

Investor Update

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Management

November 2006

Disclaimer

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

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

The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

The financial information contained in this presentation includes non-GAAP financial measures. For a discussion of our use of non-GAAP measures and a reconciliation of these measures to the most comparable GAAP measure, please refer to Westpac Banking Corporation's 2006 Form 20-F and 2006 Profit Announcement filed with the Securities Exchange Commission and Australian Stock Exchange.

Westpac Banking Corporation – at a glance

- Australia's First Bank – est. 1817
- Top 50 bank globally¹
- Strong franchise in core markets of Australia, New Zealand and near Pacific
- Consistent earnings growth
- Sound asset quality
- Global sustainability leader

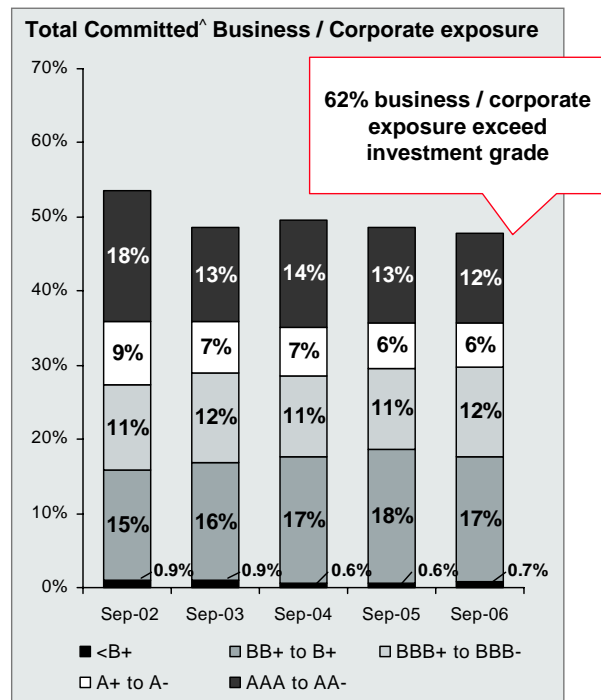
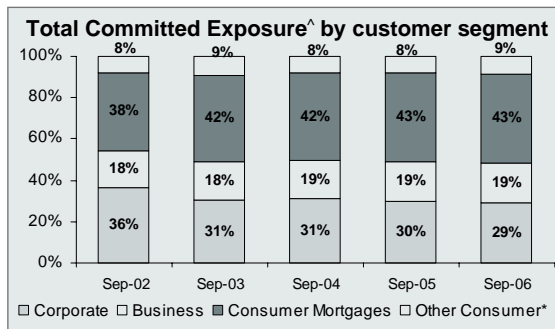
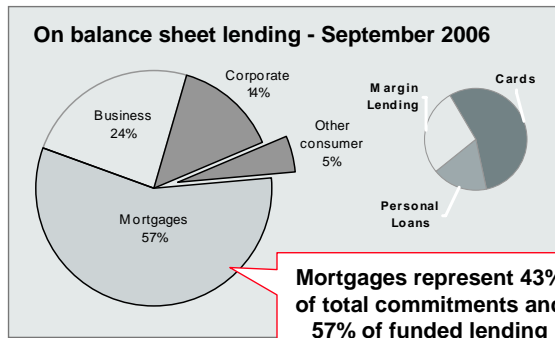
	30 September 2006
Cash earnings	A\$3,079 million US\$2,297 million
Return on equity	23%
Tier 1 ratio	6.9%
S&P rating	AA- / Stable / A-1+
Moody's rating	Aa3 / Stable / P-1
Total assets	A\$300 billion US\$224 billion
Market cap as at 30 Sep 2006	A\$42 billion US\$31 billion

1. FT Global 500 2006 by sector, rank by market capitalisation
 2. Australian dollar amounts translated into US dollars solely for the convenience of the reader at the rate of A\$1 = US\$0.7461, the Noon Buying Rate on 30 September 2006
 Investor Discussion Pack November 2006

Consistent, focussed strategy

- | | |
|-------------------------------------|---|
| Focus on core markets | <ul style="list-style-type: none"> • Focus on Australia, New Zealand and the near Pacific • Disciplined acquisition strategy • In Asia, focussed on capturing business capital flows not acquisition |
| Delivering on service / value chain | <ul style="list-style-type: none"> • For employees - a company where people want to work • For customers – an institution customers want to do business with • For shareholders – delivering superior returns and growth |
| Financial discipline | <ul style="list-style-type: none"> • Expense CAGR of 4% over last 7 years • Maintained franchise and infrastructure development |
| Operational excellence | <ul style="list-style-type: none"> • Sector leading platforms and online capability • Track record of delivering on promises |

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

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A sound full year result in 2006

	2005	2006	% Change
Reported net profit after tax	\$2,698	\$3,071m	up 14%
Cash earnings	\$2,804	\$3,079m	up 10%
Cash EPS	151.5 cents	167.2 cents	up 10%
Cash ROE	22%	23%	up 80 bps
Cost to income ratio ¹	49%	47%	down 190 bps
Net interest margin	2.45%	2.29%	down 16bps
Total impaired assets to gross loans and acceptances	0.27%	0.22%	down 5bps
Fully franked dividend	100 cents	116 cents	up 16%

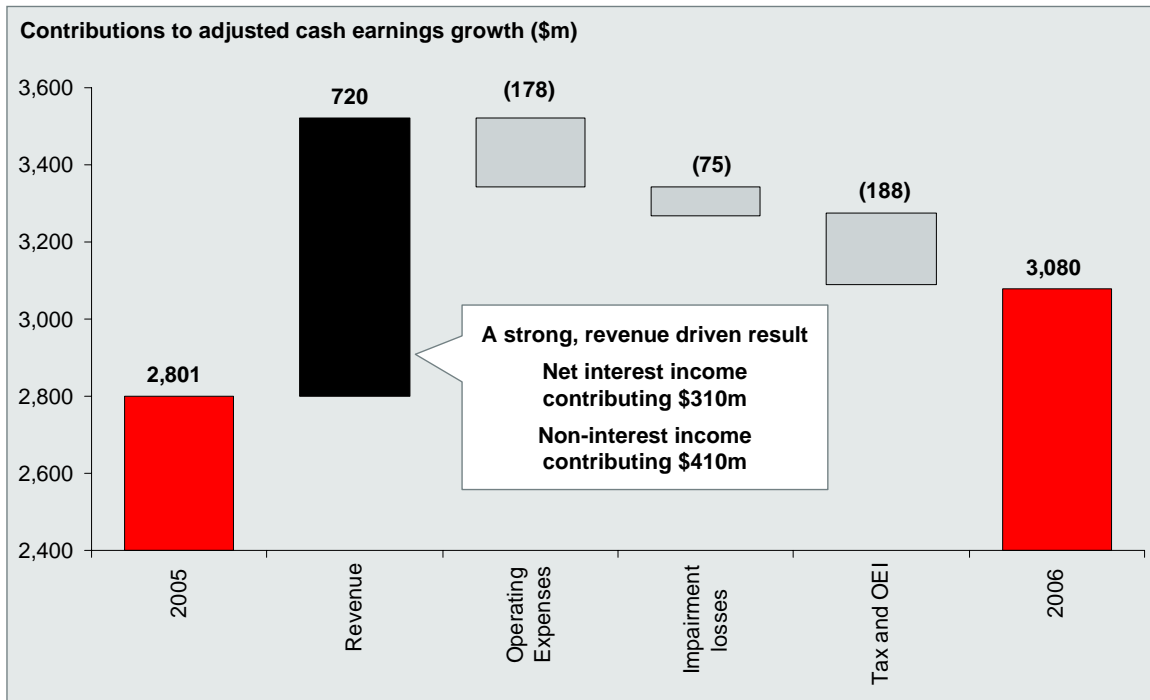
1. Adjusted for the impacts of A-IFRS, accounting reclassifications, NZ\$ exchange rate impacts and one-off significant items. Source: Westpac

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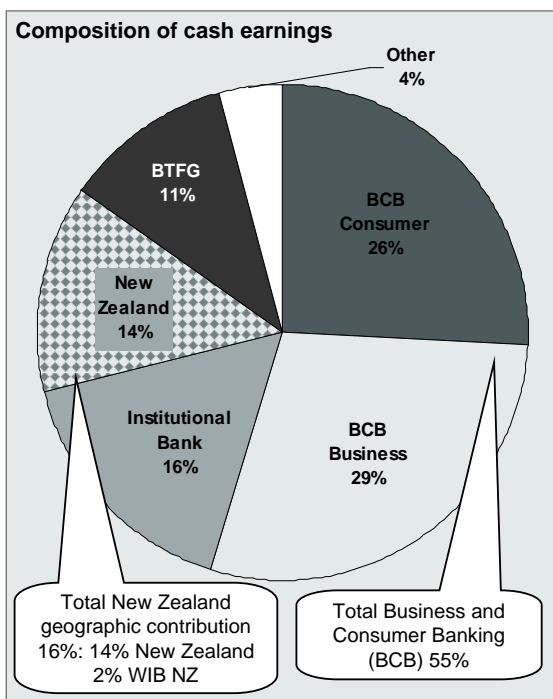
A revenue driven result



Adjusted for the impacts of A-IFRS, accounting reclassifications, NZ\$ exchange rate impacts and one-off significant items. Source: Westpac



Strong financial services franchise

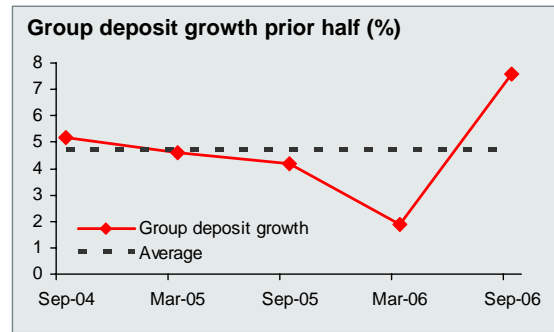
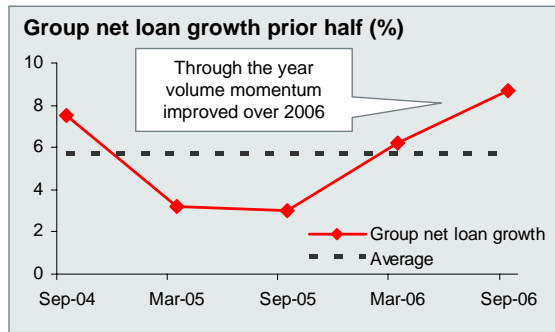


	Growth 2005-06
Business and Consumer Banking	11%
<ul style="list-style-type: none"> • Large retail franchise • Improved momentum with additional front-line investment 	
BT Financial Group	10%
<ul style="list-style-type: none"> • Capturing flows and market share in core products • Fund Manager of the Year¹ 	(21% underlying)
Institutional Bank	20%
<ul style="list-style-type: none"> • A leading position in Australasia 	
New Zealand	flat
<ul style="list-style-type: none"> • Strong franchise, though consumer has under performed recently • Business banking performing well 	

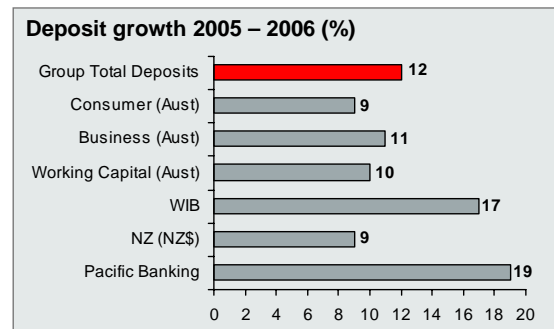
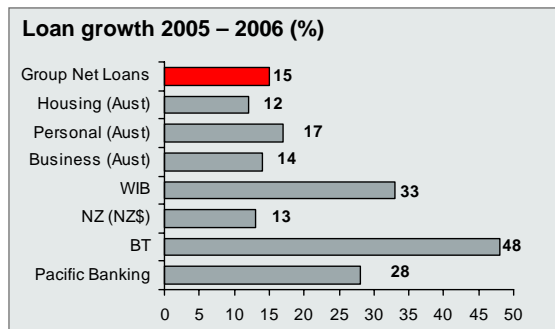
1. 2006 AFR Smart Investor Blue Ribbon Awards



Strong growth on both sides of the balance sheet



Excludes Other, including Treasury short term wholesale funding

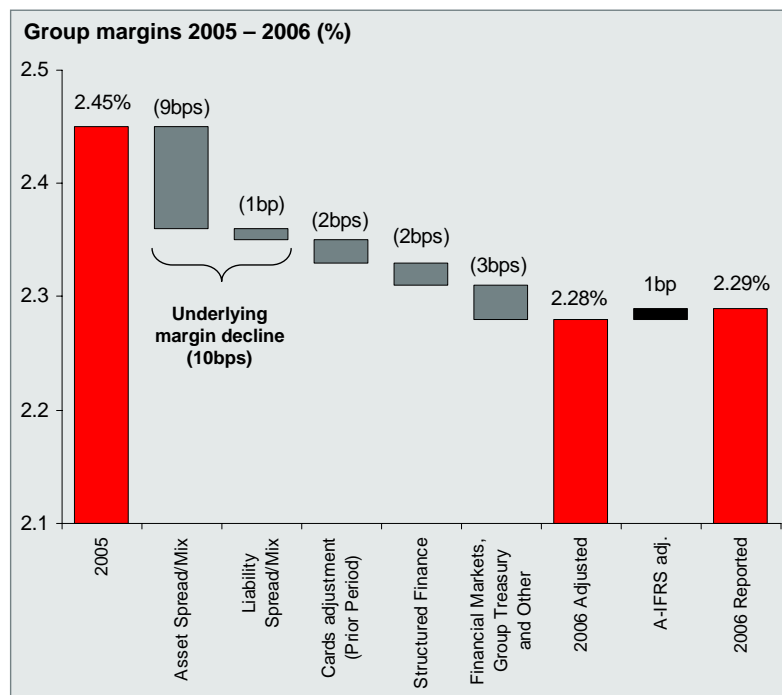


Note: % changes have been calculated before rounding of numbers Source: Westpac



Analysis of Group interest margin movements

- Underlying margin decline 10bps – top end of medium term expectations
- Impacted by:
 - Competition and growth in lower margin assets
 - Wider spreads on deposits offset by growth in higher interest online deposit accounts

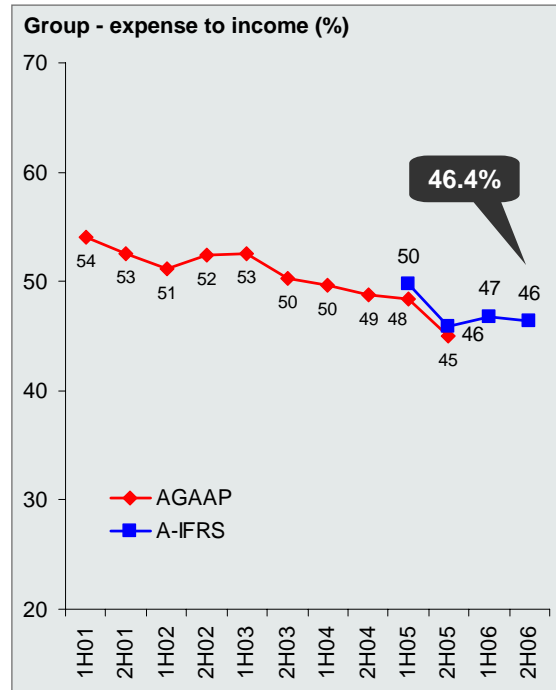


Source: Westpac



Cost to income improves further

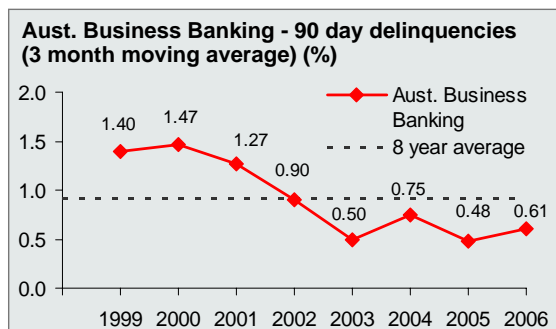
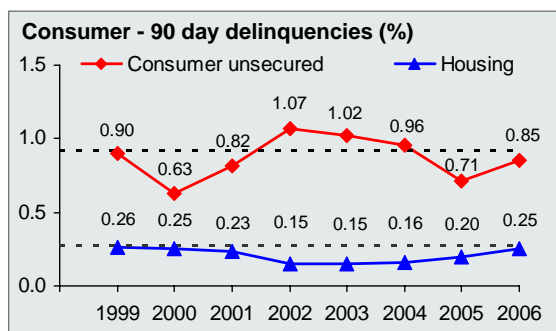
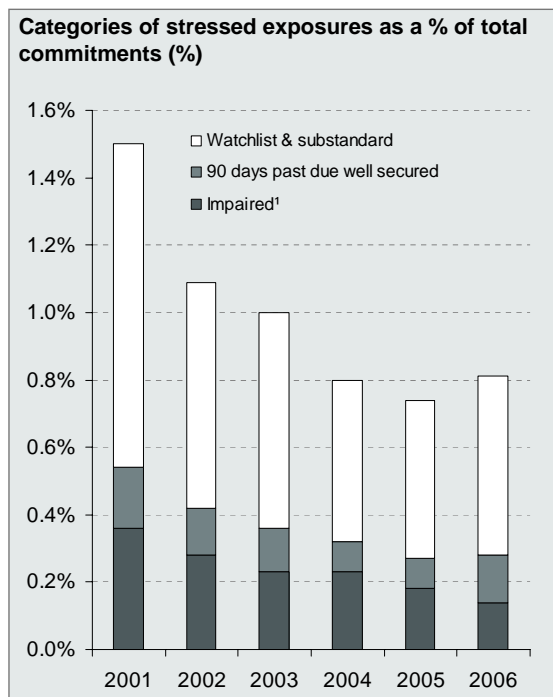
- Continued improvement in cost to income ratio driven by:
 - 9% growth in revenue¹
 - 4% cost growth¹
- Achieved cost performance while:
 - Absorbing \$29m compliance spend
 - Increasing front line personnel
 - Maintaining investment spend in major projects of \$397m in 2006



1. Adjusted for the impacts of A-IFRS, accounting reclassifications, NZ\$ exchange rate impacts and one-off significant items. Source: Westpac



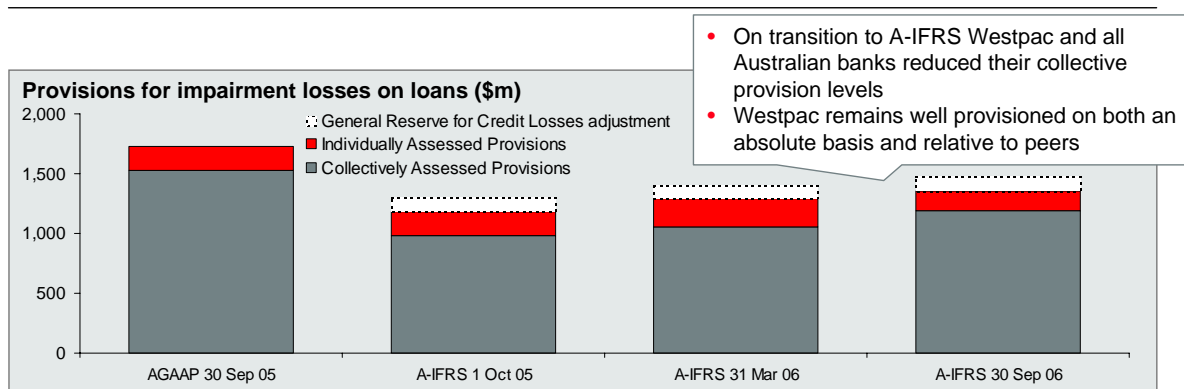
Credit quality remains sound



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. Prior to 2006, impaired provisions equals specific provisions.



Well provisioned under A-IFRS



Source: Westpac

A-IFRS FY06	Westpac
Total provisions ¹ to RWA (%)	0.76
Collective provisions for drawn and undrawn exposures ¹ to RWA (%)	0.68
Total provisions ¹ to GLAA (%)	0.63
Collective provisions ¹ to GLAA (%)	0.56
Collective provisions ¹ to non-housing GLAA (%)	1.13
Total provision coverage of impairment losses on loans written off (annualised, 3 year average)	4.80

1. Includes General Reserve for Credit Losses (GRCL) adjustment (pre-tax) above A-IFRS provisioning levels (\$117m)



Exposures outside core markets less than 2% of TCE

Exposures outside core markets represent less than 2% of total committed exposures – sub investment grade represent 0.1% of total exposures (excluding core markets of Australia and New Zealand)

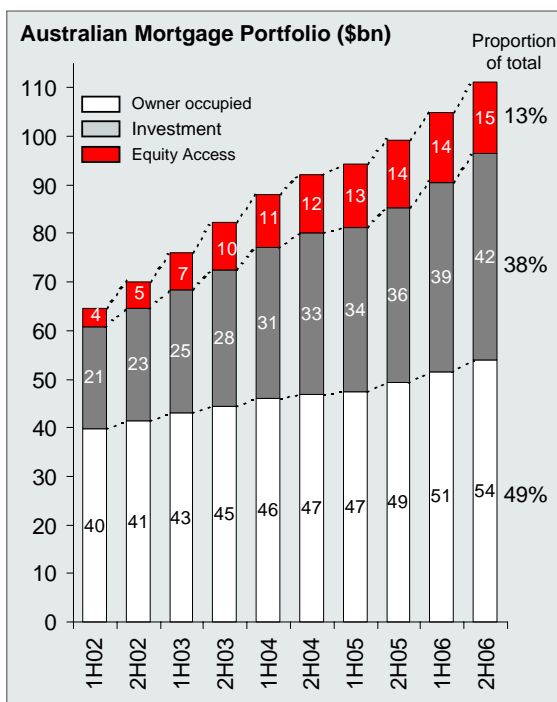
\$m	Australia	NZ / Pacific	Americas	Europe	Asia	Group
AAA to AA-	39,438	2,194	876	132	247	42,887
A+ to A-	17,134	2,804	1,330	827	302	22,397
BBB+ to BBB-	33,521	6,332	1,038	1,857	120	42,868
BB+ to B+	53,007	10,409	167	115	3	63,701
<B+	1,905	411	73	14	-	2,403
Secured consumer	134,429	25,441	-	-	-	159,870
Unsecured consumer	21,584	3,652	-	-	-	25,236
	301,018	51,243	3,484	2,945	672	359,362

Total committed exposures by booking office at 30 September 2006



Australian mortgage portfolio

- 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

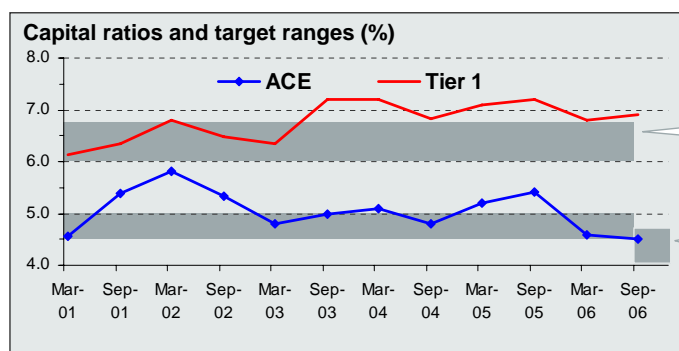


Mortgage portfolio stress testing - 2006 results	Base case	Scenario 1	Scenario 2
Interest rate % pa	7.8%	9.8%	11.8%
Individual effect \$m	0	3	6
Price growth % pa	3.4%	(10)%	(20)%
Individual effect \$m	0	18	44
Unemployment rate % pa	4.9%	6.9%	8.9%
Individual effect \$m	0	6	14
Avg weekly earnings growth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

Maximum expected loss if ALL economic factors coincided



Capital ratio target ranges aligned to new standards

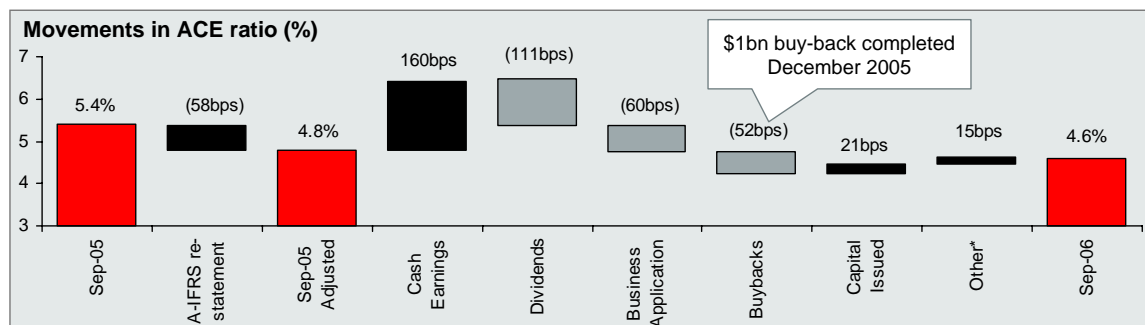


Capital ratios aligned for A-IFRS and revised APRA prudential standards

Tier 1 ratio targets unchanged, transitional relief applies until 1 Jan 2008

New ACE ratio target range: 4.0% to 4.75%

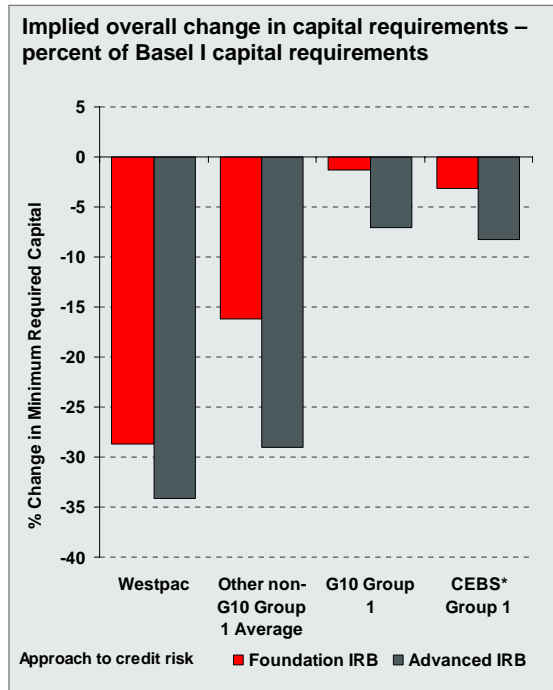
New ACE ratio due to additional capital deductions. No change in economics or risk of the business.



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



Preliminary Basel II outcomes



- Preliminary Basel II outcomes demonstrate Westpac's low risk profile with >30% reduction in RWA
- Actual capital relief remains subject to discussions with regulator

Source: 'Results of the fifth quantitative impact study (QIS 5), 16 June 2006' – BIS Basel Committee on Banking Supervision
 * CEBS – Committee of European Banking Supervisors



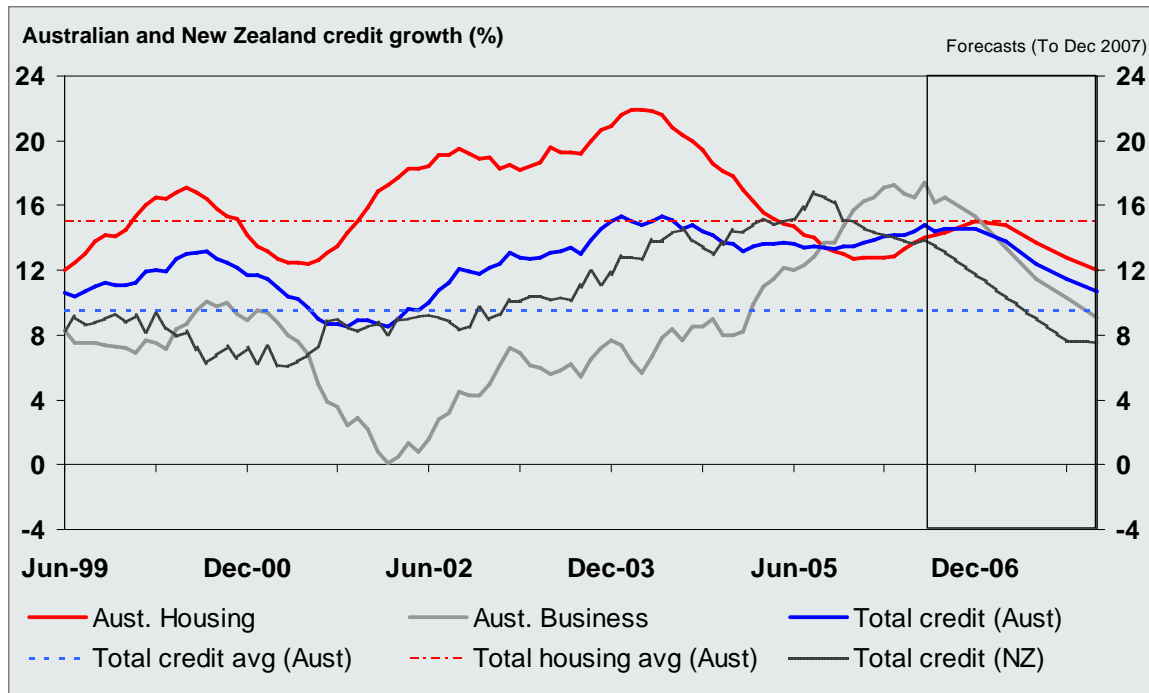
Australian and New Zealand economic outlook

Key economic indicators	Calendar year		
	2005	2006f	2007f
World			
GDP	4.7%	4.7%	3.7%
Australia			
Private consumption	3.2%	2.8%	3.0%
Business investment ¹	15.3%	10.0%	3.5%
GDP	2.7%	3.0%	3.0%
Unemployment – end period	5.1%	5.2%	5.0%
CPI headline - yr end	2.8%	3.9%	2.7%
Interest rates – cash rate	5.50% (Dec 05)	6.25% (Dec 06)	6.50% (Jun 07)
New Zealand			
GDP	2.2%	1.7%	1.3%
Unemployment – end period	3.6%	4.0%	4.8%
Consumer prices	3.2%	2.8%	2.5%
Interest rates – overnight cash rate	7.25% (Dec 05)	7.25% (Dec 06)	7.25% (Jun 07)

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



Credit growth expected to edge lower



Source: RBA, RBNZ, Westpac



Diversified wholesale funding franchise

Wholesale Funding Objective

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

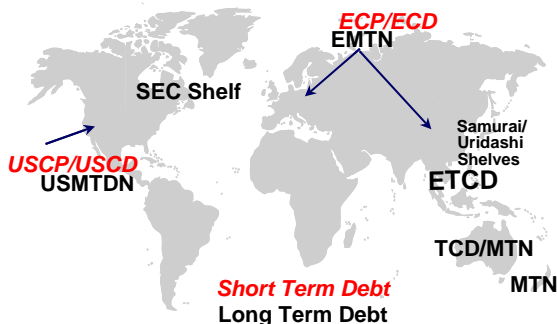
Issuance strategy

- 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\$15bn Euro Commercial Paper Program
- US\$2.5bn Euro Transferable CD Program
- US\$25bn Euro Debt Issuance Program
- US\$20bn US Commercial Paper Program
- US\$7.5bn US Commercial Paper Program (WSNZL)
- US\$5bn US Medium Term Deposit Note Program
- ¥300bn Uridashi shelf; ¥100bn Samurai shelf
- NZ\$750m Medium Term Note Program
- Domestic debt issuance programmes - no limits



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For further information on Westpac including:

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

Please visit our dedicated investor website

www.westpac.com.au/investorcentre



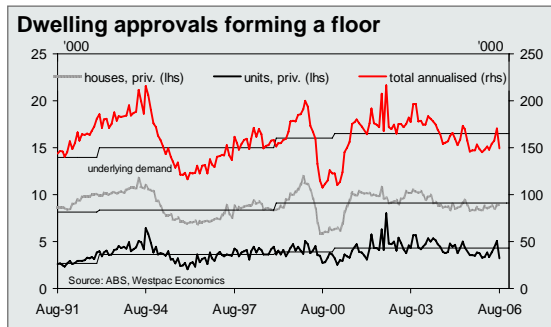
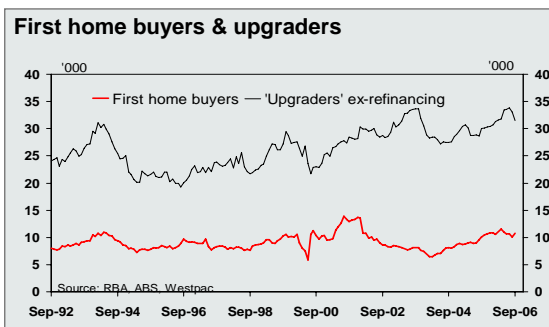
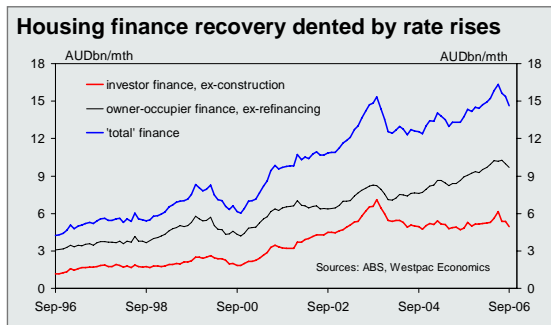
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Supplementary Information

November 2006

Housing market – sound fundamentals

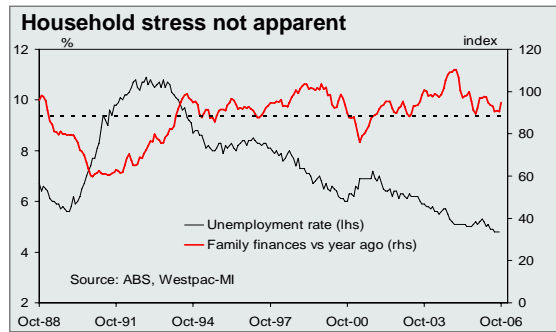
- Housing sector in recovery mode in 2006:
 - Housing finance for owner occupiers reaching new highs
 - First homebuyers returned to the market. 'Upgraders' also up off lows
 - Dwelling approvals off lows, but still below underlying demand
- However, upswing will be temporarily set back by RBA's interest rate rises



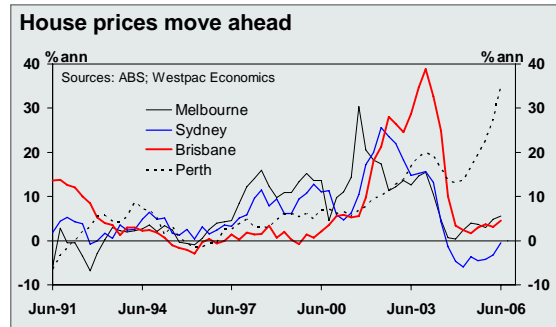
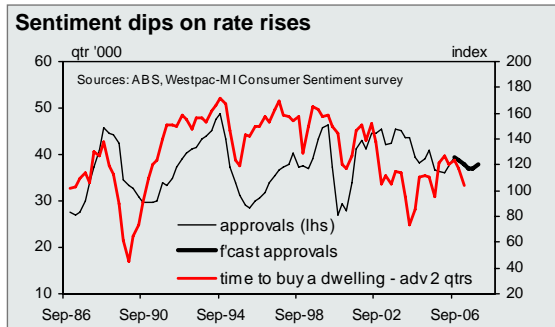
Source: Westpac Economics

Housing market – to adjust to rate rises

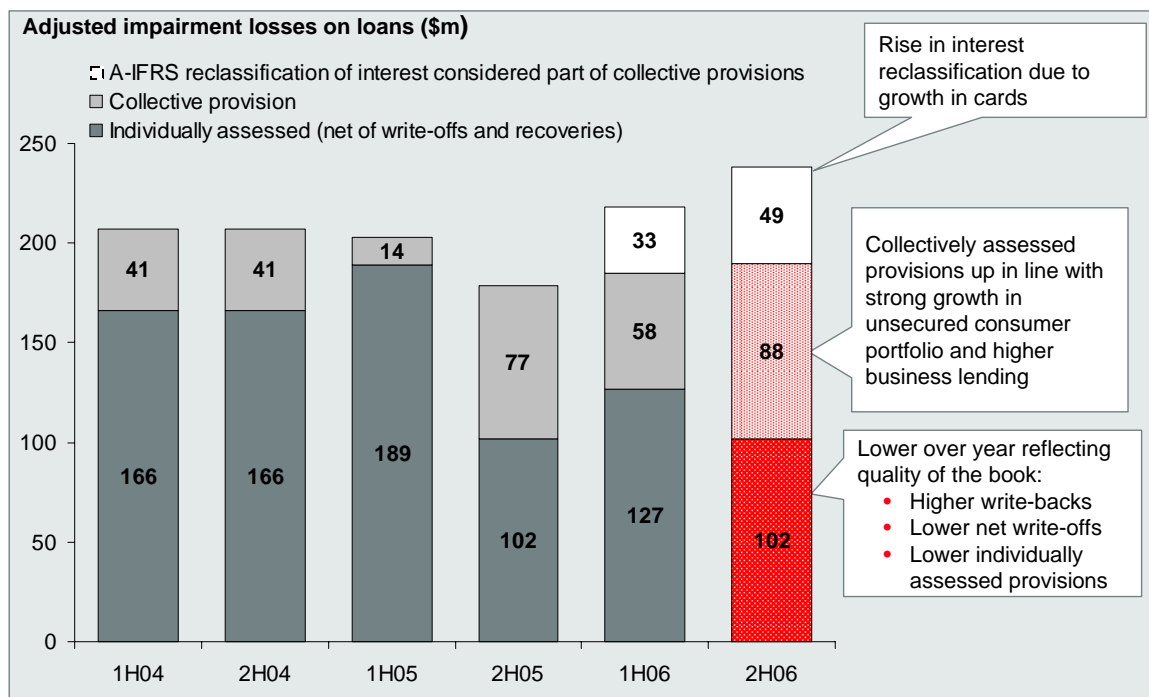
- Consumer Sentiment rebounded sharply over September and October, as petrol price fall largely offset Aug rate rise
- Arrears rates up as interest rates increase – but coming off low levels
- Households enjoying job security – jobs up 2.7%yr & unemployment rate at 30 year low
- Property prices have strengthened, up 6.4%yr. However, stretched affordability a constraint



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



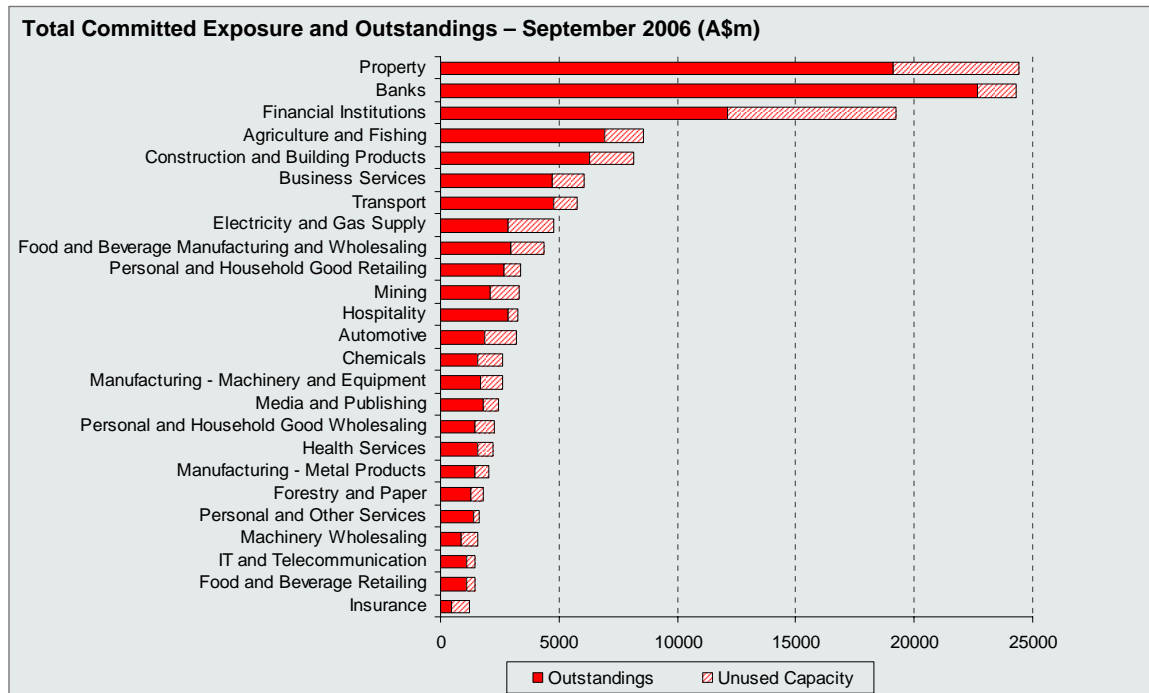
Collective provisions increased with asset growth



Source: Westpac



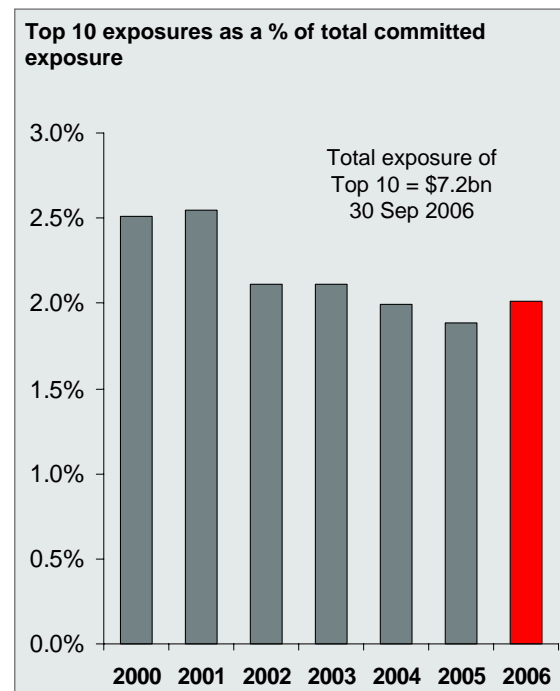
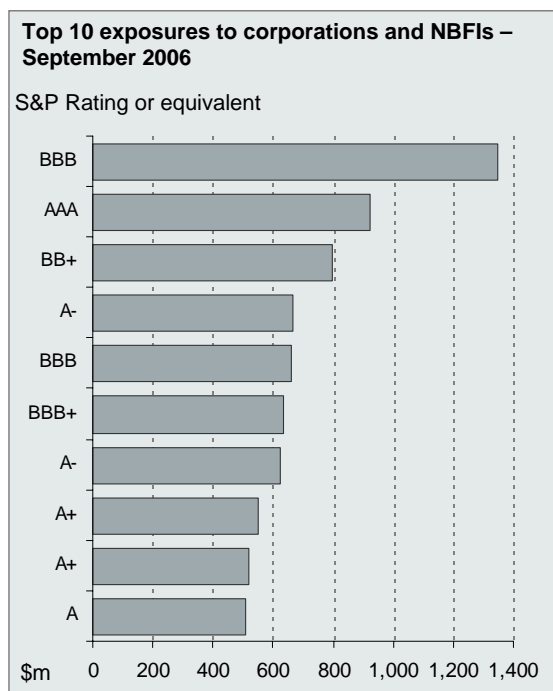
Industry concentrations



Note: Excludes governments



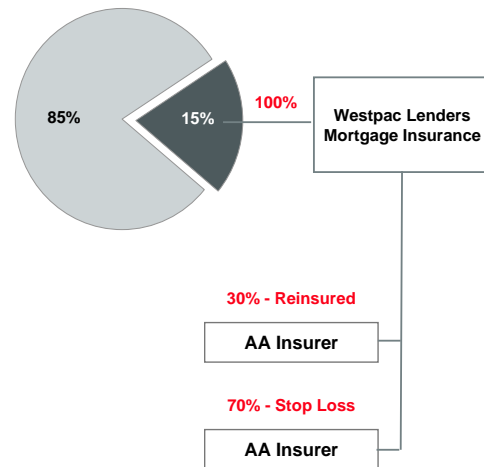
Single name concentrations



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



General Reserve for Credit Losses adjustment

- In the transition to A-IFRS, most Australian Banks have established a General Reserve for Credit Losses (GRCL) for regulatory purposes. The reserve is designed to include inherent risk that is not allowed under the A-IFRS 'incurred loss' standard.
- APRA have clarified the GRCL position with the release of their new APS 220 standard in May 2006.
- Westpac has estimated that as at 30 September 2006, an additional capital adjustment of \$117m (pre-tax) is needed (March 2006: \$112m (pre-tax)).
- The General Reserve for Credit Losses adjustment is a Tier 1 capital deduction. Westpac has decided not to treat the capital adjustment as a reserve within equity in the financial statements.
- In adopting these changes, APRA has put in place transitional capital arrangements, from 1 July 2006 to 1 January 2008, when the Basel II regime replaces Basel I.
- Basel II introduces a sophisticated risk assessment model that focuses on the adequacy of capital to support all risks. Under the proposed Basel II requirements, it is not clear if any capital adjustment will still be required.

Approach to reporting

Cash earnings approach

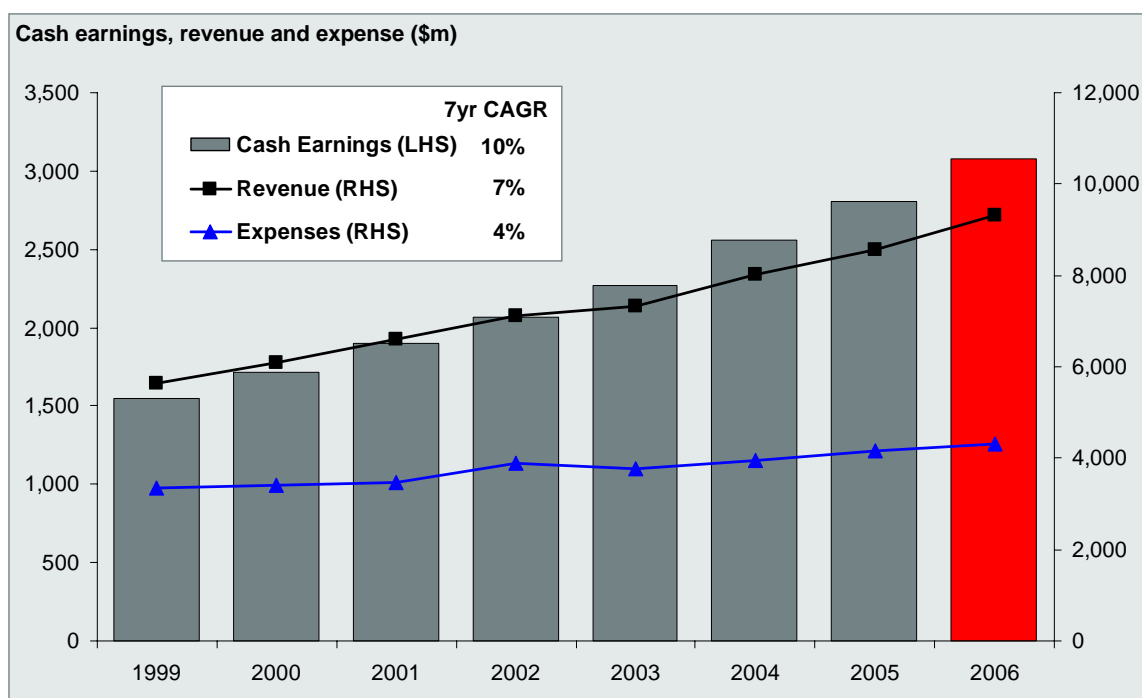
Adjusts

Net Profit After Tax for:

- Treasury shares
- Hybrid distributions in 2005 and fair value changes on economic hedges of hybrid equity instruments
- One-off items - Sale of sub-custody business and Deferred tax asset write-off

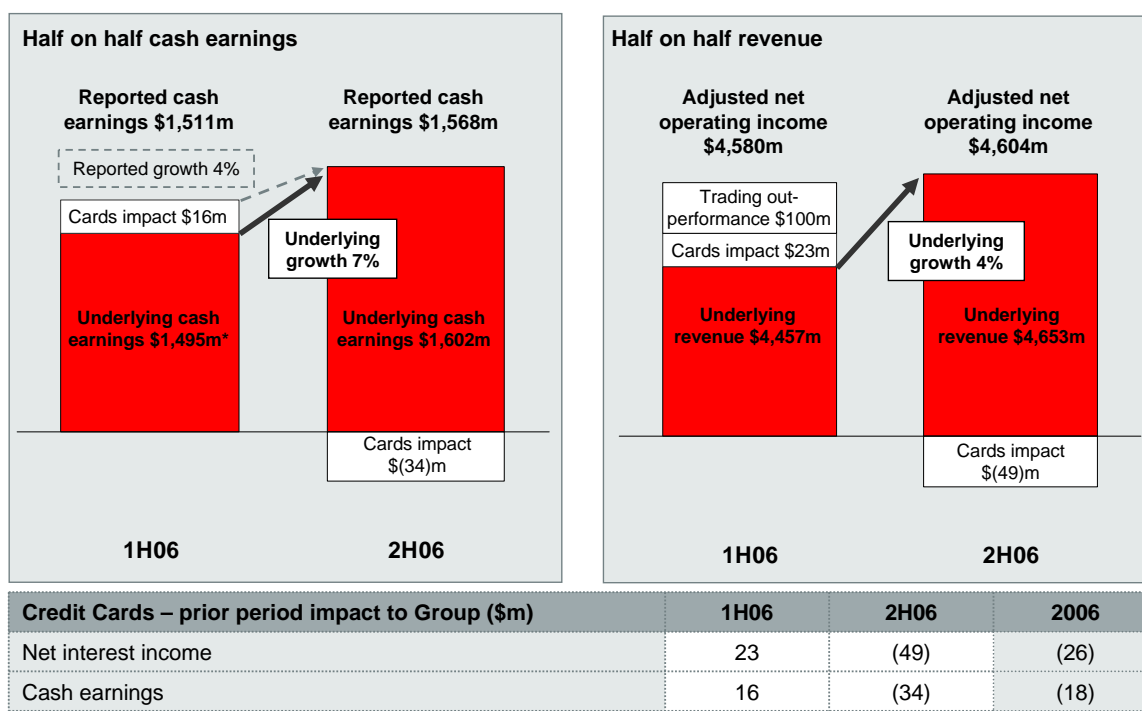
	“Reported” Results	“Adjusted” Results
1H06	Full A-IFRS	A-IFRS excluding AASB 132 & 139, adjusted for accounting reclassifications, NZ\$ movement and one-off items
2H06	Full A-IFRS	
2005	A-IFRS excluding AASB 132 & 139	
2006	Full A-IFRS	
	Appropriate for assessing cash earnings growth at Group and business unit level	Appropriate for assessing movements in the profit and loss components

Consistent solid growth



1999 to 2004 on AGAAP basis. 2005 and 2006 adjusted for the impacts of A-IFRS, accounting reclassifications, NZ\$ exchange rate impacts and one-off significant items. Source: Westpac

Improved second half momentum



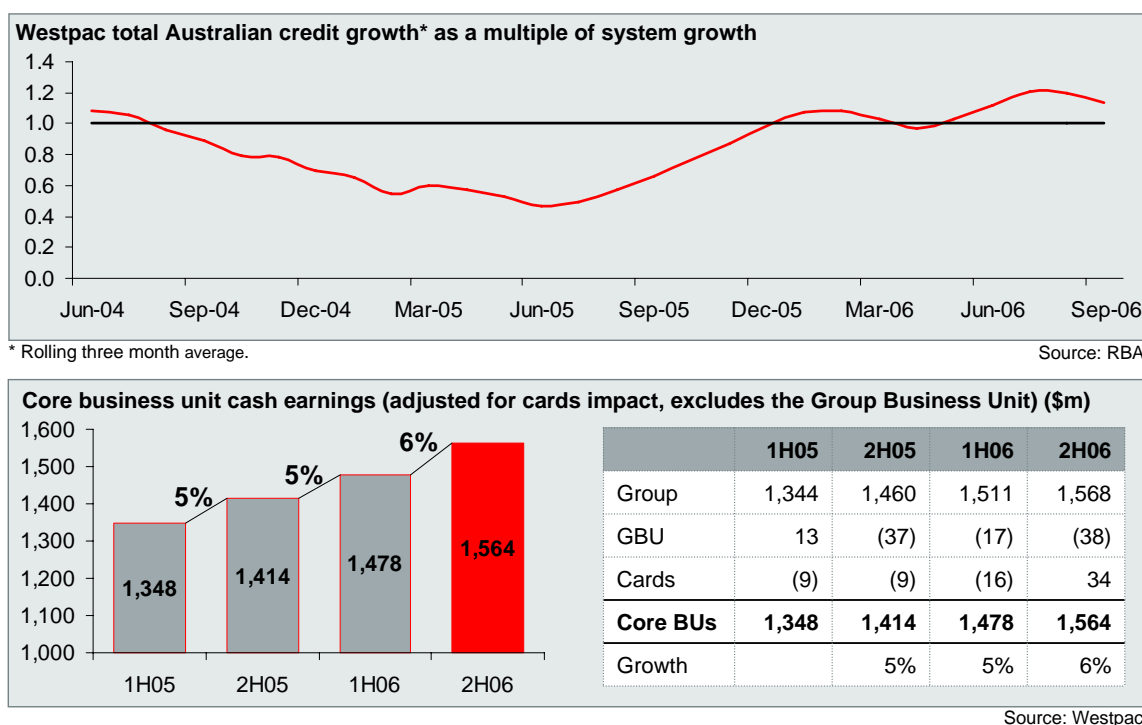
*Trading and tax provision movement broadly offset.

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Improved momentum across the business

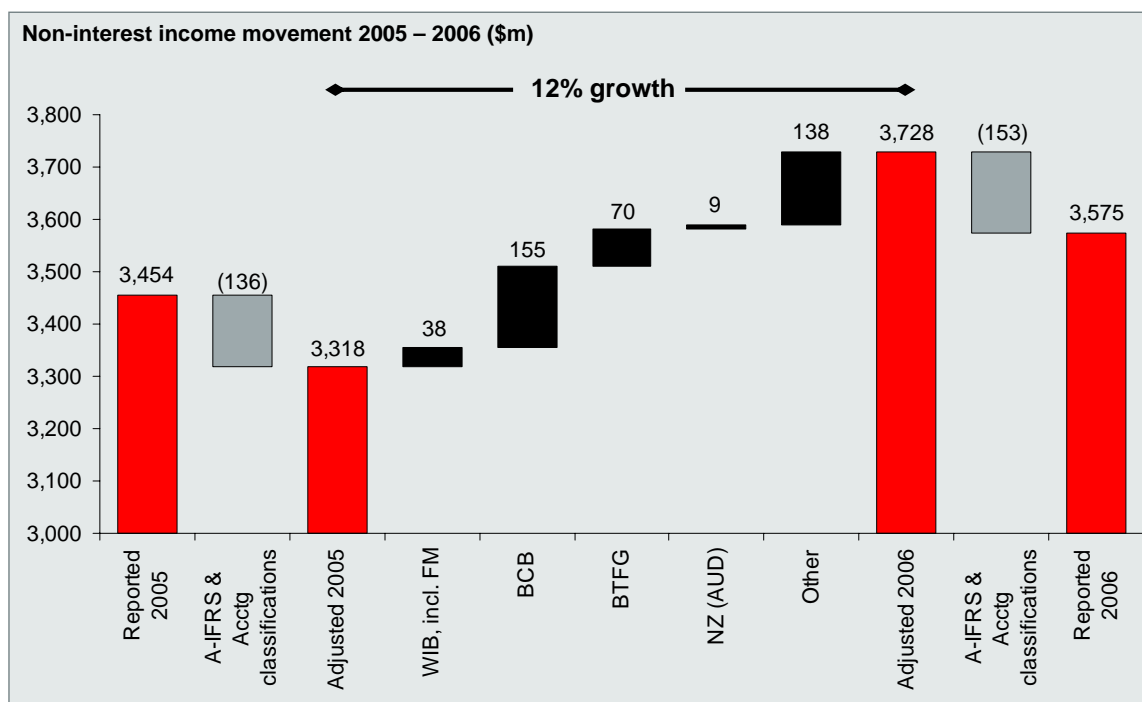


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Non-interest income analysis



Source: Westpac



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Expenses – delivering capability

\$m	% Change			% Change		
	2005	2006	2005–2006	1H06	2H06	1H06–2H06
Salaries & staff expenses	2,186	2,324	6	1,165	1,159	(1)
Equipment and occupancy	596	614	3	304	310	2
Other	1,377	1,357	(1)	666	691	4
Reported operating expenses	4,159	4,295	3%	2,135	2,160	1%
Adjustment ¹	(12)	30		(1)	31	
Adjusted operating expenses	4,147	4,325	4%	2,134	2,191	3%
Adjusted cost to income ratio	49.0%	47.1%	190bps	46.6%	47.6%	(100bps)

Boosting the front line:

- 581 new customer facing staff
- Change in workforce mix contributed \$119m to salary expenses

Driven by lower outsourcing and non lending losses offset by higher advertising and telecommunication costs

1. Adjusted for AASB 132 & 139, accounting reclassifications and NZ\$ movement. Source: Westpac



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Maintaining investment spend

Project expenditure (\$m)		2005	2006
Front office capability	Advice Platform, Reach (CRM), Corporate Online, Pinnacle, NZ teller platform	93	61
Productivity & Infrastructure	Westpac Place, One Bank platform, NZ lending originations, Connect@Westpac	218	198
Compliance	Basel II, IFRS, SOX, Anti-money laundering	37	29
Other	System refreshes Product enhancements	83	109
Total investment spend¹		431	397

\$m	2003	2004	2005	2006
Capitalised software balance	300	377	447	480
Annual amortisation ²	89	104	142	175

1. Includes investment provided by partners (2005: \$43m, 2006: \$35m). 2005 numbers reclassified.
2. Annual amortisation includes impairments in 2006

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Interest carrying adjustment

- Under A-IFRS:
 - Using the effective interest rate method to recognise income, interest can only be recognised on the net (of impairment provisions) carrying amount of loans; and
 - Impairment provisions must be calculated by discounting expected cash flows from impaired loans at their original effective interest rates
- This means that interest cannot be accrued on the portion of loans that are offset by a provision
- As many such loans continue to pay cash interest at full contractual rates- the "excess" interest is recognised as impairment provision discount unwind
- Adjusting impairment losses for this impact results in a charge which is more comparable to previous AGAAP bad debt charge

	1H06	2H06	2005	2006
Reported impairment losses	(185)	(190)	(382)	(375)
A-IFRS reclassification of interest	(33)	(48)	-	(81)
NZ\$ impact on impairment losses	-	(1)	-	(1)
Adjusted impairment losses	(218)	(239)	(382)	(457)

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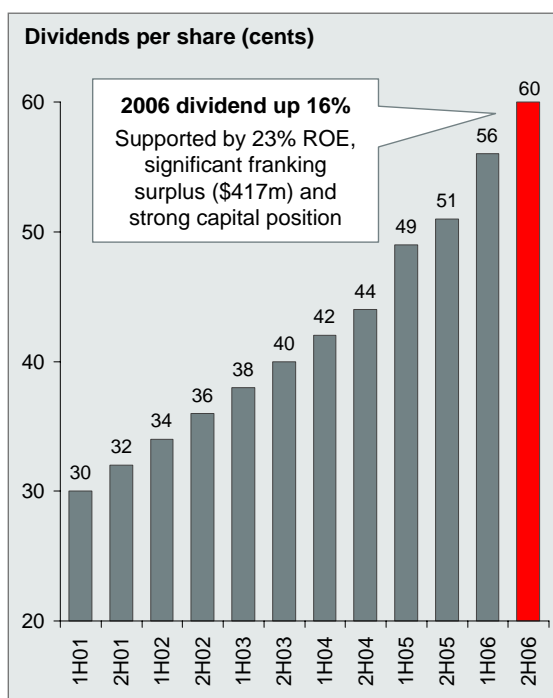


Managing exchange rate risk of future NZD earnings

	AGAAP	A-IFRS	
Hedging approach	100% retail earnings hedged for following year	Up to 100% of the expected earnings for the next financial year and 50% of expected earnings for subsequent financial year hedged	
Accounting treatment	Hedge accounting applied	Hedge accounting treatment not available from 1 October 2006	
Implications		As at 1 October 2006 <ul style="list-style-type: none"> Fair value of hedge contracts in place for 2007 capitalised on the balance sheet at \$(23)m \$(23)m to be brought to account through the income statement over the term of the underlying hedge contract through 2007 	From 1 October 2006 <ul style="list-style-type: none"> Movements in the fair value of total hedges will be recognised immediately in the income statement
Output	Lower earnings volatility from movements in the AUD/NZD exchange rate (vs A-IFRS approach)	Potential additional reported earnings volatility due to timing of income recognition Reduction to 2006/2007 Group cash earnings of approx. 1%	

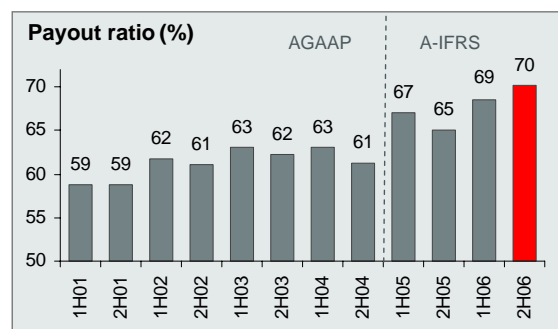


Strong dividend growth – higher sustainable payout



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

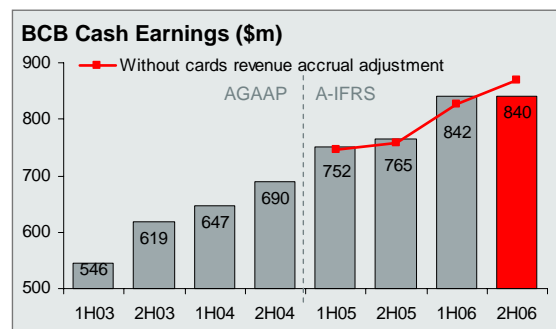


Westpac Business Units

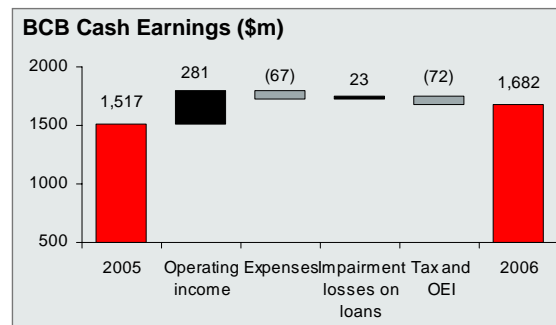
November 2006

BCB – Cash earnings growth continues, up 11%

- Cash earnings up 11% on 2005
- Strong volume growth:
 - Lending growth up 13%, driven by sales effectiveness and competitive positioning
 - Deposit growth solid at 10%
- Credit card over-accrual impact in 2H06 (\$29m):
 - Reduced overall cash earnings growth by 2 percentage points on 2005
 - Reported margin decline 13bps - adjusted for credit cards, margin decline 10bps
- OPEX cost growth focused on frontline investment



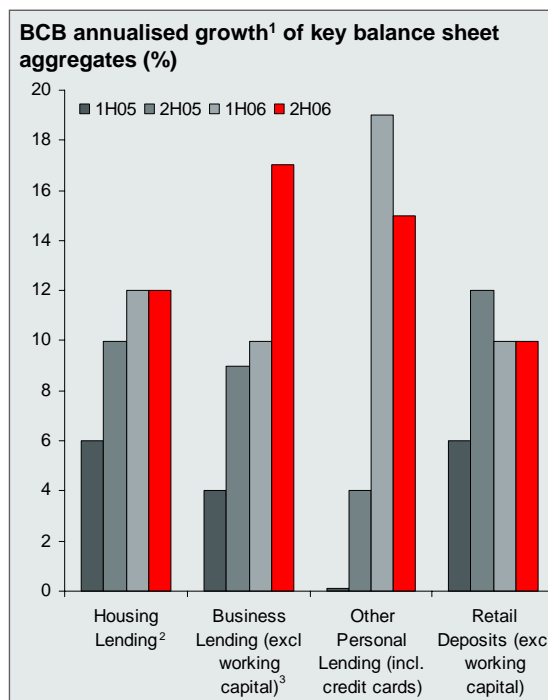
Source: Westpac



Source: Westpac

Volume growth enhancing revenue momentum

- Volumes in key products up substantially on 2005:
 - Personal lending and retail deposit growth at or above system
 - Mortgages at 0.9x system
 - Business trend accelerating in 2H06
- Key driver to 13% adjusted non-interest income growth in 2006
- Growth driven by:
 - 440 additional bankers
 - Improved sales effectiveness, with Westpac Way fully rolled out
 - Competitive product and pricing
 - Reach and Pinnacle delivering efficiencies



1. 1H05 and 2H05 exclude AASB 132 & 139
 2. Including securitisations
 3. BCB business lending including equipment finance
 Source: Westpac

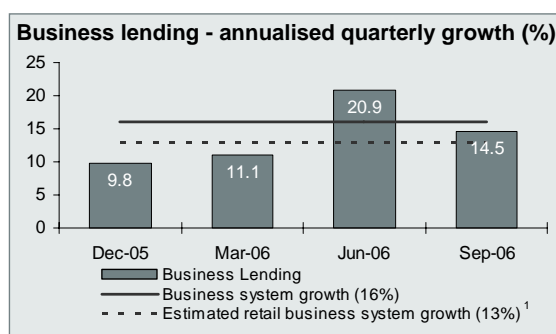


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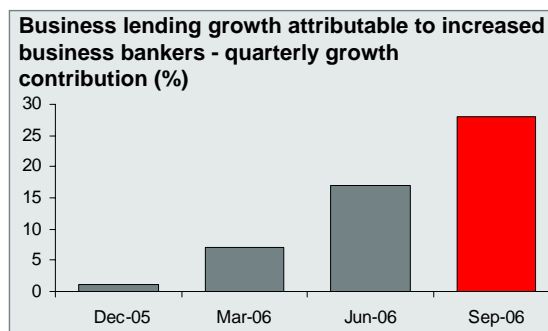
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Frontline investment and productivity driving Business

- Business lending volumes up 15%
- Strong performance driven by:
 - Recruitment of additional relationship bankers, customer managers and transactional bankers
 - Improved sales productivity, 25% improvement in sales contacts
 - Pinnacle system delivering productivity upside
 - Structural changes providing sharper focus on Agri and Small Business
 - Improved distribution via referral partners, up \$1bn



1. Westpac internal estimate. Source: Westpac, RBA



Source: Westpac

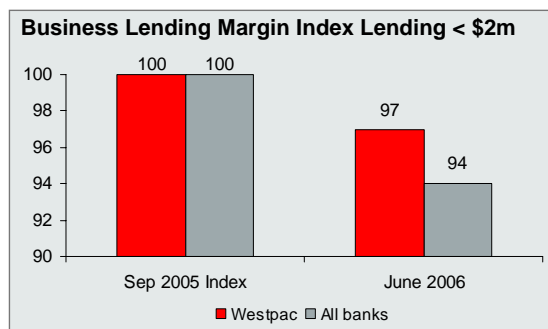


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Business margin managed in a declining market

- Market is highly price competitive
- Continue to pursue growth where profitable in terms of total customer value
- Spreads down 7bps over 2006
- Margin decline broadly consistent with market trend



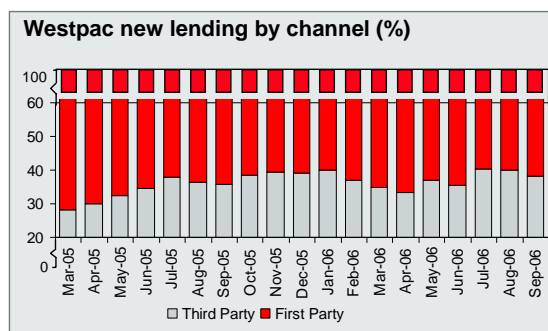
Customer rate less 90 day bill rate. Source: RBA data, APRA return, Westpac analysis

Business lending spread (%)			
1H05	2H05	1H06	2H06
1.85	1.84	1.81	1.75

Source: Westpac

Solid growth from first party mortgage channel

- Mortgage lending up 12% on 2005
 - Growing at 0.9x banking system (0.6x system in 2005)
- Improved growth from both proprietary channel and 3rd party:
 - Drawdowns from proprietary channels up 19%
 - 3rd party origination 38%, stable since October 2005
- Spreads down 8bps over the year driven by both carded business and an increase in fixed rate lending



Source: Westpac

Mortgage spread (%)			
1H05	2H05	1H06	2H06
1.07	1.05	1.01	0.96

Mortgage spreads have been restated to include broker commission amortisation Source: Westpac

Australian 'Low Doc' lending

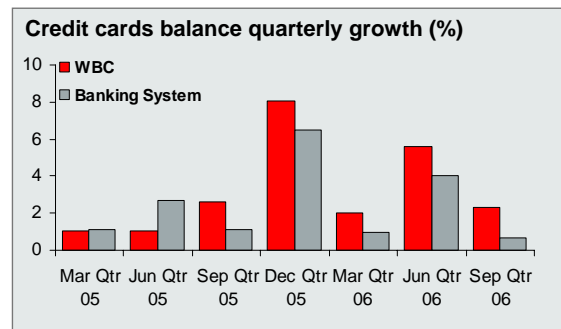
- 'Low Doc' style lending historically done for existing customers where customer history well known
- Low Doc loan product launched April 2003 to attract new, self-employed customers – primarily through broker channel
- Current Low Doc product and policies consistent with Westpac's risk appetite - not offered to people with "impaired" or "uncertain" credit histories

Total Portfolio – as at 30 September 2006		
Average LVR of portfolio ¹		68%
Average LVR of new loans		70%
Low Doc Portfolio – as at 30 September 2006		
	\$m	% of portfolio
Total portfolio	\$2,853	<3%
Avg new lending per month	\$184	<9%
Low Doc Lending		
<ul style="list-style-type: none"> • Primary applicant must have been self employed for minimum of 2 years • Maximum loan-to-value ratio of 82%, mortgage insurance required where LVR >60% • Security restrictions on property size, type and location (e.g. CBD postcodes not acceptable) • All loans require an internal inspection • All standard credit policies (credit score, bureau, credit history, serviceability etc) are applied. 		

1. Based on valuation at drawdown

Cards portfolio continues to grow strongly

- Credit card portfolio up 21%
- Above system growth driven by:
 - Launch of new products, complementing existing suite
 - Superior branch origination processes delivered by Reach via online applications
 - Improved analytics, enabling better leverage of existing customer base
 - Risk positioning remains sound



Source: APRA

Impact of credit card revenue accrual adjustment

- BCB 2006 result impacted by a one-off write-off in 2H06 relating to an over-accrual of interest income in credit cards
- Over-accrual arose from inaccuracies in the accounting methodology used to estimate accrued credit card interest income earned
- Full review undertaken and controls enhanced - confident that no additional problems of this nature exist
- Customer accounts and interest charged to customers were not impacted

Credit Cards – prior period impact (\$m)				
	1H06	2H06	FY05	FY06
Net interest income	22	(42)	20	(20)
Cash earnings	15	(29)	14	(14)

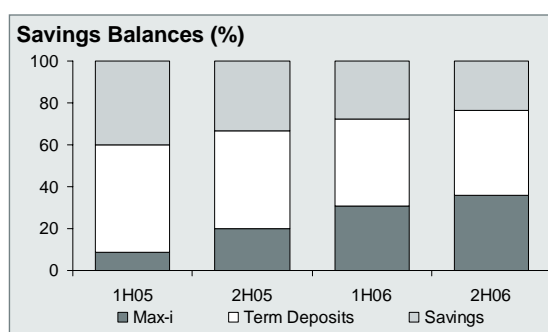
Source: Westpac

Cards spreads adjusted for over-accrual (%)			
1H05	2H05	1H06	2H06
6.68	6.65	6.23	6.11

Source: Westpac

Deposit growth with active spread management

- Deposit balances up 10%
- Business and Consumer Max-i Direct products driving deposit growth:
 - Slowed overall spread compression
 - Assisting to build relationships
- Westpac One Saver successful in attracting savings balances above Max-i margins



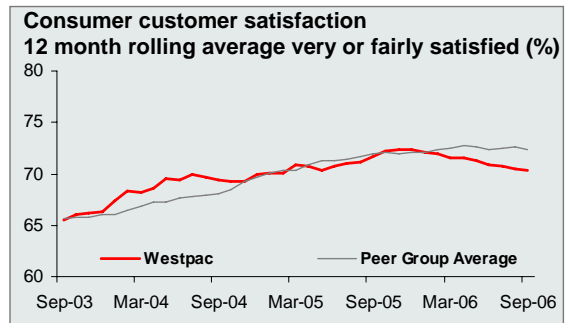
Source: Westpac

Savings & Investments spread (%)			
1H05	2H05	1H06	2H06
1.86	1.85	1.83	1.91

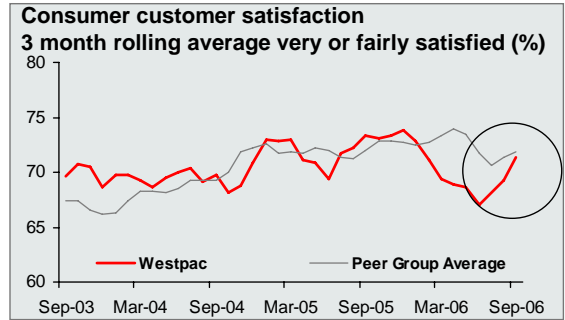
Source: Westpac

Consumer customer satisfaction – room for improvement

- Customer satisfaction is driven by customer experience, product and brand perception
- Recent decline due to:
 - Low share of brand voice in a 'noisy' marketplace
 - 1H06 pricing initiatives and call centre service levels
- Recent spot data shows improving satisfaction levels
- Increased Brand spend for 2007, new campaign launch - *"Every generation should live better than the last"*



Source: Roy Morgan Research – main financial institution 14+. Peer group is simple average of 3 other majors plus SGB

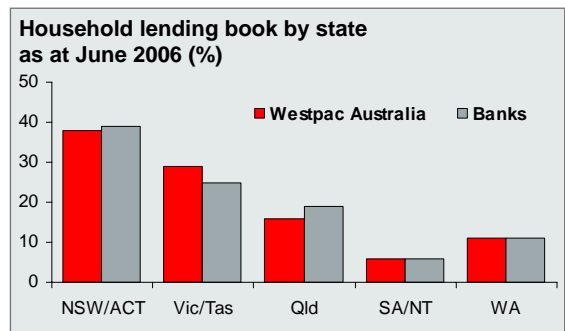


Source: Roy Morgan Research – main financial institution 14+. Peer group is simple average of 3 other majors plus SGB

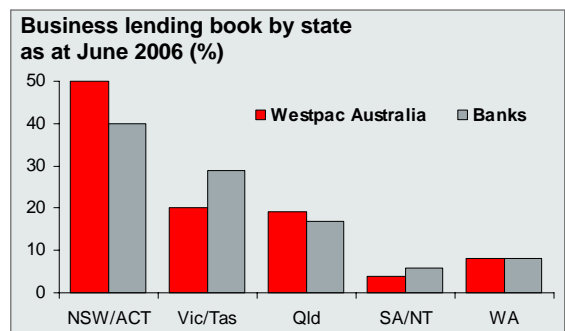


Geographically well diversified portfolio

- 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



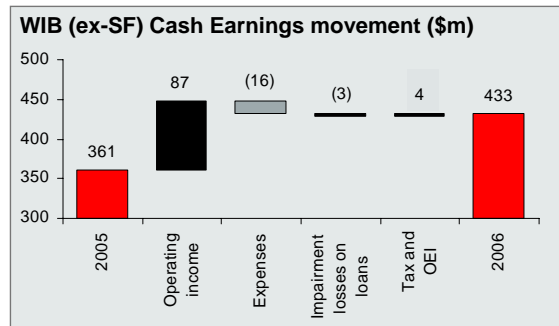
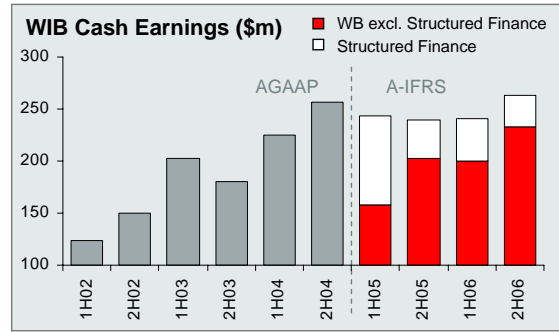
Source: ABA/Cannex data



WIB - strengthening position in a competitive market

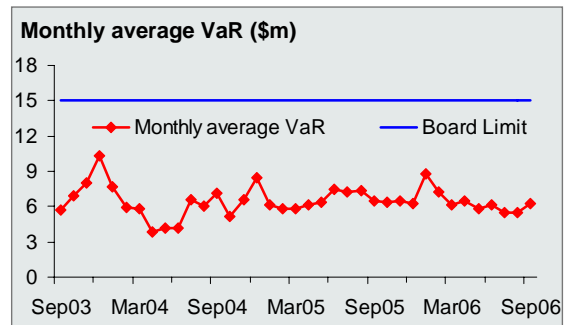
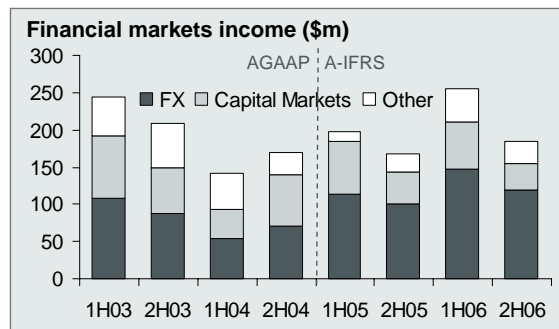
Note: WIB disaggregated Structured Finance from 2005 due to significant changes in the nature of that business

- Cash earnings up 20% on 2005
- Revenue growth of 8%
 - Solid contributions from financial markets and transactional banking
- Net loans up 34% on 2005
 - Short term financing expected to deliver refinancing opportunities
- Impairment losses up 8% on 2005, remain under historic averages



Financial markets – strong performance in 2006

- Strong overall result, revenues up 20%
- Trading revenues driven by outstanding first half result
- FX earnings up 25%, reflecting success of strategic repositioning
- Interest rate business contribution lower due to reduced customer hedging activities
- Average VaR usage demonstrates no change in overall risk



Strong growth in Capital Solutions in 2006

- Very strong asset growth over the year:
 - Particularly strong increase in 4Q06
 - High volume of short term finance likely to run-off in 2007
 - Major financier to 2006 corporate actions
- Market leading position in debt capital markets and syndications delivering good volume growth over year
- Asset growth provides pipeline for debt capital markets in 2007

Institutional loans (A\$b)	2005	2006	% Growth
Net loans and acceptances ¹ :			
Less than 1 year	8.2	12.1	+48%
Greater than 1 year	15.1	19.2	+27%
Total	23.3	31.3	+34%

Flow Volume (A\$b)	2005	2006	% Growth
Syndicated Lending ²	5.4	11.0	+104%
Domestic Bonds ³	3.5	7.6	+117%
ABS ⁴	2.8	4.1	+46%

1. Includes bridging facilities, term lending, asset finance and other loans. All amounts represent spot balances as at 30 September.
Source: 2. Thomson Financial League Tables; 3. Bloomberg League Tables; 4. Insto League Tables.

Flow volume includes self-led and co-led transactions for period from January to September of each year.

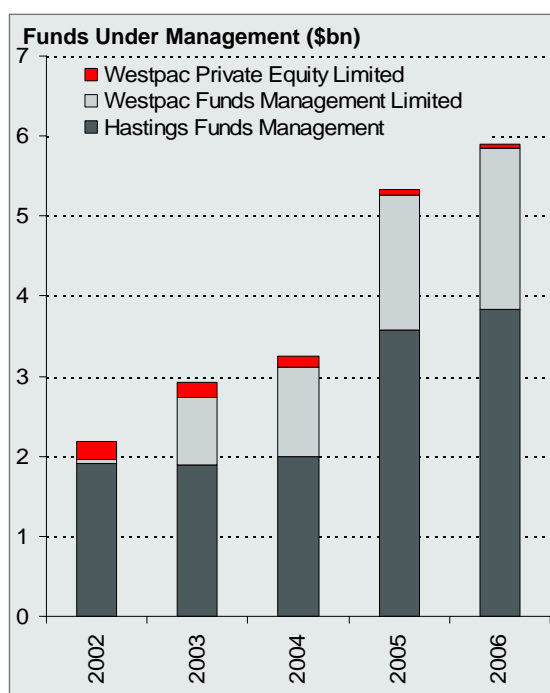
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Specialised Capital Group

- Solid position in a competitive market
- Revenue unchanged over year given limited availability of assets at suitable prices
- FUM up 11% over prior year
- Successful fund performance
- Launch of new fund platforms:
 - Westpac Residential Property Trust and Westpac Diversified Property Fund
- Successful asset divestments
- Well positioned for 2007 – strong pipeline of deals



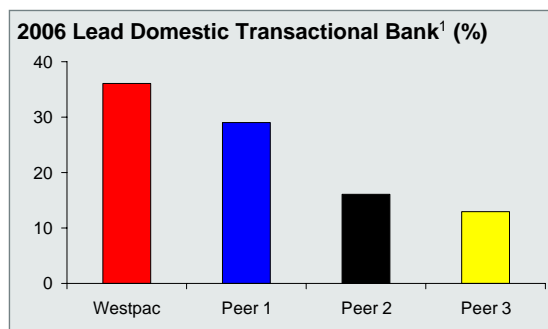
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Leading positions in wholesale market

- Retained overall #1 in Transactional Banking¹ in 2006
 - #1 Relationship Strength Index
 - #1 Leader for value added services
 - #1 Leader for new product development initiatives
 - #1 Best Transactional Banking Platform²
- Lead Bank position dropped to number 2, as change in criteria removed a significant number of our lead bank clients
- #1 in Syndicated Loans³



1. Source: P. Lee Large Corporate & Institutional Transactional Banking Survey 2006
 2. Corporate Online rated no. 1 on 4 out of 8 measures for platform evaluations – based on major competitors
 3. Source: Thomson Financial

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Market leadership in Corporate Bonds

- Leading position in Corporate Bonds in 2006
- Achieved across a significant number of segments and products, demonstrating excellence in diverse range of transactions, issuers and products
- Position strengthened by success in targeting offshore issuers

Australia Domestic Bonds - 2005			
Rank	Bookrunner	A\$m	Mkt Share
1	NAB	5,589	13.0
2	RBC Capital Markets	5,215	12.1
3	CBA	4,663	10.8
4	Citigroup	4,375	10.1
5	ANZ	4,027	9.3
6	Deutsche Bank AG	3,560	8.3
7	WIB	3,455	8.0
8	TD Securities	3,400	7.9

Source: Bloomberg; 1 January 2005 – 30 September 2005

Australia Domestic Bonds - 2006			
Rank	Bookrunner	A\$m	Mkt Share
1	WIB	7,593	15.7
2	NAB	7,451	15.4
3	RBC Capital Markets	5,475	11.3
4	CBA	4,515	9.4
5	Deutsche Bank AG	4,272	8.8
6	ABN AMRO	4,070	8.4
7	ANZ	2,908	6.0
8	TD Securities	2,500	5.2

Source: Bloomberg; 1 January 2006 – 30 September 2006

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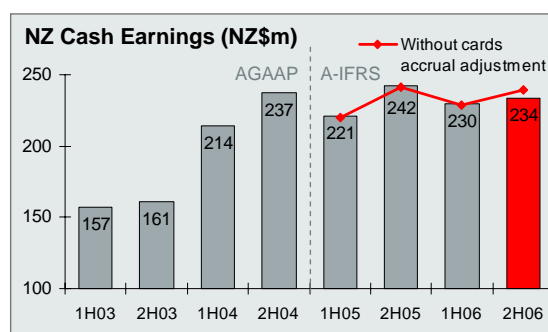
Asia – executing on growth opportunities

Revenues	Locally booked revenues up 38% in 2006.
Footprint	<ul style="list-style-type: none"> • Repositioned geographic footprint and seeking to expand activities into India and China with potential new offices • Collaboration with Standard Chartered on promoting India-Australia/NZ banking capabilities for Australia/NZ firms interested in India and vice versa • Supporting Australian and New Zealand small to medium enterprises interested in entering the China market
Capabilities	<ul style="list-style-type: none"> • Continuing to utilise third party relationships to support our efforts <ul style="list-style-type: none"> - Regional banking relationship • Growing success in corporate banking and financial markets, with notable transactions in 2005/06 for Singtel Group Treasury Pte Ltd, Asian Development Bank, National Foods Limited (San Miguel subsidiary), Hongkong Electric Company Limited, Swire Finance Limited.

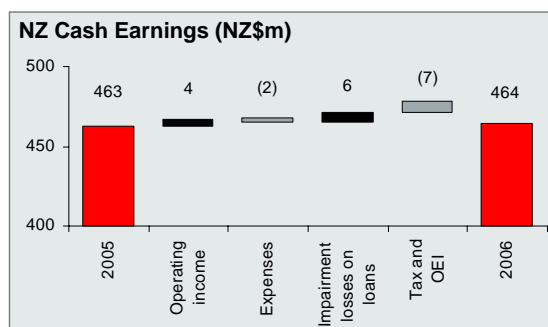
New Zealand – Business strong, Consumer rebuilding

- Cash earnings flat in NZ\$
 - Business revenues up 8%
 - Consumer revenues down 2%
- Revenue growth impacted by:
 - Credit cards over-accrual of \$8m
 - Move to fixed rate mortgages
 - Lower fee income
- Expense discipline - flat on 2005
- Asset quality remains sound across portfolio

Westpac New Zealand Banking 2006	Lending NZ\$bn	% revenue contribution
NZ Consumer	22.0	66%
NZ Business	15.4	34%



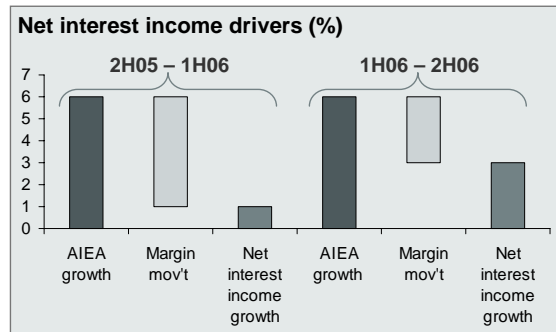
Source: Westpac



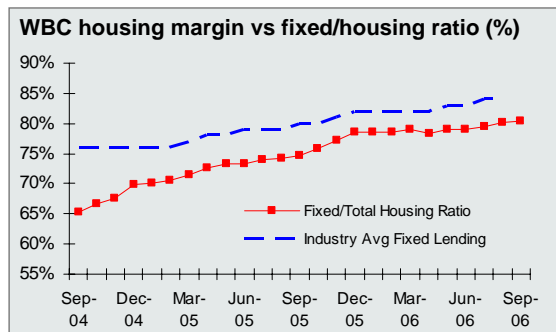
Source: Westpac

Consumer underperformance driving lower revenue

- Strong volumes, in line with system, offset by 25bps margin decline
 - Switch from floating to fixed rate housing caused 11bps housing spread decline in 2006
 - Trend stabilising in second half
 - Deposit spreads declined 6bps over 2006 due to shift to online savings
- Non-interest income lower
 - Net customer losses in Consumer
 - Customers shifting towards lower fee products in first half
 - Trends stabilising in second half



AIEA is Average Interest Earning Assets. Source: Westpac



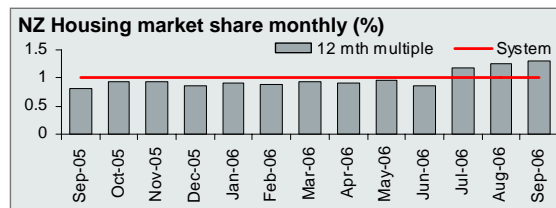
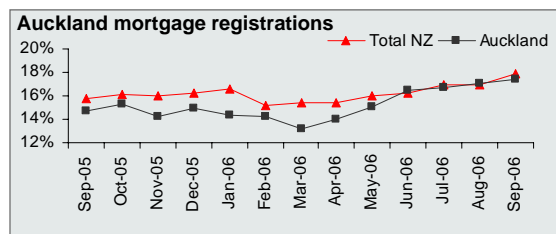
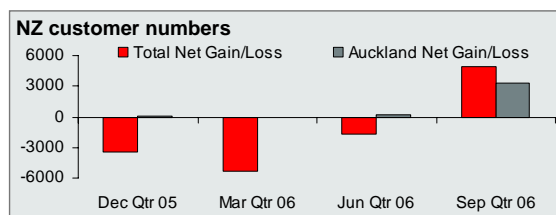
Source: Westpac



Initiatives underway to restore growth in consumer

Initiatives

- Retain customers**
 - Completed roll out of retention management program to branch network
 - Commenced simplification of fee structures
- Greater share of Auckland market**
 - New branches in Auckland, including Sylvia Park – NZ's largest shopping centre
 - Single point of accountability in Auckland
 - Streamlined roles and process to improve sales productivity
- Sales force effectiveness**
 - Delivered New Zealand leads and referral tool and reporting to front line
 - Cross counter payments tool delivered
 - Pricing empowerment roll-out underway

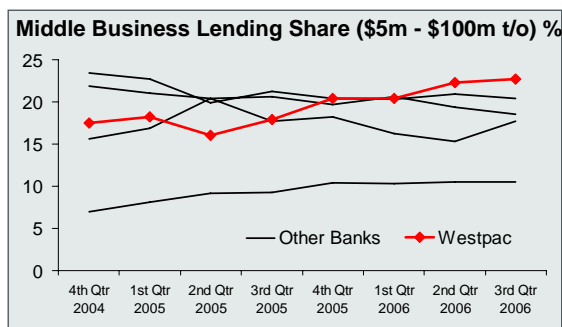


Strong contribution from Business Banking

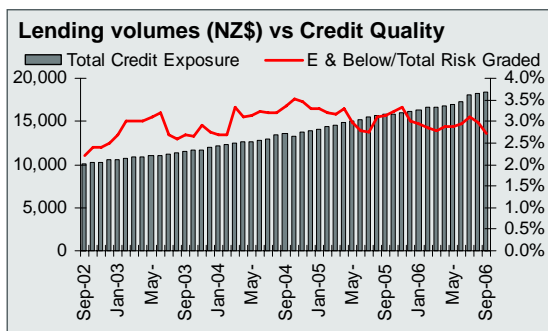
- Business banking revenues up 8%
- Solid performance driven by:
 - #1 position in key business segments maintained
 - Improved customer and balance share
 - Market leading sales advice in middle markets and corporate
 - Agri-lending 1.4x system
 - Leverage of WIB product
- 10% increase in Business customer satisfaction
- Asset quality sound

Business lending spread (%)			
1H05	2H05	1H06	2H06
1.59	1.55	1.49	1.50

Source: Westpac



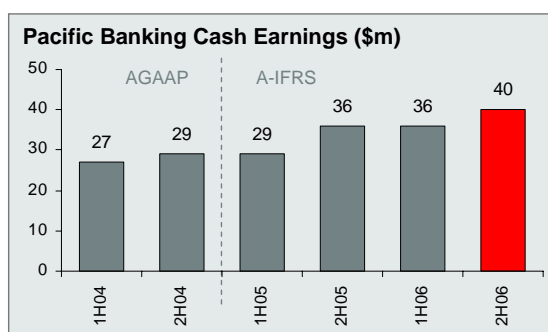
Source: TNS Business Finance Monitor September 2006



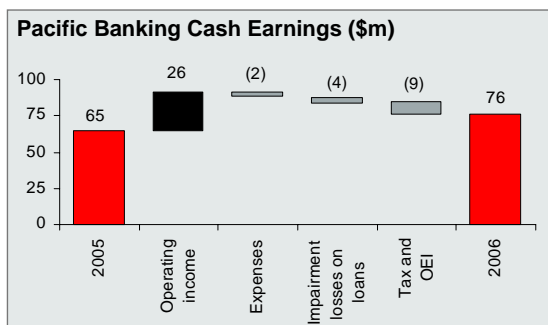
Source: Westpac

Pacific Banking – continued valuable contribution

- Cash earnings up 17%
- 17% uplift in operating income the result of:
 - Strong balance sheet growth
 - Total assets up 23%
 - Deposits up 17%
 - Non-interest income up 10%
 - Strong FX results in first half
 - Growth in fee income across locations



Source: Westpac



Source: Westpac

Key performance indicators	2006 \$	% Change FY05-FY06	
Cash earnings	339m	↑	10
Total FUM	39bn	↑	5
Total FUA	40bn	↑	17
Margin lending LUM	3.7bn	↑	48
Life in-force premiums	253m	↑	5
GI gross premium revenue	255m	↑	27

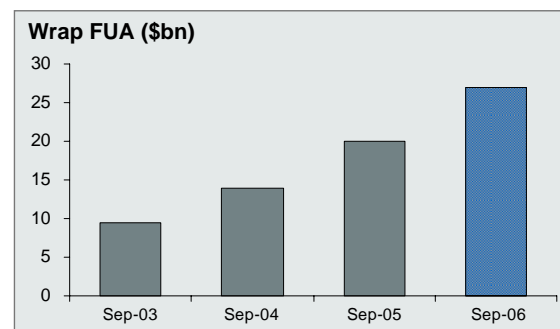
- Delivered excellent underlying¹ cash earnings growth of 21%
- Delivered strong results amid less favourable market conditions
- Most major portfolios experienced significant growth
- Return on Equity 16%
- Discipline contained expenses to 4% growth
- Operating income broke through \$1bn

1. Adjusted for sale of JDV Ltd shareholding (\$13m) and the termination of the Life Company concessionary tax rates (\$15m)

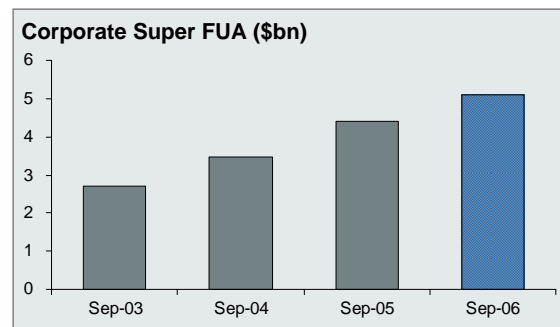


Delivering Wrap and Corporate Super growth

- Wrap FUA up 34% on 2005, to \$27bn
- Wrap netflows (new business) up 48% on 2005; 68% in second half driven by strong sales
- Corporate Super FUA up 18% on 2005 to over \$5bn – almost double in three years



Source: BT



Source: BT



Sustained investment performance over three years

- BT won five AFR Smart Investor Awards including **Fund Manager of the Year**
- S&P Manager of the Year for Australian Equities and Balanced Funds
- Goldman Sachs JB Were Multi-Sector Fund Manager Award 2006 for our Diversified Fund
- Researcher and consultant upgrades across the board

Flagship fund Upgrades (S&P)	2005	2006
Core	3 stars	5 stars
Focus	Not rated	5 stars
Small Caps	3 stars	4 stars
Ethical	1 star	4 stars
Imputation	3 stars	4 stars

Source: S&P data

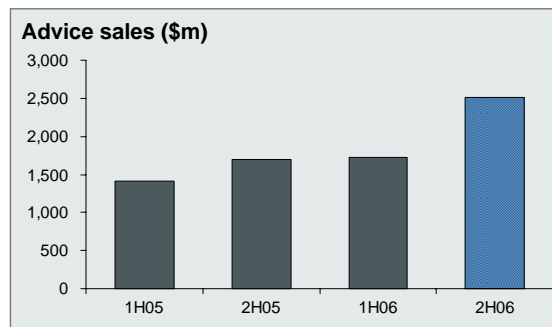
September 2006	Performance and Quartile Ranking					
	1 yr (%)	Quartile	2 yrs (% pa)	Quartile	3 yrs (% pa)	Quartile
Core Australian Share Fund	18.7	1	27.1	1	25.7	1
Ethical Share Fund	23.3	1	30.1	1	28.9	1
Imputation Fund*	24.1	1	30.3	1	28.8	1
Smaller Companies Fund	19.6	1	29.8	1	32.7	1
Balanced	16.0	1	18.3	1	17.7	1
Domestic Fixed Interest	5.2	1	5.4	4	5.4	4
Intl Equities	19.4	2	17.0	2	14.0	2
Property	24.3	4	20.0	4	22.4	4

Source: Intech, *Mercer

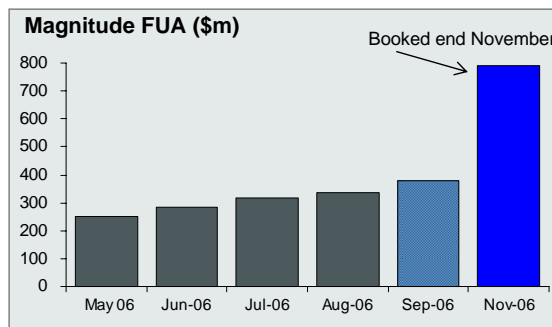


Advice business showing improving results

- Westpac Financial Planning sales up 32% over last year
- Over 580 planners and investment reps with further planned
- Magnitude launched February 06
 - FUA \$378m to end September
 - Three new practices with \$406m FUA expected to be booked by end November to take FUA to \$789m
 - Accelerated, aggressive program next year



Source: BT

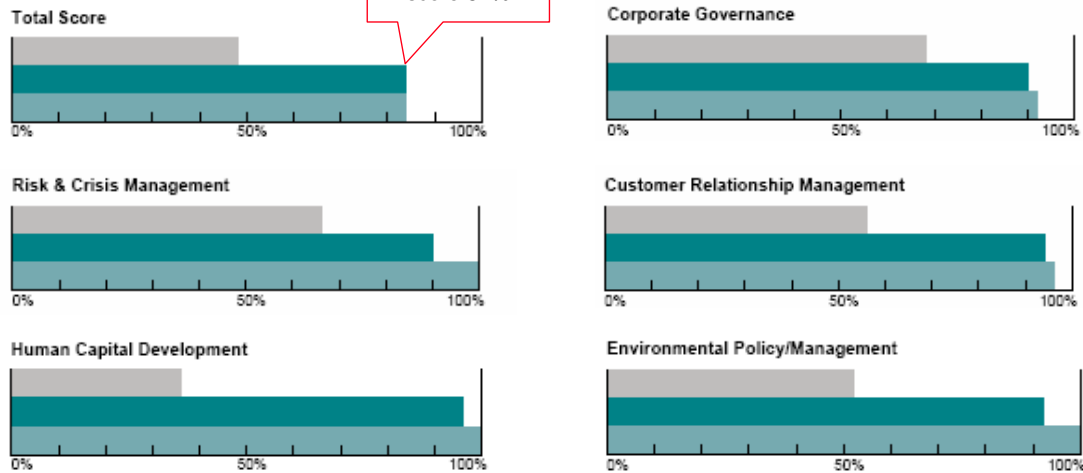


Source: BT



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



Extended performance measures

Human Capital – Strategic Objectives

- Improve retention and commitment
- Improve employee attraction
- Reduce workplace costs

Indicator	2002	2003	2004	2005	2006
Employee turnover (total)	19%	16%	17%	16%	17%
Employee commitment	65%	65%	68%	69%	68%
Lost time injury frequency rate ¹	12	7	7	6	5

Supporting our people

- 46% of positions in 2006 filled internally via Careers@Westpac
- Employee turnover 4% points below sector median
- 8th childcare centre to be opened in 2006
- 1,000+ jobshare positions
- Employed 1,000+ mature aged workers

Social & Environmental Capital – Strategic Objectives

- Improve social licence to operate
- Reduce regulatory and operational costs
- Improve reputational capital
- Improve operational efficiency

Indicator	2002	2003	2004	2005	2006
Community contributions	\$30m	\$37m	\$42m	\$44m	\$47m
Greenhouse gas emissions ² ('000)	138	137.2	136.4	124.5	109.3
Paper consumption (sheets/person) ('000)	12	9.3	9.5	10.1	9.6

Business sustainability

- New sustainable products
 - Eco-nomical Home Loan
 - LandCare Term Deposits
- Equator Principles - Founding signatory and only Australian bank to have adopted the principles
- Community contributions up 7%

1. Injuries per one million hours worked 2. Equivalent tonnes of CO2 emissions. Source: Westpac

