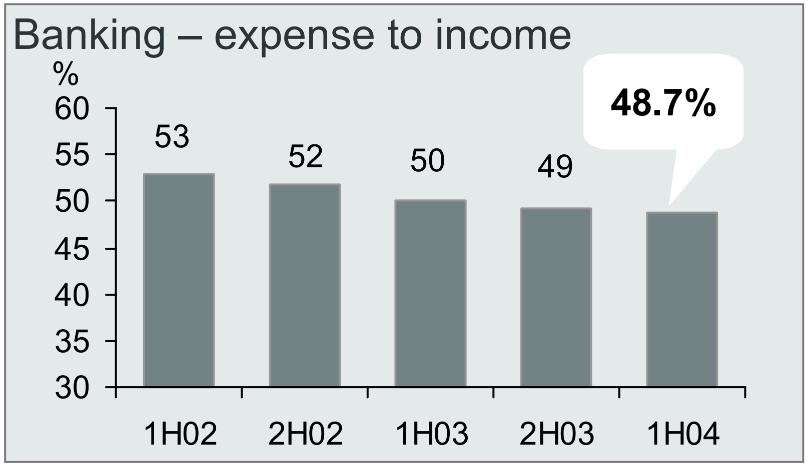
- On target for 2 - 4% annual expense growth for year

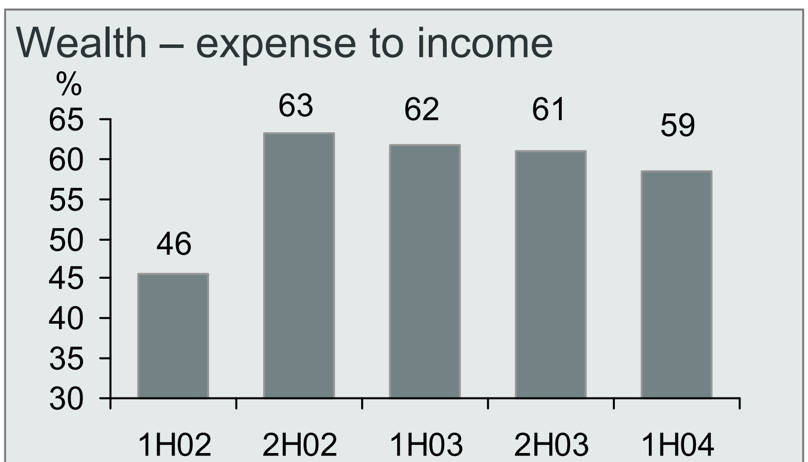
$m	1H04	2H03	1H03	% Change
Salaries & other staff expenses	948	938	898	6%
Equipment & occupancy	305	300	296	3%
Other expenses	672	668	663	1%
Operating expenses	**1,925**	**1,906**	**1,857**	**4%**
Gross up – 5 months of BT	***-***	***-***	***15***	
Adjusted operating expenses	**1,925**	**1,906**	**1,872**	**3%**

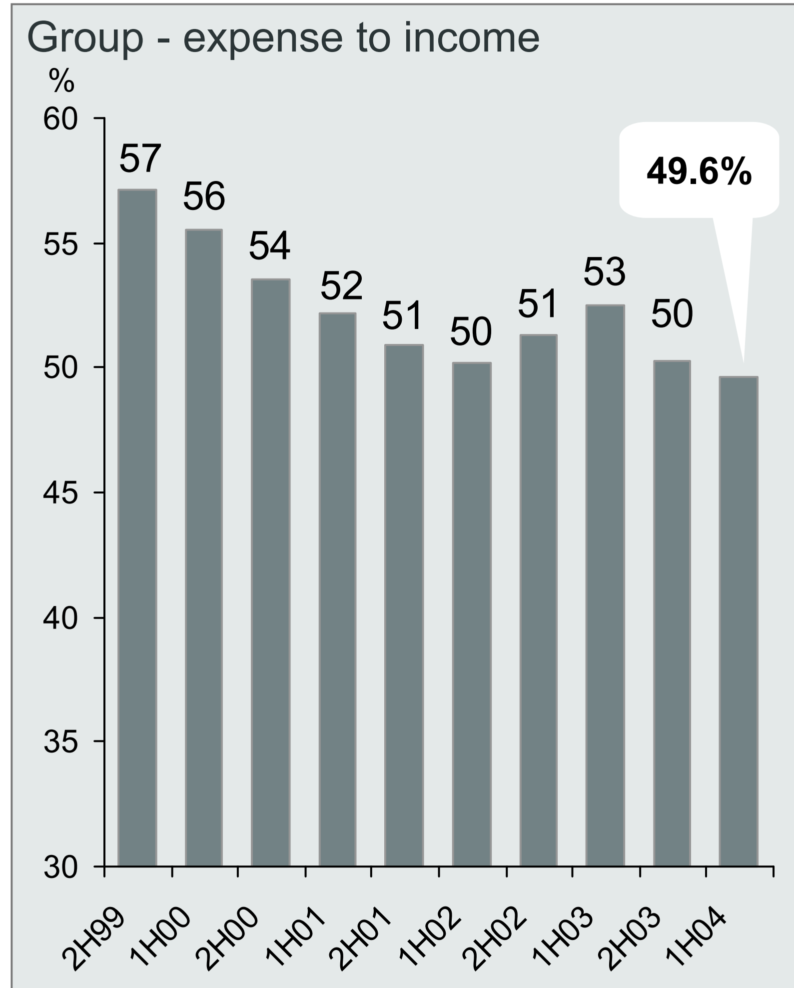
2004 expenses – what we have said

Comment	Outcome in 1H04
Absorb major compliance spending	Significant compliance spend in 1H04 compared to 1H03 (FSR, IFRS, Sarbanes Oxley, Basel II)
Increase in superannuation costs	Additional costs of $10m in 1H04
No further pressure from NZD/AUD exchange rate	Net impact of AUD/NZD exchange rate reduced costs by $10m
Decrease in temporary staff expected as project work eases	Temporary staff reduced by 327
Higher capitalised software amortisation expense	Up to $57 in 1H04 from $40 in 2H02 and $49m in 1H02.

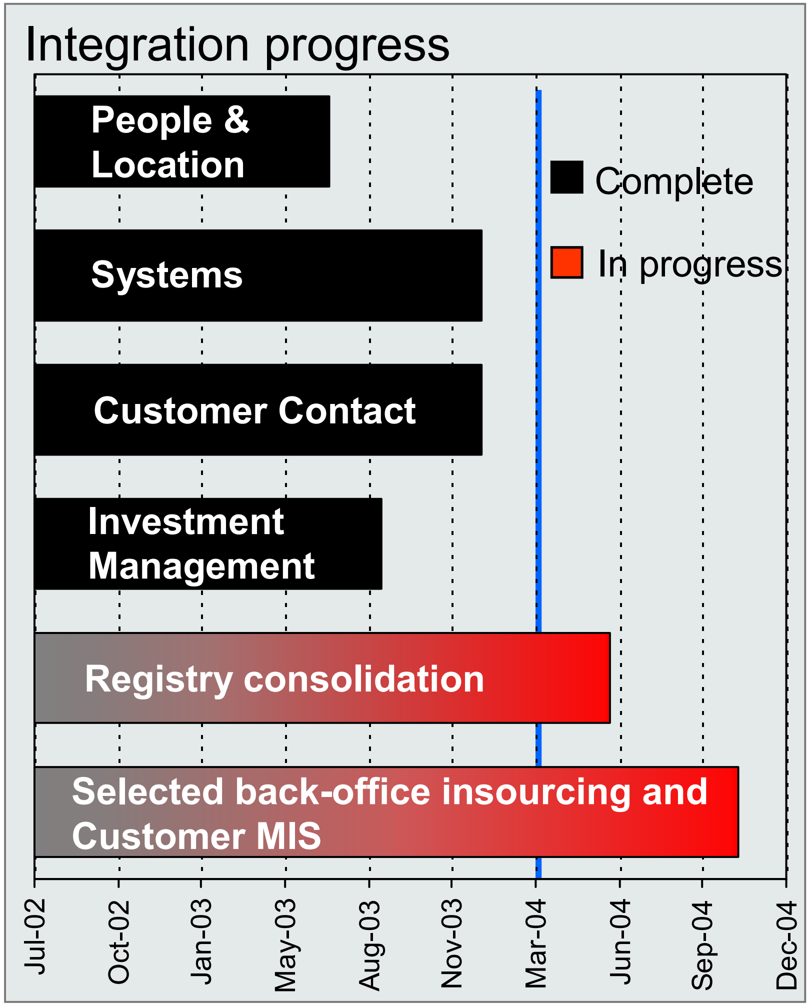
Expense to income – now under 50%

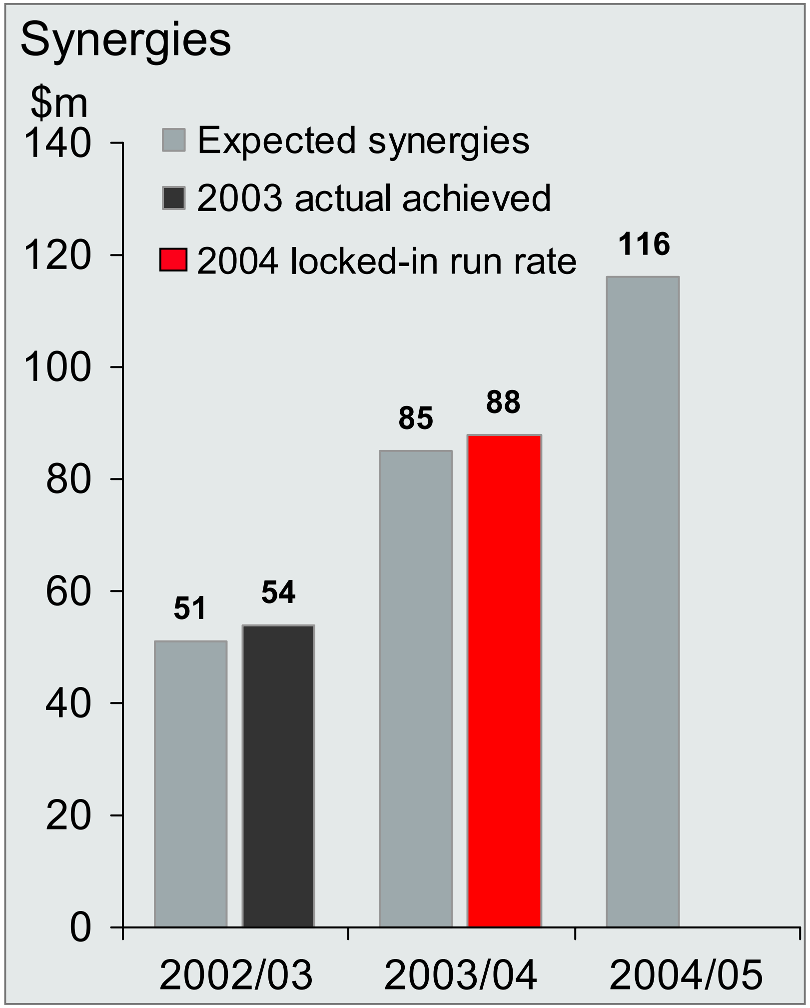




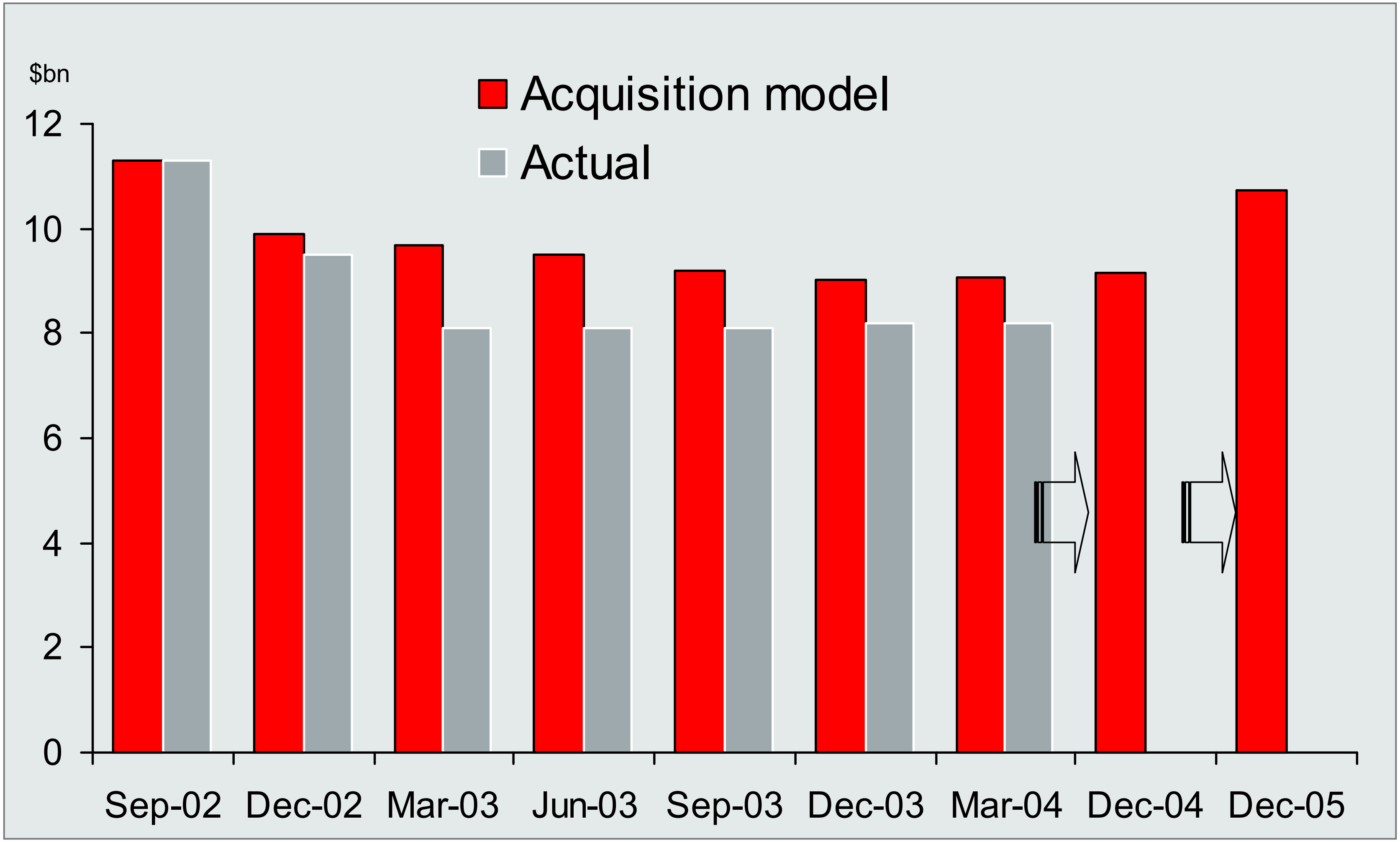


BT Integration – on track

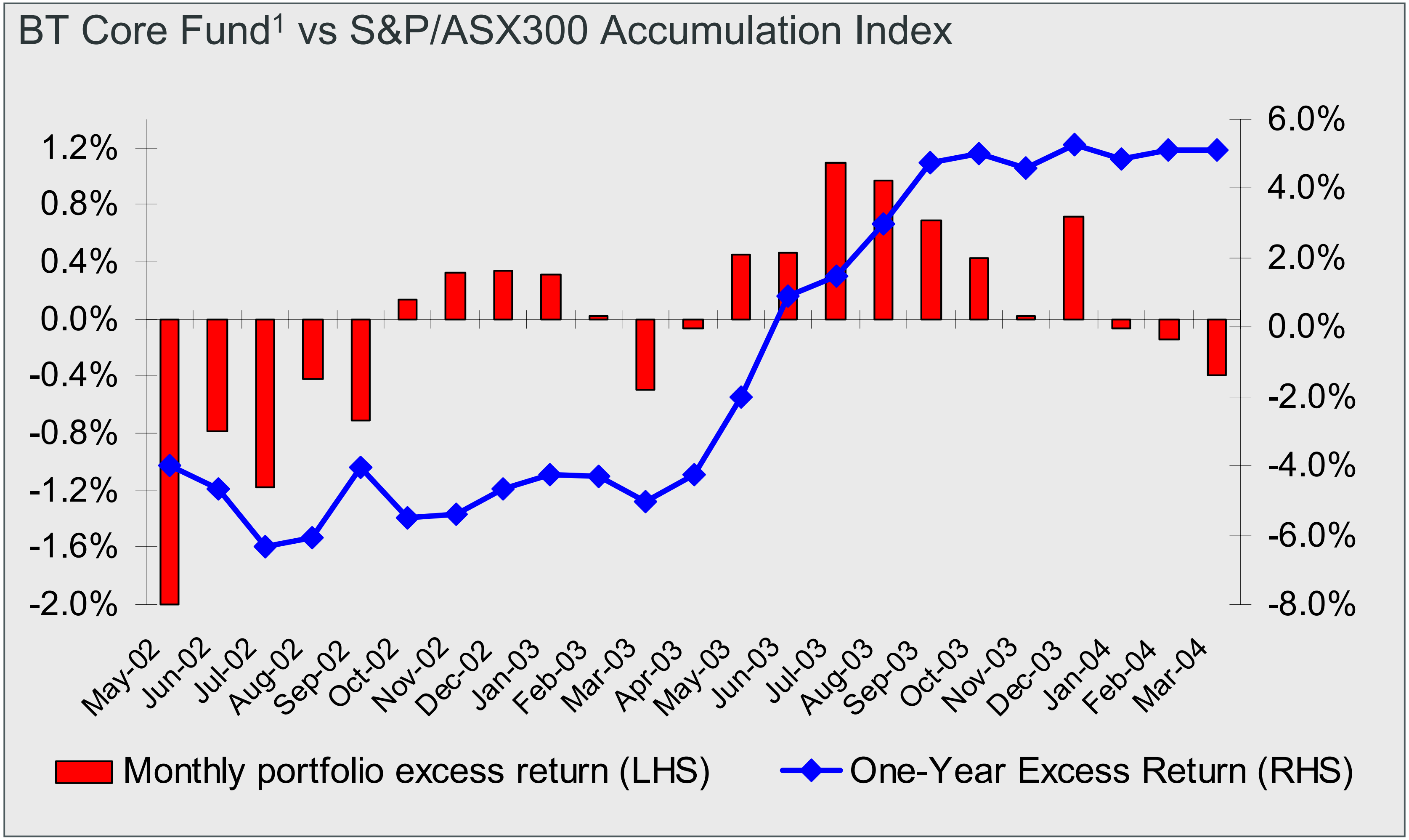




Net retail FUM against acquisition model - BT



Performance turnaround: Australian equities



1. BT Institutional Core Australian Share Sector Trust. Benchmark: ASX300, Pre Fee / Pre Tax

Improved researcher ratings

Large Cap Australian Equities – Flagship Retail Fund Ratings*

Researcher	Rating		Comments
	Last year	April 04	
Van Eyk	B	A	Upgraded Feb 04.
ASSIRT	1 star	3 star	Upgraded in April 04.
Lonsec	Sell and then Hold	Investment Grade	Hold rating in place since Oct 03, moved to Inv Grade in Apr 04.
Morningstar	1 Star	1 Star	Qualitative component upgraded Jan 04, no impact on star rating.
Investorweb	Sell	Buy	Upgraded from Investment Grade to Buy in Nov 03

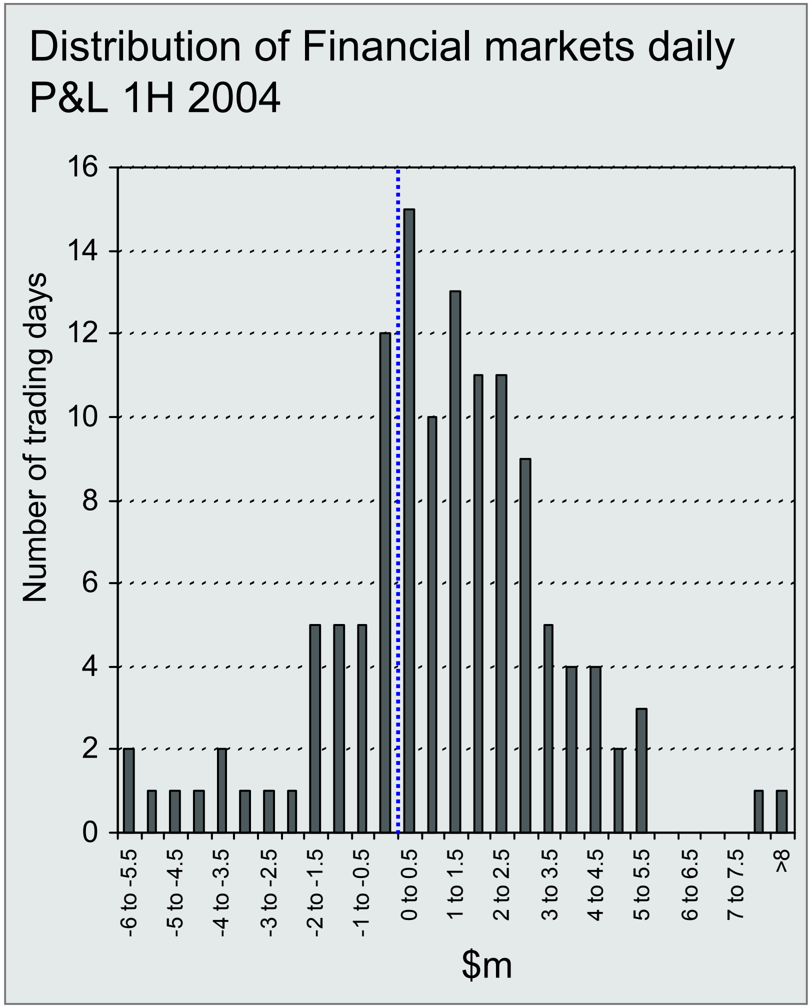
*Retail flagship fund is the BT Australian Share fund

Continued focus on risk management

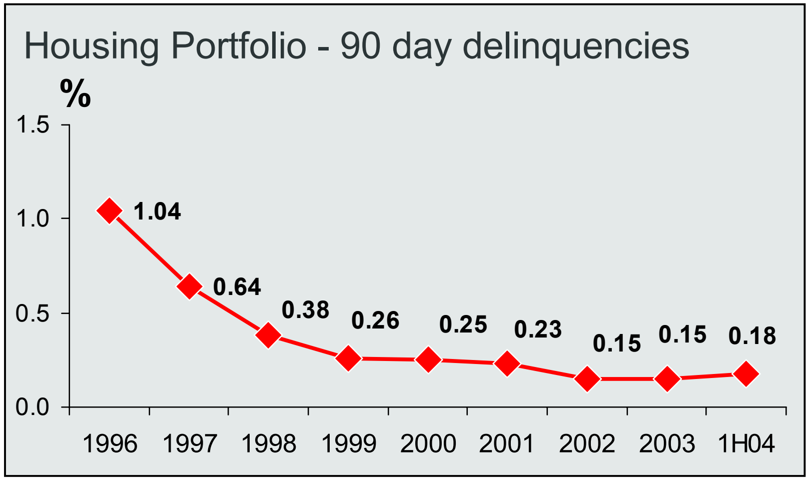
Credit Risk	• Rigorously managed with the most advanced tools of our risk monitoring systems • Further enhancements in pipeline with Basel II implementation
Market Risk	• Re-assessed position following NAB report • Confident that same issues could not have emerged • Increased awareness of areas we can strengthen some tools and processes
Operational Risk	• Detailed systems in place • More recently the emphasis has focused on documented control regime prompted by: - APRA / NAB report - Sarbanes Oxley 404 requirements - Basel II

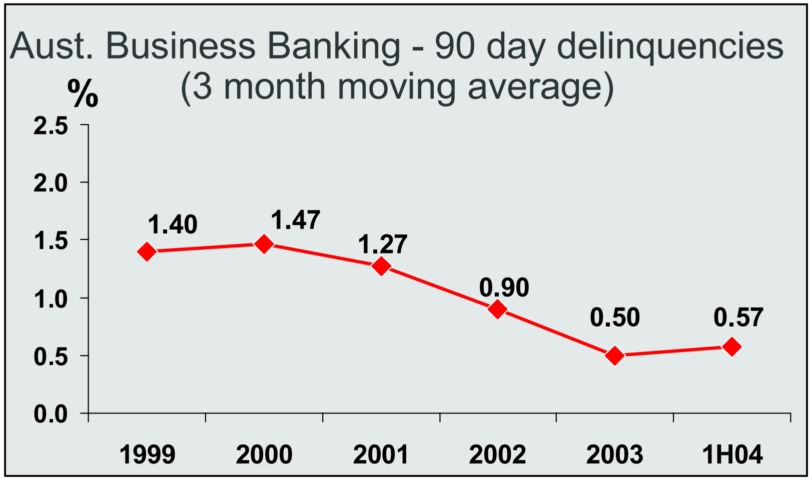
Financial Markets risk control environment

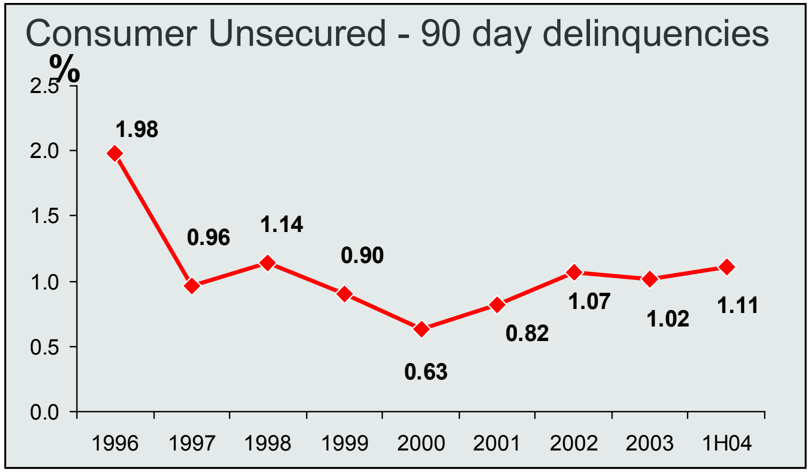
- Distribution of earnings consistent with risk expectations
- Control environment overall sound
  - Independent monitoring and reporting
  - Limit adherence
  - Constructive culture
- Areas for strengthening processes identified include:
  - Enhanced risk diagnostics
  - System upgrades

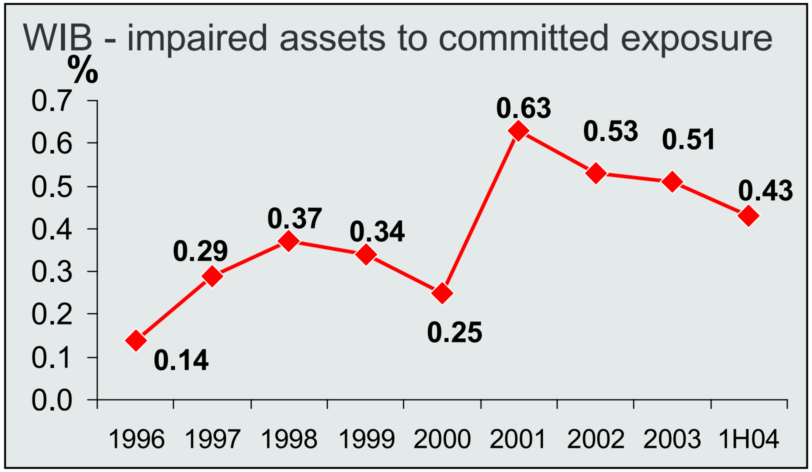


Forward credit indicators in good shape





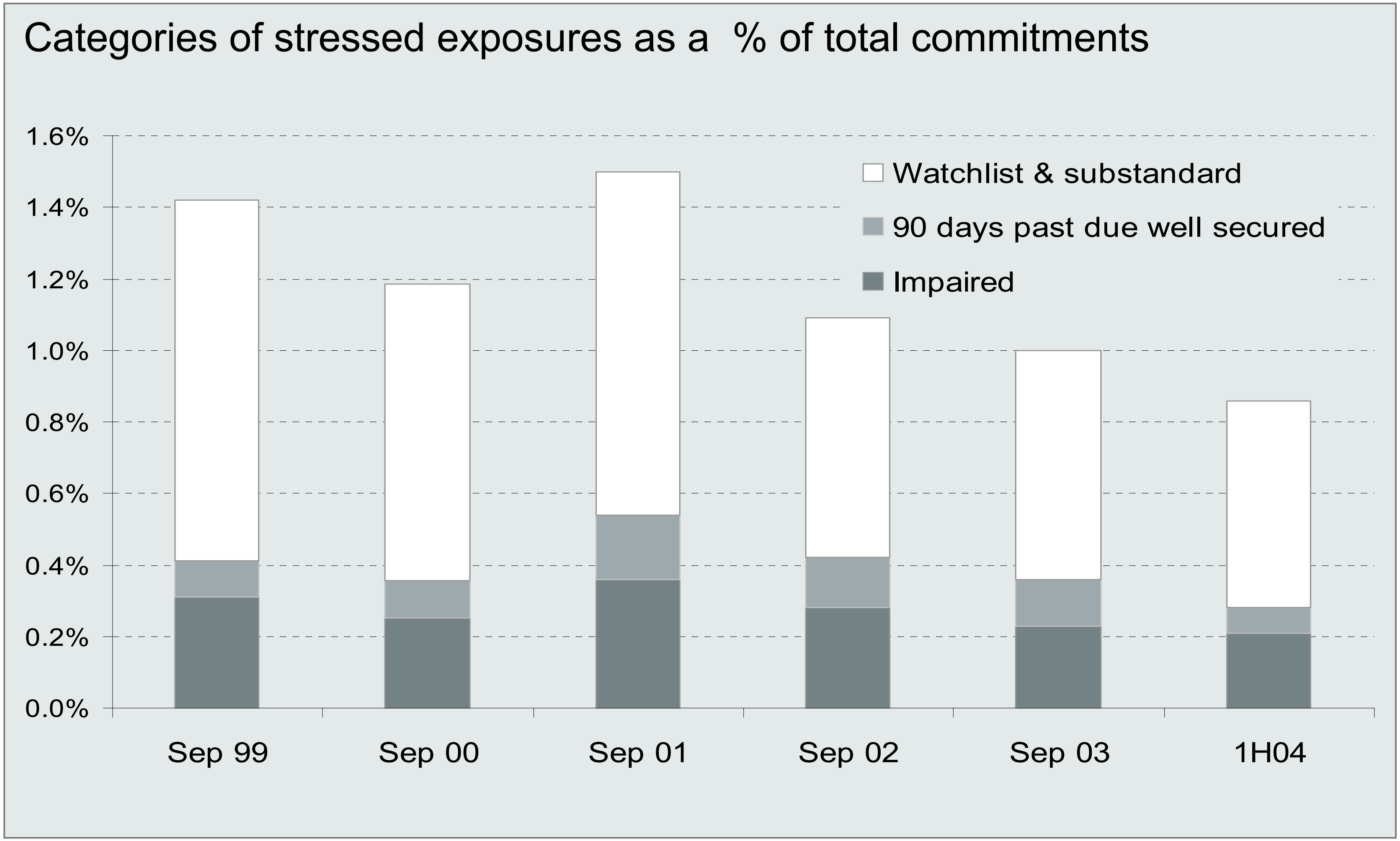




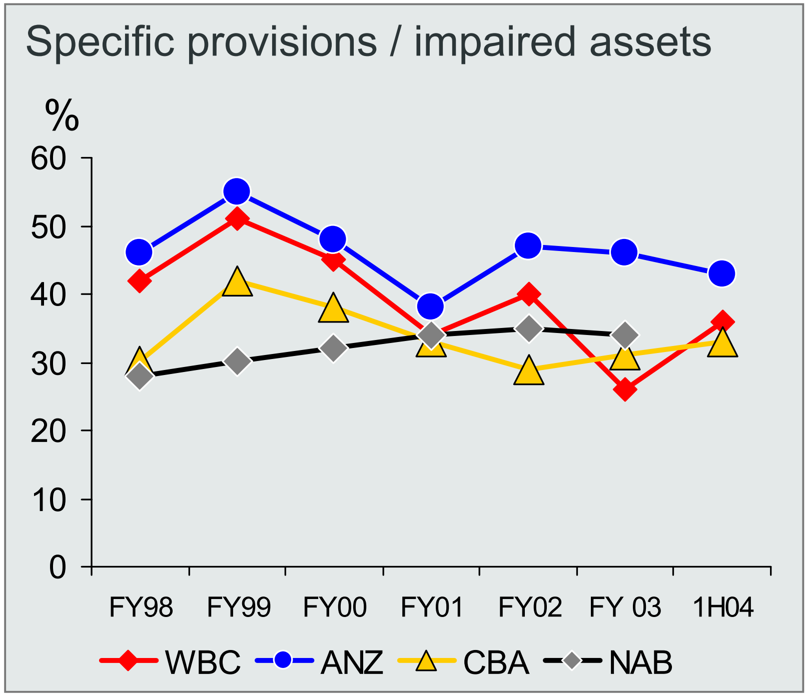
Bad debt analysis

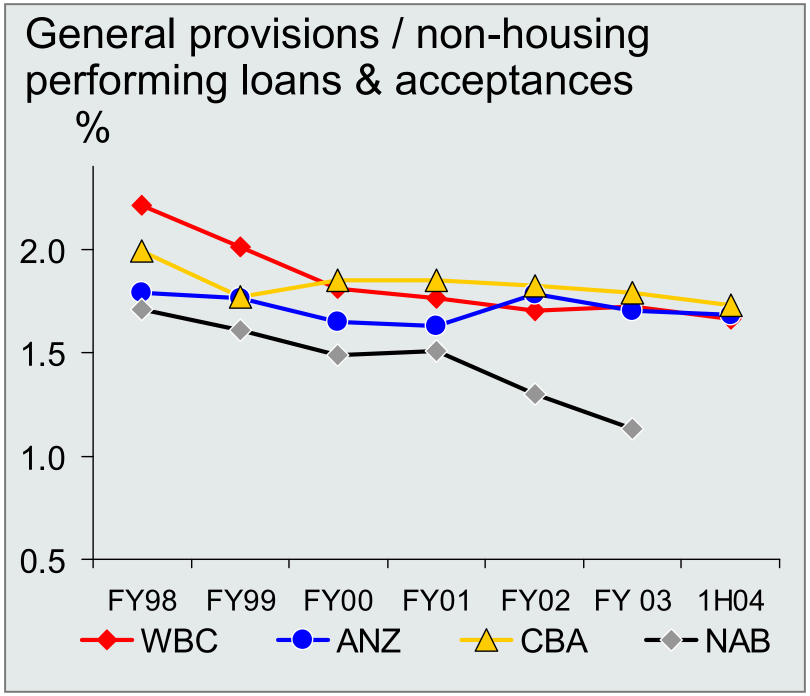
$m	1H04	2H03	1H03
Write-offs	(128)	(133)	(142)
Net transfer (to)/from specific provisions	(73)	(70)	17
Recovery of debts previously written off	35	27	47
Bad debt charge-off	**(166)**	**(176)**	**(78)**
Increase in dynamic provision	(41)	(95)	(136)
Net bad debt expense	**(207)**	**(271)**	**(214)**
General provision balance	1,432	1,393	1,309
General provision to non-housing loans & acceptances	1.7%	1.7%	1.7%

Stressed exposures further reduced



Provisioning cover

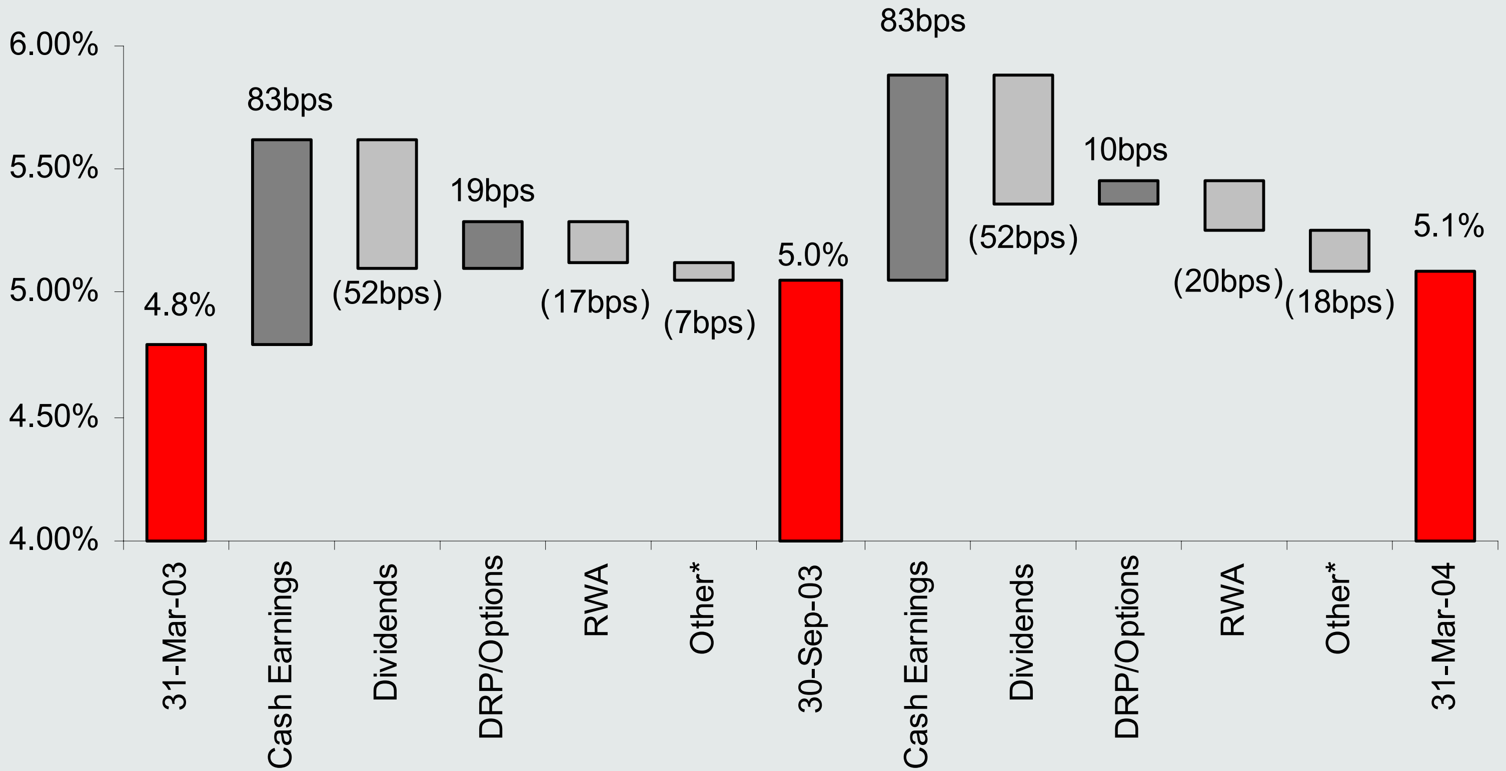




- Specific provision for impaired assets increased to 36%, from 26% at 2H03
- Increase due to top-up of specific provisions for two existing impaired assets

Adjusted common equity movement

- Surplus capital[1] grew $429m over the year but only $80m over the last half



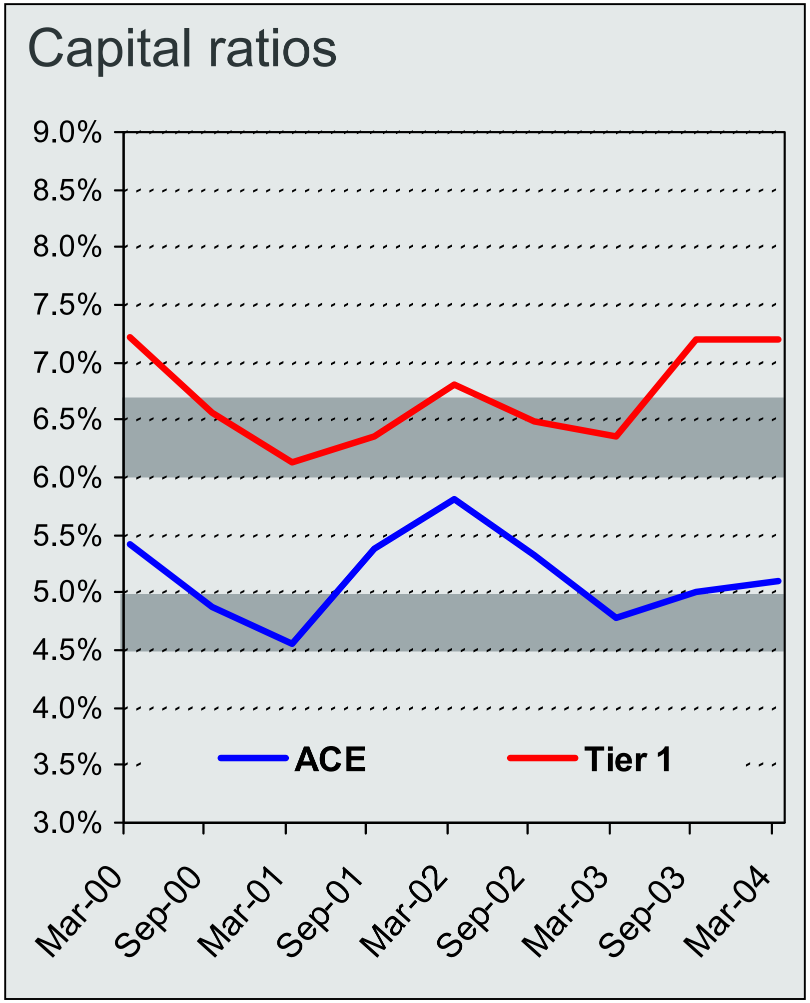
1 ACE capital in excess of 4.75% (mid point of our target range)

* "Other" includes capital employed by non-banking subsidiaries, Specialised capital group investments and movements in the FCTR and deferred tax balances.

Tier 1 and ACE ratios now above target levels

- Tier 1 and ACE ratios above target levels

Ratio	Current level	Target range
Tier 1	7.2%	6.0% – 6.75%
ACE	5.1%	4.5% – 5.0%



2004 hybrid issue complicates reporting

Historical practice	2004 Trust Preferred Securities
USD issues accounted for as equity, no hedge accounting available	Issued in USD (525m) and funds used in NZ (NZD)
Typically swapped into NZD	Swap put in place for risk management but not given hedge treatment
Hedge achieved through offsetting USD capital invested in UK/US	Post IFRS implementation instrument will be debt and swap will be effective hedge
Sufficient capital deployed to offshore branches for commercial and regulatory purposes providing natural hedge	Mark to market of swap will impact NPAT until 1 Oct 2005 (IFRS transition date) but we will isolate from cash earnings

Net profit after tax	1,225
Goodwill amortisation	84
Preference Dividends	(76)
MTM TPS Hedge	0
Cash earnings	1,233

Westpac Australia's First Bank

Buy-back overview

- Target buy-back size approximately $500m (approximately 2% of ordinary shares)
- Also conducting on-market buy-back of an equivalent proportion of our NZ Class Shares (approximately 1m)
- Off-market tender buy-back structure
- Buy-back price includes a $4.00 capital component, with balance treated as a fully franked dividend for tax purposes
- The tender range is $14.00 to $18.00 with 9 specific prices at 50c intervals. Tenders can be lodged at any of the specified prices, or as a Final Price Tender
- Shareholders will be entitled to receive the interim dividend even if they tender into the buy-back

Key Dates	2004
Announcement	6 May [1]
Ex-date for Buy-Back	12 May
Buy-Back record date	18 May
Dispatch of booklets	26 May
Tender period opens	31 May
Tender period closes	18 June
Buy back price announced	21 June
Credit buy-back proceeds	30 June

1. Shares acquired on or after 7 May will not qualify for franking entitlements under 45 day rule

Capital position remains sound

	ACE	Tier 1
Ratios as at 31 March 2004	**5.1%**	**7.2%**
2004 TPS raising in April 04 (US$ 525m)	-	+46bps[1]
May/June 2004 structured off-market buyback (~$500m)	-34bps	-34bps
July 2004 – TOPrS called (US$ 322.5m)	+3bps	-29bps
Pro-forma ratios 31 March 2004[2]	**4.8%**	**6.8%**

1. Impact (46bps) – a portion of this is exceeds the APRA 25% hybrid limit
2. Does not include the impact of capitalised expenses which based on balances at 31 March 2004 would be a deduction of $291m or 20 basis points on both ACE and Tier 1. This will not be applied until 1 July 04.

A strong, broad based, high quality result

- Strong performance from all businesses
- Continued tight expense management while growing investment in key capabilities, and absorbing compliance spend
- Profitable growth with robust loan growth and modest margin deterioration
- Credit quality high and provisioning coverage strong
- Actively managing capital base with strong franking position

Westpac
Australia's First Bank

Outlook and summary

David Morgan
Chief Executive Officer

6 May 2004

Australian and New Zealand economic outlook

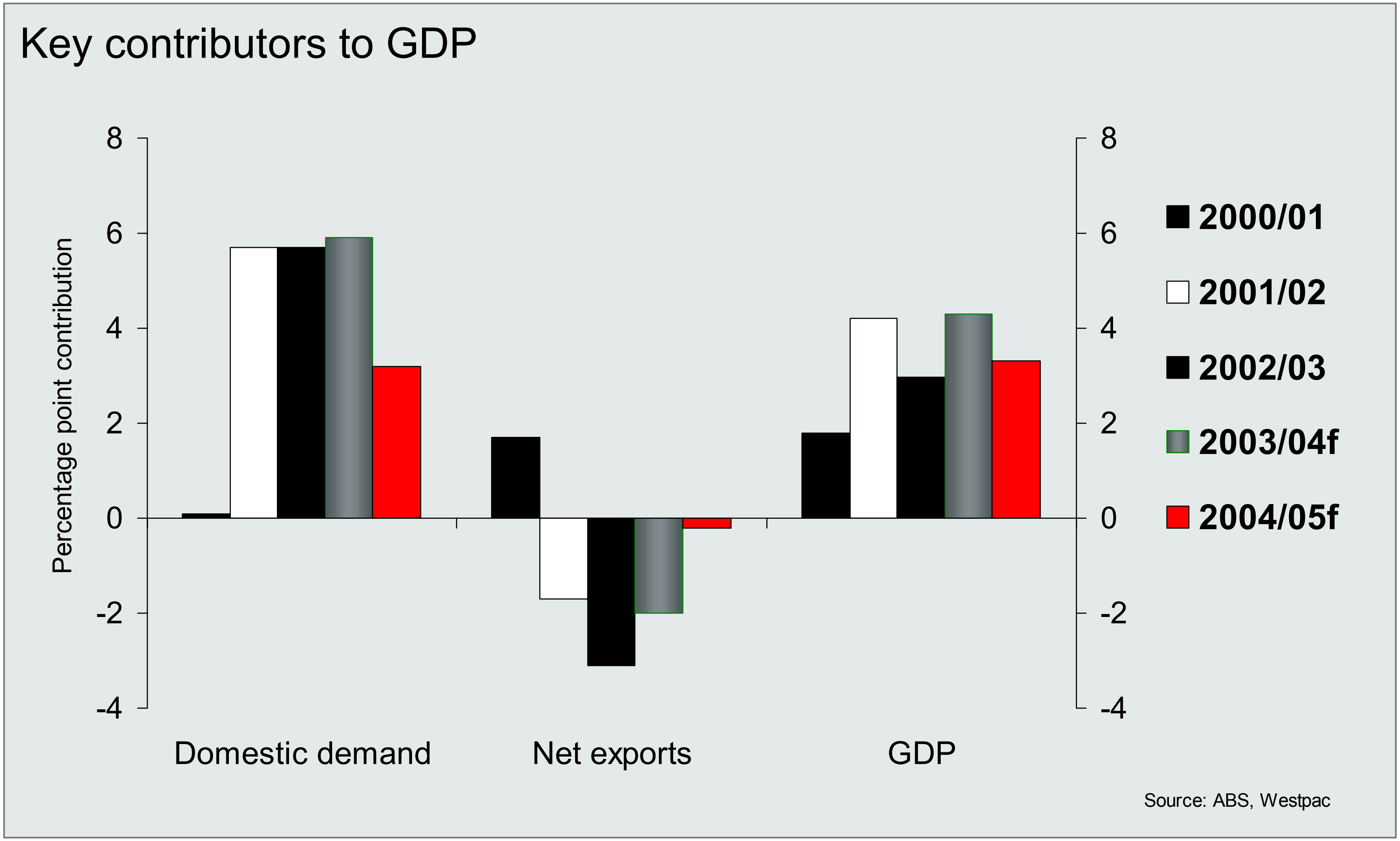
- Australia and New Zealand economic fundamentals sound due to:
  - Solid domestic demand
  - Low unemployment
- Export recovery to boost economy in 2004, driven by stronger global economy and the recent rebound in farm output
- Further slight rise in interest rates expected later in 2004

Key economic indicators

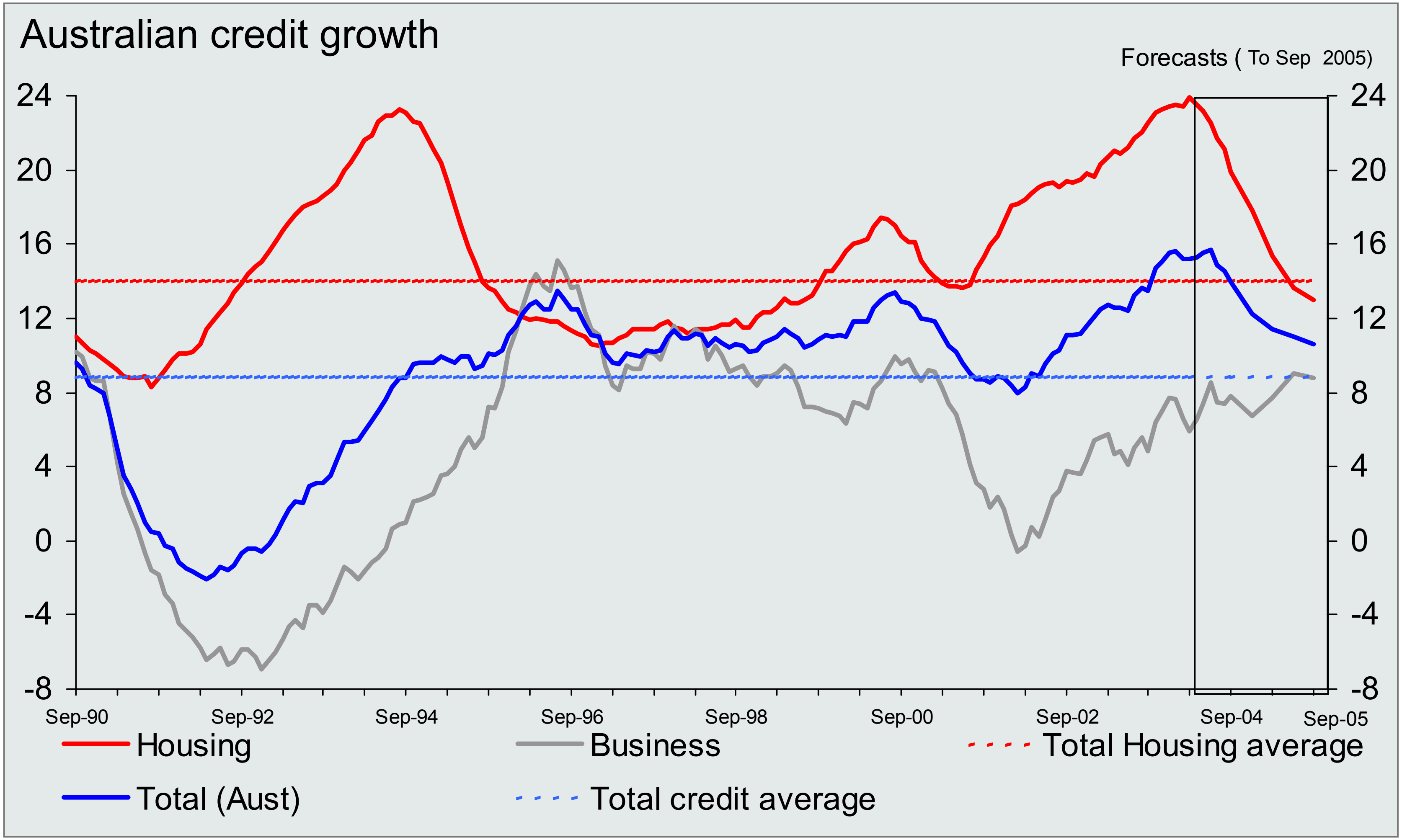
Financial year ended	Jun 04 %	Jun 05 %
World (Calendar year)		
GDP	4.4	4.0
Australia		
GDP	4.3	3.3
Unemployment	5.7	5.7
New Zealand		
GDP	3.1	2.3
Unemployment	4.6	4.8

Source: Westpac

Economy operating with a more sustainable mix



Credit growth returning to longer term average



Source: RBA

Financial sector short-term outlook

- Credit growth moderating to more sustainable levels
- Ongoing competitive intensity
- Bad debt environment benign
- Wealth management environment remaining favourable
- Rising demands around customer experience
- Overall sector dynamics are favourable

Well positioned to maintain momentum

- Established track record in delivering growth and executing well
  - Consistent growth / return mix
  - Disciplined management
- Improved sustainability of earnings
  - Market share improvements
  - Increased customer satisfaction
- Low risk profile, with high credit quality and sound provisioning
- Focused strategy and a quality management team

Outlook

- Operating environment remains accommodating:
  - Credit growth lower but still above the 15 year average
  - No immediate signs of asset quality deterioration
- Good momentum with first half earnings growth above medium-term guidance
- Positive full year outlook for solid earnings growth in 2004

Westpac
Australia's First Bank

2004 Interim results presentation

6 May 2004

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

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.