

Westpac Vanilla Instalment Equity Warrants

The potential to accelerate
your wealth.



If you'd like the potential to accelerate your wealth by borrowing to invest in the sharemarket, Westpac Vanilla Instalment Equity Warrants will give you geared exposure to Australian shares and exchange-traded funds while limiting risk.

The Australian sharemarket offers investors the potential for capital growth, income and diversification. One way you can potentially accelerate your returns from Australian shares is to borrow to invest. By gaining exposure to shares with a smaller initial investment, you can increase the amount of cash you have available to invest and increase the money you earn from your investments.

What are Instalments?

Instalments are a type of warrant that allow holders to gain exposure to underlying shares and ETFs (Underlying Securities) by making an initial payment (first instalment) and delaying an optional final payment (second instalment, also referred to as a Completion Payment) until a later date.

The second instalment represents a loan to assist with the purchase of securities without the obligation to repay the loan (if you don't want the Underlying Securities) or the risk of receiving margin calls.

Holders are entitled to dividends and any related franking credits (if eligible) on the Underlying Securities during the life of the warrant.

Westpac Vanilla Instalment Equity Warrants (Westpac VIEWS)

Westpac VIEWS offer an easy way for individual investors and self-managed super funds (SMSFs) to increase their exposure to the Australia sharemarket without the worry of margin calls. Importantly, you will still get many of the benefits of share ownership – like dividends, any related franking credits (if eligible) and the potential for capital growth with a lower capital outlay upfront.

You can obtain full ownership of the Underlying Securities at any time up until the Completion Date (expiry date) by making the second instalment (Completion Payment).

Key Benefits

- Increased exposure to the share market (due to gearing)
- A limited recourse loan provided by Westpac
- No margin calls
- Buy shares in two payments, with no obligation to make the second payment if you no longer wish to acquire the shares
- Buy and sell on the ASX
- No separate loan application or credit checks
- Receive ordinary dividends and benefit from any related franking credits (if eligible) on the underlying securities
- Potential tax benefits
- Available to SMSFs

Why Westpac VIEWs?

Westpac VIEWs may suit you if you are an individual investor or trustee of an SMSF wanting to:

- Build or diversify an investment portfolio with shares or exchange-traded funds (ETFs) but have limited funds
- Obtain leveraged (gearing) exposure to ASX-listed securities for a smaller initial investment than the market price of the underlying securities
- Receive ordinary dividends and the benefit of any related franking benefits (if eligible)
- Use gearing without the risk of margin calls
- Where you already own securities, maintain your exposure to existing holdings while freeing up cash to reinvest or diversify (not available to superannuation funds)
- Obtain a potentially tax efficient investment – depending on your circumstances and subject to the capital protected borrowing rules, the interest payments may be tax deductible and excess franking credits may be used to offset tax payable
- Invest in an easily accessible and low-maintenance investment with no credit checks

What are the risks?

- Gearing can magnify losses as well as gains. If the price of the underlying security falls, the price of the Westpac VIEW may fall at a greater rate and investors may risk losing some or all of their initial investment (First Payment)
- The gearing level of your Westpac VIEWs may change materially as the price of the underlying securities changes throughout the term. If the price of the underlying security falls, the price of the Westpac VIEW will generally fall
- Tax legislation may change and affect your tax benefits or obligations
- If you do not provide your TFN, ABN or proof of exemption, we may withhold a tax amount from ordinary dividends received, and you may be required to pay an additional amount for tax in respect of any special dividends that are not fully franked
- The Completion Date for a Westpac VIEW may be brought forward where an 'Extraordinary Event' occurs

These are not all the benefits and risks of investing in Westpac VIEWs. Please see the Product Disclosure Statement for more information (www.westpac.com.au/structuredinvestments).

Westpac VIEWs are an eligible geared investment available to many SMSFs

How do Westpac VIEWs work?

Get many of the benefits of owning ASX-listed securities without paying the full amount upfront. Put simply, Westpac VIEWs let you buy ASX-listed shares and ETFs in two payments known as 'instalments'. After making the first payment, which is typically between 30% - 50% of the cost of the underlying securities, you get many of the immediate benefits of direct security ownership, such as exposure to potential capital growth, dividends and franking credits (if you are eligible), for a lower capital outlay upfront.

Optional second payment

The second payment, referred to as the 'Completion Payment', is the loan component payable if you want to own the underlying securities outright. If you don't want to make the Completion Payment at maturity, Westpac will sell the Underlying Securities for you, pay off the loan and then pay the net proceeds (if any) to you.

The loan in respect of each Westpac VIEW is limited recourse, which means that if you do not repay the loan (make the Completion Payment) on expiry of your Westpac VIEW, even if the sale proceeds are less than the loan amount on the Completion Date, you do not have to pay any shortfall to Westpac. That is, if the price of the underlying security falls below the loan amount you can simply walk away with no additional payments required. Consequently there are no margin calls or credit checks.

Alternatively, you can sell your VIEWs on the ASX at any time.

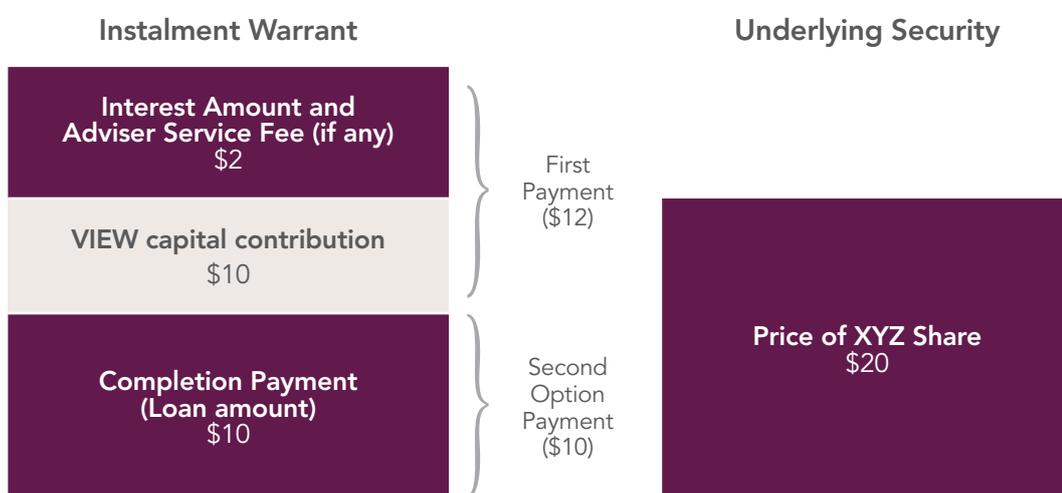
Dividends are paid to you in cash

If you hold Westpac VIEWs, any ordinary dividends or distributions paid on the Underlying Securities will be direct credited to your nominated bank account on or about the dividend payment date (subject to any deduction for tax). You may also be entitled to any related franking credits (subject to eligibility).

Interest Amount

Interest is paid by the investor upon purchase of a Westpac VIEW and is included as part of the First Payment. Depending on your circumstances and subject to the capital protected borrowing rules, some or all of the interest may be tax deductible.

Example of the components of Westpac VIEWs



VIEWs Investment Cycle

At the start...	During the investment period...	At maturity...
<ul style="list-style-type: none"> Select the available ASX-listed security you want to invest in.* Choose the relevant Westpac VIEW. Invest in the Westpac VIEW by making the First Payment. Alternatively, you may be able to transfer eligible securities you already hold to the security trustee and receive a securityholder cash back amount (if any) together with your Westpac VIEW.** 	<ul style="list-style-type: none"> You will receive any ordinary dividends or distributions on the underlying securities and you may be entitled to related franking credits. You can sell your Westpac VIEWs on the ASX at any time. You can choose to pay off the loan and take full legal title of the underlying securities at any time. 	<p>You can either:</p> <ul style="list-style-type: none"> Do nothing – we'll sell the securities, pay off the loan and pay any excess to you. Make the Completion Payment – you repay the loan in full and take full legal title of the securities. Reinvest – roll your existing Westpac VIEWs into new Westpac VIEWs over the same securities (if available).**

* Westpac VIEWs are offered over a selection of different shares and ETFs. Refer to the SPDS for a list of Series currently on offer.

** Not available to superannuation funds.

Westpac VIEWs strategies

Enhancing income and potential tax outcomes

Using Westpac VIEWs can potentially accelerate your investment returns by increasing your exposure to the underlying securities, allowing you to receive ordinary dividends and benefit from any related franking credits (if eligible) for the same upfront cost.

As shown in example below for an individual investor, if you invest \$100,000 in shares using Westpac VIEWs rather than buying the share directly you could, over the course of one year:

- Increase your exposure to XYZ shares by \$66,660
- Potentially increase your dividends and franking credits (if eligible) by \$4,761

	Buy XYZ shares	Buy XYZ VIEWs
Amount invested	\$100,000	\$100,000
Price (per security or VIEW)	\$20.00	\$12.00
Completion Payment (Loan Amount) (per security or VIEW)	N/A	\$10.00
Share exposure	5,000	8,333
Dollar exposure to shares	\$100,000	\$166,660
Assumed annual dividend per share	\$1.00	\$1.00
Assumed annual franking credits per share	\$0.43	\$0.43
Assumed dividend income p.a.	\$5,000	\$8,333
Assumed franking credits p.a.	\$2,143	\$3,571
Assumed dividends and franking credits	\$7,143	\$11,904
Gross yield p.a. (first year only)	7.1%	11.9%

Inputs and assumptions:

1. **Prices** – Prices and the corresponding loan amounts are included for illustrative purposes only and are not indicative of the level of gearing provided under the Westpac VIEWs.
2. **Dividends and franking credits** – The above table uses an assumed level of dividends and franking credits per share for illustrative purposes only. Future/actual dividend performance and franking credits cannot be reliably predicted.
3. **Taxation** – This example assumes the investor is an Australian resident for tax purposes and is entitled to attached franking credits. Generally an investor must satisfy the holding period rule to be entitled to the franking credits. The example also assumes the dividends are fully franked.
4. **Gross Yield** – Represents assumed annual dividends and franking credits over the amount invested as at the time the shares or the VIEWs (as applicable) are acquired, with no adjustment for taxes.

The accuracy of the above inputs assumptions cannot be guaranteed. You should perform your own analysis and obtain your own advice.

How to buy Westpac VIEWS

On the ASX

Buy on the ASX through a stockbroker or financial adviser.

Cash application

Complete the application form accompanying the PDS and submit it to your stockbroker, financial adviser or directly to us.

Securityholder application

To convert existing shareholdings into Westpac VIEWS (if available) complete the application form accompanying the PDS and submit it to your stockbroker, financial adviser or directly to us.

Note this is not available for superannuation funds.

Rollover application

You may be able to roll over your current Westpac VIEWS into a new series of Westpac VIEWS over the same underlying securities (if available).

Superannuation funds can generally only acquire Westpac VIEWS through a cash application or directly on the ASX.

At a glance

Term	Ordinarily two years from the issue date set out in the relevant Supplementary PDS
ASX VIEW Code	XXXIWA, where: <ul style="list-style-type: none">• 'XXX' is the ASX code for the underlying security;• 'I' stands for instalment warrant;• 'W' stands for Westpac VIEW; and• 'A' represents the Series. For example, STWIWA would be a Westpac VIEW over SPDR S&P/ASX 200 Fund (STW), Series A
Underlying securities	A range of ASX-listed shares and ETFs
Initial gearing level	Generally 50% - 70% as at the Issue Date specified in the relevant Supplementary PDS
Interest	Paid by the investor upon acquisition of a Westpac VIEW
Value	The value of a Westpac VIEW takes into account factors such as the loan amount, current value and volatility of the underlying security, time to maturity, interest rates and dividend expectations.

You can check the price of your Westpac VIEWS at asx.com.au or through your stockbroker.

Like to know more?

For more information about Westpac VIEWs, speak to your financial adviser or stockbroker, or:

- Call us on 1800 990 107
- send an email to structured.investments@westpac.com.au
- go to westpac.com.au/structuredinvestments

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