

## Investor Discussion Pack

May 2006

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## 1H06 approach to reporting

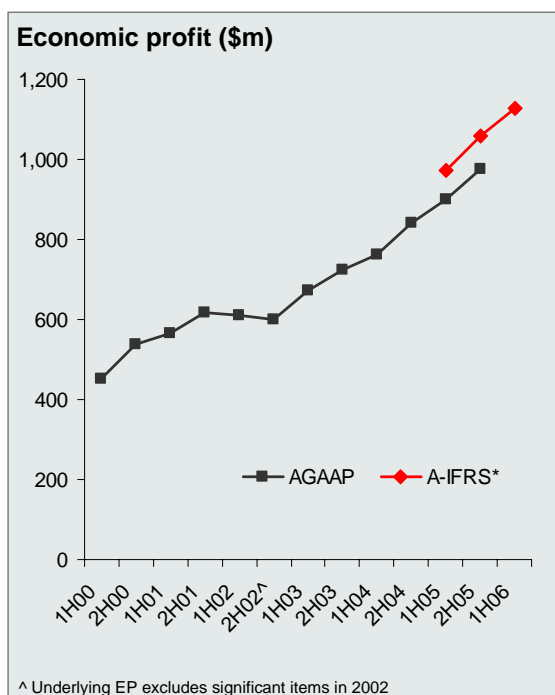
- Financial results presented on an A-IFRS basis for the first time
- Continue to focus on cash earnings
- Reported accounts are appropriate for assessing cash earnings growth at both a Group and business unit level
- Adjusted accounts are appropriate for assessing movements in the profit and loss components

	1H06	2H05	1H05
“Reported”	Full A-IFRS	A-IFRS excluding AASB 132 & 139	
“Adjusted”	A-IFRS excluding AASB 132 & 139 where practical, and accounting reclassifications	A-IFRS excluding AASB 132 & 139, and accounting reclassifications	

## A solid first half performance

	1H05	1H06	% Change
Cash earnings	\$1,344m	\$1,511m	up 12%
Cash EPS	73.0c	81.7c	up 12%
Cash ROE	22.0%	23.0%	up 100 bps
Net profit after tax	\$1,261m	\$1,469m	up 16%
Cost to income ratio	49.8%	46.8%	down 300 bps
Net interest margin	2.44%	2.40%	down 4 bps
Stressed loans to total commitments	78 bps	73 bps	down 5 bps
Fully franked dividend	49c	56c	up 14%

## Long run consistency in growth and returns



	Prior 5 year CAGR AGAAP*	1H06 A-IFRS
Cash earnings	11%	12%
Cash EPS	11%	12%
Cash ROE (5 year avg)	21%	23%
Economic profit	13%	16%
Revenue	8%	10%
Expenses	4%	3%
Core earnings	13%	16%

\* 5 year CAGR AGAAP for 1H00 to 1H05

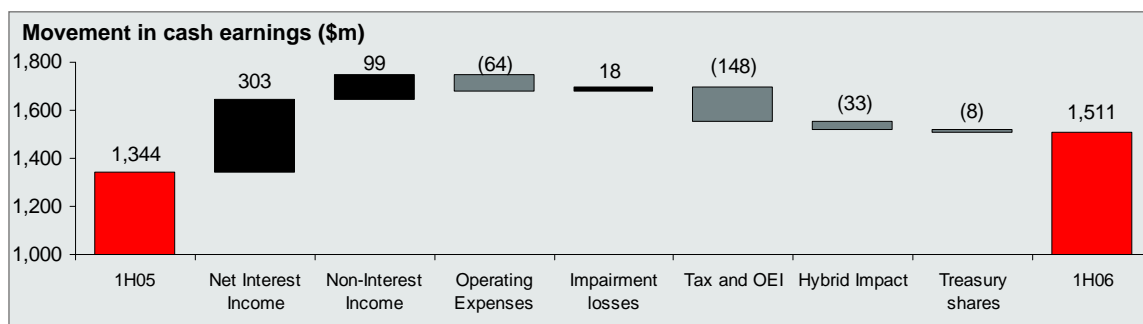
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## 1H06 cash earnings up 12%

\$m	1H05	2H05	1H06	% Change 1H05 – 1H06
Net interest income	2,557	2,702	2,860	12
Non-interest income	1,604	1,850	1,703	6
Operating income	4,161	4,552	4,563	10
Operating expenses	(2,071)	(2,088)	(2,135)	(3)
Impairment losses	(203)	(179)	(185)	(9)
Net profit before tax	1,887	2,285	2,243	19
Net profit after tax & OEI	1,261	1,437	1,469	16
<b>Cash earnings</b>	<b>1,344</b>	<b>1,460</b>	<b>1,511</b>	<b>12</b>



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## Cash earnings – half on half patterns

- Movement from 2H05 to 1H06 consistent with trend of lower first half earnings
- Traditionally consistent pattern due to:
  - Dec/Jan being more subdued months, and less working days over the period
  - June business refinancing cycle
- Trend remains consistent under new accounting standards

A\$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	1,326	4.8	7.5
----- Transition to A-IFRS -----				
2005	1,344*	1,460*	4.1^	8.6
2006	1,511	-	3.5	na

^ AGAAP movement

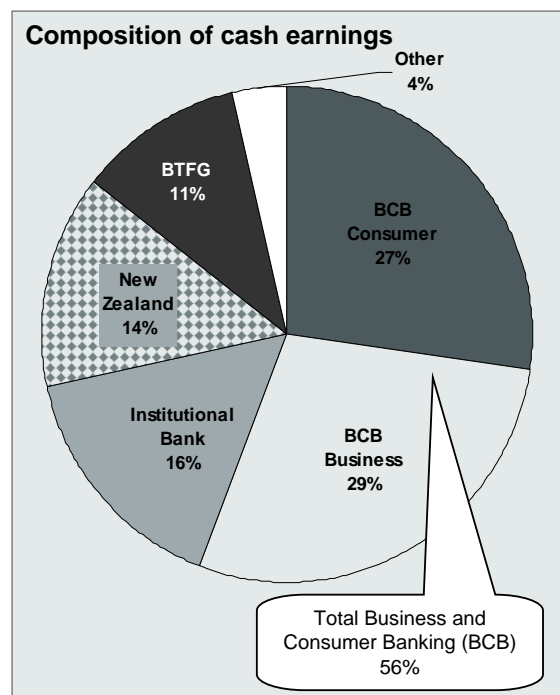
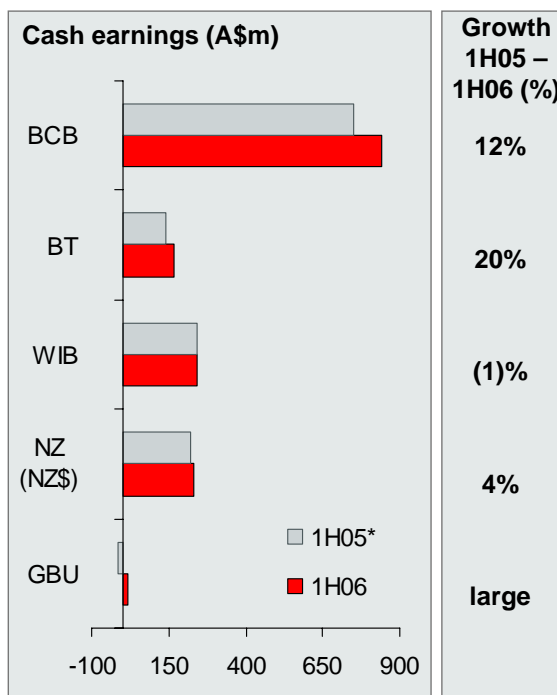
\*Re-stated to A-IFRS excluding AASB 132 & 139

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## Diversified earnings streams



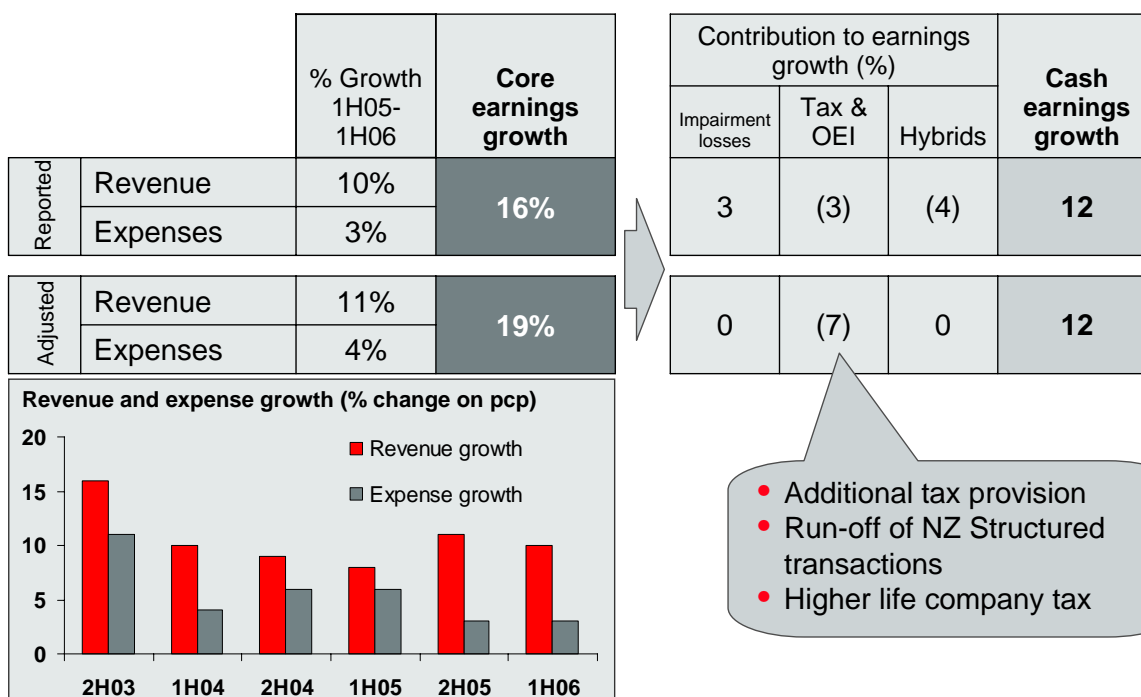
\*1H05 re-stated to A-IFRS excluding AASB 132 & 139

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## Revenue productivity driving earnings



## Revenue quality - looking beyond the top line

\$m	1H05	2H05	1H06	% Change <sup>1</sup>	
				2H05 – 1H06	1H05 – 1H06
<b>Reported operating income</b>	<b>4,161</b>	<b>4,552</b>	<b>4,563</b>	<b>0%</b>	<b>10%</b>
Remove AASB 132/139			68		
Net accounting changes & Epic	4	(140)	(2)		
<b>Adjusted operating income</b>	<b>4,165</b>	<b>4,412</b>	<b>4,629</b>	<b>5%</b>	<b>11%</b>
NZ\$ Impact <sup>2</sup> gain / (loss)	(2)	18	8		
Fair value of securities portfolios	(28)	(36)	(32)		
JDV Profit	-	(13)	-		
Property sales	(5)	(6)	(10)		
Mortgage broker amortisation	(9)	(7)	-		
Private equity business	(7)	(9)	-		
<b>Core operating income</b>	<b>4,114</b>	<b>4,359</b>	<b>4,595</b>	<b>5%</b>	<b>12%</b>

Normalising for above trend results in Treasury and Financial Markets revenue growth would be 9%

1. Reported basis  
2. Net of hedges

## A-IFRS transition – changes to comparatives

Consolidated income statement (A\$m)	six months ended 31 March 2005			six months ended 30 Sep 2005		
	Reported AGAAP	Transition to A-IFRS	Reported A-IFRS	Reported AGAAP	Transition to A-IFRS	Reported A-IFRS
Net operating income	4,204	(43)	4,161	4,601	(49)	4,552
Operating expenses	(2,034)	(37)	(2,071)	(2,071)	(17)	(2,088)
Goodwill amortisation	(83)	83	-	(85)	85	-
Impairment losses on loans	(203)	-	(203)	(179)	-	(179)
Income tax expense	(541)	1	(540)	(681)	(2)	(683)
Net profit attributable to OEI	(18)	(68)	(86)	(92)	(73)	(165)
<b>Net profit attributable to equity holders of WBC</b>	<b>1,325</b>	<b>(64)</b>	<b>1,261</b>	<b>1,493</b>	<b>(56)</b>	<b>1,437</b>
<b>Cash earnings</b>	<b>1,372*</b>	<b>(28)*</b>	<b>1,344</b>	<b>1,480*</b>	<b>(20)*</b>	<b>1,460</b>
Dividend payout ratio (%)	65.4		67.1	63.4		65.0
NTA per ordinary share (\$)	5.82		5.31	6.21		5.69
Expense to income ratio (%)	48.4		49.8	45.0		45.9
Net interest margin (%)	2.48		2.44	2.52		2.45
Avg interest earning assets (\$m)	215,321		221,676	218,759		225,885

\*Includes impact of Epic (1H05: \$3m; 2H05: nil) and recovery of amounts paid into certain managed funds to support tax values (1H05 \$5m; 2H05 \$14m), which are considered adjustments to cash earnings



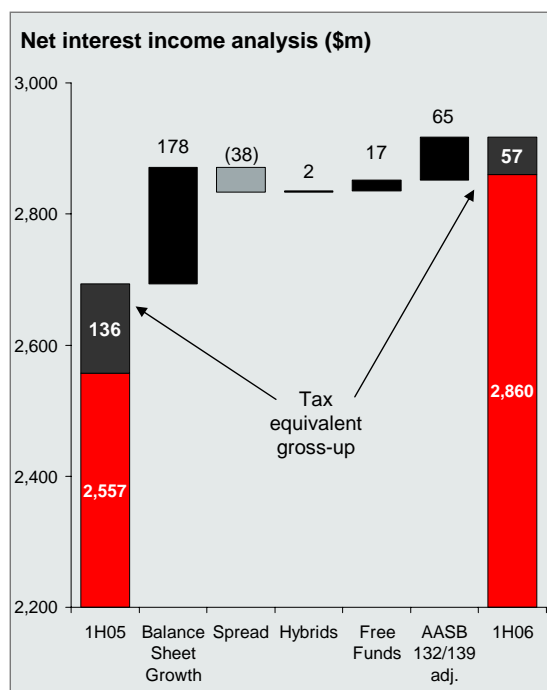
## A-IFRS transition – Group earnings reconciliation

Consolidated income statement for the six months ended 31 March 2006					
(A\$m)	Reported A-IFRS	Accounting reclassifica- tion	AASB 132/139 adjustments	Other A-IFRS adjustments	AGAAP adjusted earnings
Net interest income	2,860	-	(65)	(6)	2,789
Non-interest income	1,703	(2)	133	19	1,853
Net operating income	4,563	(2)	68	13	4,624
Operating expenses	(2,135)	-	3	31	(2,101)
Goodwill amortisation	-	-	-	(85)	(85)
Impairment losses on loans	(185)	-	(40)	-	(225)
Income tax expense	(749)	44	(10)	7	(708)
Net profit attributable to OEI	(25)	-	(27)	48	(4)
<b>Net profit attributable to equity holders of WBC</b>	<b>1,469</b>	<b>42</b>	<b>(6)</b>	<b>14</b>	<b>1,519</b>
<b>Cash earnings</b>	<b>1,511</b>	<b>-</b>	<b>(6)</b>	<b>27</b>	<b>1,532</b>



## Asset growth driving net interest income

- Fully adjusted<sup>1</sup> net interest income increased 6%
- Solid balance sheet growth with improving momentum:
  - 8% growth in adjusted average interest earning assets
- Adjusted margin 5 bps lower:
  - 3bps decline in spread
  - 2bps decline in free funds benefit



1. Adjusted for tax equivalent gross-up and AASB 132/139

## Loan growth

\$bn	1H05	2H05	1H06	Change <sup>1</sup>	
				1H05-1H06	2H05-1H06
<b>Business Unit</b>					
Consumer (Australia)	101.8	106.7	113.2	11	6
<i>Housing</i>	94.4	99.2	105.0	11	6
<i>Personal (loans &amp; cards)</i>	7.3	7.4	8.2	12	9
Business (incl. equip. finance)	36.8	38.5	40.3	10	5
Westpac Institutional Bank	26.7	24.1	26.9	1	12
<i>New Zealand (\$NZ)</i>	<i>30.3</i>	<i>32.3</i>	<i>34.4</i>	<i>13</i>	<i>7</i>
BT Financial Group	2.4	2.7	3.0	24	10
<b>Group</b>					
Net loans and acceptances	197.0	202.9	215.5	9	6
Avg. interest earning assets	221.7	225.9	243.7	10	8

1. % changes have been calculated before rounding of numbers

## Deposit growth

\$bn	1H05	2H05	1H06	Change <sup>1</sup>	
				1H05-1H06	2H05-1H06
<b>Group</b>					
Customer deposits	116.1	119.8	123.2	6	3
Certificates of deposit	29.5	29.4	30.7	4	4
Total deposits	145.6	149.9	153.9	6	3
Ave interest bearing liabilities	201.5	205.2	225.8	12	10
<b>Business Unit</b>					
Consumer (Aust.)	42.6	45.2	47.1	11	4
Business (Aust. incl. working cap)	36.1	39.2	39.9	11	2
Institutional Bank	8.0	6.3	6.0	(25)	(5)
<i>New Zealand (\$NZ)</i>	<i>19.3</i>	<i>19.9</i>	<i>20.8</i>	<i>8</i>	<i>4</i>
Pacific Banking	1.1	1.2	1.3	18	8
Other <sup>2</sup>	40.1	39.3	41.8	4	6

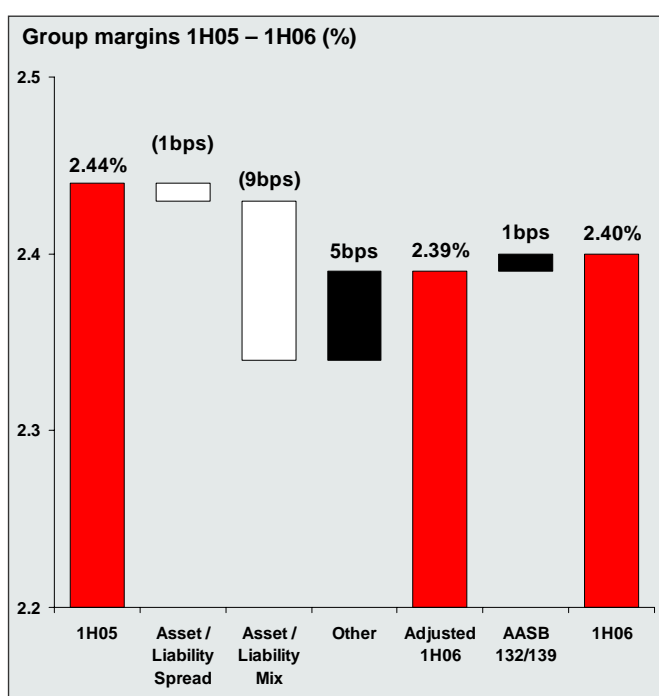
1. % changes have been calculated before rounding of numbers
2. Other includes Treasury and Pacific Banking

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## Analysis of margin movements



- Adjusted margin decline 5bps
- Major impacts on margins:
  - Treasury +2bps
  - Financial markets +5bps
  - NZ Structured Fin -3bps
- Amending for these items the margin decline is consistent with medium term expectations

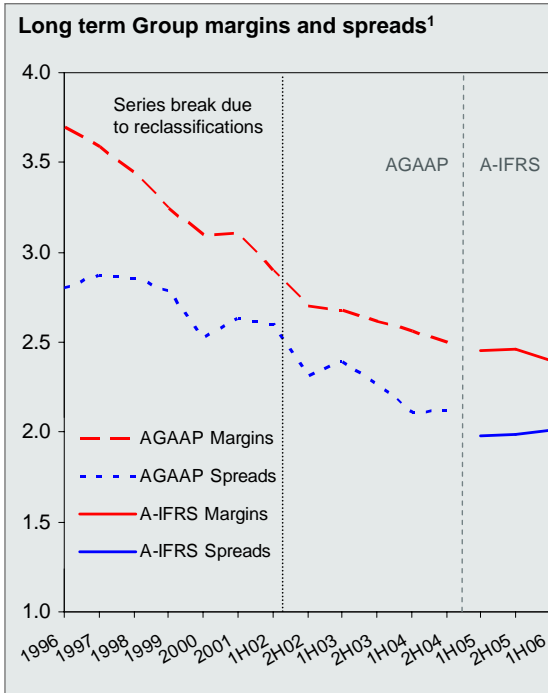
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# Group margin and spread trends



**Australian product spreads (%)** Indicative

Product	AGAAP		A-IFRS Adjusted	
	2H04	1H05	2H05	1H06
Mortgages	1.18	1.17	1.16	1.13
Cards	7.05	7.05	7.02	6.96
Business	1.80	1.78	1.78	1.75
Equipment finance	2.02 <sup>^</sup>	2.15	2.11	2.07
Savings and Investments	1.88	1.86	1.85	1.83

**New Zealand product spreads (%)** Indicative

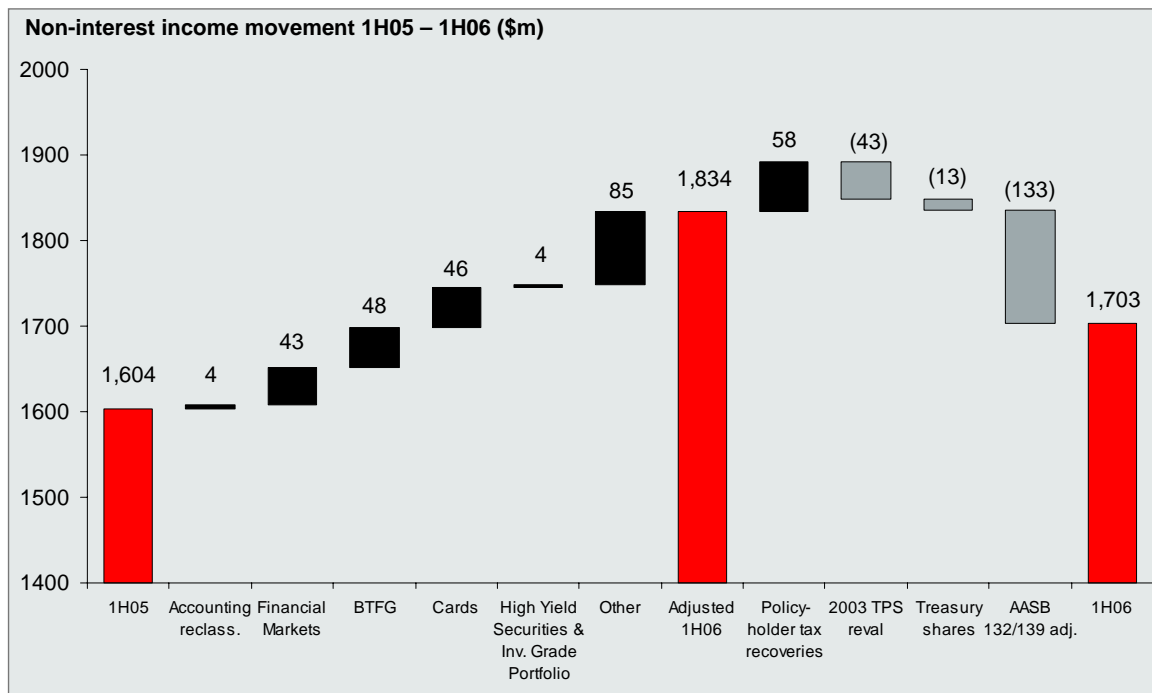
Product	AGAAP		A-IFRS Adjusted	
	2H04	1H05	2H05	1H06
Loans	1.67	1.55	1.47	1.38
Deposits	1.86	1.95	1.91	1.94

<sup>^</sup> Spread in 2H04 impacted by repurchase of portfolio of equipment finance loans under the terms of the sale of AGC to GE Capital Finance in 2002

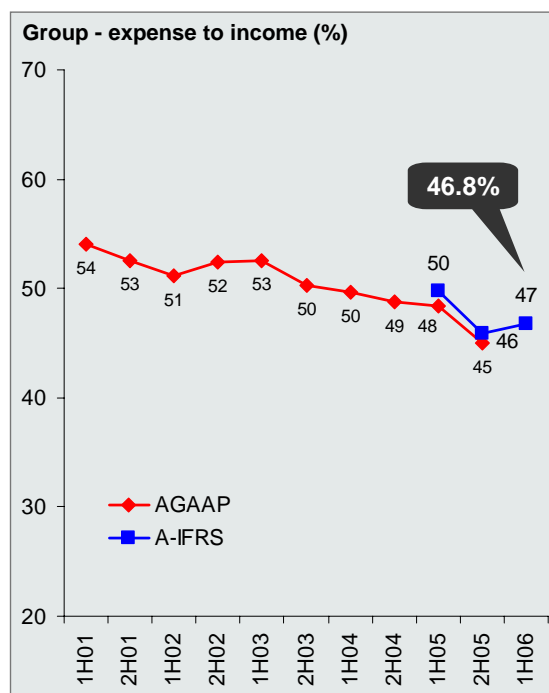
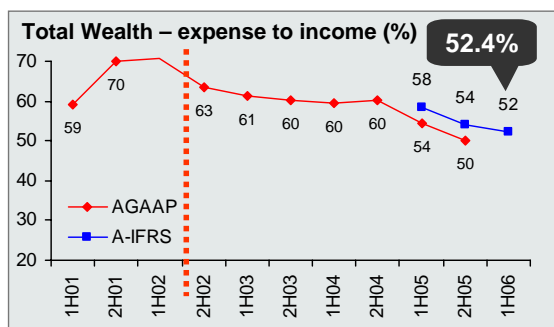
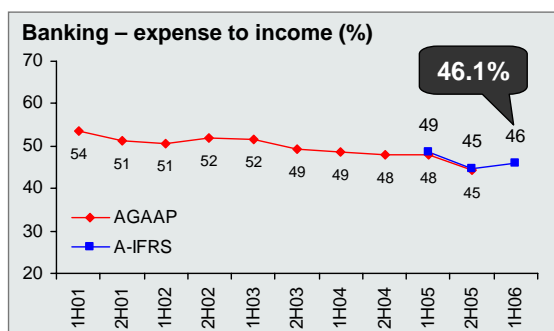
1. A-IFRS periods calculated on an adjusted basis



# Non-interest income analysis



## Expense to income



..... Pre BT acquisition – data not comparable.

## Expense – continued tight management

Expense analysis (\$m)	1H05	1H06	% Change
Operating expenses	2,071	2,135	3.1
AASB 132/139 adj.	0	(3)	
Epic consolidation	(8)	0	
Consolidation of Life Company MIS	(2)	0	
\$NZ impact	0	2	
<b>Adjusted expenses</b>	<b>2,061</b>	<b>2,134</b>	<b>3.5</b>

Expenses by category (\$m)	1H05	1H06	% Change
Salary and other staff expenses			
Salaries and wages	830	894	(8)
Other staff expenses	260	258	1
Restructuring expenses	5	13	(160)
Equipment and occupancy	231	227	2
Other	745	743	0

Major compliance spending (\$m)	Spend in 1H06	Expected spend in 2H06	Expected spend after FY06
Basel II	6	11	13
IFRS	4	2	<1
Sarbanes Oxley	1	3	<1
Anti-Money Laundering	2	5	24
Other	1	2	-
<b>Total</b>	<b>15</b>	<b>24</b>	<b>37</b>

## Investing for future growth

Project expenditure over the first half 2006		\$m
Front office capability	Advice Platform Reach – CRM Corporate Online Pinnacle	27
Productivity & Infrastructure	New head office Connect@Westpac One Bank platform	50
Compliance	Basel II, IFRS, SOX, Anti-money laundering	15
Other	System refreshes Product enhancements	88
<b>Total investment spend<sup>1</sup></b>		<b>180</b>

*Full year project expenditure expected to be in line with prior year.*

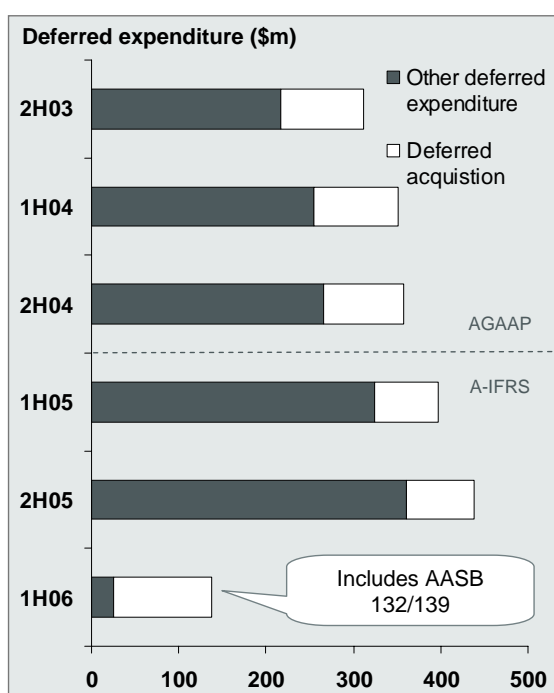
<sup>1</sup> Includes \$24m in investment provided by partners

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## Deferred expenditure and capitalised software



Capitalised software - major projects (\$m)	Amortisation period (years)	Mar 2005	Sep 2005	Mar 2006
Business loan origination (Pinnacle)	3	85	91	82
Institutional Bank	3	34	34	31
Standardised platform (One Bank)	3	66	76	83
Channel development and distribution	3	19	22	19
Product enhancement	3	11	9	6
Customer relationship management (Reach)	3	52	46	43
Connect@Westpac	5	7	17	24
Other – Australia & NZ	3	101	117	118
Teller platform, NZ	5	33	36	34
<b>Total</b>		<b>408</b>	<b>447</b>	<b>439</b>
<b>Amortisation and impairment of other intangibles</b>		<b>68</b>	<b>74</b>	<b>77</b>

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## Westpac Place – moving in

- Moving from 11 sites to 2 primary sites
- 5,000 staff moving to new premises from Feb 2006
- Lease costs fixed for 12 years<sup>1</sup>
- Refresh of mid-range server environment
- \$66m in net fit-out
- \$135m in technology refresh, \$70m provided by suppliers



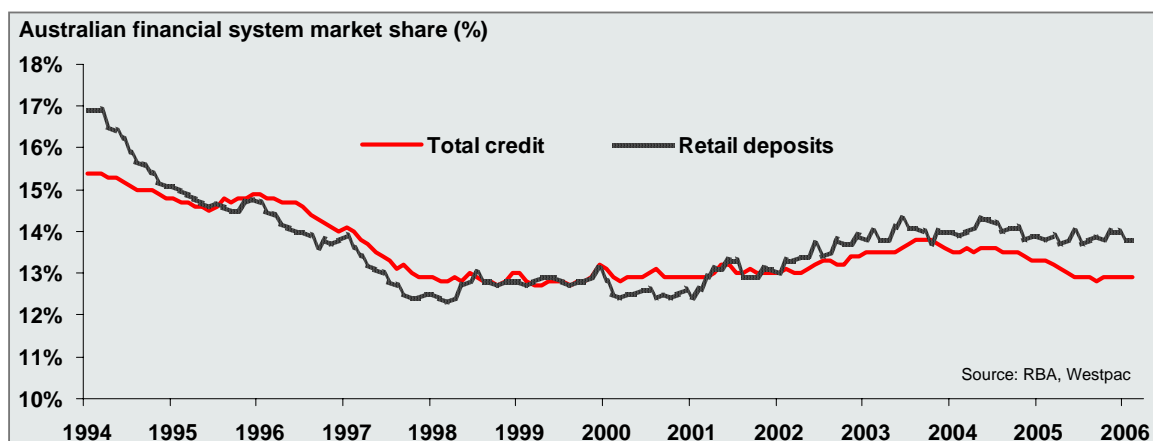
1. Through a fixed annual % increase. Total costs over 12 years straight-lined under A-IFRS

## Tax breakdown

\$m	1H05	2H05	1H06
Tax expense	540	683	749
Tax expense as a % NPBT	28.6%	29.9%	33.4%
Adjustments			
Policy holder tax recoveries	(29)	(59)	(58)
Prior period adjustments	(38)	2	(3)
Additional tax expense	(4)	(44)	(61)
Normalised tax expense	469	582	627
Normalised tax rate	24.9%	25.5%	28.0%
Effective tax rate inc gross up <sup>1</sup>	32.6%	30.2%	32.6%

1. The tax equivalent gross up represents the economic benefit the Group derives from entering into various structured financing transactions that generate income subject to either a reduced or zero rate of income tax.

## Aggregate market share



Australian market share – RBA financial system aggregates	Mar 05 %	Sep 05 %	Mar 06 %	Change <sup>1</sup> (bps) - full year
<b>Credit</b>				
Household (housing & other personal)	13.5	13.3	13.2	-20
Other (mainly business)	12.7	12.1	12.2	-50
<b>Total credit</b>	13.2	12.8	12.8	-30
<b>Retail deposits</b>	13.9	13.9	13.8	-10

1. Changes have been calculated before rounding of numbers

Note: Westpac's 'household' and 'other' market share statistics have been adjusted following the RBA's revision of its methodology for calculating credit data to better reflect the impact of securitisation, announced 31 May 2004



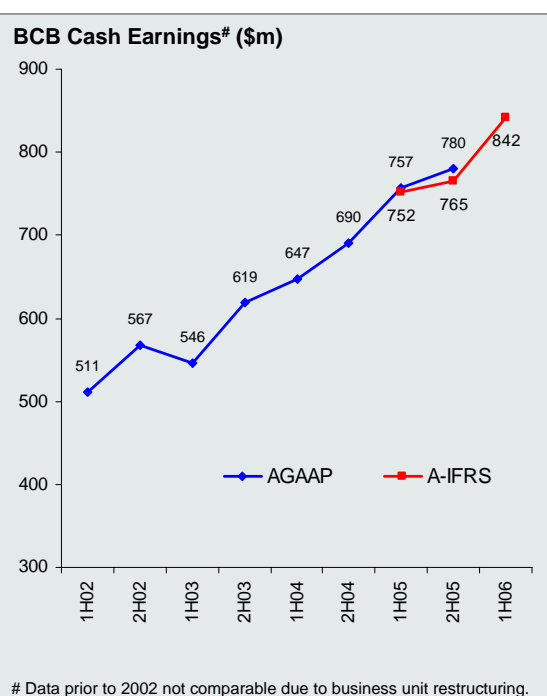
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## Business & Consumer Banking (BCB)

Reported (A\$m)	1H05	1H06	% Change
Net interest income	1,863	2,020	8
Non-interest income	565	547	(3)
Operating expenses	(1,208)	(1,233)	(2)
Core earnings	1,220	1,334	9
Impairment losses on loans	(152)	(124)	18
Tax & OEI	(316)	(368)	(16)
<b>NPAT/Cash earnings</b>	<b>752</b>	<b>842</b>	<b>12</b>

Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	1,863	1,952	5
Non-interest income	565	631	12
Operating expenses	(1,208)	(1,231)	(2)
Core earnings	1,220	1,352	11
Impairment losses on loans	(152)	(144)	5
Tax & OEI	(316)	(368)	(16)
<b>NPAT/Cash earnings</b>	<b>752</b>	<b>840</b>	<b>12</b>



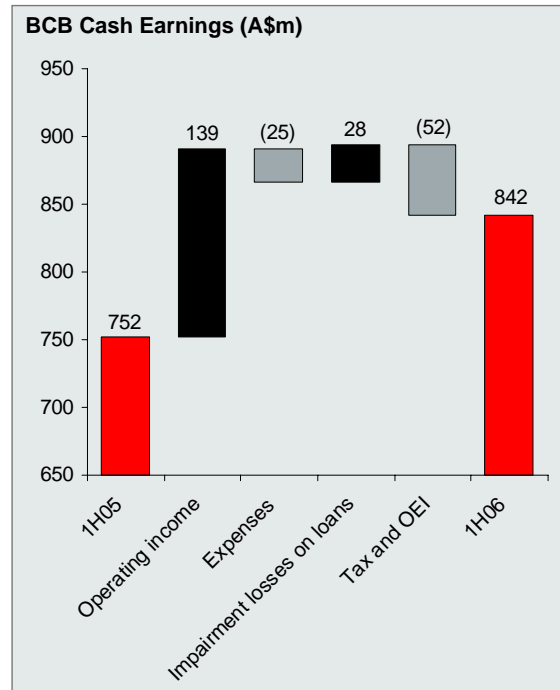
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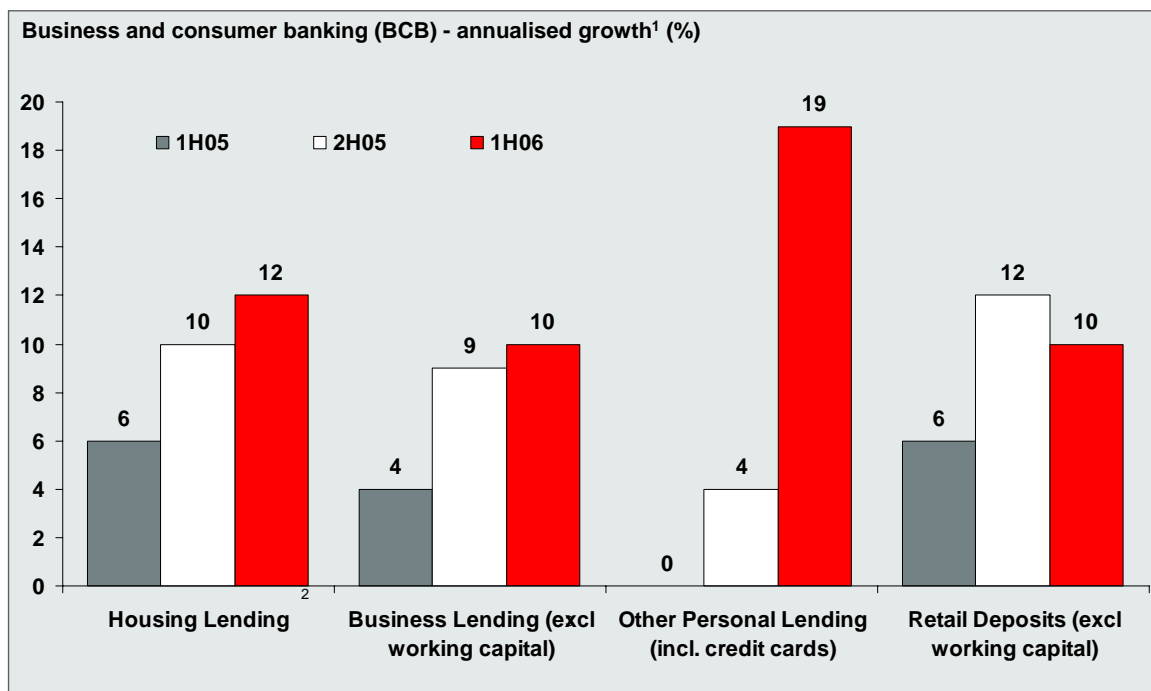


## BCB restoring growth momentum

- Solid performance with volume growth skewed to latest half
- Strong consumer result, slower in business
- All portfolios close to, or above system, except SME
- Margins 11bps lower
- Modest expense growth despite front-line investment



## BCB restoring growth momentum

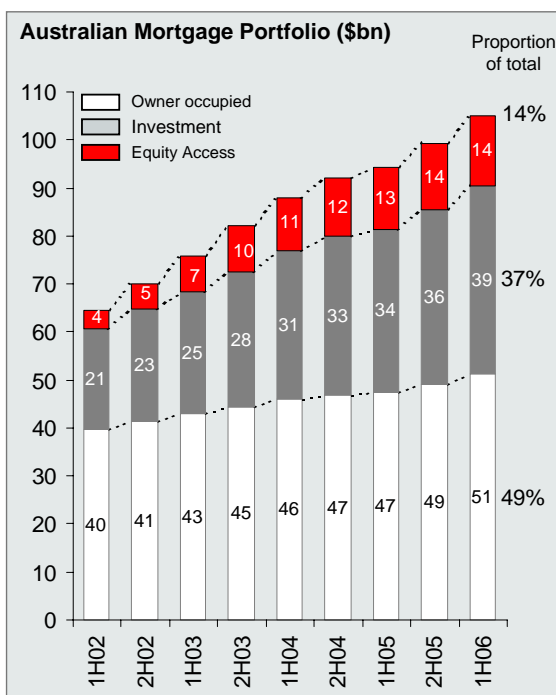


1. 1H05 and 2H05 exclude AASB 132 & 139

2. Including securitisations

3. BCB business lending including equipment finance

# Australian mortgage portfolio



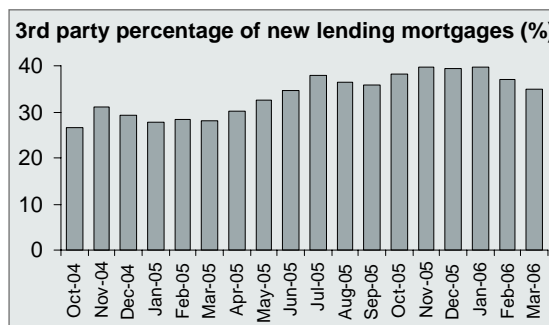
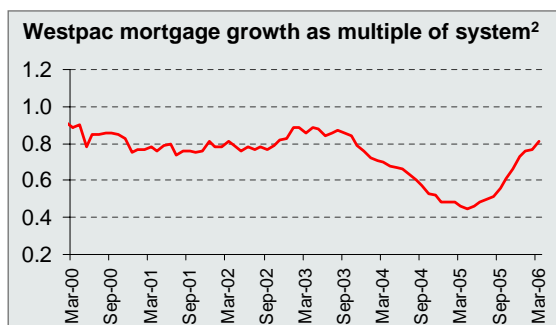
Total Portfolio – 1H06	
Average LVR of portfolio <sup>1</sup>	68%
Average LVR of new loans	69%
Low Doc Portfolio – 1H06	
\$m	% of portfolio
Total portfolio	\$1,682 <2%
Avg new lending per month	\$157 <8%
Low Doc Lending	
<ul style="list-style-type: none"> <li>• Primary applicant must have been self employed for minimum of 2 years</li> <li>• Maximum loan-to-value ratio of 82%<sup>2</sup>, mortgage insurance required where LVR &gt;60%</li> <li>• Security restrictions on property size, type and location (e.g. CBD postcodes not acceptable)</li> <li>• All loans require an internal inspection</li> <li>• All standard credit policies (credit score, bureau, credit history, serviceability etc) are applied.</li> </ul>	

1. Based on valuation at drawdown  
2. 80% LVR plus 2% to cover premium capitalisation



# Housing loan growth back on track

Initiative	Outcome
Implemented a new sales management program, 'Westpac Way'	Productivity <sup>1</sup> increased by 31% from March 2005 to March 2006
More active broker engagement	Uplift in broker sales - averaging 38% of total drawdowns over the half
Selective tactical pricing initiatives	Spreads down around 4bps from 1H05 to 1H06



1. Average drawdown volumes in \$ per Home Finance Manager  
2. Westpac rolling annual growth as a % of RBA Housing credit aggregates

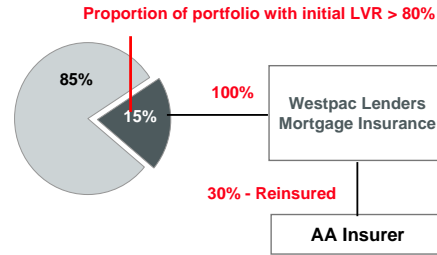


# Mortgage portfolio quality

## Mortgage insurance

- 100% mortgage insurance where loan to value (LVR) ratio > 85%. Between 80-85% LVR, customers can now elect to take mortgage insurance and pay an up front mortgage insurance premium or have no mortgage insurance and pay an interest rate premium.
- Stop loss reinsurance cover over all retained Lenders Mortgage Insurance underwriting risk in place with a "AA" rated reinsurer. Stop loss reinsurer assumes abnormally high claim costs incurred in any year above a 1 in 25 years loss event through to a 1 in 70 years loss event

## Mortgage insurance structure



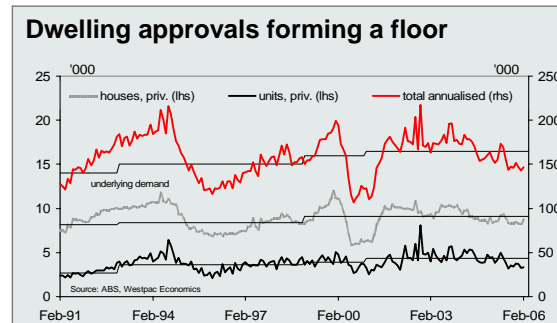
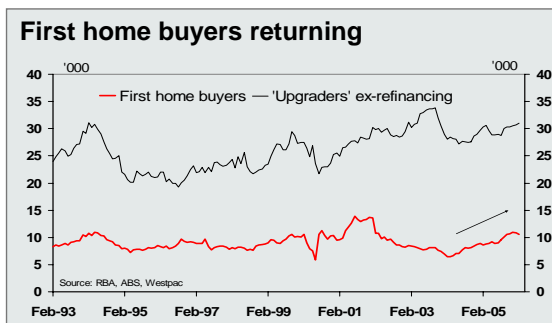
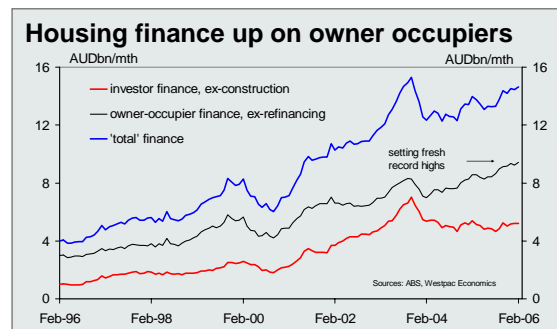
## Mortgage portfolio stress testing – 2005 results

- Nominal changes in sensitivities over prior year
- Capacity to absorb interest rate rises strong with 71% of amortising borrowers repaying in excess of required minimum

Westpac 2005 Stress Test Results	Base case	Scenario A	Scenario B
Interest rate % pa	7.3%	9.3%	11.3%
Individual effect \$m	0	5	12
Price fall %	0%	10%	20%
Individual effect \$m	0	7	21
Unemployment rate	5.0%	6.0%	7.0%
Individual effect \$m	0	3	9
Combined effect \$m	0	21	109
Combined effect bps	0.0	2.1	11.0

# Housing market – sound fundamentals

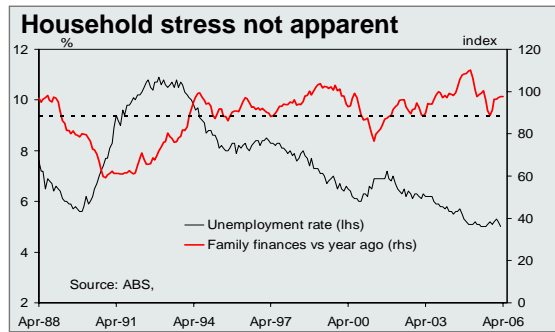
- Housing sector was beginning to turn:
  - Housing finance for owner occupiers reaching new highs
  - First homebuyers returning with affordability improving a touch.
  - Dwelling approvals stabilising – below underlying demand levels.
- However, turnaround will be temporarily set back by RBA's May interest rate rise.



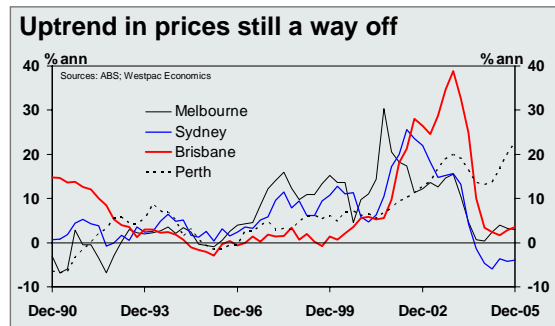
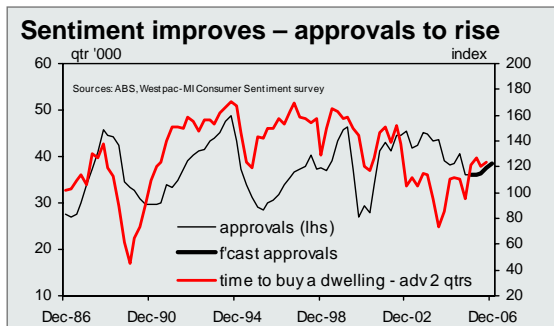


# Housing market – to adjust to May rate rise

- Sentiment to soften following the rate rise – but likely to be only a temporary dip
- Households feel a sense of job security with unemployment rate at generational lows – at a time of above par global growth
- Property price declines have passed the worst with small rises in prices in 4Q 2005 (2.1%)
- However, a sustained price uptrend in prices is still a way off



\* Family finances –Westpac Melbourne Institute Consumer Sentiment Index Aug- 04



Source: Westpac

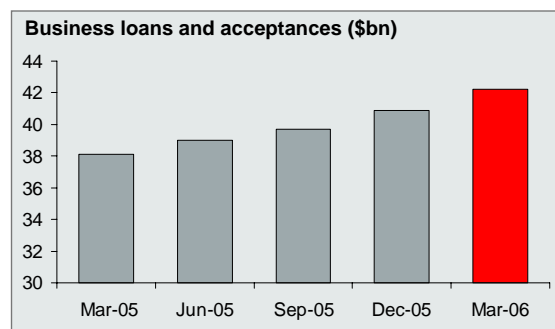
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Investor Discussion Pack May 2006



# BCB business lending growing solidly

- Growth in loans and acceptances 11% on 1H05
  - Strong gains in middle markets
  - Small business lending growing slower
- Growth skewed to late in the quarter with strong pipeline of deals
- Modest spread compression
- Pinnacle embedded and delivering



	AGAAP		A-IFRS Adjusted		
Product spreads <sup>1</sup>	1H04	2H04	1H05	2H05	1H06
Business	1.79	1.80	1.78	1.78	1.75
Equipment Finance	2.16	2.02 <sup>^</sup>	2.15	2.11	2.07

1. Small and medium business lending

<sup>^</sup> Spread in 2H04 impacted by repurchase of portfolio of equipment finance loans under the terms of the sale of AGC to GE Capital Finance in 2002

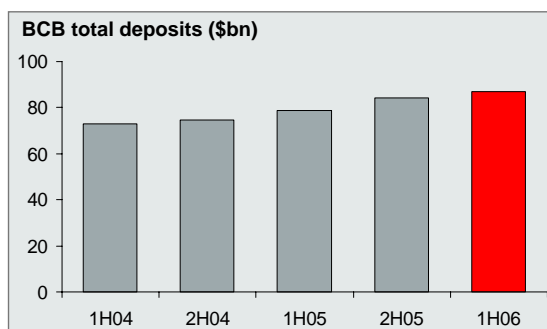
34

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## Deposits market undergoing structural change

- Growing deposits in line with bank system growth
- Portfolio composition is undergoing significant change with most growth in:
  - Flat fee transaction account (Westpac One)
  - High interest online savings account (Max-i Direct)
- Max-i Direct growth has impacted margins, although partially offset by rate movements on other savings accounts

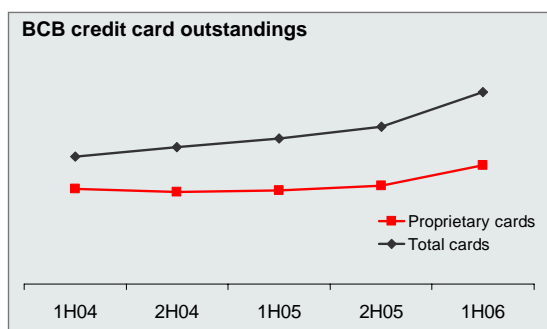


	AGAAP		A-IFRS Adjusted		
	1H04	2H04	1H05	2H05	1H06
Product spreads					
Savings and Investments <sup>1</sup>	1.90	1.88	1.86	1.85	1.83

1. Excludes working capital

## Cards portfolio growing strongly

- Credit card balances up 14% on 1H05, growth supported by:
  - Improvements in cards origination platform
  - Reinvigorated focus on proprietary channel
  - Success with Low Rate card
  - Continued growth in Virgin card
- Moderate spread compression from change in mix to low rate products



	AGAAP		A-IFRS Adjusted		
	1H04	2H04	1H05	2H05	1H06
Product spreads					
Cards	6.77	7.05	7.05	7.02	6.96

## Westpac Institutional Bank (WIB)

- Cash earnings decline impacted by:
  - Run off of NZ structured finance transactions
  - Lower credit margins and lending fees
- Excluding structured finance cash earnings up 26%
  - Strong financial markets
  - Transactional banking growth
  - Fair value of investment grade portfolio

Reported (A\$m)	1H05	1H06	% Change
Net interest income	240	228	(5)
Non-interest income	425	424	(0)
Operating expenses	(282)	(282)	-
Core earnings	383	370	(3)
Impairment losses on loans	(30)	(38)	(27)
Tax & OEI	(109)	(91)	17
<b>NPAT/Cash earnings</b>	<b>244</b>	<b>241</b>	<b>(1)</b>

Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	240	197	(18)
Non-interest income	425	450	6
Operating expenses	(282)	(282)	-
Core earnings	383	365	(5)
Impairment losses on loans	(30)	(44)	(47)
Tax & OEI	(109)	(90)	17
<b>NPAT/Cash earnings</b>	<b>244</b>	<b>231</b>	<b>(5)</b>

## WIB earnings composition

### WIB excluding Structured Finance

Reported (A\$m)	1H05	1H06	% Change
Net interest income	131	176	34
Non-interest income	428	424	(1)
Operating expenses	(278)	(278)	-
Core earnings	281	322	15
Impairment losses on loans	(30)	(38)	(27)
Tax & OEI	(93)	(85)	9
<b>NPAT/Cash earnings</b>	<b>158</b>	<b>199</b>	<b>26</b>

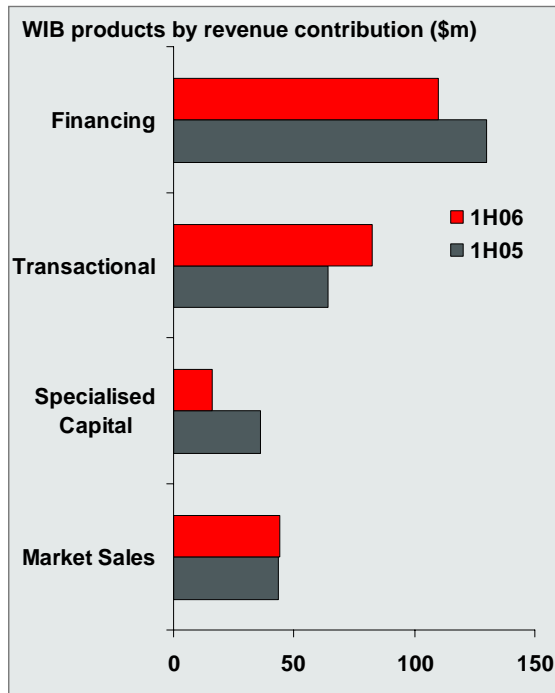
Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	131	144	10
Non-interest income	428	450	5
Operating expenses	(278)	(278)	-
Core earnings	281	316	12
Impairment losses on loans	(30)	(44)	(47)
Tax & OEI	(93)	(84)	10
<b>NPAT/Cash earnings</b>	<b>158</b>	<b>188</b>	<b>19</b>

### Structured Finance

Reported (A\$m)	1H05	1H06	% Change
Net interest income	109	52	(52)
Non-interest income	(3)	-	100
Operating expenses	(4)	(4)	-
Core earnings	102	48	(53)
Impairment losses on loans	-	-	-
Tax & OEI	(16)	(6)	63
<b>NPAT/Cash earnings</b>	<b>86</b>	<b>42</b>	<b>(51)</b>

Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	109	53	(51)
Non-interest income	(3)	-	100
Operating expenses	(4)	(4)	-
Core earnings	102	49	(52)
Impairment losses on loans	-	-	-
Tax & OEI	(16)	(6)	63
<b>NPAT/Cash earnings</b>	<b>86</b>	<b>43</b>	<b>(50)</b>

## WIB divisional performance



- Solid loan growth 15% (excluding structured finance) – margins continue to contract

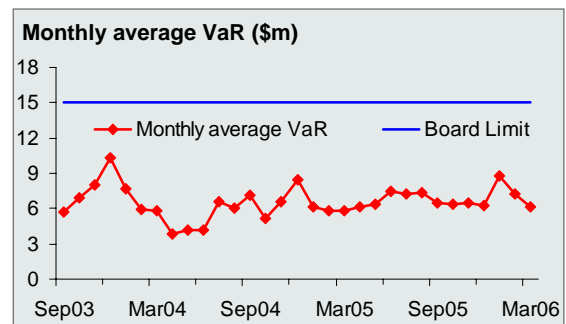
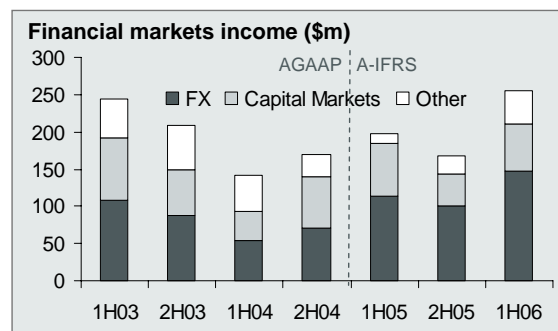
- Continue to build on market leading platform and lead bank position

- No new deals completed over period
- Run-down of Quadrant private equity business

- Reduced propensity to hedge given flat yield curve

## Financial markets – strong performance

- Strong foreign exchange result given volatility in key currencies
- Other products assisted by energy and equities performance
- Performance within risk tolerance



## Trading income

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In 1H06 Reported Trading Income was \$373m. This number was \$192m higher than 1H05 but was inflated by \$73m related to AASB 132/139 and compositional changes. The major factors behind this variance include:

- Accounting for certain transactions where an amount of trading income related to fair value on derivatives is directly offset by losses on the underlying instrument classified under *Losses on financial assets at fair value*, \$15m
- Transactions where revenues are accounted for in trading income in financial markets but where the ultimate source of income is customer related business from other business units. For management accounting purposes this is transferred to the other business units, \$40m
- In 1H05, certain losses in Treasury (\$15m) were included in trading income. In 1H06, under A-IFRS, these activities have been classified as net interest income.

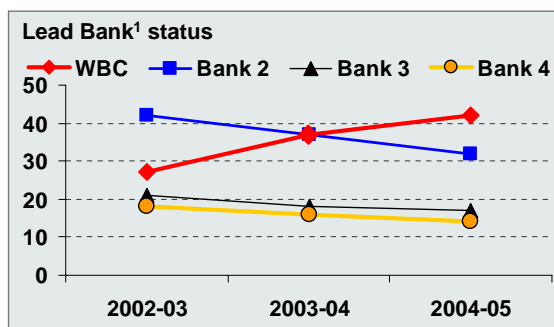
## Structured finance transactions

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- Westpac conducts certain structured finance transactions with exposure primarily to global financial institutions
- Certain structured finance transactions are currently under review by the New Zealand Inland Revenue Department (NZIRD) since late 2003
- Westpac initially sought multiple layers of advice to ensure the transactions conformed with New Zealand tax law and this was confirmed by the NZIRD in a binding ruling on one transaction. Other transactions were modelled on this ruling, and new recent advice confirms earlier view
- Westpac has received amended assessments from the IRD for the 1999, 2000 and 2001 years. Should the NZIRD take the same position across all of these transactions for the periods up to and including 31 March 2006, the maximum potential overall primary tax liability in dispute is estimated to be approximately NZ\$773m (tax effected) including interest
- Westpac unwound the NZ structured finance transactions in 2H05.
- The impact of discontinuing these transactions will impact WIB and the overall Westpac Group differently due to variations in how tax and revenues are treated. In 2006 the wind-down of these transactions will lead to an increase in both revenue and tax at both a Group and WIB level.
- Structured Finance cash earnings within WIB fell by \$44m to \$42m in the 12 months to 31 March 2006, reflecting the impact of the run-off of these transactions.

## Australasia's lead institutional bank

- Regional lead bank position supported by:
  - Strong relationship focus
  - Superior transaction banking platform



1. Peter Lee Surveys, Australia

Rank against peers <sup>1</sup>	2002/03	2003/04	2004/05
<b>Lead Bank</b>	2 <sup>nd</sup>	=1 <sup>st</sup>	1 <sup>st</sup>
Customer satisfaction <sup>2</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>
Transactional	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
FX <sup>3</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>
Interest rates	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Syndicated loans	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>
Trade finance	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>
Debt securities origination	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>
Structured securities	n/a	2 <sup>nd</sup>	1 <sup>st</sup>
US Private placements <sup>4</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>

- Market share, Peter Lee Surveys, Australia
- Customer Satisfaction Index Peter Lee Surveys, Australia
- Market share based on volume, Peter Lee Surveys, Australia
- Westpac estimate

## Fair value of securities

- In 2002, a portfolio of high yield securities was converted to a mark-to-market portfolio. Over subsequent periods, improved credit spreads and liquidation/sales provided a revenue benefit.
- The portfolio has now been exhausted, from a balance of \$86m in 2004.
- The introduction of A-IFRS has seen a portfolio of investment grade securities now being accounted for on a fair value basis.
- The revenue impact on Westpac has been:

	High Yield	Investment	Total
2004	\$23m	-	\$23m
1H05	\$29m	-	\$29m
2H05	\$36m	\$1m	\$37m
1H06	\$5m	\$28m	\$33m

## Strengthening operations in Asia

- Focus remains on organic growth meeting the needs of:
  - Aust/NZ clients operating in Asia
  - Asian corporates / individuals seeking to expand / migrate / invest in Australia/NZ
- Strengthening our operations:
  - 3<sup>rd</sup> party relationships extended beyond Corporate and Institutional activities to Retail Banking
  - Extending activities into China and India
  - Employees in Asia almost doubled in the last 18 months to 70 people, with almost all hires in sales-related roles
  - Concentration on Institutional, Corporate, Middle Markets and Private Banking

### Key successes over the past year:

- Co-lead in an AUD850M 3-5 year financing for an Asian corporate
- Jointly led a Kangaroo issuance for a large Asian institution
- Super Senior Credit Default Swap transaction with a regional bank
- Increased transaction activity with Central Banks in Asia
- Co-arranger in an AUD617m 5-year financing for an Asian corporate's Australian subsidiary.



## New Zealand – challenging conditions

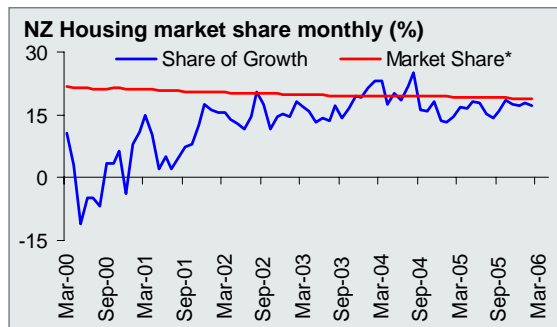
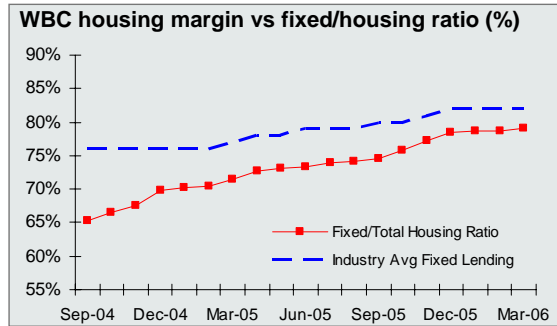
- Balance sheet growth in line with system:
  - Housing up 13%
  - Business up 12%
  - Deposits up 8%
- Significant margin decline from fixed / floating housing loan mix
- Fee income lower from customer switching
- Expenses under control

Reported (NZ\$m)	1H05	1H06	% Change
Net interest income	444	469	6
Non-interest income	232	209	(10)
Operating expenses	(329)	(327)	1
Core earnings	347	351	1
Impairment losses on loans	(19)	(11)	42
Tax & OEI	(107)	(110)	(3)
<b>NPAT/Cash earnings</b>	<b>221</b>	<b>230</b>	<b>4</b>

Adjusted (NZ\$m)	1H05	1H06	% Change
Net interest income	444	455	2
Non-interest income	232	227	(2)
Operating expenses	(329)	(327)	1
Core earnings	347	355	2
Impairment losses on loans	(19)	(15)	21
Tax & OEI	(107)	(111)	(4)
<b>NPAT/Cash earnings</b>	<b>221</b>	<b>229</b>	<b>4</b>

## New Zealand – changes to housing portfolio

- Proportion of fixed rate lending in the portfolio has increased to 79%, compared to:
  - 65% 18 months ago
  - 82% industry average
- Switch from floating to fixed rate housing lending now abating:
  - Caused 15bps housing spread decline in 1H06
  - Limited future margin impact

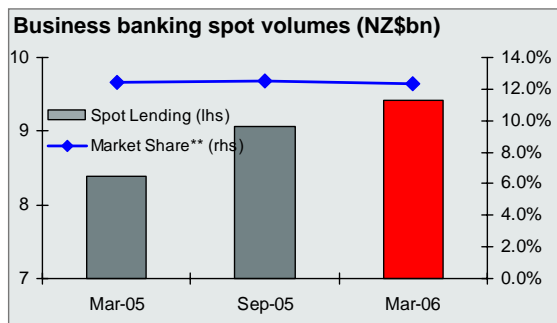
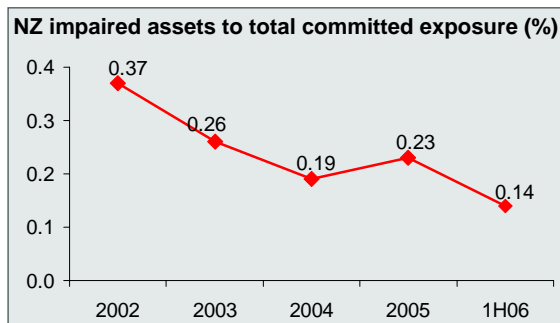
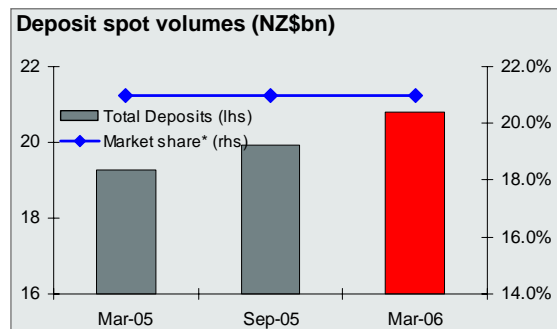


\* 1H06 market share data is to Feb 2006



## New Zealand balance sheet growth

- Strong performance in online account, supporting deposit market share
- Softer business confidence impacting loan growth; market share stable
- Economic conditions weaker, but asset quality remains sound



\* 1H06 market share data is to Feb 2006

\*\* Business lending market share\*\* (rhs) also includes institutional lending





## BT - good momentum

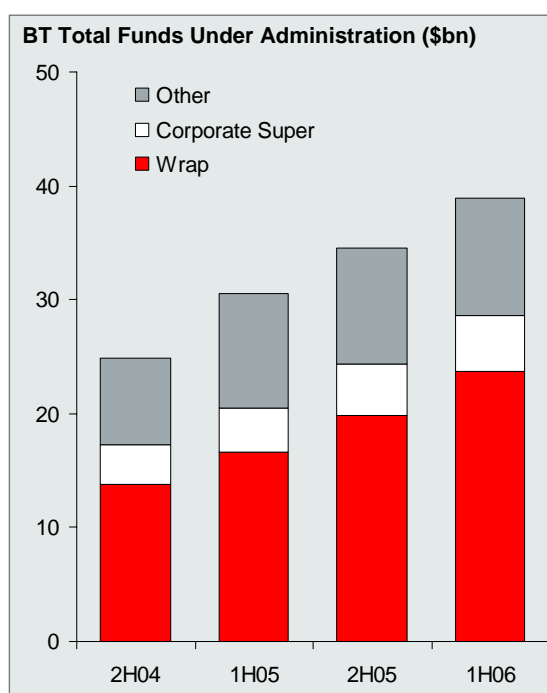
- Cash earnings up 20% on 1H05
- Solid revenue growth from:
  - Strong growth in FUA
  - Favourable equity market conditions and excellent investment management performance
  - Strong growth in margin lending
- Life company tax changes increasing tax expense
- Planner productivity up 29%
- Cash earnings down 4% on 2H05 – this result was impacted by the profit on the sale of JDV Ltd of \$13m and the termination of Life Company concessionary tax rates in 2H05. Adjusting for both these items, cash earnings increased 8% on 2H05

Reported (A\$m)	1H05	1H06	% Change
Net interest income	13	34	162
Non-interest income	432	467	8
Operating expenses	(261)	(265)	(2)
Core earnings	184	236	28
Impairment losses on loans	-	-	-
Tax & OEI	(46)	(71)	(54)
<b>NPAT/Cash earnings</b>	<b>138</b>	<b>165</b>	<b>20</b>

Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	13	23	77
Non-interest income	432	480	11
Operating expenses	(261)	(265)	(2)
Core earnings	184	238	29
Impairment losses on loans	-	-	-
Tax & OEI	(46)	(70)	(52)
<b>NPAT/Cash earnings</b>	<b>138</b>	<b>168</b>	<b>22</b>

## BT - strong performance across all key metrics

Key performance indicators	% Change 1H05-1H06
Cash earnings	up 20%
Expenses	up 2%
Total FUM	up 13%
Total FUA	up 27%
Margin lending balances	up 40%
In-force premiums	up 6%



## Strong and growing market share

Current Australian market share			Current share of new business	
Product	Market share (%)	Rank	Market share (%)	Rank
Platforms (Wrap)	12.2	2	15.7	2
Corporate super	6.7	6	10.4	3
Margin lending	15.2	3*	31.0	1*
Broking	9.7	3	9.6	3
Life and risk	n/a	n/a	6.5	5

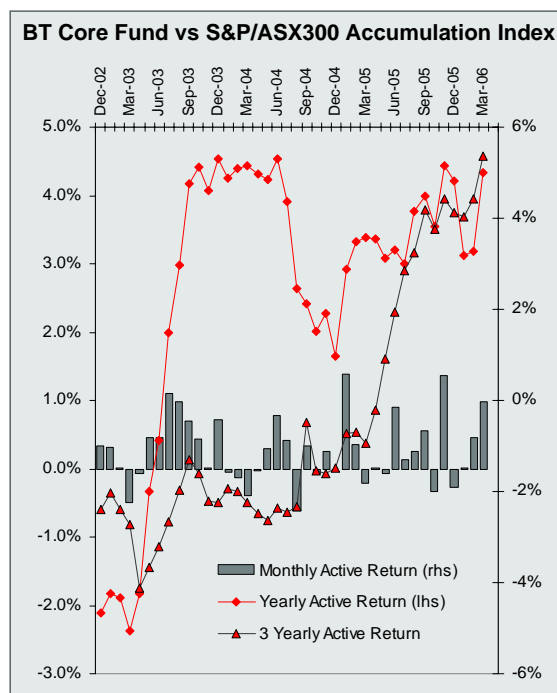
**Source:**

\*BT competitor analysis on ranking  
 Platforms– S&P Dec 05  
 Margin Lending - BT competitor analysis March 2006  
 Broking: IRESS Feb 06

Life and Risk: Plan for Life Sept 05;  
 Corp Super: Dext&r Dec 05



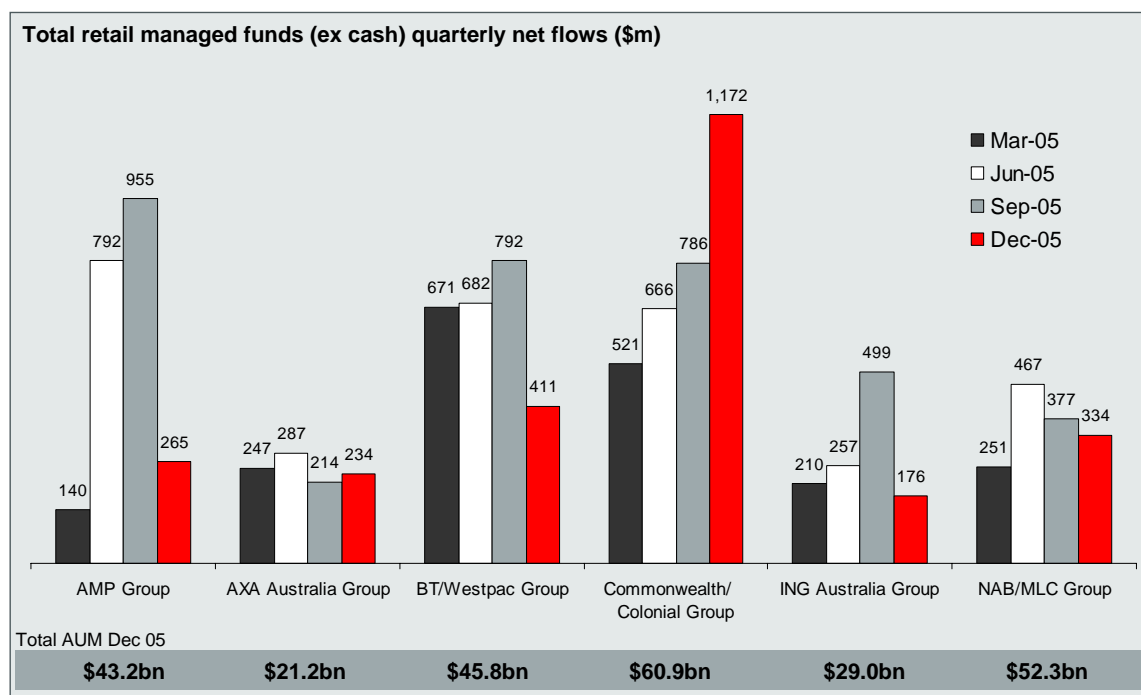
## BT sustained investment performance



	Performance and Quartile Ranking					
	1 yr %	Quar-tile	2 yrs % pa	Quar-tile	3 yrs % pa	Quar-tile
<b>Feb 2006</b>						
<b>Core Australian Share Fund</b>	35.2	2	32.1	1	31.0	1
<b>Ethical Share Fund</b>	36.8	1	33.8	1	34.7	1
<b>Imputation Fund</b>	35.8	1	33.0	1	33.4	1
<b>Smaller Companies Fund</b>	33.3	1	38.5	1	43.2	1
<b>Balanced</b>	24.5	2	20.6	1	20.8	1
<b>Property</b>	17.7	4	19.0	4	17.2	3
<b>Intl Equities (Putnam)</b>	30.9	3	18.7	3	17.7	3



## Net retail funds flow versus major competitors



Source: Plan for Life Market Share Report Dec 05, Administrator View (includes Private Label)

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## Insurance businesses brought together

- General insurance, previously managed in BCB, now part of BT, creating total insurance business
- Insurance operations have continued to perform well
- Consistent growth in Life in-force premiums, up 6% over prior corresponding period
- Life insurance performance supported by lower lapse rates
- General insurance sales growth of 29%
- General insurance impacted by cyclone activity, excluding this growth up 14%

NPAT <sup>1</sup> (\$m)	1H05	1H06	% growth
Life insurance (Australia)	26	29	11
General Insurance (Australia)	28	28	0
<b>Total</b>	<b>54</b>	<b>57</b>	<b>5</b>

1. Excludes the impacts of AASB 132 & AASB 139

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## Pacific Banking

- Cash earnings up 24%
- Strong uplift in operating income, driven by:
  - Asset growth across the region
  - Improved financial markets income in PNG, Vanuatu, Samoa and the Solomon Islands
- Modest expense growth, up 4%

Reported (A\$m)	1H05	1H06	% Change
Net interest income	34	43	26
Non-interest income	36	44	22
Operating expenses	(26)	(27)	(4)
Core earnings	44	60	36
Impairment losses on loans	(1)	(4)	large
Tax & OEI	(14)	(20)	(43)
<b>NPAT/Cash earnings</b>	<b>29</b>	<b>36</b>	<b>24</b>

Adjusted (A\$m)	1H05	1H06	% Change
Net interest income	34	42	24
Non-interest income	36	45	25
Operating expenses	(26)	(27)	(4)
Core earnings	44	60	36
Impairment losses on loans	(1)	(5)	large
Tax & OEI	(14)	(18)	(29)
<b>NPAT/Cash earnings</b>	<b>29</b>	<b>37</b>	<b>28</b>

## Group Business Unit

- Higher earnings from Treasury, up \$63m
- Increase in tax provisions by \$61m

Reported (A\$m)	1H05	1H06	% Change
Net interest income	18	107	large
Non-interest income	(57)	30	(153)
Operating expenses	(6)	(29)	large
Core earnings	(45)	108	large
Impairment losses on loans	(3)	(9)	(200)
Tax & OEI	(48)	(124)	(158)
<b>NPAT</b>	<b>(96)</b>	<b>(25)</b>	<b>74</b>
Treasury shares	20	12	(40)
Other equity distributions	23	-	(100)
TPS revaluation	40	30	(25)
<b>Cash earnings</b>	<b>(13)</b>	<b>17</b>	<b>large</b>

## Risk management framework

<b>Board</b>	Considers and approves the risk-reward strategy of the Group				
<b>Board Committees</b>	The Board Committees, by delegated authority, assist the Board in fulfilling its oversight responsibilities				
	<b>Risk Management Committee</b> <ul style="list-style-type: none"> <li>Risk profile and risk management</li> </ul>	<b>Audit Committee</b> <ul style="list-style-type: none"> <li>Integrity of financial statements and systems</li> </ul>	<b>Corporate Responsibility and Sustainability Committee</b> <ul style="list-style-type: none"> <li>Social, environmental and ethical responsibility and reputation risk</li> </ul>	<b>Nominations Committee</b> <ul style="list-style-type: none"> <li>Board skills, succession and governance</li> </ul>	<b>Remuneration Committee</b> <ul style="list-style-type: none"> <li>Responsible reward practices in line with performance</li> </ul>
<b>Independent Internal Review</b>	<b>Group Assurance</b> Adequacy and effectiveness of management controls for risk				
<b>Executive Risk Committees</b>	<b>Westpac Group Risk Reward Committee</b> <ul style="list-style-type: none"> <li>Sets and leads the risk optimisation agenda for the Group</li> <li>Recommends to the Risk Management Committee the appropriate risk-reward positioning and integrates decisions on overall capital levels and earnings profile</li> <li>Initiates and oversees strategies of the Group's risk-reward profile and boundaries for risk appetite and earnings volatility within parameters set by the Board</li> <li>Oversees the risk governance framework, including the performance, role and membership of the executive risk committees</li> </ul>				
	<b>Westpac Group Credit Risk Committee</b> <ul style="list-style-type: none"> <li>Optimises credit risk-reward</li> <li>Oversees portfolio performance</li> <li>Determines limits and authority levels within Board approved parameters</li> </ul>	<b>Westpac Group Market Risk Committee</b> <ul style="list-style-type: none"> <li>Optimises market risk-reward for traded and non-traded market risk</li> <li>Oversees portfolio performance</li> <li>Determines limits with Board approved parameters</li> </ul>	<b>Westpac Group Operational Risk &amp; Compliance Committee</b> <ul style="list-style-type: none"> <li>Optimises operational risk-reward and compliance</li> <li>Oversees the governance of operational risk and compliance, including the framework and policies</li> <li>Oversees the operational and reputation risk profile</li> </ul>		
<b>Group Risk</b>	<ul style="list-style-type: none"> <li>Drives enterprise-wide risk management culture, frameworks and decisioning for maximum performance in line with risk appetite</li> <li>Ensures risk management is a competitive advantage, delivers better solutions for customers, protects and grows earnings, and builds shareholder value</li> <li>Forges a partnership with the business, which shares the vision and the responsibility for superior risk management</li> </ul>				
<b>Business Units</b>	Manage risks inherent in the business including the development of business-specific policies, controls, procedures and reporting in respect of the relevant risk classes				

## A-IFRS changes to bad and doubtful debts

- Bad and doubtful debts now 'impairment losses on loans'
- Moved from an 'expected loss model' to an 'incurred loss model'

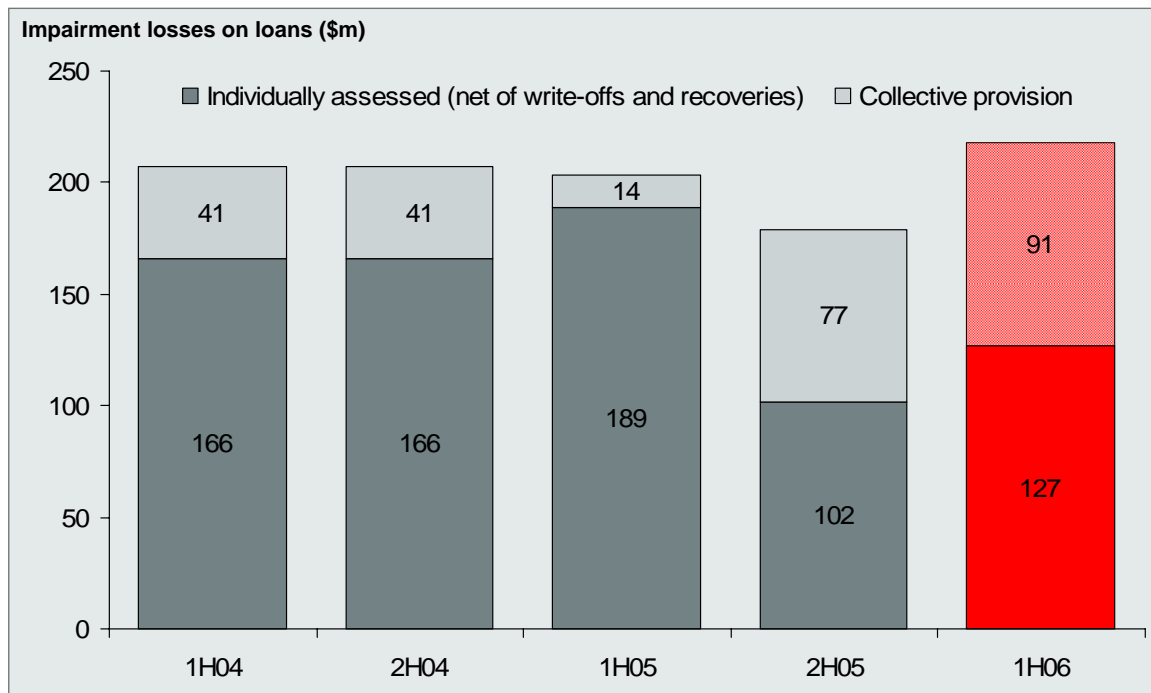
Impact of AASB 132/139 from 1 Oct 2005 on opening balances:

- Total bad debts provision fell by \$547m, to \$1,182m
- The total \$1,182m includes provisions for off-balance sheet facilities reclassified to liabilities of \$144m; and
- Loans previously written off being reinstated on the balance sheet, of \$38m.

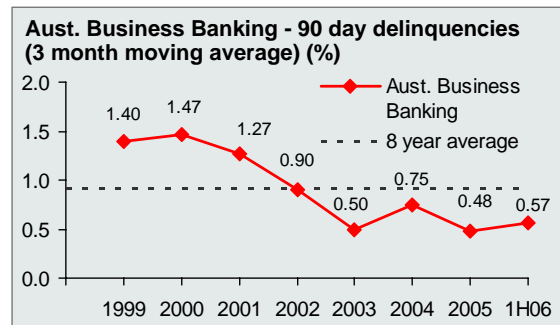
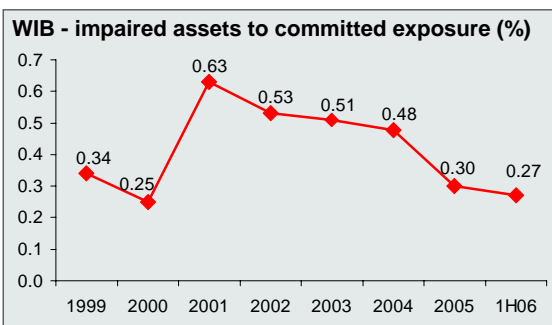
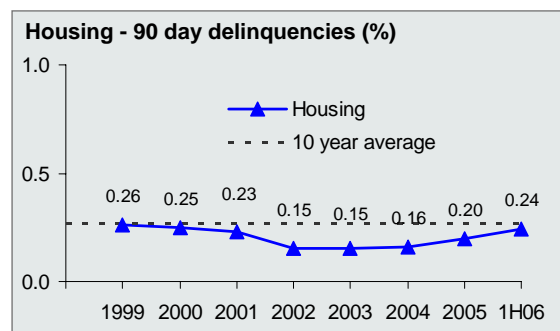
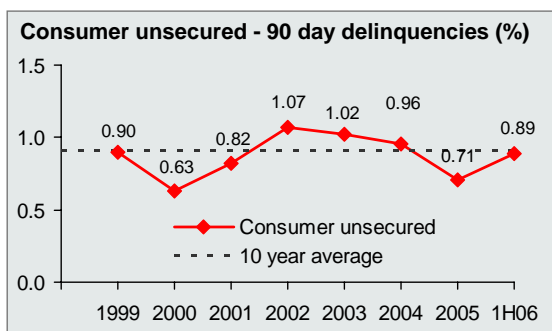
The net impacts of these changes

- An increase of \$729m to net loans and acceptances;
- An increase of \$396m to shareholder's equity; and
- An increase of \$275m to Adjusted Common Equity and Tier 1 capital. This is net of \$80m held as an additional reserve above that calculated under A-IFRS and assessed as a capital deduction associated with credit provisioning.

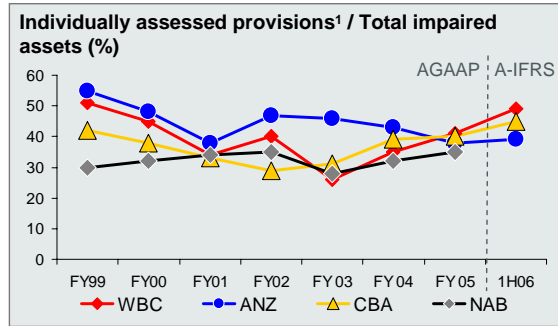
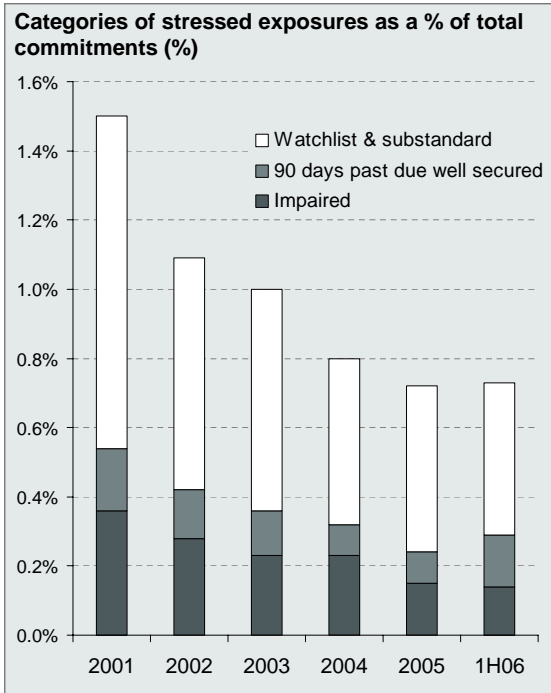
## Credit charges increasing with loan growth



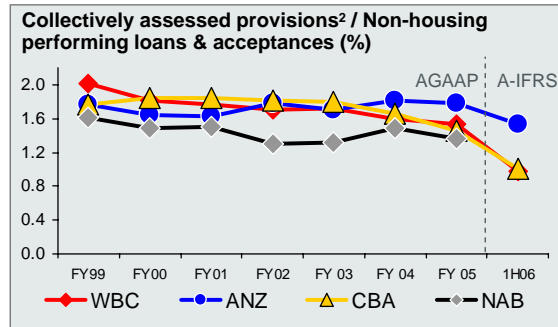
## Forward credit indicators



# Credit quality



• 1H 06 coverage ratio is 1.5x.

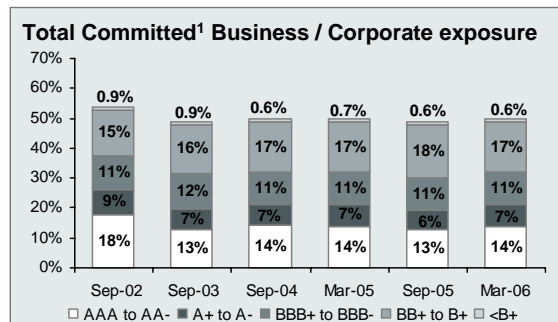
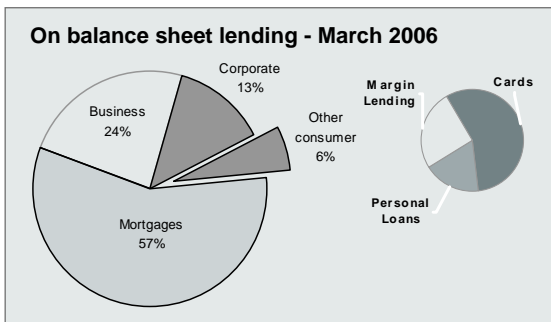
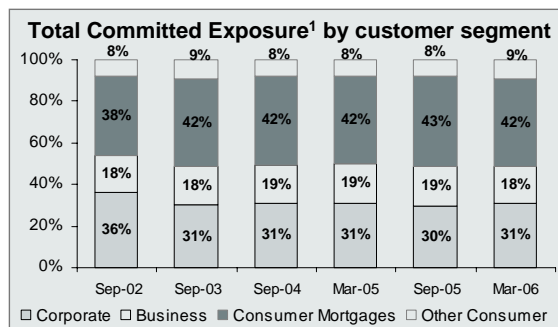


1. Prior to 1H06: Specific provisions / impaired assets  
2. Prior to 1H06 : General provisions / Non-housing performing loans & acceptances



# Composition of portfolio

- Mortgages represent 42% of total commitments and 57% of funded lending
- 65% business / corporate exposure exceed investment grade
- Other consumer includes credit cards, personal lending and margin lending



1. Total committed exposures include outstanding facilities and un-drawn commitments that may give rise to lending risk or pre-settlement risk



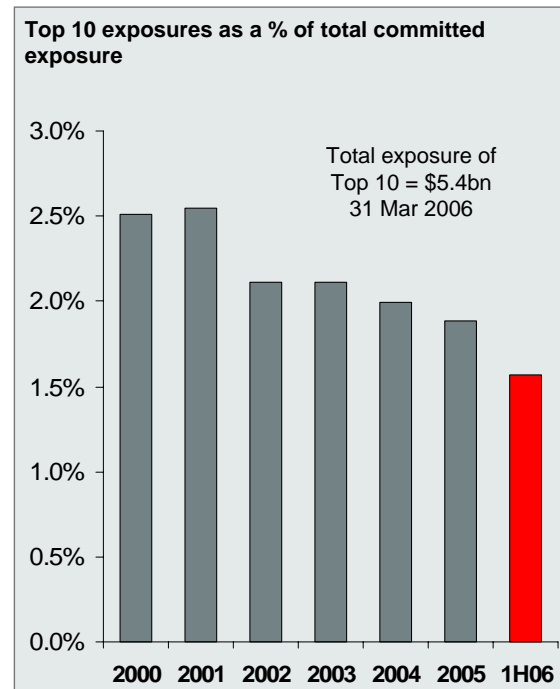
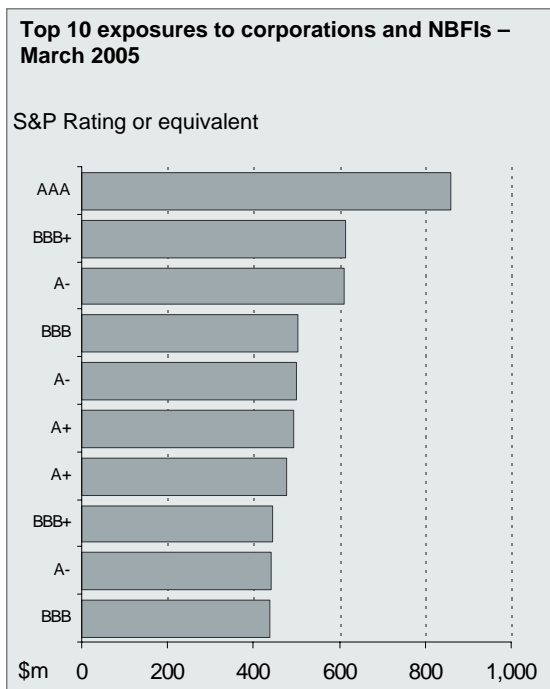
## Total exposure by region

Exposures outside core markets represent less than 2% of total committed exposures – sub investment grade represent less than 0.2% of total exposures (excluding core markets of Australia and New Zealand)

\$m	Australia	NZ / Pacific	Americas	Europe	Asia	Group
<b>AAA to AA-</b>	42,776	2,753	920	149	226	<b>46,824</b>
<b>A+ to A-</b>	18,586	2,812	996	768	98	<b>23,260</b>
<b>BBB+ to BBB-</b>	29,650	5,945	939	1,072	74	<b>37,680</b>
<b>BB+ to B+</b>	48,187	8,740	167	70	3	<b>57,167</b>
<b>&lt;B+</b>	1,649	378	104	11	-	<b>2,142</b>
<b>Secured consumer</b>	127,576	23,142	-	-	-	<b>150,718</b>
<b>Unsecured consumer</b>	20,744	3,495	-	-	-	<b>24,239</b>
	<b>289,168</b>	<b>47,265</b>	<b>3,126</b>	<b>2,070</b>	<b>401</b>	<b>342,030</b>

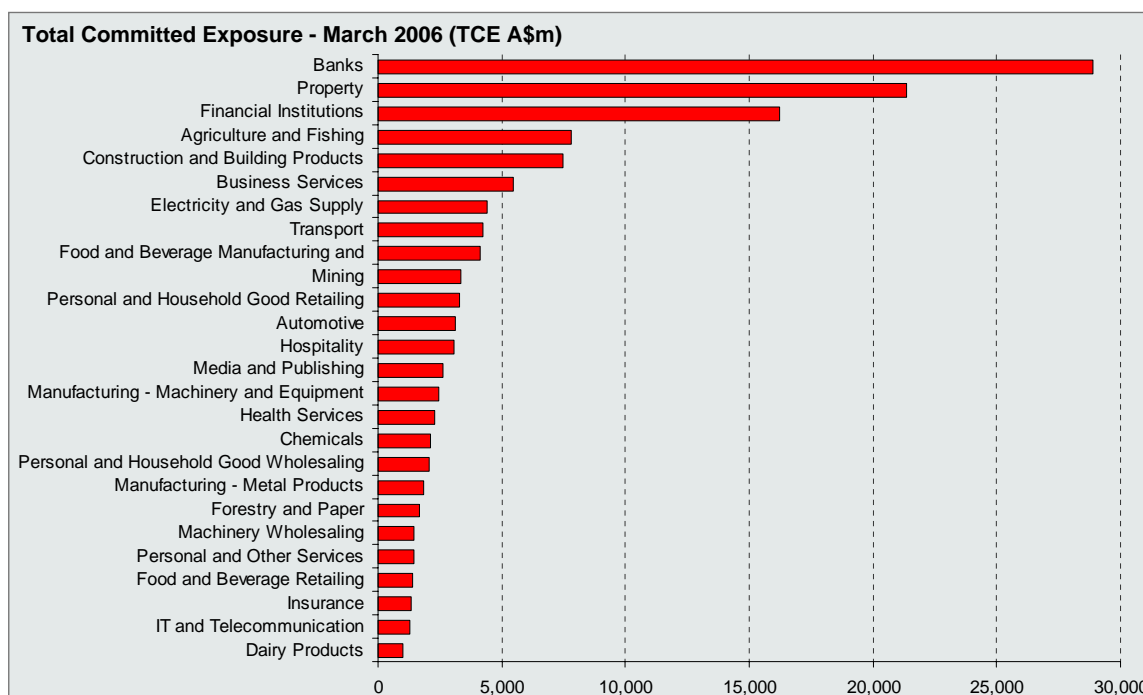
Total committed exposures by booking office at 31 March 2006

## Reduced single name concentrations





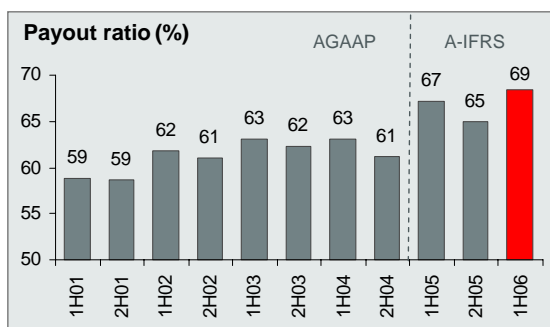
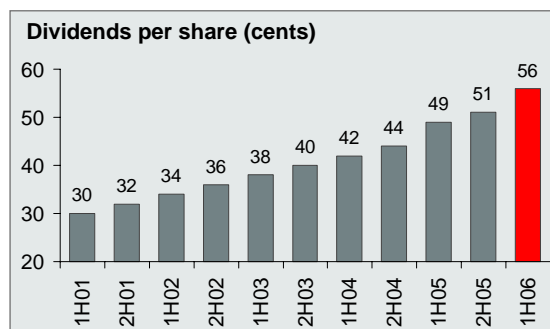
## Industry concentrations



Note: Excludes governments

## Strong dividend

Factor	Current approach
Dividend path	Deliver dividend increase each half
Franking	Only pay fully franked dividends
New share issues	General principle is to neutralise new share issuance although some dilution tolerated to utilise franking credits
Pay-out ratio	Absorb some movement in payout ratio given earnings volatility and A-IFRS
Capital	Seek to hold capital ratios within target ranges



## A-IFRS capital impacts

Key impacts on our capital position at 1 October 2005:

A\$m	ACE <sup>1</sup>	Tier 1	Tier 2
Fee revenue/Deferred acquisition costs	(50)	(50)	-
Defined benefit plans	(270)	(270)	-
Software capitalisation	(450)	(450)	-
Credit provisioning <sup>2</sup>	275	275	(395)
<b>Total</b>	<b>(495)</b>	<b>(495)</b>	<b>(395)</b>

- These changes will apply from 1 July 2006 and are subject to transitional arrangements to be agreed with APRA.
- They therefore do not appear in our reported capital calculations for 1H06.

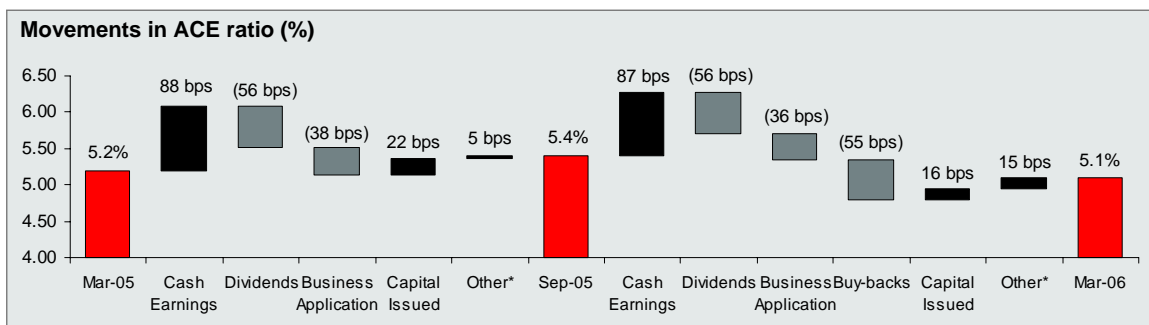
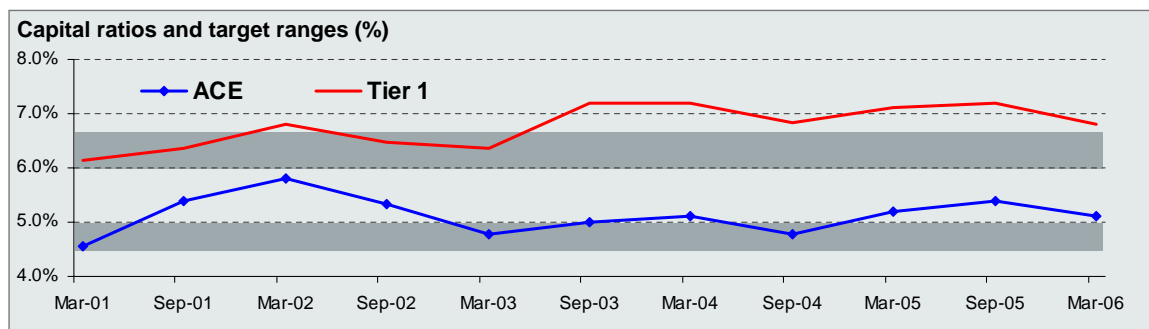
1. Assumes rating agencies adjust ACE to follow Australian prudential treatment  
 2. Credit provisioning less capital deductions

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## Capital generation



\*Includes movements in the foreign currency translation reserve and deferred tax balances

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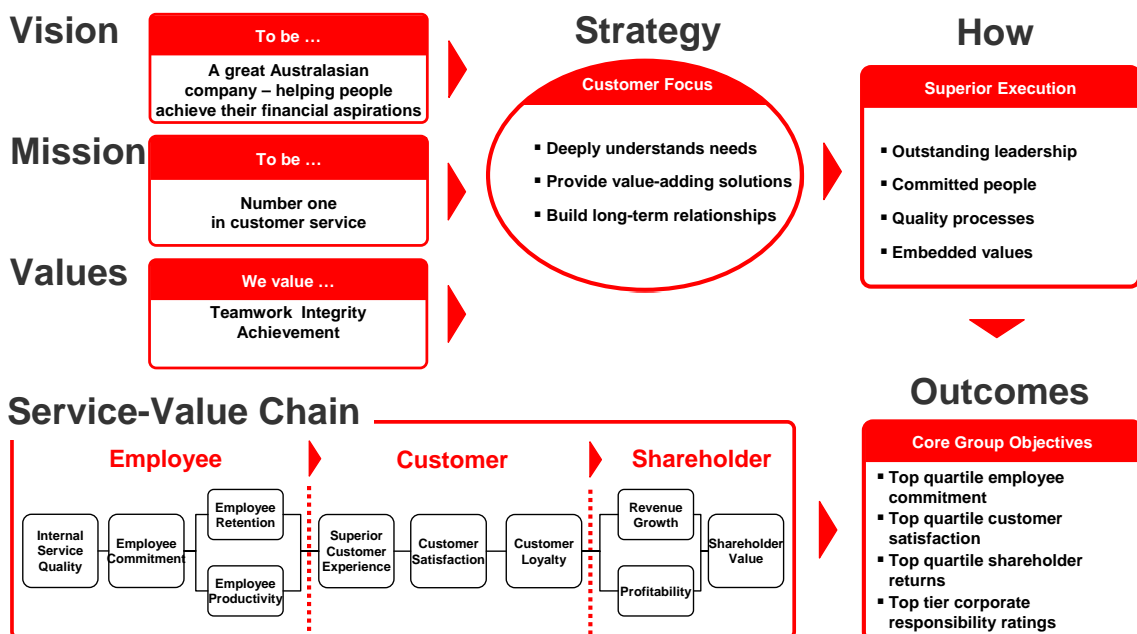
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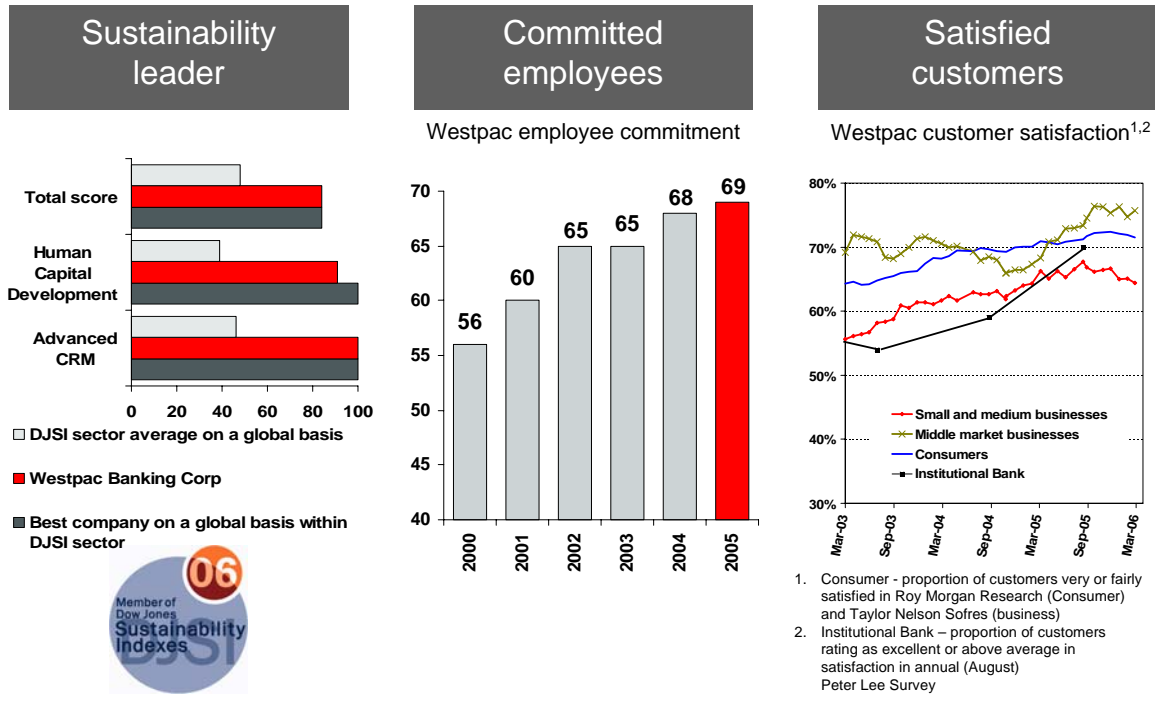
# Preparing for New Zealand incorporation

- Agreed to incorporate systemically important operations in New Zealand in December 2004
- Proposed incorporation model received in-principle agreement from the Reserve Bank of New Zealand in October 2005
- The incorporation model involves Westpac operating as a branch and an incorporated entity concurrently (dual registration). This model will principally see:
  - Retail operations become part of the locally incorporated entity
  - Institutional business will remain in the New Zealand Branch
- The legislative process required to implement local incorporation has begun
- Transition to dual registration expected to occur on 1 November 2006
- Overall costs for incorporation are expected to be manageable

# Our customer focused strategy



# Westpac's franchise health is strong



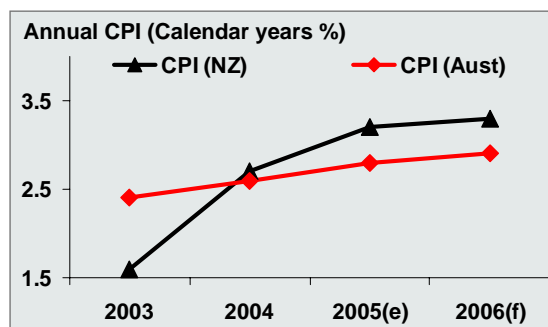
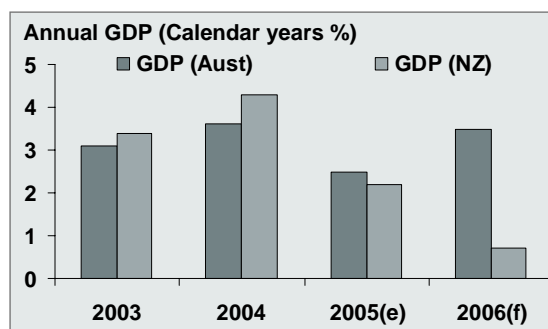
# Right balance of experience, stability and depth

Name	Title	Joined Group Executive	Biography
David Morgan	Chief Executive Officer	Oct 1990	Joined 1990, CEO since 1999. Headed all major business units in Westpac prior to CEO appointment in March 1999. Extensive prior experience in financial sector including in the IMF and the Australian Federal Treasury
Ilana Atlas	Group Executive People and Performance	Nov 2002	Joined Westpac 2000, as Group Secretary and General Counsel. Previously Partner of a law firm, Mallesons Stephen Jaques. In current role since 2002.
Philip Chronican	Group Executive Westpac Institutional Bank	Jan 2001	Joined Westpac 1982. Appointed to current role in Dec 2005. Previously CFO since Feb 2001, Deputy CFO and held CFO roles in both retail and institutional banking.
Philip Coffey	Chief Financial Officer	May 2002	Joined Westpac 1996. Appointed to current role in Dec 2005. Previously Group Executive WIB since 2002. Previously with AIDC, Citicorp Global Asset Management and Citigroup.
Rob Coombe	Chief Executive Officer BT Financial Group	Feb 2005	Rob joined Westpac with the acquisition of the BT Financial Group in 2002 and has over 23 years experience in banking and finance.
Michael Coomer	Group Executive Business & Technology Solutions & Services	Jan 2002	Joined Westpac to current role in January 2002. Michael has 30 years experience in Information Technology covering a broad range of industries.
Mike Pratt	Group Executive Business and Consumer Banking	Apr 2002	Joined Westpac in April 2002 as Group Executive New Zealand & Pacific Banking. Appointed to current role in August 2002. Extensive experience in retail banking including CEO Australian Financial Services for National Australia Bank and CEO Bank of New Zealand.
Ann Sherry	Group Executive New Zealand & Pacific Banking	Mar 1999	Joined Westpac in 1994, in current role since October 2002. Ann has headed People and Performance for the Group and was CEO Bank of Melbourne following the merger in 1997
Rob Whitfield	Chief Risk Officer	Dec 2005	Rob joined Westpac in 1986 as a graduate. Appointed Group Treasurer in 2000 and Chief Risk Officer in 2004.



## Economic environment sound

- Expansion continues in Australia
- By contrast, a period of consolidation in New Zealand
- Global growth above par for fourth consecutive year
- Headline inflation boosted by rising energy prices, but core inflation still contained
- Unemployment at 30 year low



Source: Westpac Economics

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## Australian and New Zealand economic outlook

Key economic indicators <sup>1</sup>	Calendar year		
	2005	2006f	2007f
<b>World</b>			
GDP	4.8%	4.5%	3.8%
<b>Australia</b>			
Private consumption	3.1%	3.1%	3.5%
Business investment <sup>2</sup>	14.8%	10.5%	4.5%
GDP	2.5%	3.0%	3.5%
Unemployment – end period	5.2%	5.6%	5.6%
CPI headline - annual change	2.8%	2.9%	2.5%
Interest rates – cash rate	5.50% (Dec 05)	5.75% (Dec 06)	5.75% (Jun 07)
<b>New Zealand</b>			
GDP	2.2%	0.7%	1.5%
Unemployment – end period	3.6%	4.1%	4.6%
Consumer prices	3.2%	3.3%	2.8%
Interest rates – overnight cash rate	7.25% (Dec 05)	6.75% (Dec 06)	5.75% (Jun 07)

<sup>1</sup> Westpac market outlook, April 2006

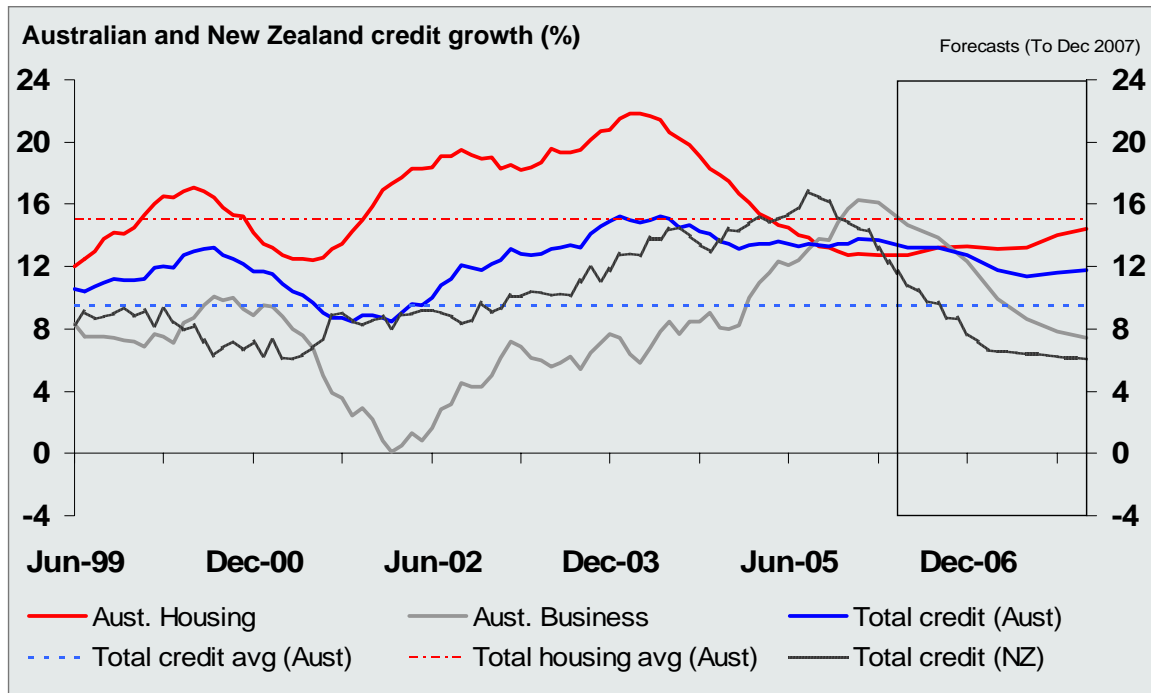
<sup>2</sup> Business investment adjusted to exclude the effect of private sector purchases of public assets

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## Credit growth expected to edge lower



Source: RBA, RBNZ, Westpac

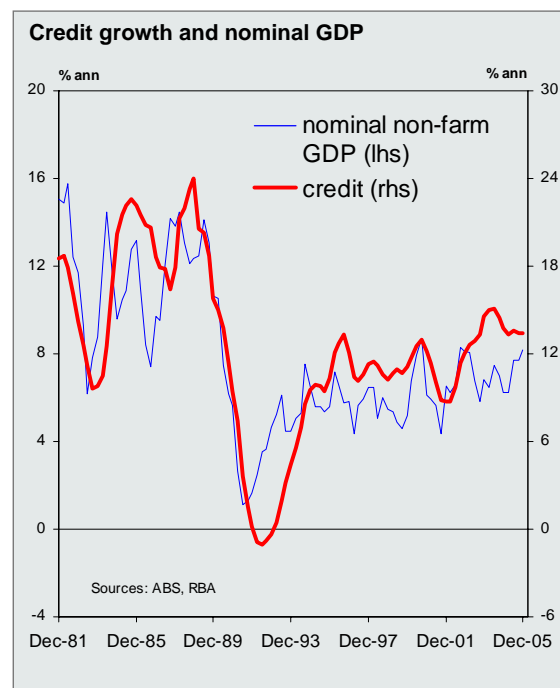
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## Aust. credit growth and nominal non-farm GDP

- Australian credit growth has historically tracked the direction of nominal GDP growth but with a multiplier of around 1.5 times
- Financial innovation and household's ability to allocate a greater share of disposable income to wealth creation supports a multiplier in excess of 1
- Currently, credit growth is tracking above this long term trend at twice nominal GDP
- Looking forward, credit growth is expected to remain higher than nominal GDP but to ease to be more in line with this longer term trend, with interest rates now back at 'average' levels



Source: Westpac Economics

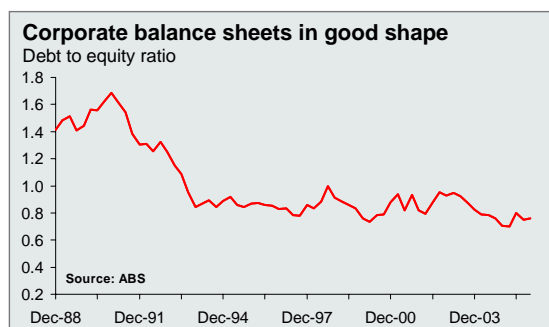
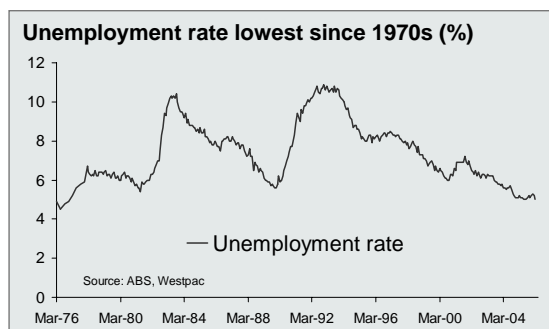
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## Supportive credit quality environment

- Forward indicators of credit quality remain strong
  - Unemployment at generational low
  - Robust corporate profits
  - Comfortable levels of business gearing
  - No major corporate defaults
  - Low delinquency rates across portfolio
- May interest rate rise to dampen credit growth in the near-term



Source: Westpac Economics

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## Confident outlook

- Westpac's franchise is in excellent health
  - Employees - Top quartile commitment
  - Customers - Sound progress in customer satisfaction
  - Sustainability - Global banking leader
  - Financial - Sector leading earnings growth and ROE
- Confident that we will continue to deliver strong outcomes for shareholders

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For further information on Westpac including:

- Annual reports
- Financial result announcements
- Presentations and webcasts
- Corporate history
- Key policies

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[www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)



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