

The Westpac Capital Notes are being offered in Australia only. This media release does not constitute an offer of securities for sale in the United States, and the Westpac Capital Notes may not be offered or sold in the United States.

MEDIA RELEASE

30 January 2013

Westpac announces Westpac Capital Notes Offer

Westpac Banking Corporation (**Westpac**) today announced the offer of a new Tier 1 hybrid security known as Westpac Capital Notes, which are expected to be quoted on the ASX.

Westpac Capital Notes are being offered with an Issue Price of \$100 each, to raise approximately \$500 million, with the ability to raise more or less.

Westpac Capital Notes are fully paid, non-cumulative, convertible, transferable, redeemable, subordinated, perpetual, unsecured¹ notes issued by Westpac.

“Westpac Capital Notes qualify as Additional Tier 1 Capital under APRA’s new Basel III capital adequacy framework. The issue will further strengthen Westpac’s Tier 1 Capital position. An issue of \$500 million would add approximately 16bps to Tier 1 Capital”, Westpac’s Chief Financial Officer, Phil Coffey said.

Summary of key features

Westpac Capital Notes:

- pay non-cumulative, floating rate Distributions² quarterly in arrear commencing on 8 June 2013. Distributions are expected to be fully franked;
- the Distribution Rate is determined quarterly as the sum of the 90 day Bank Bill Rate plus a fixed Margin, together multiplied by (1 – Tax Rate). The Margin is expected to be in the range of 3.20% - 3.40% p.a to be determined under the Bookbuild and will not change. For example, the Distribution Rate for the first Distribution Period would be 4.33% p.a.³, if the 90 day Bank Bill Rate on the Issue Date was 2.98% p.a.⁴ and the Margin was set at 3.20% p.a., which is equivalent to an unfranked Distribution Rate of 6.18% p.a.⁵;
- rank, in a Winding Up of Westpac, in priority to Westpac Ordinary Shares and equally with certain other Capital Securities issued by Westpac, but are subordinated to claims of Senior Creditors;
- are perpetual with no fixed maturity date⁶, however are expected to Convert into Westpac Ordinary Shares on 8 March 2021 (the first possible Scheduled Conversion Date), subject to the Scheduled Conversion Conditions being satisfied;

1 Investments in Westpac Capital Notes are an investment in Westpac and may be affected by the ongoing performance, financial position and solvency of Westpac. Westpac Capital Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme and are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government Guarantee of certain bank deposits).

2 Distributions are within the absolute discretion of Westpac and only payable subject to satisfaction of the Distribution Payment Conditions. Distributions may not be paid.

3 The Distribution Rate shown is for illustrative purposes only and does not indicate the actual Distribution Rate. The actual Distribution Rate may be lower or higher than this example.

4 The 90 day Bank Bill rate on 23 January 2013 was 2.98% p.a.

5 The potential value of the franking credits does not accrue to you at the same time as you receive the cash Distribution.

6 The Notes could exist indefinitely (in which case you would not receive your capital back or be issued Ordinary Shares).

- are subject to earlier Conversion upon a Capital Trigger Event, Non-Viability Trigger Event or an Acquisition Event⁷;
- may be Redeemed or Transferred at Westpac's election on 8 March 2019 or Redeemed earlier for Tax, Franking or Regulatory Events. Redemption is subject to APRA's prior written approval⁸; and
- Holders have no right to request Conversion, Redemption or Transfer. To realise their investment, Holders must sell their Westpac Capital Notes on ASX at the prevailing market price⁹.

Details of the Offer

The Offer is expected to open on 7 February 2013 and consists of:

- a Securityholder Offer – to registered holders of Westpac Ordinary Shares, Westpac TPS, Westpac SPS, Westpac SPS II, Westpac CPS and/or Westpac Subordinated Notes 2012 at 7.00pm (Sydney time) on 21 January 2013 and shown on the Register as having an address in Australia;
- a Broker Firm Offer – to Australian resident retail clients of the Syndicate Brokers; and
- an Institutional Offer – to Institutional Investors invited by Westpac Institutional Bank.

The Closing Date for the Securityholder Offer is expected to be 5.00pm (Sydney time) on 1 March 2013. The Closing Date for the Broker Firm Offer is expected to be 10.00am (Sydney time) on 7 March 2013.

The Prospectus for the Westpac Capital Notes Offer has been lodged with ASIC and ASX today and is available for download within Australia at www.westpac.com.au/investorcentre. A replacement Prospectus containing the Margin will be made available when the Offer opens. Application Forms will also be made available at this time.

How to register your interest and apply

Full details of the Offer, including who can apply and how to participate, are available in the Prospectus. Investors should consider the Prospectus in full before deciding whether to invest in Westpac Capital Notes.

Once the Offer opens, Eligible Securityholders who wish to apply for Westpac Capital Notes can complete an Application online at www.westpac.com.au/investorcentre or complete and return a personalised Securityholder Application Form accompanying the printed Prospectus.

Eligible Securityholders can register to receive a Prospectus and personalised Securityholder Application Form online at www.westpac.com.au/investorcentre or by calling the **Westpac Capital Notes Information Line on 1300 133 814** (local call within Australia) (Monday to Friday, 8.30am to 5.30pm, Sydney time).

⁷ Subject to the Second Scheduled Conversion Condition being satisfied as adjusted for an Acquisition Event.

⁸ There can be no certainty that APRA will provide its prior written approval.

⁹ Westpac will apply for Westpac Capital Notes to be quoted on ASX. Quotation of the Westpac Capital Notes is not guaranteed. If ASX does not grant permission for the Westpac Capital Notes to be quoted, then the Westpac Capital Notes will not be issued.

Broker Firm Applicants should contact their Syndicate Broker for instructions on how to register their interest and make an Application for Westpac Capital Notes.

Unless otherwise defined, capitalised words used in this media release have the meanings given to them in the Prospectus.

More Information

For more information about the Offer visit www.westpac.com.au/investorcentre or call the **Westpac Capital Notes Information Line on 1300 133 814** (local call cost within Australia) (Monday – Friday, 8.30am to 5.30pm (Sydney time)).

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Key Dates¹⁰ for Westpac Capital Notes

Record date for determining Eligible Securityholders (7.00pm Sydney time)	21 January 2013
Announcement of Offer and lodgement of initial Prospectus with ASIC	30 January 2013
Bookbuild	6 February 2013
Announcement of Margin	6 February 2013
Lodgement of replacement Prospectus with ASIC	7 February 2013
Opening Date for the Offer	7 February 2013
Closing Date for the Securityholder Offer (5.00pm Sydney time)	1 March 2013
Closing Date for the Broker Firm Offer (10.00am Sydney time)	7 March 2013
Issue Date	8 March 2013
Commencement of deferred settlement trading	12 March 2013
Holding Statements dispatched by	15 March 2013
Commencement of normal settlement trading	18 March 2013
Record Date for first Distribution	31 May 2013
First Distribution Payment Date ¹¹	8 June 2013
Optional Redemption/Transfer Date ¹²	8 March 2019
Scheduled Conversion Date ¹³	8 March 2021

Ends.

¹⁰ Dates are indicative only and are subject to change.

¹¹ Distributions are payable quarterly in arrear, subject to the satisfaction of the Distribution Payment Conditions. The first Distribution Payment Date is not a Business Day, accordingly the expected first Distribution will be made on the next Business Day.

¹² There can be no certainty that APRA will provide its prior written approval for any such Redemption.

¹³ Conversion of the Westpac Capital Notes to Westpac Ordinary Shares on this date is subject to satisfaction of the Scheduled Conversion Conditions.