

WESTPAC BANKING CORP
Form F-3/A
March 03, 2009
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Registration No. 333-157381

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

FORM F-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Westpac Banking Corporation

(Exact name of registrant as specified in its charter)

Australia
(State or other jurisdiction of
incorporation or organization)

98-6008211
(I.R.S. Employer Identification No.)

**275 Kent Street, Sydney NSW 2000
Australia
+61 2 9293-9270**

(Address, including zip code and telephone number,
including area code, of registrant's principal executive offices)

**Manuela Adl
Senior Vice President and Chief Operating Officer
Westpac Banking Corporation
575 Fifth Avenue, 39th Floor
New York, New York 10017-2422
(212) 551-1905**

(Name, address, including zip code, and telephone number,
including area code, of agent for service)

**Copies to:
Alan H. Paley, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022**

Approximate date of commencement of proposed sale to public:

From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated March 3, 2009

PROSPECTUS

Westpac Banking Corporation

ABN 33 007 457 141

Debt Securities

By this prospectus, we may offer from time to time the securities described in this prospectus separately or together in any combination.

Specific terms of any securities to be offered will be provided in a supplement to this prospectus. You should read this prospectus and any supplement carefully before you invest. A supplement may also add to, update, supplement or clarify information contained in this prospectus.

Unless stated otherwise in a prospectus supplement or term sheet, none of these securities will be listed on any securities exchange.

The debt securities are not protected accounts or deposit liabilities for the purpose of the Banking Act of 1959 of Australia and are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

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We may offer and sell these securities to or through one or more agents, underwriters, dealers or other third parties or directly to one or more purchasers on a continuous or delayed basis.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2009.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a shelf registration process. Under this shelf process, we are registering each class of securities described in this prospectus, and we may sell the securities described in this prospectus alone or in any combination in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement or term sheet that will contain specific information about the terms of that offering. The prospectus supplement or term sheet may also add to, update, supplement, change or clarify information contained in this prospectus. The rules of the SEC allow us to incorporate by reference information into this prospectus. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. See Incorporation of Information We File with the SEC. If the information contained or incorporated by reference in this prospectus differs from any prospectus supplement, you should rely on the prospectus supplement. You should read both this prospectus and any prospectus supplement or term sheet together with additional information described under the heading Where You Can Find More Information.

No person has been authorized to give any information or to make any representation, other than those contained or incorporated by reference in this prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by Westpac Banking Corporation, or any underwriter, agent or dealer. Neither the delivery of this prospectus nor any sale made pursuant to this prospectus shall under any circumstances create any implication that there has been no change in the affairs of Westpac Banking Corporation since the date of this prospectus or that the information contained or incorporated by reference in this prospectus is correct as of any time subsequent to the date of such information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Unless otherwise indicated, or the context otherwise requires, references in this prospectus to we, us and our or similar terms are to Westpac Banking Corporation and its controlled entities (within the meaning of Section 50AA of the Commonwealth of Australia s, which we refer to as Australia, Corporations Act 2001, which we refer to as the Australian Corporations Act), and references to Westpac are to Westpac Banking Corporation ABN 33 007 457 141.

FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this prospectus are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations and financial condition. We use words such as will, may, expect, intend, seek, would, should, could, continue, plan, estimate, anticipate, believe, probability, identify forward-looking statements. These forward-looking statements are subject to change and uncertainty which are, in many instances, beyond our control and have been made based upon management s expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with management s expectations or that the effect of future developments on us will be those anticipated by management. Actual results could differ materially from those we expect, depending on the outcome of various factors, including, but not limited to, those set forth in our most recently filed Annual Report on Form 20-F and the other documents incorporated by reference in this prospectus. These factors include:

- adverse conditions in global debt and equity markets;

- the impact of the announced changes to our organizational structure and division of frontline personnel and senior management;
- our ability to successfully integrate St.George Bank Limited's business into our operations, including our ability to realize anticipated synergies and the costs of achieving those synergies;
- inflation, interest rate, exchange rate, market and monetary fluctuations;
- market liquidity and investor confidence;

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- the effect of, and changes in, laws, regulations, taxation or accounting standards or practices and government policy;
- changes in consumer spending, saving and borrowing habits in Australia, New Zealand and in other countries in which we conduct our operations;
- the effects of competition in the geographic and business areas in which we conduct operations;
- the ability to maintain or to increase market share and control expenses;
- the timely development of and acceptance of new products and services and the perceived overall value of these products and services by users;
- technological changes;
- demographic changes and changes in political, social or economic conditions in any of the major markets in which we operate;
- stability of Australian and international financial systems and disruptions to financial markets and any losses we may experience as a result;
- our ability to complete, integrate or process acquisitions and dispositions; and
- various other factors beyond our control.

All forward-looking statements speak only as of the date made, and we undertake no obligation to update our forward-looking statements for any reason, whether as a result of new information, future events or otherwise.

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WESTPAC BANKING CORPORATION

We are one of the four major banking organizations in Australia and, through our New Zealand operations, we are also one of the largest banking organizations in New Zealand. We provide a broad range of banking and financial services in these markets, including retail, business and institutional banking and wealth management services.

We were founded in 1817 and were the first bank to be established in Australia. In 1850 we were incorporated as the Bank of New South Wales by an Act of the New South Wales Parliament. In 1982 we changed our name to Westpac Banking Corporation. On August 23, 2002, we were registered as a public company limited by shares under the Australian Corporations Act. Our principal office is located at 275 Kent Street, Sydney, New South Wales, 2000, Australia. Our telephone number for calls within Australia is 132 032 and our international telephone number is +61 2 9293 9270.

We have branches, affiliates and controlled entities throughout Australia, New Zealand and the Pacific region and maintain offices in some of the key financial centers around the world. As at September 30, 2008, our market capitalization was A\$40.7 billion and we had total assets of A\$439.5 billion.

In July 2008, we reorganized our business into four key customer-facing divisions. As a result of our merger in December 2008 with St.George Bank Limited, which we refer to as St.George, we now have five key customer-facing divisions serving approximately 10 million customers as at December 31, 2008. These businesses are:

- Westpac Retail and Business Banking;
- St.George Retail and Business Banking;
- BT Financial Group Australia;
- Westpac Institutional Bank; and
- New Zealand Banking.

These customer-facing divisions are supported by a number of corporate level functions and divisions, including:

- Product and Operations, which is responsible for all consumer and business product development, management and operations; and
- Technology, which is responsible for developing and maintaining reliable and flexible technology capabilities and technology strategies.

Retail and Business Banking

We conduct our retail and business banking business through two separate divisions, Westpac Retail and Business Banking, which we refer to as WRBB, and St.George Retail and Business Banking, which we refer to as St.George RBB. These two divisions are responsible for sales, marketing and customer service for all consumer and small-to-medium enterprise customers within Australia. WRBB conducts our historical retail and business banking operations under the Westpac brand. St.George RBB conducts the retail and business banking operations of St.George under the St.George and BankSA brands. We intend to continue to operate under this multi-brand strategy. Both WRBB and St.George RBB offer a broad range of financial products, including savings and check accounts, demand and term deposits, credit cards, personal and housing loans, and business specific working capital, transactional, cash flow and trade finance facilities.

WRBB

WRBB conducts sales and servicing activities through a branch network (839 branches, including in-store branches, as at September 30, 2008), RAMS franchise outlets, home finance managers, specialized consumer relationship managers, call centers, ATMs, and internet banking services. For business customers, these activities are conducted by specialized relationship managers, with the support of cash flow, financial markets and wealth specialists, via the branch network, business banking centers, internet and telephone channels.

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WRBB is also responsible for the management of our third party retail and business distribution relationships.

Prior to our reorganization in July 2008, these activities were separately managed by Consumer Financial Services, which we refer to as CFS, for consumer customers, and Business Financial Services, which we refer to as BFS, for small-to-medium enterprise and commercial customers.

WRBB has a significant presence in the retail deposits and working capital market in Australia. As at September 30, 2008, WRBB's total consumer deposits were A\$72.7 billion (2007 A\$59.7 billion) and total business deposits were A\$48.8 billion (2007 A\$46.5 billion).

WRBB is also a significant lender in the housing finance market in Australia. As at September 30, 2008, WRBB's residential mortgage loan portfolio was A\$145.5 billion (2007 A\$128.0 billion) (inclusive of securitized loans), with variable interest rate loans comprising 79% of the portfolio. A significant portion of WRBB's housing finance sales are through independent mortgage brokers. In the year ended September 30, 2008, approximately 38% (2007 38%) of mortgage loan drawdowns were arranged via this channel. In addition, WRBB is a major provider of credit card finance in Australia. WRBB's total credit card outstandings as at September 30, 2008 were A\$7.5 billion (2007 A\$7.3 billion).

WRBB is also a major lender in the business finance market in Australia. As at September 30, 2008, WRBB's total lending portfolio was A\$62.3 billion (2007 A\$53.1 billion).

St.George RBB

St.George RBB conducts sales and servicing activities for consumer and business customers through a branch network (404 branches as at September 30, 2008), call centers, ATMs, and internet banking services. These activities comprised the retail and business banking operations of St.George prior to the merger.

As at September 30, 2008, St.George's total deposits, including certificates of deposit and term and other deposits, were A\$84.0 billion (2007 A\$67.4 billion).

St.George is a significant lender in the housing finance market in Australia. As at September 30, 2008, St.George's residential mortgage loan portfolio was A\$75.5 billion (2007 A\$69.2 billion) (inclusive of securitized loans). As at September 30, 2008, St.George's total personal loans and credit card outstandings totaled A\$6.7 billion (2007 A\$7.1 billion).

In the business finance market in Australia, St.George's commercial loans totaled A\$12.0 billion (2007 A\$10.3 billion) as at September 30, 2008. St.George had also loaned A\$22.3 billion (2007 A\$16.3 billion) to its business customers through bank bill acceptance facilities as at September 30, 2008.

BT Financial Group Australia

BT Financial Group Australia, which we refer to as BTFG, is Westpac's historical wealth management business. As a result of the merger with St.George, our wealth management business now also includes operations under the Asgard, Advance and Securitor brands.

BTFG designs, manufactures and distributes financial products that are designed to help our customers accumulate, manage and protect their wealth. These products include retail investments, personal and business superannuation (pensions), life and general insurance, client portfolio administration (wrap and master trust platforms) and portfolio management. BTFG also provides financial planning advice and private banking services.

BTFG's retail, institutional and wholesale funds under management totaled A\$32.3 billion (2007 A\$38.7 billion) and funds under administration totaled A\$41.6 billion (2007 A\$46.2 billion) as at September 30, 2008.

As at September 30, 2008, St.George's funds under management totaled A\$6.5 billion (2007 A\$8.5 billion) and funds under administration totaled A\$31.1 (2007 A\$37.3 billion).

Westpac Institutional Bank

Westpac Institutional Bank, which we refer to as WIB, services the financial needs of corporate, institutional and government customers either based in, or with interests in, Australia and New Zealand. This is achieved through dedicated

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industry teams supported by specialists with expertise in financial and debt capital markets, transactional banking, specialized capital, margin lending, broking and alternative investment solutions.

WIB supports its customers through our branches and subsidiaries located in Australia, New Zealand, New York, London and Asia.

New Zealand Banking

Westpac has a long standing commitment to New Zealand, dating from 1861, when we commenced operating as the Bank of New South Wales.

We conduct our New Zealand banking business through two banks in New Zealand: Westpac New Zealand Limited, which we refer to as WNZL, which is a subsidiary incorporated in New Zealand, and Westpac Banking Corporation (NZ Division), a branch of Westpac Banking Corporation.

WNZL provides financial services to consumers and to small, medium and corporate business customers, agricultural businesses, and property investment and development customers, while Westpac's New Zealand branch operates our wholesale banking and financial markets businesses in New Zealand.

WNZL provides a full range of financial services for its retail and business banking customers, including savings and transaction accounts, demand and term deposits, credit cards and personal and housing loans. It is a leading provider of finance in New Zealand, including term loans, bill acceptances, equipment finance and revolving cash management.

As at September 30, 2008, WNZL had approximately 5,600 staff, 197 branches (including 45 in New Zealand's largest market of Auckland), 508 Westpac branded ATMs operating throughout the country, 24 hour phone banking and phone assist call centers, and online banking.

As at September 30, 2008, WNZL's mortgage loan portfolio was NZ\$31.2 billion (A\$26.1 billion) (2007 NZ\$29.0 billion (A\$24.2 billion)), excluding securitized loans of NZ\$0.6 billion (A\$0.5 billion) (2007 NZ\$0.6 billion (A\$0.5 billion)). In addition, WNZL is a major provider of wealth management services, with NZ\$2.0 billion (A\$1.7 billion) (2007 NZ\$1.9 billion (A\$1.6 billion)) in funds under management as at September 30, 2008.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, unless otherwise specified in the prospectus supplement or term sheet relating to a specific issue of securities. Our general corporate purposes may include financing our activities and those of our subsidiaries, including refinancing outstanding indebtedness, financing our assets and those of our subsidiaries, lengthening the average maturity of our borrowings, and financing acquisitions.

Until we use the net proceeds from the sale of any of our securities offered by this prospectus for general corporate purposes, we may use the net proceeds to reduce our short-term indebtedness or for temporary investments.

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DESCRIPTION OF THE DEBT SECURITIES

We may offer unsecured general obligations, which may be senior debt securities or subordinated debt securities. The senior debt securities and the subordinated debt securities are together referred to in this prospectus as the debt securities.

The senior debt securities will be issued in one or more series under an indenture, dated as of July 1, 1999, between us and The Bank of New York Mellon as successor to The Chase Manhattan Bank, as trustee, as amended by the first supplemental indenture to be entered into between us and the trustee, which we refer to together as the senior indenture. The subordinated debt securities will be issued under an amended and restated subordinated indenture dated as of May 15, 2003 between us and The Bank of New York Mellon as successor to JPMorgan Chase Bank, as trustee, which we refer to as the subordinated indenture. Each indenture provides that there may be more than one trustee, each with respect to one or more series of debt securities.

We have summarized below certain terms of the indentures which we believe will be most important to your decision to invest in our debt securities. You should keep in mind, however, that it is the indentures, and not this summary, which define your rights as a debtholder. There may be other provisions in the indentures which are also important to you. You should read the indentures for a full description of the terms of the debt securities. The senior indenture and the subordinated indenture are filed as exhibits to the registration statement that includes this prospectus. See **Where You Can Find More Information** for information on how to obtain copies of the senior indenture and the subordinated indenture. References in parenthetical below to sections or articles are to sections or articles of the indentures.

The following description of the terms of the debt securities sets forth certain general terms and provisions of the debt securities to which any prospectus supplement or term sheet may relate. The particular terms of the debt securities offered by any prospectus supplement or term sheet and the extent, if any, to which such general provisions may not apply to the debt securities will be described in the related prospectus supplement or term sheet. Accordingly, for a description of the terms of a particular issue of debt securities, you should refer to both the related prospectus supplement or term sheet and to the following description.

Ranking

Senior debt securities will be Westpac's direct, unconditional and unsecured obligations and will rank equally without any preference among themselves and, except for certain debts required to be preferred by law (including those in respect of Westpac's deposit liabilities in Australia), equally with all of Westpac's other unsecured and unsubordinated obligations. The senior debt securities will rank senior to Westpac's subordinated obligations, including any subordinated debt securities.

Subordinated debt securities will be Westpac's direct and unsecured obligations and will rank equally without any preference among themselves and, except for certain debts required to be preferred by law (including those in respect of Westpac's deposit liabilities in Australia), at least equally with all of Westpac's subordinated indebtedness. Subordinated indebtedness means indebtedness (present and future) that by its terms is, or is expressed to be, subordinated in the event of Westpac's winding up (as defined below) to the claims of its senior creditors (as defined below), other than (i) indebtedness that does not have a fixed maturity date and (ii) indebtedness the right to repayment of which by its terms is, or is expressed to be, subordinated in the event of Westpac's winding up to the subordinated debt securities. The subordinated debt securities will be subordinated to, and will be entitled to payment only after payment of, Westpac's senior creditors as described below under the caption

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Provisions Applicable Only to Subordinated Debt Securities Subordination.

The debt securities are not protected accounts or deposit liabilities for the purpose of the Banking Act of 1959 of Australia, which we refer to as the Australian Banking Act, and are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

General Terms of the Debt Securities

Westpac may issue the debt securities in one or more series pursuant to an indenture that supplements the senior indenture or the subordinated indenture, as the case may be, or a resolution of our board of directors or a duly authorized committee of our board of directors. (Section 3.1 of each indenture.) The aggregate principal amount of debt securities that may be issued under the indentures is unlimited. You should refer to the applicable prospectus supplement or term sheet for the specific terms of each series of debt securities which may include the following:

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- title and aggregate principal amount;
- indenture under which such series of debt securities will be issued;
- any applicable subordination provisions;
- percentage or percentages of principal amount at which such series of debt securities will be issued and percentage or percentages of principal amount payable upon declaration of acceleration of the maturity of such series of debt securities;
- maturity date(s);
- interest rate(s) or the method for determining the interest rate(s);
- dates on which interest will accrue or the method for determining dates on which interest will accrue and dates on which interest will be payable;
- place or places where principal, premium and interest will be payable;
- redemption or early repayment provisions;
- authorized denominations;
- form (registered and/or bearer);
- amount of discount with which such series of debt securities will be issued;

- whether such series of debt securities will be issued in whole or in part in the form of one or more global securities;
- identity of the depositary for global securities;
- whether a temporary security is to be issued with respect to such series of debt securities and whether any interest payable prior to the issuance of definitive debt securities of such series will be credited to the account of the persons entitled to such interest;
- the terms upon which beneficial interests in a temporary global debt security may be exchanged in whole or in part for beneficial interests in a definitive global debt security or for individual definitive debt securities and the terms upon which such exchanges may be made;
- currency, currencies or currency units in which the purchase price for, the principal of and any premium and any interest on, such series of debt securities will be payable;
- time period within which, the manner in which and the terms and conditions upon which the purchaser of such series of debt securities can select the payment currency;
- securities exchange(s) on which such series of debt securities will be listed, if any;
- additions to or changes in the events of default with respect to such series of debt securities and any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable; and
- additional terms not inconsistent with the provisions of the applicable indenture.

One or more series of debt securities may be sold at a substantial discount below their stated principal amount, bearing no interest or interest at a rate which at the time of issuance is below market rates. One or more series of debt securities may be variable rate debt securities that may be exchanged for fixed rate debt securities. Any special US federal income and Australian income tax considerations applicable to any series of debt securities due to its particular terms will be described in the applicable prospectus supplement or term sheet.

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Debt securities may be issued where the amount of principal and/or interest payable is determined by reference to:

- the price of one or more commodities, derivatives or securities;

- one or more securities, derivatives or commodities exchange indices or other indices;

- a currency or currencies (including any currency unit or units) other than the currency in which such debt securities are issued or other factors; or

- any other variable or the relationship between any variables or combination of variables.

Holders of such debt securities may receive a principal amount or a payment of interest that is greater than or less than the amount of principal or interest otherwise payable on such dates, depending upon the value of the applicable currencies, commodities, securities, derivatives, indices or other factors. Information as to the methods for determining the amount of principal or interest, if any, payable on any date, the currencies, commodities, securities, derivatives, indices or other factors to which the amount payable on such date is linked and certain additional US federal income and Australian tax consequences and special considerations applicable to any series will be described in the applicable prospectus supplement or term sheet.

The term debt securities includes debt securities denominated in U.S. dollars or, if specified in the applicable prospectus supplement or term sheet, in any other freely transferable currency or units based on or relating to foreign currencies.

Unless otherwise specified in the applicable prospectus supplement or term sheet, the debt securities will be issued in fully registered form without coupons and in denominations of \$1,000 and any integral multiple of \$1,000. (Section 3.2 of each indenture.) Subject to the limitations provided in the indentures and in the prospectus supplement or term sheet, debt securities which are issued in registered form may be registered, transferred or exchanged at the principal corporate trust office of the trustee or at the office or agency that we will maintain for such purpose in the Borough of Manhattan, The City of New York, without the payment of any service charge, other than any tax or other governmental charge payable in connection with the registration or transfer or exchange. (Sections 3.5 and 9.2 of each indenture.)

Westpac may issue debt securities of any series in whole or in part in definitive form or in the form of one or more global debt securities as described below under Global Securities. Westpac may issue debt securities of a series at different times. In addition, Westpac may issue debt securities within a series with terms different from the terms of other debt securities of that series. (Section 3.1(c) of each indenture.)

Subject to applicable law, Westpac or any of its affiliates may at any time purchase or repurchase debt securities of any series in any manner and at any price. Debt securities of any series purchased by Westpac or any of its affiliates may be held or surrendered by the purchaser of the debt securities for cancellation.

Global Securities

We expect the following provisions to apply to all debt securities.

Westpac may issue the debt securities of a series in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the prospectus supplement or term sheet. Westpac will issue global securities in registered form and in either temporary or definitive form. Unless and until it is exchanged in whole or in part for the individual debt securities, a global security may not be transferred except as a whole by the depository for such global security to a nominee of such depository or by a nominee of such depository to such depository or another nominee of such depository or by such depository or any such nominee to a successor of such depository or a nominee of such successor. (Section 2.4 of each indenture.)

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The specific terms of the depositary arrangement with respect to any debt securities of a series and the rights of and limitations upon owners of beneficial interests in a global security will be described in the prospectus supplement or term sheet. We expect that the following provisions will generally apply to depositary arrangements.

Upon the issuance of a global security, the depositary for such global security or its nominee will credit, on its book-entry registration and transfer system, the respective principal amounts of the individual debt securities represented by such global security to the accounts of persons that have accounts with such depositary. Such accounts shall be designated by the dealers, underwriters or agents with respect to the debt securities or by us if such debt securities are offered and sold directly by us. Ownership of beneficial interests in a global security will be limited to persons that have accounts with the applicable depositary, who are referred to in this prospectus as participants, or persons that may hold interests through participants. Ownership of beneficial interests in such global security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the applicable depositary or its nominee with respect to interests of participants and the records of participants with respect to interests of persons other than participants. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a global security.

So long as the depositary for a global security, or its nominee, is the registered owner of a global security, such depositary or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by that global security for all purposes under the indenture governing those debt securities. Except as provided below, owners of beneficial interests in a global security will not be entitled to have any of the individual debt securities of the series represented by that global security registered in their names, will not receive or be entitled to receive physical delivery of any debt securities of such series in definitive form and will not be considered the owners or holders thereof under the indenture governing such debt securities.

Payments of principal, premium, if any, and interest, if any, on individual debt securities represented by a global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the global security representing the debt securities. None of Westpac, the trustee for the debt securities, any paying agent, the registrar or any underwriter or agent for the debt securities will have any responsibility or liability for any aspect of the records relating to or payments made by the depositary or any participants on account of beneficial ownership interests in the global security for the debt securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the depositary for a series of debt securities or its nominee, upon receipt of any payment of principal, premium or interest in respect of a permanent global security representing the debt securities, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security for the debt securities as shown on the records of the depositary or its nominee. We also expect that payments by participants to owners of beneficial interests in a global security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in street name. Such payments will be the responsibility of such participants.

If the depositary for a series of debt securities notifies us at any time that it is unwilling, unable or ineligible to continue as depositary and a successor depositary is not appointed by us within 90 days, Westpac will issue definitive debt securities of that series in exchange for the global security or securities representing that series of debt securities. In addition, we may at any time and in our sole discretion, subject to any limitations described in the prospectus supplement or term sheet relating to the debt securities, determine not to have any debt securities of a series represented by one or more global securities, and, in such event, will issue definitive debt securities of that series in exchange for the global security or securities representing that series of debt securities. If definitive debt securities are issued, an owner of a beneficial interest in a global security will be entitled to physical delivery of definitive debt securities of the series represented by that global security equal in principal amount to that beneficial interest and to have the debt securities registered in its name. Definitive debt securities of any series so issued

will be issued in denominations, unless otherwise specified by us in the applicable prospectus supplement or term sheet, of \$1,000 and integral multiples of \$1,000 in excess thereof.

Payment of Additional Amounts

Each indenture provides that Westpac will make all payments in respect of the debt securities without withholding or deduction for, or on account of, any taxes, assessments or other governmental charges, which we refer to as the relevant tax, imposed or levied by or on behalf of Australia or any political subdivision or authority in or of Australia, unless the

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withholding or deduction is required by law. In that event, Westpac will pay such additional amounts as may be necessary so that the net amount received by the holder of the debt securities, after such withholding or deduction, will equal the amount that the holder would have received in respect of the debt securities without such withholding or deduction. However, as described below, both the senior indenture and the subordinated indenture provide that, under certain circumstances, Westpac will not pay additional amounts.

The senior indenture provides that Westpac will pay no additional amounts in respect of senior debt securities for or on account of:

- any relevant tax that would not have been imposed but for the fact that the holder, or the beneficial owner, of the senior debt securities was a resident, domiciliary or national of, or engaged in business or maintained a permanent establishment or was physically present in, Australia or any political subdivision or taxing authority thereof or therein or otherwise had some connection with Australia or any political subdivision or taxing authority thereof or therein other than merely holding such senior debt securities, or receiving payments under such senior debt securities;
- any relevant tax that would not have been imposed but for the fact that the holder, or the beneficial owner, of the senior debt securities presented such senior debt securities for payment in Australia, unless the holder, or the beneficial owner, was required to present such senior debt securities for payment and they could not have been presented for payment anywhere else;
- any relevant tax that would not have been imposed but for the fact that the holder, or the beneficial owner, of the senior debt securities presented such senior debt securities for payment more than 30 days after the date such payment became due and was provided for, whichever is later, except to the extent that the holder or beneficial owner would have been entitled to the additional amounts on presenting such senior debt securities for payment on any day during that 30 day period;
- any relevant tax that is an estate, inheritance, gift, sale, transfer, personal property or similar tax;
- any relevant tax which is payable otherwise than by withholding or deduction;
- any relevant tax that would not have been imposed if the holder, or the beneficial owner, of the senior debt securities complied with Westpac's request to provide information concerning his, her or its nationality, residence or identity or to make a declaration, claim or filing or satisfy any requirement for information or reporting that is required to establish the eligibility of the holder, or the beneficial owner, of such senior debt securities to receive the relevant payment without (or at a reduced rate of) withholding or deduction for or on account of any such relevant tax;

- any relevant tax that would not have been imposed but for the holder, or the beneficial owner, of the senior debt securities being an associate of Westpac for purposes of section 128F(6) of the Income Tax Assessment Act 1936 of Australia, which we refer to as the Australian Tax Act;
- any relevant tax that is imposed or withheld as a consequence of a determination having been made under Part IVA of the Australian Tax Act (or any modification thereof or provision substituted therefor) by the Australian Commissioner of Taxation that such relevant tax is payable in circumstances where the holder, or the beneficial owner, of such senior debt securities is a party to or participated in a scheme to avoid such relevant tax which Westpac was not a party to;
- any relevant tax that is imposed pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, or any agreement entered into by a Member State of the European Union with (A) any other state or (B) any relevant, dependent or associated territory of any Member State of the European Union providing for measures equivalent to, or the same as those provided for by such Directive; or
- any combination of the foregoing.

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The subordinated indenture provides that Westpac will pay no additional amounts in respect of subordinated debt securities:

- to the extent that the relevant tax is imposed or levied by virtue of the holder, or the beneficial owner, of the subordinated debt securities having some connection (whether present, past or future) with Australia or any political subdivision or authority of or in Australia, other than being a holder, or the beneficial owner, of the subordinated debt securities;
- to the extent that the relevant tax is imposed or levied by virtue of the holder, or the beneficial owner, of the subordinated debt securities not complying with any statutory requirements or not having made a declaration of non-residence in, or other lack of connection with, Australia or any political subdivision or authority of or in Australia or any similar claim for exemption, if Westpac or its agent has provided the holder, or the beneficial owner, of the subordinated debt securities with at least 60 days prior written notice of an opportunity to comply with such statutory requirements or make a declaration or claim;
- to the extent that the relevant tax is imposed or levied by virtue of the holder, or the beneficial owner, of the subordinated debt securities having presented for payment more than 30 days after the date on which the payment in respect of the subordinated debt securities first became due and payable, except to the extent that the holder, or the beneficial owner, of the subordinated debt securities would have been entitled to such additional amounts if the holder or beneficial owner had presented the subordinated debt securities for payment on any day within such 30-day period;
- to the extent that the relevant tax is imposed or levied by virtue of the holder, or the beneficial owner, of the subordinated debt securities having presented the subordinated debt securities for payment in Australia, unless the subordinated debt securities could not have been presented for payment elsewhere; or
- to the extent that the relevant tax is imposed or levied by virtue of the holder, or the beneficial owner, of the subordinated debt securities being an associate of Westpac for purposes of Section 128F(6) of the Australian Tax Act.

In addition, both the senior indenture and the subordinated indenture provide that Westpac will pay no additional amounts to any holder who is a fiduciary or partnership or other than the sole beneficial owner of the payment in respect of the debt securities to the extent such payment would, under the laws of Australia or any political subdivision or authority of or in Australia, be treated as being derived or received for tax purposes by a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to additional amounts had it been the holder of the debt securities. (Section 9.8 of each indenture.)

If, as a result of Westpac's consolidation or merger with or into an entity organized under the laws of a country other than Australia or a political subdivision of a country other than Australia or the sale, conveyance or transfer by Westpac of all or substantially all its assets to such an entity,

such an entity assumes the obligations of Westpac under the indentures and the debt securities, such entity will pay additional amounts on the same basis as described above, except that references to Australia (other than in the exception applicable in the event the holder or beneficial owner of the debt securities is an associate of Westpac for purposes of section 128F(6) of the Australian Tax Act) will be treated as references to both Australia and the country in which such entity is organized or resident (or deemed resident for tax purposes). (Section 7.1 of each indenture.)

Redemption of Debt Securities

General

If the debt securities of a series provide for redemption at Westpac's election, unless otherwise provided in the applicable prospectus supplement or term sheet, such redemption shall be on not less than 30 nor more than 60 days' notice and, in the event of redemption in part, the debt securities to be redeemed will be selected by the trustee by such method as it shall deem fair and appropriate. Notice of such redemption will be mailed to holders of debt securities of such series to their last addresses as they appear on the register of the debt securities of such series. (Sections 1.6, 10.3 and 10.4 of each indenture.)

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Redemption for Taxation Reasons

Each indenture provides that Westpac will have the right, after receipt of prior written approval by the Australian Prudential Regulation Authority, which we refer to as APRA, if approval is then required, to redeem a series of debt securities in whole, but not in part, at any time within 90 days following the occurrence of a tax event, which is defined below, with respect to such series of debt securities; *provided, however*, that, if at the time there is available to Westpac the opportunity to eliminate, within the 90-day period, the risk that any payment on the debt securities is, or will be, subject to such withholding or deduction by taking some ministerial action, such as filing a form or making an election, or pursuing some other similar reasonable measure that in Westpac's sole judgment has or will cause no adverse effect on Westpac or any of Westpac's subsidiaries or affiliates and will involve no material cost, Westpac will pursue that measure in lieu of redemption. Tax event means that Westpac has requested and received an opinion of competent tax counsel to the effect that there has been:

- an amendment to, change in or announced proposed change in the laws, or regulations under those laws, of Australia or any political subdivision or authority thereof or therein;

- a judicial decision interpreting, applying or clarifying those laws or regulations;

- an administrative pronouncement or action that represents an official position, including a clarification of an official position, of the governmental authority or regulatory body making the administrative pronouncement or taking any action; or

- a threatened challenge asserted in connection with an audit of Westpac, or any of its subsidiaries, or a threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to such series of debt securities,

which amendment or change is adopted or which proposed change, decision or pronouncement is announced or which action, clarification or challenge occurs on or after, with respect to taxes imposed by Australia or any political subdivision thereof or therein, the date of the applicable prospectus supplement or such term sheet, and, in the case of the subordinated debt securities, in the event of the assumption pursuant to the subordinated indenture of the obligations of Westpac by a successor person organized under the laws of a jurisdiction other than Australia (or any political subdivision thereof), with respect to taxes imposed by a non-Australian jurisdiction, the date of the transaction resulting in such assumption, in each case following which there is more than an insubstantial risk that any payment on such series of debt securities is, or will be, subject to withholding or deduction in respect of any taxes, assessments or other governmental charges.

If Westpac redeems debt securities in these circumstances, the redemption price of each debt security redeemed will be equal to 100% of the principal amount of such debt security plus accrued and unpaid interest on such debt security to the date of redemption or any other amount as specified in the applicable prospectus supplement or term sheet. (Section 10.8 of each indenture.)

Events of Default, Notice and Waiver

Senior Debt Securities

The senior indenture provides that, if an event of default in respect of any series of senior debt securities shall have occurred and be continuing, either the trustee or the holders of not less than 25% in principal amount of the outstanding senior debt securities of that series may declare the principal amount (or a portion thereof in the case of certain senior debt securities issued with original issue discount) of all the senior debt securities of that series to be due and payable immediately, by written notice to Westpac (and by written notice to the trustee if given by the holders). The consequence of this action is that the principal amount of the senior debt securities shall be immediately due and payable by Westpac. (Section 5.2 of the senior indenture.)

The senior indenture defines events of default in respect of any series of senior debt securities as:

- default for 30 days in payment of any interest installment or additional amount when due;

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- default in payment of the principal of, or any premium on, or any mandatory sinking fund payment with respect to, senior debt securities of such series when due;

- default for 60 days after written notice to Westpac by the trustee or to Westpac and the trustee by the holders of not less than 25% in principal amount of the outstanding senior debt securities of such series in performance of any covenant or warranty in such indenture in respect of the senior debt securities of such series;

- Westpac commences a voluntary case or proceeding under any applicable law involving a winding-up of Westpac or any other case or proceeding whereby Westpac may be wound-up, dissolved or cease to exist;

- Westpac consents to the entry of a decree or order for relief in an involuntary case or proceeding under applicable law involving a winding-up of Westpac or the commencement of any such case or proceeding against Westpac;

- Westpac files a petition or answer or consent seeking a decree or order for relief or consents to the filing of such a petition in a proceeding in connection with a winding-up of a Westpac;

- the entry of a decree or order by a court of competent jurisdiction for relief involving or resulting in the winding-up of Westpac;

- specified events, including the entry of a decree or order by a court of competent jurisdiction appointing a custodian, receiver, liquidator or other similar official of Westpac or of any substantial part of Westpac's property or similar events of Westpac; and

- any other event of default provided for in the senior indenture with respect to the senior debt securities of such series. (Section 5.1 of the senior indenture.)

Subordinated Debt Securities

Events of Default. The subordinated indenture provides that, if an event of default in respect of any series of subordinated debt securities shall have occurred and be continuing, either the trustee or the holders of not less than 25% in principal amount of the outstanding subordinated debt securities of that series may declare the principal amount (or a portion thereof in the case of certain subordinated debt securities issued with original issue discount) of all the subordinated debt securities of that series to be due and payable immediately, by a written notice to Westpac (and by written notice to the trustee if given by the holders). The consequence of this action is that the principal amount of the subordinated debt securities shall be immediately due and payable by Westpac. (Section 5.2 of the subordinated indenture.)

Notwithstanding such declaration, no payments will be made to holders of subordinated debt securities until all senior creditors, as defined under Provisions Applicable Only to Subordinated Debt Securities Subordination, have been paid in full. For information concerning the rights of holders of subordinated debt securities after proceedings for a winding-up of Westpac have been instituted, see Provisions Applicable Only to Subordinated Debt Securities Status After the Commencement of a Winding-Up of Westpac .

The subordinated indenture defines an event of default in respect of any series of subordinated debt securities as:

- the entry of a decree or order by a court of competent jurisdiction for relief involving or resulting in the winding-up of Westpac;
- Westpac commences a voluntary case or proceeding under any applicable law involving a winding-up of Westpac or any other case or proceeding whereby Westpac may be wound-up, dissolved or cease to exist;
- Westpac consents to the entry of a decree or order for relief in an involuntary case or proceeding under applicable law involving a winding-up of Westpac or the commencement of any such case or proceeding against Westpac;
- Westpac files a petition or answer or consent seeking a decree or order for relief or consents to the filing of such a petition in a proceeding in connection with a winding-up of a Westpac;

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- any other event of default provided for in the subordinated indenture with respect to the subordinated debt securities of such series. (Section 5.1 of the subordinated indenture.)

Defaults. If a default in respect of any series of subordinated debt securities shall have occurred and be continuing, the trustee may in its discretion institute any appropriate judicial proceeding as it shall deem most effectual to protect and enforce its rights and the rights of the holders of the subordinated debt securities of that series, the holders shall have no right to accelerate the payment of principal amounts unless the default is also an event of default. (Section 5.3 of the subordinated indenture.)

The subordinated indenture defines a default in respect of any series of subordinated debt securities as:

- the occurrence of an event of default;
- specified events, including the entry of a decree or order by a court of competent jurisdiction appointing a custodian, receiver, liquidator or other similar official of Westpac or of any substantial part of Westpac's property or similar events of Westpac;
- default for 30 days in payment of any interest installment or additional amount when due;
- default for seven days in payment of the principal of, or any premium on, or any mandatory sinking fund payment with respect to, subordinated debt securities of such series when due;
- default for 60 days after written notice to Westpac by the trustee or to Westpac and the trustee by the holders of not less than 25% in principal amount of the outstanding subordinated debt securities of such series in performance of any covenant or warranty in such indenture in respect of the subordinated debt securities of such series; and
- any other default provided for in the subordinated indenture with respect to the subordinated debt securities of such series. (Section 5.1 of the subordinated indenture.)

Provisions Applicable to Senior and Subordinated Debt Securities

The Trust Indenture Act of 1939, as amended, which we refer to as the Trust Indenture Act, and Section 6.5 of each indenture provide that the trustee will, within 90 days after the occurrence of a default in respect of any series of debt securities, give to the holders of that series notice of all uncured defaults known to it; *provided that*, except in the case of default in the payment on any of the debt securities of that series, the trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the holders of that series. The term "default" for the purpose of this provision means any event which is, or after notice or lapse of time or both would become, an event of default or (in the case of the subordinated indenture) a default, in each case as defined in the applicable indenture, with respect to debt securities of such series.

Each indenture provides that the holders of a majority in aggregate principal amount of the outstanding debt securities of any series may, subject to limitations, direct the time, method and place of conducting proceedings for any remedy available to the trustee, or exercising any trust or power conferred on the trustee in respect of the debt securities of that series. (Section 5.8 of each indenture.)

Each indenture provides that the trustee, subject to the provisions of the Trust Indenture Act will not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the indentures, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. (Section 6.1(g) of each indenture.)

Each indenture includes covenants that Westpac will file annually with the trustee a certificate of compliance with all conditions and covenants under each indenture. (Section 9.7 of each indenture.)

In certain cases, the holders of a majority in aggregate principal amount of the outstanding debt securities of a series may by providing written notice to the trustee, on behalf of the holders of all debt securities of that series, waive any past default or event of

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default, or compliance with certain provisions of the indenture, except for defaults or events of default in the payment of the principal of, or premium, if any, or interest on any of the debt securities of that series or any coupon related to such debt securities or compliance with certain covenants. (Section 5.7 of each indenture.)

Modification of the Indentures

Each indenture contains provisions permitting Westpac and the trustee to enter into one or more supplemental indentures without the consent of the holders of any of the debt securities in order to:

- evidence the succession of another individual, corporation or other entity to Westpac and the assumption of Westpac's covenants and obligations by its successor;
- add to Westpac's covenants for the benefit of the holders of debt securities of all or any series or surrender any of Westpac's rights or powers or to comply with certain requirements of the SEC relating to the qualification of the indenture under the Trust Indenture Act;
- add additional events of default and, in the case of the subordinated indenture, defaults, with respect to any series of debt securities;
- add to or change any provisions of the indenture to such extent as necessary to facilitate the issuance of debt securities in bearer form or to facilitate the issuance of debt securities in global form;
- change or eliminate any provision of the indenture affecting only debt securities not yet issued or when there is no security outstanding of a series created prior to the execution of any such supplemental indenture;
- secure the debt securities;
- establish the form or terms of debt securities;

- provide for delivery of such supplemental indentures or the debt securities of any series in or by means of any computerized, electronic or other medium, including without limitation by computer diskette;
- evidence and provide for successor trustees and/or to add to or change any provisions of each indenture to such extent as necessary to provide for or facilitate the administration of the trusts under the indentures by more than one trustee;
- permit payment of principal, premium or interest in respect of debt securities in bearer form or coupons, if any, in the United States and other areas subject to its jurisdiction;
- maintain the qualification of each indenture under the Trust Indenture Act;
- correct or supplement any inconsistent provisions or cure any ambiguity or omission or correct any mistake, provided that any such action does not adversely affect the interests of any holder of debt securities of any series;
- in the case of the subordinated indenture, modify the subordination provisions thereof in a manner not adverse to the holders of subordinated debt securities of any series then outstanding; or
- any other change that does not adversely affect the interests of the holders and is not otherwise prohibited. (Section 8.1 of each indenture.)

Each indenture also contains provisions permitting Westpac and the trustee, with the consent of the holders of not less than a majority of the aggregate principal amount of the outstanding debt securities of the affected series, to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of the indenture or modifying the rights of the holders of debt securities of that series. No supplemental indenture may, without the consent of the holders of all of the affected debt securities, among other things:

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- change the maturity of any debt securities;

- change the currency in which such debt securities are payable;

- reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof;

- reduce the amount of the principal of an original issue discount debt security or indexed debt security that would be due and payable upon an acceleration of such debt security or indexed debt security;

- impair the right to institute suit for the enforcement of any payment on such debt securities at maturity or upon redemption;

- reduce the percentage of the outstanding principal amount of debt securities of any series the holders of which must consent to any such supplemental indenture;

- change any obligation of Westpac to maintain an office or agency in accordance with the provisions of the indenture;

- modify the indenture provisions concerning modification of the indenture or the waiver of past defaults or specified covenants other than to increase the required percentage to effect a modification or provide that additional provisions may not be waived without the consent of each holder of that series of debt securities; or

- in the case of the subordinated indenture, modify the subordination provisions thereof in a manner adverse to the holders of subordinated debt securities then outstanding. (Section 8.2 of each indenture.)

In addition, material variations in the terms and conditions relating to redemption, events of default and, in the case of subordinated debt securities, subordination may require the consent of APRA.

Satisfaction and Discharge of the Indentures; Defeasance

The indenture shall generally cease to be of any further effect with respect to a series of debt securities when:

- Westpac has delivered to the trustee for cancellation all debt securities of that series; or
- all debt securities of that series not theretofore delivered to the trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year, and Westpac shall have irrevocably deposited with the trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all debt securities of that series (and if, in either case, Westpac shall also pay or cause to be paid all other sums payable under the indenture by Westpac in respect of all debt securities of that series and deliver to the trustee an officers certificate and an opinion of counsel, each stating that all conditions precedent in the indenture have been complied with) and Westpac shall have made any other payments due under the indenture and delivered to the trustee an officer s certificate and opinion of counsel saying that Westpac has fulfilled each of the conditions mentioned above. (Section 4.1 of each indenture.)

The trustee shall hold in trust all money deposited with it as described above and shall apply the deposited money, in accordance with the provisions of the debt securities of the defeased series and the indenture, to the payment, either directly or through any paying agent, as the trustee may determine, to the persons entitled thereto, of principal, premium, if any, and any interest for whose payment such money has been deposited with or received by the trustee. (Section 4.2 of each indenture.)

Record Dates

Westpac will generally be entitled to set any date as the record date for the purpose of determining the holders of debt securities entitled to give or take any action under the senior indenture or the subordinated indenture in the manner specified in such indenture. If a record date is set, action may only be taken by persons who are holders of debt securities on

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the record date. Also, unless otherwise specified in the prospectus supplement or term sheet applicable to a series of debt securities, to be effective, any action must be taken within 180 days of the record date. (Section 1.4(g) of each indenture.)

Notice

Notices to holders of debt securities will be given by mail to the addresses of holders appearing in the applicable securities register. Westpac and the trustee may treat the person in whose name a debt security is registered as the owner thereof for all purposes. (Sections 1.6 and 3.8 of each indenture.)

Governing Law

Each indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York, except that the subordination provisions contained in Sections 12.1, 12.2 and 12.8 of the subordinated indenture will be governed by, and construed in accordance with, the laws of the State of New South Wales, Commonwealth of Australia. (Section 1.11 of each indenture.)

Each indenture also provides that to the extent Westpac or any of its properties, assets or revenues may have or may become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with any debt security or either indenture, Westpac, to the extent permitted by law, will irrevocably and unconditionally waive, and agree not to plead or claim, any such immunity and will consent to such relief and enforcement. (Section 5.15 of each indenture.)

Consolidation, Merger or Sale of Assets

The senior indenture and the subordinated indenture provide that Westpac may not merge or consolidate with or into any other corporation or other entity or sell, convey or transfer all or substantially all of Westpac's assets, unless:

- Westpac is the surviving entity formed by such merger or consolidation; or
- the entity formed by such consolidation or into which Westpac is merged or which acquires Westpac's assets expressly assumes by supplemental indenture all of Westpac's obligations under the debt securities and the indenture; and

- immediately after giving effect to such transaction, no event of default or, in the case of the subordinated indenture, no default or event of default shall have occurred and be continuing; and
- Westpac shall have delivered to the trustee an officer's certificate and an opinion of counsel each stating that such transaction complies with the indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Upon any such consolidation, merger or sale where Westpac is not the surviving entity, the successor corporation formed by such consolidation or into which Westpac is merged or to which such sale is made shall succeed to and be substituted for Westpac under the indenture and the debt securities and any coupons appertaining thereto and all such obligations of Westpac shall terminate. (Section 7.1 of each indenture.)

Concerning the Trustees

Westpac may from time to time maintain credit facilities, and have other customary banking relationships with The Bank of New York Mellon, the trustee under both the senior indenture and the subordinated indenture.

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Consent to Service of Process

In accordance with the provisions of each indenture, we have designated our Senior Vice President and Chief Operating Officer, located in our New York branch, as our authorized agent for service of process in any legal action or proceeding against us with respect to Westpac's obligations under such indenture or the debt securities instituted in any federal or state court in the Borough of Manhattan, The City of New York, New York and will irrevocably submit to the non-exclusive jurisdiction of such courts in respect of any such legal action or proceeding. (Section 1.14 of each indenture.)

Australian Regulatory Restrictions on Payments by Westpac

Nothing in either indenture affects the applicability of:

- Section 13A of the Australian Banking Act, which provides that if Westpac becomes unable to meet its obligations or suspends payment of its obligations, the assets of Westpac in Australia shall be available to meet, in priority to all other liabilities of Westpac:
 - first, certain obligations of Westpac to APRA (if any) arising under Division 2AA of Part II of the Australian Banking Act in respect of amounts payable by APRA to holders of protected accounts in connection with the financial claims scheme, which we refer to as the FCS, established under the Australian Banking Act;
 - second, APRA's costs (if any) in exercising its powers and performing its functions relating to Westpac in connection with the FCS; and
 - third, Westpac's deposit liabilities in Australia.

- Section 86 of the Reserve Bank Act 1959 of Australia, which provides, in a winding-up of Westpac, debts due to the Reserve Bank of Australia by Westpac shall, subject to Section 13A of the Australian Banking Act, have priority over all other debts of Westpac other than debts due to Australia; and

- Section 16 of the Australian Banking Act, which provides, in a winding-up of Westpac, that, subject to Section 13A of the Australian Banking Act, specified debts due to APRA have priority over all other unsecured debts

of Westpac.

Provisions Applicable Only to Subordinated Debt Securities

Subordination

In a winding up of Westpac, the rights and claims of holders of the subordinated debt securities and the trustee (other than with respect to the costs, charges, expenses and liabilities incurred by the trustee) are subordinated and junior in right of payment to the claims of Westpac's senior creditors (as defined below). Winding up means, any procedure whereby Westpac may be wound up, dissolved or cease to exist as a body corporate and whether brought or instigated by the trustee, a holder of the subordinated debt securities or any other person, but excludes any transaction permitted as described under Consolidation, Merger or Sale of Assets. Senior creditors means all of Westpac's creditors (present and future) including its depositors:

- whose claims are admitted in a winding-up of Westpac; and
- who are not the holders of indebtedness, the right to repayment of which by its terms is, or is expressed to be, subordinated in a winding-up of Westpac to the claims of all depository and other unsubordinated creditors of Westpac.

(Section 12.2 of the subordinated indenture.)

Status Prior to the Commencement of a Winding-Up of Westpac

Prior to the commencement of a winding-up of Westpac:

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- Westpac's obligation to make any payment of principal, redemption price, interest or any other amount owing in respect of the subordinated debt securities or in relation to the subordinated indenture will be conditioned upon it being solvent (as defined below) at the time such payment is due; and
- Westpac will not make any payment of principal, redemption price, interest or any other amount owing in respect of the subordinated debt securities or in relation to the subordinated indenture except to the extent that it may make such payment and still be solvent immediately thereafter.

Solvent when used in connection with the payment of any installment of principal or interest on the subordinated debt securities means that (i) Westpac is able to pay its debts as they fall due and (ii) its assets exceed its liabilities. Assets means Westpac's total consolidated gross assets as shown by its latest published audited accounts but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, Westpac's auditors, or as the case may be, Westpac's liquidator may determine to be appropriate. Liabilities means Westpac's total consolidated gross liabilities as shown by its latest public audited accounts but adjusted for events subsequent to the date of such accounts in such manner and to such extent as the directors, Westpac's auditors, or as the case may be, Westpac's liquidator may determine to be appropriate.

(Sections 12.1 and 12.2 of the subordinated indenture.)

Status After the Commencement of a Winding-Up of Westpac

After the commencement of a winding-up of Westpac no amount shall be payable to holders of subordinated debt securities in respect of the subordinated debt securities and under the subordinated indenture until the claims of Westpac's senior creditors have been satisfied in full and the rights of the holders of the subordinated debt securities under the subordinated indenture and under the subordinated debt securities to receive any amounts in respect of the subordinated debt securities and under the subordinated indenture in the winding up of Westpac shall be held by the trustee upon trust:

- first, for application in payment or satisfaction of the costs, charges, expenses and liabilities incurred by the trustee in or about the execution of the trusts under the subordinated indenture (including the remuneration of the trustee);
- second, equally and ratably (as to its due proportion only) with the holders of Westpac's other subordinated indebtedness (as defined below) (if any) for distribution among its senior creditors (but only to the extent that their claims shall not have been satisfied in full);

- third, equally and ratably in or towards payment of the principal and interest owing in respect of the subordinated debt securities; and
- fourth, in payment of any balance to Westpac or Westpac's liquidator on its behalf.

(Section 12.2 of the subordinated indenture.)

Other Provisions

Other provisions applicable to subordinated debt securities will be described in the applicable prospectus supplement or term sheet.

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TAXATION

United States Taxation

The following is a general discussion of the material US federal income tax considerations relating to the purchase, ownership and disposition of the debt securities by US Holders (as defined below) who purchase the debt securities in an offering of debt securities at their issue price (determined as set forth below) and hold the debt securities as capital assets, within the meaning of section 1221 of the US Internal Revenue Code of 1986, as amended (the Code). This discussion does not address all of the tax considerations that may be relevant to US Holders in light of their particular circumstances or to US Holders subject to special rules under US federal income tax laws, such as banks, insurance companies, retirement plans, regulated investment companies, real estate investment trusts, dealers in securities, brokers, tax-exempt entities, certain former citizens or residents of the US, US Holders who hold the debt securities as part of a straddle, hedging, conversion or other integrated transaction, US Holders who mark their securities to market for US federal income tax purposes or US Holders whose functional currency is not the US dollar. In addition, this discussion does not address the effect of any state, local or foreign tax laws or any US federal estate, gift or alternative minimum tax considerations.

This discussion is based on the Code, the Treasury Regulations promulgated thereunder and administrative and judicial pronouncements, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. This discussion does not describe the US federal income tax considerations relating to the purchase, ownership or disposition of a contingent payment debt instrument (as defined under applicable Treasury Regulations), a debt security with a maturity later than 30 years from its date of issuance, a debt security that does not obligate Westpac to repay an amount equal to at least the issue price of the debt security or certain variable rate debt instruments (as defined under applicable Treasury Regulations), and a general discussion of any materially different US federal income tax considerations relating to any such debt security will be included in the applicable prospectus supplement or term sheet.

For purposes of this discussion, the term US Holder means a beneficial owner of a debt security that is, for US federal income tax purposes, (i) an individual citizen or resident of the US, (ii) a corporation created or organized in or under the laws of the US or of any state thereof or the District of Columbia, (iii) an estate the income of which is subject to US federal income taxation regardless of its source, or (iv) a trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 19, 1996 and were treated as domestic trusts on that date.

If an entity treated as a partnership for US federal income tax purposes holds a debt security, the tax treatment of such partnership and its partners will generally depend upon the status and activities of the partnership and its partners. Such an entity should consult its own tax adviser regarding the US federal income tax considerations applicable to it and its partners of the purchase, ownership and disposition of such a debt security.

The determination of whether a particular series of subordinated debt securities should be classified as indebtedness or equity for US federal income tax purposes depends on the terms of the subordinated debt securities. Unless otherwise specified in the applicable prospectus supplement or term sheet, we agree, and by acquiring an interest in a subordinated debt security each beneficial owner of a subordinated debt security agrees, to treat the subordinated debt securities as indebtedness for US federal income tax purposes. It is possible, however, that the US Internal Revenue Service (IRS) could attempt to treat a particular series of subordinated debt securities as equity for US federal income tax purposes. If the subordinated debt securities were so treated as equity, the US federal income tax considerations relating to the purchase, ownership and disposition of the subordinated debt securities could differ from those described below with respect to timing and character. The

remainder of this discussion assumes the subordinated debt securities will be treated as indebtedness for US federal income tax purposes.

Prospective purchasers are advised to consult their own tax advisers as to the US federal income and other tax considerations relating to the purchase, ownership and disposition of the debt securities in light of their particular circumstances, as well as the effect of any state, local or foreign tax laws.

Interest and Original Issue Discount

Each US Holder of a debt security will include in income payments of qualified stated interest (as described below) in respect of such debt security in accordance with such US Holder's method of accounting for US federal income tax

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purposes as ordinary interest income. In general, if the issue price of a debt security, determined by the first price at which a substantial amount of the debt securities of a series are sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), is less than the stated redemption price at maturity (as described below) of such debt security by an amount that is equal to or more than a *de minimis* amount, a US Holder will be considered to have purchased such debt security with original issue discount (OID). In general, the *de minimis* amount is equal to 1/4 of 1 percent of the stated redemption price at maturity of a debt security multiplied by the number of complete years to maturity (or, in the case of a debt security providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of the debt security). If a US Holder acquires a debt security with OID, then regardless of such US Holder's method of tax accounting, such US Holder will be required to accrue its pro rata share of OID on such debt security on a constant-yield basis and include such accruals in gross income, whether or not such US Holder will have received any cash payment on the debt security. Any amount not treated as OID because it is *de minimis* generally must be included in income (generally as gain from the sale of debt securities) as principal payments are received in the proportion that each such payment bears to the original principal amount of the debt security. Special rules apply to debt securities with a fixed maturity of one year or less. See below under Short-Term Debt Securities .

Stated redemption price at maturity generally means the sum of all payments to be made on a debt security other than payments of qualified stated interest . Qualified stated interest generally means stated interest that is unconditionally payable at least annually at a single fixed rate, or in the case of a variable rate debt instrument (as defined below), at a single qualified floating rate or single objective rate (as such terms are defined below). If a debt security is a variable rate debt instrument but interest is payable at a rate other than a single qualified floating rate or a single objective rate, the special rules that apply to such debt security will be described in the applicable prospectus supplement or term sheet.

In the case of a debt security that is a variable rate debt instrument, the amount of qualified stated interest and the amount of OID, if any, that accrues during an accrual period is generally determined by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate (each as defined below), the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate or (ii) in the case of an objective rate (as defined below, and other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the debt instrument, and the qualified stated interest (or, if there is no qualified stated interest, OID) allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to clause (i) or (ii), as applicable. Special rules that apply to a variable rate debt instrument that provides for stated interest at a fixed rate under certain circumstances, if applicable, will be described in the applicable prospectus supplement or term sheet.

A variable rate debt instrument is a debt instrument that (i) has an issue price that does not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (a) 0.015 multiplied by the product of such total noncontingent principal payments and the number of complete years to maturity of the instrument (or, in the case of a debt security providing for the payment of any amount other than qualified stated interest prior to maturity, multiplied by the weighted average maturity of the debt security) or (b) 15 percent of the total noncontingent principal payments, (ii) provides for stated interest (compounded or paid at least annually) at the current value of (A) one or more qualified floating rates, (B) a single fixed rate and one or more qualified floating rates, (C) a single objective rate or (D) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (iii) does not provide for any principal payments that are contingent. The current value of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A qualified floating rate is generally a floating rate under which variations in the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which a debt instrument is denominated. A multiple of a qualified floating rate is not a qualified floating rate unless the relevant multiplier is (i) fixed at a number that is greater than 0.65 but not more than 1.35 or (ii) fixed at a number that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. A variable rate is not considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (*i.e.*, a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the debt security to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor, governor or similar restriction that is fixed throughout the

term of the debt security).

An objective rate is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information. However, an objective rate does not include a rate based on

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information that is within the control of the issuer (or certain related parties of the issuer) or that is unique to the circumstances of the issuer (or certain related parties of the issuer), such as dividends, profits or the value of the issuer's stock. A qualified inverse floating rate is an objective rate (i) that is equal to a fixed rate minus a qualified floating rate and (ii) the variations in which can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). Notwithstanding the first sentence of this paragraph, a rate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the debt security's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the debt security's term. The IRS may designate rates other than those specified above that will be treated as objective rates. As of the date of this prospectus, no other rates have been designated.

If interest on a debt security is stated at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period, and the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate, as the case may be. A fixed rate and a variable rate will be conclusively presumed to meet the requirements of the preceding sentence if the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 0.25 percentage points (25 basis points).

If a floating rate debt security does not qualify as a variable rate debt instrument or otherwise provides for contingent payments, or if a fixed rate debt security provides for contingent payments, such debt security may constitute a contingent payment debt instrument. Interest payable on a contingent payment debt instrument is not treated as qualified stated interest. Special rules applicable to contingent payment debt instruments, if applicable, will be described in the applicable prospectus supplement or term sheet.

In general, the following rules apply if (i) a debt security provides for one or more alternative payment schedules applicable upon the occurrence of a contingency or contingencies and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and (ii) either a single payment schedule is significantly more likely than not to occur or the debt security provides us or the holder with an unconditional option or options exercisable on one or more dates during the term of the debt security. If based on all the facts and circumstances as of the issue date a single payment schedule for a debt instrument, including the stated payment schedule, is significantly more likely than not to occur, then, in general, the yield and maturity of the debt security are computed based on this payment schedule. If we or the holder have an unconditional option or options that, if exercised, would require payments to be made on the debt security under an alternative payment schedule or schedules, then (i) in the case of an option or options exercisable by us, we will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on the debt security and (ii) in the case of an option or options of the holder, the holder will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on the debt security. Debt securities subject to the above rules will not be treated as contingent payment debt instruments as a result of the contingencies described above. If a contingency (including the exercise of an option) actually occurs or does not occur contrary to an assumption made according to the above rules (a Change in Circumstances), then, except to the extent that a portion of the debt security is repaid as a result of a Change in Circumstances and solely for purposes of the accrual of OID, the debt security is treated as retired and then reissued on the date of the Change in Circumstances for an amount equal to the debt security's adjusted issue price on that date.

A US Holder may elect to treat all interest on any OID debt security as OID and calculate the amount includible in gross income under the constant yield method. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. The election must be made for the taxable year in which a US Holder acquires an OID debt security, and may not be revoked without the consent of the IRS.

Premium

If the amount paid by a US Holder for a debt security exceeds the stated redemption price at maturity of such debt security, such US Holder generally will be considered to have purchased such debt security at a premium equal in amount to such excess. In this event, such US Holder may elect to amortize such premium, based generally on a constant-yield basis, as an offset to interest income over the remaining term of such debt security. In the case of a debt security that may be redeemed prior to maturity, the premium amortization and redemption date are calculated assuming that we and the US Holder will exercise or not exercise redemption rights in a manner that maximizes the US Holder's yield. It is unclear how premium amortization is calculated when the redemption date or the amount of any redemption premium is uncertain. The election to amortize bond premium, once made, will apply to all debt obligations held or subsequently acquired by the electing US Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

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Debt securities that have a fixed maturity of one year or less (Short-Term Debt Securities) will be treated as issued with OID. In general, an individual or other US Holder that uses the cash method of accounting is not required to accrue such OID unless such US Holder elects to do so. If such an election is not made, any gain recognized by such US Holder on the sale, exchange, retirement or other disposition of a Short-Term Debt Security will be ordinary income to the extent of the OID accrued on a straight-line basis, or upon election under the constant yield method (based on daily compounding), through the date of sale, exchange, retirement or other disposition, and a portion of the deduction otherwise allowable to such US Holder for interest on borrowings allocable to the Short-Term Debt Security will be deferred until a corresponding amount of income on such Short-Term Debt Security is realized. US Holders who report income for US federal income tax purposes under the accrual method of accounting and certain other holders are required to accrue OID related to a Short-Term Debt Security as ordinary income on a straight-line basis unless an election is made to accrue the OID under a constant yield method (based on daily compounding).

Sale, Exchange, Retirement or Other Disposition of Debt Securities

In general, a US Holder of a debt security will have a tax basis in such debt security equal to the cost of such debt security to such US Holder, increased by any amount includible in income by such US Holder as OID and reduced by any amortized premium and any payments received with respect to the debt security other than payments of qualified stated interest. Upon a sale, exchange, retirement or other disposition of a debt security, a US Holder will generally recognize gain or loss equal to the difference between the amount realized on the sale, exchange, retirement or other disposition (less any amount that is attributable to accrued but unpaid qualified stated interest, which will constitute ordinary interest income if not previously included in income) and such US Holder's tax basis in such debt security. Subject to the rules described below under

Foreign Currency Debt Securities , such gain or loss will be long-term capital gain or loss if such US Holder has held such debt security for more than one year at the time of disposition. A US Holder that is an individual generally is entitled to preferential treatment for net long-term capital gains. The ability of a US Holder to offset capital losses against ordinary income is limited.

Foreign Currency Debt Securities

The following discussion generally describes special rules that apply, in addition to the rules described above, to debt securities that are denominated in, or provide for payments determined by reference to, a single currency other than the US dollar (Foreign Currency Debt Securities). The amount of qualified stated interest paid with respect to a Foreign Currency Debt Security that is includible in income by a US Holder that uses the cash method of accounting for US federal income tax purposes is the US dollar value of the amount paid, as determined on the date of actual or constructive receipt by such US Holder, using the spot rate of exchange on such date. In the case of qualified stated interest on a debt security held by a US Holder that uses the accrual method of accounting, and in the case of OID (other than OID on a Short-Term Debt Security that is not required to be accrued) for every US Holder, such US Holder is required to include the US dollar value of the amount of such interest income or OID (which is determined in the foreign currency) that accrued during the accrual period. The US dollar value of such accrued interest income or OID generally is determined by translating such income at the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average exchange rate for the partial period within the taxable year). Alternatively, such US Holder may elect to translate such income at the spot rate of exchange on the last day of the accrual period (or, with respect to an accrual period that spans two taxable years, at the spot rate in effect on the last day of the taxable year). If the last day of the accrual period is within five Business Days of the date of receipt of the accrued interest, a US Holder that has made such election may translate accrued interest using the spot rate in effect on the date of receipt. The above election will apply to all debt obligations held by such US Holder and may not be changed without the consent of the IRS. The US Holder will recognize, as ordinary income or loss, foreign currency exchange gain or loss with respect to such accrued interest income or OID on the date the interest or OID is actually or constructively received, reflecting fluctuations in currency exchange rates between the exchange rate used to determine the accrued interest income or OID for the relevant accrual period and the exchange rate on the date such interest or OID is actually or constructively received.

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A US Holder will calculate the amortization of bond premium for a Foreign Currency Debt Security in the applicable foreign currency. Amortization deductions attributable to a period will reduce interest payments in respect of that period, and therefore are translated into US dollars at the rate used for those interest payments. Foreign currency exchange gain or loss will be realized with respect to amortized premium on a Foreign Currency Debt Security based on the difference between the exchange rate at wh