

Overview

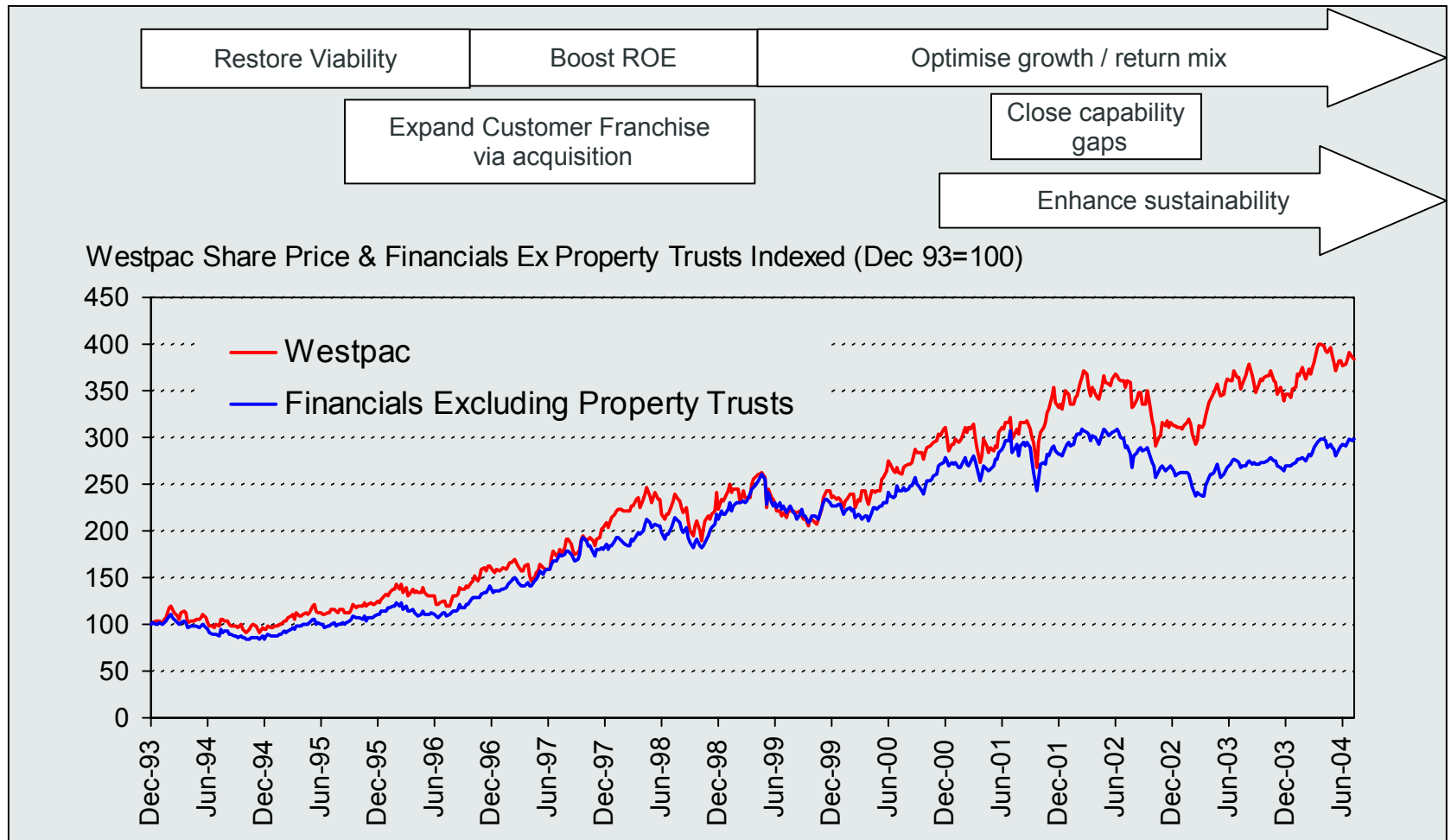
David Morgan
Chief Executive Officer

29 July 2004

Topics that you have raised

- The changing operating landscape
- Margin performance in the increasingly competitive market
- How do you plan to continue to outperform your peers
- The impact of the adoption of international reporting standards – IFRS
- An update on progress and likely impact on capital of Basel II

Sustainable growth path



The evolving operating environment

Economic	Customers	Competitors	Regulatory
<ul style="list-style-type: none">• Aust/NZ GDP growth ahead of OECD growth but below Asia• Credit growth to continue to exceed nominal GDP growth	<ul style="list-style-type: none">• Ageing population• Increasing demand for investment advice• Looking for a wider range of products and services	<ul style="list-style-type: none">• Reverting to customer oriented strategies• Specialist, third party and non-financial players• Global players entering	<ul style="list-style-type: none">• Increased reporting requirements• Further opening of competition possible• Possibility of 'social' charter• International 'harmonisation' challenges

Where are the risks?

Risk

- Irrational competition
- New entrants/niche competitors
- Housing market collapse
- Blow-out in bad debts
- Greater than expected funds outflows
- Re-regulation
- New wave of corporate collapses
- Global economic recession

Probability of occurrence

Medium / High

Medium

Low

Low

Low

Low

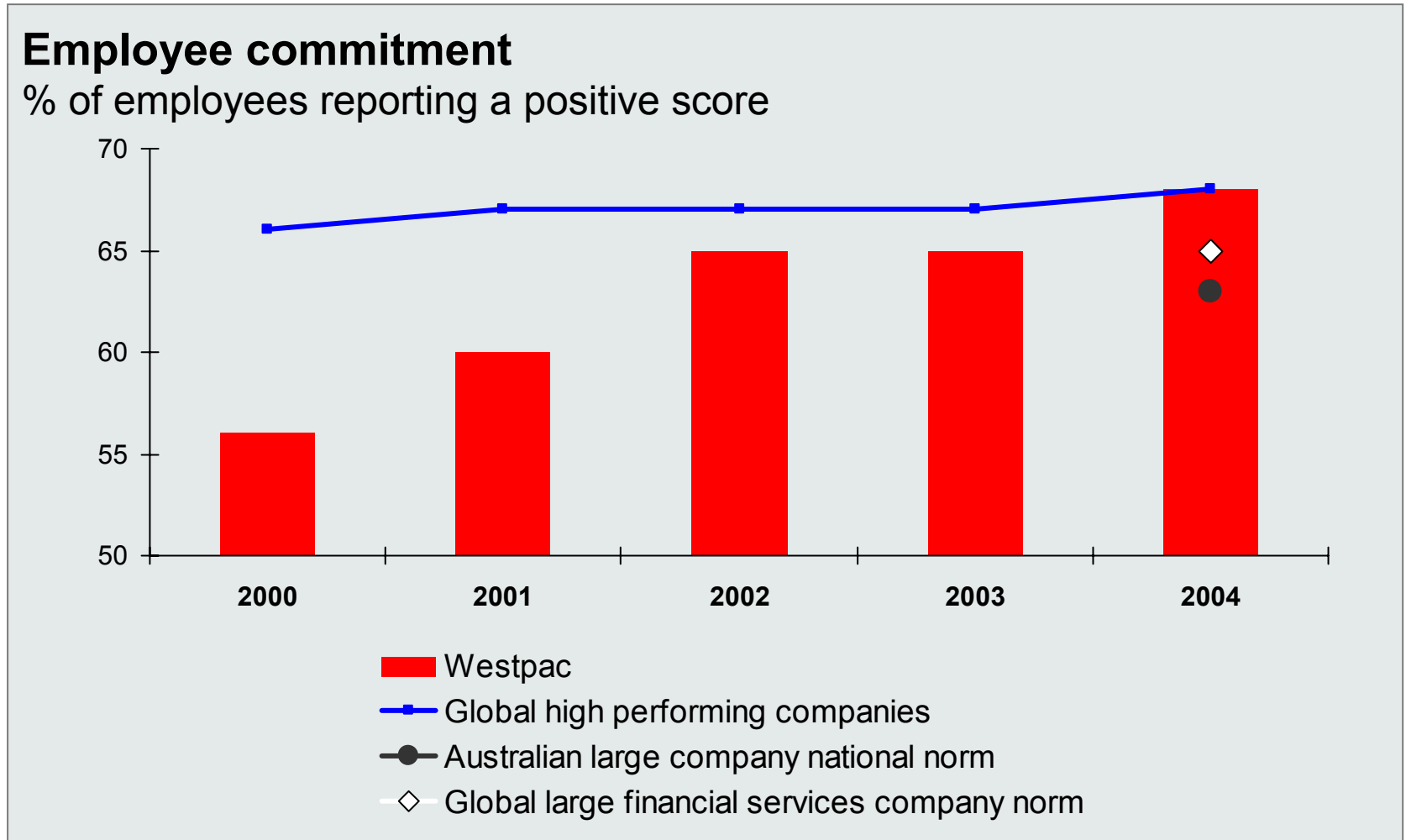
Low

Low

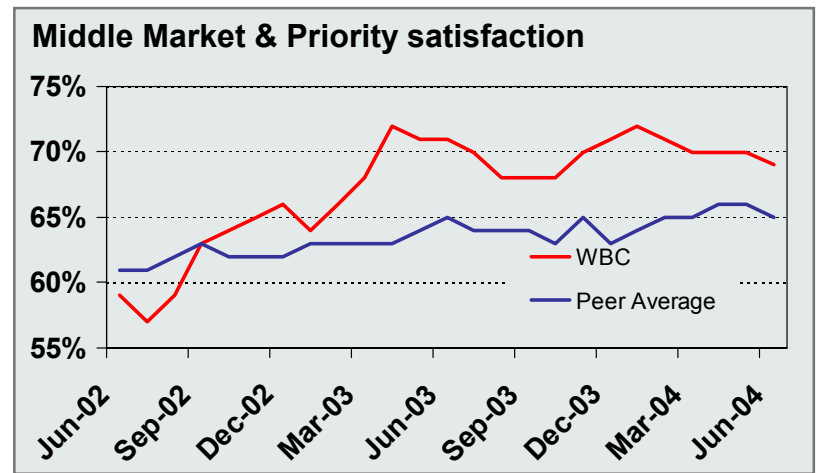
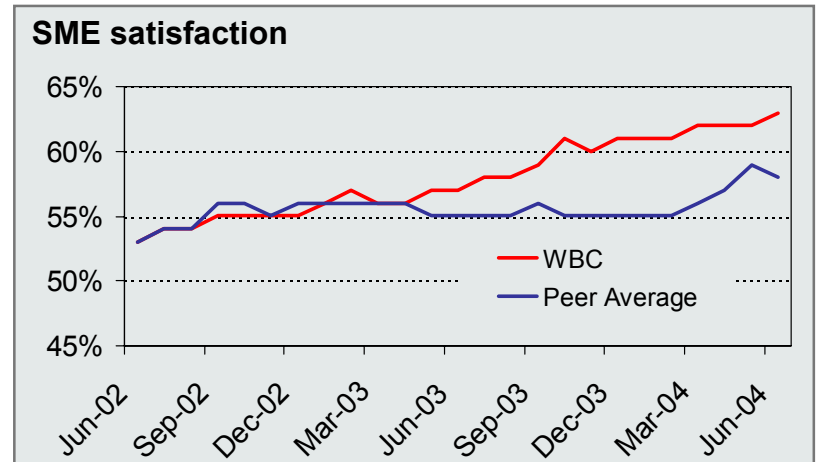
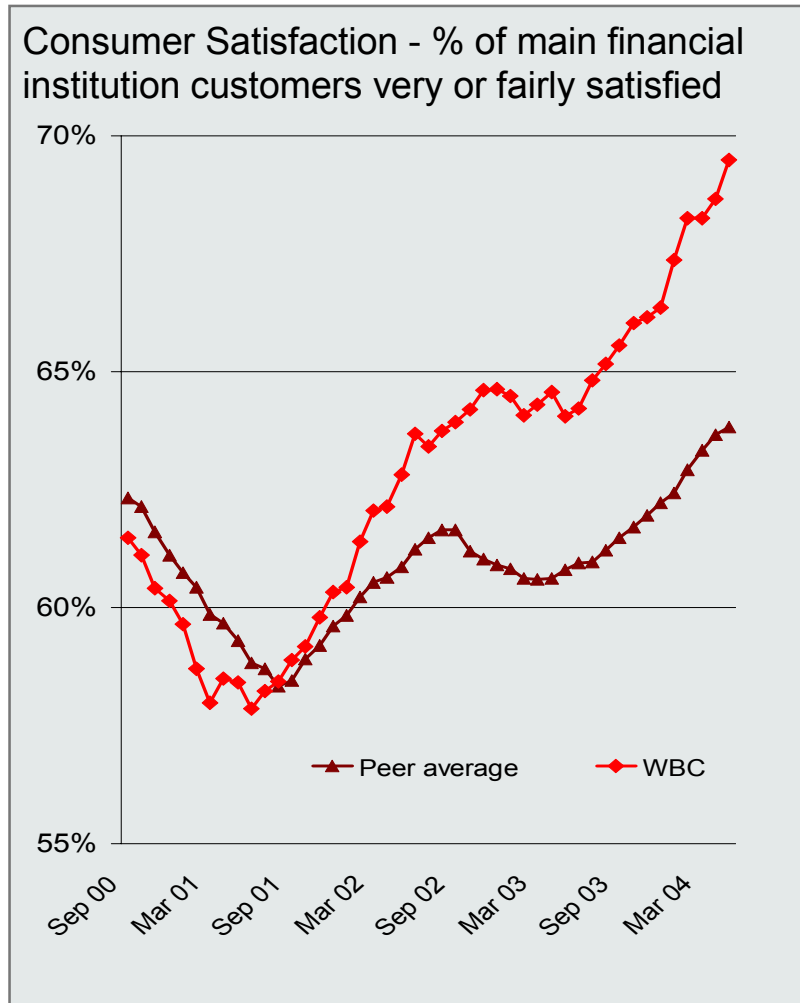
Risks - responses

- While the competitive environment is changing, Westpac:
 - Will not engage in unsustainable price competition
 - Has demonstrated that it is prepared to forego unprofitable growth and market share
 - Will systematically and rationally consider responses
- Over the longer term, Westpac's strategy has been to increase the Group's resilience to external shocks across all four quadrants of its scorecard:
 - Employees
 - Customers
 - Shareholders
 - Corporate responsibility

Employee commitment



Customer satisfaction



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

Global leadership in sustainability

- Ranked number one in the global banking sector by the Dow Jones Sustainability Index, for the second consecutive year



- GovernanceMetrics International Global Governance Ratings 2004 - one of 22 companies to score 10.0 (the highest rating) of 2,100 global organisations and only Australian company to do so



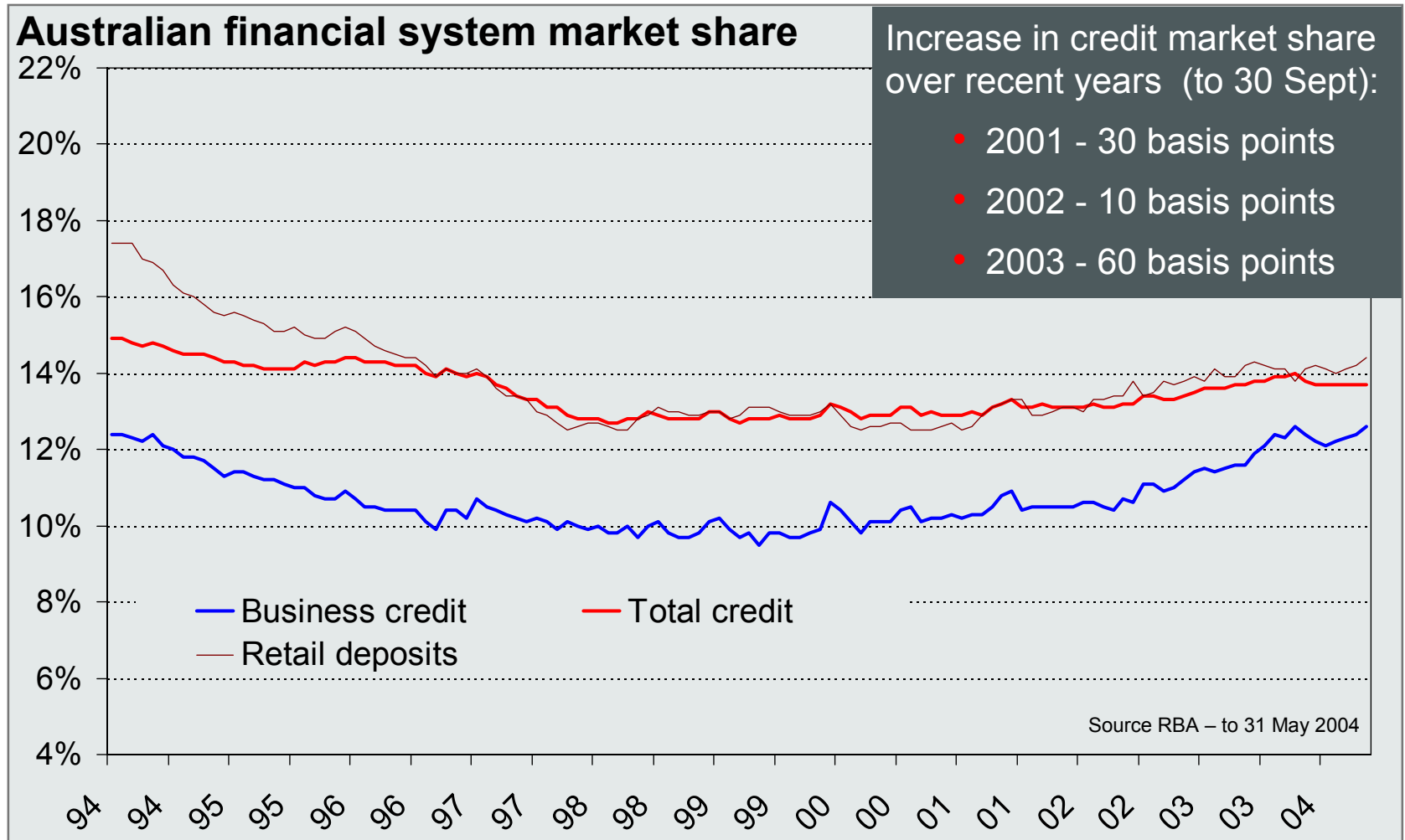
- Number 1 company overall in the 2003 Reputex Social Responsibility Ratings, and the only one of the top 100 to receive a AAA rating



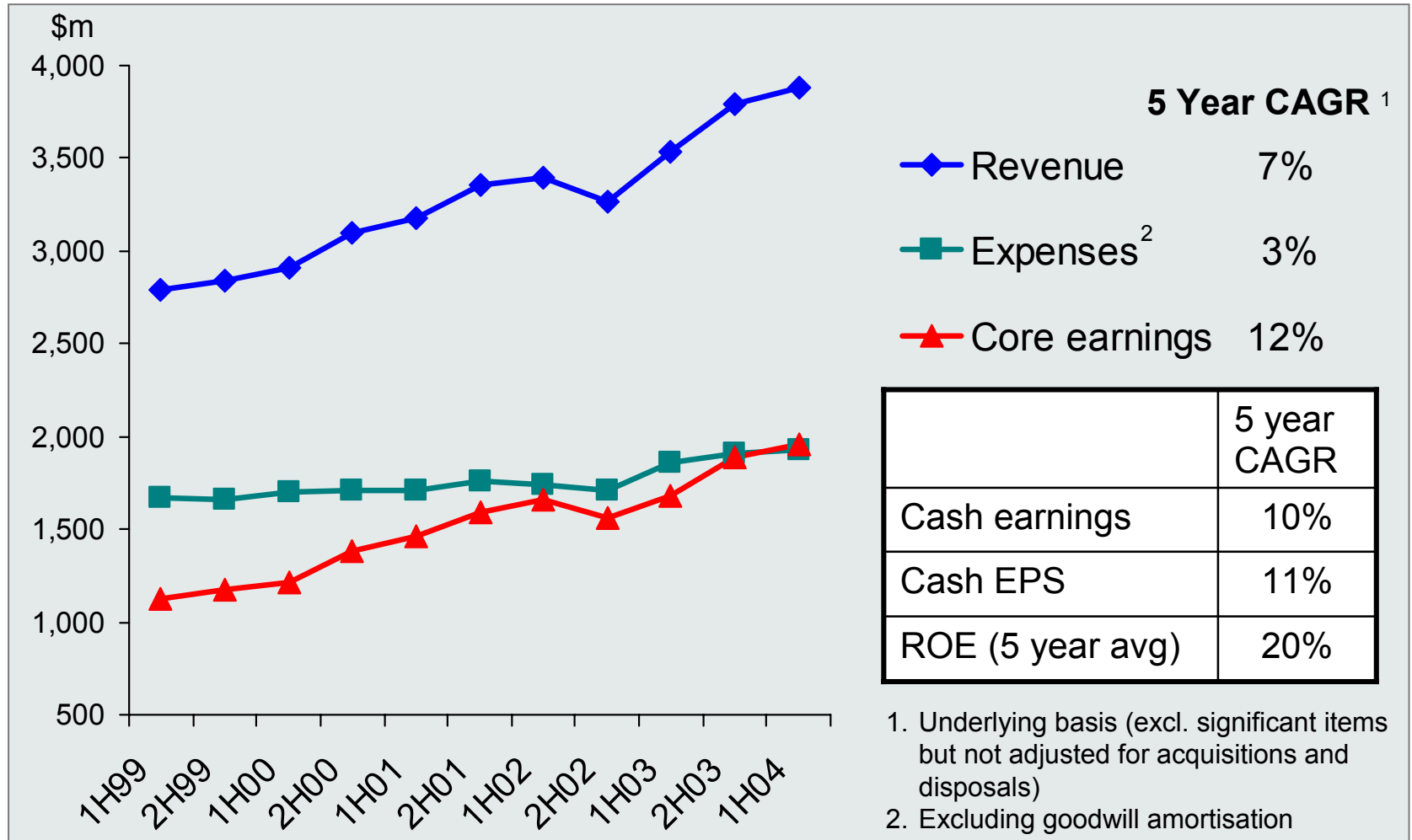
- Awarded BEST IN CLASS by Storebrand Investments. Westpac was #1 overall of the 94 global banks rated.



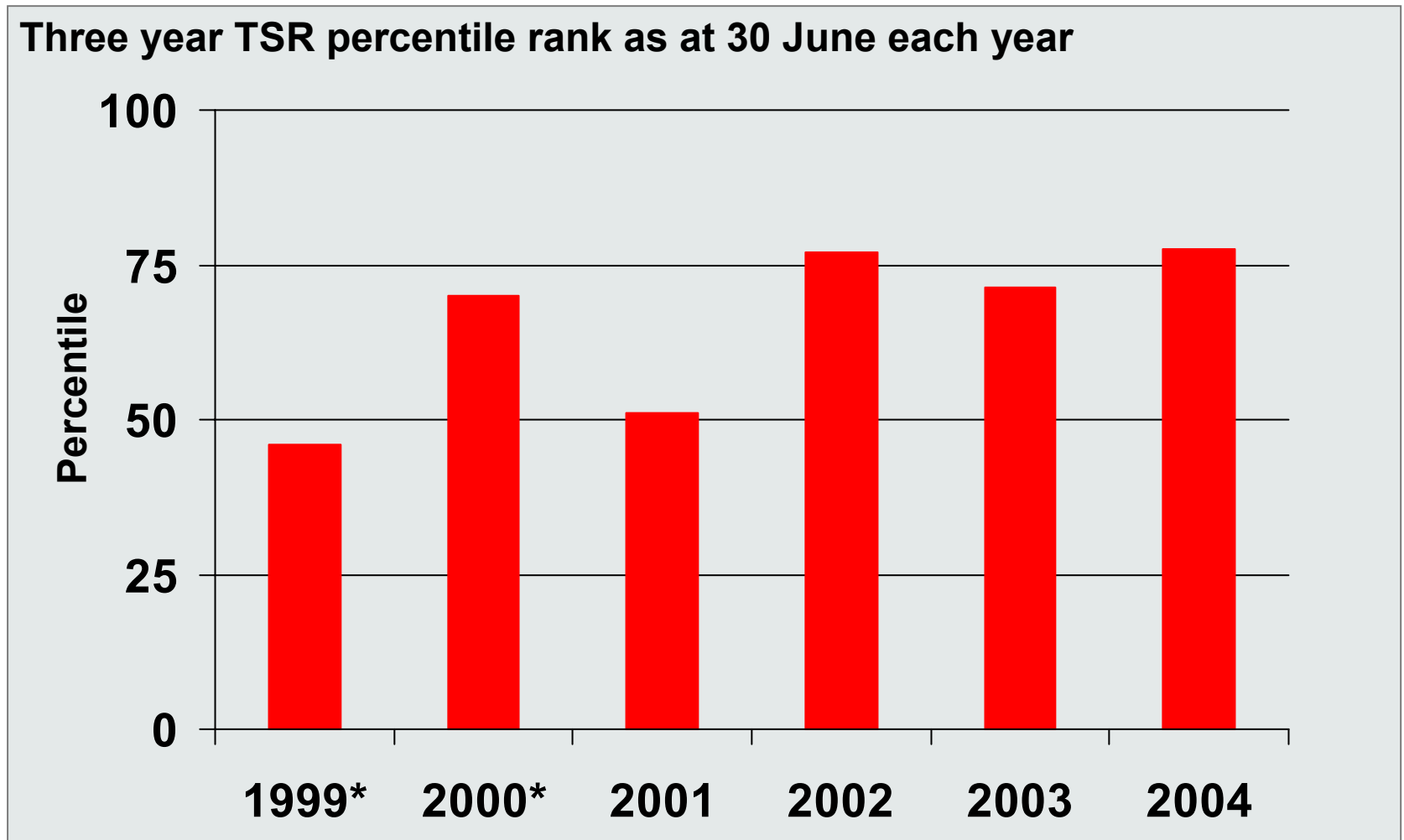
Market share



Consistent, sustainable core earnings growth



Total shareholder return rankings



Peer group comprises the top 50 Australian companies by market capitalisation, excluding property trusts and investment companies. * 1999 & 2000 data as at 30 September.



Consistency in returns 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 Wyman¹

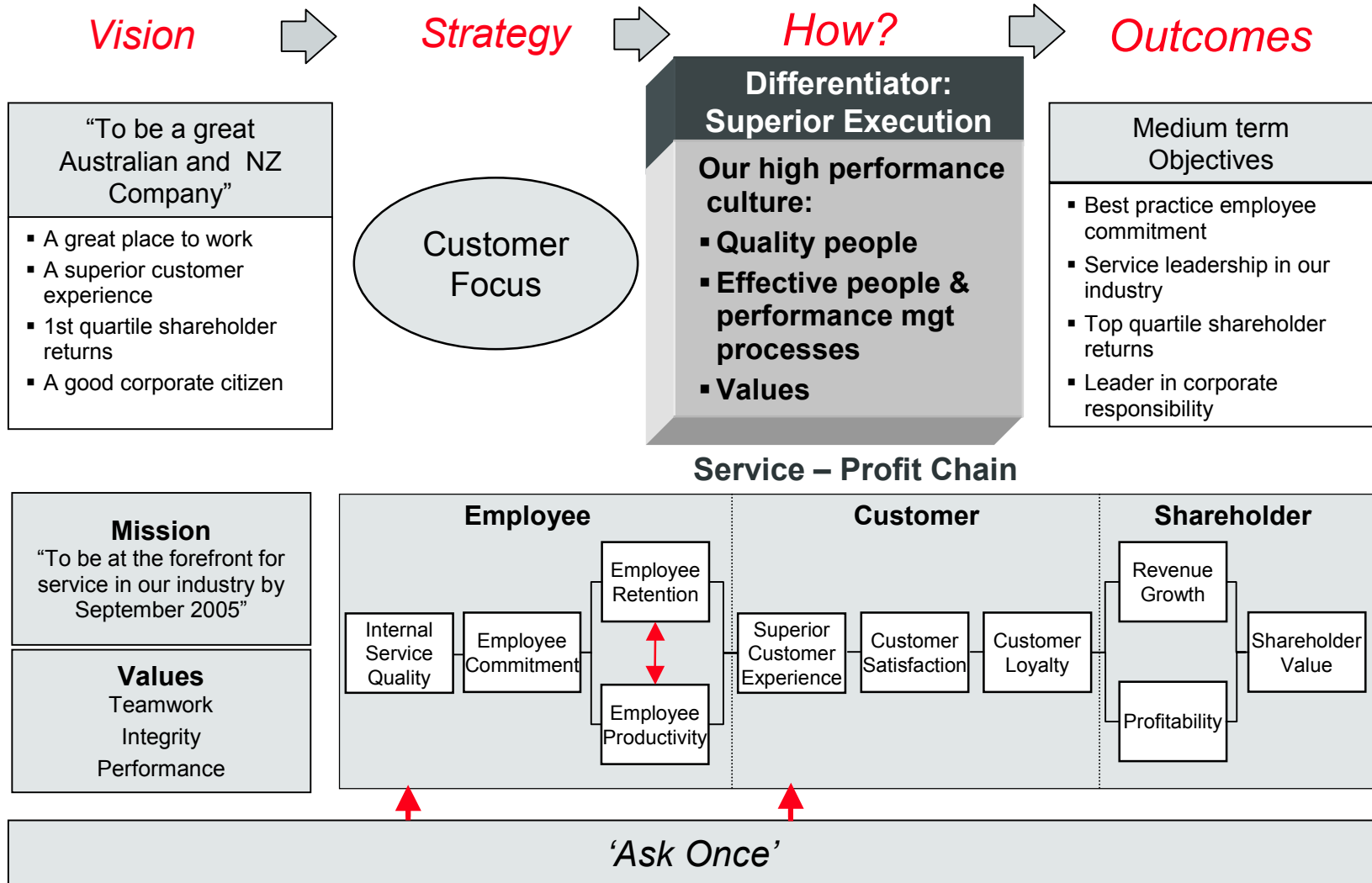
Rank	Name
1	UnitedHealth Group
2	Royal Bank of Canada
3	Royal Bank of Scotland
4	Citigroup
5	Danske Bank Group
6	Westpac

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.

Strategic options

Option	Comments	Status
Organic growth	<ul style="list-style-type: none">• Aust/NZ lowest risk and highest value available• Significant opportunities still remain within existing customer franchise• No diversion risk	Aggressively pursue
Acquisition	<ul style="list-style-type: none">• No major capability gaps• Very limited opportunity to generate value at current prices• Disciplined adherence to criteria has served us well	Maintain watching brief
International expansion	<ul style="list-style-type: none">• No compelling offshore competitive advantage• Low synergies• Learn from other's mistakes	Keep open mind but low probability

Our customer focused strategy



Focussed initiatives

Employees	High performance culture	<ul style="list-style-type: none">• Leadership training – People Leaders’ Forums• Westpac Academy• Recruiting policy – changing the demographics
Customers	Maximising value from existing customer set	<ul style="list-style-type: none">• Ask Once customer service programs• Institutional lead bank program• Risk and reward program
Corporate responsibility	Underpinning reputation and sustainability	<ul style="list-style-type: none">• Leadership on a global level• Embedded into the business and across suppliers• Shareholder value focussed
Shareholders	Low risk	<ul style="list-style-type: none">• Balance of profitable growth and returns• Lower risk earnings streams• Consistency of delivery• Disciplined approach to acquisitions

Supporting programs

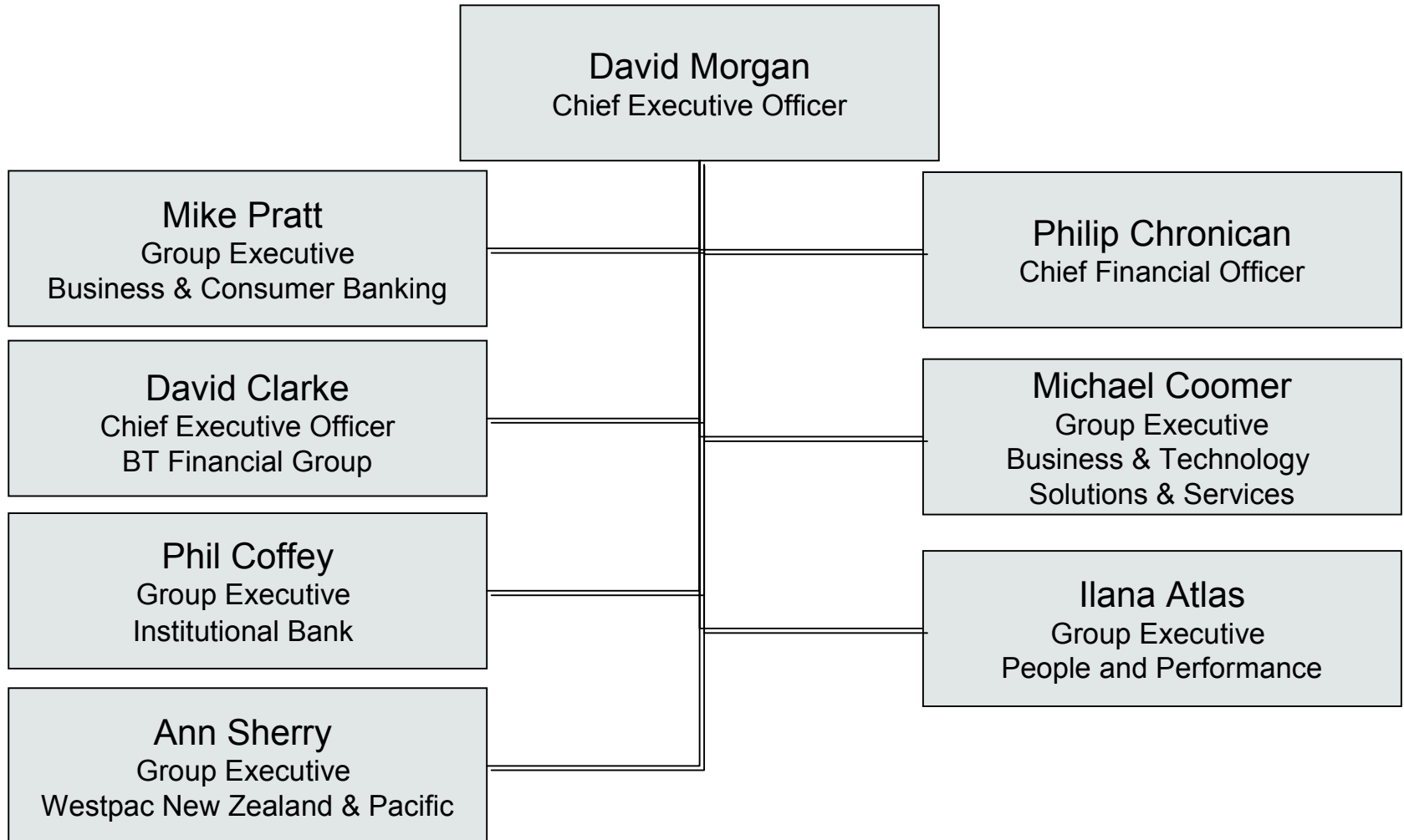
Markets	Extending reach and capability	<ul style="list-style-type: none">• Strategic alliances eg. Virgin credit card, Amex card• Leading technology eg. development of Wrap platform• Specialised capital group• Taking advantage of competitor distractions
Franchise	Maximising value from existing customer set	<ul style="list-style-type: none">• CRM platform being rolled-out (eg Reach)• Enhancing wealth distribution platform – beyond integration• Specialised funds
Business	Improving the efficiency and effectiveness of our operations	<ul style="list-style-type: none">• Business improvement programs• Enhancing enterprise efficiency (eg Pinnacle)• Straight through processing

A strong board

Board member	Appointed	Audit & Compliance	Credit & Market Risk	Remuneration	Social Responsibility	Nominations
Leon Davis Chairman	1999	✓	✓	✓	✓	Chair
Gordon Cairns ¹	2004					
David Crawford	2002	Chair	✓	✓	✓	✓
Llewellyn Edwards	1988			✓	Chair	✓
Ted Evans	2001	✓	Chair			
Carolyn Hewson	2003		✓	Chair		✓
Helen Lynch	1997	✓	✓		✓	
David Morgan ²	1997				✓	
Peter Wilson	2003	✓			✓	

¹ Appointed July 2004. ² Attends all other Board Committee meetings.

An experienced executive team



Today's agenda

Group Executive	Title
Mike Pratt	Business and Consumer Banking
Ann Sherry	New Zealand
David Clarke	BT Financial Group
Philip Coffey	Institutional Bank
Question time and break	
Michael Coomer	Business Technology Solutions & Services
Ilana Atlas	People and Performance
Philip Chronican	Finance
David Morgan	Outlook and summary
Question time and close	