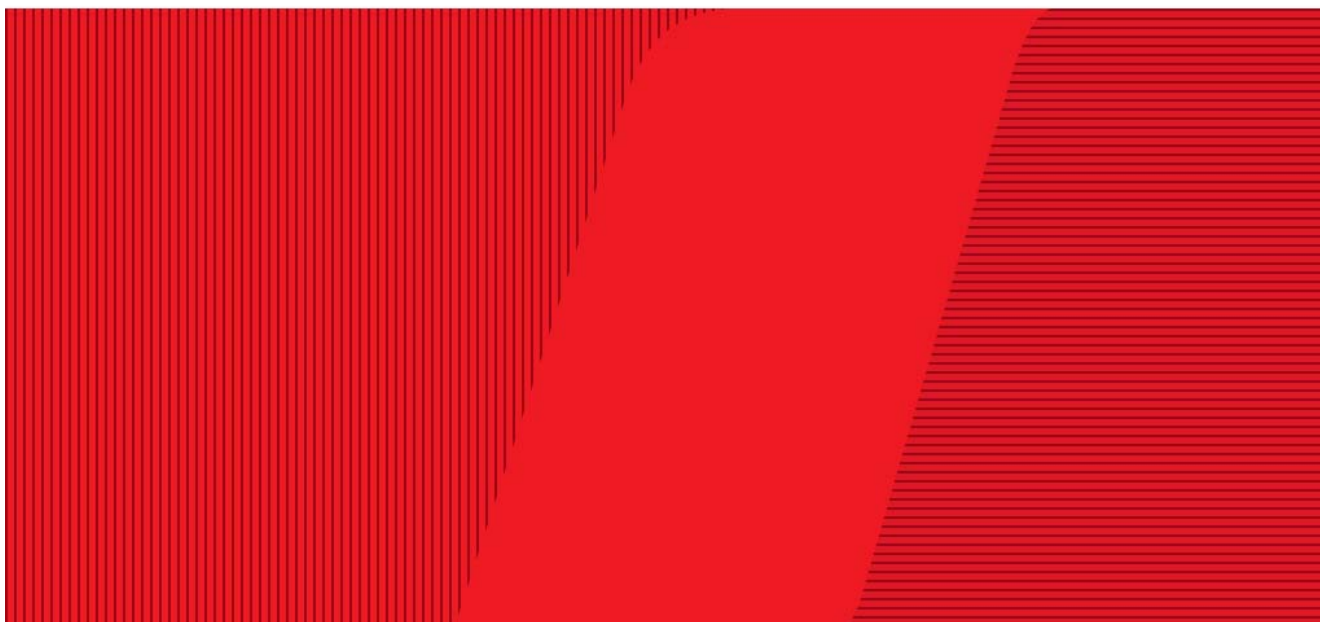


Investor Discussion Pack

May 2007



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2007 Interim Results Overview

May 2007



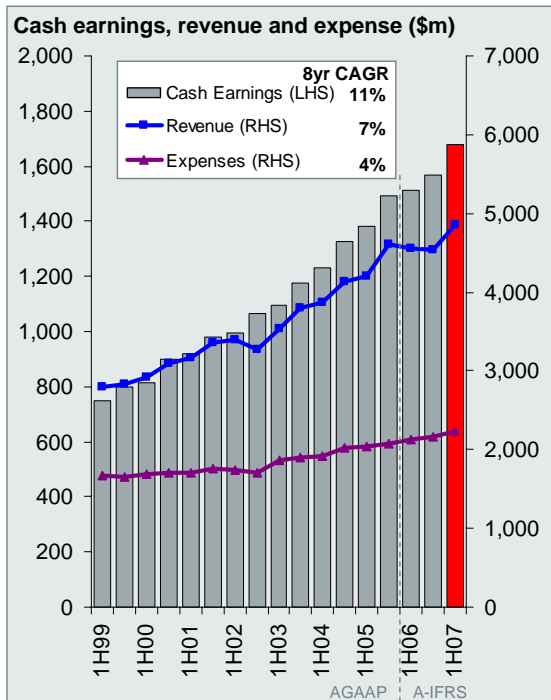
Westpac Banking Corporation – at a glance

- Australia's first bank – est. 1817
- Consistent earnings growth
- Strong franchise in core markets of Australia, New Zealand and the near Pacific
- Global sustainability leader
- Sound asset quality

	31 March 2007
Cash earnings	A\$1,678 million
Return on equity (cash basis)	24%
Tier 1 ratio	6.5%
Long-term credit rating ¹	AA/Aa1
Total assets	A\$328 billion
Market cap ²	A\$50 billion
Customers	7 million

1. Long-term credit rating upgraded by Moody's from Aa3 to Aa1 on 5 May 2007. 2. Market capitalisation as at 30 April 2007. Source: IRESS

Consistent growth and returns

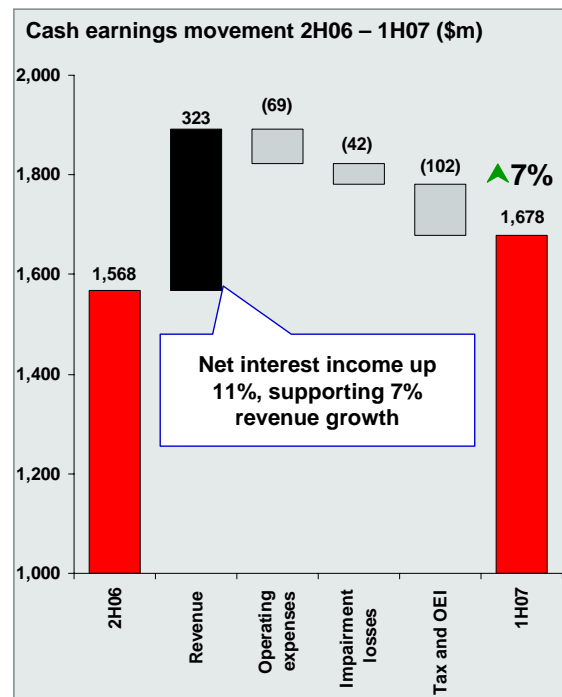
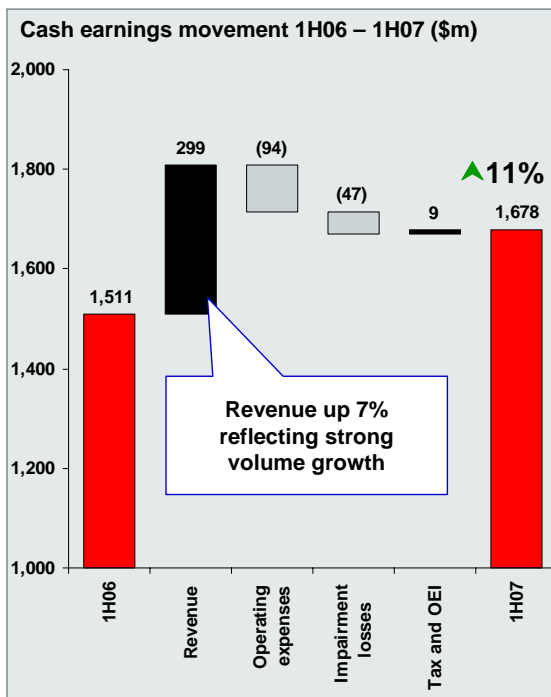


	1H06	1H07	Change
Cash earnings	\$1,511m	\$1,678m	up 11%
Cash ROE	23.0%	23.6%	up 60bps
Economic Profit	\$1,129m	\$1,281m	up 13%
NPAT (reported)	\$1,469m	\$1,641m	up 12%
Cash EPS	81.7c	90.9c	up 11%
Fully franked dividend	56c	63c	up 13%
Cost to income ratio (cash basis)	46.8%	45.9%	down 90bps
Net interest margin	2.40%	2.25%	down 15bps
Stressed loans to total commitments	75 bps	83 bps	up 8bps

1999 to 2005 on AGAAP basis. Source: Westpac



A revenue driven performance



Source: Westpac



High quality revenue growth

\$m				% Change	% Change
	1H06	2H06	1H07	1H06 – 1H07	2H06 – 1H07
Operating income (cash earnings)	4,561	4,537	4,860	7%	7%
Credit card income over-accrual	(23)	49	-		
Fair value of securities portfolios	(32)	(13)	(4)		
MasterCard profit	-	(15)	(21)		
Asset sales	(10)	-	(1)		
NZ\$ Impact*	-	35	44		
Underlying operating income	4,496	4,593	4,878	8%	6%

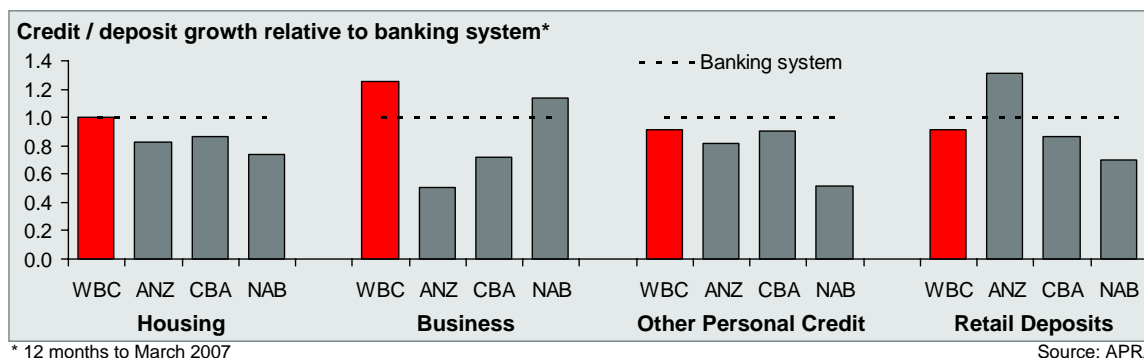
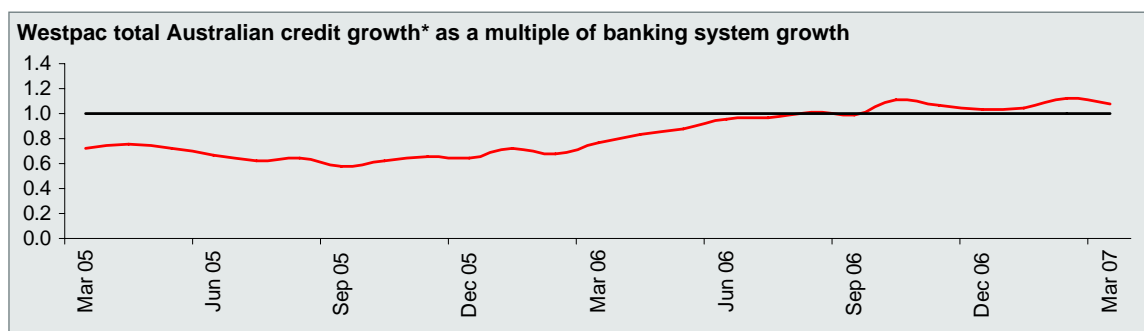
* NZ\$ impact eliminates the impact of movements in the NZD/AUD exchange rate by restating all NZD income at the 1H06 average exchange rate and removes the impact of any gains/losses on NZD hedges. Source: Westpac



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Growing balance sheet around system in Australia

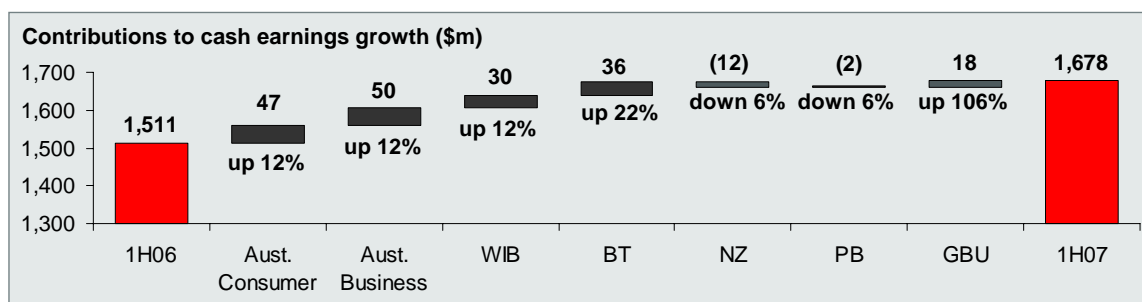


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Divisional performance

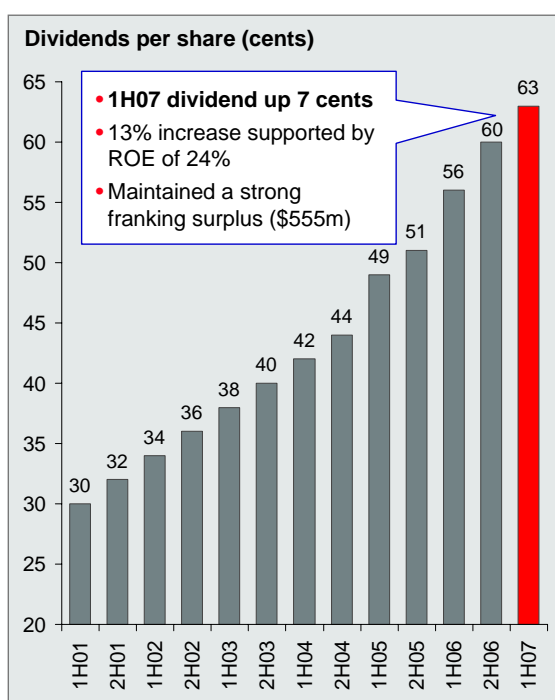


	Aus. Cons.	Aus. Bus.	WIB	BT	NZ	PB	GBU	Group
Net interest income	1,299	891	285	27	435	48	104	3,089
Non-interest income	408	225	404	545	188	44	(43)	1,771
Expenses	(942)	(392)	(283)	(289)	(300)	(30)	7	(2,229)
Impairment losses	(124)	(42)	(11)	-	(37)	(13)	(5)	(232)
Tax and OEI	(188)	(203)	(114)	(82)	(91)	(15)	(28)	(721)
Cash earnings	453	479	281	201	195	34	35	1,678
Contribution to 1H07 Group cash earnings	27%	28%	17%	12%	12%	2%	2%	100%

Source: Westpac

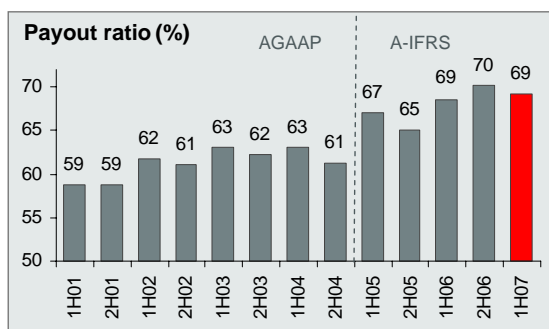


Strong outcomes for shareholders



Dividend considerations

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



Source: Westpac



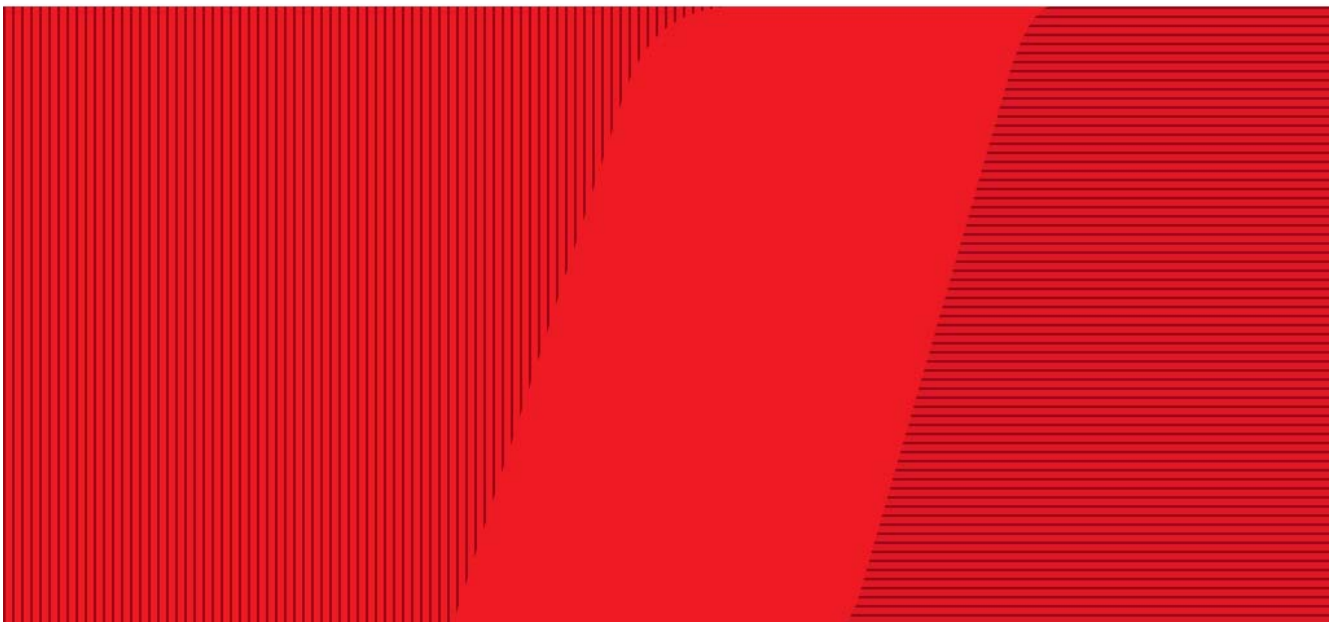
Indicative drivers for FY 2007

- Confident we can continue to deliver strong results:
 - Solid earnings growth
 - Leading return on equity
 - High quality and sustainable performance

Revenue	<ul style="list-style-type: none">• Lending expected to grow broadly in line with banking system• Margin decline at top end of 5-10 basis points contraction• Solid non-interest income with continuing strong contributions from BT and WIB
Expenses	<ul style="list-style-type: none">• Sustain higher investment spending while maintaining gap to revenue growth
Impairment losses	<ul style="list-style-type: none">• Increase consistent with strong loan growth and changes in the operating environment – higher interest rates and a high exchange rate in NZ

Strategy

May 2007



Delivering on our strategy

Focussed on core markets	<ul style="list-style-type: none"> • Better leveraging Australian growth opportunities 	<ul style="list-style-type: none"> - Superannuation - Corporate re-leveraging - High growth in QLD and WA
Oriented to growth	<ul style="list-style-type: none"> • Greater investment in high growth opportunities • Expanding franchise footprint and front-line employees 	
Sector leading platforms	<ul style="list-style-type: none"> • Driving value from existing markets with Pinnacle, Reach and Corporate Online • Leveraging Wrap and Super platforms in wealth 	
Disciplined and controlled risk	<ul style="list-style-type: none"> • Growing revenues well above expense growth • Provisioning fully in line with growth and credit environment 	
Sustainably led	<ul style="list-style-type: none"> • Creating longer term value and lower risk 	<ul style="list-style-type: none"> - Employer of choice - Brand differentiation

Key priorities

Wealth management – actively growing our share

- Australian super funds expected to triple in the next ten years (\$2.7 trillion by 2015)
- Leading Wrap and Corporate Super platforms
- Improved cross sell from insurance

Business Financial Services – capitalising on our investment

- Increased capacity with expanded personnel, increased footprint and improved processes
- Improved customer satisfaction
- Improved wallet share

New Zealand - executing on turnaround

- Building on early signs of improvement

Growth opportunities – building on our strengths

- Creation of investment products out of WIB (SCG, Hastings and structured equities) and distribution via consumer sales force
- Corporate re-leveraging
- Asia – increasing footprint and personnel to capture regional flows

Strong franchise – significant growth opportunity

Business Units	Approx. Revenue Contribution by Portfolio	Indicative Medium Term Revenue Growth Potential		Areas of Opportunity
BT Financial Group	10%	Funds Mgt & Distribution	12% – 15%	<ul style="list-style-type: none"> • Capture growth with leading Wrap and Corporate Super platforms • Further build suite of investment products (Specialised Capital and Structured Equities)
	3%	Insurance	12% – 14%	<ul style="list-style-type: none"> • Improving cross-sell and expanding distribution
Business Financial Services	17%	Business Banking	9% – 11%	<ul style="list-style-type: none"> • Focus growth on WA & Qld • Increasing footprint with more frontline personnel, and refurbishing and expanding existing centres • Pinnacle (loan origination system) providing a comparative advantage
	5%	Payments	8% – 10%	<ul style="list-style-type: none"> • Leverage leading payments capability
Consumer Financial Services	7%	Unsecured Lending	5% – 10%	<ul style="list-style-type: none"> • Investment in analytics and collections capability • Product innovation
	28%	Consumer Banking	5% – 8%	<ul style="list-style-type: none"> • More feet on the street and increasing geographic footprint • Enhanced sales productivity and skills with CRM
Institutional Banking	16%	Institutional Bank	6% – 9%	<ul style="list-style-type: none"> • Capitalise on leading position and leverage into capital markets • Asia – increasing footprint to leverage financial flows • Creation of investment products out of WIB (SCG, Hastings and structured equities)
NZ & Pacific Banking	14%	NZ & Pacific	5% – 7%	<ul style="list-style-type: none"> • Drive efficiency

Sector leading platforms – a strength

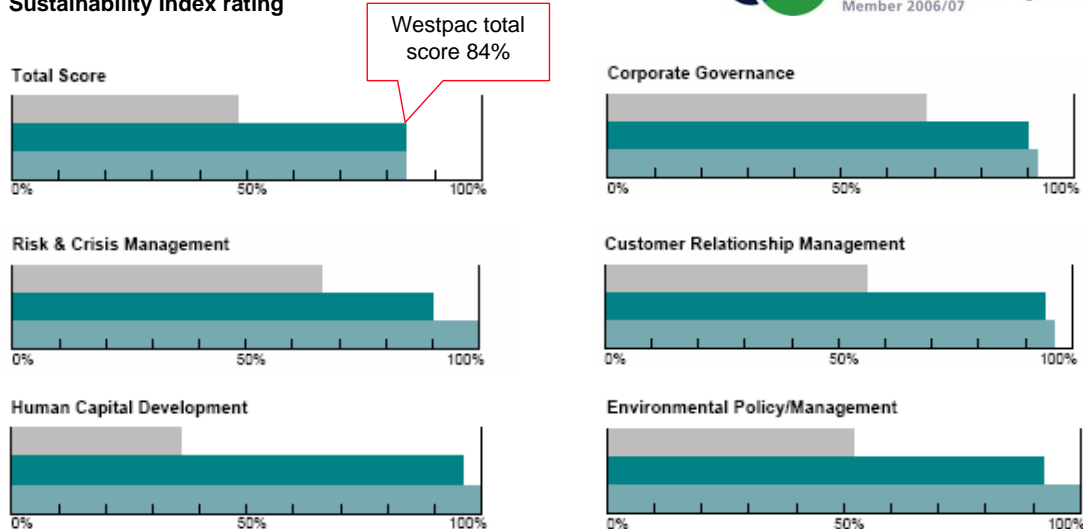
Reach	One integrated technology platform to support the Bank's customer sales and service efforts
Pinnacle	Re-engineering of Westpac's end-to-end credit and lending processes
Corporate Online	Web-based platform delivering a wide range of complex transactional requirements, account handling and payment mechanisms
Internet	Readers Choice: Best Personal Banking website category in Money magazine's Consumer Finance Awards 2006
Wrap	Sophisticated yet simple system of managing general investments, superannuation or retirement income
Corporate Super	Secure, online administration system for employers to manage their corporate superannuation plan

Disciplined approach to acquisitions

- No particular requirement to acquire customers
 - Customer franchise enhanced in Australia and New Zealand with three regional bank acquisitions 1995 – 1998
- Filled major strategic gaps
 - Wealth management capability enhanced with three acquisitions in 2002
 - BT acquisition particularly successful
- Some niche opportunities remain in core markets
- Disciplined approach
 - Aligned with strategic direction
 - Strict valuation criteria
 - Not unduly diverting

Most sustainable bank in the world, 5 years in a row

Snapshot of Westpac's 2006/07 Dow Jones Sustainability Index rating



"This reflects the continuous efforts of Westpac to successfully tackle sector challenges such as meeting customers' high expectations and addressing environmental concerns. Excellent corporate governance, risk management and compliance underline Westpac's commitment to being accountable." – Dow Jones Sustainability Index 2006

Source: Dow Jones Sustainability Index 2006

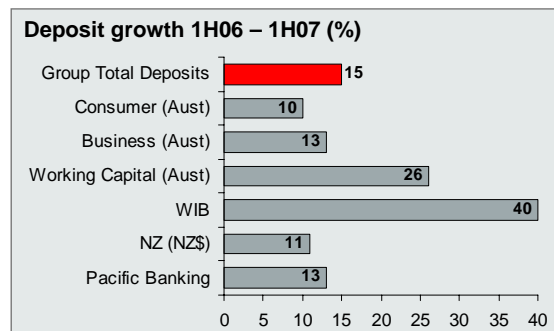
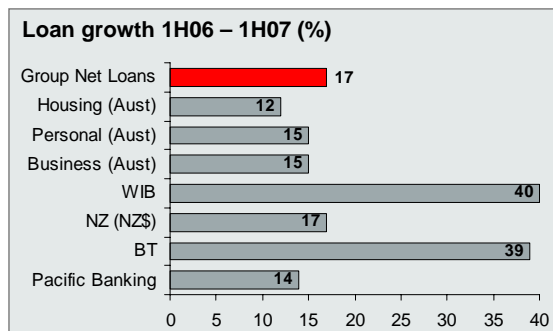
DJSI sector average on a global basis
 Westpac Banking Corp.
 Best company on a global basis within DJSI sector

Results in Detail

May 2007



Balance sheet growth driving net interest income

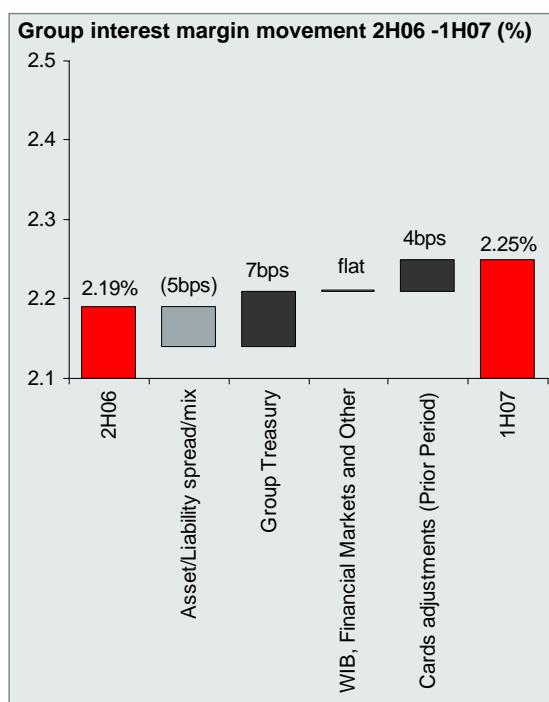
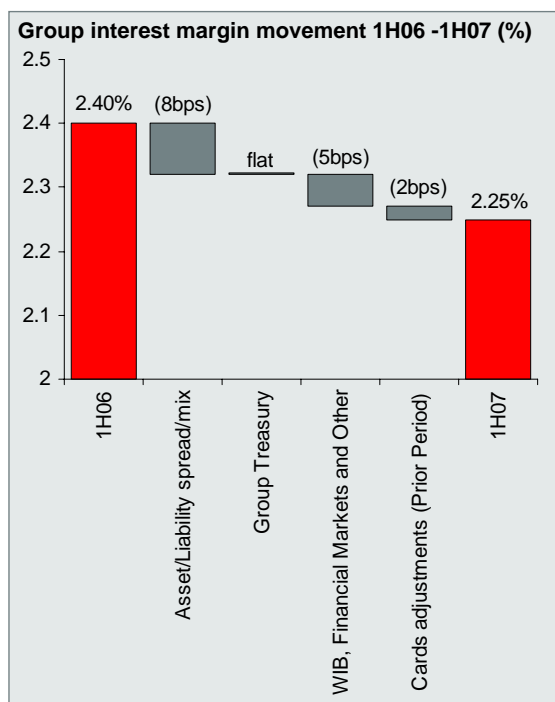


- Loan growth in Australia up 17% versus 15% system growth
- Consumer lending a strength - Australian mortgages growth 0.9x system, credit card growth 1.2x system
- Institutional lending up 40% - increased customer activity flowing through to syndicated lending and capital markets origination

- Australian consumer deposit growth up 10% and business deposit growth up 13%, with continued growth in online savings accounts
- Working capital deposits higher off abnormally low balances
- Corporate and wholesale deposit growth in WIB up 40% or \$2.4 billion

Source: Westpac

Margin movements in line with expectations



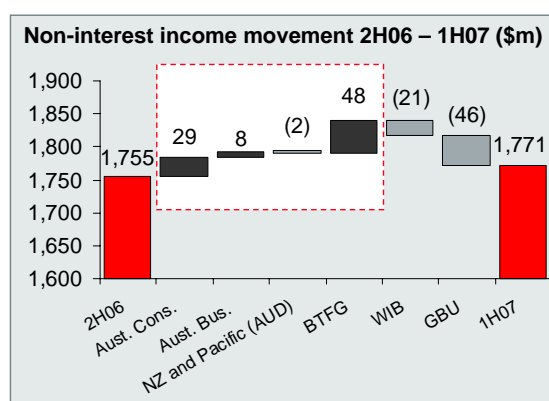
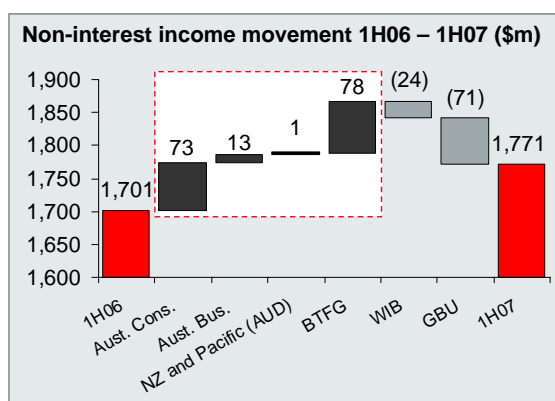
Source: Westpac

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Customer flows driving non-interest income growth



- BT non-interest income up 17% over the year, 10% over the prior half; Strong volume growth in BCB and WIB
- Consumer segment up 22% over the year with sale of MasterCard and full period impact of prior fee changes
- Trading income lower from above trend performance in the prior corresponding period
- NZ fee realignment in Oct 06 reducing fee scales to market
- Higher SCG origination revenue in WIB in 2H06
- Losses on NZ\$ hedges (GBU)

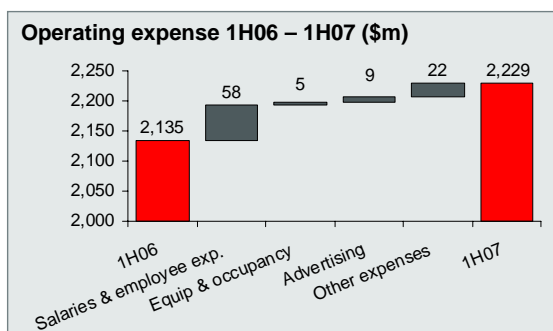
Source: Westpac

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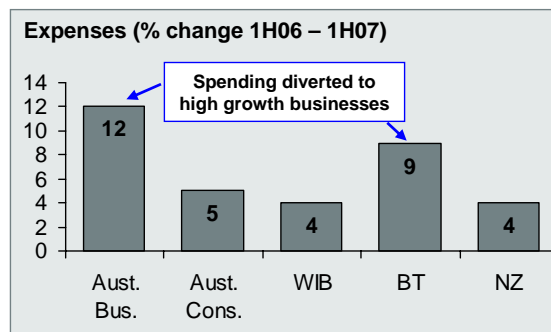
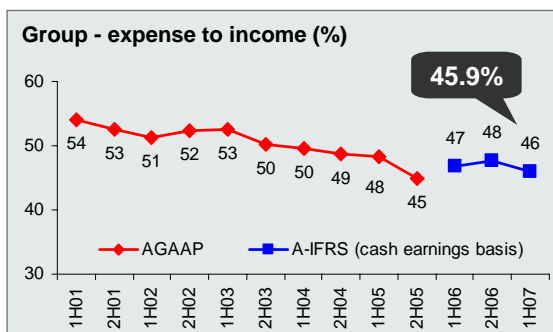
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Expenses skewed to higher growth businesses

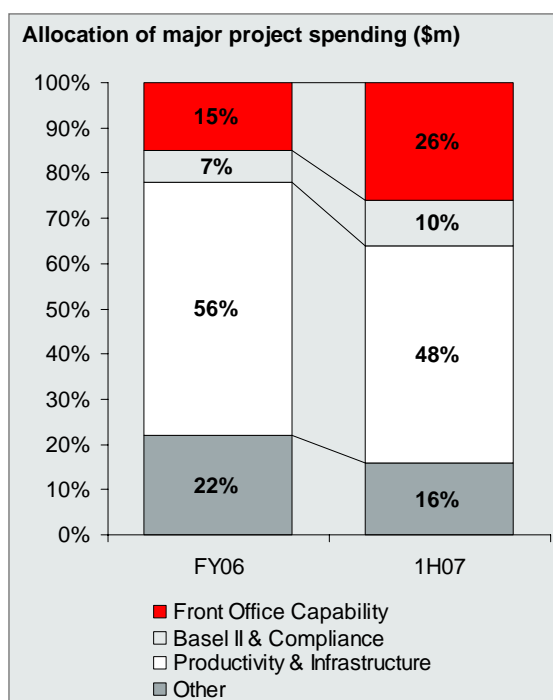


- Operating expenses up 4%
 - Employee costs up 5%, given focus on investing in additional customer serving employees
- Expense to income ratio down 90bps to 45.9%



Source: Westpac

More investment directed to the front line



- More resources devoted to growth businesses – BT and Business Banking
- Large scale infrastructure platforms now operating
- More investment devoted to smaller projects focused on revenue and productivity

Deferred expenses and capitalised software			
\$m	1H06	2H06	1H07
Capitalised software balance	439	480	485
Amortisation ¹	77	98	92

1. Amortisation includes impairments

Capitalised software – major projects

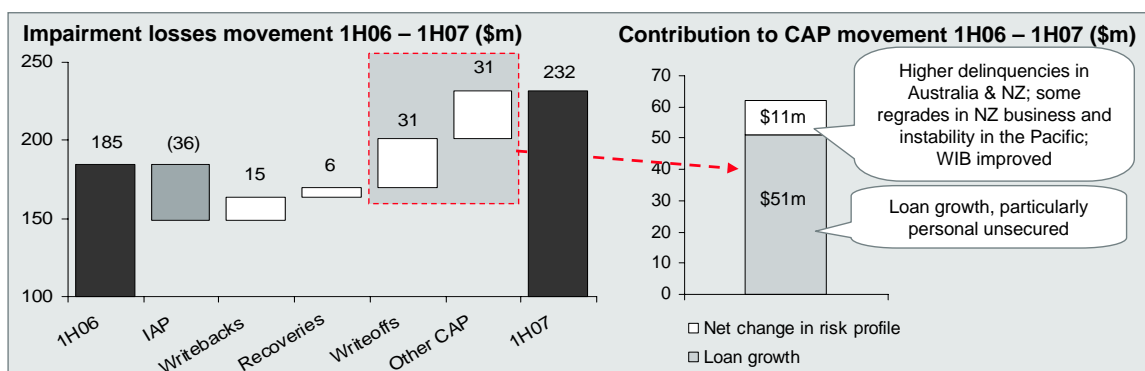
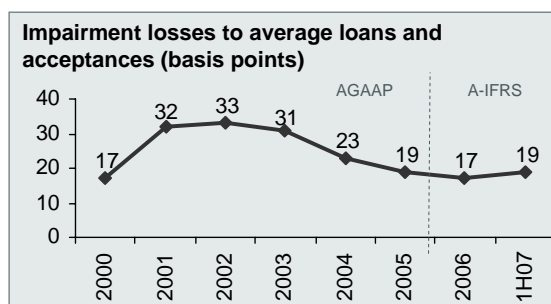
Capitalised software - major projects (\$m)	Amortisation period (years)	Sep 2005	Sep 2006	Mar 2007
Business loan origination (Pinnacle)	3	91	62	43
Institutional Bank (various)	3	34	38	41
Standardised platform (One Bank)	3	76	94	88
Channel development and distribution	3	22	15	13
Product enhancement	3	9	7	9
Customer relationship management (Reach)	3	46	38	38
Advice platform	3	-	9	11
Connect@Westpac (personnel system)	5	17	35	32
Teller platform, NZ	5	36	38	38
Lending originations, NZ	3	-	6	10
Unsecured lending originations	3	-	6	13
Other – Australia & NZ	3	117	132	149
Total		447	480	485

Source: Westpac



Impairment losses consistent with loan growth

- Total impairment losses rising off a low base
- New collectively assessed provisions up \$62m:
 - \$51m due to balance sheet growth, mainly in Australian consumer business
 - \$11m net change in risk profile
- Individually assessed provisions lower, mainly due to the Institutional bank
- Net writebacks and recoveries \$21m lower over 1H06, \$57m lower over 2H06



IAP – individually assessed provisions. CAP – collectively assessed provisions. Source: Westpac

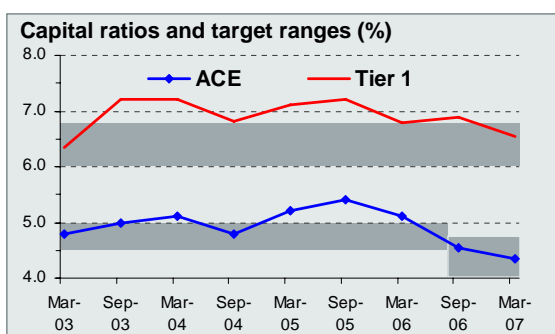


Drivers of impairment losses on loans

Type of Provision / charge	Definition	Driver	1H07
Individually Assessed Provisions (IAP)	<ul style="list-style-type: none"> Similar to former specific provisions except the calculation is more formulaic Calculated on impaired Business banking and Institutional exposures > \$250k 	<ul style="list-style-type: none"> Impaired asset movements and projected recovery rates Type of asset (e.g. level of security) 	<ul style="list-style-type: none"> New IAP \$42m Down 46% (pcp) Mainly due to the Institutional Bank
Collectively Assessed Provision (CAP) Business and Institutional portfolio	<ul style="list-style-type: none"> Impaired Business banking and Institutional exposures < \$250k Performing business banking and Institutional bank exposures where loss is incurred, but not reported 	<ul style="list-style-type: none"> Growth in overall exposure levels Changes in portfolio composition (eg downgrades/ upgrades) 	<ul style="list-style-type: none"> Total new CAP \$220m Up 39% (pcp) \$62m increase on 1H06 due to growth in the balance sheet (\$51m) and changes in the risk profile (\$11m)
Collectively Assessed Provision (CAP) Consumer portfolio	<ul style="list-style-type: none"> Consumer delinquent accounts Performing consumer accounts where loss is incurred but not reported Write-off directs are for loans not individually provisioned 	<ul style="list-style-type: none"> Growth in overall exposure levels Mix of portfolio, particularly between secured (e.g. mortgages) and unsecured (e.g. cards and personal loans) Changes in delinquency profile (calculation based on delinquency buckets (30+ days, 60+ days etc) gives greater granularity than AGAAP approach) Current economic conditions 	
Write-backs and Recoveries	<ul style="list-style-type: none"> Recoveries relate to previously written off loans Write-backs relate to previously provisioned loans where provisioning no longer required 	<ul style="list-style-type: none"> Recovery experience Current economic conditions 	<ul style="list-style-type: none"> Write-backs and recoveries \$30m Down 41% (pcp)



Reinvesting capital in the business

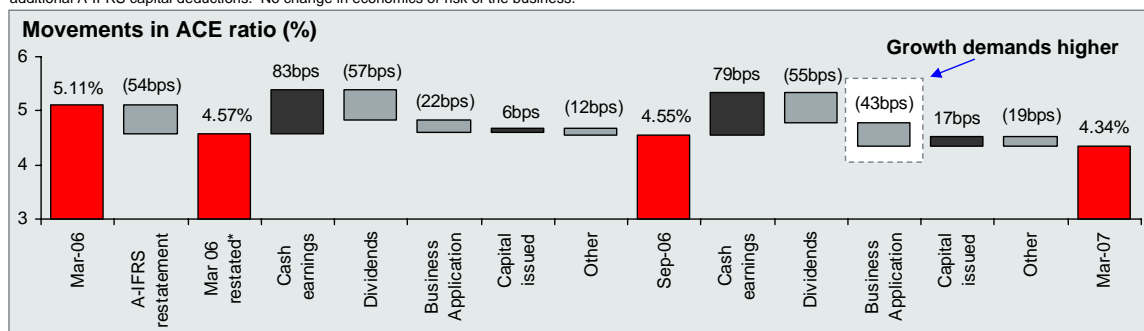


Tier 1: transitional relief applies until 1 Jan 08. ACE ratio target range changed due to additional A-IFRS capital deductions. No change in economics or risk of the business.

- Growth demands higher - RWA up 10% over half
- Overall capital position remains solid – all ratios within target ranges

	Ratio	Target Range
Tier 1	6.50%	6.00 – 6.75%
ACE	4.34%	4.00 – 4.75%

- Higher 'other' principally includes increased deductions for foreign currency translation reserve and deferred tax assets



* Restated to reflect impact of A-IFRS. Source: Westpac



Basel II – Making good progress

- Westpac is seeking advanced accreditation under Basel II for Credit, Market and Operational Risk
- Formal Basel II project first established in 2002
- QIS 5 demonstrated a substantial reduction in Risk Weighted Assets (RWA). However, final RWA levels are subject to APRA prudential floors and other regulatory discretions
- Westpac submitted a detailed submission on its accreditation status to APRA in September 2005 and to RBNZ in July 2006
- Since 2005 Westpac has been in regular consultation with APRA on its submission and the methodologies used
- Good progress has been made with APRA although discussions are ongoing and accreditation is yet to be finalised
- Any capital release in year 1 expected to be in line with Basel II regulatory guidance
 - Maximum 10% in first year

A reduction in RWA for credit risk is likely given:	
Mortgages	Low default rates and high quality portfolio. Continues to be the largest contributor to possible RWA reduction
Business lending	High quality SME and middle market portfolio. Data improved with Pinnacle platform and other system enhancements
Institutional lending	High quality portfolio. Portfolio quality has been relatively stable over time
Cards	Credit card loss experience consistently better than international peers. However capital to be applied to unused limits for first time

Managing exchange rate risk of future NZD earnings

Accounting under A-IFRS	
Hedging approach	Up to 100% of the expected earnings for the next 12 months and 50% of expected earnings for subsequent 12 months can be hedged
Accounting treatment	Hedge accounting treatment was not available from 1 October 2006
Implications	<p>As at 1 October 2006</p> <ul style="list-style-type: none"> • Fair value of hedge contracts in place for 2007 were capitalised on the balance sheet at (\$23m) • The (\$23m) will be brought to account through the income statement over the term of the underlying hedge contract through 2007
	<p>From 1 October 2006</p> <ul style="list-style-type: none"> • Movements in the fair value of all economic hedges will be recognised immediately in the income statement (hedging of overseas operations)
Output	<ul style="list-style-type: none"> • Potential additional reported earnings volatility in net profit after tax due to the timing of income recognition. This volatility is reversed to derive cash earnings • Reduction to 2006/07 Group cash earnings of approx. 1% due to movement in the rate at which earnings have been hedged

Diversified wholesale funding franchise

Wholesale Funding Objective

- Raise efficiently priced funds within prudent liquidity limits, simultaneously building capacity ahead of balance sheet needs

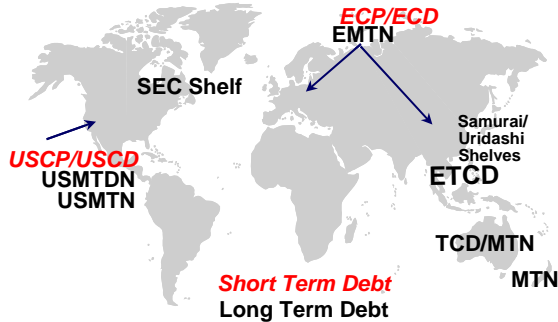
Issuance strategy

- Well timed deals driven by investor demand
- Responsible pricing and realistic volume expectations
- Lead Manager(s) selected on market knowledge and proven secondary market support
- Syndicate selected on performance and distribution
- Markets selected for capacity build or to replenish capacity and refresh credit lines
- Medium Term Note franchise to tap unutilised lines

Debt Investor Relations

- Dedicated debt investor relations, multiple information platforms

Global funding diversity

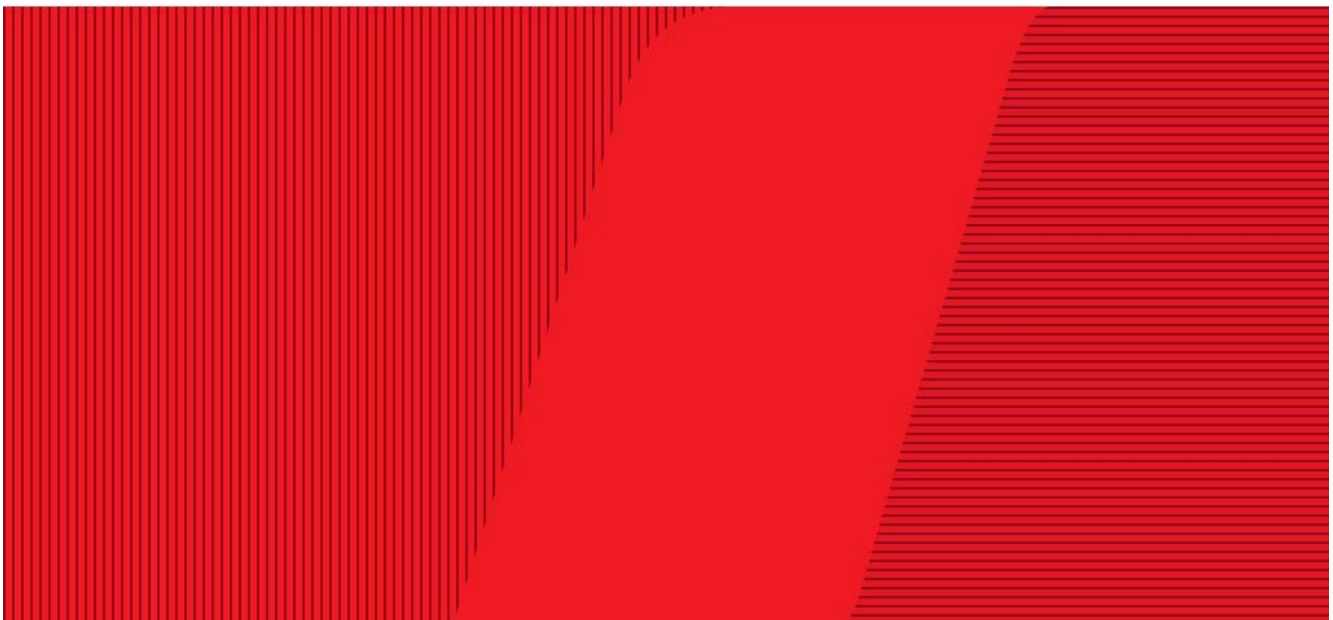


Debt Programmes and Issuing Shelves

- US\$25bn Euro Medium Term Note Program
- US\$15bn Euro Commercial Paper Program (WBC and WSNZL as issuers)
- US\$20bn US Commercial Paper Program
- US\$5bn US Medium Term Deposit Note Program
- US\$10bn US Senior Medium Term Note and US Subordinated Medium Term Note Program
- ¥100bn Samurai shelf
- ¥300bn Uridashi shelf
- US\$7.5bn US Commercial Paper Program (WSNZL)
- US\$5bn Euro Medium Term Note Program (WSNZL)
- WBC and WSNZL domestic debt issuance programs - no limits

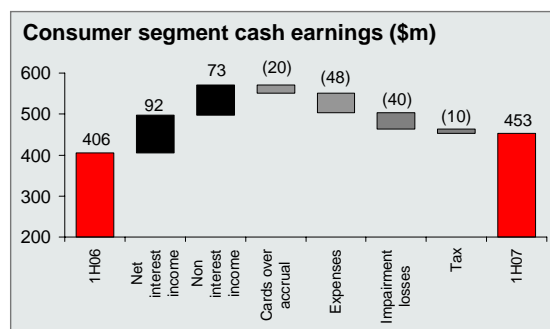
Business Unit Performance

May 2007



Consumer segment – Cash earnings driven by strong lending volumes

- Australian consumer segment cash earnings up 12% on 1H06, up 16% adjusted for cards over accrual¹
- Strong lending growth
 - Mortgages up 12% (0.9x financial system²)
 - Cards up 16% (1.2x financial system³)
- Lending spreads lower (mix and competition), deposit spreads up 13 bps
- Non-interest income higher, up 22%, from full period impact of 2006 fee changes and sale of MasterCard shares
- Expense growth 5%
- Investment in front line people (173 additional customer serving staff)
- Impairment losses in line with loan growth (particularly credit cards) and changing credit environment



1. Adjusted for credit cards over-accrual 1H06: \$14 million cash earnings 2. March 2006 to March 2007 3. February 2006 to February 2007

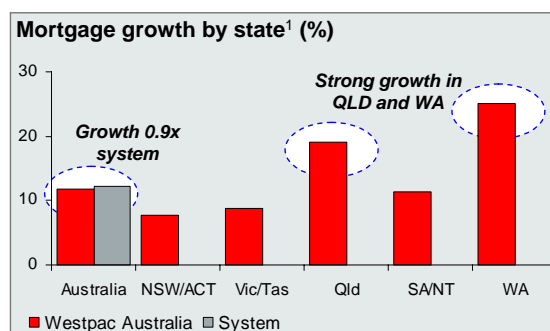
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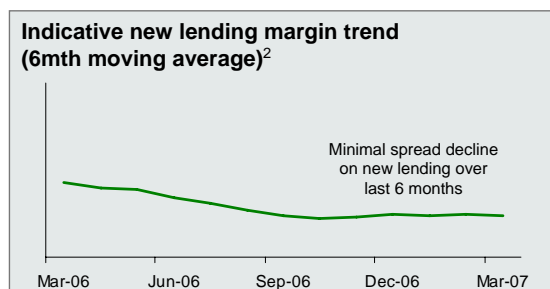


Mortgages growing close to system

- Fastest growing major bank
- Growth supported by:
 - Strong product set – 2007 Money Magazine - Best Home Loan Package and Best Featured Home Loan
 - Pricing – meeting, not leading, the market
 - Channel –
 - Above system growth in QLD and WA reflecting focus on high growth corridors
 - Productivity maintained - supported by sales capability with Westpac Way and Reach (CRM platform)
 - Small increase in broker usage – 39% (1H06: 38%)
- Mortgage spreads down 10bps
 - Increased proportion of fixed rate lending from 15% at 1H06 to 19% at 1H07
 - Minimal spread decline on new lending over last 6 months



1. 12 months to February 2007 Source: RBA, Westpac



2. Excludes the impact of broker commissions and A-IFRS effective yield adjustments. Source: Westpac

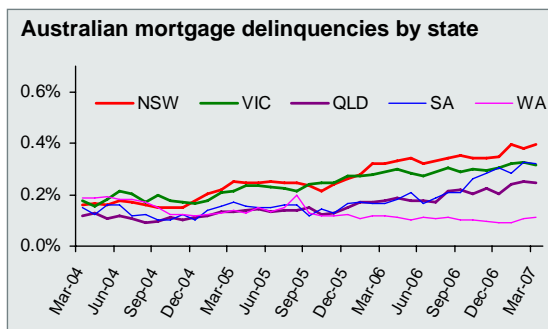
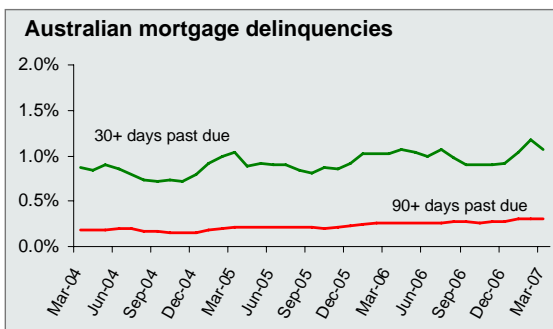
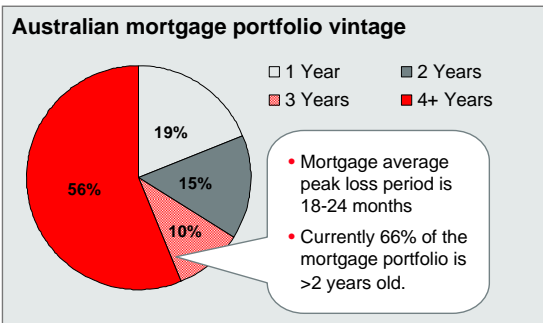
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Investor Discussion Pack May 2007



Mortgage delinquency trends

- Delinquencies increasing but below industry benchmarks:
 - Westpac Aust 30bps
 - S&P Aust 41bps (as at Dec 2006)
- Higher delinquencies due principally to higher interest rates and more subdued economic activity in South Eastern Australia
- Actual losses remain low due to:
 - Maturity of portfolio
 - Strong security supported by mortgage insurance



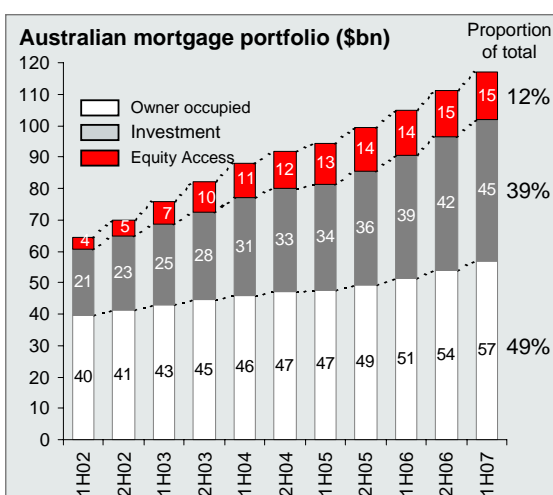
Source: Westpac

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Investor Discussion Pack May 2007



High quality Australian mortgage portfolio



- Recent mortgage losses have been less than 1 basis point over the last 12 months
- Risk of loss in higher LVR segments remains low due to mortgage insurance cover
- 66% of the portfolio past the peak loss period (18 – 24 months)
- No sub-prime mortgages
- Low Doc lending subject to: lower maximum LVRs, mortgage insurance required where LVR >60%, security restrictions, all standard credit policies applied, internal inspections required

Total Portfolio – as at 31 March 2007	
Average LVR of portfolio ¹	68%
Average LVR of new loans	69%

Low Doc Portfolio – as at 31 March 2007	\$m	% of portfolio
Total portfolio	\$4,194	<4%
Avg new lending per month	\$241	<11%

1. Based on valuation at drawdown. Source: Westpac

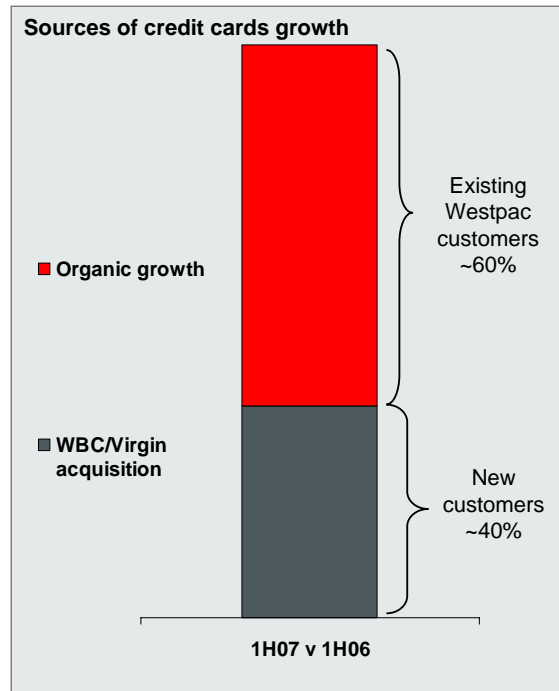
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Investor Discussion Pack May 2007



Cards – delivering controlled growth

- Growth of 16%, 1.2 times system¹
 - Approx. 60% in organic growth and
 - Approx. 40% new business to Westpac
- Growth was preceded by enhanced analytics and collections capability
- Spreads 76bps lower given:
 - Change in portfolio mix toward low rate cards
 - Increase in low rate balance transfers
 - Higher interest rates increasing the interest cost of transactors
- Fully provisioned for growth and changing credit environment
- Growth expected to slow in 2H07 as one-off uplift in volumes in last 12 months is not repeated

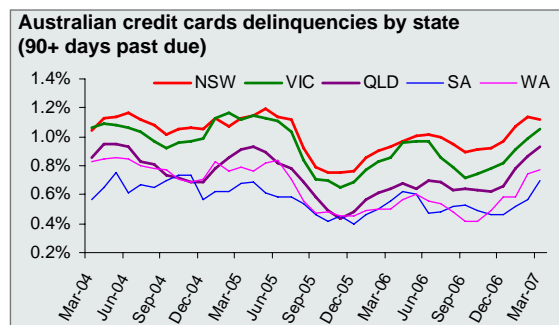
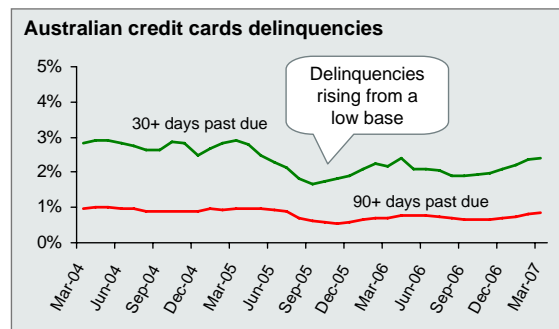


Source: Westpac

1. 12 months to February 2007

Cards delinquencies trending up off a low base

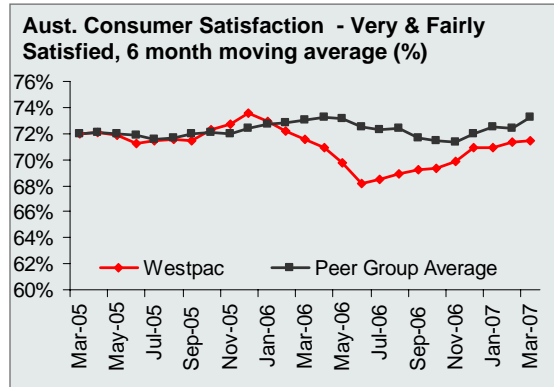
- 90+ days delinquencies have remained broadly stable over past 3 years with modest increases evident over recent months
- 30+ days delinquencies declined in 2005 due to a combination of portfolio growth and collections and analytics investment
- Delinquencies rising more recently given:
 - Change in portfolio mix (Low Rate cards growth)
 - Maturity of Low Rate cards written over last year
 - Rising bankruptcy levels and higher interest rates
- Higher delinquency levels in NSW given the more subdued economic environment
- Average card peak loss period is between 18-24 months - currently 67% of the portfolio is more than 2 years old, despite recent above system growth



Source: Westpac

Customer satisfaction – beginning to improve

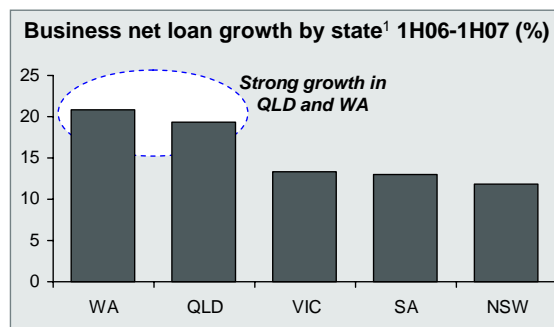
- Customer satisfaction ratings are trending in the right direction
- Over a 6 month moving average, Westpac Consumer is in 3rd position among the top five banks
- The gap between Westpac and the leading bank has reduced by a full 3 per cent since June 2006
- Recent investment in new brand campaign – “Every generation should live better than the last” – is contributing to enhanced perception, supported by an improved customer experience score, leading to improving overall satisfaction



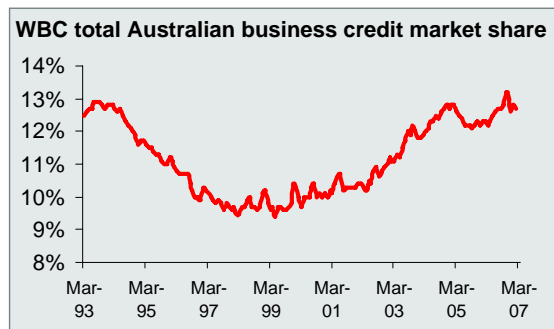
Source: Roy Morgan Research: Main Financial Institution. Peer average represents a simple average of 3 majors and SGB

Business segment – benefiting from prior investments

- Business net loan growth of 14% reflecting Westpac's prior investment in:
 - Front line personnel, up 475 in last 18 months
 - Pinnacle, online end-to-end business lending origination platform
 - 80% of deals now auto-assessed
 - Additional leadership and sales management training
- Over half of all new business bankers in the last 12 months added in high growth states
 - Strong QLD and WA lending growth
- Margin compression 5bps in the half
 - Predominantly mix-driven – bias of new lending to middle market customers with larger borrowings
 - Shift towards bank bill priced products
- Credit quality remains sound
 - 90+ days delinquencies steady at 61bps and below historical average of 92 bps



Source: Westpac

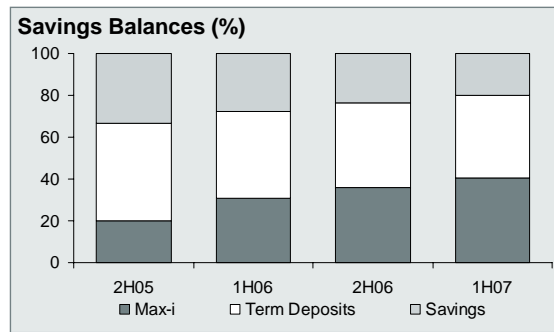


Source: RBA, Westpac

1. Business lending product including equipment finance and excluding working capital

Savings and Investments – sustainable growth

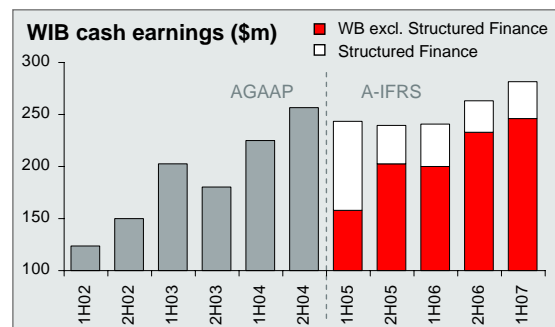
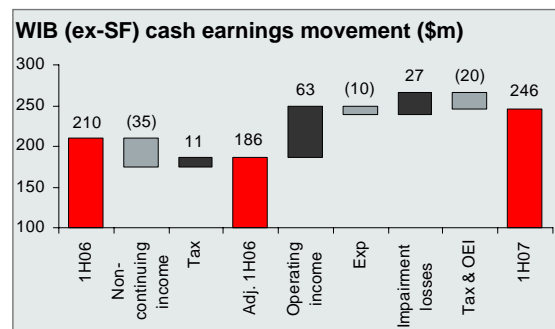
- Savings and investments deposit balances increased 11% on 1H06
 - Max-i (high interest online account) balances growing ahead of traditional deposit products
- Business deposits particularly strong (up 17%) given:
 - Solid cash flow in the sector
 - Increased focus on capturing customers' total business
- Spread decline from the trend to high interest online deposits offset by higher product spreads following interest rate rise



Source: Westpac

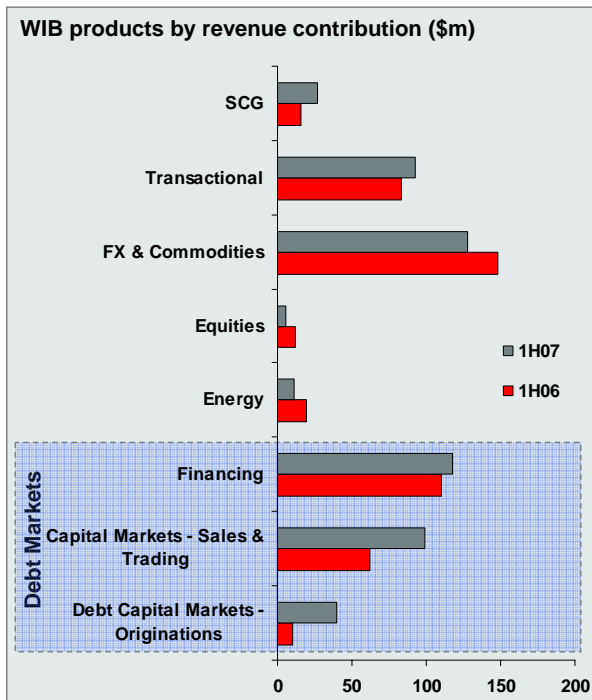
WIB – strong business growth

- Cash earnings up 17% (excl Structured Finance)
- Operating income growth of 5%
 - Growth in customer activity and FUM
 - Strong contribution from capital markets (both trading and originations)
 - Margin down 2bps
- Income growth offset by
 - Lower FX income from high 1H06
 - Sale of Sub-Custody business (\$7m)
 - Run-off in investment securities portfolio (\$28m)
- 11% underlying operating income growth
 - Adjusting for non-continuing income streams (custody and investment securities portfolio)
- Impairment losses down \$27m - no significant new impaired assets



Note: WIB disaggregated Structured Finance from 2005 due to significant changes in the nature of that business

WIB - divisional performance



- SCG revenue up 69% driven by funds management business
- Transactional revenue up 12% from higher customer balances
- FX performance down from high 1H06
- Equities/Energy lower 1H07 performance, outlook remains positive
- Debt Markets – 41% increase in loans
 - Assisted growth in syndicated lending and originations income
 - Trading income up reflecting increased volatility and flow

Source: Westpac

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Investor Discussion Pack May 2007



Lending growth flowing through to capital markets

Institutional net loans and acceptances ¹ (A\$bn)	1H07	% Growth
Total	36.9	41%

- Debt Markets captures all activity associated with providing customers' credit needs
- Strong loan growth, with positive ROE

Flow volume (A\$bn)	1H07	% Volume Growth
Syndicated Lending	7.0	46%
Domestic Bonds	3.9	0%
ABS	1.0	0%

- Improved loan growth has flowed through to strong syndicated lending growth (ranked number 1[^])
- Domestic bond origination remains high

Debt markets revenue ² (A\$m)	1H07	1H06
Financing	118	110
Capital Markets – sales and trading	99	62
Debt Capital Markets - originations	40	10

- Growth translates into strong Debt Markets origination income
- Volume flow assists sales and trading

1. Includes bridging facilities, term lending, asset finance and other loans. All amounts represent spot balances as at 31 March 2007. 2. Does not include certain internal revenues and fair value gains on investment securities. [^]Thomson Financial 1/1/07-31/3/07

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Institutional Market Leadership

Domestic Bonds Bloomberg 1/01/2007 – 24/4/2007		
Rank	Underwriter	Market Share
1	CBA	15.1%
2	Westpac	11.9%
3	Deutsche Bank AG	11.6%
4	ANZ	11.5%
5	ABN AMRO	10.8%

Foreign Exchange		
•	Peter Lee 2007 Survey #1	
•	FX House of the Year Insto 2006	
•	Best domestic provider of FX Services in Australia (AsiaMoney 2006 FX Poll - financial institutions)	
•	Best Foreign Exchange bank in Australia (Global Finance 2006)	

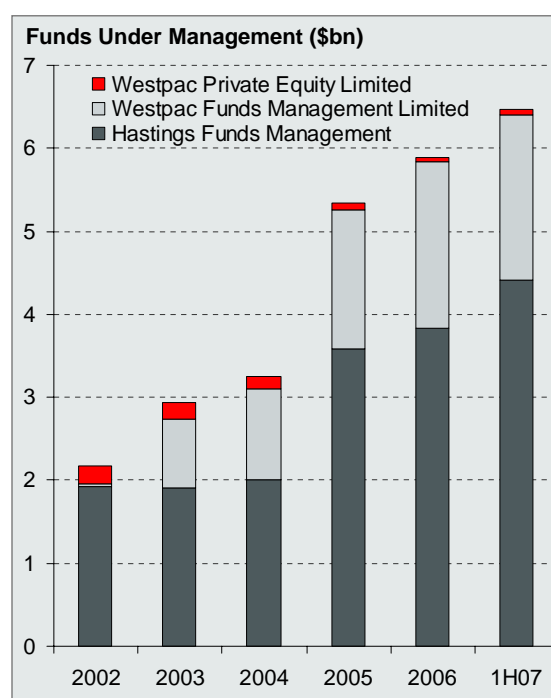
Syndicated Loans Thomson Financial 1/1/2007 – 31/3/2007		
Rank	Bookrunner	Market Share
1	Westpac	17.7%
2	CSFB	12.1%
3	UBS	12.1%
4	ANZ	5.7%
5	CBA	3.3%

Transactional Banking Peter Lee 2006 Survey		
•	No. 1 Lead Domestic Transaction Bank	
•	No. 1 Relationship Strength Index	
•	No. 1 Leader for value added services	
•	No. 1 Leader for new product development initiatives	
•	No. 1 Best Transactional Banking platform	



Specialised Capital Group – strong pipeline

- Revenue up 69% (\$11m)
 - Driven by growth in FUM, up 21%
- Strong pipeline for remainder of 2007 year, with significant transactions recently completed:
 - Bonnyrigg - Australia's first public housing Public Private Partnership
 - Airport Link – A public infrastructure project, which provides a rail link between Sydney's domestic and international terminals and the city



Source: Westpac



Private Equity

- Core customers increasingly involved in private equity transactions. Our relationships are primarily with the underlying operating companies
- Westpac supports private equity transactions that are appropriately structured and carry acceptable risk/return characteristics
- Builds on our leading capital markets position
- Current residual holdings around \$2bn (representing around 0.5% of Group total committed exposures). Average deal size \$57m
- Westpac is alert to aggregate changes in leverage across private equity transactions but also levels of gearing generally
- Westpac monitoring risks as:
 - Recent higher debt multiples not yet fully tested; and
 - Trend toward “lite” covenants

Asia – executing on growth opportunities

Our strategy	To capture value from Asia through organic growth, supporting Australia/New Zealand customers with interests in Asia, and Asian customers with interests in Australia/New Zealand
Revenues	Overall Asia revenues increased 25% from 1H06 to 1H07 to A\$105m
Footprint	<ul style="list-style-type: none"> • Reconfigured footprint to better reflect opportunities • Mumbai Representative Office approved and operational • Shanghai Branch Office application pending with Chinese authorities
Milestones	<ul style="list-style-type: none"> • Approximately 85 employees in Asia • Business banking capabilities added to Asia in 1H07, with further strengthening of businesses such as Debt Capital Markets and Trade • Further expansion of Private Banking offerings with wealth products • Regional collaborations have resulted in several mutually beneficial transactions particularly in India and business banking, with more in the pipeline • Recent corporate transactions included customers such as Cathay Pacific Airways Limited, Noble Group Limited, and various institutional banking customers

Financial Markets and Treasury – solid contributions

- Financial Markets and Treasury continue to deliver solid returns
- Businesses are impacted by FX and interest rate market volatility
- Good diversification across asset classes - in the past 6 months Capital Markets and Treasury have benefited from interest movements in Australia and NZ
- FX performance down from high 1H06
- Equities/Energy lower 1H07 performance, outlook remains positive
- Aggregate result improved over prior period, below exceptional 1H06

Financial Markets Product Income (\$m)	1H06	2H06	1H07
Foreign exchange	148	120	128
Capital markets	62	34	99
Equities and energy	46	30	17
Total financial markets product income	256	184	244

Group Treasury Income (\$m)	1H06	2H06	1H07
Net interest income	125	17	123
Non-interest income	25	23	-
Total Treasury income	150	40	123

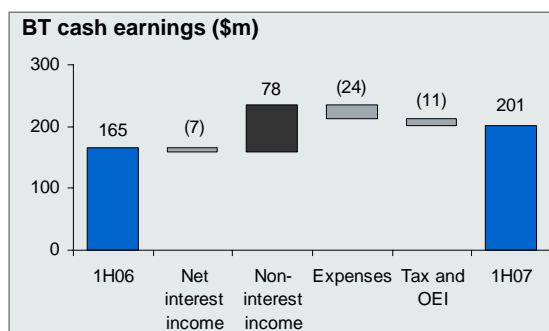
Source: Westpac

BT – Continues to be a growth driver

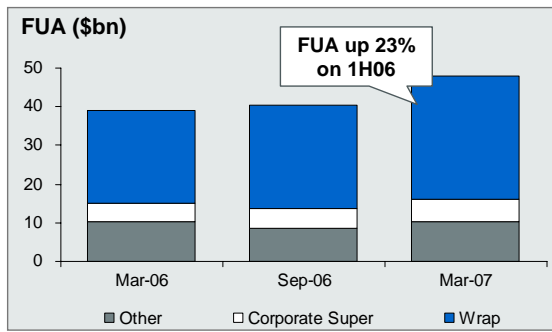


Key performance indicators	Change 1H06 – 1H07
Cash earnings	↑ 22%
Wrap FUA	↑ 34%
Corporate Super FUA	↑ 14%
Total FUM	↑ 6%
Margin lending	↑ 40%
Net insurance revenue	↑ 22%
Advice sales revenue	↑ 20%
Broking revenue	↑ 40%

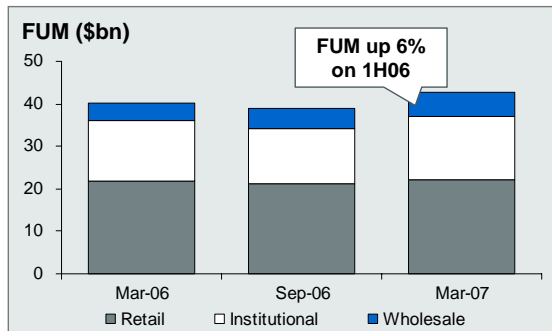
- Excellent cash earnings growth
- Strong growth across the business
- Solid FUM and FUA flows
- Cross sell improving in Advice and Insurance
- Insurance returns improving off a low base



BT – Very strong FUA growth, steady FUM growth



- FUA growth 23% to \$47.8bn
- Continued growth in Wrap
 - FUA up 34%
 - Ranked 1st for new platform business in Sept and Dec quarters*
- Corporate Super up 14%



- FUM up 6% - despite \$1bn domestic fixed income mandate redemption in 2H06
- Wholesale FUM – 33% growth
- Retail FUM – structural decline continues
- Institutional – slower FUM growth but replacing lower margin business with higher margin

* Source: S&P Sept 2006, Dec 2006

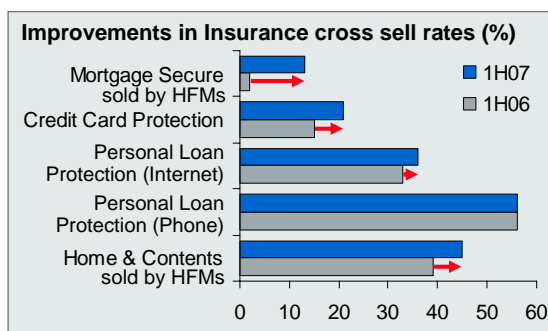
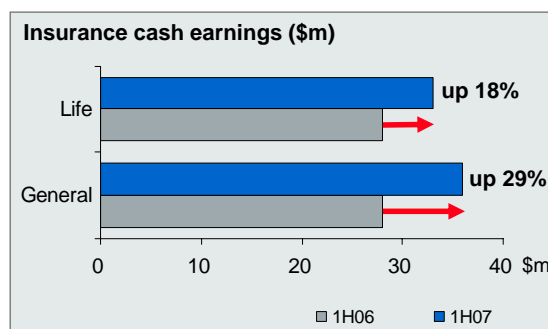
BT – Improving share in a fast growing market

Product	Current Australian market share		Share of quarterly new business	
	Market share (%)	Rank	Market share (%)	Rank
Retail	11	4	14	2
Corporate Super	7	5	10	5
Platforms	12	2	21	1
Margin Lending	15	3	10	4-5
Wholesale	3	13	23	3
Life Insurance	6	8	6	7
Broking	na	na	10	3

Source: Retail – S&P Dec 2006; Corporate Super – Dexx&r Dec 2006; Platforms – S&P Dec 2006; Margin Lending – RBA Quarterly Statistics Dec 2006, ranking data for margin lending is based on an internally generated estimate; Wholesale – S&P Dec 2006; Life insurance – Plan for Life data Dec 2006, Broking – IRESS Dec 2006

BT - Insurance growing, cross sell improving

- Insurance business growing well, from a small base
- Cash earnings up 23% on 1H06 to \$69 million
- Life insurance cash earnings up 18%
 - 8% growth in in-force premiums
 - Strong risk sales
- General insurance cash earnings up 29%
 - Improved claims experience
 - No major natural disasters
- Improvements in cross sell rates (insurance products sold as a percent of banking products sold) supporting improved performance



Source: BT

BT - Sustained investment performance, high ratings

- AFR/Smart Investor Fund Manager of the Year
- S&P Manager of the Year – Australian Equities & Balanced
- Money Magazine – Best Premium Cash Fund, Best Australian Share Fund
- Goldman Sachs JB Were Multi-Sector Fund Manager Award - Diversified Fund

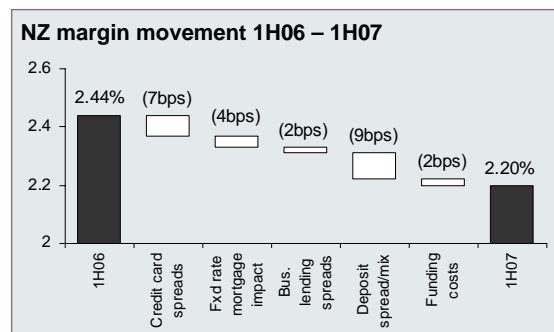
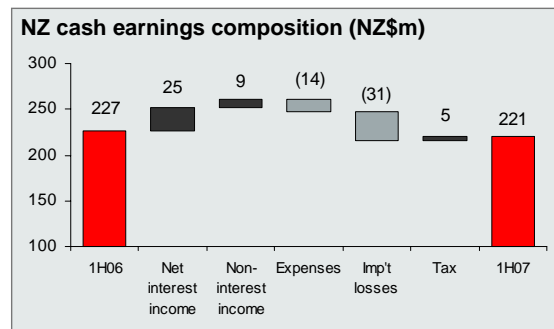
Flagship fund Ratings (S&P)	2006
Core	5 stars
Focus	5 stars
Small Caps	4 stars
Ethical	4 stars
Imputation	4 stars

March 2007	Performance and Quartile Ranking					
	1 yr (%)	Quartile	2 yrs (% pa)	Quartile	3 yrs (% pa)	Quartile
Core Australian Share Fund	20.6	3	27.7	2	28.1	1
Ethical Share Fund*	26.5	1	31.5	1	31.3	1
Imputation Fund*	27.4	1	31.5	1	31.1	1
Smaller Companies Fund	32.2	2	32.7	2	36.4	2
Balanced	10.3	4	15.6	3	15.4	1
Domestic Fixed Interest	4.1	1	5.2	4	5.2	4
Intl Equities	2.0	2	15.5	2	13.0	3
Property	29.4	3	23.4	4	22.4	4

Source: Intech, *Mercer

New Zealand – Revenue growth offset by higher impairment losses

- Cash earnings 3% lower as high operating income offset by increased impairment loss
- Volume growth is encouraging, with lending up 17%; deposits up 11%
- Offset by margin decline 24bps
 - 13bps in lending spread/mix
 - 9bps in deposit spread/mix
- Modest non-interest income growth given fee changes to enhance competitiveness
- Provisions increased to meet changing profile
 - Impairment losses up \$31 million
 - Increase in collective provision, reflecting balance sheet growth and downward migration in credit ratings in the business segment

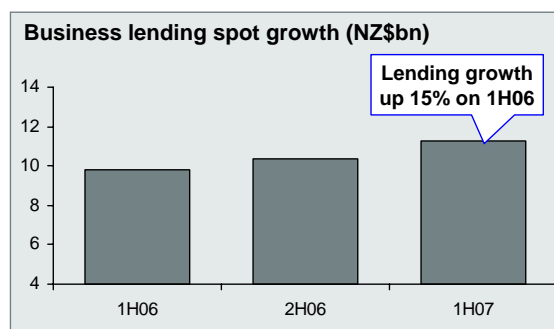


Source: Westpac

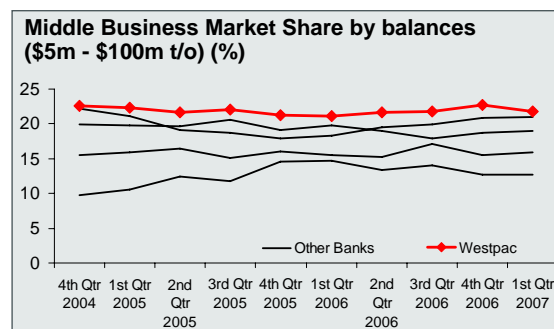


New Zealand Business Banking

- Leading market position maintained – number 1 share in middle markets
- Adjusting for some customer migration from New Zealand business to WIB, lending growth up 15% on 1H06
 - Strong flows in middle markets and property finance
- Lending spread down 7bps
- Impairment losses higher as interest rates and stronger New Zealand dollar have put pressure on businesses



Source: Westpac

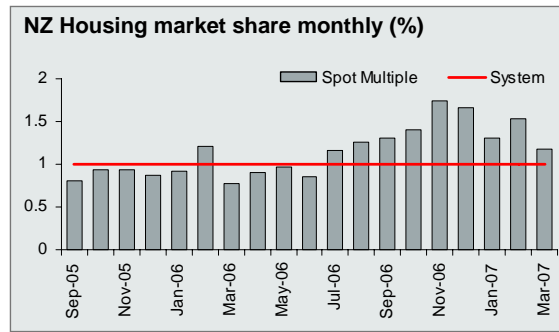


Source: TNS Business Finance Monitor March 2007



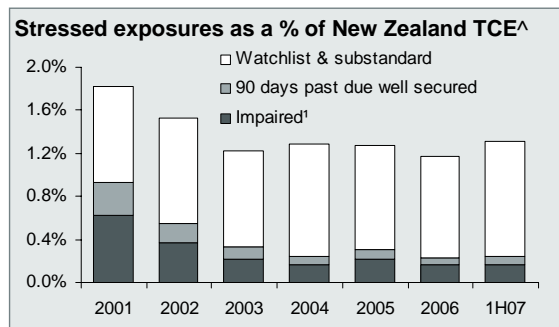
New Zealand Consumer Banking

- Volume growth strong, particularly in mortgages, up 20%:
 - Improved sales performance in Auckland
 - Aligning policies, product and pricing to market
- Deposits up 10%
- Volume growth offset by margin decline (16bps) due to:
 - Repricing of fixed rate mortgages written in the last two years
 - Increased funding costs on non-revolving credit card balances
 - Increased customer switching to lower spread online savings products
- Remains a long term turnaround story

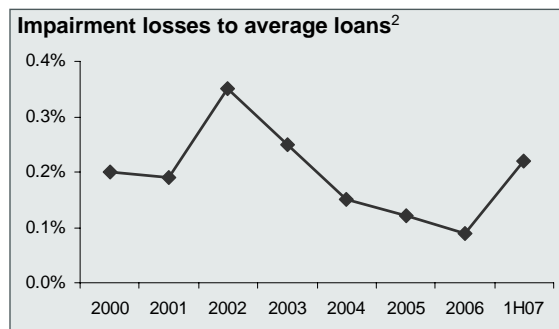


New Zealand – Impairment losses consistent with economic environment

- Impairment losses rising off a low base responding to the economic environment
- No increase in impaired assets – small rise in watchlist and substandard assets
- Stressed exposures to total commitments 1.31%, below 5 year average of 1.35%
- Rise in impairment losses in 1H07 driven by:
 - \$14 million increase in collectively assessed provisions due to business re-grades to watchlist and substandard
 - Some businesses impacted by interest rate rises, strong NZD and tight labour market
 - \$12 million increase driven by balance sheet growth and some deterioration in unsecured consumer products – delinquency levels rising from historic lows
- No evidence of systemic issues



Source: Westpac

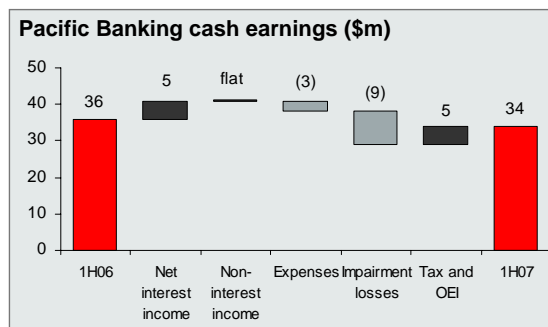


[^] TCE is Total Committed Exposures 1. Impaired assets for FY05 & Mar06 include 90 days + credit cards, personal loans & overdrafts to reflect APRA's prudential approach to the adoption of A-IFRS by ADI's, which came into effect 1 July 06. 2. 2000 to 2005 data on an AGAAP basis



Pacific Banking

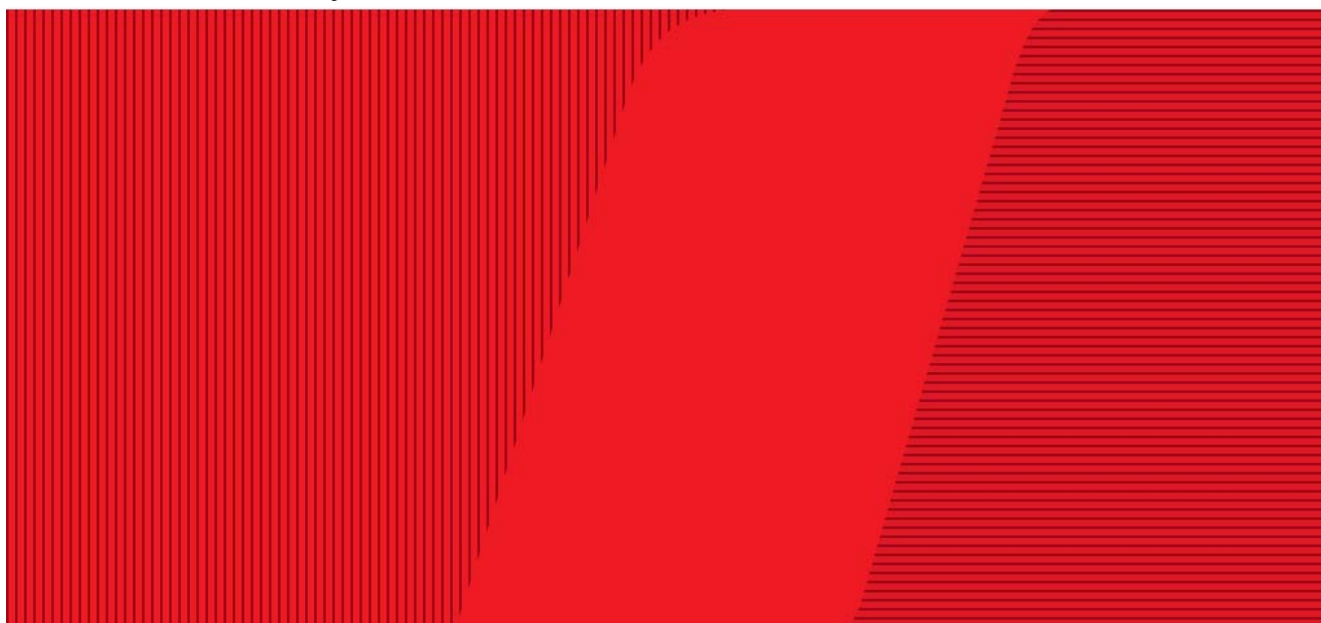
- Pacific Banking continues to be a source of consistent earnings and returns
- In 1H07 higher revenues were offset by increased impairment provisions, reducing cash earnings by \$2 million (6%)
- Revenue up 6%
 - Asset growth up 21%, offset by margin compression due to competition and tightened liquidity
 - Provisions increased, responding to weaker economic conditions and increased political instability across the region
- No significant losses have been recorded



Source: Westpac

Asset Quality

May 2007



Responding to changes in the economic cycle

Portfolio is reflecting changes in the environment

Australia:

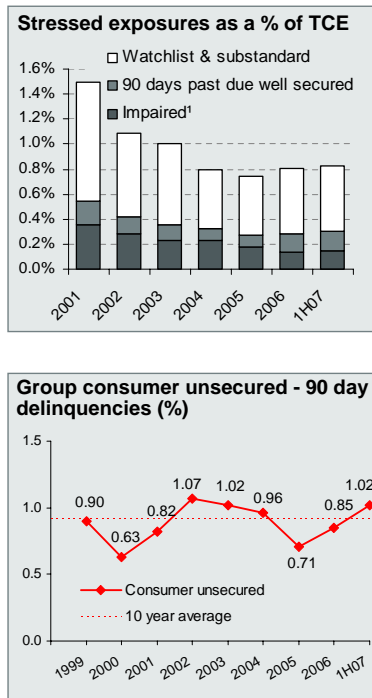
- Higher interest rates

New Zealand

- Very high interest rates
- High exchange rate

Pacific

- Tensions in certain markets

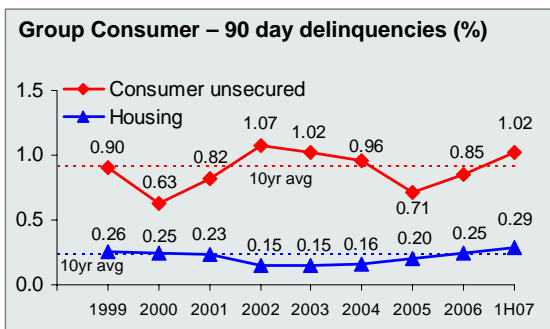


- Fully provisioned against portfolio – collectively assessed provisions to non-housing loans up 5bps to 114bps
- Enhanced analytics improving our understanding of customers
- Increased collections capability with new systems and more than 17% increase in resources
- Beginning to leverage Basel II data and experience

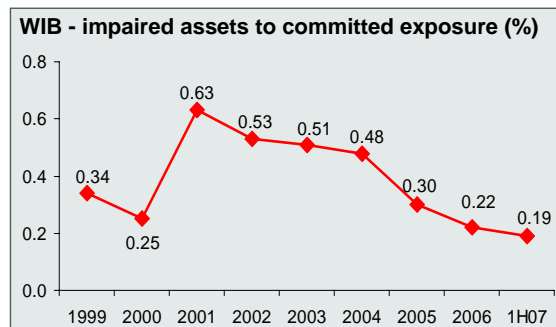
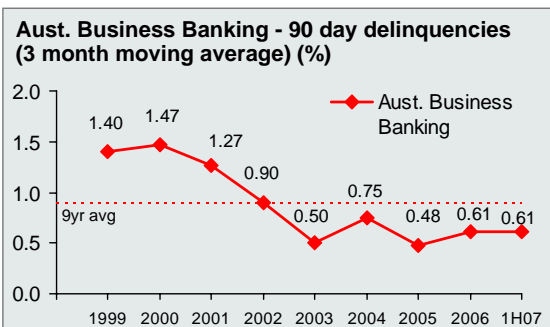
TCE is Total Committed Exposure. 1. Westpac's impaired assets for Sep 05 have been restated to reflect APRA's prudential approach to the adoption of A-IFRS by ADI's, which came into effect 1 July 06. Total impaired assets for Sep 05 includes \$72m of consumer accounts > 90 days past due but not well secured. Source: Westpac



Forward credit indicators



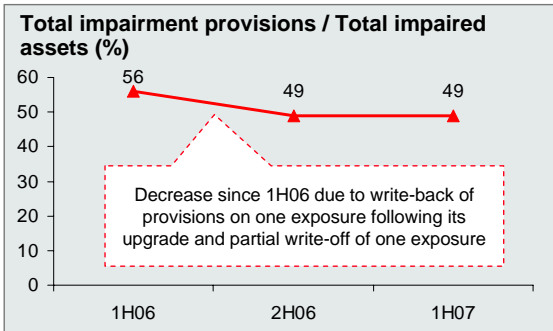
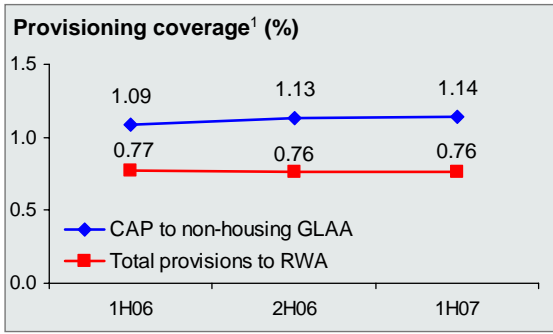
- Consumer delinquencies trending higher from historically low bases, driven mainly by the impact of higher interest rates



Source: Westpac



Provisioning coverage maintained

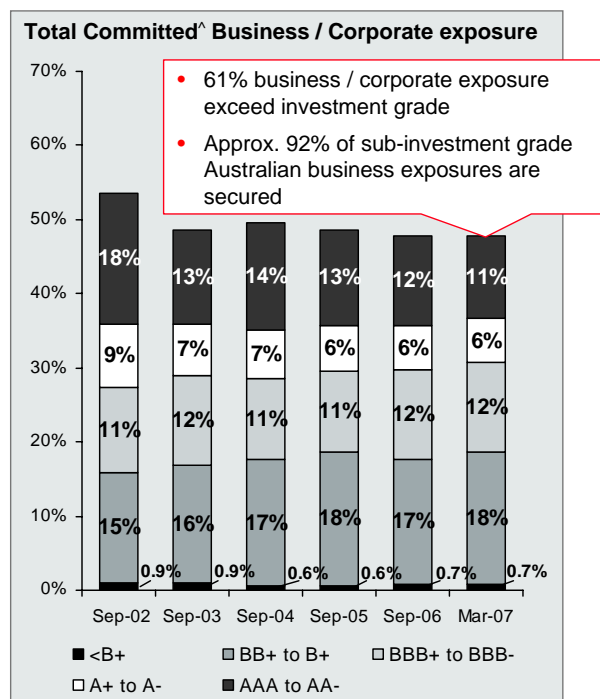
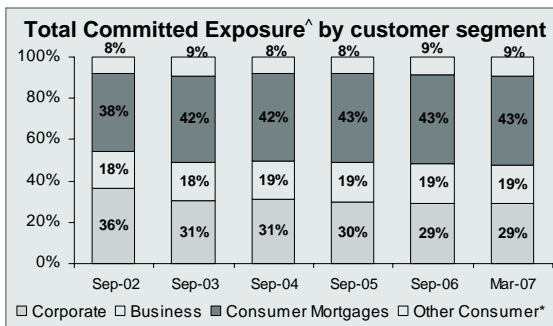
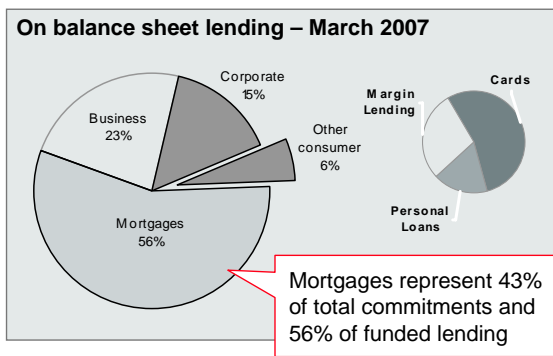


- Provisioning coverage levels maintained, despite strong asset growth
- Provisioning coverage across the consumer credit and business lending portfolios, captured in collectively assessed provisions to non-housing loans and acceptances, up 5 bps from 1H06

1. Includes General Reserve for Credit Losses (GRCL) adjustment (pre-tax) above A-IFRS provisioning levels



Composition of portfolio

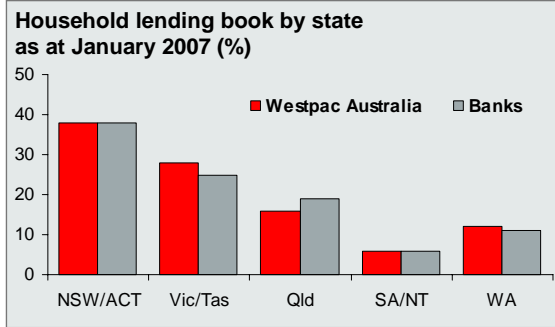


[^]Total committed exposures include outstanding facilities and un-drawn commitments that may give rise to lending risk or pre-settlement risk
 *Other consumer includes credit cards, personal lending and margin lending

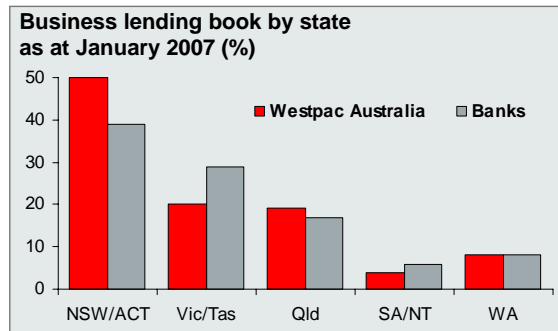


Geographically well diversified portfolio

- Household lending book is broadly in line with the market in NSW
- BCB's business lending in NSW/ACT is closer to market, at approximately 36%
- At a Group level, business credit is above market in NSW/ACT, given WIB exposures



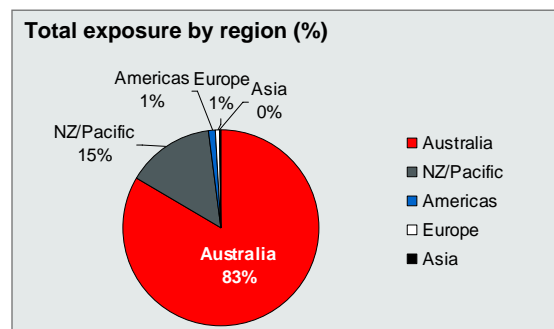
Source: ABA/Cannex data



Source: ABA/Cannex data

Total exposure by region

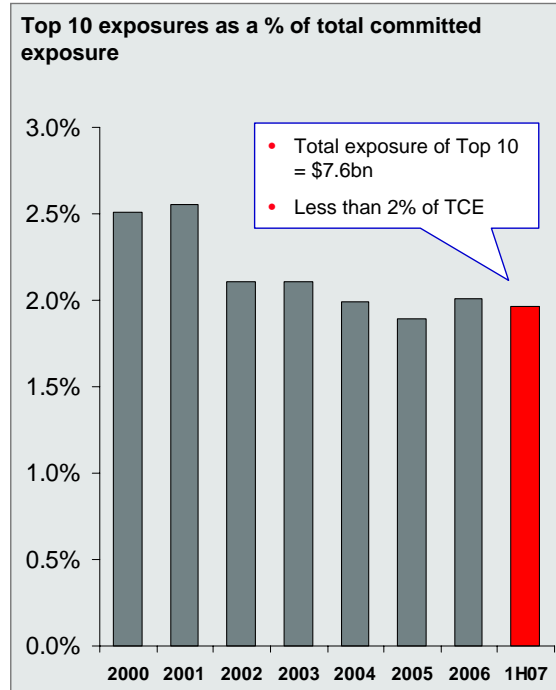
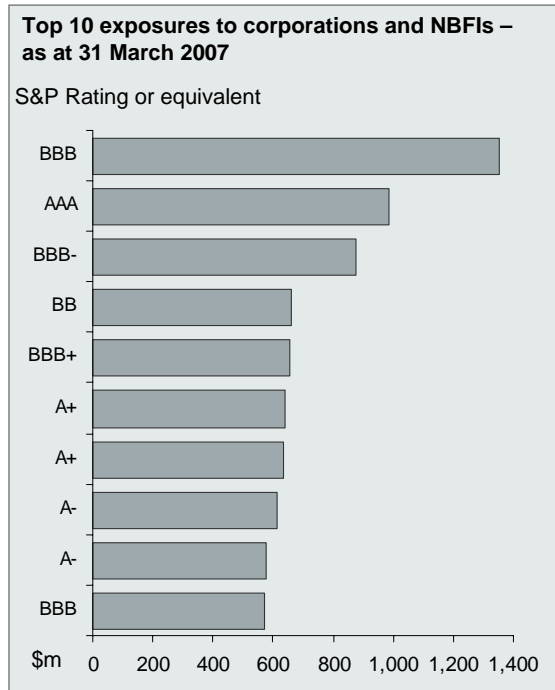
- Exposures outside core markets (Australia and New Zealand) represent less than 2% of total committed exposures



\$m	Australia	NZ / Pacific	Americas	Europe	Asia	Group
AAA to AA-	41,182	1,998	1,083	26	207	44,496
A+ to A-	17,424	3,586	1,619	994	214	23,837
BBB+ to BBB-	35,922	7,794	910	1,326	188	46,140
BB+ to B+	58,235	11,282	169	369	47	70,102
<B+	1,995	540	56	14	-	2,604
Secured consumer	143,912	28,515	-	-	-	172,427
Unsecured consumer	22,663	3,892	-	-	-	26,555
	321,333	57,607	3,837	2,728	656	386,161

Total committed exposures by booking office at 31 March 2007

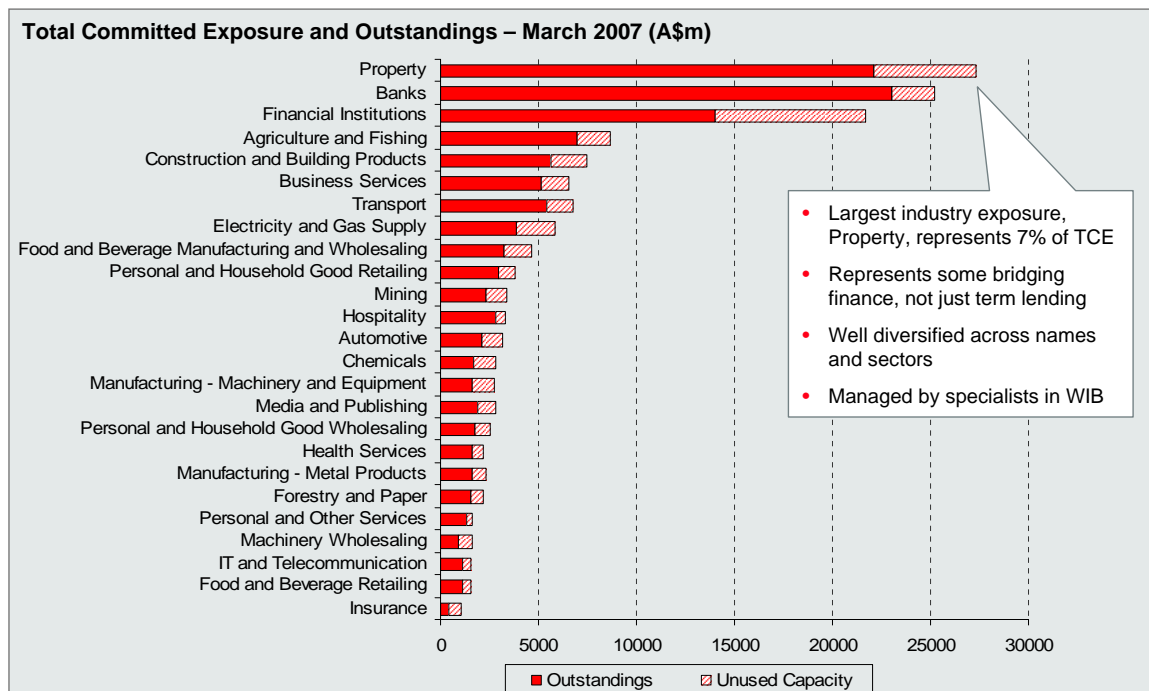
Single name concentrations



Source: Westpac



Industry concentrations – well diversified

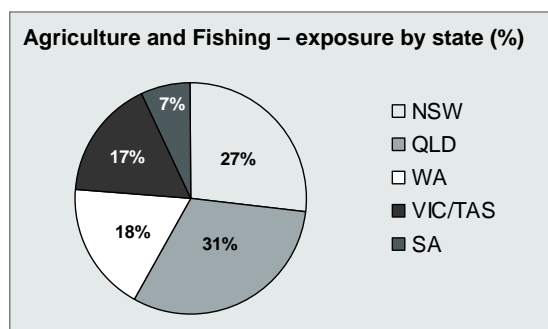
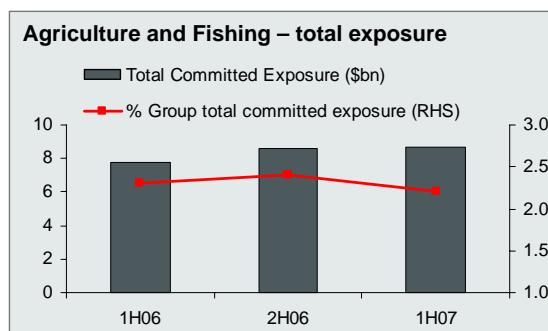


Note: Excludes governments. Source: Westpac



Agriculture exposures

- The current Australian drought is impacting farmers, however its effects are localised
- Westpac portfolio well diversified geographically and across industries
- Agriculture and fishing exposures represent 2.2% of total committed exposure
- Have not seen a significant deterioration in this portfolio given our diversity and the generally solid balance sheets of farmers - delinquencies in absolute levels remain very low
- Closely monitored – with dedicated rural business managers

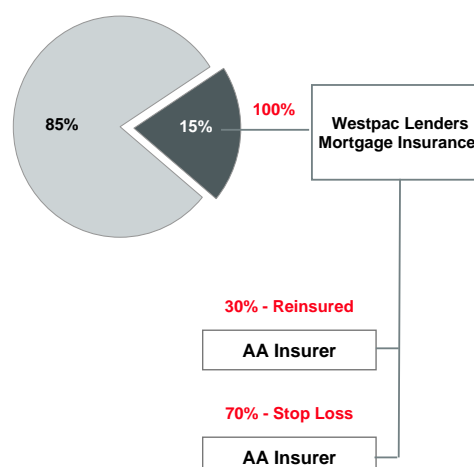


Source: Westpac

Australian mortgage insurance

- 100% mortgage insurance where loan to value (LVR) ratio >85%
- Between 80-85% LVR, customers can 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 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



*100% Mortgage loan option represents 0.1% of the Mortgage Insurance Structure.

Mortgage portfolio stress testing

- Capacity to absorb interest rate rises strong with 72% of amortising borrowers repaying in excess of required minimum
- In addition to normal expenses, an interest rate buffer is applied in Westpac's assessment of capacity to repay a loan, to allow for any future interest rate increases

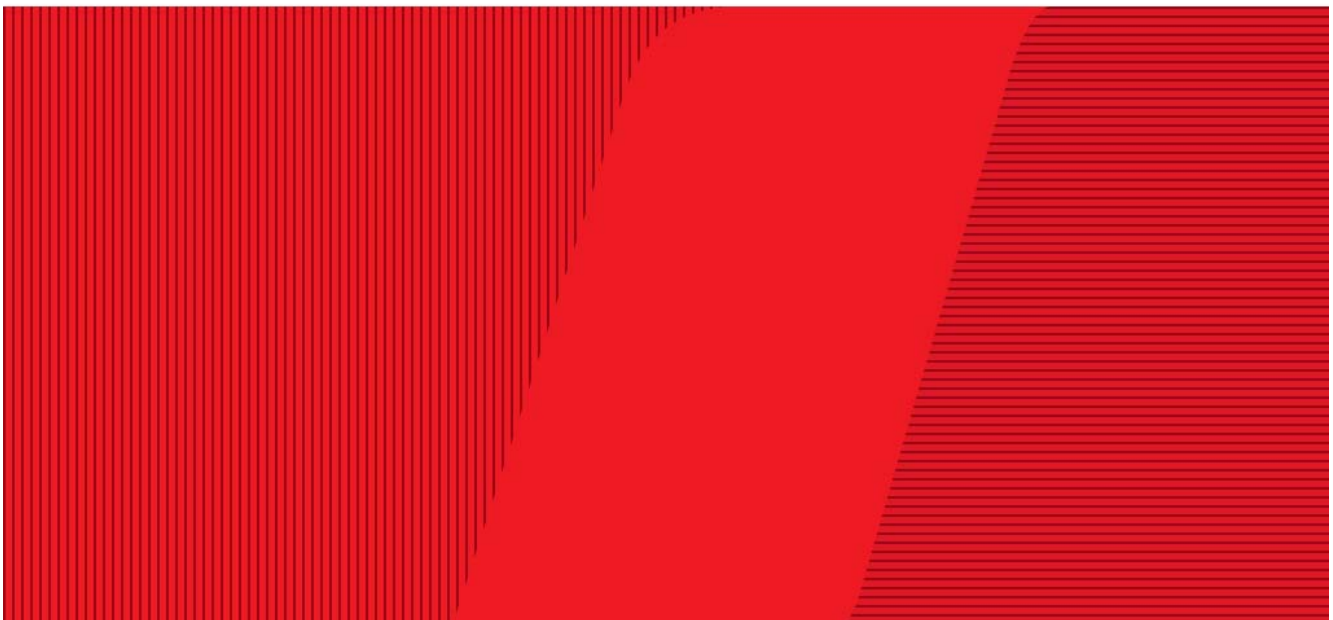
Westpac mortgage portfolio stress testing – 2006 results	Base case	Scenario 1	Scenario 2
Interest rate % pa Individual effect \$m	7.8% 0	9.8% 3	11.8% 6
Price growth % pa Individual effect \$m	3.4% 0	(10)% 18	(20)% 44
Unemployment rate % pa Individual effect \$m	4.9% 0	6.9% 6	8.9% 14
Average weekly earnings growth % pa Individual effect \$m	4.3% 0	3.3% 4	2.3% 9
Housing credit growth % pa Individual effect \$m	12.2% 0	10.2% 4	8.2% 7
Combined effect \$m Combined effect bps	0 0.0	55 5.0	212 19.0

Maximum expected loss if ALL economic factors coincided

Individual effects do not sum to the total effect because the impact of each of the individual effects is multiplicative in the model

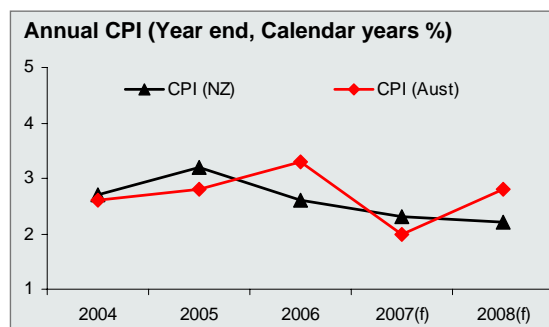
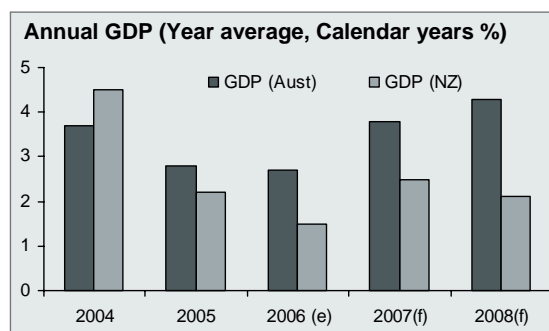
Economic Environment

May 2007



Economic environment sound

- Australia's expansion continues, although drought temporary negative
- By contrast, a period of slower growth in New Zealand
- International economy and commodity boom providing a significant stimulus
- Global growth above par for last four years, likely to remain so in 2007 and possibly 2008
- Inflation relatively high, strong growth and wages drift remain concerns
- Unemployment at 31 year low



Source: Westpac Economics

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Investor Discussion Pack May 2007



Australian and New Zealand economic outlook

Key economic indicators	Calendar year		
	2006	2007f	2008f
World			
GDP	5.4%	4.9%	4.7%
Australia			
Private consumption	3.1%	4.5%	3.5%
Business investment ¹	8.7%	5.0%	5.0%
GDP	2.7%	3.8%	4.3%
Unemployment – end period	4.6%	4.2%	4.2%
CPI headline - yr end	3.3%	2.0%	2.8%
Interest rates – cash rate	6.25% (Dec 06)	6.25% (Dec 07)	6.75% (Dec 08)
New Zealand			
GDP	1.5%	2.5%	2.1%
Unemployment – end period	3.7%	3.6%	3.9%
Consumer prices	2.6%	2.3%	2.2%
Interest rates – overnight cash rate	7.25% (Dec 06)	8.00% (Dec 07)	7.25% (Dec 08)

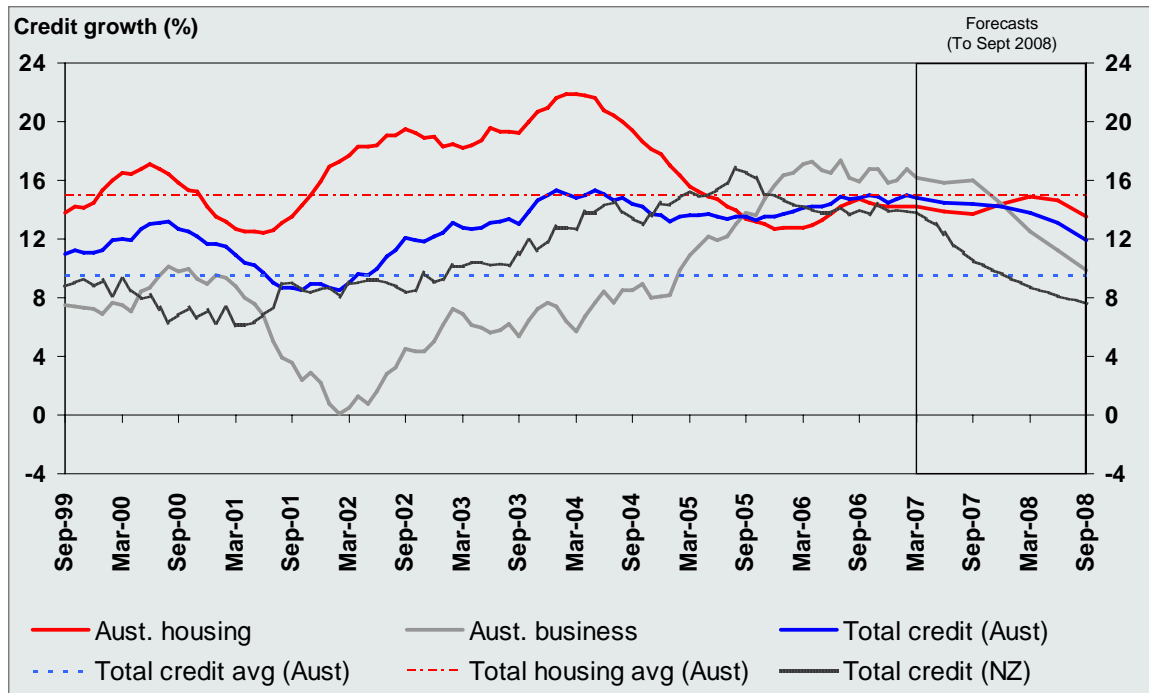
¹ Business investment adjusted to exclude the effect of private sector purchases of public assets. Source: Westpac Economics

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Credit growth expected to edge lower



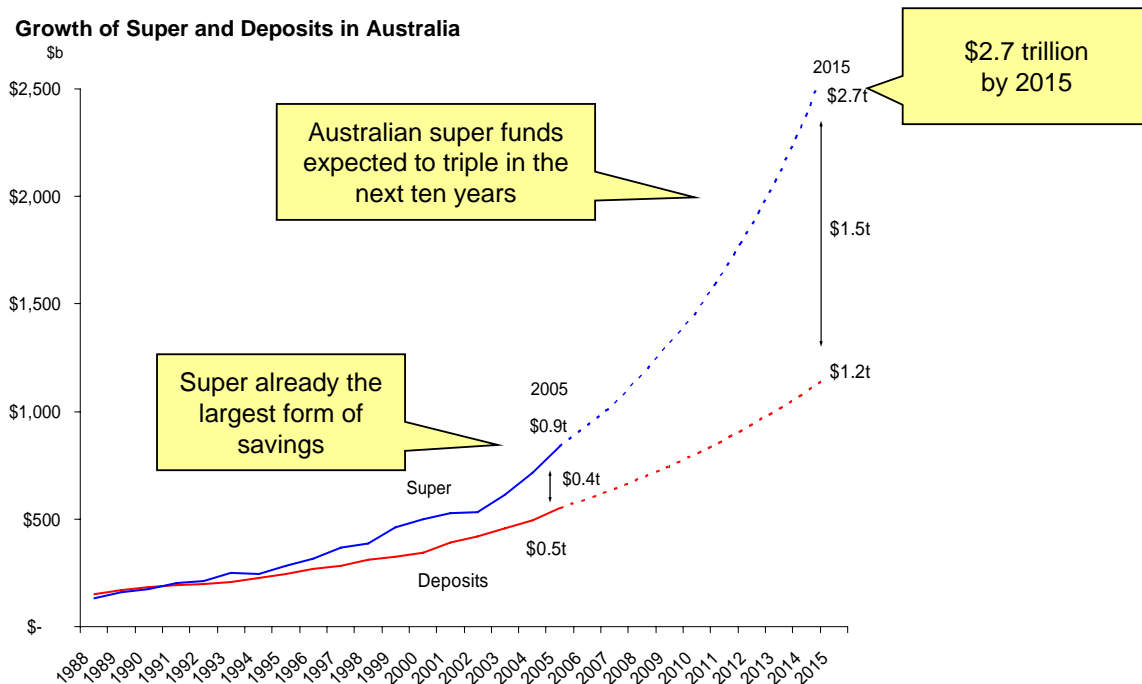
Source: RBA, RBNZ, Westpac

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Strong super growth set to continue



Sources: Dext&R September 2006, RBA, BCB Savings and Investments, Westpac Economics

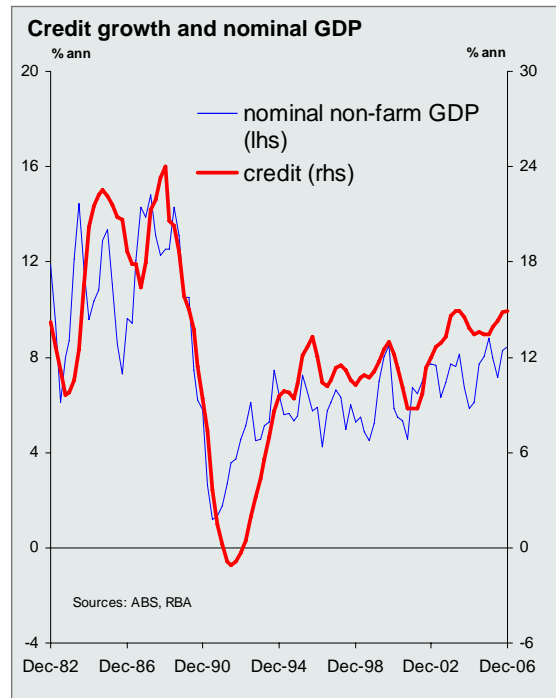
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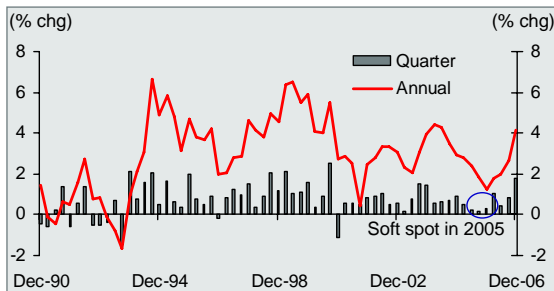
Aust. credit growth and nominal non-farm GDP

- 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 1.8 times 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, given higher interest rates



New South Wales: rebounded in late 2006

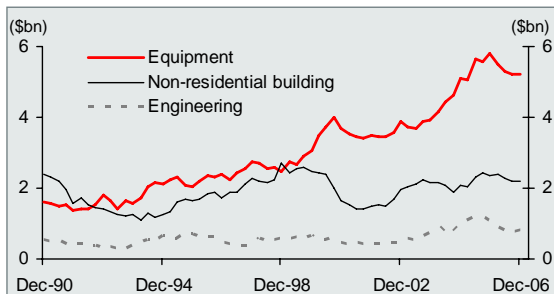
NSW: Consumer spending rebounds



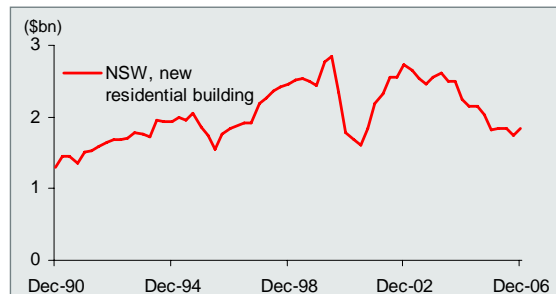
Employment gains



NSW: Business investment stabilises



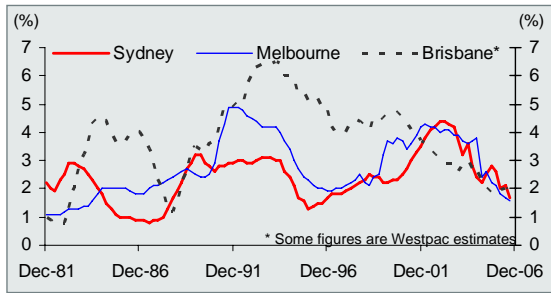
Housing stabilises at historic low



Source: ABS, Westpac Economics

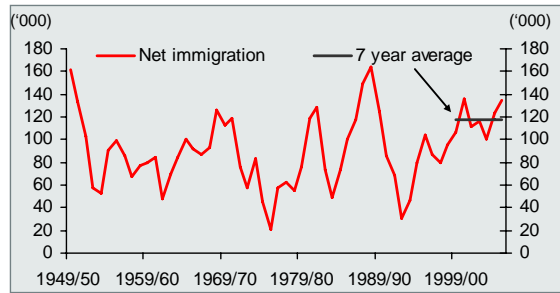
Housing market: rate headwinds, fundamentals intact

Rental vacancy rates tightening



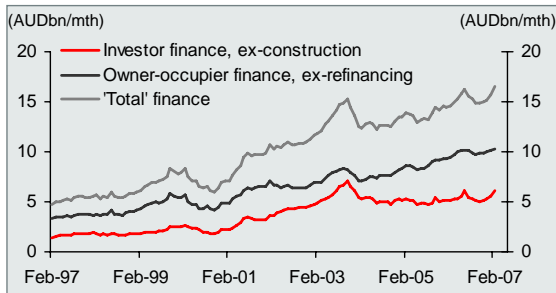
Source: REIA, Westpac Economics

High immigration adding to housing demand



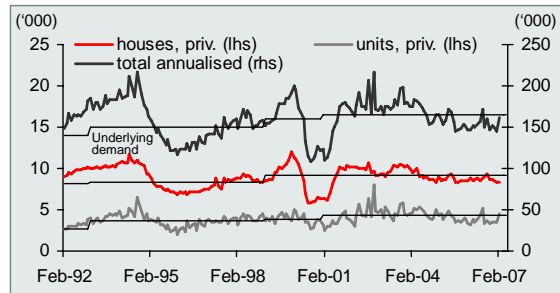
Source: ABS, RBA, Westpac Economics

Housing finance hits new highs



Source: ABS, Westpac Economics

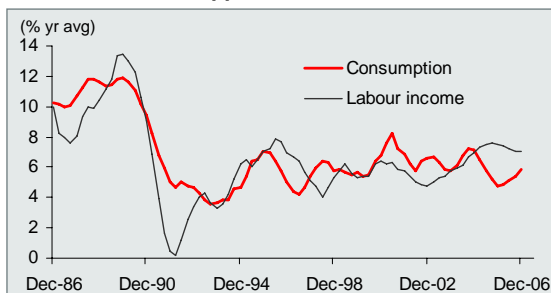
Dwelling approvals below demand needs



Source: ABS, Westpac Economics

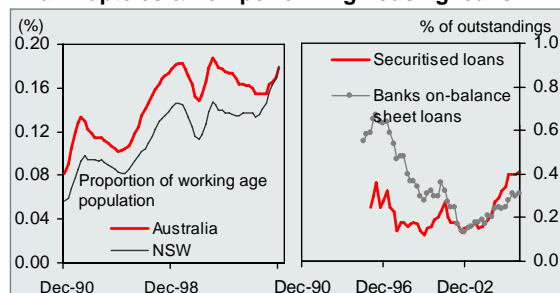
Consumer macroeconomic environment

Labour income supportive of consumers



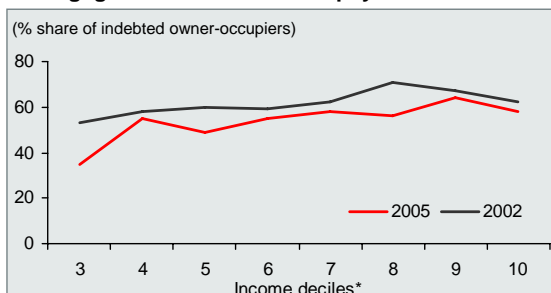
Source: ABS, Westpac Economics

Bankruptcies & non-performing housing loans



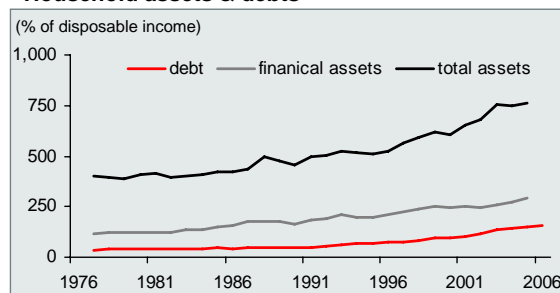
Source: ABS, ITSA, Westpac Economics

Mortgage holders ahead on repayments



* Two lowest income deciles excluded due to data limitations
Source: RBA, HILDA

Household assets & debts



Source: ABS, RBA

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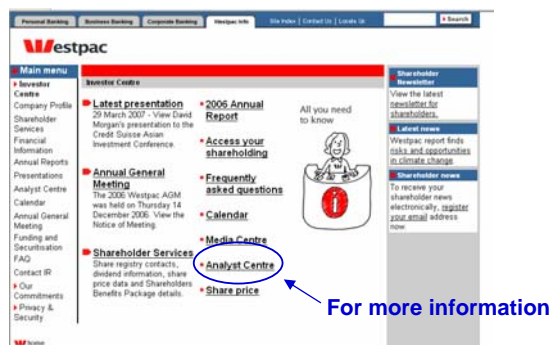
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