

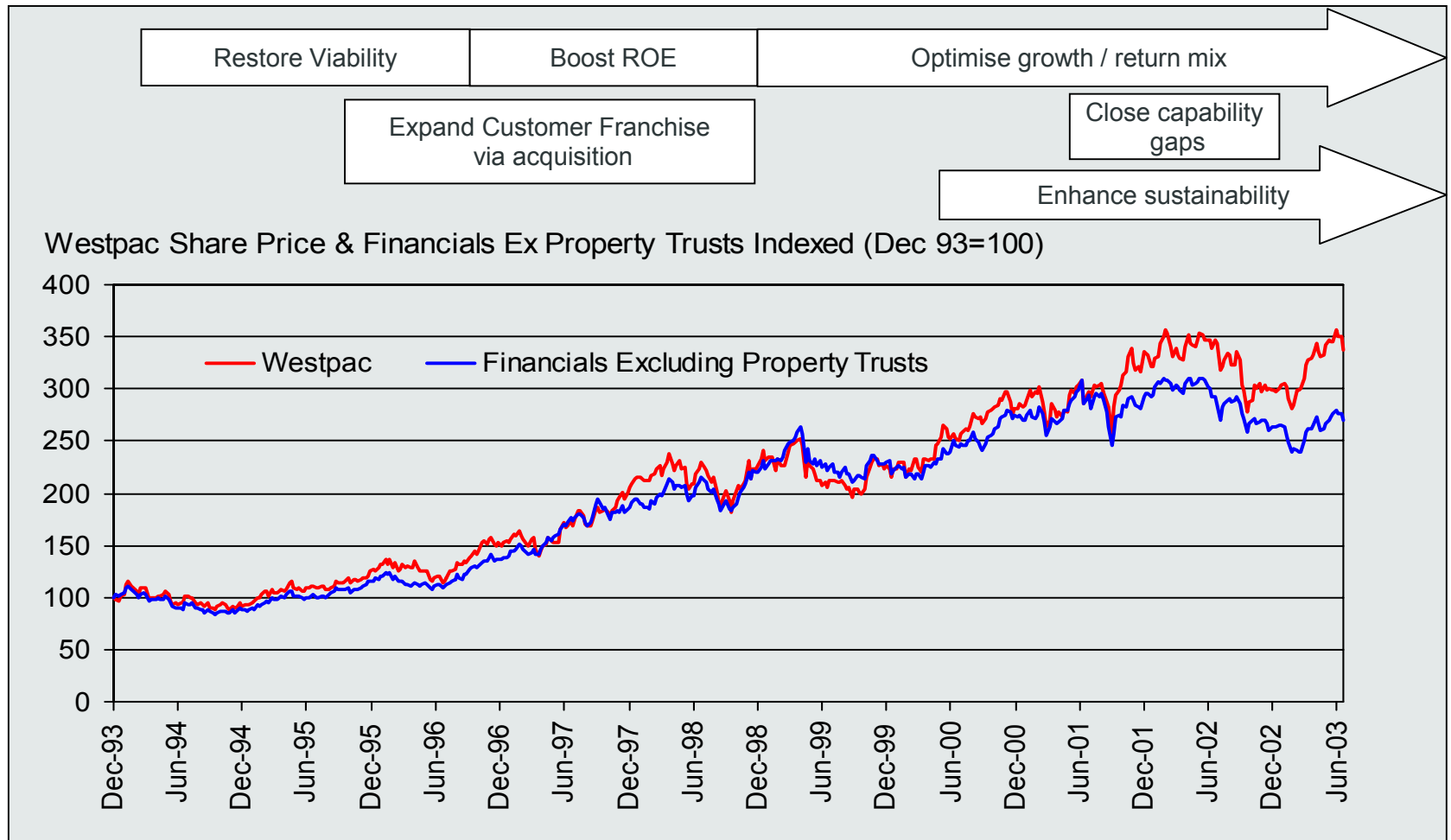
Overview

David Morgan

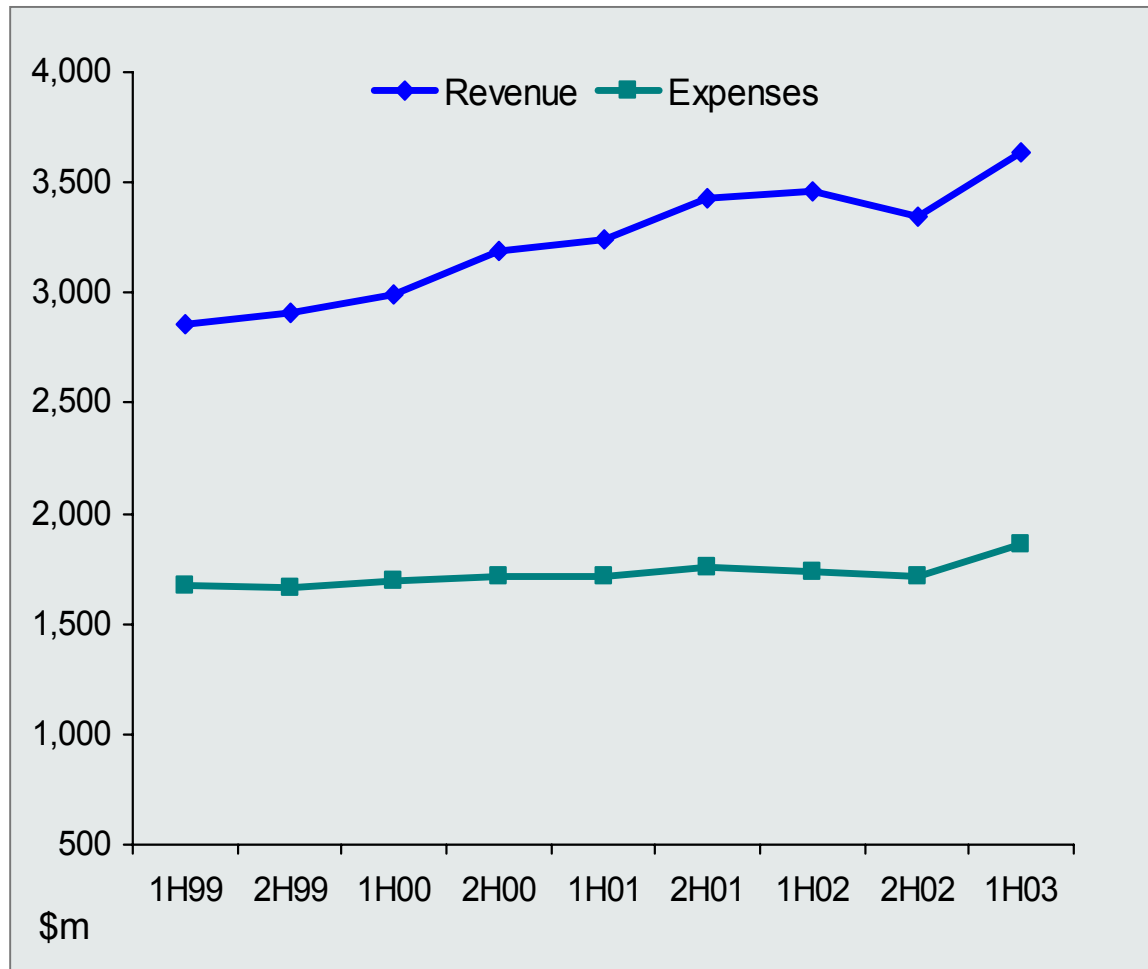
Chief Executive Officer

31 July 2003

Strategy is delivering...



With revenue a key driver of growth



4 Year CAGR¹

Revenue 7%

Expenses 2%

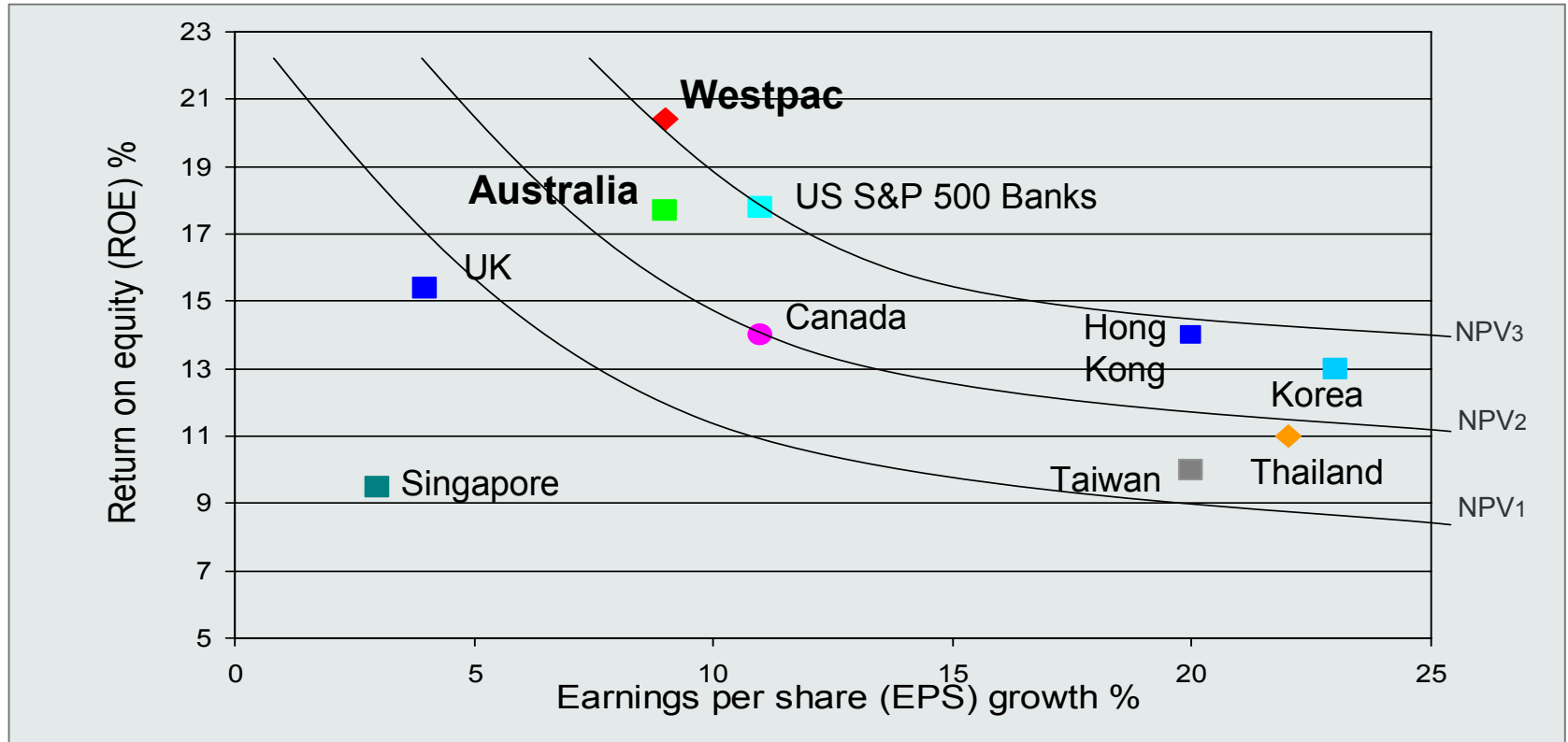
¹ Ongoing business basis

And a platform for continued performance momentum

- Continued focus on core markets and businesses
- Superior quality customer franchise
- Attractive cost productivity pipeline
- Relatively low risk earnings streams
- Embedded high performance culture and engaged staff
- Differentiated sustainability agenda
- Disciplined approach to acquisitions

Offering a continued favourable growth-return mix

Actual and forecast return/growth profile for major banking sectors 2002-04

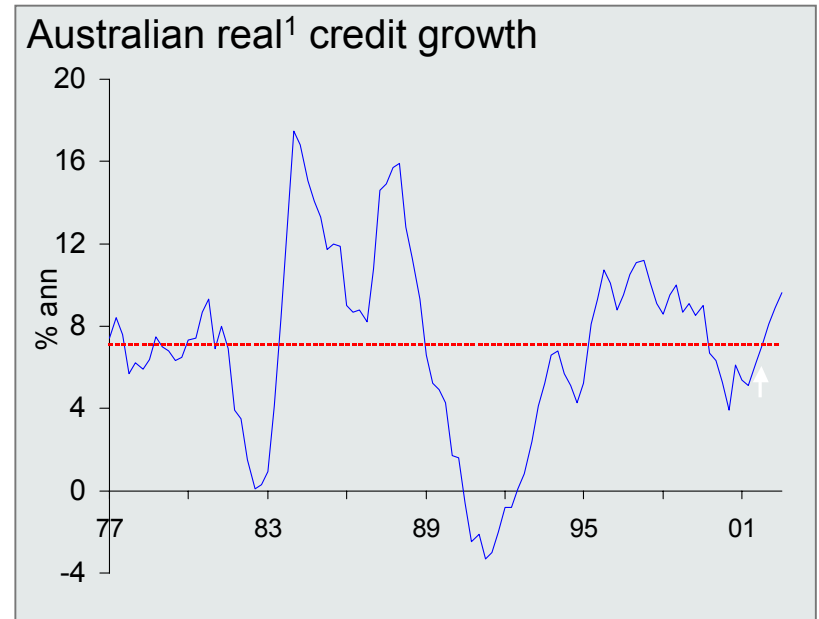


Source: Deutsche Bank and CSFB actuals and estimates

ROE and EPS growth represent 2 or 3 year average of actuals reported in prior year and forecasts for the 2003 & 2004 years for the major banks in each economy. Canada & Asian estimates have been normalised for large swings in EPS.

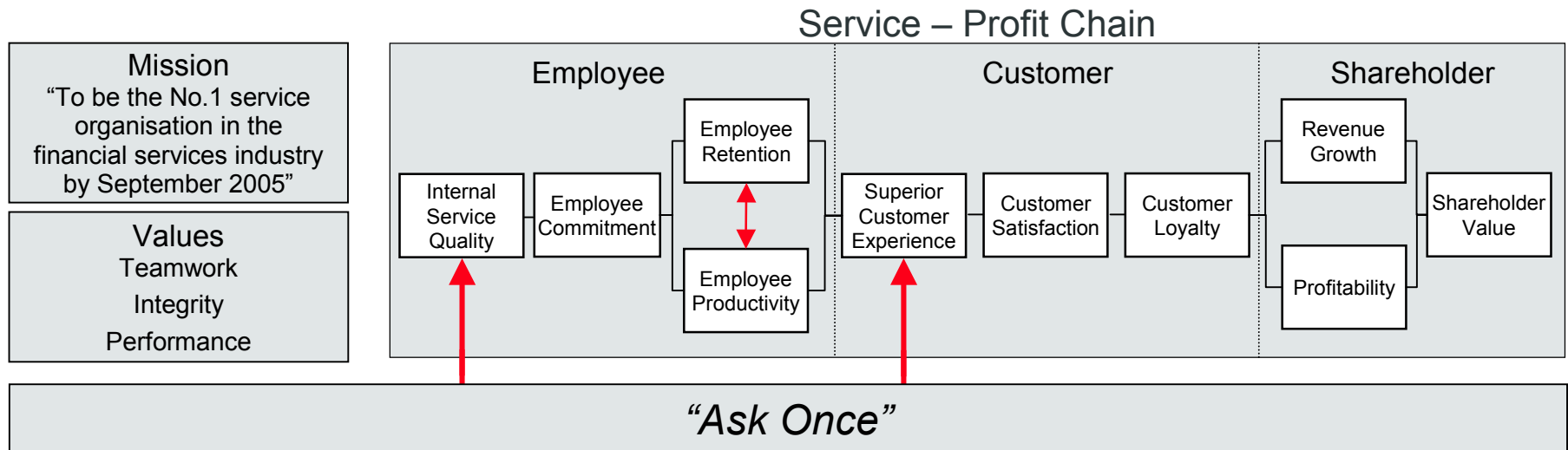
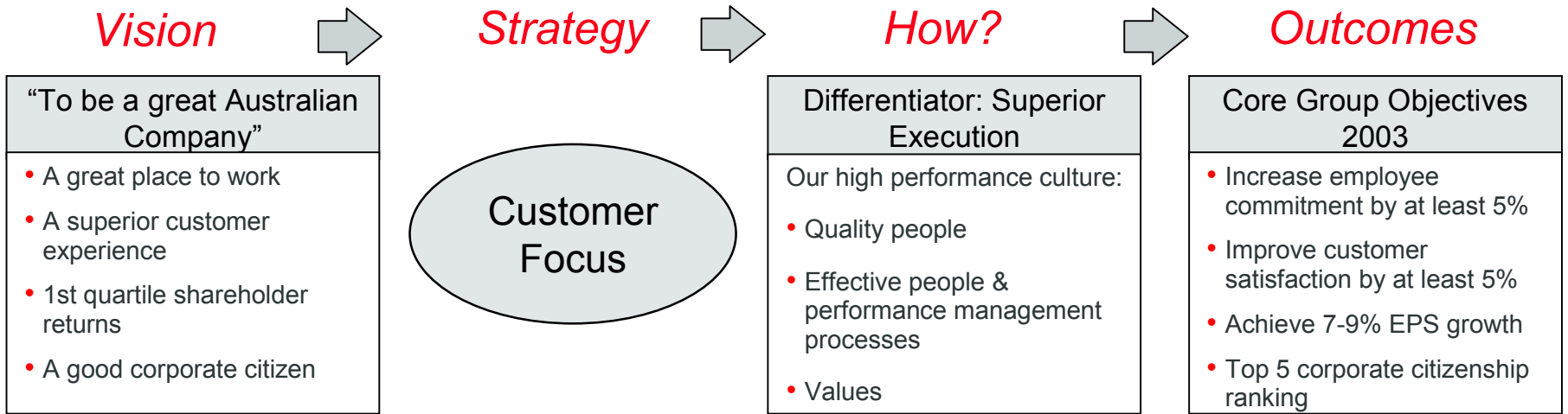
With Australia & NZ – offering good growth prospects

- Credit growth expected to ease...but remaining sound on a 2 - 5 year time horizon
 - Australia total credit growth falling back to 8 - 10%
 - NZ credit growth expected to ease from 9% to around 6 - 7%



¹.Real credit has been generated by deflating nominal credit growth by the CPI index

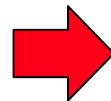
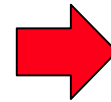
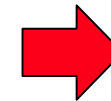
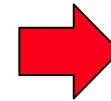
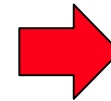
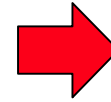
An aligned, customer focused business model



Delivered through integrated programs

Key Priorities

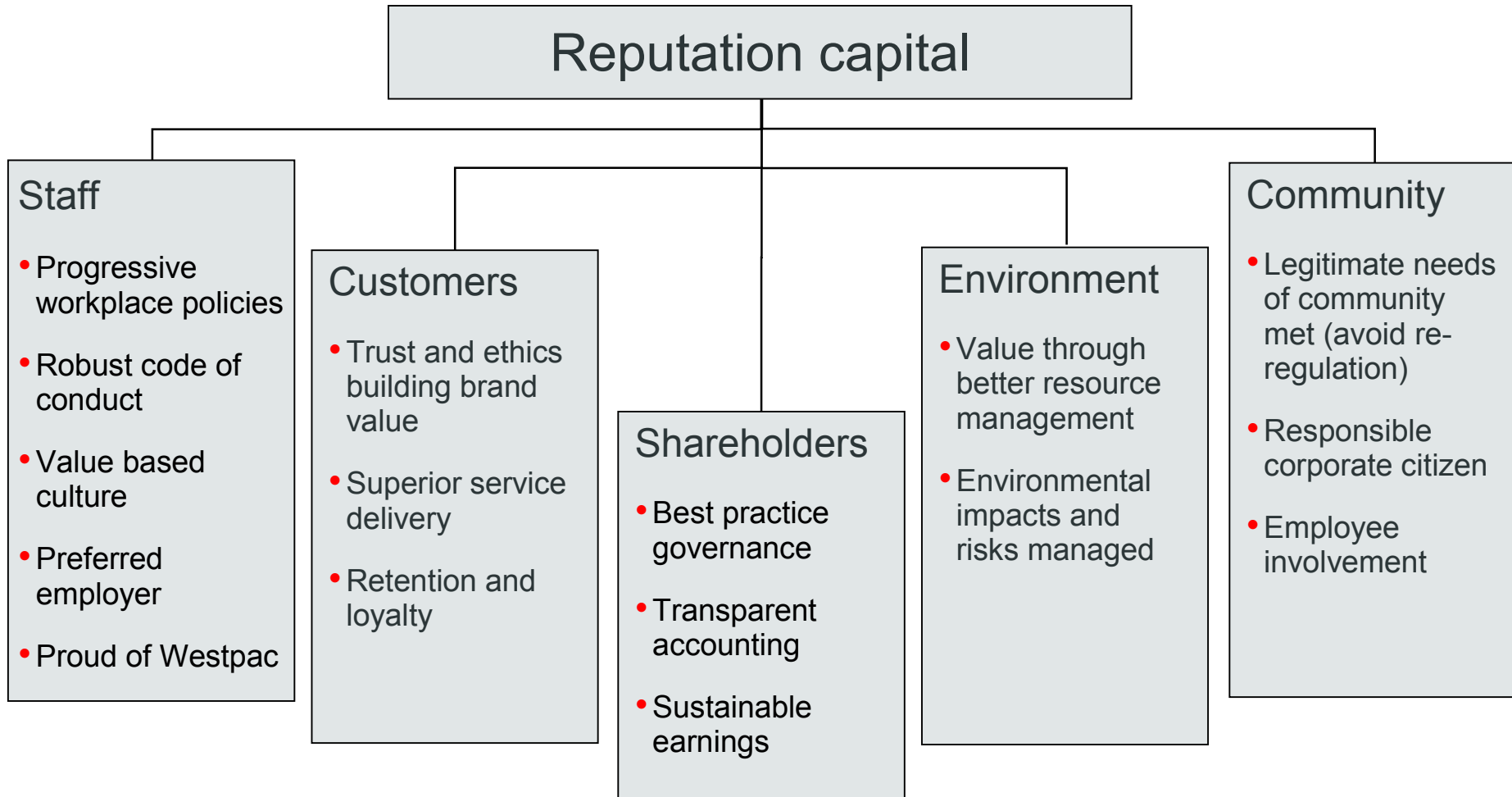
Performance Culture	<ul style="list-style-type: none"> • Capture discretionary effort of our people
Customer Experience	<ul style="list-style-type: none"> • Differentiate on customer service
Balancing Risk & Reward	<ul style="list-style-type: none"> • Optimise risk/reward decisions throughout the cycle
Operational Efficiency & Infrastructure	<ul style="list-style-type: none"> • Strategic cost management • Product and process simplification
Wealth Management	<ul style="list-style-type: none"> • Integration • Product simplification • Investment management
Corporate Reputation	<ul style="list-style-type: none"> • Sustain leading position



Programs

<ul style="list-style-type: none"> • Project Align (aligned objectives) • Culture Diagnostic
<ul style="list-style-type: none"> • Redpower (Aust & NZ) • WIB Transformation • Project Reach (CRM)
<ul style="list-style-type: none"> • Risk & Reward Program • Culture Diagnostic
<ul style="list-style-type: none"> • Project Pinnacle (credit processes)
<ul style="list-style-type: none"> • BT Integration
<ul style="list-style-type: none"> • CSR and governance • Social impact reporting

With corporate responsibility enhancing our sustainability



Delivering service value – employees the vital link

Execution through High Performance Culture

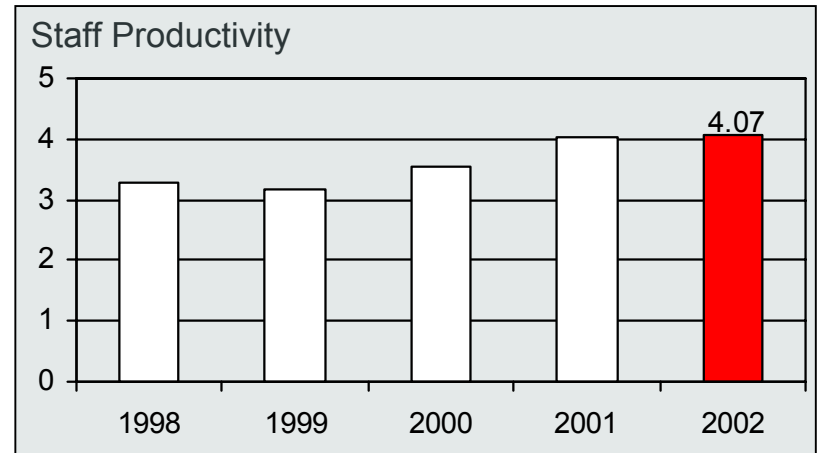
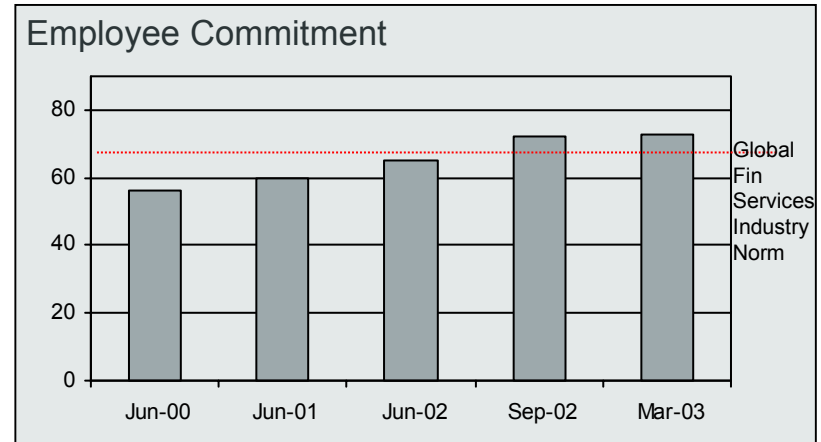
- Execution is the differentiator
- High performance culture is the driver
 - Investing in our people – especially leaders/managers
 - Rigorous people and performance management framework
 - Values driven

How is Westpac delivering?

- Leadership training/ People leaders forums
- Culture diagnostic
- Meritocracy / employee diversity
- Westpac Academy
- Performance linked remuneration

A committed and productive workforce

- Employee commitment up significantly to 73%, well above global financial services norms
- Employee turnover declined 5% in 2002
- High proportion of women in management at 36%
- Maternity leave return rate up to 70%
- Productivity up significantly



Net operating income/salaries & other staff expenses (excl restructuring expenses)

Delivering a strong customer franchise

Customer numbers

Australia	6.0m
New Zealand	1.3m
Other	<u>0.2m</u>
Total	<u>7.5m</u>

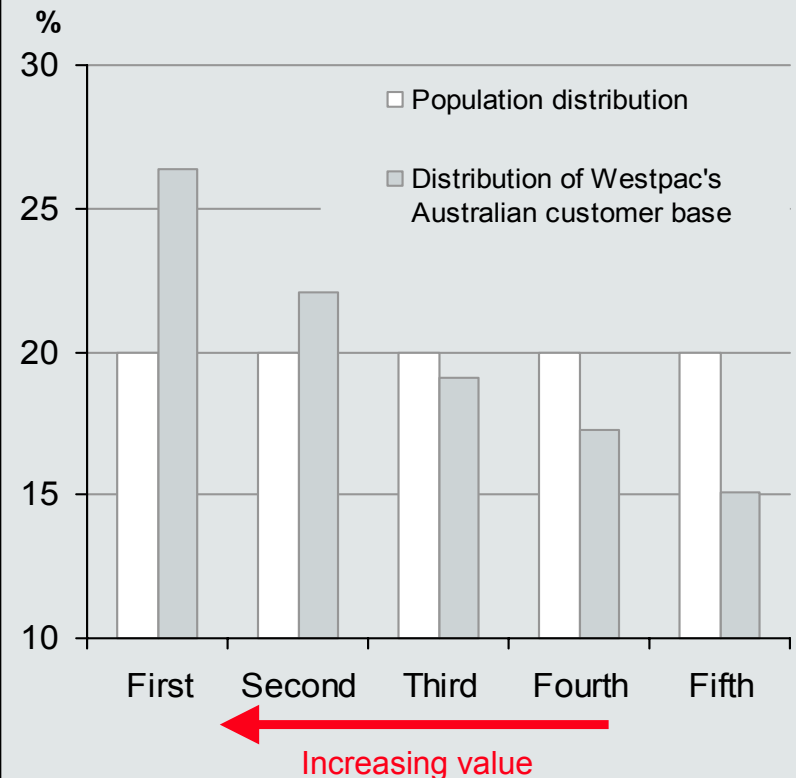
Position in core markets

	Australia	New Zealand
Consumer	2 ¹	1 ²
Business	2 ³	2 ²
Corporate	1 ⁴	2 ⁵
Wealth mgt	5 ⁶	5 ⁷

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
6. Retail funds under management ASSIRT Mar 2003
7. Melville Jessup Weaver, Investment Survey, March 2002

Australian value quintiles⁸



⁸ Source: Roy Morgan Research : Ranking of Australians by education, income and occupation

Low risk profile further enhanced

- Robust credit quality
 - Stressed loans continue to trend down
 - Risk concentrations actively managed lower
 - Forward indicators in good shape
- Sold lower growth, high risk consumer finance business(AGC)
- Conservative accounting policies
 - Removed embedded value for wealth
 - Conservative capitalisation and amortisation position
- Partially hedged offshore securities portfolio
- Significantly enhanced credit and other financial disclosures

Continued disciplined approach to strategic opportunities

- No specific requirement to acquire customers
 - Three regional bank acquisitions 1995 - 1998
- Filled major strategic capability gaps
 - Two wealth acquisitions in 2002
- Opportunities that may arise in core markets, with not all assets in the hands of their natural owners, will be examined
- But value rather than capability driven
 - Aligned with strategic direction
 - Strict valuation criteria
 - Not unduly diverting

Adding up to a global leader in sustainability

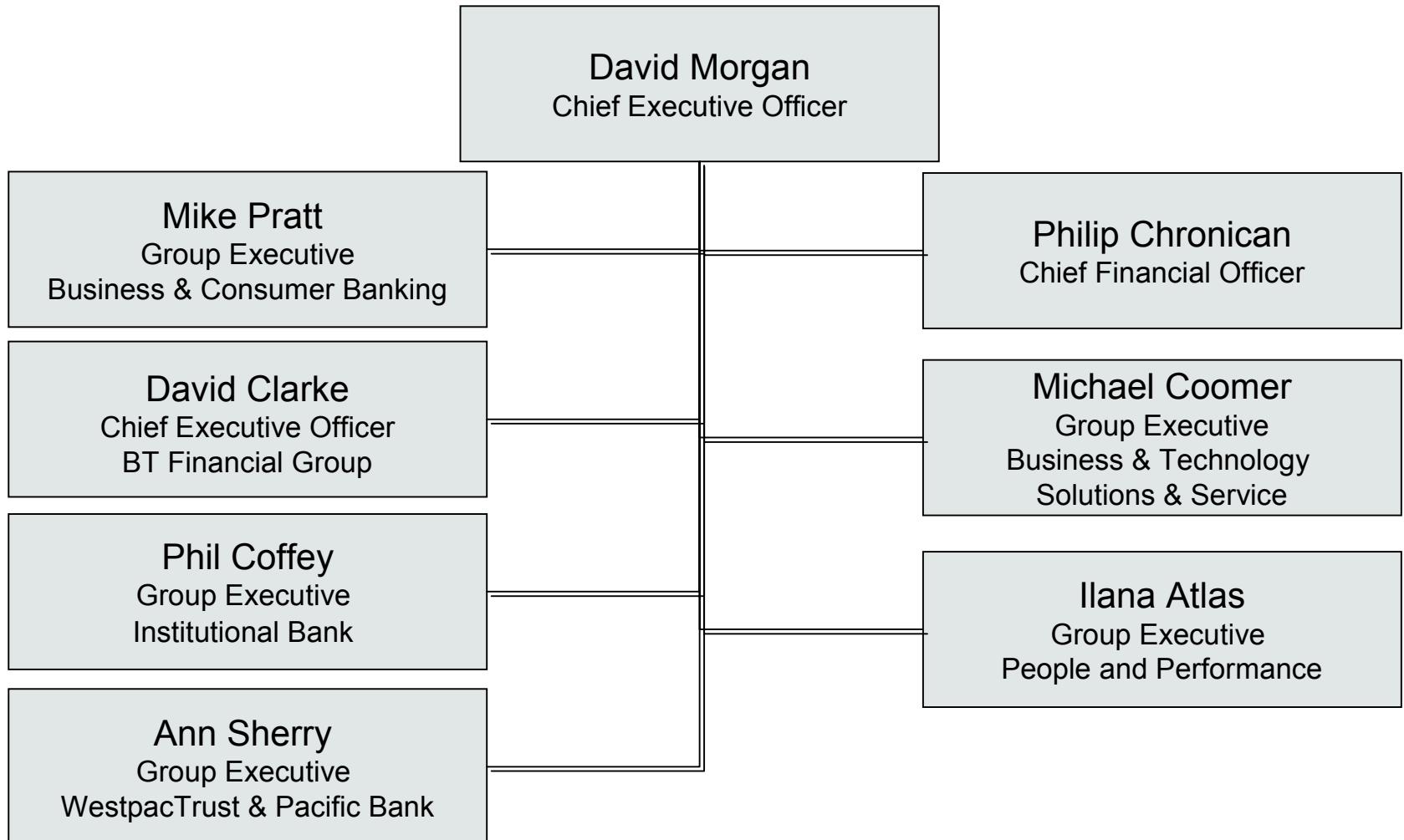
- Ranked number one in the global banking sector by the Dow Jones Sustainability Index
- Ranked third globally in the banking sector by oekom Corporate Responsibility Rating



- United Nations Association of Australia Triple Bottom Line Award 2002
- Being recognised as employer of choice

	<u>2001</u>	<u>2002</u>
Graduate Applications	2,677	7,159

An experienced executive team



The agenda

Business & Consumer Banking

Mike Pratt

New Zealand

Ann Sherry

Business & Technology Solutions & Services

Michael Coomer

BT Financial Group

David Clarke

Institutional Banking

Phil Coffey

Earnings, capital and dividends

Philip Chronican

Disclaimer

The material contained in this presentation is intended to be general background information on Westpac Banking Corporation and its activities as at 31 July 2003.

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.