



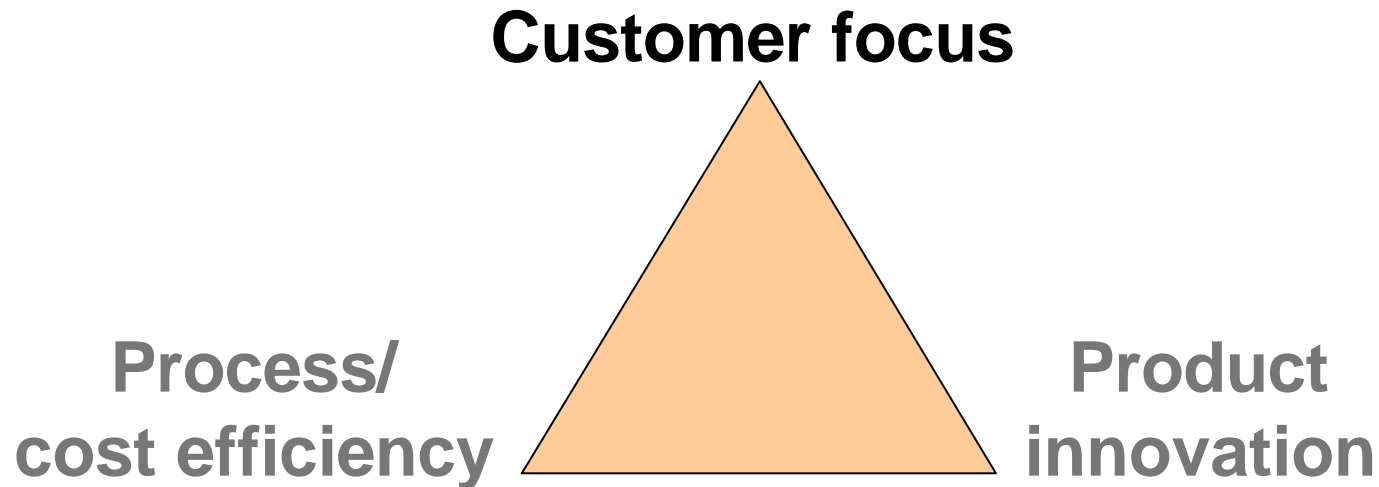
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**Australia's First Bank**

# Overview

**David Morgan**  
**Chief Executive Officer**

**1 August 2002**

# Strategy



- **Broader customer relationships**
- **Improve wealth management positioning**
- **Drive operational efficiency**
- **Embed a high performance culture**
- **Build corporate reputation**

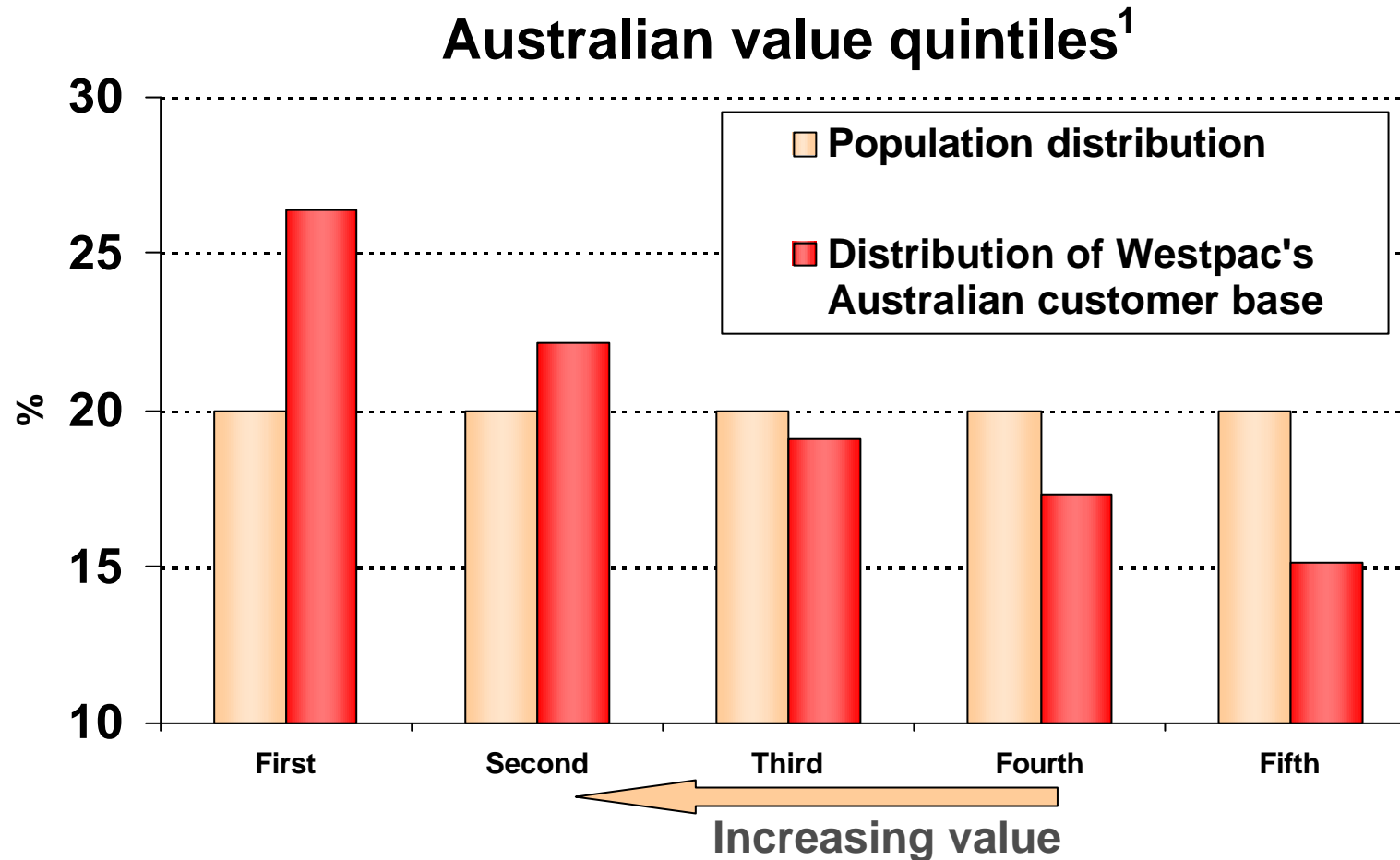
# Strong customer franchise - market share

	Australia	New Zealand
Consumer	2 <sup>1</sup>	1 <sup>2</sup>
Business	2 <sup>3</sup>	2 <sup>2</sup>
Corporate	1 <sup>4</sup>	2 <sup>5</sup>

## Sources

1. Reported customer numbers
2. KPMG FIPS NZ 2002, AC Nielson, Greenwich
3. Greenwich Associates
4. Corporate transactional business – Greenwich Associates
5. Greenwich large corporate banking survey (9/01)

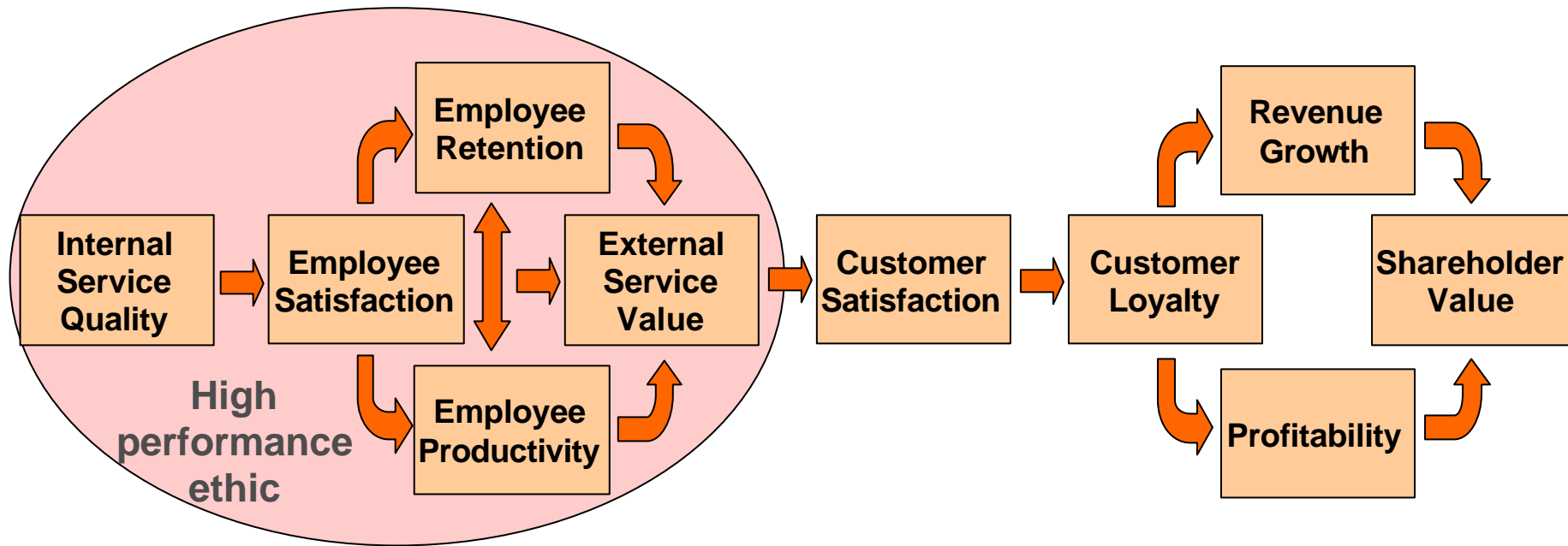
# Customer base skewed towards higher value demographics



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1. Source: Roy Morgan Research : Ranking of Australians by education, income and occupation

# Staff, customers, shareholder linkage

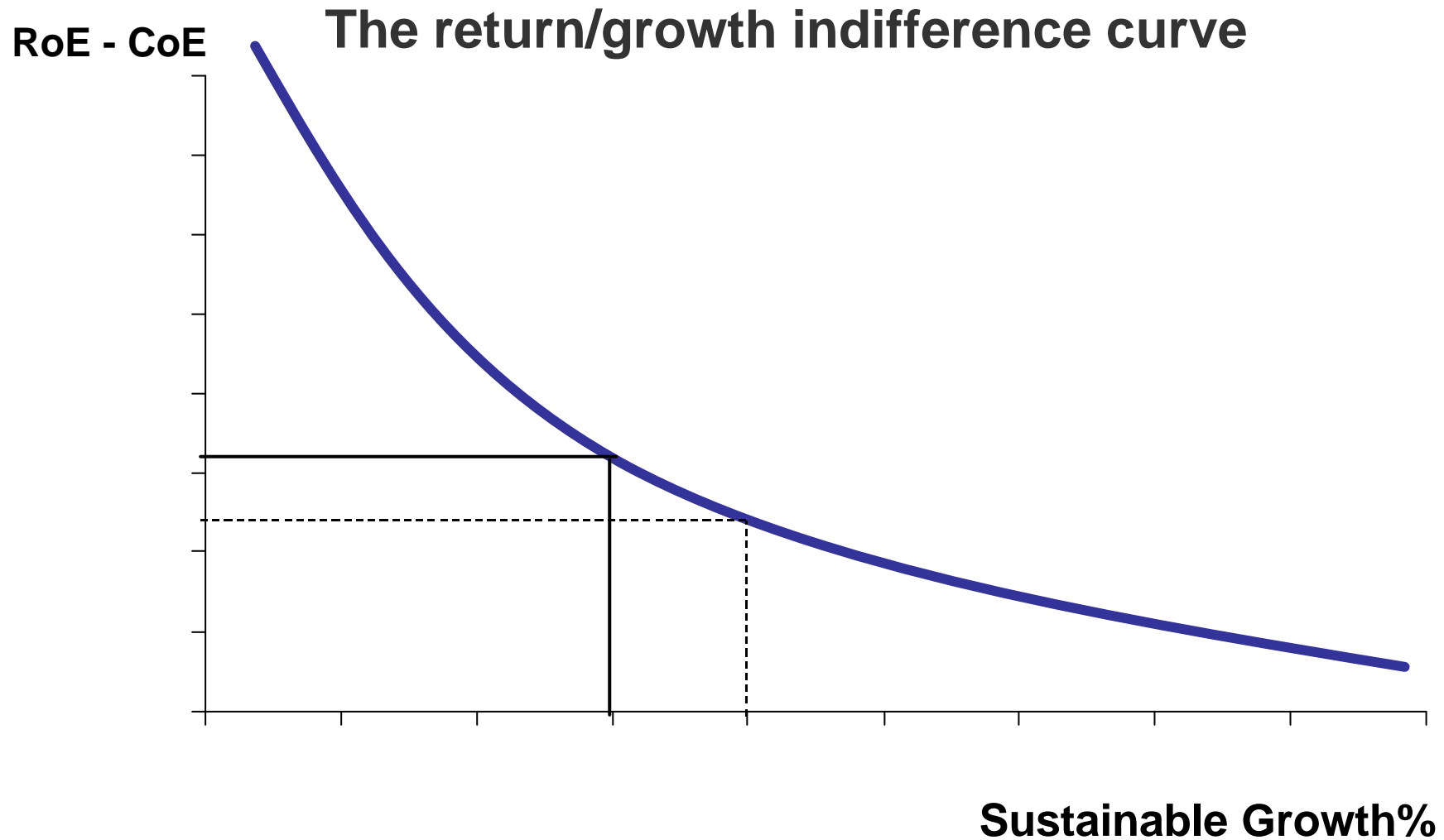


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## The differentiator: superior execution

- **Customer focused strategy is not of itself a differentiator...  
...superior execution of strategy is**
- **Generated from a high performance ethic:**
  - quality people
  - people and performance management processes
  - productive culture

# Making the right strategic choices



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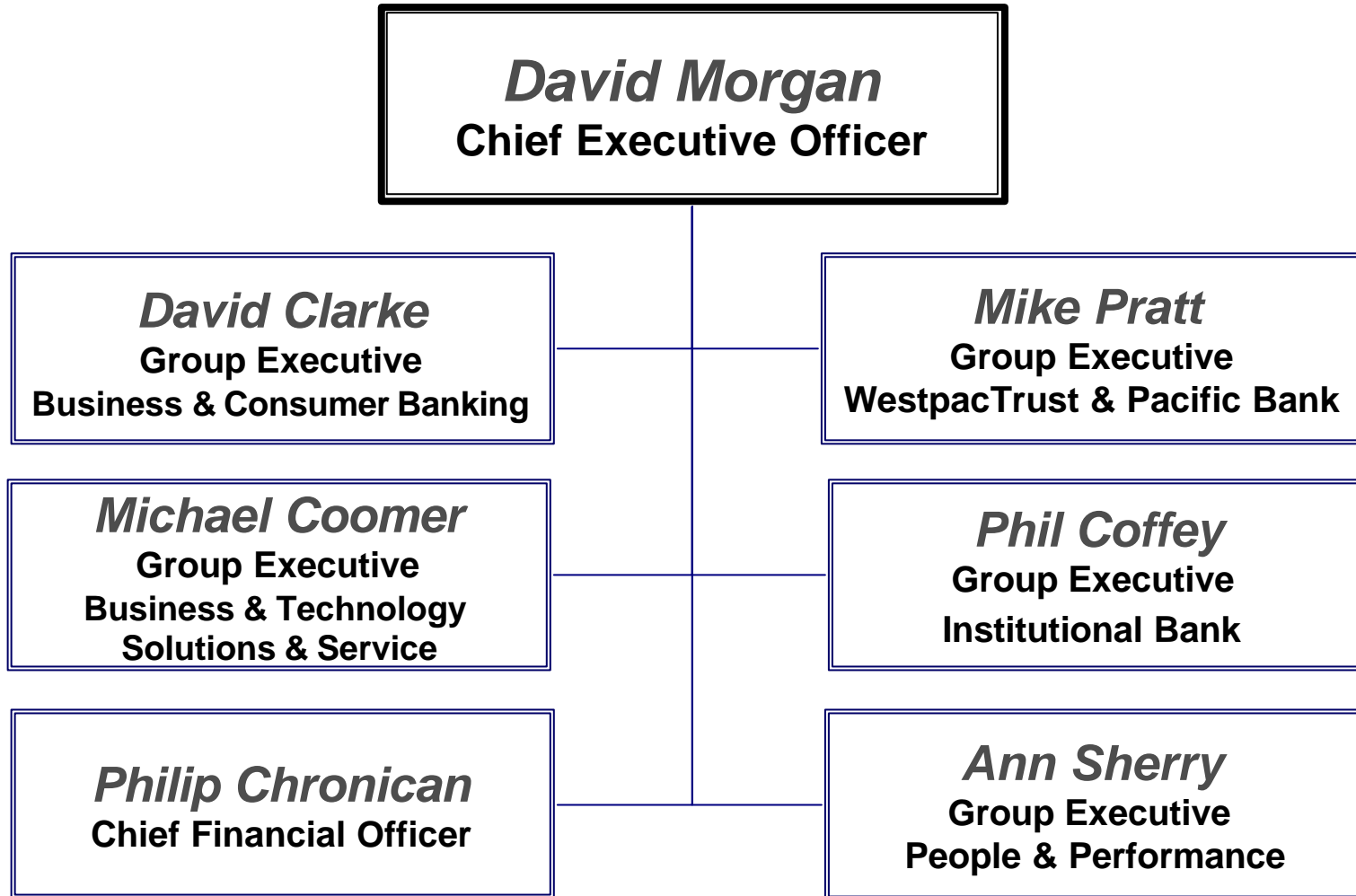
# Recent actions are consistent with this approach

- **AGC**
  - Acceptable ROE but low growth
- **Rothschild Australia Asset Management**
  - Modest capital outlay - leverage customer base
- **Employing surplus capital**
  - Invest via organic growth
  - Invest via strategic acquisitions
  - Other capital management initiatives

*We will pursue the option(s) delivering the greatest long run shareholder value*



# Strengthened management team



# The agenda

**Performance Culture**

**Ann Sherry**

**Business & Consumer Banking**

**David Clarke**

**Sagitta Rothschild**

**Peter Martin**

**Technology and Operations**

**Michael Coomer**

**New Zealand**

**Mike Pratt**

**Institutional Banking**

**Phil Coffey**

**Finance**

**Philip Chronican**

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## **Wrap-up**

**David Morgan**

**Chief Executive Officer**

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# Some market issues

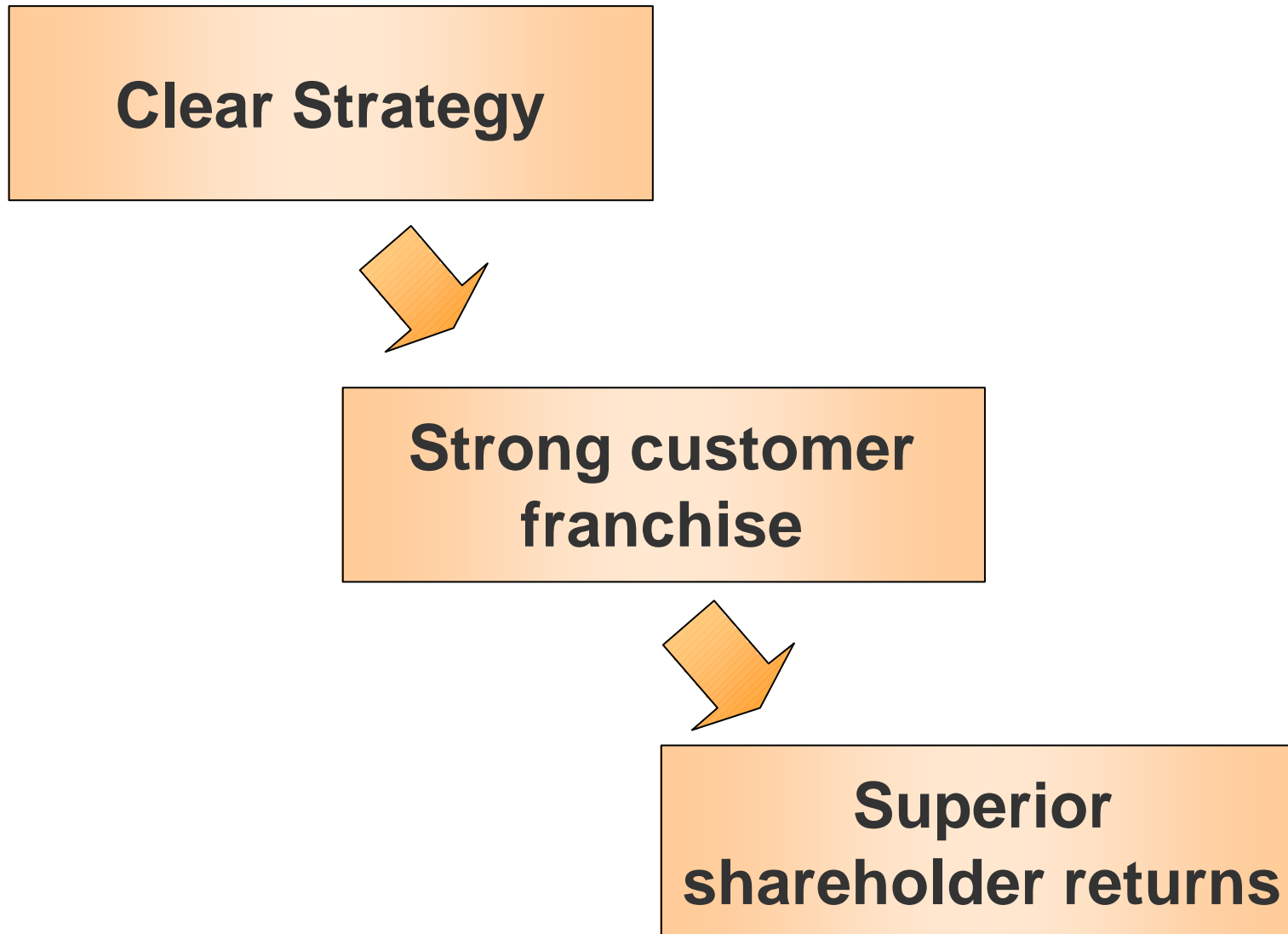
Issues	Our response
<ul style="list-style-type: none"><li>• Management turnover</li><li>• Long term growth strategy: below critical mass in wealth management</li><li>• Risk of a large, value-diluting acquisition</li><li>• Earnings gap from AGC sale</li></ul>	<ul style="list-style-type: none"><li>• Enhanced bench strength</li><li>• Capturing potential of existing customer base remains most attractive growth option</li><li>• Sagitta – first, measured step, providing growth springboard</li><li>• Proven, disciplined approach to acquisitions</li><li>• Exceeding planned capture of re-acquired business</li></ul>

# The market has also been saying

## Strengths

- Proven earnings momentum
- Strong efficiency momentum
- Strong customer franchise
- Active capital manager
- Leader in environmental and corporate sustainability
- Acquisition competency
- Low risk profile

# Execution of strategy...



## **...delivering desired outcomes**

- **Broader customer relationships**
- **Improved wealth management positioning**
- **Operational efficiency**
- **Embedded, high performance culture**
- **Leading corporate reputation**





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