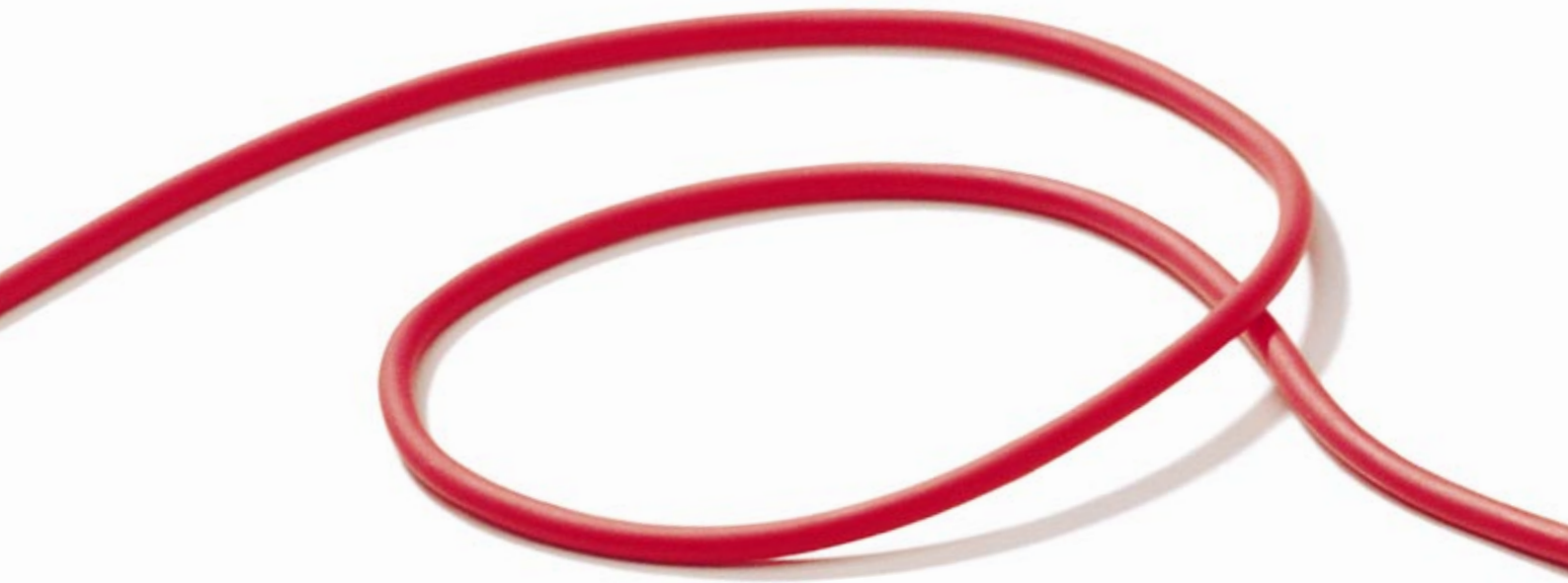


An old bank...



in the new



What's in our report?

2

Chairman's report

John Uhrig outlines the profit result and progress on key financial objectives in his final report as Chairman.

8

Chief Executive Officer's review

David Morgan describes progress on our five point strategy for delivering value, and the teams who are delivering the goods.

30

Westpac at a glance

A snapshot of our Company, our executive team and our businesses, including their leadership positions and opportunities for growth.

36

Westpac in the community

An insight into our community activities detailing our programs and the great contribution from our staff.

40

Board of Directors

A listing of Directors, their qualifications, term in office, backgrounds, experience, and information on other directorships.

economy.



42

Corporate Governance

A statement covering the role of the board, its committees and meetings, codes of conduct, policies and other governance issues.

48

Directors' report

A report on the affairs of Westpac including details of directors' shareholdings, attendance at board and committee meetings, remuneration and other matters.

56

Ten year summary and concise financial statements

A summary of key information for the years 1991 through to 2000 and concise financial statements.

69

Shareholder information

A financial calendar for 2001, information on shareholdings and share registry contacts, key executives and points of contact.

70

Obtaining the Full Annual Report

We are providing our report to shareholders in two parts: this Concise Annual Report, and an Annual Financial Report. See page 70 to obtain additional copies.

Westpac Banking Corporation
ABN 33 007 457 141

On track



John Uhrig *Chairman*



“In last year’s report I talked about the opportunities the new century offers us. This year’s result is an excellent first step towards realising those opportunities. We live in a world where change is the norm, where old rules no longer apply. We’re facing the challenge of meeting that change head on. Our first step was to fully understand where we are. Now we’re implementing a clear plan to unlock our potential even more. In my final year as Chairman I’m delighted Westpac has been able to deliver our best-ever result and provide shareholders with a clear understanding of how we intend to better it in coming years.”

Chairman's report

As an Official Partner of the Sydney 2000 Olympic Games and Paralympic Games, we shared in the athletes' success and delivered our own record-breaking performance. The activities flowing from our five point strategy, outlined in this report, are delivering operational efficiencies, improved business growth and enhanced shareholder value. In many ways it has been a year of Olympic proportions.

Our record result of \$1,715 million profit after tax is an 18% improvement on 1999. Earnings per share were 88.8 cents, an improvement of 15% on last year. The return on average equity is 18.4% compared to last year's figure of 16.8%.

Last year I announced that we had established two clear financial objectives against which we'll measure our progress – sustained returns on equity well in excess of our cost of capital, and earnings per share growth consistently exceeding the economy's underlying growth rate.

For the 2000 financial year I'm pleased to report our return on equity was well above our cost of capital of 12% and our earnings per share growth was well above the economy's underlying growth rate of 4.5%. By both measures this has been a successful year.

As a consequence of the improved financial performance the board intends declaring a final half year dividend of 28 cents per share. Together with the interim dividend of 26 cents per share, the full year dividend of 54 cents per share fully franked will represent a 15% increase on last year's dividend.

Market capitalisation rose to \$23 billion as at 30 September 2000 from \$17.5 billion the previous year. This is despite the fact that we bought back 108.7 million Westpac shares on-market at a cost of \$1.27 billion during the year.

Importantly, the quality of our assets remains high and is supported by strong credit risk management principles now firmly embedded in the business. Although official interest rates have increased, our bad debt experience is well within expectations and we remain comfortably provisioned. The level of total provisions increased to 249% of total impaired assets.

We continue to tap into our customer base in a targeted way, improving on the opportunities to increase the product take-up of our 7.8 million customers. As evidence of our effectiveness in this area, the number of customers with multiple product holdings has doubled over the past three years. Improvements in Internet banking and eCommerce, and the changes we're making to our physical representation network, are providing our customers with 24-hour every day access to the bank in support of their increased product holdings.

Partnering our Australian Olympic and Paralympic heroes

Over the past four years, Westpac has supported 61 Australian athletes. It's not how they do it, but it does help.



Steve Porter
Silver Medal, Wheelchair Rugby, Sydney 2000 Paralympic Games. Represented Australia 1999 World Wheelchair Games. Won 1999 Trans Tasman Clash (Australia v's New Zealand). 1996 Atlanta Paralympic Games. 1995 World Championships. 1994 World Wheelchair Games. Westpac Team Leader Human Relations Operations.



Liz Weekes
Gold Medal, Water Polo, Sydney 2000 Olympic Games. Campaigned tirelessly to ensure women's water polo was included as an event for Sydney 2000. Member of the Australian gold medal winning team at the 1995 World Cup. Sponsored by Westpac since 1998.



Amy Winters
Gold Medal, Athletics, 200m and 100m, Bronze Medal 400m, Sydney 2000 Paralympic Games. Gold Medal 200m, Bronze Medal 100m, 1996 Atlanta Paralympic Games. 100m world record holder. 1999 Sport NSW Athlete of the Year with a Disability. Marketing Coordinator, Westpac Institutional Bank, Olympics Unit.



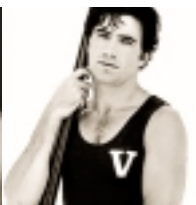
Matt Dunn
Triple Olympian, Semi-finalist Swimming 200m Individual Medley, Sydney 2000 Olympic Games. 1999 Pan Pacific 400m Individual Medley Relay team at the 1998 Commonwealth Games. Considered one of the best turners in world swimming. Sponsored by Westpac since 1997.



Jane Webb
Silver Medal, Wheelchair Basketball, Sydney 2000 Paralympic Games. 1996 Atlanta Paralympic Games. Series winner 2000 Australia v's Canada test series. Undeclared 1999 Australia v's USA test series. Bronze Medal, 1998 World Championships. Energy Australia Gold Cup 1998 (3rd). Westpac Project Manager, Sydney 2000 Olympics and Paralympics.



Susie O'Neill OAM
Madame Butterfly – Australia's most successful swimmer ever. Gold Medal 200m Freestyle, Sydney 2000 Olympic Games. World record holder 200m Butterfly. 35 Australian titles. Inducted as a full member of the IOC, September 2000. Sponsored by Westpac since 1997.



Christian Ryan
Silver Medal Men's Eight Rowing, Sydney 2000 Olympic Games. 1999 World Rowing Championships, Canada. Gold Medal, 1998 U/23 World Rowing Championships in Greece. Gold Medal, 1998 Australian Rowing Championships. Bank of Melbourne MIS and Finance Assistant.

We have laid sound foundations for further growth. We have a trusted brand and a competitive product range, award winning internet and eCommerce offerings. We have a quality balance sheet, satisfied customers driving improving sales volumes and market share, and a strongly motivated workforce. With these fundamentals in place your Board is confident that Westpac is well positioned to meet the challenges of the future.

For many Australians this has been an exciting year because of the 2000 Olympic Games and Paralympic Games in Sydney. Being an Official Olympic and Paralympic Partner has made this an especially exciting year for us at Westpac in Australia.

Our sponsorship of these extraordinary events has given us a high profile in the lead-up to, and during the Games, and is delivering the benefits we envisaged when, in 1994, we aggressively sought the Games' exclusive banking rights.

We believed that Westpac, as Australia's First Bank, should be the Official Banker to the Games. The wisdom of those actions has now been proven by the result.

The financial results we have achieved and the success of our Olympic Partnerships reflect the efforts of our staff. They have demonstrated a capacity for achievement in an environment of rapid change and increasing competition that is truly remarkable. On behalf of the board I thank them all for their hard work and dedication.

Following my retirement from the board after the Annual General Meeting on 15 December 2000, Deputy Chairman Leon Davis will assume the role of Chairman. I'm confident the bank will be in good hands under his direction.

Since I became Chairman in 1992 we have seen an extraordinary change in Westpac's fortunes.

From a position where shareholders were bearing the fallout from the late 1980s and early 1990s, we have achieved a remarkable recovery.

This turnaround is symbolised by the solid improvements in our financial performance in recent years, and confirmed by another record performance in this financial year.

It has been a privilege to preside over that period of change, and to see the bank well equipped, once again, to play a leading role in the financial affairs of the communities it serves.

My thanks to my fellow directors, and to the management and staff of the bank, for their support during these historic and interesting times. My best wishes to all stakeholders in Westpac for a prosperous future.




Karni Liddell

Bronze Medal 4x50m Freestyle Relay, Sydney 2000 Paralympic Games. Gold Medal 100m Freestyle, 1999 British Nationals. Gold Medal, 50m and 100m Freestyle, 1999 German Nationals. Bronze Medal 50m Freestyle, 1996 Atlanta Paralympic Games. 50m Freestyle world record holder. Westpac Project Assistant, Head Office Queensland.

Grant Hackett

Gold Medals for 1,500m Freestyle and 4 x 200m Freestyle Relay, Sydney 2000 Olympic Games. Current World, Commonwealth, Olympic, Pan Pacific and Australian 1,500m Freestyle champion. Second fastest 1,500m Freestyle time in history. Sponsored by Westpac since 1998.

Sue Grayson

Track and Field – Marathon. Selected to the Australian Team 1987. Represented Australia at World Championships for road and cross country running in the marathon at the 1996 Olympic Games. Westpac Learning and Development Consultant since 1999.

Troy Sachs OAM

Wheelchair Basketball, Sydney 2000 Paralympic Games. Gold Medal, 1996 Atlanta Paralympic Games. 1997 Most Valuable Player & Highest Scorer NWBL. 1996 Athlete of the Year. NSW Wheelchair Sports Association. 1994 World Championships. Communications Assistant, Westpac Stakeholder Communications.

Belinda Stowell

Gold Medal, Sailing, Women's 470 Dinghy Class, Sydney 2000 Olympic Games. Winner 470 Olympic Class Championships 1997, 1998, 1999. Winner 470 Olympic Class Sydney Regatta 1999. Winner 470 Olympic Class New Zealand Nationals 1998, 1999. Assistant Manager, Westpac Institutional Bank.

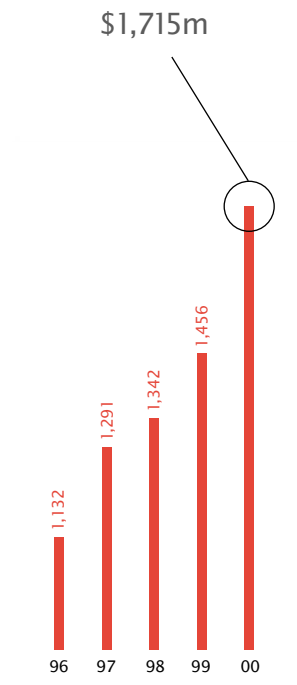
Ian Thorpe

The youngest male world champion in history. 3 Gold Medals and 3 world records for 400m Freestyle, 4 X 200m Freestyle Relay, 4 X 100m Freestyle Relay, Sydney 2000 Olympic Games. 2000 Young Australian of the Year. Sponsored by Westpac since 1998.

Sally Smalley

Road Cycling. 1998 and 1995 Australian team member. 4th place in the 1995 Oceania Games. Sally's mantra is "Perseverance – never give up – ever!" Customer Service Representative, Telephone Banking, Bank of Melbourne.

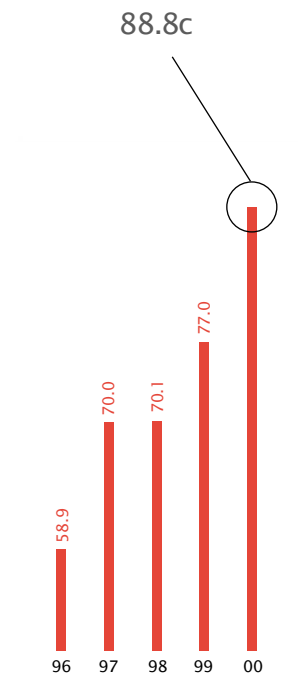
So, how well did



Profit

Operating profit after tax and before abnormals, attributable to shareholders.

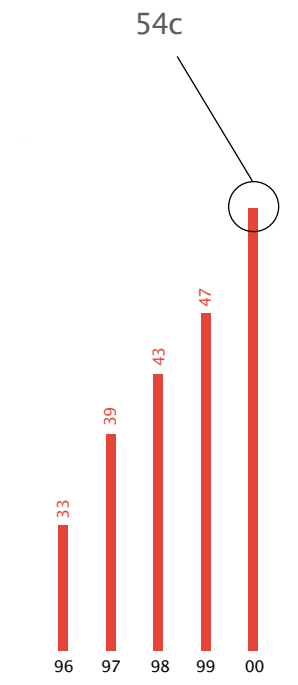
Operating profit increased by 18% to \$1,715 million. This result is the eighth consecutive record annual result. The latest result reflects the progress on the priorities set in 1999 to improve cost efficiency, to realise the potential from the regional bank mergers, and to progressively tap eCommerce opportunities.



Earnings

Earnings per share, before abnormals.

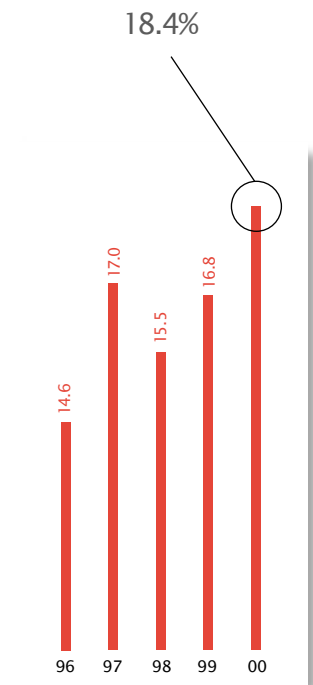
Earnings increased to 88.8 cents per share, an improvement of 15% on the previous year. Including the full year impact of the NZ Class shares issued in October 1999 and the distributions on the Tier 1 qualifying hybrid equity, net of the share buy-back, earnings per share increased slightly less than profit growth.



Dividends

Dividends per ordinary share.

The return to full franking and the record profit will allow the Board to deliver a 15% increase in dividends to 54 cents per share. This is in line with the growth in earnings per share, and represents a payout ratio of 60.8% for this year.

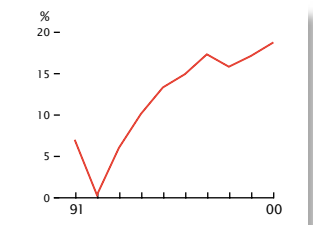
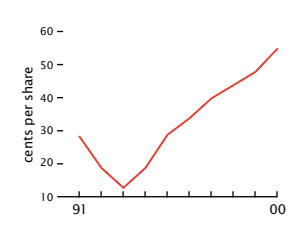
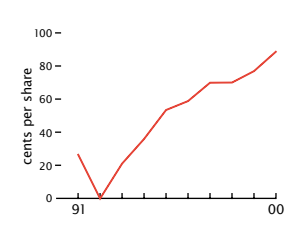
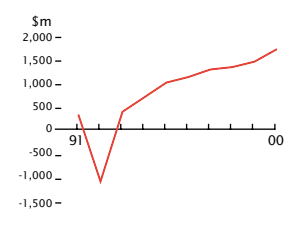


Return

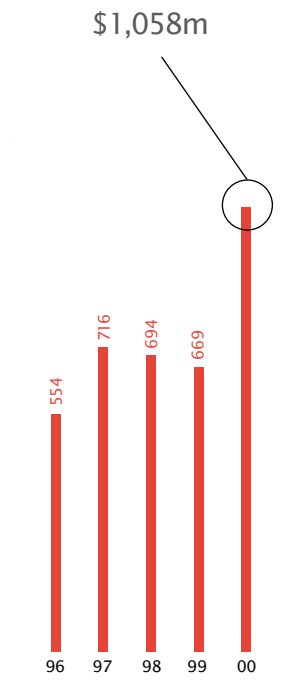
Return on average ordinary equity, before abnormals.

Return on equity increased to 18.4% from 16.8% last year, continuing the steady and constant improvement of recent years. Returns are now comfortably above our cost of capital of 12%.

Ten year trends



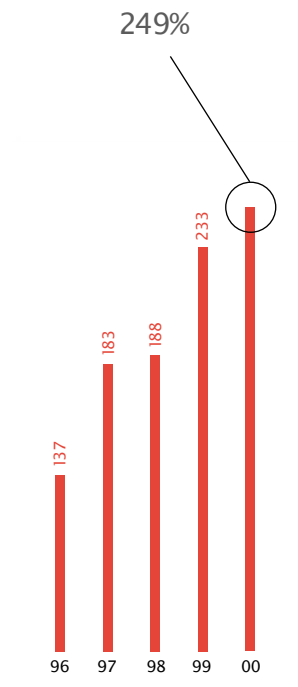
we do?



Economic Profit

The excess of net profit after tax, plus 70% of the face value of franking credits, over the minimum required rate of return on equity invested of 12%

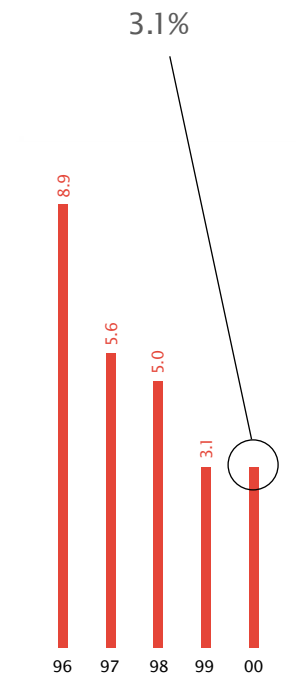
In the latest year, Economic Profit improved substantially to \$1,058 million from \$669 million last year, reflecting improved profitability and the return to fully franked dividends this year.



Provisions

Total provisions to total impaired assets.

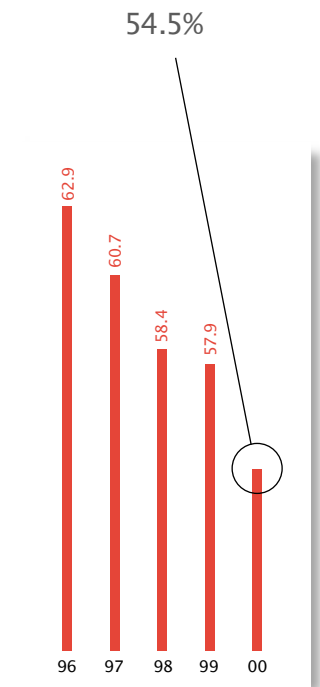
Total provisioning for impaired assets increased in the year from 233% to 249%, providing an increasingly comfortable level of cover.



Asset Quality

Net impaired assets to equity and general provisions.

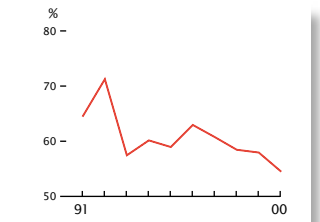
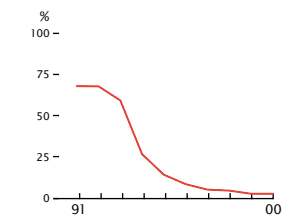
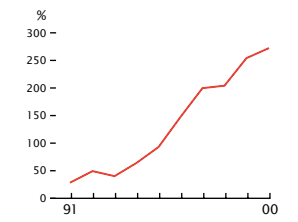
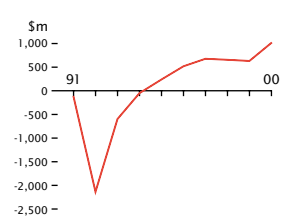
The ratio has remained at 3.1%, reflecting continued sound asset quality.



Efficiency

Expense to income ratio, before intangibles.

The ratio has continued to improve, falling to 54.5% from 57.9% last year. Expenses were flat in nominal terms, adjusted for one-off accounting impacts, despite the impact of Y2K and GST implementation costs, GST related cost increases, and our Olympic and Paralympic sponsorship program. Efficiency improved through the year with the second half-year ratio falling to 53.5%.



“We have a long and proud history. For 183 years we have been both a leader and innovator in our industry. We intend to be at the front of the pack as we bridge the gap between the old and new economies. Here's our five point plan to ensure we do.”



David Morgan *Chief Executive Officer*

Take five 

My second year as Chief Executive has been exciting both in terms of the bank's achievements and our involvement in once-in-a-lifetime events.

Our role in the Sydney 2000 Olympic Games and Paralympic Games was a highlight. Operationally we made profound changes to the way we do business and provide customer service. Most importantly, we've been able to deliver our best ever financial result, achieved in the fiercest competitive environment we've ever encountered.

In last year's annual report I mentioned that I'd inherited a company with solid foundations. Much of this is due to the strong leadership and guidance John Uhrig has provided throughout his eight years as Chairman. I also said that we could now concentrate on improving our performance. That's what we've been doing. We're now starting to reap the rewards of turning potential into reality and opportunities into value.

Our Performance Enhancement Program, encompassing initiatives right across the organisation, has delivered \$300 million in real cost efficiencies. This is providing us with the funds to invest more in the businesses that both provide new growth and continue to create real value.

During the year we outlined a well-defined customer focused strategy. This not only commits us to continue searching for cost efficiencies but allows us to capitalise on the opportunities available to us in our customer base. The strategy has five elements and will guide us as we continue to evolve from being a fully integrated manufacturer and distributor of financial products to a trusted provider of financial solutions.

The key element driving our strategy is our unwavering focus on customers. We recognise that it's only by successfully satisfying customer needs and improving the customer experience in dealing with us that we can continue to create value for shareholders.

As we move forward our challenge is to make customer primacy a reality, every day and in every part of our business, in a way that also delivers sustainable shareholder value. It's a challenge made more difficult by the continuing sophistication of customer needs and proliferation of competitors. However, we're excited by and equal to that challenge.

Our Olympic and Paralympic experience in Australia was one of heightened brand awareness, of participation both as an official partner and as the Games' official banker. Our investment in the Sydney 2000 Olympics has more than paid for itself. I was particularly proud of how dedicated and professional our staff were in carrying out Olympic and Paralympic associated activities.

Our investment in upgrading our systems for Y2K readiness paid off. The moment of truth passed without any serious incident, confirming the quality of our extensive preparation.

Amid all of this business-focused activity, we continued to look for ways to provide tangible support to the communities in which we operate and which support us. Various volunteering programs, sponsorships, and other philanthropic activities are part of our community development program which reached new heights this year.

The following pages of this report bring our strategic approach alive and provide some examples of the activities flowing from it.

I invite you to take five minutes to read on to better understand our strategy, the progress we're making and how we're going about it.

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

To understand our strengths we've left no stone unturned in reviewing our operations over the past year. We've gained a better understanding of just where we're creating value in our business and where the opportunities for improvement lie.

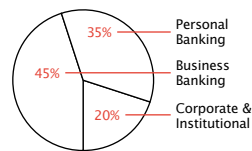


What we did

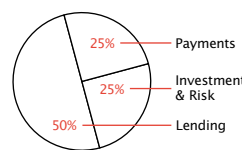
- Undertook a major exercise to identify value in our businesses.
- Looked at our costs, revenues and capital requirements from all angles.
- Implemented external benchmarking to measure our efficiency.
- Identified potential annual cost savings of \$300 million across the company.
- Restructured the organisation around the value chain.
- Set up a strategic sourcing unit to centralise and automate purchasing.

What we plan to do

- Continue to test ourselves against external benchmarks.
- Further optimise our capital usage.
- Embed economic profit measures across the organisation.
- Continue to prioritise our investment opportunities based on enhancement of shareholder value.



Where we create value across our business



Where we create value across our products

Take



Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

We may have been in business for 183 years, but we've never experienced the degree of competition and the impact of technology that we're experiencing now. That's why we pulled our business apart, sliced it and diced it in various ways, and looked at it from every angle to get a really good understanding of how we stack up against the new economics.

We compared ourselves with companies at the frontier of good practice. Now we know in great detail the parts of the business in good shape and where our opportunities for improvement are.

Looking across the company and our portfolio of businesses, we found the greatest value in our sales and marketing activities. At the other end, we found we needed to improve the value of our servicing and operations areas. Not a great surprise. But the real revelation was in discovering that where our resources and energies were going was not fully in line with where we could generate our best returns.

With this understanding, we've reorganised ourselves to put our resources – both money and people – where we can best create value. We're now shifting the balance to our frontline activities and the people who interact with our customers day-to-day.

But we won't just neglect the back office areas. They are vital to our business and the quality of service our customers get. That's why we're actively looking for more cost-effective ways to provide these support and operational functions.

We can generate benefits of scale by taking many of these activities outside the organisation, by contracting specialised firms that can often handle these functions better. We've been investigating outsourcing, insourcing and joint venturing to realise those benefits.

Within our customer groupings our small and medium sized business customer group is not only producing highest value compared to other customer groups but offers the best opportunity to generate further value.

This knowledge is driving a determined effort to expand our business banking franchise. It includes, among other things, diverting resources and reinvesting savings from other areas for more training and development of our customer-facing business banking staff.

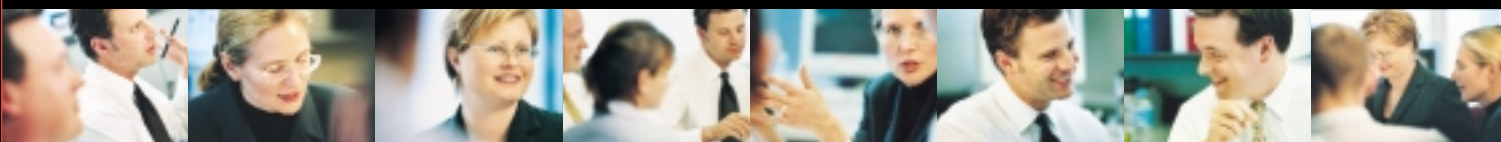
We're also introducing more efficient ways to work with our business banking customers. We're making loan approval and monitoring simpler. We've established a professional call centre dedicated to their service needs. And because our small business customers needs are less complex than larger businesses, and they often need quick and convenient responses, we established our Business Direct service to provide telephone assistance and easy to use do-it-yourself tools.

One way we're reducing costs is to better manage our purchasing. We're also introducing eProcurement which will not only reduce costs further, but also save lots of paper.

There are many more cost-saving and income-increasing opportunities in other parts of the business. We're aggressively attacking these through this five point strategic plan.

Our new insights from getting to the bottom of where we're delivering the best returns for shareholders are now guiding our spending, clarifying our business direction and creating the priorities for our strategic initiatives.

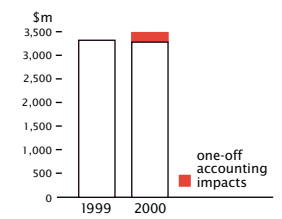
"When we value-mapped our business, we found some surprises. We were spending around \$1.2 billion through over 10,000 suppliers each year. We were not using our buying power as well as we could. There were savings to be had, and although individually some savings were small, the team believed some \$50 million per annum of savings could be found by better using our buying power. Better still, by moving much of our purchasing on-line, we are taking the paper out of the many hundreds of thousands of orders, invoices and payments we carry out each year. So, by taking a closer look at our business, we have been able cut our costs and at the same time have a favourable impact on our environment."



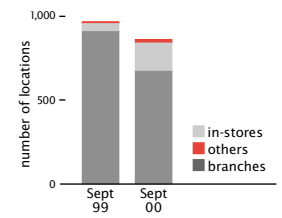
Saving time and trees.

Chris Hughes, Alex Holcomb, Rachel Lamb, William Ammentorp

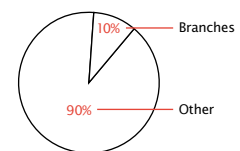
Being more efficient means we must have all parts of our business as productive as they can be. Our customers shouldn't have to, and won't, pay for any inefficiencies. And our competitors are all too ready to grab the advantage where they see a weakness.



Keeping our costs flat



How our distribution network is changing (Australia)



How our customers make financial transactions

What we did

- Set up the Performance Enhancement Program to realise the \$300 million in identified cost savings.
- Completed the initial Network Development Program with targeted floorspace reduction of 30%.
- Outsourced our telecommunications, information technology and operations to IBM GSA and Telstra, saving 15-20% on prospective costs.
- Consolidated Operations Centres from four to two.
- Created a Business Services Group to provide shared professional services to all business units.

What we plan to do

- Implement eProcurement.
- e-enable legacy systems and eliminate paper based processes.
- Enhance the efficiency and scope of our Call Centres.
- Explore and realise operational efficiencies between Australia and New Zealand.

Take

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

Being more efficient isn't just about delivering better earnings, it's the real path to growing our business.

That's why we've been working steadily to reduce costs across our traditional businesses and to improve the way we do things. Put simply, we need run our existing enterprises more cost-efficiently to have the funds to invest in new areas of opportunity.

Last year we launched our Performance Enhancement Program. Through this we not only improved our processes but reduced our operating expenses by some \$300 million.

We're leaving nothing untouched as we bring the power of the internet and new technologies to all our business activities. Through these we're not only improving our servicing and delivery, we're doing it more cheaply.

We're using the savings to invest in our future. By being able to keep overall costs flat we have the ideal platform to enhance our financial performance and deliver real benefits to shareholders.

There is no better insight into how we're improving service while reducing costs than how customers are choosing to interact with the bank. Our customers are so attracted to the convenience of ATMs, EFTPOS, telephone and internet banking, they're conducting about 90% of their transactions via these and other means outside our traditional branches. This proportion is increasing daily.

With customers leading the way we had to look at whether our wide network of full service branches would adequately meet their growing needs for lower cost, more convenient channels. And it wouldn't. That's why we're streamlining the costs of our face-to-face banking outlets to make them affordable for customers and more viable from a business viewpoint.

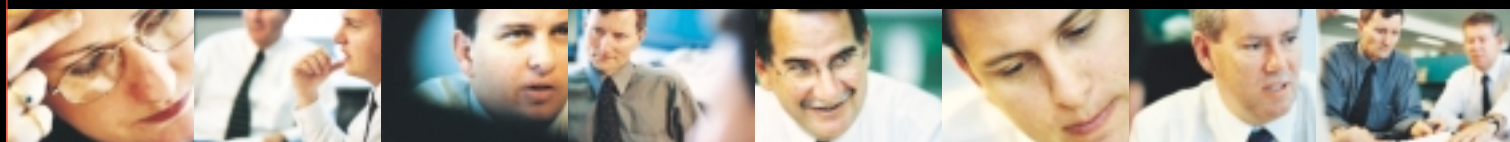
To date 105 branches have either been refurbished or moved to more accessible locations. In 118 instances we amalgamated branches that were close to each other and where it made sense to bring them together. We also responded to our customers by giving more than 500 branches new sales and customer education facilities. And in all our full-service branches we've increased staff training in sales and customer service to ensure a consistent experience wherever our customers visit a branch.

For places where full service branches are not economically viable we developed what we call 'in-store banking'. This makes sure the community still has face-to-face banking services. Our customers like it. They appreciate the greater convenience because our in-store banking hosts – be they newsagents, pharmacists, or other kinds of store owners – usually trade beyond normal banking hours, often including weekends.

From four test sites some two years ago, we now have 169 in-stores ranging across small remote communities to suburban metropolitan locations, including ten towns where we had no branch. This unique, fully-branded third party banking network in Australia represents 20% of our face-to-face banking network.

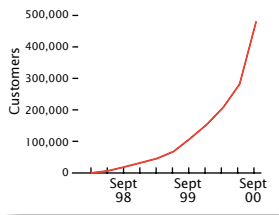
Getting the best out of our business does not stop there. It's a never-ending task to continue responding to customers' evolving needs and emerging technology and business practices. By continually reviewing where we are, we can be ready to meet new opportunities for efficiency and effectiveness in serving our customers. We'll continue to take up the challenge to be the best we can be.

"To try to get the best out of our businesses, an obvious focus for attention was our branch network. With customers increasingly using the phone, ATMs, EFTPOS and now the internet, the traditional branch was clearly not going to be viable in many areas in the future. Closing branches completely didn't appeal to us or our customers, and so we went back to the future to resurrect an idea from the 1960s. With new technology we were able to use the old third party agency concept and greatly expand our services. And so in-store banking was born."

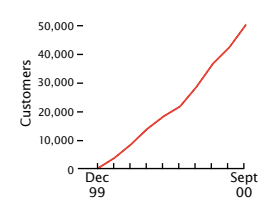


Breaking with tradition was the breakthrough we needed.
Vikki Davis, Daniel Musson, Peter Mair, Allan Phelps, Peter Troy

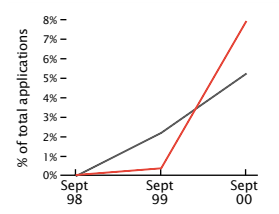
Finding new opportunities is all about believing the sky's the limit and being passionate about creating better solutions for our customers.



Take-up for internet banking



Take-up for internet broking



Personal loan and credit card applications on-line

■ Personal Loans
■ Credit Cards

What we did

- Redesigned and extended our website.
- Launched leading-edge on-line and eBusiness initiatives including:
 - *Westpac broking*
 - *Internet banking in New Zealand*
 - *Healthpay payroll solution*
 - *SME superannuation*
 - *Yieldbroker*
 - *domain.com.au housing portal*
 - *eMarket*
 - *Online FX*
 - *eBonds*
- Purchased a 49% stake in Metiom Australasia, a business-to-business and eProcurement portal.
- Introduced Australia's first Wireless Application Protocol (WAP) banking service.
- Originated 500 personal loans and 1,600 credit cards per month on-line (equivalent to sales volume achieved across 80 branches).

What we plan to do

- Extend our on-line offerings.
- Deliver greater personalisation and customisation.
- Deliver electronic bill presentment solutions.
- Enhance our on-line Investor Centre.



Take

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

Increasingly, the internet is becoming part of our everyday life. Whether it's for communication, entertainment, education, shopping, trading or banking, the internet is being used more and more because of its convenience.

Across Australia over 35% of adults are now on-line and 60% of small businesses are now connected. So it's no surprise the internet represents a great opportunity for us to expand the scope of our existing businesses and to create new ones.

Helping our customers manage their financial affairs and conduct their trading activity is something we've always done. So it's natural for us to look for ways to continue doing this via the internet, and to pursue the new opportunities it provides.

One thing's for sure – the internet has brought about a shift in power to the customer. Customers are enjoying more choice and access to an ever-increasing amount of information on which to base their buying decisions. The challenge for us, and the key to our strategy, is to become their trusted on-line financial partner as they embrace the internet and expand their horizons.

And we're responding. Over 490,000 of our customers now use our on-line banking and 51,000 are using Westpac Broking, our on-line discount share broking offering. And many more are taking advantage of eMarket, our secure payments environment for on-line shopping. Through the internet we can now transfer funds from a Westpac Group account to any account at any bank, building society or credit union within Australia, on-line. And we recently launched Australia's first Wireless Application Protocol (WAP) internet banking service that allows customers to do on-line banking from their mobile phones.

In realising that more and more people are using the net to search for their ideal home, we've brought our home loan to them through the leading real estate site, www.domain.com.au.

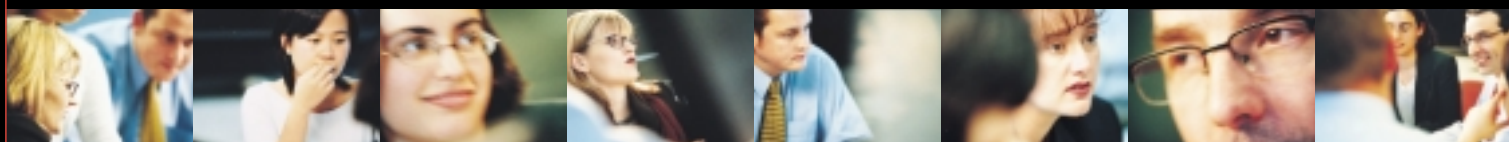
Even at the big end of town we've been busy with eBonds, an on-line bond distribution platform; Online FX; Yieldbroker, an on-line fixed interest trading hub; and HealthPay, Australia's first electronic service offering a total payroll deduction processing solution for employers and recipient funds.

We are committed to continuing to support our customers' transacting needs, particularly as business increasingly moves to trading via the internet. Westpac is a leading provider of payment and transactional services in Australia and New Zealand today, with 35% of leading companies using us as their principal provider of these services. We're determined to stay at the forefront of developments.

We're not only enhancing our services using the new technologies, we're also creating new businesses. Our investment in Metiom Australasia (formerly Intelisys Australasia) to provide an infrastructure for open business-to-business marketplace trading is a good example.

Like an iceberg, most eCommerce activity is not readily visible. The effects, however, are already truly astonishing, even though we're still in the early stages of discovering what's possible. As more and more customers are connected, and as the scope of their needs inevitably increases, we believe the sky's the limit in us becoming their trusted financial services provider.

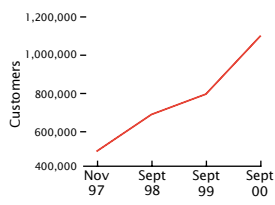
"Getting to the bank can be a major logistical exercise, but banking and making payments on-line at a time that suits is a wonderful alternative, and it's easy to do. That's just the kind of outcome we wanted when we developed on-line banking and extended our website to offer new on-line services such as Westpac Broking. And it's why we made the site more interesting and easy to navigate, so that no-one would feel intimidated when visiting www.westpac.com.au, except perhaps another bank."



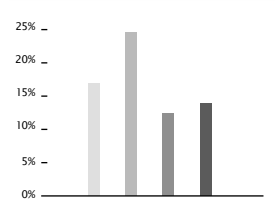
There's a lot of room to move in cyberspace.

Vanessa Pickford, Thien Lam, Emmy Riggall, John Durand, Jennifer Rufati, Ian Muir

Getting closer to customers is about getting to really understand what makes them tick. We're privileged to have such a large customer franchise. But while we have a lot of information about our customers, we haven't always used it well. Now our customers are telling us we need to know them better.



Growth in higher value customers



Last year's growth in key products (Australia)

- Home mortgages
- Credit card outstandings
- Retail funds under management
- General insurance sales

What we did

- Made 3 million pre-qualified offers to customers.
- Installed Siebel Systems Customer Relationship Management software.
- Installed ENACT sales management software.
- Created Business Direct Call Centres for SMEs.
- Conducted 148,000 customer needs analysis interviews via our 545 Financial Planners and Advisers.
- Achieved strong growth in key products.
- Doubled the number of our valuable customers (essentially those with multiple products).

What we plan to do

- Double the value of our customers, based upon economic profit, over the next three years.
- Continue to focus on customer retention.
- Extend the use of Customer Relationship Management solutions to all customer segments.
- Use customer scoring and pre-approvals to deliver quicker credit decisions.
- Further simplify sales processes.
- Extend our on-line offerings.



Take

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

To get a better insight into the needs of our customers, we invested in technology to bring together all the information we have scattered throughout our various business areas. This has given us the best holistic Group-wide view of our customers that we've ever had – just what they're telling us we need.

Each of our 7.8 million customers has their own lifestyle, personal interests and financial position, so there's a wide range of financial needs we want to satisfy.

What we've found in all that diversity, however, is that there are some really basic expectations common to all our customers. Interestingly, these aren't so much about products or price, or even how we deliver our services, but more about their relationship with us and how we interact with them day to day.

Our customers are saying "Show me you know me. Recognise me when I contact you, regardless of how I contact you. Know what's happened before. Don't pass me off. Surprise me with your initiative – show you have my interests at heart."

Winning customer confidence and trust, which are so vital to our business, is all about the less tangible service and relationship fundamentals. That's why we've concentrated on meeting these basic customer expectations across our entire business. During the last year we've made good progress on this front.

Meeting these expectations has meant changing our approach to sales and distribution. Rather than starting with products, geographical areas or distribution channels, we now start with the needs of customers.

The key to understanding their needs is to make good use of the information they give us. By knowing our customers better we've increased product usage across every customer segment in the last 12 months. During this period, for example, we delivered almost three million offers to customers who were pre-qualified on the basis of the information we have about them.

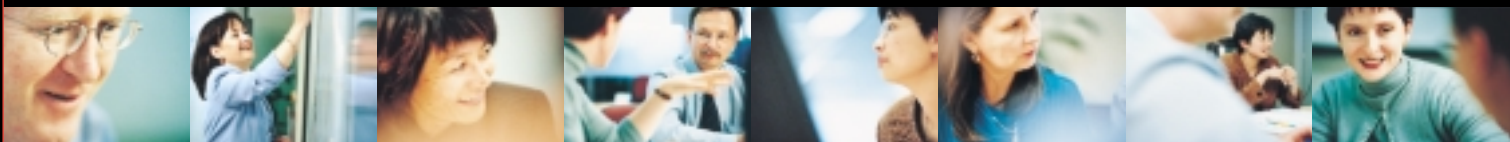
Not surprisingly, this has not only strengthened our relationships with customers but it has lifted their satisfaction levels as well.

As a result, over the past three years we've doubled the number of our personal customers who have more than three products, and seen the value of our business customers increase by more than 50%.

To build on this success we're now using the world's leading Customer Relationship Management software from Seibel Systems. This system provides us with a proactive approach to meeting our customers' total financial needs. And our customers are responding favourably.

The statistics are impressive and the results are the best we've ever achieved. But in all of this, we're very clear that it's a journey that can only be successful if we continue to focus on what our customers are telling us: "Do the basics really well. Continue to delight me with your initiative. Most importantly, show you are really with me."

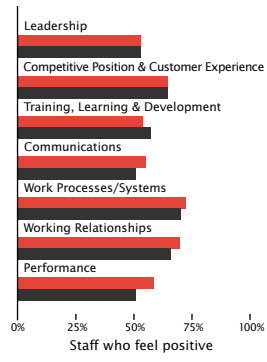
"Broadening and deepening our customer relationships involves just about everyone. It starts with getting our customer information organised, understanding needs, having leading-edge technology, putting all of this in the hands of our sales-force and finally delivering a great customer experience. The technology is the easy bit – the secret is in the seamless teamwork. Knowing our customers well and deepening our financial relationships have other benefits too, like knowing where to get the best yum cha."



Like the community we serve, we're a multicultural lot.

Jim L'Estrange, Virginia Hottes, Eriko Kinoshita, John Horosko, Jenni Yap, Judy Ruoso, Deborah Thompson

Backing our people means rethinking how we work together to reach our goals. We can't expect our people's full support if they don't understand why we're doing what we're doing. And if we aren't all working towards the same objective, it's doubtful we'll get there.



What our staff are telling us

■ Westpac
■ Global financial services norm

What we did

- Introduced Westpac Learning Maps.
- CEO conducted two sets of People Management Forums with 700 of our senior managers.
- Aligned executive remuneration to shareholder value based measures.
- Approx 50% of staff have become shareholders under our employee share plan.
- Reorganised our Training and Development in line with best practice.
- Enhanced our staff benefits program.
- Opened our fourth Westpac staff child care centre.
- Closely tracked the views of our staff.

What we plan to do

- Relentlessly embed a performance culture.
- Address the issues raised by staff and conduct follow-up surveys.
- Continue to improve the way we communicate with our people.
- Get all staff to be shareholders under our employee share plan.
- Improve flexible working arrangements for employees.
- Broaden understanding of the benefits of workforce diversity.

Take

1

Understanding our strengths

2

Being more efficient

3

Finding new opportunities

4

Getting closer to customers

5

Backing our people

If we're to make the most of the opportunities outlined in the first four parts of our five point plan, then we must continue to develop our people with an eye to tomorrow. We need a workforce with an unwavering focus on our customers, adaptable to change, and able to deliver service excellence. We'll also need to change the way we work.

This will be a massive task because it not only involves new skills, it also requires a major cultural change. When the history of this period is written it won't only be about technological advances and ordinary people's mastery of that, it will be about the revolution in the way people work and how they relate to each other in the workplace.

We are all seeing the death of the old 'command and control' culture and the end of the divide between management and staff. Now, leaders and managers are responsible for teams possessing knowledge that they don't possess themselves. These leaders don't direct, they facilitate, motivate and coach.

Increasingly, in this performance-driven world people need to have initiative and adaptability. In this new workplace, we must have both the human capabilities and a culture that recognises and rewards success.

An important first step was to get our people committed to our strategy. This meant giving them the opportunity to understand the business environment and their part in it. We had to line up their individual efforts towards a common goal. And we had to develop their skills to deal successfully with the ever increasing rate of change. We are progressing on all three.

As an Australian first, we developed 'learning maps' to improve understanding throughout the organisation. The first three maps focus on our competitive environment, on creating shareholder value, and on our customers. Through these maps our people get a greater understanding of the issues that challenge us. From these maps they'll be able to draw their own conclusions on what it all means for the shape of our company's future.

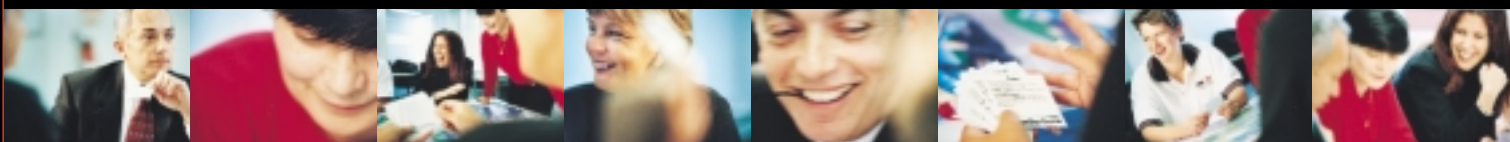
To use an old saying, this process helps our people understand that they're building a cathedral, not just cutting stone.

We've also been making sure our people have performance objectives with clear sightline to overall business performance. And we've begun a formal 'shareholder value management program' to measure, manage for and reward value, so that professional rewards link directly with shareholder interests.

To change behaviour we have a program we call 'the leadership journey'. This focuses on key behaviours necessary for success in our competitive marketplace. Most importantly we will be making it available on-line, thanks to the progress in e-enabling the organisation.

We know what we have to do to build our organisation's capabilities and culture to succeed. We know it's a big task but we're getting on with it.

"When we initially canvassed the idea of using visual Learning Maps to give our people a better understanding of our business, our executive team volunteered to be the guinea pigs. They thought it was such an engaging experience and were so enthusiastic about the idea that we immediately started to develop our own learning maps with US-based Root Learning, the leader in this field. The outcome has been well above our expectations. Everyone in the company is getting to share some of the same information the board and executives saw and can now draw their own conclusions while gaining a better understanding of the background to the changes affecting them. In a way, all our staff get to sit in the big chair."



Teaching the teachers – everyone has something new to learn.

Peter Freese, Lisa Thomson, Gaby Pimstone, Louise Coughlan, Elaine Hornsby

Did you know?

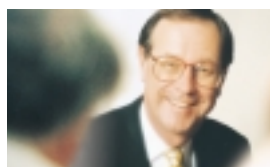
Top team



David Morgan

*BEC, MSc, PhD
Chief Executive Officer*

Appointed CEO in 1999, David has led all the major businesses in Westpac, including Westpac Financial Services, Retail Banking, Commercial Banking, Corporate and Institutional Banking, and International Banking, since joining the company in 1990. David has extensive experience in the financial sector, having worked in the International Monetary Fund in the 1970s, and the Federal Treasury in the 1980s as Senior Deputy Secretary.



Patrick Handley

*BA, MBA
Executive Director, and
Chief Financial Officer*

Appointed Chief Financial Officer in 1993. In 1997 Pat was appointed Executive Director, responsible for Finance, Taxation and Accounting, Group Treasury, Risk Management, Legal and Investor Relations. Prior to Westpac Pat had 23 years banking experience in the US. At BancOne Corporation for thirteen years, he was Chief Financial Officer for eight of them, with additional management responsibilities for its mortgage and leasing subsidiaries as well as its acquisition program.



David Clarke

*LLB (NZ)
Group Executive, Banking
Financial Services*

David recently joined Westpac to lead the business unit responsible for developing and aggregating product solutions for customers. This encompasses the credit card operation, finance company, funds management business, and personal and business products. Previously an Executive Director with the Lend Lease Group, he has substantial financial services experience having built MLC into one of Australia's leading funds management businesses.



Jeremy Gross

*BBus
Group Executive, Information
Technology and Operations*

Jerry joined Westpac last year to advance the efficiency of the corporation and drive the eCommerce agenda. Since then he has embarked on one of the largest outsourcing deals in the global financial services sector and begun the integration of the New Zealand and Australian operations. Previously, Jerry was Chief Technology Officer at Countrywide in the US, a company engaged primarily in the mortgage banking business, and was key to positioning Countrywide as the global leader in mortgage processing on-line.



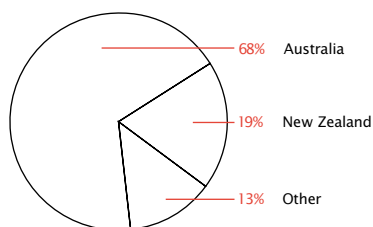
Michael Hawker

*BSc
Group Executive,
Australian Business
and Personal Banking*

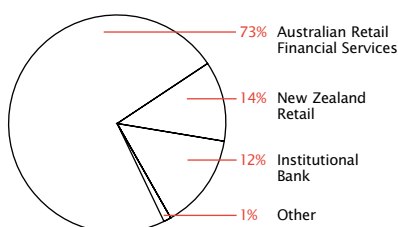
Michael was appointed Group Executive of Westpac Australian Banking in 1997 with responsibility for personal and business banking nationally. He has worked in both the wholesale and retail divisions of Westpac since he joined us as General Manager, Financial Markets Division in 1995. Michael has worked with Citibank in Australia becoming Deputy Managing Director, and subsequently in London as an Executive Director of Citibank PLC.

Snapshot

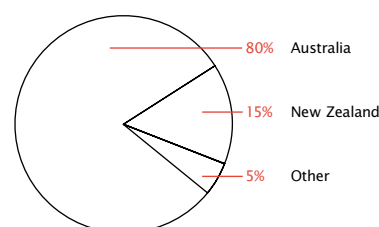
Profit by region



Revenue by key business unit



Assets by region



Customers

	million
Australia	6.30
New Zealand	1.23
Other	0.27
Total	7.80

Personnel by region (FTE)

Australia	23,711
New Zealand	5,557
Other	1,252
Total	30,520

Total assets

	\$billion
Australia	\$133.7
New Zealand	\$24.9
Other	\$9.0
Total	\$167.6

Who we are

Westpac Banking Corporation was founded in Sydney in 1817 as the Bank of New South Wales; and in 1982 we changed our name. With almost eight million customers, Westpac today is a leading provider of banking and financial services in Australia, New Zealand and nine Pacific Island nations. In these markets we operate through more than 1,100 branches and agencies.

We also maintain offices in the key financial centres around the world. Across the company we provide a broad range of banking and financial services for personal, business, and institutional customers. Our activities include a full range of traditional banking services, plus investment management and insurance, and finance company activities.

What we value

Our values represent the essential spirit of our company – our corporate religion. We have three core values.

- **Teamwork** Working together to achieve common goals.
- **Integrity** Act honestly. Do what you say you will do.
- **Performance** Deliver superior results.



Alexandra Holcomb
BA, MBA, MA,
Dip. Fr. Bus and Cult.
Group Executive,
Group Strategy

With Westpac since 1996 Alex has been responsible for the Institutional and International Bank Strategy, and more recently, the Westpac Group strategy. She has helped shape the strategic choices made by the corporation, including the customer-focused strategy. Previously with Booz-Allen & Hamilton and Chase based in New York, Singapore and Australia, she has worked extensively in financial services throughout Asia, Europe and the US for 17 years.



Harry Price
Group Executive,
WestpacTrust, Pacific
Banking, and Performance
Enhancement Program

Harry joined Westpac's predecessor, the Bank of New South Wales, in Dunedin New Zealand in 1961. He has had extensive banking experience, and was appointed Chief Executive for New Zealand in 1992. Following our acquisition of Trust Bank New Zealand Ltd in 1996 he was appointed Chief Executive of WestpacTrust. His appointment as Group Executive in 1999 has broadened his responsibilities to include Pacific Banking and the Group-wide Performance Enhancement Program.



Ann Sherry
BA, Grad. Dip. IR, Grad. Dip. Erg
Group Executive,
Human Resources

After joining Westpac in 1995 Ann headed the Human Resources function for the International and Institutional Bank, and subsequently led the team managing human resources, change management, and public affairs for the merger with the Bank of Melbourne. She was appointed Head of Westpac Group Human Resources in 1999. Ann has had extensive experience in Government. She was First Assistant Secretary of the Office of the Status of Women, advising the Prime Minister.



David Willis
BCom, MAICA, MNZSA
Group Executive, Westpac
Institutional Bank

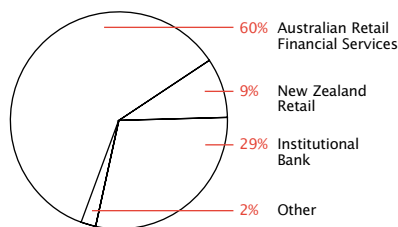
David joined Westpac in 1996 and now leads our global wholesale banking operation, spanning Australia and New Zealand, US, UK and Asia. Previously with Lloyds Bank PLC as Managing Director of its Australian operations, he has extensive experience in Financial and Capital Markets, Corporate lending, Private Banking and Corporate Advisory Services. This included extensive periods living and working in Boston, New York, London and Tokyo.



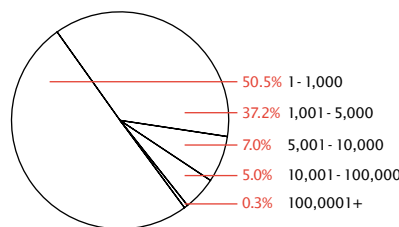
Ilana Atlas
BJuris, LLB, LLM
Group Secretary and
General Counsel

Ilana recently joined Westpac, and works closely with the Chairman of the Board and the other directors. She has worked extensively as a corporate lawyer and in managerial roles including responsibility for human resources, and then as the Managing Partner of Mallesons Stephen Jacques. Having advised many of Australia's largest corporations and Governments, she has been involved in demutualisations in the financial services sector and privatisation of major companies.

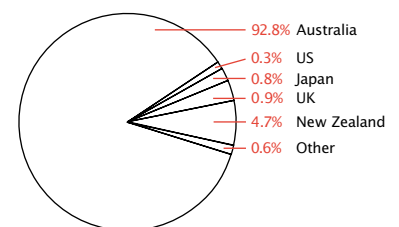
Assets by key business unit



Shareholders by size



Shareholders by region



Distribution	Branches/In-stores	ATMs
Australia	857	1507
New Zealand	209	487
Other	55	8
Total	1,121	2,002

Credit ratings	Short term	Long term
Moody's		
Investor Services	P-1	Aa3
Standard & Poor's	A-1+	AA-
Fitch IBCA	F1+	AA-

Market capitalisation	\$23 billion
30 Sept 2000	
Listed on	
<ul style="list-style-type: none"> ▪ Australian Stock Exchange ▪ New York Stock Exchange (ADR's) ▪ Tokyo Stock Exchange ▪ New Zealand Stock Exchange 	

Australian Retail Financial Services

Who we are and what we do

Australian Retail Financial Services represents the regional bank operations branded Westpac in New South Wales, Queensland, South Australia, Tasmania, and Northern Territory, Bank of Melbourne in Victoria, and Challenge Bank in Western Australia, plus the Australian operations of Australian Guarantee Corporation, and Westpac Financial Services Group.

We conduct our activities via a nationwide network of 857 branches, banking centres

and in-store branches, 1,507 automatic teller machines (ATMs) and over 46,900 electronic funds transfer (EFTPOS) terminals, as well as a national telephone banking service and an internet banking service providing 7-24 convenient access. Our retail banking operations cater for personal and business customers, and include deposit taking, transaction accounts, credit cards, and other lending. We are a major home loan provider, and

we meet the finance needs of business customers up to \$20 million. Investment, superannuation, and general and life insurance products are also sold through our branch network.

Australian Guarantee Corporation, our finance company, is one of Australia's largest and provides motor dealer finance, business finance, personal finance, and personal investment products.



Private Banking

Leadership position

- 18,000 high net worth clients representing a growing market share of this segment.
- Each client has a dedicated Executive Manager.
- Total financial services, including investment planning and financial advice, customised to client needs.

Opportunities for growth

- Improve competitive differentiation through superior relationship management.
- Consolidate our client relationships by seeking greater share of total financial services.
- Product innovation for customised and exclusive investment opportunities.
- Greater emphasis on risk management and protection products.
- Deepen understanding and provision of customised wealth creation solutions for the affluent segment.



Priority Banking

Leadership position

- 817,000 customers and expanding rapidly – some relationship-managed.
- 72 Priority Banking Relationship Managers.
- Specially tailored product offerings.
- Special packages for professionals.
- 20% of total housing market.

Opportunities for growth

- Upsell potential in the 3.8 million personal banking customers.
- Increase cross-sales to this high potential customer base.
- Deepen customer relationships by product packaging.
- More focused, timely, and coordinated customer contact programs.
- Special offers for professionals and other high income groups based upon specific needs.
- Improve customer retention through superior customer service and targeted product initiatives.



Personal Banking

Leadership position

- 3.8 million customers representing 25% market reach.
- Nation-wide multi-channel distribution network with 857 services outlets.
- Comprehensive product range with 7-24 convenient access.
- Specialist offerings to market segments, including youth and the elderly.

Opportunities for growth

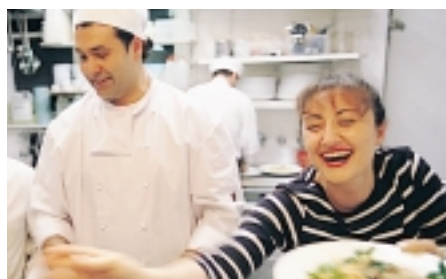
- Increase the number of products per customer.
- Use customer information better to drive product offers and service.
- Identify potentially valuable customers and upsell to priority customer status.
- Lower the cost to serve.
- Continue to unwind historical cross-subsidies.
- Fully e-enable customer services and processes.
- Speed up our credit decisions via customer scoring and improved credit scorecards.

The detail	2000	1999	1998
Profit on operations (after tax)	\$1,075m	\$900m	\$766m
Economic profit	\$700m	\$595m	\$407m
Total assets	\$101.0bn	\$81.6bn	\$73.8bn
Expense to income ratio	57.9%	61.1%	62.7%
Personnel numbers	22,297	25,060	25,869

Business group results

To enable a more detailed analysis of our results, the results of our business operations shown on pages 32 to 35 of this report have been presented on a management reporting basis. Internal charges and adjustments have been included in the performance of each

business group to reflect the management of our business rather than our legal structure. Therefore these results cannot be compared directly to public disclosure of the performance of our individual legal entities or geographic disclosures elsewhere in this report.



Small Business

Leadership position

- 365,000 customers.
- Business Direct, providing immediate telephone access to a specialised business banking manager.
- Professional call centre facilities dedicated to resolving operational matters for business customers.

Opportunities for growth

- Realise the great potential for expanded relationships.
- Use customer information better to anticipate and respond to customer needs.
- Encourage customers through pricing strategies to take multiple products and to bring more of their business to us.
- Broaden services and access via development of a business desktop (internet).



Middle Market Business

Leadership position

- Main bank to 18% of the market with approximately 140,000 customers.
- Full range of financial services covering local and global operations.
- Wide distribution of business banking teams throughout the branch network.
- Sector specialists, including agribusiness, franchising, imports/exports, and property finance, providing specialised advice.
- In excess of \$20 billion committed to Australian business.

Opportunities for growth

- Realise the great potential for expanded customer relationships by meeting more of their financial needs.
- Encourage customers through pricing strategies to take multiple products.
- Improve sales management and sales force productivity through Customer Relationship Management technology and practices.
- Target industries where we have an opportunity gap, such as health and community services, communication services, and agribusiness growth sectors.
- Use pricing strategies to encourage customers to deepen relationships.



Australian Guarantee Corporation Limited

Leadership position

- Australia's most profitable finance company with a well known and respected brand.
- Wholesale finance provided to 250 motor dealers and retail finance provided to new and used car buyers through dealers at point of sale.
- Leading provider of vendor finance via 8,000 retail stores and specialist suppliers.
- Provides a wide range of business finance – equipment finance, vendor rental, insurance premium funding and current asset finance.
- Funded by 140,000 personal investors providing \$6.2 billion via a range of fixed rate/fixed term debentures, short-term deposits and money market access accounts.

Opportunities for growth

- Expand the product range delivered under the AGC brand to include home loans, insurance and credit cards.
- Increase the cross-sell to the 26,000 new customers acquired every month.
- Increase emphasis on customer retention.
- Apply internet technology to the point of sale opportunities generated by more than 8,000 intermediaries.

Westpac Institutional Bank

Who we are and what we do

Our Institutional Bank provides financial services to the corporate and institutional customer base. To do this, we assist and advise in the management of cash, funding, capital and market risk, for companies, institutions and governments operating in or investing in Australia and New Zealand. Our 13 industry teams assist businesses in meeting their financial needs.

The strength of this business is demonstrated by the leading customer and product market shares and the numerous other awards received. We have the highest customer satisfaction rating among the domestic major banks, and have the most nominations as principal corporate and transactional banker to Australia's top 500 companies.*

We operate through branches and subsidiaries located in Australia, New Zealand, New York, London, Tokyo, Singapore, Hong Kong; are represented in Thailand, Indonesia, and China; and maintain correspondent relationships with approximately 1,500 international financial institutions in over 90 countries to facilitate trade payments and capital transactions.

The details	2000	1999	1998
Profit on operations (after tax)	\$306m	\$248m	\$180m
Economic profit	\$226m	\$166m	\$88m
Total assets	\$48.1bn	\$36.0bn	\$41.0bn
Expense to income ratio	41.1%	43.8%	44.5%
Personnel numbers	1,227	1,249	1,314

* (East & Partners, Australian Corporate Banking Report, April 2000)



Financial Markets

Leadership positions

- Frequently voted the leading bank in the domestic markets.
- Consistently recognised internationally as the leading bank for AUD and NZD exposure management.
- Leaders in industry based research.

Opportunities for growth

- Develop new products in commodities.
- Cross-sell WIB products/services to smaller business banking customers.
- Cross-sell structured investment products into the retail market.
- Better serve customers with internet-enabled products.
- Continue to develop risk management.

Funding (debt and equity)

Leadership positions

- Leading corporate bond house (Best domestic bond house – *Euromoney* Magazine – Pacific Rim Awards, July 2000; Australian bond house of the year – IFR Asia 1999; and Debt house of the year – INSTO Distinction Awards 1999).
- Well developed capability to cross-sell into retail markets.
- Leading provider of on balance sheet finance.

Opportunities for growth

- Develop a wider range of capital offerings for retail customers.
- Develop more structured products for customers with specific needs.

Advice

Leadership positions

- Specialists in Australian and New Zealand business.
- Capacity to leverage the extensive intellectual capital of the entire Westpac Group.
- Capacity to enhance the growth strategies of customers.

Opportunities for growth

- Improve cross sales of advisory services to transactional customers.
- Use our specialised understanding of business in Australia and New Zealand to broaden our customer base.

Transactional Services (cash management and payments)

Leadership positions

- Leading provider of domestic and international payment and trade services.
- Principal transaction banker to 35% of the top 500 companies in Australia.

Opportunities for growth

- Leverage our strong product offering and eCommerce position to enhance our customers' operational efficiency.
- Expand solutions across the supply chain to assist our customers to manage payment relationships with their customers.
- Expand application and transactional solutions to our business customers.

WestpacTrust

Who we are and what we do

WestpacTrust is one of New Zealand's leading full service banks with 1.23 million customers. More than one in three New Zealanders has a relationship with WestpacTrust. It is the leading provider of banking services to small and medium business, and is the banker to the New Zealand Government.

WestpacTrust has 209 branches nationwide, 487 ATMs, Phone Banking and Phone Assist call centres. Its on-line Banking service was launched in April 2000 and already has over 55,000 registered customers.



Personal Banking

Leadership position

- Largest customer base of any New Zealand bank.
- 150 years of serving New Zealand.
- Extensive national network.
- Strong community focus.
- Supporter of important community initiatives, including rescue helicopters, Life Education Trust and sports stadiums.

Opportunities for growth

- Increase share of Auckland housing market.
- Improve cross-selling of financial services.
- Improve credit card take-up and use.
- Extend on-line Banking services.
- Develop more tailored product packages.
- Leverage business and corporate relationships.

The details	2000	1999	1998
Profit on operations (after tax)	\$250m	\$258m	\$212m
Economic profit	\$114m	\$122m	\$79m
Total assets	\$15.4bn	\$16.3bn	\$17.0bn
Expense to income ratio	50.7%	53.2%	58.1%
Personnel numbers	5,310	5,564	6,138

(The figures above relate to retail operations in New Zealand. Any institutional banking activities carried out under the WestpacTrust banner are included in the figures for Westpac Institutional Bank on page 34.

Operating results reflect the impact of the fall in the NZ dollar relative to the Australian dollar over the period between 1998 and 2000.)



Business Banking

Leadership position

- Commitment to supporting New Zealand business.
- Largest in SME market.
- Largest provider of card merchant services.
- Dominant in transaction business.
- Leading provider of on-line banking solutions.

Opportunities for growth

- Leverage Government and small/middle business relationships through development of internet capability.
- Improve penetration of large business market.
- Improve market share in agribusiness.
- Integrate products and services in targeted packages.
- Leverage our relationships with corporates and professional associations.

Pacific Banking

Who we are and what we do

Pacific Banking provides a full range of deposit, loan, transaction account and international trade facilities to personal and business customers. In selected locations, finance company activities such as leasing, equipment finance and motor vehicle loans are also offered. It is represented in nine Pacific Island nations, and operates through 55 outlets, eight ATMs and an extensive EFTPOS network.



The details	2000	1999	1998
Profit on operations (after tax)	\$31.1m	\$58.7m	\$58.5m
Economic profit	\$21m	\$42m	\$42m
Total assets	\$840.8m	\$690.8m	\$1,760m
Expense to income ratio	44.4%	52.1%	60.2%
Personnel numbers	1,083	1,174	1,677

Leadership position

- Depth of experience (Fiji Centenary 2001, first bank in Papua New Guinea – 90 years).
- Breadth of representation: nine Pacific countries.
- Low cost operations.
- Local focus, global strength.
- First bank to introduce Telephone Banking to the Pacific.

Opportunities for growth

- Increase distribution channels.
- Leverage new branding (now consistent with Westpac Australia in most locations).
- Develop eBusiness capability.
- Develop interchange arrangements in Fiji and Papua New Guinea.
- Leverage the Australian bank's standard operating model in all locations to achieve greater synergies and lower costs.
- Leverage Australian Investment/Funds Management and Insurance capabilities.

We're with you



Westpac Olympic Youth Program

Our Westpac Olympic Youth Program has helped Australia's 3.1 million school children learn about and experience Olympic ideals such as achievement, teamwork, goal setting and friendship, values which will help them achieve later in life. From hundreds of schools that participated, 24 schools won Olympic prizes and five schools won a trip to attend the Sydney 2000 Olympic Games.



Operation Backyard

Our support for local environmental initiatives is driven by staff involvement. Through our environmental funding program, Operation Backyard, Westpac staff can apply for funding for environmental projects in which they are involved as volunteers. Since its inception in October 1998, over \$580,000 has been committed to 126 projects in local communities across Australia with over 80% going to rural and regional areas.

Olympic Landcare

Westpac is proud to have been a major financial supporter of this initiative to plant two million trees over three years across Australia to leave a lasting legacy of the "Green Games". Additionally, our staff identified 26 sites around the nation where they wanted to focus their efforts, and they and their families joined in the tree planting events at the designated sites.



At Westpac our corporate community involvement is driven by a belief that we have a responsibility to support the local communities where we live and work. This helps us to better understand the communities we serve and to better meet their needs. When Westpac staff donate time or money to worthwhile causes, we're with them through flexible working arrangements and dollar for dollar donation matching. Our staff have a long and proud history of local community involvement and support. We're with them all the way.



Westpac Volunteers
Working in the Community

Staff Volunteering

Through our staff volunteering program, over one-third of our staff are actively involved in their local communities as volunteers. Westpac supports this voluntary work through paid time off for volunteering and flexible working arrangements to enable staff to meet their community service commitments.



Children 2000

As an important part of Westpac's partnership with the Sydney 2000 Olympic Games, the Children 2000 program offered 80 charitable organisations the opportunity for over 2,000 disadvantaged children to attend the Olympic Games and experience the excitement of this once in a lifetime event.

Matching Gifts

Our most comprehensive staff community support program is Westpac Matching Gifts, where the generosity of our staff is supported by matching, dollar for dollar, their contributions to any tax deductible charity of their choice. Since December 1998 these contributions have been matched, bringing the total distribution to over \$1.6 million to some 300 charities across Australia.



World Vision

One of the most popular charities supported by staff through the Matching Gifts program is World Vision Australia. Over \$66,000 has gone to their Child Sponsorship program and to a micro financing project in Zimbabwe which provides loans for 5,250 locals to establish their own businesses.





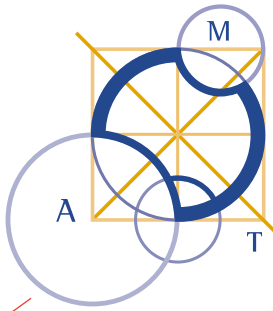
Westpac Rescue Helicopters

2000 marks the 27th anniversary of Westpac's longest standing community service commitment – a commitment that helps make the difference between life and death for hundreds of people each year – to the Westpac Rescue Helicopter Services in NSW and Qld. Services operate from five bases in NSW, two in Qld, and four in New Zealand, 24 hours a day, every day of the year, to help save lives.



Red Shield Appeal

Westpac has been a proud supporter of the Salvos for over 40 years. Staff around the country volunteer their time to collect, count and bank money raised for The Salvation Army's Red Shield Appeal in May each year.



Australian Mathematics Competition for the Westpac Awards

This annual competition is designed to give all students an opportunity to achieve in mathematics and to provide an extra challenge for those who are interested. It is the largest of its kind in the world, attracting 450,000 secondary school students from Australia, New Zealand and the Pacific in 2000. Westpac has proudly sponsored this competition since its inception in 1978.

AUSTRALIAN
MATHEMATICS
TRUST



Bandaged Bear Day

Staff hold a special place in their hearts for the sick kids at the New Children's Hospital Westmead. Support has been provided not only through personal donations but through fundraising events and promotions for Bandaged Bear Day.

Learning for Life – Access for Rural Youth

Giving young Australians an opportunity to complete school and go on to tertiary study is at the heart of The Smith Family's Learning for Life program. The Westpac Foundation has given \$1 million to expand the program into nine new rural areas supporting an extra 2,350 students and to provide 44 new tertiary scholarships for students from rural areas.



Managing Director's Staff Community Service Awards

Each year the Managing Director recognises staff volunteering excellence through this awards program. Since the inception of the Awards over \$400,000 has been distributed to community organisations with whom our winners have volunteered.



Amy Winters Paralympic athlete

Surf Lifesaving

Westpac has been a partner with Surf Life Saving in Queensland since 1976. Each year during Surf Life Saving Week our staff encourage their customers and local community members to help raise funds which support the 6,000 active surf life saver volunteers who patrol our beaches.



Life Education Trust

WestpacTrust is the national partner of this program that sees 34 regional Trusts around New Zealand visiting schools to provide positive health messages focusing on the dangers of substance abuse. Annual visits to over 1,400 primary and intermediate schools reach some 250,000 children throughout the country.

Paralympic Support

Westpac is proud to support members of the Sydney 2000 Paralympic Team through its Paralympic Employment Program enabling these elite athletes to balance their career development with the considerable demands of training and competition. Westpac was a major supporter of the Australian Paralympic Committee's Gold Medal Appeal accepting donations and selling pins through our branch network.

Walk for the Cure

Westpac is a major national sponsor of the Juvenile Diabetes Foundation's 'Walk for the Cure'. In October 1999 over 3,200 staff and their families participated in the Walk, raising close to \$150,000 towards research into finding a cure for Juvenile Diabetes.



what a difference a day makes!



Setting the direction



John Uhrig AC, BSc, DUniv, Hon. DEcon, FAIM. Age 72.

Appointed Chairman October 1992, director since November 1989. John Uhrig has broad industry and manufacturing experience and has participated in and contributed to a variety of government and community bodies. Chairman of Santos Limited and Adelaide Symphony Orchestra Pty. Limited. Director of the Australian Major Performing Arts Group. Trustee of the Westpac Foundation.



Leon Davis ASAIT, DSc(h.c.), FRACI, FAustIMM. Age 61.

Appointed Deputy Chairman July 2000, director since 1999. Leon Davis has had many years of experience in mining, both in Australia and overseas. He has lived and worked in senior positions in Australia, Papua New Guinea, Singapore and the United Kingdom. He was formerly Chief Executive of Rio Tinto, which has worldwide mining activities, principally in Australia, New Zealand, Indonesia, Papua New Guinea, North and South America, Southern Africa and Europe. He is Deputy Chairman of Rio Tinto and a director of Huysmans Pty. Limited and Codan Pty. Limited.



Barry Capp BE(Civil), BCom, BA. Age 67. Director since May 1993. Barry Capp was employed for many years in financial and commercial roles and has had experience

in company reconstructions. Chairman of National Foods Limited, Australian Infrastructure Fund Limited and Freight Rail Corporation. Director of Tassal Limited, Touchcorp Limited, Hellaby Holdings Limited and Melbourne University Private Limited.



The Hon. Sir Llewellyn Edwards AC, MB, BS, FRACMA, LLD(h.c.), FAIM. Age 65. Director since November 1988. Sir Llewellyn Edwards has had extensive experience in Queensland state politics (including five years as Treasurer), business and in community service (Chairman World Expo 88 Authority and Chancellor of University of Queensland). Chairman of Webmatchit Interactive Marketing Limited and director of James Hardie Industries Limited, UQ Holdings Pty. Limited and TCNZ Australia Pty. Limited. He also acts as a consultant to business and government. Chairman of Pacific Film & Television Commission.



John Fairfax AM. Age 58. Director since December 1996. John Fairfax has considerable understanding of the financial services needs of the commercial and rural sectors and of the impact of production and information technology on industry strategy. He has extensive experience in the media industry and takes an active interest in community organisations including the Royal Agricultural Society of NSW. Chairman of Cambooya Investments Limited and Rural Press Limited. Director of Crane Group Limited.



Patrick Handley BA, MBA. Age 55. Executive director since November 1997. Patrick Handley joined Westpac in 1993 with 23 years banking experience in the United States. At BancOne Corporation for 13 years, he was Chief Financial Officer for eight of them, with additional management responsibilities for its mortgage and leasing subsidiaries as well as its acquisition program. He is Chief Financial Officer of Westpac, with responsibility for finance, taxation and accounting, Group Treasury, Risk Management, Legal and Investor Relations. Trustee of the Westpac Foundation.



Ian Harper AM, BA, LLB. Age 68. Director since July 1987. Ian Harper, previously a partner of Allen Allen & Hemsley since 1960 and now a consultant to that firm, has practised extensively in corporations law. He has held a variety of financial service company board positions over many years. Director of Mayne Nickless Limited and other companies. Mr Harper chairs the Westpac Staff Superannuation Plan Pty. Limited Board, representing the main board of directors, and the Westpac Foundation.



Warren Pat Hogan MA, PhD, DSc(h.c.). Age 71. Director since August 1986. Warren Hogan was a Professor of Economics at the University of Sydney from 1968 to 1998. He is an Adjunct Professor in the Faculty of Business of the University of Technology, Sydney. Adviser to business, government and international organisations including the World Bank, Harvard University Development Advisory Service and the Australian Associated Stock Exchanges. Director of the principal board, Australian Mutual Provident Society, 1993 to 1995.



Helen Lynch AM. Age 57. Director since November 1997. Helen Lynch had 35 years experience in Westpac including membership of Westpac's executive team before retiring in 1994. She is a director of Coles Myer Limited, Southcorp Holdings Limited and CRI Australia Holdings Limited. Deputy Chairman of OPSM Protector Limited and Chairman of the Sydney Symphony Orchestra Holdings Pty. Limited. Director of the Centre for Independent Studies and The Garvan Medical Research Institute.



Eve Mahlab AO, LLB. Age 63. Director since October 1993. Eve Mahlab has practised as a solicitor, managed a family, owned and operated several successful small businesses and served on government and

community boards. She has been extensively involved in community activities particularly those relating to business education, women and social change. Deputy Chairman of Film Australia Limited, Board Member of Walter and Eliza Hall Institute of Medical Research. Trustee of the Westpac Foundation.



David Morgan BEc, MSc, PhD. Age 53. Appointed Chief Executive Officer March 1999, executive director since November 1997. David Morgan has extensive experience in the financial sector, having worked in the International Monetary Fund in Washington in the 1970s and the Federal Treasury in the 1980s where he headed all major areas before being appointed Senior Deputy Secretary. Since joining Westpac in 1990, he has had responsibility for all major operating divisions including Westpac Financial Services, Retail Banking, Commercial Banking, Corporate and Institutional Banking and International Banking.



John Morschel DipQS, AAIQS, FAIM. Age 57. Director since July 1993. John Morschel has broad experience in the property and construction industries and the life insurance and financial services industry. Deputy Chairman of CSR Limited. Director of Rio Tinto plc, Rio Tinto Limited, Cable & Wireless Optus and Tenix Pty. Limited. Trustee of the Art Gallery of New South Wales.



Peter Ritchie BCom, FCPA. Age 58. Director since January 1993. Peter Ritchie has broad consumer marketing and commercial experience. Chairman and founding director of McDonald's Australia Limited and currently a member of McDonald's Malaysia and New Zealand Boards. Executive Chairman of Culligan NSW. Director of Seven Network Limited, 1 800 Reverse Pty. Limited and Bakers Delight Holdings Pty. Limited.



Christopher Stewart AM. Age 72. Director since November 1997. Christopher Stewart was Chairman of the Bank of Melbourne Limited from 1989 to 1998. He was also Chief Executive Officer of that bank until his retirement in 1993 and was Managing Director of its predecessor, RESI-Statewide Building Society from 1979 to 1989. He is a director of Permanent Trustee Company Limited, Gandel Management Limited and Milton Corporation Limited. He is a trustee of the Families in Distress Foundation.

Policy matters

Principles that guide us, practices that protect us, and controls that govern us.

The Westpac Deed of Settlement

Westpac was the first bank established in Australia. Originally known as the Bank of New South Wales, it was founded in 1817 and was incorporated in 1850 by an Act of the New South Wales Parliament. Our Deed of Settlement (the “Deed”), which governs the relationship between Westpac and its shareholders, is based on the Deed adopted in 1850. The Deed remains in force today, though it has been amended from time to time, with shareholder approval. It sets out the rules dealing with how we manage and control our business, including how shares are owned and transferred; meetings are held; voting occurs; and directors, officers, auditors and other representatives are appointed.

Following shareholder approval at the December 1999 Annual General Meeting and the enactment of the Westpac Banking Corporation (Transfer of Incorporation) Act 2000 which became effective on 6 September 2000, we are progressing with plans to change the status of Westpac to a Corporations Law company. Formal approval to proceed will be sought from shareholders at the forthcoming Annual General Meeting on 15 December 2000. If shareholder approval is obtained, shareholders will also be asked to adopt a new constitution in place of the Deed. While we will always preserve our historical heritage, it is time to move away from what is becoming increasingly an historical legal anomaly in the face of significant corporate law reform.



From left: A page from the original 1850 Deed of Settlement, The First Report – 1851.

The board

The board of directors is accountable to shareholders for performance of the Group and is responsible for the corporate governance practices of the Westpac Group.

The board’s principal objective is to maintain and increase shareholder value while ensuring that the Group’s overall activities are properly managed.

In doing so the board supports the highest standards of corporate governance, which it sees as fundamental to its commitment to business integrity and professionalism in all its activities.

Our corporate governance practices provide the structure which enables this objective to be achieved, whilst ensuring that the business and affairs of the Group are conducted ethically and in accordance with the law.

The board’s overall responsibilities include:

- providing strategic direction and approving corporate strategies;
- monitoring management performance;
- monitoring financial performance and, in this regard, working with the Group’s external auditors;
- monitoring and ensuring the maintenance of adequate risk management controls and reporting mechanisms; and
- ensuring the business of the Group is conducted ethically and transparently.

The board delegates responsibility for day-to-day management of the business to the Chief Executive Officer. In addition, the Executive Office oversees the implementation of strategies approved by the board and the day-to-day running of the business. The board also uses a number of committees to support the board in matters that require more intensive review. For example, the integrity of Westpac’s internal control and risk management systems is the responsibility

of the Board Credit and Market Risk Committee and Board Audit and Compliance Committee. Further details of the board committees and Executive Office are provided below.

As part of its commitment to good corporate governance, the board regularly reviews the practices and standards governing the board's composition, independence and effectiveness; the accountability and compensation of directors (and senior executives) and the board's responsibility for stewardship of Westpac. The main practices and policies currently in place are as follows.

Composition and independence of the board

As at 3 November 2000, the board has 14 members, with two executive directors and 12 non-executive directors including the Chairman and Deputy Chairman. Further details of individual directors are set out at pages 40 and 41.

The size and composition of the board is determined by the full board, subject to the limits imposed by the Deed. The Deed requires a minimum of seven directors, and a maximum of 15. In addition, up to three members of the board may be executive directors.

The Chairman and Deputy Chairman are both non-executive directors, appointed by the full board. Structures and procedures in place to ensure the board can operate independently of executive management include the predominance of non-executive directors who bring independent and special professional expertise to the board, and the appointment of a non-executive Chairman and Deputy Chairman.

Board access to independent information and other resources

All directors have unrestricted access to company records and information and receive detailed financial and operational reports from senior management during the year to enable them to carry out their duties. Directors also liaise with senior management as required, and may consult with other employees and seek additional information on request.

The board collectively and each director individually has the right to seek independent legal advice at Westpac's expense to assist them to carry out their responsibilities.

While prior approval of the Chairman is required, it may not be unreasonably withheld. In the absence of the Chairman's consent, approval by the board may be sought.

The Deed sets out rules dealing with the indemnification of and insurance cover for directors and former directors of Westpac. Any such arrangements are undertaken in accordance with limitations imposed by law. To reflect current practices and to clarify the legal position of non-executive directors, shareholders at the December 1999 Annual General Meeting approved a deed of access and indemnity being entered into between Westpac and each director.

All new directors receive induction training at the time of their appointment to the board appropriate to their experience, to familiarise them with matters relating to our business, corporate strategy and current issues before the board.

Our Group Secretary and General Counsel also provides directors with ongoing guidance on issues such as corporate governance, the Deed and the law.

In addition to its formal meetings, the board undertakes regular workshops on matters of topical interest. In 2000 there have been workshops on, amongst other things, eCommerce and Business Banking.

Board nominations

Following recommendations to the board flowing from the Board Nominations Committee, nominations for appointment to the board are considered by the board as a whole.

The board selects the most suitable board candidates taking into account the diversity of experience among the existing board and a range of flexible criteria, including the candidate's background, experience, professional skills, personal qualities and availability to commit themselves to board activities.

An important quality sought in candidates, regardless of diversity of experience, is demonstrated experience in corporate decision-making, usually at a senior executive level.

If candidates are appointed by the board, they stand for election, in accordance with the Deed, at the next Annual General Meeting of shareholders.

Directors are encouraged to own Westpac shares and must, under the Deed, own a minimum of 4,000 Westpac shares.

Board performance review

The performance of the Chief Executive Officer (along with other senior executives) is reviewed periodically by the Board Remuneration Committee and the full board. The performance of non-executive directors is reviewed by the Chairman on an ongoing basis and, in addition, is reviewed by the non-executive directors as a peer group in the year in which a director becomes eligible for re-election. The Chairman's performance is reviewed by the full board each year prior to the Chairman's appointment.

Corporate governance

Conflicts of interest of directors

The board has guidelines dealing with disclosure of interests by directors and participation and voting at board meetings where any such interests are discussed. In accordance with the Corporations Law, any director with a material personal interest in a matter being considered by the board must not be present when the matter is being considered, and may not vote on the matter.

Retirement of directors

The new constitution proposes a reduction in the retirement age to 70. The Deed sets a retirement age of 72. One third of the directors must offer themselves for re-election each year at the time of the Annual General Meeting. In November 1999 the board adopted fixed terms of office for its non-executive directors.

Board meetings

Currently the board meets at least 10 times a year, and also from time to time, to deal with specific matters that require attention between scheduled meetings. Meeting agendas are established by the Chairman and the Chief Executive Officer to ensure adequate coverage of financial, strategic and major risk areas throughout the year.

Regular board meetings consider a broad range of matters, including financial performance reviews, capital management, acquisitions and delegated authorities.

Details of meetings and attendances are set out at page 55.

Remuneration policy

The total remuneration available to non-executive directors is fixed by the shareholders at Annual General Meeting. The current pool limit of \$1.5 million was approved by shareholders at the Annual General Meeting held in December 1999.

When setting actual fees for individual directors, account is taken of the responsibilities inherent in the stewardship of Westpac and the demands made of directors in the discharge of their responsibilities. The board takes advice from independent consultancy sources to ensure remuneration accords with market practice.

Remuneration of the Chief Executive Officer is determined by the board in accordance with our executive compensation program. Total reward has three components: base salary; annual performance bonus, and long-term incentive. The remuneration of our key executives is determined by the Board Remuneration Committee. The committee takes into account the recommendations of the Chief Executive Officer, who takes advice from independent consultancy sources to ensure remuneration accords with market practice. In keeping with our philosophy of pay for performance, the committee evaluates performance in three key areas: corporate, business unit and individual.

Details of our remuneration philosophy and practice and fees and other entitlements paid to non-executive directors, executive directors and the top five senior executives are set out in full in the Directors' Report.

Board committees

To assist the board in fulfilling its duties, there are currently four board committees, whose powers and procedures are governed by the Deed and the relevant committee's terms of reference, as delegated in writing by the board.

The four board committees (up from three in the previous year) are: The Board Audit and Compliance Committee, the Board Credit and Market Risk Committee, the Board Nominations Committee and the Board Remuneration Committee. Other board committees may be established from time to time to consider matters of special importance.

The board committees meet on a quarterly basis and at such other times as considered appropriate.

All four committees are currently composed of non-executive directors only, and membership is reviewed and rotated on an ongoing basis. Executive directors and senior executives may be invited to attend committee meetings.

The Board Audit and Compliance Committee

The Board Audit and Compliance Committee oversees all matters concerning internal control, accounting policies and financial reporting including reviewing the interim and annual financial statements. It monitors the relationship with the external auditors and makes recommendations to the board on the appointment and removal of external auditors, their terms of engagement, and the scope and quality of the audit. Additionally, the committee sets the scope of the internal audit function, ensures its resources are adequate and reviews the output of its work; and reviews the adequacy and effectiveness of management's control of risk in relation to operational activities, financial reporting and compliance.

Present membership of the committee: J.P. Morschel (Chairman), I.R.L. Harper, H.A. Lynch, P.D. Ritchie and J.A. Uhrig (ex officio).

Board Credit and Market Risk Committee

The Board Credit and Market Risk Committee oversees matters relating to management of the credit and market risks inherent in our operations. It reviews and approves our risk management framework, in particular prudential policies, credit and market risk limits and controls. It delegates authority to the Chief Executive Officer and the Chief Credit Officer to approve risk exposures. It monitors the credit and market risk performance of management, and the adequacy of provisions for credit loss, both specific and general, through management reporting and independent reports from Credit Risk Review. Detailed discussion of the management of credit and market risk is contained in the Financial Review section of the Annual Financial Report.

Present membership of the committee: W.P. Hogan (Chairman), L.A. Davis, J.B. Fairfax, E. Mahlab, C.J. Stewart and J.A. Uhrig (ex officio).

Board Nominations Committee

The Board Nominations Committee develops and reviews policies on director tenure, non-executive director remuneration and retirement schemes, board composition, strategic function and size, eligibility criteria for election of directors, and board and board committee effectiveness. In addition, the committee reviews director appointment criteria from time to time and considers and makes recommendations to the board on candidates for appointment as directors.

Present membership of the committee: H.A. Lynch (Chairman), W.B. Capp, W.P. Hogan, J.P. Morschel and J.A. Uhrig (ex officio).

Board Remuneration Committee

The Board Remuneration Committee reviews remuneration policies and practices, approves the reward levels for the general management group, approves merit recognition arrangements and staff option grants and makes recommendations to the board on the remuneration of the directors, including the Chief Executive Officer. The committee's work is supported by independent remuneration consultants to ensure that our remuneration practices are consistent with market practice.

A fuller discussion of Westpac's remuneration philosophy forms part of the Directors' report at page 51.

Present membership of the committee: W.B. Capp (Chairman), Sir Llewellyn Edwards, P.D. Ritchie and J.A. Uhrig (ex officio).

Executive Office

The Executive Office oversees the implementation of the strategies approved by the board, and the day-to-day running of the business.

Current membership of the Executive Office is: Chief Executive Officer; Executive Director, and Chief Financial Officer; Group Executive, Westpac Institutional Bank; Group Executive, Australian Business and Personal Banking; Group Executive, WestpacTrust, Pacific Banking, and Performance Enhancement Program; Group Executive, Banking and Financial Services Solutions; Group Executive, Information Technology and Operations; Group Executive, Human Resources; Group Executive, Group Strategy.

Personal details of the incumbents is shown on pages 30 and 31 of this report.

To strengthen accountability and leadership we have put in place an Executive Office structure that accentuates communication, efficiency, and responsiveness across functions and geography. Currently meetings are held at least weekly and more often when necessary. The discussions help to maintain organisational cohesiveness while emphasising openness, customer focus, and participative management at all levels and across boundaries.

Communication with shareholders

Westpac has a comprehensive policy for communications with shareholders and other stakeholders. We are committed to providing our shareholders with comprehensive information about Westpac and its activities, and to fulfilling our obligations to the broader market for continuous disclosure.

Consistent with best practice disclosure and continuous disclosure requirements, all market-sensitive data, corporate presentations and reports are released to the stock exchange and to the market simultaneously via press release and posting on Westpac's internet site.

Corporate governance

Information on page 69 and the inside back cover of this report contains details of how information is provided to shareholders and how it can be obtained.

The internet now provides the quickest way of disseminating information, so we encourage all our shareholders, customers, and any other interested parties, to visit our website www.westpac.com.au. You will find copies of our annual reports, briefings and presentations given by our CEO and other executives, public announcements, economic updates, and of course information on our products and services. There is even a history of Westpac covering its 183 years of operation.

Risk management

Risk is the potential for damage or loss associated with the business activities we undertake. Taking and managing risk are central to our business and to creating shareholder value, and for management purposes we recognise three types of risk:

- **Credit risk** is the risk of financial loss from the failure of customers to honour fully the terms of their contract with us;
- **Market risk** is the risk to earnings from changes in market factors such as interest and foreign exchange rates, or our liquidity and funding profiles; and
- **Operational risk** is the risk of unexpected financial, reputational, or other damage arising from the way our organisation pursues its business objectives.

To monitor risk we use a consistent management framework. This is a dynamic approach in which the board and the executive team link the active management of risk with the pursuit of agreed business strategies and objectives. It has five elements: strategic intent, business objectives, risk assessment, risk response and continuous assessment and review.

Management is accountable to the board for maintaining an effective control environment that reflects risk appetite and business objectives.

Management is required at regular intervals to report to the senior executive and the board on the effectiveness of their risk management systems. Independent assessment of this process is provided by Group Audit and Credit Risk Review.

A more detailed coverage of the types of risk and how we manage them is contained in our Annual Financial Report on page 24.

Goods and Services Tax (GST)

In the lead-up to the introduction of the GST on 1 July 2000, extensive preparation and compliance testing ensured all of our systems and procedures were fully compliant with the new tax requirements. Because of the characterisation of most financial services as input taxed supplies (where no GST is payable on the supply of the input taxed supply, but the supplier cannot claim an input tax credit for any GST included in the price of things acquired to make the supply), it has also been necessary to review our pricing structures to seek to recover the higher input costs resulting from the GST. The new pricing structure was developed in consultation with the Australian Competition and Consumer Commission (ACCC), and is consistent with its guidelines and the Trade Practices Act.

Y2K

We committed to our customers to be absolutely Y2K ready well before 1 January 2000, and undertook extensive preparation over the previous three years. Regular exhaustive tests of all systems, including regular board reviews, were carried out in the lead-up to the end of 1999. No major problems were experienced.

Compliance

Compliance with the many legal, regulatory, and prudential requirements of our industry is of vital importance to us. We take our obligations seriously and constantly look for initiatives to improve our standard of compliance.

Compliance is primarily a line management responsibility with business heads required to demonstrate they have in place an effective process.

To strengthen our ability to monitor and make progressive improvement we have a Chief Compliance Officer who reports directly to the Board Audit and Compliance Committee.

Code of conduct

We have a Code of Conduct (the “Code”) to guide executives, management and employees in carrying out their duties and responsibilities to the highest ethical standards. The Code was updated and reissued in June this year and is subject to regular review so that it continues to reflect the standards of behaviour and corporate culture expected of the best corporations. It is based on the following key principles:

- acting with honesty and integrity
- abiding by laws and regulations
- respecting confidentiality and handling information in a proper manner
- maintaining the highest standards of professional behaviour
- avoiding conflicts of interest
- striving to be a good corporate citizen and to achieve community respect.

There are also a number of specific policies which underpin the Code and elaborate on various legal and ethical issues.

The Code is designed not only to foster ethical business conduct, but also to govern such things as workplace and human resources practice, insider trading, risk management, and legal compliance.

Insider trading

Directors and other officers are subject to restrictions under the Corporations Law relating to dealings in securities. As required by law and by our own insider trading policy, buying or selling Westpac securities is not permitted at any time by any person who possesses price-sensitive information not available to the market in relation to those securities. In addition to these restrictions, the board’s policy is that directors may only buy or sell Westpac shares or options, after notifying the Chairman, in the six weeks immediately following our half year and full year financial results announcements and, if relevant, any Annual General Meeting announcement. At all other times directors require the prior consent of the board to buy or sell Westpac shares or options, with the board examining each transaction prior to approval to ensure it is not related to insider trading.

Occupational health and safety

The safety and welfare of our employees is important to us, and so we are committed to Occupational Health & Safety (OHS) through a process of continual improvement while meeting our legislative responsibilities. As new OHS legislation expected within the next year will have a greater focus on employee consultation, we have prepared for this change by reviewing our consultation mechanisms during the past year. The methods for consulting with employees have been improved and are now more varied and flexible, and accommodate the range of environments in which our businesses operate.

The environment

We believe we have a responsibility to maximise the environmental performance of our business wherever we can.

We were the first Australian financial institution to commit to greenhouse measures when we joined the Greenhouse Challenge in 1996, and since then we have been introducing energy saving initiatives and extending the scope of environmental actions to waste, transport, and cultural change. In our experience adopting innovative technology and practices to reduce energy and save greenhouse gas emissions can deliver both cost savings and environmental benefits.

We are the only Australian bank to be a signatory to the United Nations Environment Program (UNEP) Statement by Financial Institutions on the Environment and Sustainable Development. We are also the only Australian bank to be included in the Dow Jones Global Sustainability Index which rates 236 companies worldwide on their performance against social and environmental measures.

Political donations

Each year the board gives consideration to making political donations. The policy is that when political donations are made they should be on a generally even handed basis to major political parties with a broad cross-section of parliamentary representation. All donations are declared in accordance with electoral laws.

Directors' report

The directors of Westpac Banking Corporation present their report together with the financial statements of Westpac Banking Corporation (“the Parent Entity”) and of the consolidated group, being the Parent Entity and its controlled entities (collectively referred to as “the Group”), for the financial year ended 30 September 2000.

Directors

The names of the persons who have been directors of the Parent Entity during the period since 1 October 1999 are Mr J.A. Uhrig (Chairman), Mr L.A. Davis (Director from 8 November 1999 and Deputy Chairman from 6 July 2000), Mr W.B. Capp, The Hon. Sir Llewellyn Edwards, Mr J.B. Fairfax, Mr R.P. Handley (Executive Director), Mr I.R.L. Harper, Professor W.P. Hogan, Ms H.A. Lynch, Ms E. Mahlab, Dr D.R. Morgan (Chief Executive Officer), Mr J.P. Morschel, Mr P.D. Ritchie and Mr C.J. Stewart. Particulars of their qualifications, experience and special responsibilities are set out under the headings "Board of Directors" on pages 40 and 41 and "Corporate Governance" on pages 42 to 47 and form part of this report.

Principal activities

The principal activities of the Group during the financial year which ended on 30 September 2000 were the provision of financial services including lending, deposit taking, payments services, investment portfolio management and advice, unit trust and superannuation fund management, nominee and custodian facilities, insurance services, consumer finance, leasing, factoring, general finance, foreign exchange dealing and money market services. No significant change in the nature of those activities occurred during the financial year.

Review and results of operations

A review of the operations of the Group for the financial year ended 30 September 2000 is set out on pages 58 through to 62 and forms part of this report.

The operating result of the Group attributable to equity holders for the financial year ended 30 September 2000 was a profit of \$1,715 million after tax.

Dividends

A final dividend for the financial year ended 30 September 1999 of 24 cents per fully paid ordinary share, totalling \$442 million, was paid by the Parent Entity on 4 January 2000, as an unfranked dividend. \$445 million had been provided for in the financial statements for the year ended 30 September 1999.

An interim dividend for the financial year ended 30 September 2000 of 26 cents per fully paid ordinary share, totalling \$475 million, was declared by the directors and paid as a fully franked dividend on 7 July 2000.

A final dividend for the financial year ended 30 September 2000 of 28 cents per fully paid ordinary share, estimated amount \$497 million, has been provided for in the financial statements for the year and will be paid on 2 January 2001. The final dividend will be fully franked.

Details of dividends provided for or paid are set out in note 3 to the Concise Financial Report.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

Capital management

On 1 February 2000, the on-market buy-back scheme announced on 20 July 1999 concluded. 50 million fully paid ordinary shares were repurchased at an average price of \$10.12 per share.

On 18 April 2000, an on-market buy-back scheme to repurchase up to 50 million fully paid ordinary shares was announced. On 18 August 2000, the maximum number of fully paid ordinary shares to be repurchased under the scheme was increased to 100 million. As at 3 November 2000, 87.4 million fully paid ordinary shares had been repurchased at an average price of \$12.38 per share.

Directors

Mr Leonard Andrew Davis was appointed a non-executive director on 8 November 1999 and Deputy Chairman on 6 July 2000. As announced on 6 July 2000, Mr Davis will become Chairman following Mr John Uhrig's retirement at the close of the Annual General Meeting to be held on 15 December 2000.

Events after end of financial year

On 12 October 2000, the Parent Entity announced the selection of IBM Global Services Australia as the preferred supplier to manage the Group's core banking technology platforms.

Directors' report

Other than as noted here, the directors are not aware of any matter or circumstance that has arisen since 30 September 2000 which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments and expected results

Likely major developments in the operations of the Group in future financial years and the expected results of those operations are referred to on pages 8 through to 35 and form part of this report.

Directors' interests in securities

The following particulars for each director of the Parent Entity are set out below:

(i) their relevant interests in shares of the Parent Entity or any related body corporate;

- (ii) their relevant interests in debentures of, or interests in any registered managed investment scheme made available by the Parent Entity or any related body corporate;
- (iii) their rights or options over shares in, debentures of or interests in any registered managed investment scheme made available by the Parent Entity or any related body corporate;
- (iv) any contracts to which the director is a party or under which they are entitled to a benefit and that confer a right to call for or deliver:
- (a) shares in,
- (b) debentures of, or
- (c) interests in,

any registered managed investment scheme made available by the Parent Entity or any related body corporate.

Directors' holdings of Westpac shares and options as at 3 November 2000

Name	Number of ordinary fully paid shares and options	Non-beneficial
J.A. Uhrig	53,000	13,000 175,663 ¹
L.A. Davis	5,000	
W.B. Capp	14,057	
Sir Llewellyn Edwards	9,261	
J.B. Fairfax	100,000	291,943
R.P. Handley	619,000 700,000 ²	
I.R.L. Harper	39,516	175,663 ¹
W.P. Hogan	14,066	
H.A. Lynch	8,914	
E. Mahlab	11,702	175,663 ¹
D.R. Morgan	734,732 675,000 ² 3,000,000 ³	
J.P. Morschel	4,000	
P.D. Ritchie	23,081	15,654
C.J. Stewart	100,000	

¹ Certain directors have relevant interests in shares, and shares subject to warrants, held beneficially by a staff/community related fund of which those directors are trustees.

² Options issued under the Senior Officers' Share Purchase Scheme.

³ Options issued under the Chief Executive Share Option Agreement.

Other disclosable interests as at 3 November 2000

Ms H.A. Lynch – debentures of a related body corporate \$120,530;

Dr D.R. Morgan – interests in managed investment schemes made available by related bodies corporate 25,279 units;

Mr J.A. Uhrig – debentures of a related body corporate \$124,235.

Remuneration philosophy and practice

Non-executive directors

Non-executive directors are remunerated by fees determined by the board within the aggregate directors' fees pool limit of \$1.5 million approved by shareholders in December 1999. The pool limit is not at present fully utilised. In setting directors' fees, account is taken of the responsibilities inherent

in the stewardship of the company and the demands made of directors in the discharge of their responsibilities. Advice is taken from independent consultancy sources to ensure remuneration accords with market practice. Income received, or due and receivable, from the Parent Entity and related entities by non-executive directors of the Parent Entity for the year ended 30 September 2000 was:

	Fees \$	Superannuation guarantee charge \$	Total cost \$
J.A. Uhrig (Chairman)	300,128	–	300,128
L.A. Davis (Deputy Chairman)	86,591	3,789	90,380
W.B. Capp	86,532 ¹	6,437	92,969
Sir Llewellyn Edwards	75,032	5,580	80,612
J.B. Fairfax	75,032	5,580	80,612
I.R.L. Harper	86,532 ¹	6,437	92,969
W.P. Hogan	86,532 ¹	–	86,532
H.A. Lynch	87,365 ¹ 8,000 ²	6,307 –	93,672 8,000
E. Mahlab	75,032	5,580	80,612
J.P. Morschel	86,532 ¹	–	86,532
P.D. Ritchie	75,032	5,017	80,049
C.J. Stewart	75,032	–	75,032

¹ Includes fees payable to Chairpersons of board committees.

² Consultancy fee for service on a bank committee.

Note: Remuneration for executive directors is disclosed at page 52.

Executive directors and senior executives

Westpac has designed its executive remuneration program to support a pay for performance policy that differentiates remuneration amounts based on an evaluation of performance results in three basic areas: corporate, business unit and individual. Remuneration has three components: base salary, annual performance bonus, and long-term incentive. The program is administered by the Board Remuneration Committee, which is composed of non-executive directors.

In combination, these three remuneration components comprise total reward. For the better performers, total reward is matched to the upper quartile of the market, reflecting a target mix of fixed pay, variable pay and share option value.

The committee takes into account the recommendations of the Chief Executive Officer ("CEO") with respect to the remuneration of Westpac's key executives. In making recommendations, the CEO receives assessments and advice from independent remuneration consultants regarding the compensation practices of Westpac and others.

Directors' report

The committee's specific objectives are to:

- align the financial interests of executive officers with those of shareholders by providing significant Westpac equity-based long-term incentives. Share options and other equity-based incentives are awarded to link a significant portion of senior management remuneration to the attainment of sustained growth in shareholder value. Award levels are determined according to the individual's responsibility, performance and potential to enhance shareholder value. Share options awarded to senior executive officers have been issued under the General Management Share Option Plan under which the exercise of options is subject to a performance hurdle. Share options are awarded to the Chief Executive Officer under the Chief Executive Share Option Agreement, under which the exercise of options is subject to a performance hurdle. The committee uses the Black-Scholes option-pricing model, adjusted to reflect the performance hurdle, to establish the appropriate value of the long-term incentive;
- provide annual bonus payments that:
 - a) are tightly linked to measurable key drivers of shareholder value creation, including financial and non-financial components;
 - b) emphasise performance above shareholder expectations, including superior growth in Economic Profit relative to peer companies;
 - c) are distributed between current-year cash up to a target value and deferred shares or cash over one to three years;
- provide fixed pay (base salaries) to attract and retain key executives who are critical to the Bank's long-term success by providing a secure level of income that recognises the market value of the position as well as internal equities between roles, the individual's performance, and experience. Base pay for management typically approximates the median salary for positions of similar responsibility in the peer group. Generally, increases in base pay only occur in response to market changes or when warranted by an executive's change in responsibilities. Consistent with this and the strategy to place less emphasis on base pay, individual salary adjustments in 2000 were limited to those executives with salaries generally below the median salaries paid by the peer group; and
- emphasise performance-based and equity-based remuneration as executive officer level increases.

Details of the nature and amount of each element of the emolument of each of the executive directors for the year ended 30 September 2000 are:

Name and position	Year	Base pay ¹ \$	Bonus ¹ \$	Total cash compensation \$	Other compensation ² \$	Total compensation \$	Option grants no. of shares ³	Exercise price \$	Date first exercisable
D.R. Morgan CEO	2000	1,000,000	1,300,000	2,300,000	135,807	2,435,807	–	–	–
	1999	834,521	800,000	1,634,521	86,853	1,721,374	1,000,000	10.83	1-Mar-02
							1,000,000	10.83	1-Mar-03
							1,000,000	10.83	1-Mar-04
R.P. Handley Executive Director and CFO	2000	685,000	525,000	1,210,000	146,322	1,356,322	–	–	–
	1999	685,000	450,000	1,135,000	120,761	1,255,761	–	–	–

¹ Base pay has been received in the year to 30 September; bonus figures reflect annual performance bonus amounts accrued but not yet paid in respect of the year ended 30 September plus any long-term incentive entitlements paid in the year.

² Other compensation is determined on the basis of the cost to the Bank. Following the issue of ASIC Practice Note 68 in December 1998, other compensation for both 2000 and 1999 above includes all fringe benefits tax and superannuation surchargeable contributions for those executives who are members of the Westpac Staff Superannuation Plan, as determined by the Plan's actuary. Other compensation also includes, where applicable, housing (plus FBT), car parking (plus FBT) and other benefits, such as commencement incentives and payments to protect certain executive directors from additional tax that would arise as a result of filing tax returns in two different jurisdictions, where such amounts can be reliably measured.

³ The options granted to Dr Morgan were approved at the Special General Meeting held on 2 September 1999. They provide Dr Morgan a right to buy ordinary shares at an exercise price equal to the weighted average price of Westpac ordinary shares trading on the ASX over the five trading days immediately preceding the offer, assuming certain performance hurdles are met.

The options have a 10 year life, expiring 1 March 2009, but will not be eligible for exercise unless the performance hurdles attaching to the grant are met. Under the Bank's US GAAP disclosures, the fair value of options for the purposes of inclusion in the potential compensation expense has been determined using the Black-Scholes option pricing model at \$1.54.

The factors that are considered in the Black-Scholes option pricing model include the term of the option, the risk free interest rate, volatility of the share price, the dividend yield and a discount factor to reflect the probability of reaching the performance hurdle.

Details of the nature and amount of each element of the emolument of each of the five most senior executives, in addition to the executive directors, for the year ended 30 September 2000 are:

Name and position	Year	Base pay ¹ \$	Bonus ¹ \$	Total cash compensation \$	Other compensation ² \$	Total compensation \$	Option grants no. of shares ³	Exercise price \$	Date first exercisable
J.V. Gross Group Executive Information Technology and Operations	2000 1999	446,674 –	210,000 –	656,674 –	543,229 –	1,199,903 –	500,000 –	13.32 –	8-Jan-04 –
M.J. Hawker Group Executive Australian Business & Personal Banking	2000 1999	475,000 461,137	600,000 275,000	1,075,000 736,137	84,707 42,495	1,159,707 778,632	500,000 300,000	13.32 9.57	8-Jan-04 29-Dec-02
H.M. Price Group Executive WestpacTrust, Pacific Banking & PEP	2000 1999	696,000 412,840	370,000 275,000	1,066,000 687,840	78,624 190,378	1,144,624 878,218	– 70,000 100,000	– 9.57 10.60	– 29-Dec-02 6-Apr-02
D.S. Willis Group Executive Westpac Institutional Bank	2000 1999	450,000 428,356	570,000 450,000	1,020,000 878,356	17,607 11,109	1,037,607 889,465	500,000 100,000 175,000	13.32 9.57 10.60	8-Jan-04 29-Dec-02 6-Apr-02
A.C. Sherry Group Executive Human Resources	2000 1999	330,000 299,699	205,000 120,000	535,000 419,699	130,840 83,159	665,840 502,858	250,000 35,000 100,000 50,000	13.32 9.57 10.60 10.85	8-Jan-04 29-Dec-02 6-Apr-02 1-Mar-02

^{1,2} Refer to the notes for the executive directors remuneration table on page 52.

³ Option grants are a right to buy ordinary shares at an exercise price equal to the market value at the date of the offer determined in accordance with the plan rules.

The options are recognised in the table above based on the year in respect of which they are granted.

The 2000 options will be granted with a ten year term pursuant to the General Management Share Option Plan (GMSOP), under which the number of options exercisable depends on Westpac's performance against prescribed performance hurdles.

The 1999 options were also issued pursuant to the GMSOP.

Under the Bank's US GAAP disclosures, the fair value of options for the purposes of inclusion in the potential compensation expense has been determined using the Black-Scholes option pricing model. The notional value for the 1999 grants was assessed at \$1.54 for March 2002, \$1.51 for April 2002 and \$1.36 for December 2002. The adjusted notional value for the 2000 "hurdled" options has been assessed at \$1.87 for January 2001 (yet to be issued).

The factors that are considered in the Black-Scholes option pricing model include the term of the option, the risk free interest rate, volatility of the share price, the dividend yield and a discount factor to reflect the probability of reaching the performance hurdle.

Note: This table discloses remuneration for the five most highly paid senior policy makers within the Bank other than executive directors. Other individuals who are rewarded under incentive-based systems according to results, consistent with market practice within the industry, may within any given year receive remuneration at a level in excess of that received by some executives shown.

Share options

During the 2000 financial year there were 17,498,000 options granted under the General Management Share Option Plan ("GMSOP") and the Senior Officers' Share Purchase Scheme ("SOSPS") to 662 eligible officers for nil consideration, with exercise dates between October 2002 and September 2010 and a weighted average exercise price of \$9.83. In addition, the following options with exercise dates between January 2004 and January 2011 have been approved but not yet granted to 501 eligible officers as part of the 2000 remuneration review process:

- 3,956,000 options under the GMSOP with an exercise price of \$13.32; and
- 9,493,000 options under the SOSPS with an exercise price of \$13.26.

There were 13,216,000 shares issued during the year due to the exercise of options for a total consideration of \$91,205,310.

There are currently 44,682,594 options outstanding. The latest dates for exercise of these options range between January 2001 and September 2010 and the weighted average exercise price is \$9.27. Options issued under the GMSOP and the Chief Executive Share Option Agreement totalling 9,688,000 (weighted average exercise price \$10.46) are subject to performance requirements that will determine the particular proportion which may be exercised following the end of the performance period. The performance hurdles compare the total shareholder returns received by Westpac shareholders against those received by shareholders of a peer group over the performance period. The peer group will be the 50 largest industrial companies listed on the Australian Stock Exchange Limited at the time of the commencement of the performance period.

No person holding an option has or had, by virtue of the option, a right to participate in a share issue of any other body corporate.

Directors' report

Indemnities and insurance

Unless arising out of conduct involving a lack of good faith, under Westpac's Deed of Settlement (the "Deed"), the Parent Entity must indemnify, to the extent permitted by law, each director, secretary, executive officer and employee of members of the Group against:

- (i) any liability incurred by each such person in their capacity as director, secretary, executive officer or employee, as the case may be;
- (ii) any liability incurred:
 - (a) in defending civil or criminal proceedings in which judgment is given in their favour or in which they are acquitted;
 - (b) in connection with any application relating to any such proceedings in which relief is granted to them under the Corporations Law or the corresponding law of another jurisdiction where the Parent Entity carries on business; or
 - (c) in connection with any investigation of any kind relating to the affairs or conduct of the Parent Entity or any member of the Group in which they are examined or required to give evidence or produce documents.

Each of the directors named on pages 40 and 41 of this report and the secretary of the Parent Entity Ms I.R. Atlas, has the benefit of this indemnity, which extends to all directors, secretaries, executive officers and employees of each member of the Group.

Following shareholder approval at the 1999 Annual General Meeting, the Parent Entity has entered into a Deed of Access and Indemnity with each of the directors which includes indemnification in identical terms to that provided in the Deed.

Auditors of the Parent Entity are also indemnified under the Deed on terms identical to those set out in paragraph (ii) above.

No amount was paid under these indemnities during the financial year ended 30 September 2000 or since that date.

The Deed permits the Parent Entity to pay or agree to pay premiums in respect of any contract of insurance which insures any person who is or has been a director, secretary, executive officer or employee of any member of the Group against any liability incurred by that person in any such capacity and being a liability:

- (i) for costs and expenses in defending proceedings (whether civil or criminal), whatever their outcome; or
- (ii) not arising out of conduct involving a wilful breach of duty or which contravenes section 232(5) and (6) (now sections 182 and 183) of the Corporations Law.

The Parent Entity, on behalf of the Group, for the year ended 30 September 2000 arranged insurance cover in respect of amounts which the Parent Entity may have to pay under any of the indemnities set out above. The insurance policy prohibits disclosure of the premium payable and the nature of the liabilities covered.

Environmental disclosure

The operations of the Parent Entity are not subject to any particular and significant environmental regulation under any law of the Commonwealth of Australia or of any State or Territory thereof. The Parent Entity may, however, become subject to environmental regulation in enforcing securities over land for the recovery of loans.

The Parent Entity has not incurred any liability (including for rectification costs) under any environmental legislation.

Rounding of amounts

The Parent Entity is an entity to which ASIC Class Order 98/100 dated 10 July 1998, relating to the rounding of amounts in directors' reports and financial reports, applies. Amounts in this report and the accompanying financial report have been rounded to the nearest million dollars, unless indicated to the contrary.

Political donations

During the financial year ended 30 September 2000, donations and other contributions totalling \$302,500 were made to political parties as follows:

Party	Amount¹
Australian Labor Party	\$120,000
Liberal Party	\$140,000
National Party	\$41,000
Australian Democrats	\$1,500
	<hr/>
	\$302,500

¹ Represents aggregate amounts at both Federal and State/Territory levels and includes contributions made to political functions and events.

Directors' meetings

Each director attended the following meetings of the board of directors and committees of the board during the financial year which ended on 30 September 2000:

Name	Regular board meetings		Special board meetings		Board Audit and Compliance Committee		Board Credit and Market Risk Committee		Board Nominations Committee ³		Board Remuneration Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
J.A. Uhrig	10	10	3	3	5	3	4	3	2	–	9	7
L.A. Davis ¹	8	8	3	3	–	–	2	2	–	–	–	–
W.B.Capp	10	10	3	3	–	–	–	–	2	2	9	9
Sir Llewellyn Edwards	10	10	3	2	–	–	–	–	–	–	9	9
J.B. Fairfax	10	10	3	2	–	–	4	4	–	–	–	–
R.P. Handley	10	9	3	3	–	–	–	–	–	–	–	–
I. R. L. Harper	10	10	3	3	5	5	–	–	–	–	–	–
W. P. Hogan	10	10	3	3	–	–	4	4	2	2	–	–
H.A. Lynch	10	10	3	2	5	5	–	–	2	2	–	–
E. Mahlab	10	10	3	3	–	–	4	3	–	–	–	–
D.R. Morgan	10	10	3	3	–	–	–	–	–	–	–	–
J.P. Morschel	10	9	3	2	5	5	–	–	2	2	–	–
P.D. Ritchie ²	10	8	3	3	1	1	–	–	–	–	9	8
C.J. Stewart	10	10	3	3	–	–	4	4	–	–	–	–

Column A Indicates the number of meetings held during the period the director was a member of the board and/or relevant committee.

Column B Indicates the number of those meetings attended.

Whilst not shown above, executive directors and many non-executive directors who are not committee members also participated in scheduled board committee meetings, special board committee meetings and "round-robin" resolutions throughout the year.

1. Mr L.A. Davis was appointed to the board on 8 November 1999 and to the Board Credit and Market Risk Committee on 11 February 2000.

2. Mr P.D. Ritchie was appointed to the Board Audit and Compliance Committee on 3 May 2000.

3. The Board Nominations Committee was established on 2 March 2000.

Signed in accordance with a resolution of the board of directors.



J.A. Uhrig
Chairman

3 November 2000

Ten year summary

\$m (unless otherwise indicated)	2000	1999	1998	1997	1996
Profit and loss – year ended 30 September¹					
Net interest income	3,715	3,492	3,492	3,353	3,254
Fully tax equivalent gross up ²	169	127	128	127	68
Net interest income (including gross up)	3,884	3,619	3,620	3,480	3,322
Non-interest income	2,368	2,139	2,003	1,739	1,472
Operating income (including gross up)	6,252	5,758	5,623	5,219	4,794
Non-interest expenses	(3,503)	(3,434)	(3,392)	(3,228)	(3,049)
Operating profit before bad and doubtful debts (including gross up)	2,749	2,324	2,231	1,991	1,745
Bad and doubtful debts	(202)	(171)	(168)	(78)	(121)
Operating profit/(loss) before income tax and abnormal items (including gross up)	2,547	2,153	2,063	1,913	1,624
Fully tax equivalent gross up ²	(169)	(127)	(128)	(127)	(68)
Income tax attributable to operating profit/(loss)	(660)	(567)	(589)	(493)	(421)
Outside equity interests	(3)	(3)	(4)	(2)	(3)
Operating profit/(loss) after income tax before abnormal items (excluding gross up)	1,715	1,456	1,342	1,291	1,132
Abnormal items (net of tax)	–	–	(70)	–	–
Operating profit/(loss) after income tax attributable to equity holders	1,715	1,456	1,272	1,291	1,132
Balance sheet at 30 September¹					
Total assets	167,618	140,220	137,319	118,963	121,513
Loans	107,533	97,716	91,738	77,874	81,201
Acceptances	15,665	10,249	10,325	11,242	11,197
Deposits and public borrowings	89,994	85,546	83,164	72,636	74,886
Loan capital	4,892	2,692	2,523	1,895	2,199
Total equity	9,262	8,997	8,611	8,206	7,891
Total risk adjusted assets	114,816	102,592	97,430	87,133	86,503
Share information					
Earnings per share (cents):					
Before abnormals	88.8	77.0	70.1	70.0	58.9
After abnormals	88.8	77.0	66.4	70.0	58.9
Dividends per ordinary share (cents)	54.0	47.0	43.0	39.0	33.0
Net tangible assets per ordinary share (\$) ³	3.96	3.71	3.59	3.69	3.39
Share price (\$):					
High	12.97	12.06	11.45	9.10	6.59
Low	9.16	8.36	7.10	6.43	5.20
Close	12.75	9.45	9.28	8.70	6.54
Ratios					
Total equity to total assets (%)	5.5	6.4	6.3	6.9	6.5
Risk adjusted capital ratio (%)	9.9	9.2	9.3	10.5	10.8
Dividend payout ratio (%)	60.8	61.0	64.8	55.7	56.0
Return on average ordinary equity before abnormals (%)	18.4	16.8	15.5	17.0	14.6
Productivity ratio ⁴	3.53	3.17	3.30	2.97	2.77
Expense to income ratio (excluding amortisation of intangibles) (%)	54.5	57.9	58.4	60.7	62.9
Net interest margin	3.2	3.3	3.4	3.6	3.7
Economic Profit/(Loss) (\$m)	1,058	669	694	716	554
Other information					
Points of bank representation (number at period end)	1,375	1,625	1,832	1,547	1,788
Core full time equivalent staff (number at period end) ⁵	29,510	31,731	33,222	31,608	33,832

Notes

¹ The above profit and loss extracts for 2000, 1999 and 1998 and balance sheet extracts for 2000 and 1999 are derived from the consolidated financial statements included in this report, and for prior years are derived from consolidated financial statements previously published.

² We have entered into various tax effective financing transactions that derive income that is subject to either a reduced or zero rate of income tax. The impact of this is reflected in lower income tax expense and interest income. In order to provide improved comparability, this income is presented on a fully tax equivalent basis.

³ After deducting preference share capital and intangible assets.

⁴ Operating income (including gross up)/personnel costs excluding restructuring expenses.

⁵ Core full time equivalent staff includes pro-rata part time staff and excludes unpaid absences (e.g. maternity leave) and excludes temporary staff and contractors.

\$m (unless otherwise indicated)	1995	1994	1993	1992	1991
Profit and loss – year ended 30 September¹					
Net interest income	2,982	2,761	2,628	2,592	2,874
Fully tax equivalent gross up ²	45	62	86	88	141
Net interest income (including gross up)	3,027	2,823	2,714	2,680	3,015
Non-interest income	1,391	1,555	1,841	1,756	1,743
Operating income (including gross up)	4,418	4,378	4,555	4,436	4,758
Non-interest expenses	(2,654)	(2,637)	(2,629)	(3,169)	(3,070)
Operating profit before bad and doubtful debts (including gross up)	1,764	1,741	1,926	1,267	1,688
Bad and doubtful debts	(330)	(695)	(1,292)	(2,802)	(1,119)
Operating profit/(loss) before income tax and abnormal items (including gross up)	1,434	1,046	634	(1,535)	569
Fully tax equivalent gross up ²	(45)	(62)	(86)	(88)	(141)
Income tax attributable to operating profit/(loss)	(371)	(276)	(146)	548	(105)
Outside equity interests	(3)	(3)	(5)	(2)	3
Operating profit/(loss) after income tax before abnormal items (excluding gross up)	1,015	705	397	(1,077)	326
Abnormal items (net of tax)	(68)	–	(358)	(485)	150
Operating profit/(loss) after income tax attributable to equity holders	947	705	39	(1,562)	476
Balance sheet at 30 September¹					
Total assets	105,835	93,861	104,712	110,948	106,019
Loans	64,365	61,242	64,601	66,348	63,838
Acceptances	11,656	12,219	12,851	11,166	12,357
Deposits and public borrowings	58,198	54,925	57,669	60,261	60,280
Loan capital	2,881	2,929	3,333	3,261	2,611
Total equity	7,583	7,299	7,129	6,676	7,245
Total risk adjusted assets	74,930	72,567	82,777	94,904	92,322
Share information					
Earnings per share (cents):					
Before abnormals	53.5	36.0	21.1	–	26.6
After abnormals	49.8	36.0	0.9	–	39.5
Dividends per ordinary share (cents)	28.0	18.0	12.0	18.0	27.5
Net tangible assets per ordinary share (\$) ³	3.81	3.67	3.51	3.56	5.66
Share price (\$):					
High	5.51	5.55	4.20	5.05	4.92
Low	3.90	3.83	2.39	2.73	3.16
Close	5.36	4.20	3.94	2.85	4.47
Ratios					
Total equity to total assets (%)	7.2	7.8	6.8	6.0	6.8
Risk adjusted capital ratio (%)	13.9	13.8	12.3	9.7	10.4
Dividend payout ratio (%)	56.2	50.0	large	–	69.6
Return on average ordinary equity before abnormals (%)	13.0	9.8	5.7	–	6.6
Productivity ratio ⁴	n/a	n/a	n/a	n/a	n/a
Expense to income ratio (excluding amortisation of intangibles) (%)	59.9	60.1	57.4	71.2	64.5
Net interest margin	3.8	3.5	3.0	2.9	3.4
Economic Profit/(Loss) (\$m)	270	(24)	(581)	(2,148)	(96)
Other information					
Points of bank representation (number at period end)	1,547	1,616	1,827	1,946	1,968
Core full time equivalent staff (number at period end) ⁵	31,416	31,396	33,724	39,253	42,431

Notes

¹ The above profit and loss extracts for 2000, 1999 and 1998 and balance sheet extracts for 2000 and 1999 are derived from the consolidated financial statements included in this report, and for prior years are derived from consolidated financial statements previously published.

² We have entered into various tax effective financing transactions that derive income that is subject to either a reduced or zero rate of income tax. The impact of this is reflected in lower income tax expense and interest income. In order to provide improved comparability, this income is presented on a fully tax equivalent basis.

³ After deducting preference share capital and intangible assets.

⁴ Operating income (including gross up)/personnel costs excluding restructuring expenses.

⁵ Core full time equivalent staff includes pro-rata part time staff and excludes unpaid absences (e.g. maternity leave) and excludes temporary staff and contractors.

Concise financials

The financial statements and specific disclosures included in this Concise Financial Report have been derived from the Annual Financial Report of Westpac Banking Corporation and its controlled entities (the “consolidated entity”) and do not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Annual Financial Report for the year ended 30 September 2000.

A copy of Westpac Banking Corporation and its controlled entities 2000 Annual Financial Report including the independent audit report, is available and will be sent to any shareholder without charge upon request. The Annual Financial Report can be requested by phoning Australia 612 9226 3143 and can be accessed via the internet at www.westpac.com.au.

Management discussion and analysis of the profit and loss statements

We achieved an operating profit after income tax attributable to equity holders of \$1,715 million for the year ended 30 September 2000. This is an increase of 18% on 1999, building on the 14% growth (after abnormals) achieved from 1998 to 1999.

Net interest income increased by \$265 million or 7% to \$3,884 million on the prior year. During 2000:

- average interest earning assets grew by 11% due to the strong performance of our Australian business; and
- our net interest margin deteriorated 12 basis points to 3.15%.

Net interest income was flat in 1999 compared to 1998, with the growth in average interest earning assets offsetting the margin decline.

The application of the accounting standard AASB 1038 Life Insurance Business effective from 1 October 1999 has resulted in the recognition of life insurance non-interest income and expenses on a gross basis during the year. Also, in the first half of 2000, we restructured part of our financial services group and as a consequence, the financial services distribution business results were brought to account on a market value basis.

Non-interest income increased by \$229 million or 11% in 2000 from 1999 as compared to \$136 million or 7% in 1999 from 1998. The main contributors to growth in 2000 were:

- a \$110 million or 8% increase in net fees and commissions received mainly due to increased transaction fees and commissions from increased transaction activity and increased lending fees on higher loan volumes and improved collection rates;
- increased insurance and funds management income of \$315 million; and
- a decrease in the non-interest income component of financial markets income of \$110 million (total financial markets income was flat in 1999).

Non-interest expenses increased by \$69 million or 2% in 2000 from 1999. The current year included \$74 million of expenses recognised as a result of the adoption of accounting standard AASB 1038 Life Insurance Business. Normalising for this amount, 2000 expenses were flat. Non-interest expense growth in 1999 on 1998 was \$42 million (1%). Expense containment has been a key priority as evidenced by the improvement in our expense to income ratio before intangibles down to 54.5% from 57.9% in 1999 and 58.4% in 1998.

The 2000 charge for bad and doubtful debts of \$202 million represented an 18% increase from 1999's charge of \$171 million which, in turn, was up 2% from the \$168 million charge during 1998. The principal drivers for the net increase in 2000 were:

- a \$19 million provision raised to cover deteriorating credit conditions in Fiji and the Solomon Islands;
- an increase in the general provision of \$111 million reflecting the strong loan growth over the year; and
- continued benefit from lower levels of new specific provisions (down \$90 million).

The effective tax rates for all years 2000, 1999 and 1998 were below the Australian company tax rate of 36% due principally to the impact of lower overseas tax rates and certain non-taxable profits. During 2000 there were two points worth noting:

- in accordance with the requirements of the life insurance business accounting standard, our tax expense included \$68 million of tax expense in respect of income tax on life insurance policy holders' earnings; and
- the change in tax rate, from 36% to 30% over the next two years, has resulted in a tax charge of \$26 million due to the restatement of future income tax benefits and deferred tax liability balances.

Concise financials

Profit and loss statements

for the years ended 30 September
Westpac Banking Corporation and its controlled entities

	Note	2000 \$m	Consolidated 1999 \$m	1998 \$m
Interest income		10,291	8,348	8,896
Fully tax equivalent gross up ¹		169	127	128
Interest income (including gross up)		10,460	8,475	9,024
Interest expense		(6,576)	(4,856)	(5,404)
Net interest income (including gross up)		3,884	3,619	3,620
Non-interest income		2,368	2,139	2,003
Operating income (including gross up)		6,252	5,758	5,623
Non-interest expenses		(3,503)	(3,434)	(3,392)
Operating profit before bad and doubtful debts and abnormal items (including gross up)		2,749	2,324	2,231
Bad and doubtful debts		(202)	(171)	(168)
Operating profit before abnormal items (including gross up)		2,547	2,153	2,063
Abnormal items	2	-	-	(106)
Operating profit before income tax (including gross up)		2,547	2,153	1,957
Fully tax equivalent gross up ¹		(169)	(127)	(128)
Operating profit before income tax (excluding gross up)		2,378	2,026	1,829
Income tax attributable to operating profit		(660)	(567)	(589)
Income tax credit – abnormal items		-	-	36
Operating profit after income tax		1,718	1,459	1,276
Outside equity interests in operating profit after income tax		(3)	(3)	(4)
Operating profit after income tax attributable to equity holders of Westpac Banking Corporation		1,715	1,456	1,272
Retained profits at the beginning of the financial year		2,788	2,241	1,873
Aggregate of amounts transferred to reserves		(12)	(35)	(51)
Total available for appropriation		4,491	3,662	3,094
Dividends provided for or paid	3	(1,013)	(866)	(853)
Distributions on other equity instruments	3	(43)	(8)	-
Retained profits at the end of the financial year		3,435	2,788	2,241
Earnings (in cents) per ordinary share:				
Basic – before abnormals		88.8	77.0	70.1
Basic – after abnormals		88.8	77.0	66.4
Fully diluted – before abnormals		87.7	76.1	68.0
Fully diluted – after abnormals		87.7	76.1	64.5

¹ The Group has entered into various tax effective financing transactions that derive income that is subject to either a reduced or zero rate of income tax. The impact of this is reflected in lower income tax expense and interest income. In order to provide improved comparability, this income is presented on a fully tax equivalent basis.

Management discussion and analysis of balance sheets

Assets increased by \$27 billion to \$168 billion in 2000 compared to an increase of \$3 billion last year. The growth in 2000 was largely driven by a 14% growth in lending assets. Significant asset movements in 2000 were:

- loans increased by \$10 billion to \$108 billion in 2000 from 1999. This was primarily due to higher credit card outstandings in Australia and New Zealand and a \$7 billion increase in housing loan levels in Australia;
- trading securities fell by \$2 billion to \$7 billion in 2000 from 1999;
- life insurance investment assets of \$7.5 billion were reported in 2000 for the first time; and
- the increase in other assets predominantly related to other financial markets assets, and was due to an increase in the volume and the revaluation of off-balance sheet instruments, driven by the movement in the value of the Australian dollar against the United States dollar during the year. This is the reverse of the position in 1999.

The growth in our assets was funded in part by a \$4 billion growth in deposits and public borrowings and a \$4 billion growth in bonds, notes and commercial paper liabilities. Other financial markets liabilities rose significantly in 2000, due to an increase in the volume and the revaluation of off-balance sheet instruments due to exchange rate movements. Life insurance policy liabilities of \$7 billion were reported in 2000 for the first time.

Our equity increased by \$0.3 billion in 2000 from \$9 billion in 1999. The 2000 increase reflects the issue of \$0.5 billion in New Zealand Class shares plus accumulated earnings, partially offset by the net impact of share buy-backs and dividends in the year. The 1999 increase reflects the TOPrS issue we made to United States' investors.

We maintained a strong capital position with Tier 1 and total capital ratios being 6.6% and 9.9% respectively (1999 7.0% and 9.2%). The minimum regulatory requirements are 4.0% and 8.0% respectively.

Concise financials

Balance sheets

as at 30 September

Westpac Banking Corporation and its controlled entities

	Note	Consolidated 2000 \$m	1999 \$m
Assets			
Cash and balances with central banks		836	345
Due from other financial institutions		3,325	4,006
Trading securities		7,174	9,057
Investment securities		2,731	2,208
Loans		107,533	97,716
Acceptances of customers		15,665	10,249
Life insurance investment assets		7,547	–
Regulatory deposits with central banks overseas		620	398
Fixed assets		1,175	1,527
Other assets		21,012	14,714
Total assets		167,618	140,220
Liabilities			
Due to other financial institutions		3,972	3,562
Deposits and public borrowings		89,994	85,546
Bonds, notes and commercial paper		19,203	14,910
Acceptances		15,665	10,249
Life insurance policy liabilities		6,991	–
Other liabilities		17,639	14,264
Total liabilities excluding loan capital		153,464	128,531
Loan capital			
Subordinated bonds, notes and debentures		4,175	2,030
Subordinated perpetual notes		717	662
Total loan capital		4,892	2,692
Total liabilities		158,356	131,223
Net assets		9,262	8,997
Equity			
Share capital	5	2,258	1,853
Trust originated preferred securities (TOPRS sm)	5	465	465
Reserves		3,099	3,888
Retained profits		3,435	2,788
Equity attributable to equity holders of Westpac Banking Corporation		9,257	8,994
Outside equity interests in controlled entities		5	3
Total equity		9,262	8,997

Statement of cash flows

for the years ended 30 September

Westpac Banking Corporation and its controlled entities

	2000 \$m	Consolidated 1999 \$m	1998 \$m
Cash flows from operating activities			
Interest received	10,135	8,345	9,035
Interest paid	(6,232)	(5,018)	(5,161)
Dividends received	43	35	15
Other non-interest income received	655	2,954	747
Non-interest expenses paid	(3,174)	(3,091)	(2,772)
Net (increase)/decrease in trading securities	764	(2,204)	484
Income tax paid	(497)	(520)	(360)
Life insurance:			
receipts from policyholders and customers	3,366	–	–
interest and other items of similar nature	135	–	–
dividends received	430	–	–
payments to policyholders and suppliers	(3,428)	–	–
income tax paid	(27)	–	–
Net cash provided by operating activities	2,170	501	1,988
Cash flows from investing activities			
Proceeds from sale of investment securities	1,441	147	928
Proceeds from matured investment securities	94	148	52
Purchase of investment securities	(1,907)	(444)	(656)
Proceeds from securitised loans	245	2,568	3,190
Net (increase)/decrease in:			
loans	(11,312)	(11,124)	(7,811)
due from other financial institutions	778	(898)	960
regulatory deposits with central banks overseas	(135)	752	(106)
life insurance investment assets	(118)	–	–
other assets	410	(554)	1,191
Purchase of fixed assets	(418)	(362)	(398)
Proceeds from disposal of fixed assets	525	119	273
Controlled entities (acquired)/disposed (net of cash held)	139	58	(174)
Net cash used in investing activities	(10,258)	(9,590)	(2,551)
Cash flows from financing activities			
Issue of loan capital	1,924	460	350
Redemption of loan capital	(112)	(147)	(94)
Proceeds from issue of shares	91	95	89
Proceeds from issue of NZ Class shares, net of issue costs of \$16m	279	–	–
Buyback of shares	(1,273)	(933)	(1,306)
Proceeds from issue of TOPrS, net of issue costs paid of \$20m	–	465	–
Net increase/(decrease) in:			
due to other financial institutions	379	(266)	(800)
deposits and public borrowings	3,909	5,113	1,131
other liabilities	179	419	(126)
bonds, notes and commercial paper	3,962	4,450	2,109
Payment of distributions and dividends	(761)	(627)	(708)
Payment of dividends to outside equity interests	(3)	(4)	(1)
Net cash provided by financing activities	8,574	9,025	644
Net increase/(decrease) in cash and cash equivalents	486	(64)	81
Effect of exchange rate changes on cash and cash equivalents	5	6	1
Cash and cash equivalents at beginning of year	345	403	321
Cash and cash equivalents at year end	836	345	403

Concise financials

Note 1. Summary of significant accounting principles and policies

This Concise Financial Report has been derived from or is consistent with the Annual Financial Report of Westpac Banking Corporation ("Westpac") and its controlled entities ("the Group"), for the year ended 30 September 2000, which complies with Australian Accounting Standards, other mandatory professional reporting requirements, the provisions of the Deed of Settlement and the Bank of New South Wales Act of 1850 (as amended). These requirements have been applied in a manner authorised for an authorised deposit-taking institution under the Banking Act 1959 (as amended) and, so far as considered appropriate to Westpac Banking Corporation, in accordance with the requirements of the Corporations Law.

This Concise Financial Report has been prepared in accordance with Accounting Standard AASB 1039 Concise Financial Reports and the relevant provisions of the Corporations Law.

A full description of the accounting policies adopted by Westpac is provided in the 2000 Annual Financial Report.

Comparative information is restated where appropriate to enhance comparability.

Change in accounting policy

Life insurance accounting

Effective 1 October 1999 AASB 1038 Life Insurance Business became operative to Westpac. The standard has resulted in the consolidation of all life insurance assets, liabilities, revenues and expenses. Assets of the life insurance operations are measured at net market value and all liabilities at net present value. In addition, the standard requires that investments in controlled entities held by the life insurance company are subject to revaluation each reporting period, so that the investment is carried at net market value. The excess of net market value of an interest in a controlled entity of the life company over the net amount of the controlled entity's recognised net assets must be recognised in the consolidated financial statements with any subsequent movements included in the profit and loss statement. The initial application of the accounting standard has resulted in an increase in the Group assets and liabilities of \$7 billion. There was no adjustment to opening retained earnings.

Prior to 1 October 1999 the Group's interest in the profits of the life insurance statutory funds were included in the consolidated profit and loss statement in accordance with the 'Margin on Services' methodology for the valuation of policy liabilities under Actuarial Standard 1.02 'Valuation Standard' issued by the Life Insurance Actuarial Standards Board.

At 1 February 2000 the Westpac Financial Services (WFS) Group was restructured. The Group's life insurance controlled entity acquired an existing controlled entity to manage the financial services origination business. In accordance with AASB 1038 this investment is brought to account on a market value basis. This restructure and the application of AASB 1038 has resulted in an increase in profit after tax of \$59 million.

Note 2. Abnormal items

The abnormal item in the year ended 30 September 1998, principally related to a program of major improvements to Westpac's distribution network in Australia, providing customers and staff with an enhanced environment in which the Group's broad range of financial services could be more effectively delivered. This progressive approach to improving service delivery involved the introduction of new sales and service outlets and the refurbishment and restructure of existing network outlets. An abnormal expense of \$106 million was recognised principally in respect of the program, with an applicable income tax credit of \$36 million. The net effect of the abnormal item on operating profit after income tax was \$70 million.

Note 3. Dividends and distributions provided for or paid

	2000 \$m	Consolidated 1999 \$m	1998 \$m
Converting preference share dividends provided for or paid (fully franked at 36%)	–	–	24
Ordinary dividends			
Interim ordinary dividend paid:			
Ordinary shares 26 cents per share; 1999 23 cents per share; 1998 21 cents per share (all fully franked at 34%, 36% and 36% respectively)	475	426	388
New Zealand Class shares 26 cents per share (fully imputed) ¹	13	–	–
(Over)/under provision of dividend in prior year ²	13	(5)	23
Final ordinary dividend provided for:			
Ordinary shares 28 cents per share (fully franked at 34%); 1999 24 cents per share (unfranked); 1998 22 cents per share (fully franked at 36%)	497	445	418
New Zealand Class shares 28 cents per share (fully imputed) ¹	15	–	–
Total ordinary dividends provided for or paid	1,013	866	829
Total dividends provided for or paid	1,013	866	853

¹ The New Zealand Class shares were issued by a controlled entity on 12 October 1999.

² The 2000 under provision for the Group includes an amount of \$14 million which relates to the final ordinary dividends paid on New Zealand Class shares. In 1998 the under provision relates to the final ordinary dividend paid on shares issued to shareholders of Bank of Melbourne Limited as part consideration for the acquisition of that bank.

Distributions on other equity instruments

Distributions paid or provided for:

TOPrS	43	8	–
Total distributions on other equity instruments	43	8	–

Franking account balance

Franking account balance at the end of the financial year at 34% (1999 36%)	(110)	(173)
Franking credits arising from payment of current income tax payable	350	102
Franking credits utilised for payment of proposed final dividend	(497)	–
Adjusted franking account balance at the end of the financial year at 34% (1999 36%)	(257)	(71)

We anticipate that sufficient franking credits will arise by 30 June 2001 so that the franking account balance will not be in deficit as at 30 June 2001 which is Westpac's franking account year end. At 30 June 2000 there was no deficit in Westpac's franking account.

Where dividends are franked in future years these will be met principally out of franking credits arising in each of those subsequent years.

Concise financials

Note 4. Group segment information

Segmentation of assets, revenue and profit is based on the location of the office in which these items are booked. Intersegment pricing is determined on an arm's length basis. The Group operates predominantly in the financial services industry.

	2000		1999		1998	
	\$m	%	\$m	%	\$m	%
Geographic segments						
Assets						
Australia	133,758	79.8	110,554	78.9	104,354	76.0
New Zealand	24,973	14.9	22,748	16.2	23,799	17.3
Pacific Islands	861	0.5	696	0.5	1,786	1.3
Asia	2,141	1.3	2,445	1.7	2,992	2.2
Americas	2,660	1.6	2,236	1.6	2,439	1.8
Europe	3,225	1.9	1,541	1.1	1,949	1.4
Total	167,618	100.0	140,220	100.0	137,319	100.0
Operating revenue from outside the Group (excluding gross up)						
Australia	10,050	79.4	8,014	76.4	7,626	70.0
New Zealand	1,987	15.7	1,838	17.5	2,538	23.3
Pacific Islands	125	1.0	179	1.7	224	2.1
Asia	116	0.9	135	1.3	204	1.9
Americas	165	1.3	153	1.5	125	1.1
Europe	216	1.7	168	1.6	182	1.6
Total	12,659	100.0	10,487	100.0	10,899	100.0
Intersegment operating revenue						
Australia	97	6.8	73	7.0	129	11.2
New Zealand	76	5.3	13	1.2	5	0.4
Pacific Islands	12	0.8	18	1.7	25	2.2
Asia	88	6.2	93	8.9	193	16.7
Americas	696	48.7	483	46.3	465	40.3
Europe	461	32.2	364	34.9	337	29.2
Total	1,430	100.0	1,044	100.0	1,154	100.0
Operating profit/(loss) before abnormal items and income tax (excluding gross up)						
Australia	1,743	73.4	1,503	74.2	1,472	76.1
New Zealand	379	15.9	335	16.5	320	16.5
Pacific Islands	60	2.5	72	3.6	83	4.3
Asia	36	1.5	25	1.2	(65)	(3.4)
Americas	88	3.7	74	3.7	54	2.8
Europe	72	3.0	17	0.8	71	3.7
Total	2,378	100.0	2,026	100.0	1,935	100.0
Operating profit/(loss) after income tax attributable to equity holders of Westpac Banking Corporation						
Australia	1,161	67.7	1,081	74.2	963	75.7
New Zealand	329	19.2	230	15.8	211	16.6
Pacific Islands	45	2.6	46	3.2	62	4.9
Asia	32	1.9	18	1.2	(76)	(6.0)
Americas	76	4.4	64	4.4	41	3.2
Europe	72	4.2	17	1.2	71	5.6
Total	1,715	100.0	1,456	100.0	1,272	100.0

Note 5. Equity

On 12 October 1999 a controlled entity, WestpacTrust Investments Limited (WestpacTrust Investments) issued 54,393,306 NZ Class shares. A first instalment of NZ\$7.20 (A\$5.66) per NZ Class share was received on application and the total received was NZ\$392 million (A\$308 million). A second instalment of NZ\$4.75 (A\$3.74) per NZ Class share is to be paid by 20 December 2000 and the total to be received is NZ\$258 million (A\$203 million). The NZ Class shares have been recorded at the total of the first instalment and the present value of the second instalment, net of issue costs. The directors of WestpacTrust Investments have the discretion to declare dividends on the NZ Class shares. However, the constitution of WestpacTrust Investments requires that where a dividend is declared by the company, the dividend must equal the cash dividend paid on one Westpac ordinary share, adjusted by the conversion ratio (the Exchange Fraction) and converted into NZ dollars pursuant to the Exchange Deed. The holders of the NZ Class shares have limited voting rights in WestpacTrust Investments. They do not have direct voting rights in Westpac, however, a special purpose company has been established to hold Enhanced Voting Shares in Westpac, and will vote those Enhanced Voting Shares in accordance with the indications of the NZ Class shareholders.

The NZ Class shares can be exchanged for ordinary shares in Westpac, upon the occurrence of certain limited events which may result in a compulsory exchange, an exchange at the option of Westpac or an exchange at the option of the NZ Class shareholder. The Exchange Fraction is initially one Westpac share for each NZ Class share. However, the Exchange Fraction will be adjusted for subsequent bonus issues, share splits or consolidations and rights issues where such an activity by either Westpac or WestpacTrust Investments has not been mirrored by the other. The exchange events include a takeover of Westpac, change in laws which adversely affect the rights of the NZ Class shareholders, failure to pay a dividend on NZ Class shares equivalent to Westpac ordinary share dividend as adjusted by the Exchange Fraction, or commencement of liquidation, statutory management or administration of either Westpac or WestpacTrust Investments.

On 16 July 1999, a wholly-owned entity Westpac Capital Trust I (Capital Trust) issued 12,900,000 TOPrS at US\$25 each with a non-cumulative quarterly distribution (31 March, 30 June, 30 September and 31 December) in arrears at the annual rate of 8%. The sole assets of the Capital Trust comprise 12,900,040 Funding TOPrS issued by a wholly-owned entity, the Tavarua Funding Trust I (Funding Trust) totalling US\$322,501,000. The Funding TOPrS have an issue price of US\$25 each with a non-cumulative quarterly distribution in arrears at the annual rate of 8%. The Funding Trust has issued common securities with a total price of US\$1,000 to Westpac Funding Holdings Pty Limited. The sole assets of the Funding Trust comprise a NZ\$611,724,203 convertible debenture of the Parent Entity.

The holders of the convertible debenture, Funding TOPrS and TOPrS do not have an option to require redemption of these instruments. For further information refer to the 2000 Annual Financial Report.

Note 6. Events subsequent to balance date

On 12 October 2000 we announced that we had selected IBM Global Services Australia as the preferred supplier to manage our core banking technology platforms. It is not expected that there will be any adverse impact on the carrying value of any non-current assets as a result of this agreement.

Concise financials

Directors' Declaration

In accordance with a resolution of the directors of Westpac Banking Corporation ("the Parent Entity"), the directors declare that the accompanying Concise Financial Report of the consolidated entity, for the year ended 30 September 2000, set out on pages 58 to 67:

- a) has been derived from or is consistent with the Annual Financial Report for the financial year; and
- b) complies with Accounting Standard AASB 1039 Concise Financial Reports.

Dated at Sydney this 3rd day of November 2000.

For and on behalf of the Board.



J.A. Uhrig
Chairman



D.R. Morgan
Managing Director and
Chief Executive Officer

Independent Audit Report

to the Shareholders of Westpac Banking Corporation

Matters relating to the electronic presentation of the Audited Financial Report

This audit report relates to the Concise Financial Report of Westpac Banking Corporation ("the Parent Entity") for the financial year ended 30 September 2000 included on Westpac Banking Corporation's web site. The Parent Entity's directors are responsible for the integrity of the Westpac Banking Corporation's web site. We have not been engaged to report on the integrity of this web site. The audit report refers only to the Concise Financial Report identified below. It does not provide an opinion on any other information which may have been hyperlinked to/from the Concise Financial Report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited Concise Financial Report to confirm the information included in the audited Concise Financial Report presented on this web site.

Scope

We have audited the Concise Financial Report of Westpac Banking Corporation ("the Parent Entity") and its controlled entities for the financial year ended 30 September 2000 as set out on pages 58 to 68, in order to express an opinion on it to the members of the Parent Entity. The Parent Entity's Directors are responsible for the Concise Financial Report.

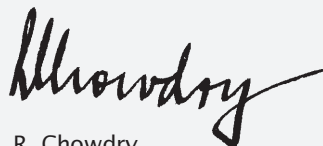
Our audit has been conducted in accordance with Australian Generally Accepted Auditing Standards to provide reasonable assurance as to whether the Concise Financial Report is free of material misstatement. We have also performed an independent audit of the Annual Financial Report of Westpac Banking Corporation and its controlled entities for the financial year ended 30 September 2000. Our audit report on the Annual Financial Report was signed on 3 November 2000, and was not subject to any qualification.

Our procedures in respect of the audit of the Concise Financial Report included testing that the information included in it is consistent with the Annual Financial Report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis and other disclosures which were not directly derived from the Annual Financial Report. These procedures have been undertaken to form an opinion as to whether the Concise Financial Report complies with Australian Accounting Standard AASB 1039 Concise Financial Reports in that, in all material respects, it is presented fairly in accordance with that standard.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the Concise Financial Report of Westpac Banking Corporation and its controlled entities for the year ended 30 September 2000 complies with Accounting Standard AASB 1039 Concise Financial Reports.



R. Chowdry



M.J. Codling

Chartered Accountants
Sydney, Australia

3 November 2000

Shareholder information

Annual General Meeting

The meeting will be held in the Tumbalong Auditorium, Sydney Convention Centre South, Darling Drive, Darling Harbour, Sydney, NSW on 15 December 2000 at 1.30pm.

Shareholders' calendar

Record Date for final dividend	6 December 2000
Record Date for final dividend (New York)	5 December 2000
Annual General Meeting	15 December 2000
Final dividend payable	2 January 2001
Half year end	31 March 2001
Interim results and dividend announcement	4 May 2001
Record Date for interim dividend	14 June 2001*
Record Date for interim dividend (New York)	13 June 2001*
Interim dividend payable	6 July 2001*
Year end	30 September 2001
Final results and dividend announcement	2 November 2001
Record Date for final dividend	5 December 2001**
Record Date for final dividend (New York)	4 December 2001**
Annual General Meeting	13 December 2001#
Final dividend payable	2 January 2002**

* Dates will be confirmed at the time of announcing 2001 interim results

** Dates will be confirmed at the time of announcing 2001 final results.

Details regarding the date of this meeting and the business to be dealt with, will be contained in the separate Notice of Meeting sent to shareholders in November 2001.

Voting rights

Ordinary shares

On a show of hands, each shareholder present in person, each proxy who is not a shareholder and each duly appointed corporate representative who is not a shareholder, shall have one vote.

On a poll, each shareholder shall have:

- one vote for each fully paid share held; and
- one vote for each one hundred shares held which are paid to one cent.

Dividends payment

Holders of shares traded on Australian Stock Exchange Limited may elect, by written notification to the Share Registry in Sydney to:

- receive their Westpac ordinary share dividends by cheque or by direct credit to an account with Westpac or any other bank in Australia, New Zealand, or the United Kingdom, or with any building society or credit union in Australia. Any change to direct credit details should be notified to the Share Registry in Sydney, promptly, in writing; or

- if they are resident in, or their address on the register of shareholders is in, Australia or New Zealand, have the dividends on some or all of their ordinary shares automatically reinvested in additional shares by participating in the Dividend Reinvestment Plan. Full details of the Plan can be obtained from the Share Registry in Sydney.

Stock exchange listings

Westpac ordinary shares are listed on:

Australian Stock Exchange Limited (code WBC), New York Stock Exchange (code WBK), Tokyo Stock Exchange and New Zealand Stock Exchange.

Limit on size of shareholdings

Under the Deed of Settlement, no person (including corporations) may hold more than 10% of the total number of ordinary shares allotted unless the Board of Directors is satisfied that it is in the interest of Westpac to allow some greater percentage not exceeding 15% in all and that the person is not precluded by the Banks (Shareholdings) Act from owning ordinary shares accordingly.

Shareholder information

Sources of information for shareholders

Annual Report

We are providing our report to shareholders in two parts:

- a Concise Annual report; and
- an Annual Financial Report.

Both parts will be lodged with the Australian Stock Exchange Limited (ASX) and the Australian Securities and Investments Commission (ASIC) and are available on www.westpac.com.au.

The main source of information is the Concise Annual Report which is mailed to shareholders in November.

Shareholders who do not wish to receive the Concise Annual Report, or who are receiving more than one copy, or who wish to also receive an Annual Financial Report, should notify the Share Registry in Sydney in writing, including the shareholder number with the notification. Irrespective of individual elections regarding receipt of an Annual Report, all shareholders will continue to receive all other shareholder information.

Share registries

For information about your shareholding you should contact the appropriate share registry. In the case of the Australian registry, this information is also available via a link on the Westpac Internet site. Any changes to your address should be notified to the registry in writing.

Addresses and phone numbers for the Share Registries can be found on the inside back cover.

Other information

Other sources of information produced during the year include:

- an annual Summary of Performance published in Japanese for shareholders in Japan;
- a review of the half yearly performance mailed to shareholders with dividend statements in July;
- documents lodged from time to time in the USA to comply with that country's regulatory requirements (such documents are submitted concurrently to Australian Stock Exchange Limited); and
- annual reports and information booklets produced by controlled entities and operating divisions of Westpac Banking Corporation.

Westpac's internet address

<http://www.westpac.com.au>

The Investor Information section on our website provides key information about investing in Westpac Banking Corporation shares, including financial results, contacts, and descriptions of Westpac's businesses. It also has a link to the Australian share registry for information about your shareholding.

Top twenty ordinary shareholders at 4 October 2000

	Number of fully paid ordinary shares	% held
Chase Manhattan Nominees Ltd	257,968,796	14.53
National Australia Trustees Limited	147,300,000	8.29
National Nominees Ltd	134,385,282	7.57
Westpac Custodian Nominees Ltd	103,558,280	5.83
ANZ Nominees Ltd	56,935,989	3.20
MLC Limited	33,031,737	1.86
Citicorp Nominees Pty Limited	32,881,208	1.85
Permanent Trustee Australia Limited	32,190,395	1.83
Queensland Investment Corporation	29,541,313	1.66
Mercantile Mutual Life Insurance Company Limited	20,279,184	1.14
Perpetual Nominees Limited	19,992,999	1.13
Commonwealth Custodial Services Limited	19,495,009	1.09
Perpetual Trustees Nominees Ltd	17,027,898	0.96
HSBC Custody Nominees (Australia) Limited	16,491,206	0.93
AMP Life Limited	15,167,531	0.85
NRMA Nominees Pty Limited	13,167,168	0.74
Cede & Co	12,725,105	0.72
AMP Nominees Pty Limited	11,714,376	0.66
Australian Foundation Investment Company Limited	10,413,384	0.59
BTM Nominees (Australia) Pty Ltd	7,346,350	0.41
	991,613,210	55.84

Top twenty shareholders hold 55.84 per cent of total fully paid ordinary shares issued.

Substantial shareholders as at 4 October 2000

Shareholders appearing on the Register of Substantial Shareholders as at 4 October 2000 are:

	Number of shares held	% of shares held
Fully Paid Ordinary Shares		
Australian Mutual Provident Society (and its associates) (by notice dated 10 November 1998)	220,364,227	11.60
The Capital Group of Companies (by notice dated 19 January 2000)	171,233,042	9.27

Analysis of shareholdings as at 4 October 2000

By class:	Ordinary shares fully paid	%	No. of ordinary shares (000s)	%	Ordinary shares partly paid to 01¢	*Options to subscribe for ordinary shares
1 – 1,000	95,287	50.5	38,848	2.2	–	–
1,001 – 5,000	70,020	37.2	157,804	8.9	–	56
5,001 – 10,000	13,223	7.0	93,141	5.2	3	137
10,001 – 100,000	9,440	5.0	204,134	11.5	2	546
100,001 & over	491	0.3	1,281,967	72.2	–	88
Totals	188,461	100.0	1,775,894	100.0	5	827

*Issued under Senior Officers' Share Purchase Scheme, General Management Share Option Plan or Chief Executive Share Option Agreement.

Percentage of total securities held by Top 20 holders in each class	55.84	100.00	22.4
Holdings less than a marketable parcel	14,670		

By domicile:	*Number of holdings	% of holdings	Number of issued shares and options (000s)	% of issued shares and options
Australia	175,620	92.78	1,768,819	97.15
New Zealand	8,862	4.68	20,709	1.14
United Kingdom	1,761	0.93	5,521	0.30
Japan	1,463	0.77	4,131	0.23
United States	529	0.28	16,385	0.90
Other Overseas	1,058	0.56	5,057	0.28
Totals	189,293	100.00	1,820,622	100.00

*Some registered holders own more than one class of security.

Directory

Australia

Head Office

60 Martin Place
Sydney NSW 2000
Telephone (02) 9226 3311
Facsimile (02) 9226 4128

Australian Capital Territory

Level 5, 1 Farrell Place
Canberra City ACT 2601
Telephone (02) 6275 5285
Facsimile (02) 6275 5259

Victoria

Bank of Melbourne
360 Collins Street
Melbourne Vic 3000
Telephone (03) 9608 3222
Facsimile (03) 9608 3700

Queensland

260 Queen Street
Brisbane Qld 4000
Telephone (07) 3227 2222
Facsimile (07) 3227 2043

South Australia

Level 6
2 King William Street
Adelaide SA 5000
Telephone (08) 8210 3311
Facsimile (08) 8210 3673

Northern Territory

Level 2, 5 Shepherd Street
Darwin NT 0800
Telephone (08) 8946 1781
Facsimile (08) 8941 6498

Western Australia

Challenge Bank
109 St George's Terrace
Perth WA 6000
Telephone (08) 9426 2211
Facsimile (08) 9382 5302

Tasmania

28 Elizabeth Street
Hobart Tas 7000
Telephone (03) 6230 4491
Facsimile (03) 6230 4494

Asia

Hong Kong

Rm. 3303-05
Two Exchange Square
8 Connaught Place
Central, Hong Kong
Telephone (852) 2842 9888
Facsimile (852) 2840 0591

Japan

Level 8 Imperial Tower
1-1-1 Uchisaiwai-cho
Chiyoda-ku Tokyo 100-0011
Japan
Telephone (813) 3501 4101
Facsimile (813) 3501 4100

People's Republic of China

Suite K, 22/F, Room 2210
SCITECH Tower
22 Jianguomenwai Avenue
Beijing
People's Republic of China
Telephone (86 10) 6512 3465
Facsimile (86 10) 6512 3780

Republic of Indonesia

12th Floor Lippo Plaza
Jalan Jend Sudirman Kav 33-A
Jakarta 10220
Indonesia
Telephone (62 21) 574 3719
Facsimile (62 21) 574 3720

Republic of Singapore

#19-00 SIA Building
77 Robinson Road
Singapore 068896
Singapore
Telephone (65) 530 9898
Facsimile (65) 532 3781

Thailand

Unit E, 8th Floor,
Kamol Sukosol Building
317 Silom Road
Bangkok 10500
Thailand
Telephone (66 2) 234 2650
Facsimile (66 2) 234 2996

Europe

United Kingdom

63 St Mary Axe
London EC3A 8LE
England
Telephone (44 207) 621 7000
Facsimile (44 207) 623 9428

New Zealand

WestpacTrust
318-324 Lambton Quay
Wellington New Zealand
Telephone (64 4) 498 1000
Facsimile (64 4) 498 1158

WestpacTrust Financial Services
Level 10,
Cnr Manners and Willis Streets
Wellington New Zealand
Telephone (64 4) 801 1000
Facsimile (64 4) 801 1108

Pacific Banking

Headquarters

Level 5
60 Martin Place
Sydney NSW 2000
Telephone (02) 9226 3416
Facsimile (02) 9226 1390

Cook Islands

Main Road Avarua
Rarotonga
Cook Islands
Telephone (682) 22014
Facsimile (682) 20802

Fiji

Chief Manager's Office
6th Floor Civic House
Town Hall Road
Suva Fiji
Telephone (679) 30 0666
Facsimile (679) 30 0718

Republic of Kiribati

Bank of Kiribati Limited
Bairiki Tarawa
Republic of Kiribati
Telephone (686) 21095
Facsimile (686) 21200

Niue

Main Street Alofi
Niue Island
Telephone (683) 4221
Facsimile (683) 4043

Samoa

Pacific Commercial Bank Limited
Beach Road Apia
Samoa
Telephone (685) 20000
Facsimile (685) 22848

Solomon Islands

National Provident Fund Building
721 Mendana Avenue
Honiara
Solomon Islands
Telephone (677) 21222
Facsimile (677) 23419

Tonga

Bank of Tonga
Railway Road Nuku'alofa
Tonga
Telephone (676) 23933
Facsimile (676) 23634

Vanuatu

Kumul Highway Port Vila
Vanuatu
Telephone (678) 22084
Facsimile: (678) 24773

Papua New Guinea

Westpac Bank-PNG-Limited
5th Floor Mogoru Moto Building
Champion Parade
Port Moresby
Papua New Guinea
Telephone (675) 322 0800
Facsimile (675) 321 3367

United States of America

575 Fifth Avenue, 39th Floor
New York
NY 10017-2422
USA
Telephone (1 212) 551 1800
Facsimile (1 212) 551 1999

Westpac Financial Services Group Limited

Level 36
60 Margaret Street
Sydney NSW 2000
Telephone (02) 9226 2900
Facsimile (02) 9220 9020

Australian Guarantee Corporation Limited

Level 6 AGC House
60 Carrington Street
Sydney NSW 2000
Telephone (02) 8234 4455
Facsimile (02) 8234 4477

Useful information for shareholders and customers

Share Registries

For information about your shareholding you should contact the appropriate share registry. In the case of the Australian registry, this information is also available via a link on the Westpac Internet site. Any changes to your address should be notified to the registry in writing.

Australia

Computershare Registry
Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW
GPO Box 7045
Sydney NSW 1115
Shareholder Service line
Telephone: (02) 8234 5222 or
1800 804 255
(toll free in Australia)
Facsimile: (02) 8234 5050

New Zealand

Computershare Registry Services Ltd
Level 3, 277 Broadway
Newmarket Auckland
Private Bag 92119
Auckland 1020 New Zealand
Telephone: (64 9) 522 0022
Facsimile: (64 9) 522 0058

Depository in USA for American Depository Shares (ADS)* listed on New York Stock Exchange (code WBK – CUSIP 961214301)

Morgan Guaranty Trust Company
60 Wall Street, New York NY
10260-0060, USA
Telephone: (1 212) 648 3213
Facsimile: (1 212) 648 5104

*Each ADS equals five, fully paid ordinary shares

Paying and share handling agent in Japan for shares listed on Tokyo Stock Exchange

The Mitsubishi Trust and
Banking Corporation
1-7-7 Nishi-Ikebukuro, Toshima-ku
Tokyo 171, Japan
Telephone: (81 3) 5391 7029
Facsimile: (81 3) 5391 1911

Westpac Investor Relations

Further information other than that relating to your shareholdings can be obtained from:

Group Investor Relations
Level 25, 60 Martin Place
Sydney NSW 2000 Australia
Australia
Telephone: (02) 9226 3143
Facsimile: (02) 9226 1539
Overseas
Telephone: 61 2 9226 3143
Facsimile: 61 2 9226 1539

Westpac's Internet site

www.westpac.com.au provides information for shareholders and customers, and is the gateway to Westpac's internet banking and broking services. The site also provides information on Westpac's products, economic updates, community sponsorships and support activities, media releases, and other information relating to Westpac's 183 year history.

The **Investor Information** section on the site provides key information about investing in Westpac Banking Corporation shares, including financial results, contacts, and descriptions of Westpac's businesses. It also has a link to the Australian share registry for information about your shareholding.

Banking and Financial Services

Australia

Account enquiries and general information
– personal customers
– business customers
Home loan enquiries
Cardholder enquiries and lost/stolen cards
ATM enquiries and service difficulties
Financial Services

Westpac

13 2032
13 2142
13 1900
1300 651 089
1800 022 022
13 1817

Bank of Melbourne

13 2575
13 1919
13 1575
1300 651 089
1800 022 022
13 1817

Challenge Bank

13 1862
13 2885
13 1900
1800 061 547
1800 022 022
13 1817

New Zealand

Customer service
Cardholder enquiries and lost/stolen cards
Financial Services
Phone Banking
Home Loans
Business Team

WestpacTrust

0800 400 600
0800 888 111
0800 738 641
0800 172 172
0800 177 277
0800 177 377