



Westpac Trading Instalments



Want the benefits of investing in securities, without paying the full cost up-front, and are comfortable with increased risk?

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TIMETABLE

Offer Period Starts	27 November 2003
Admission to Trading Status for Virgin Blue Trading Instalment for conditional and deferred settlement trading (Please see full timetable on page 2)	8 December 2003
Offer Period for Virgin Blue Trading Instalment starts	8 December 2003
Offer Period Ends	10 March 2004
Completion Payment Dates	Various – see table on page 6 for the Completion Payment Date for each Series of Westpac Trading Instalments

Note:

The Offer Period will continue past the ASX listing date.

Issuer Westpac Banking Corporation ABN 33 007 457 141.

Broker to the issue Westpac Securities Limited
(trading as Westpac Broking) ABN 39 087 924 221.

Registrar Computershare Investor Services Pty Limited
ABN 48 078 279 277.

Security Trustee Perpetual Trustee Company Limited
ABN 42 000 001 007.

INVITATION TO APPLY FOR WESTPAC TRADING INSTALMENTS

Westpac Banking Corporation invites investors to apply for Westpac Trading Instalments offered under this Offering Circular. Copies of this Offering Circular, and the Terms of Issue are available on-line at www.westpac.com.au by going to the "Main Menu", highlighting "Investments and Superannuation" and selecting "Gearing" and then scrolling down to Westpac Trading Instalments. Copies of this Offering Circular are also available on the ASX website. A paper copy will be provided free of charge on request. Paper copies can be obtained by calling Westpac on 1800 024 420.

IMPORTANT

Cash Applications and Securityholder Applications must be received no later than 5:00pm Sydney time on 10 March 2004. No Westpac Trading Instalments will be issued on the basis of this Offering Circular later than that time.

Holders issued Westpac Trading Instalments prior to the anticipated Admission to Trading Status on 27 November 2003 will not be able to trade their Westpac Trading Instalments on the ASX prior to that time. Virgin Blue Trading Instalments will trade on a conditional and deferred settlement basis on 8 December 2003 (refer to Section 2.23 for further details). Holders wishing to trade prior to Admission to Trading Status should contact Westpac by calling 1800 024 420.

This is an Offering Circular for the purposes of Australian Stock Exchange Limited Business Rules and is dated 27 November 2003.

Introduction

Why should I invest in the sharemarket?

Potential capital growth

Westpac Trading Instalments give you increased exposure to Securities which can speed up your wealth creation. You can diversify your securities portfolio by purchasing Westpac Trading Instalments over a range of underlying Securities (if offered). These Securities include shares in Australian companies.

Growing franked income

Australian Securities also offer you income through the payment of dividends. Often these dividends carry franking credits which entitle the holder, subject to their circumstances, to receive a tax credit. Westpac Trading

Instalments allow you to benefit from the dividends and depending on your circumstances, associated franking credits of the underlying Security.

Leveraging to invest in the sharemarket

Leveraging to invest in the sharemarket enables you to gain a greater exposure to the sharemarket for a smaller initial outlay. Westpac Trading Instalments are a highly leveraged, short term investment. This leveraged exposure means you will have the potential to enjoy greater capital gains and/or income relative to the initial amount invested.

It also allows you greater access to income and depending on your circumstances, franking credits for the cash sum outlaid. And depending on your personal circumstances, you may be able to get a tax deduction for the interest.

What Securities are available through Westpac Trading Instalments?

You can invest in Westpac Trading Instalments over the following Securities.

Listed Entity	Type of Security	Instalment Series	Website
Australia and New Zealand Banking Group Limited	Share	ANZIWX	www.anz.com.au
Commonwealth Bank of Australia	Share	CBAIWX	www.commbank.com
National Australia Bank Limited	Share	NABIWX	www.national.com.au
News Corporation Limited (The)	Share	NCPIWX	www.newscorp.com.au
News Corporation Limited (The)	Share	NCPIWY	www.newscorp.com.au
Qantas Airways Limited	Share	QANIWX	www.qantas.com.au
Rio Tinto Limited	Share	RIOIWX	www.riotinto.com
Telstra Corp Limited	Share	TLSIWX	www.telstra.com
Virgin Blue Holdings Limited*	Share	VBAIWX	www.virginblue.com.au
Virgin Blue Holdings Limited*	Share	VBAIWY	www.virginblue.com.au

Introduction (continued)

The Listed Entities (except Virgin Blue Holdings Limited) that have issued the Securities underlying each Series of Westpac Trading Instalments are subject to the continuous and periodic disclosure obligations for listed entities set out under the ASX Listing Rules and the Corporations Act (see Section 4.10 (Information about the Listed Entities and their Securities) below). Public information about the Listed Entities is provided by ASX accessible through its website (www.asx.com.au) or through the websites of the Listed Entities.

To obtain more information about these entities consult with your financial adviser.

* As at the date of this Offering Circular, Virgin Blue Holdings Limited (Virgin Blue) is not a Listed Entity. The terms and conditions of the Virgin Blue Shares are summarised in the prospectus issued by Virgin Blue dated 10 November 2003.

NOTE: Conditional and deferred settlement trading of the Virgin Blue Trading Instalments will not commence until 8 December 2003.

The timetable for the offer of Virgin Blue Trading Instalments is as follows:

Offer Period and conditional and deferred settlement trading of Virgin Blue Shares and Virgin Blue Trading Instalments commences	8 December 2003
Satisfaction of share issue conditions and issue/transfer date of Virgin Blue Shares	12 December 2003
Deferred settlement trading of Virgin Blue Shares ends	15 December 2003
First day of normal T+3 trading of Virgin Blue Shares	16 December 2003
Issue date of Virgin Blue Trading Instalments applied for during conditional trading	19 December 2003
Last Day of conditional trading of Virgin Blue Trading Instalments	19 December 2003
Despatch date and last day of deferred settlement trading of Virgin Blue Trading Instalments	22 December 2003
First day of normal T+3 trading of Virgin Blue Trading Instalments	23 December 2003
Settlement of conditional and deferred trading of Virgin Blue Trading Instalments	30 December 2003
Offer Period ends	10 March 2004

NOTE: This timetable is subject to variation. Westpac will announce when conditional and deferred trading of the Virgin Blue Trading Instalments ends and normal T+3 trading is to commence.

Details of the conditional trading of Virgin Blue Shares and Virgin Blue Trading Instalments are set out in Section 2.23.

The commercial terms that apply to the Virgin Blue Trading Instalments are set out in the Summary Table below.

The additional risks associated with the Virgin Blue Trading Instalments are set out in Section 5.16.

The Virgin Blue prospectus (dated 10 November 2003) is publicly available and can be accessed through Virgin Blue's website (www.virginblue.com.au). All investors in Virgin Blue Trading Instalments should read the Virgin Blue prospectus before making an investment decision.

Once listed, Virgin Blue will be subject to the continuous and periodic disclosure obligations for listed entities set out under the ASX Listing Rules and the Corporations Act (see Section 4.10 (Information about the Listed Entities and their Securities) below). Public information about the Listed Entities is provided by ASX accessible through its website (www.asx.com.au) or through the websites of the Listed Entities.

To obtain more information about Virgin Blue, consult with your financial adviser.

What are Westpac Trading Instalments?

Westpac Trading Instalments are highly leveraged, short term investment packages with built-in loans that enable you to buy shares in listed companies by paying only a fraction of the full cost up-front.

You need only pay approximately 0 to 10 percent plus costs of the price of the Securities upfront (based on the price of the Securities at the start of the Offer Period) and Westpac provides the rest under the Loan. Westpac will then buy the Securities on your behalf and transfer the legal title to the Security Trustee to be held on a Separate Trust for you.

Alternatively, if you are already an owner of Securities of a particular Series you may be able to apply them towards a Westpac Trading Instalment and extract cash from your existing investment under the Loan.

You have no obligation to repay the Loan but if you do not you will be surrendering your Securities to Westpac (see Section 2.4 (The Loan) below for further details).

Alternatively, to gain full ownership of the Securities, you can repay the Loan by making the Completion Payment.

In the meantime, you are exposed to movements in the price of the underlying Security. You also receive dividends and, depending on your circumstances, franking credits from the entire portfolio. Certain special or abnormal dividends may, however, be applied in reduction of the Completion Payment instead of being distributed to you.

How are Westpac Trading Instalments different from other Westpac Instalments?

With Westpac Trading Instalments, a larger proportion of the underlying Security price is funded by the Loan than for other types of Westpac Instalments. The amount of the Loan is approximately 90 to 100 percent of the value at the start of the Offer Period of the underlying Security.

This means Westpac Trading Instalments:

- have a lower First Payment and higher Completion Payment than other Westpac instalment warrants;
- have a higher cash election fee than other Westpac instalment warrants;
- increase your ability to receive capital gains and income relative to your initial outlay if the underlying Securities increase in value; and
- increase the risk that you may lose some or all of your investment if the underlying Securities decrease in value or do not change in value during the period of your investment.

In addition the term of the Westpac Trading Instalments is much shorter than for other types of Westpac instalment warrants. This means that unlike other types of Westpac instalment warrants, if you want to use Westpac Trading Instalments to acquire the underlying Security you cannot spread the cost of the acquisition over several years but will have to fund the acquisition within a number of months.

What are the benefits of Westpac Trading Instalments?

Westpac Trading Instalments allow you to:

- Gain greater exposure to more Securities for a smaller initial capital outlay.
- Receive greater dividend income and depending on your circumstances, potential franking credits than you would have been able to access with an equivalent investment in the underlying Security (subject to the cost of the Loan).
- Benefit from the convenience of a simple investment in Securities that is easy to purchase with a built in loan.
- Forget the paperwork – no separate loan applications, no credit checks, no monthly loan repayments, no need to purchase Securities separately. If sold on the ASX there will be brokerage fees payable but there are no brokerage fees payable on your initial application under the Offering Circular. Westpac Trading Instalments are simple and easy to use.
- Limit your risk. Unlike margin lending products, there are no margin calls where you can be asked to make an unplanned payment at short notice. With Westpac Trading Instalments, after the First Payment you are under no obligation to pay out any more money. If you want to receive delivery of your Securities you pay the amount agreed when you purchased the instalment. There are no surprises.
- Relish the freedom – you are not locked into any arrangement. If you don't want to own the Securities, sell your Westpac Trading Instalments on the ASX or simply don't make your Completion Payment and Westpac will sell your Securities (see Section 2.3 (Making the Completion Payment) below for further details).

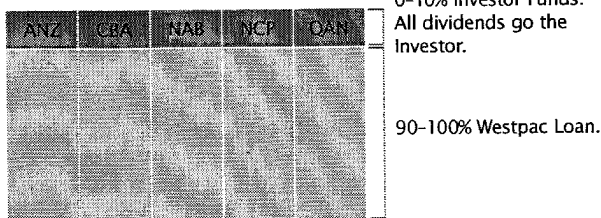
What are the risks of Westpac Trading Instalments?

There are risks associated with Westpac Trading Instalments. Westpac Trading Instalments are a highly leveraged, short term investment. Because of the increased leverage, Westpac Trading Instalments are for people who are comfortable with the risk of increased borrowing and understand that the greater borrowing costs and higher leverage increase the risk of considerable fluctuations in the value of their Westpac Trading Instalments. The risk factors are described in more detail in Section 5 (Risk Factors).

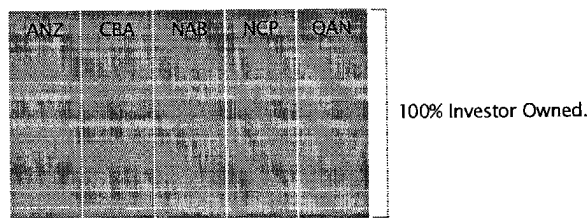
Introduction (continued)

Gain greater exposure to the sharemarket by using Westpac Trading Instalments

After the First Payment



After the Second Payment



Who should invest in Westpac Trading Instalments?

The following people should consider investing in Westpac Trading Instalments.

- People who have a positive short term view of the underlying Security and who want to access dividend payments;
- People who are comfortable trading securities and/or options.
- People looking for higher growth and yield investments to fast track their savings.
- People who want a greater exposure to Securities but don't wish to pay all the money upfront.
- People who are comfortable with risk and understand that Security prices can fluctuate.
- People who want to extract cash from their existing portfolio of Securities in order to purchase additional investments. These people, Securityholder Applicants, can use their existing Securities to acquire Westpac Trading Instalments and receive a Loan of approximately 90 to 100 percent of the value at the start of the Offer Period of their Securities. The Loan Proceeds must be used for investment or business purposes, which may include the acquisition of additional Westpac Trading Instalments. The Security Trustee will hold the Securities on a Separate Trust and Westpac will provide the Securityholder Applicant with:

- (i) one Westpac Trading Instalment for each Security held; and
- (ii) the Loan Proceeds (being approximately 90 to 100 percent of the value at the start of the Offer Period of the Securities) less the Interest Amount, Put Option Fee and, where applicable, the Borrowing Fees. This amount will be paid to you in cash.

If the Completion Payment is made, a Securityholder Applicant regains full legal ownership of their Securities.

Superannuation funds

Westpac Trading Instalments may be suitable investments for superannuation entities **but only where acquired by way of Cash Application or by purchase on the ASX.** Superannuation entities are referred to Section 2.22 (Superannuation investments) regarding an investment by them in Westpac Trading Instalments.

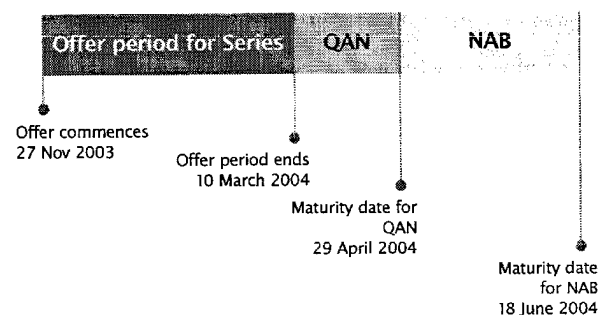
How do Westpac Trading Instalments work?

Westpac Trading Instalments enhance your exposure to the sharemarket by allowing you to purchase Securities in two payments: the First Payment when you invest and the Completion Payment on or before the Completion Payment Date.

The term of a Westpac Trading Instalment

Each Series of Westpac Trading Instalment expires on the Completion Payment Date for that Series as set out on page 6. The Completion Payment Date for each Series is within 12 months of the start of the Offer Period for that Series or in relation to Virgin Blue Trading Instalments, within 12 months of the first day of normal T+3 trading of Virgin Blue Trading Instalments. This means that the term of a Westpac Trading Instalment will vary depending on when your Application is accepted and on which Series you select.

Westpac Trading Instalment Term



The First Payment

Cash Applicants must accompany their application with the First Payment. The First Payment amount will vary from day to day depending on the price of the Securities underlying the Westpac Trading Instalment Series that you have selected. The First Payment amount will be fixed at the time of your investment and will include the Interest Amount, the Put Option Fee and, if applicable, the Borrowing Fees.

Based on the price of the Securities at the start of the Offer Period, the First Payment will be approximately 0 to 10 percent of the value of the underlying Securities you have selected plus the Interest Amount, the Put Option Fee and, if applicable, the Borrowing Fees. (This is the price of the Westpac Trading Instalment).

When you make the First Payment, Westpac will provide you with the balance of the acquisition cost of the Securities under the Loan and purchase the Securities on your behalf. The trustee will hold the Securities in trust for you pending Westpac's receipt of your Completion Payment.

If you are a Securityholder Applicant, you transfer your Securities to the Security Trustee so that they can be held as the Underlying Parcel. This satisfies your obligation to make a First Payment and you will receive in cash the Loan Proceeds less the Interest Amount, the Put Option Fee and, if applicable, any Borrowing Fees.

The Completion Payment

If you make the Completion Payment on or before the Completion Payment Date, you will be entitled to receive delivery of the Underlying Parcel, the Security Interest will be discharged and Loan will be repaid. The amount of the Completion Payment is fixed for each Series of Westpac Trading Instalments. These amounts are set out on the Summary Table on page 6.

The Completion Payment Date is different for each Series and is also set out in the Summary Table on page 6.

You are not obliged to make the Completion Payment and if you decide not to you can:

- make the Put Option and sell your Securities to Westpac for the greater of their market value or the Completion Payment and receive the proceeds (if any) after payment of the Completion Payment (see Section 2.14 (Exercising the Put Option) below for further details);
- do nothing on expiration of your Westpac Trading Instalments and Westpac will sell the Securities in the Underlying Parcel and provide you either the proceeds (if any) after payment of the Completion Payment and process costs or, if higher, the Assessed Value Payment

(see Section 2.3 (Making the Completion Payment) below for further details); or

- sell your Westpac Trading Instalments on the ASX prior to expiration for their market value (your Loan from Westpac is repaid on transfer).

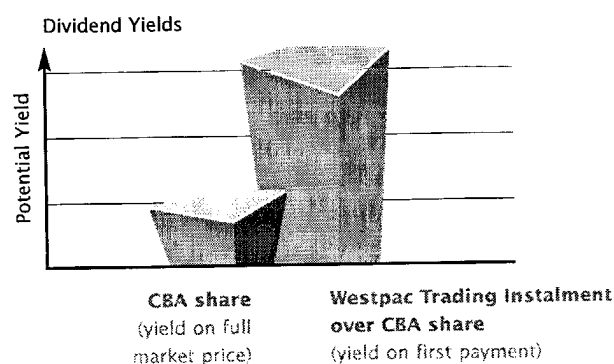
Taxation of Capital Protected Products

In relation to the tax consequences of investing in Westpac Instalments, you should be aware that the Federal Treasurer has announced that part of the interest paid by borrowers on "capital protected products" issued on or after 16 April 2003 will be treated as a capital protection fee and will not be allowed as an immediate tax deduction. Further details of this new approach were released by the Government and the ATO on 30 May 2003.

Under the "interim approach" announced by the Government, a methodology has been established to apportion the expense on capital protected products, including instalment warrants, between interest on the loan component and the cost of the capital protection component.

Westpac has separated the costs relating to the capital protection inherent in Westpac Instalments (see Section 2.6 (Put Option Fee) for details). The costs are set out in the column headed 'Put Option Fee' in the Summary Table on page 6. For Cash Applicants, the Put Option Fee is part of the First Payment, while for Securityholder Applicants you direct that the Put Option Fee be deducted from the Loan Amount that is or may be payable to you. On this basis, Westpac believes that it has complied with the interim approach announced by the Government. Accordingly, Westpac expects that any deduction for the interest paid by Holders should not be affected by the proposed new rules. However, complete certainty on this matter will not be possible until the relevant amending legislation is enacted in due course. This issue is considered further in Section 3 (Taxation considerations).

Gain a greater return on your initial investment using Westpac Trading Instalments



Introduction (continued)

Summary Table

The following table gives you an idea of the First Payment and the fixed Completion Payment associated with the various Series of Westpac Trading Instalments in respect of particular Securities. It also sets out the applicable Completion Payment Date for each Series of Westpac Trading Instalment

Westpac Trading Instalments

Underlying Listed Entity	ASX Code	Completion Payment Date ¹	Issue Size (Million)	Minimum Subscription		Indicative Share Price	Capital Component
				Cash Applicants	Securityholder Applicants		
Australia and New Zealand Banking Group Limited	ANZIXX	18 Jun 04	10	\$2,000	150	\$17.16	\$1.16
Commonwealth Bank of Australia	CBAIXX	23 Feb 04	10	\$2,000	100	\$28.09	\$0.09
National Australia Bank	NABIXX	18 Jun 04	10	\$2,000	100	\$29.60	\$1.10
News Corporation Limited	NCPIXX	25 Mar 04	10	\$2,000	200	\$11.74	-\$0.26
News Corporation Limited	NCPIWY	18 Jun 04	10	\$2,000	200	\$11.74	\$0.74
Qantas Limited	QANIXX	29 Apr 04	10	\$2,000	700	\$3.40	\$0.40
Rio Tinto Limited	RIOIXX	29 Apr 04	10	\$2,000	100	\$33.77	\$0.77
Telstra Corporation	TLSIXX	29 Apr 04	10	\$2,000	600	\$4.86	\$0.11
Virgin Blue Airways	VBAIXX	18 Jun 04	10	\$2,000	1000	\$2.00	\$0.00
Virgin Blue Airways	VBAIWY	18 Jun 04	10	\$2,000	1600	\$2.00	\$0.75

Variables figures are shown in pink shaded columns and are INDICATIVE based on the assumed security prices outlined, an average interest of 7.00% per annum over the whole term and an issue date of 27 November 2003. The Interest Amount may vary depending on the length of time between when you apply and the Completion Payment Date and the rate of interest when you apply.

1. Please note: the Completion Payment Dates for each Series.
2. You may be charged Borrowing Fees which will also be included in the First Payment. Westpac will identify any Borrowing Fees applying in respect of your Application.

How do I invest in Westpac Trading Instalments?

You can invest in Westpac Trading Instalments by:

- (a) purchasing them on the ASX; or
- (b) applying for them through this Offering Circular, as either a **Cash Applicant** or **Securityholder Applicant** during the Offer Period (that is, the period up to 10 March 2004).

A trustee of a superannuation fund can only invest in Westpac Trading Instalments as a Cash Applicant or by purchasing them on the ASX.

Purchasing Westpac Trading Instalments on the ASX

Once Westpac Trading Instalments are listed on the ASX (anticipated for 27 November 2003) you can invest in Westpac Trading Instalments through your stockbroker or financial adviser.

If you choose to invest in Westpac Trading Instalments by purchasing them on the ASX we recommend that you read this Offering Circular carefully in order to gain an understanding of the product and the risks involved. Holding Westpac Trading Instalments involves risks that are different from holding Securities directly. The risk factors are described in Section 5 (Risk Factors) below.

When purchasing Westpac Trading Instalments on ASX you are not restricted to a minimum investment amount and you can purchase Westpac Trading Instalments at the quoted price (subject to brokerage costs).

Westpac will support a secondary market by offering to buy and sell Westpac Trading Instalments on the ASX.

Investing through the Offering Circular

If you choose to invest in Westpac Trading Instalments through this Offering Circular we recommend that you read this document carefully in order to gain an understanding of the product and the risks involved. Holding Westpac Trading Instalments involves risks that are different from holding Securities directly. The risk factors are described in Section 5 (Risk Factors) below.

To help you determine whether this product is suitable for you, you may also wish to consult your stockbroker or financial adviser.

There are two Application Forms - one for Cash Applicants and one for Securityholder Applicants. The Application Forms are found at the back of this Offering Circular. The Application process and instructions on how

Interest Amount	Put Option Fee	Total First Payment	Loan Amount (Completion Payment)	Indicative Securityholder Investment Amount
\$0.31	\$0.70	\$2.17	\$16.00	\$14.99
\$1.06	\$2.15	\$3.30	\$28.00	\$24.79
\$0.55	\$1.44	\$3.09	\$28.50	\$26.51
\$0.03	\$1.17	\$0.94	\$12.00	\$10.80
\$0.23	\$0.90	\$1.87	\$11.00	\$9.87
\$0.03	\$0.21	\$0.64	\$3.00	\$2.76
\$0.32	\$2.21	\$3.30	\$33.00	\$30.47
\$0.05	\$0.28	\$0.44	\$4.75	\$4.42
\$0.04	\$0.24	\$0.28	\$2.00	\$1.72
\$0.03	\$0.10	\$0.88	\$1.25	\$1.12

Introduction (continued)

to complete the appropriate Application Form are clearly shown. Westpac will only consider Applications on the Application Forms attached at the back of this Offering Circular.

Cash Applicants

Cash Applicants can purchase Westpac Trading Instalments by investing a minimum of \$2,000 for each Series of Westpac Trading Instalments.

The number of Westpac Trading Instalments you will obtain will equal the application amount divided by the First Payment amount per Westpac Trading Instalment. The First Payment is based on the market value of the underlying Securities on the day you purchase the Westpac Trading Instalment.

The amount of the First Payment (that is, the purchase price of the Westpac Trading Instalment) will be fixed at the time of your Application. Your approved financial adviser can fix the amount in advance by calling 1800 024 420. You can also obtain an indication of what your First Payment is likely to be at any time during the Offer Period by calling Westpac on this number. For confirmed Applications through an approved financial adviser, you will be given an application number which must be included on the Application Form. When applying through this Offering Circular the amount of your First Payment will be fixed upon receipt of your Application Form and cleared funds. You may pay by cheque, direct credit, BPAY or (if you are a Westpac account holder) direct debit.

Securityholder Applicants

Securityholder Applicants may access some of the money tied up in their existing portfolio of Securities for investment or business purposes by using Westpac Trading Instalments.

When Westpac Trading Instalments are applied for, Securityholder Applicants transfer their Securities to the Security Trustee (as Westpac's nominee) in satisfaction of their obligation to make a First Payment. In return they receive Westpac Trading Instalments and Loan Proceeds (equal to approximately 90 to 100 percent of the value at the start of the Offer Period of the Securities) less the Interest Amount, the Put Option Fee and, where applicable, the Borrowing Fees (see the Summary Table on page 6 for approximate values). The Loan Proceeds must be used for investment or business purposes, such as using it as a Reinvestment Amount and applying under your Application for additional Westpac Trading Instalments in respect of any Series (subject to Minimum

Subscription amounts). The exact amount of the cash payment received under the Loan is advised at the time of the Application.

Only Securities over which Westpac issues Westpac Trading Instalments may be used. (See the table on page 6 of this Offering Circular for the list of eligible Securities). One Westpac Trading Instalment will be issued for each security transferred. Securityholder Applicants do not pay cash for their Westpac Trading Instalments but must subscribe for a minimum number of Westpac Trading Instalments per Series as shown in the Summary Table of this Offering Circular. You will need to attach to your Application a copy of your holding statement for the relevant Securities.

If the Securityholder Applicant makes the Completion Payment they will regain full legal ownership of their Securities. If they choose not to make the Completion Payment then when the Westpac Trading Instalments expire, the Securities will be sold and after payment of the Completion Payment any proceeds will be returned (see Section 2.3 (Making the Completion Payment) for further details).

Westpac will not accept a Securityholder Application from a trustee of a superannuation fund.

Lodging the application form

You can lodge your Application Form with your stockbroker, financial adviser or forward it directly to Westpac at the address given in the application form. Westpac must receive Application Forms by 5.00 pm (Sydney time) on 10 March 2004.

Westpac reserves the right, in its absolute discretion, to not accept any Application. Westpac also reserves the right to close the invitation to apply for Westpac Trading Instalments early.

For additional information on Westpac Trading Instalments please call Westpac on 1800 024 420.

Section 1: How to apply

1.1 Applications

You can apply for Westpac Trading Instalments as a Cash Applicant or a Securityholder Applicant by completing and lodging the relevant Application Form included in this Offering Circular. Please note, Westpac will not accept the lodgment of Applications prior to the start of the Offer Period (ie 27 November 2003).

Applications may be lodged either:

- (a) via your ASX broker or approved financial adviser; or
- (b) with Westpac, at
Westpac Trading Instalments
Structured Investments
Westpac Banking Corporation
PO Box A990
SYDNEY SOUTH NSW 1234
Australia

The requirements for applying as either a Cash Applicant or a Securityholder Applicant are set out below.

1.2 Cash Applications

As a Cash Applicant your First Payment will vary depending on the price of the Securities underlying your Westpac Trading Instalments and the Interest Amount, Put Option Fee and, where applicable, the Borrowing Fees.

Your approved financial adviser will be able to fix your First Payment by calling Westpac on 1800 024 420.

When applying directly to Westpac you will have a choice of four methods of payment:

- Cheque
- Direct Credit
- BPAY
- Direct Debit (available only if you hold a Westpac account)

Your actual First Payment will be determined by Westpac on receipt of your Application Form and cleared funds. If there is no Application Number on your Application Form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

You can also obtain an indicative First Payment amount by calling Westpac on the above number. (Note – unless your approved financial adviser fixes the payment, the amount advised may vary when you submit an Application.)

Further details on how to apply as a Cash Applicant are provided alongside your Application Form.

The number of Westpac Trading Instalments in each Series that you can be allocated will be calculated by the total Application monies subscribed for that Series divided by the First Payment amount rounded down to the nearest whole Westpac Trading Instalment. Any surplus Application monies, which will be less than one First Payment amount, will be donated to charity.

The Minimum Subscription amount for Cash Applications is \$2,000 for each Series.

1.3 Securityholder Applications

Securityholder Applicants must hold the relevant Securities (set out in the Summary Table on page 6) in the relevant Listed Entities and must transfer them to the Security Trustee. You will receive one Westpac Trading Instalment for each Security transferred. You do not pay cash for Westpac Trading Instalments but must subscribe for at least the minimum number of Westpac Trading Instalments set out in the Summary Table on page 6.

You should refer to the Securityholder Application Form for further instructions on how to transfer your Securities to the Security Trustee.

The Capital Component of the variable First Payment will be met by transferring the Securities to the Security Trustee. You will receive a cash payment (the Securityholder Investment Amount) equal to the Loan Proceeds less the Interest Amount, the Put Option Fee and, where applicable, the Borrowing Fees. You must use the Securityholder Investment Amount received for investment or business purposes and must provide a consumer credit declaration if you want to keep the cash payment. Alternatively, you may direct that it be applied as a Reinvestment Amount for further Westpac Trading Instalments in respect of any Series.

Contact Westpac through your broker or approved financial adviser or by calling 1800 024 420 to obtain an indication of the amount you will receive, before submitting your Application. You should attach a copy of your holding statement for the relevant Securities to your Application Form to avoid delay in processing your Application.

APRA and ATO issued Guidelines on 16 December 2002 noting that they considered it was unlawful for superannuation fund trustees to apply for instalment warrants under a securityholder application. Westpac will not accept Securityholder Applications by superannuation fund trustees.

Section 1: How to apply (continued)

1.4 Effect of signing and lodging an Application Form

By signing and lodging an Application Form:

- (a) you subscribe for Westpac Trading Instalments;
- (b) you apply for a Loan from Westpac;
- (c) you appoint the Security Trustee, or its nominee to hold on trust the Securities which are acquired for you or transferred by you (subject to any Security Interest);
- (d) you acknowledge that the Security Trustee may have granted a Security Interest to Westpac over each Underlying Parcel transferred to it, or which it continues to hold, by reason of the Application, and may deal with the Underlying Parcels as set out in the Terms of Issue; and
- (e) you appoint certain directors and employees of Westpac as your attorneys to sign the Loan Agreement and deal with your Securities on your behalf (and give those persons power to appoint a sub-attorney).

1.5 Acceptance of Applications

Acceptance of an Application occurs when you (by your attorney) and Westpac execute the Loan Agreement to enable Westpac to lend you the Loan Amount. The Security Trustee will also confirm to Westpac that it has become the registered holder of the Securities comprised in the Underlying Parcel and Westpac will then instruct the Registrar to register the issue of Westpac Trading Instalments in your name.

The Loan Amount for each Series applied for will be as shown in the Summary Table on page 6, multiplied by the relevant number of Westpac Trading Instalments.

Westpac will have a Security Interest over an Underlying Parcel acquired in the name of, transferred to, or held by the Security Trustee to secure the Loan Amount and other Secured Monies from time to time.

Each Underlying Parcel, subject to the Security Interest, will be held by the Security Trustee on a Separate Trust for you as the Holder of the relevant Westpac Trading Instalment.

Westpac may reject any Application (and also accept Applications for less than the specified Minimum Subscription), in each case in its absolute discretion. If your Application is rejected, Westpac will return your Application monies to you.

Westpac will not accept Securityholder Applications from superannuation fund trustees.

1.6 What happens if my Application is accepted?

As soon as you have been registered as the Holder, the Registrar will send you a Holding Statement and confirmation regarding:

- the number of Westpac Trading Instalments issued to you;
- the date upon which the Loan Agreement was entered into;
- the Loan Amount;
- the Completion Payment Date and Completion Payment; and
- the amount of any cash payment (*Securityholder Investment Amount*) you will receive if you are a Securityholder Applicant and how this was dealt with in accordance with your instructions.

1.7 Further issues of Westpac Trading Instalments

Westpac reserves the right to issue further Westpac Trading Instalments without the Holders' consent, subject to making a further application to the ASX. The new Westpac Trading Instalments may:

- form part of the Series of Westpac Trading Instalments issued under this Offering Circular;
- be issued on terms identical to Westpac Trading Instalments; and
- trade on the same basis under the same ASX code.

Section 2:

Description of Westpac Trading Instalments

This is a brief description only. Your rights and obligations under the Westpac Trading Instalments are governed by the Trust Deed and the Terms (together the *Terms of Issue*) and the general law. In the case of any conflict with this summary, the Terms of Issue prevail.

2.1 Brief overview of Westpac Trading Instalments

(a) What is a Westpac Trading Instalment?

Westpac Trading Instalments provide a highly leveraged investment for:

- cash investors, and
- securityholders in the Listed Entities over which Westpac Trading Instalments are issued.

Cash investors purchase Securities in the Listed Entities by making an initial payment (the *First Payment*) and one subsequent payment (the *Completion Payment*). Securityholder Applicants receive in cash the Securityholder Investment Amount for approximately 90 to 100 percent of the value at the start of the Offer Period of their Securities less the Interest Amount, Put Option Fee and, where applicable, the Borrowing Fees. Securityholder Applicants can reacquire legal title to those Securities by making the Completion Payment.

As a Successful Applicant you will receive a Loan (see Section 2.4 (The Loan) for further details), and one Westpac Trading Instalment for each Westpac Trading Instalment for which you validly apply.

As a Holder you can choose to do one of the following:

- at any time up to the Completion Payment Date make the Completion Payment and receive full legal title to the Underlying Parcel;
- make the Put Option and sell your Securities to Westpac at the Completion Payment Date for the greater of their Market Value or the Completion Payment and receive the proceeds (if any) after payment of the Completion Payment (see Section 2.14 (Exercising the Put Option) below for further details); or
- sell your Westpac Trading Instalments on the ASX at any time up to the Completion Payment Date.

If you do nothing prior to 5.00 pm on the Completion Payment Date, Westpac will sell the Underlying Parcel and provide you the proceeds (if any) after payment of the Secured Monies and costs (see Section 2.3 (Making the Completion Payment) for further details).

You are entitled to 100% of any Dividends and any franking credits attached to the Dividends, and where you make the Completion Payment, any profits or losses, on the Underlying Parcel during the term of the Westpac Trading Instalment, but see Section 3 (Taxation considerations) for further details. Special Dividends may, however, be applied at Westpac's direction in accordance with the Order of Payment (resulting in a reduction of the amount of the Completion Payment) instead of being distributed to Holders.

(b) Appointment of Security Trustee

You appoint the Security Trustee, or its nominee, to hold the legal title to each Underlying Parcel, as trustee subject to any Security Interest.

The Security Trustee, or its nominee, will act in accordance with the provisions of the Terms of Issue.

(c) Terms of Issue

The rights and obligations of Westpac, the Security Trustee and each Holder are set out in the following documents (being the Terms of Issue):

- (i) Westpac has executed the "Deed Poll – Warrant Terms" (the *Terms*). The Terms set out the rights, conditions and obligations of Westpac and you in respect of each Westpac Trading Instalment and are enforceable by and against Westpac and you as the Holder of the Westpac Trading Instalment. A summary of the Terms is set out in Section 6 (Summary of the Terms of Issue).
- (ii) The Security Trustee has executed the "Deed Poll – Declaration of Trust" (the *Trust Deed*) in respect of the Separate Trusts constituted over each Underlying Parcel. A summary of the Trust Deed is set out in Section 6 (Summary of the Terms of Issue).

The Terms of Issue also incorporate certain provisions of this Offering Circular and the Loan Agreement entered into by each Holder with Westpac. A sample form of Loan Agreement is set out in Section 7 (Form of Loan Agreement).

You should read the summary of the Terms and Trust Deed and the sample Loan Agreement fully before making any decision to invest in Westpac Trading Instalments.

Section 2: Description of Westpac Trading Instalments (continued)

2.2 Instalment payments

A Westpac Trading Instalment enables the Holder to acquire an Underlying Parcel by making two payments to Westpac:

(a) First Payment

A First Payment made at Application in cash by Cash Applicants.

The First Payment consists of:

- the variable Capital Component;
- the variable Interest Amount paid in advance on the Loan Amount;
- the Put Option Fee which is the cost of Westpac providing you with the right to require Westpac to purchase your Underlying Parcel at the Completion Payment Date by exercising the Put Option; and
- the Borrowing Fees (if any) which are variable amounts determined at the time of application.

Other than a portion of the Interest Amount in respect of an Accelerated Completion Payment Date, the above amounts are non-refundable.

Securityholder Applicants will satisfy the requirement to make the First Payment by transferring the relevant number of Securities to the Security Trustee.

The Capital Component of the First Payment will be advised when a confirmation is sent to the Applicant. The Capital Component will be variable, and represents the balance (after deducting the Loan Amount) of the market price of the Securities on Application.

(b) Completion Payment

A Completion Payment is payable (if you give a Completion Payment Notice) on or before 5.00 pm on the Completion Payment Date (**Closing Time**).

The Completion Payment is a fixed amount equal to approximately 90 to 100 percent of the value of the Underlying Parcel at the start of the Offer Period.

The Completion Payment is due on the Completion Payment Date for the relevant Series but may be made earlier. If you make the Completion Payment the Loan will be repaid, the Security Interest discharged and the Underlying Parcel will be transferred to you.

2.3 Making the Completion Payment

Westpac will send you a Reminder Notice prior to the Completion Payment Date.

You may give a Completion Payment Notice to Westpac and make the Completion Payment at any time before 5.00 pm on the Completion Payment Date (that is, the Closing Time). If you give a Completion Payment Notice within 10 Business Days of the Completion Payment Date the notice will be deemed to be given at the Closing Time. Once given, a Completion Payment Notice is irrevocable and you are obliged to make the Completion Payment in full.

If you give a Completion Payment Notice and make the Completion Payment in cleared funds (see Section 2.13(b)) (Effectiveness of a Completion Payment Notice) you will receive the Underlying Parcel for each Westpac Trading Instalment from the Security Trustee within 20 Business Days of giving the Completion Payment Notice.

If you give a Completion Payment Notice but funds sufficient to make the Completion Payment do not clear by the 6th Business Days after the notice being given, Westpac may exercise its power of sale over the Underlying Parcel and you must pay Westpac any shortfall between the amount of the Completion Payment and the actual proceeds of sale received by Westpac as mortgagee.

If you do not give a Completion Payment Notice, then Westpac may sell the Underlying Parcel. If Westpac sells the Underlying Parcel in these circumstances, you will be paid an amount (if any) in accordance with the Order of Payment being, for approximate purposes, the net proceeds (if any) of the sale of the Underlying Parcel after the Secured Monies have been repaid. If the proceeds are not sufficient to repay the Secured Monies, Westpac cannot recover the shortfall from you.

Under the ASX Business Rules, the ASX has mandated that a certain minimum amount (called an Assessed Value Payment) should be payable to Holders where their Westpac Trading Instalments expire unexercised in certain circumstances. Generally speaking, the amount that Westpac has agreed to pay Holders under the Terms of Issue will be greater than the Assessed Value Payment. However (so long as you have not given a Completion Payment Notice) if the Assessed Value Payment is greater than the amount that Westpac would otherwise pay you as described above, you will be paid the Assessed Value Payment. Where the Market Value of the Underlying Parcel is greater than the Completion Payment by an amount greater than 5% of the Completion Payment, the Assessed Value Payment is equal to 90% of that difference.

2.4 The Loan

Westpac will make a Loan to Successful Applicants and Transferees. Each Loan will be secured by a Security Interest over the relevant Underlying Parcel (which will be held by the Security Trustee).

The Loan is limited recourse which means that if you do not repay the Loan Westpac will not take any action against you apart from enforcing its Security Interest over the Underlying Parcel. The exception is where you give a Completion Payment Notice. If you give a Completion Payment Notice you are personally obliged to make the Completion Payment in full.

The Loan Amount is specified for the relevant Series in the Summary Table on page 6. The Loan Amount for each Series is fixed regardless of the date of Acceptance or the method of Application. New Loans to Transferees are fixed at the amount determined in the Loan Agreement.

The Interest Amount on the Loan will be pre-paid at the time of Application. The Interest Amount is calculated on the Loan Amount from the date of the Loan to the Completion Payment Date at a rate of interest fixed on the date of the Loan calculated on a daily basis or, in the case of Transferees, from the date of the Transfer to the Completion Payment Date.

Loans to Cash Applicants will be applied to acquire the Underlying Parcels.

Securityholder Applicants will receive the entire Loan Proceeds but Westpac will apply the Loan Proceeds first to pay the Interest Amount, the Put Option Fee and, if applicable, the Borrowing Fees. This is in accordance with your direction to Westpac under the Loan Agreement. The balance will be paid to you in cash as the Securityholder Investment Amount [and must be used for business or other income earning purposes (note the comments in Section 3 (Taxation considerations) regarding the deductibility of interest incurred by Securityholder Applicants)]. You may choose to reinvest those funds as a Reinvestment Amount in additional Westpac Trading Instalments.

As part of the process of trading a Westpac Trading Instalment (see Section 2.7 (Sale of Westpac Trading Instalments) for further details), a new Loan will be made to the Transferee (in accordance with the directions of the Transferor and Transferee), and will be applied as follows:

- (a) a portion of the new Loan will be paid as interest in advance on the Loan Amount for the unexpired portion of the then current Interest Period; and

- (b) the remainder of the new Loan will be used to repay the net amount owed to Westpac under the Transferor's Loan.

The Loan is repaid by:

- (a) you making the Completion Payment on the relevant Westpac Trading Instalment; or
- (b) you selling the Underlying Parcel of the relevant Westpac Trading Instalments to Westpac after you make a Put Option; or
- (c) Westpac enforcing any Security Interest it has over the relevant Underlying Parcel (unless you have given a Completion Payment Notice in which case you are obliged to pay the Completion Payment less the proceeds from enforcing the Security Interest (see Section 2.13(c) [Sale of the Underlying Parcel] below).

2.5 Borrowing Fees

You may be required to pay Borrowing Fees relevant to the particular Westpac Trading Instalment. The Borrowing Fees relate to Westpac's cost of providing the Loan and include, for instance, placement fees paid by Westpac (see Section 2.19 (Placement fees)). Borrowing Fees form part of the First Payment paid by Cash Applications while Securityholder Applicants direct that they be paid to Westpac from the Loan Proceeds.

2.6 Put Option Fee

You will pay a Put Option Fee in consideration for Westpac providing you with the right to require Westpac to purchase your Underlying Parcel at the Completion Payment Date at the Put Option Exercise Price.

2.7 Sale of Westpac Trading Instalments

Westpac Trading Instalments have trading status on the ASX as warrants under the warrant rules contained in section 8 of the ASX Business Rules. This means that Westpac Trading Instalments can be transferred on-market in accordance with the ASX Business Rules and the Terms of Issue. These transfers are done through your broker. No certificates are issued or required for trading Westpac Trading Instalments as they are traded under the CHES system. Westpac will support a secondary market by offering to buy and sell Westpac Trading Instalments on the ASX.

For each Transfer of a Westpac Trading Instalment, the Beneficial Interest of the Holder in the Underlying Parcels will be transferred to the Transferee subject to any Security Interest. Under the Terms of Issue, Westpac irrevocably offers to each intending Transferee to enter into a new

Section 2:

Description of Westpac Trading Instalments (continued)

Loan Agreement with such person, commencing on the Transfer Date and with acceptance of such offer to be effected by the conduct of the Transferee taking all steps within its control which are necessary to effect the Transfer.

Under the Terms, each Transfer is made on the following basis:

- (a) a new Loan is provided to the Transferee on the Transfer Date in accordance with the Loan Agreement;
- (b) all payments made under the Loan Agreement as a result of the Transfer are effected without any cash payment and by netting as set out in the Loan Agreement;
- (c) the Transferor and Transferee expressly consent to the repayment of some or all of the Transferor's Loan out of moneys borrowed by the Transferee in accordance with the Loan Agreement;
- (d) the Transferor is entitled to a refund (an Interest Refund) from Westpac of that portion of the Interest Amount attributable to the period from the Transfer Date to the Completion Payment Date;
- (e) the Transferor authorises and directs Westpac to apply the Interest Refund towards repayment of the Loan owed by the Transferor to Westpac in connection with the relevant Westpac Trading Instalment;
- (f) the Transferee draws down a Loan from Westpac (on the terms and conditions of the Loan Agreement) of an amount equal to the Loan Amount;
- (g) the Transferee authorises and directs Westpac to apply the Loan Proceeds:
 - (i) first, as pre-paid interest on the Transferee's Loan from the Transfer Date to the Completion Payment Date; and
 - (ii) second, in repaying the Transferor's Loan (after deducting the Interest Refund).

Following Transfer of a Westpac Trading Instalment, the Transferee is otherwise subject to the same obligations in connection with the Westpac Trading Instalment as applied to the Transferor immediately prior to the Transfer.

2.8 Stamp duty

This Section has been prepared by Allens Arthur Robinson, the Issuer's solicitors, as at 2 November 2003.

No stamp duty

No stamp duty will apply on the transfer of Securities in a Listed Entity or on the Transfer of a Westpac Trading Instalment.

Westpac will pay or procure the payment of any stamp duty arising on the issue of Westpac Trading Instalments (including any duty payable on an Application that involves a power of attorney or on the Loan Agreement or a Security Interest).

2.9 Form of holding

No certificates will be issued for Westpac Trading Instalments. Westpac Trading Instalments will be noted in the Register which will be maintained by the Registrar. You will receive a Holding Statement showing your holding of Westpac Trading Instalments.

2.10 Entitlement to Dividends

Subject to relevant tax file number and closely held trust obligations, the Security Trustee is required, and may direct the Registrar, to pass on cash Dividends received on Underlying Parcels to Holders as soon as possible after receipt from the Listed Entities. The Security Trustee must provide information concerning any franking credit, dividend rebate or other tax benefit to the extent permitted by the Tax Act.

Where, however, a Listed Entity pays a Special Dividend, the cash amount of the Special Dividend will either be distributed to Holders or, if Westpac directs, the whole or part of the cash amount of the Special Dividend will be distributed in accordance with the Order of Payment, resulting in a reduction of the amount of the Completion Payment.

You cannot participate in reinvestment plans or other share plans of Listed Entities for Underlying Parcels in which you have a Beneficial Interest.

Other Accretions to Securities comprised in Underlying Parcels will not be distributed but will form part of the Underlying Parcel, subject to the Security Interest.

2.11 No voting rights

As a Holder of Westpac Trading Instalments, you are not entitled to receive any annual reports or notices of meetings of the relevant Listed Entities or to attend or speak at any meeting of members (or class of members) of the Listed Entities.

Under the Terms of Issue, the Security Trustee must not cast any vote in respect of the Securities which make up an Underlying Parcel at any meeting of members (or class of members) of the Listed Entities either in its own right or on behalf of Holders, nor can a Holder vote in respect of the Securities.

2.12 Accelerated Completion Payment Date

Although Westpac Trading Instalments offered by this Offering Circular expire on the Completion Payment Date specified in the Summary Table located on page 6, the Completion Payment Date may, at Westpac's discretion, be brought forward if there is an Extraordinary Event or in other circumstances permitted by the Terms.

An Extraordinary Event includes the Underlying Parcels being subjected to a buy-back offer, a takeover bid or scheme of arrangement, subject to a Demerger, or de-listed, withdrawn from admission to trading status or suspended. In these circumstances, Westpac may, with the consent of the ASX, fix an Accelerated Completion Payment Date and must announce it electronically or via ASX at least 10 Business Days before the Accelerated Completion Payment Date.

If the Completion Payment Date is brought forward, Westpac will give you a refund of the pro-rata portion of the Interest Amount less any costs incurred by reducing the Completion Payment by that amount.

There is no refund of an Interest Amount if the Completion Payment is made early for any other reason.

2.13 Completion Payment Notices

(a) Giving a Completion Payment Notice

You are not obliged to give a Completion Payment Notice. However, once given, a Completion Payment Notice is irrevocable and you must make the Completion Payment. If you wish to give a Completion Payment Notice and make the Completion Payment for Westpac Trading Instalments, you must lodge with Westpac at any time up to 5.00 pm on the Completion Payment Date (that is, the Closing Time):

- (i) a Completion Payment Notice for the particular Westpac Trading Instalments; and
- (ii) payment (by electronic funds transfer or cheque made payable to Westpac Banking Corporation) of the relevant Completion Payment amount.

If the Completion Payment Notice is given within 10 Business Days of the Completion Payment Date it will be deemed to be given at the Closing Time. Subject to the Completion Payment Notice being effective, the Underlying Parcel will be transferred to you within 20 Business Days of the notice being given.

(b) Effectiveness of a Completion Payment Notice

Where the Completion Payment Notice is duly completed and given by the Holder (see paragraph (d) below), the notice is effective on the 6th Business Day after the notice is given in respect of that number of Westpac Trading Instalments the subject of the notice in respect of which the Completion Payment has been made and received in cleared funds.

The Loan is repaid and the Security Interest is discharged in respect of those Westpac Trading Instalments in relation to which the Completion Payment Notice is effective.

Where the Completion Payment Notice is ineffective in respect of some or all of the Westpac Trading Instalments the subject of the notice, any Security Interest will entitle Westpac to sell the Underlying Parcel (using its power of sale under the Security Interest) (see paragraph (c) below).

(c) Sale of the Underlying Parcel

If the amount of money supplied with a Completion Payment Notice is not cleared within the required time or is less than the total amount required, the Completion Payment Notice will be applied only to the number of Westpac Trading Instalments for which the money actually received is sufficient. In relation to the balance of Westpac Trading Instalments in respect of which the Completion Payment Notice is ineffective, a Security Interest will entitle Westpac to sell the Underlying Parcel. If the sale proceeds are less than the Completion Payment, you must pay the difference for the Westpac Trading Instalments in respect of which the Completion Payment Notice was ineffective.

Westpac may also sell the Underlying Parcel if you have not given a Completion Payment Notice by the Completion Payment Date but you will not be liable for any shortfall (see Section 2.3 (Making the Completion Payment)).

(d) Later registration as a Holder

If a person who claims to be entitled to be registered as the Holder of Westpac Trading Instalments gives a Completion Payment Notice before the Closing Time but is not registered at that time, that person must be registered as the Holder before the 6th Business Day after the Completion Payment Notice is given or the notice will be ineffective. This is to allow for persons who may be entitled to become Holders after the notice is given in accordance with ASX settlement procedures.

Section 2: Description of Westpac Trading Instalments (continued)

2.14 Exercising the Put Option

The Holder may elect to require Westpac to purchase the Underlying Parcel for the Put Option Exercise Price, by giving Westpac a Put Option Exercise Notice by the Closing Time. This is the Put Option. Once given, a Put Option Exercise Notice is irrevocable.

By giving the Put Option Exercise Notice, you direct the Security Trustee to transfer the Underlying Parcel to Westpac at the Completion Payment Date so that Westpac acquires the entire legal and beneficial right, title and interest in and to the Underlying Parcel for the Put Option Exercise Price. The Put Option Exercise Price will be the greater of the Completion Payment and the Market Value of the Underlying Parcel. The Market Value is determined using the Weighted Average Sale Price. The Put Option Exercise Price to be paid to you is first applied to payment by you of the Completion Payment. The balance remaining (if any) is paid to you within 20 Business Days after the Completion Payment Date.

2.15 Adjustments and reconstructions

The number and/or class of Securities that make up an Underlying Parcel, and the amount of the Completion Payment, may both change in certain circumstances. Examples of such circumstances include where there is a bonus or rights issue, a cash return of capital involving a buy-back, a capital reconstruction or a call being made upon any of the Securities in an Underlying Parcel. Westpac may also reconstruct Westpac Trading Instalments in such circumstances. To understand fully the circumstances in which the Underlying Parcel or the Completion Payment can change you should read the Terms of Issue.

2.16 What happens if the Security Trustee fails to deliver the Underlying Parcel?

If a Completion Payment Notice is given, and the Security Trustee fails to procure delivery of the Underlying Parcel to the Holder, Westpac must pay to that Holder an amount (calculated in accordance with the formula in the Terms of Issue) referable to the value of the Underlying Parcels not delivered as required by the Terms of Issue.

The Terms of Issue provide that the amount for each Westpac Trading Instalment to be paid by Westpac in the above circumstances is equal to 1.1 times the Market Value of the Underlying Parcels, being the Weighted Average Sale Price of Securities on the ASX over a period of 5 Trading Days following the Completion Payment Date.

2.17 Securities lending

The Security Trustee is permitted to lend Underlying Parcels to Westpac Entities on the condition that the number of Underlying Parcels retained by the Security Trustee is, at all times, equal to or greater than the number of Westpac Trading Instalments registered to Holders who are not Westpac Entities.

2.18 Westpac to establish and maintain Register

A register of Holders of each Series of Westpac Trading Instalments will be established and maintained by the Registrar (see directory on the back cover) on behalf of Westpac. Westpac will pay the costs of the Register. The Register will be located at the Registrar's Sydney office and may be inspected by any Holder or any Holder's authorised representative, or any authorised representative of the Listed Entities, during normal business hours.

2.19 Placement fees

Westpac may at its discretion pay a placement fee to participating organisations of the ASX (including Westpac Broking) and other brokers and approved financial advisers whose stamp appears on the relevant Application Form or transfer form (in respect of Westpac Trading Instalments purchased on ASX).

Where Westpac pays a placement fee in respect of an Application, this will be included in the Borrowing Fees (see Section 2.5 (Borrowing Fees)).

2.20 Separate Trusts for each Underlying Parcel

The Security Trustee is required to hold each Underlying Parcel under a Separate Trust for the Holders of Westpac Trading Instalments in accordance with the terms of the Trust Deed.

The performance by the Security Trustee of its obligations under the Trust Deed is not guaranteed by Westpac. The Trust Deed (which refers to the Terms) sets out the obligations of the Security Trustee and includes a range of provisions which limit its responsibilities and liabilities. The role of the Security Trustee and these limiting provisions are summarised in Section 6.1 (Significant provisions of the Trust Deed) of this Offering Circular.

2.21 Amendment of Terms of Issue

Westpac may adjust the Underlying Parcel or the amount of Completion Payment in accordance with the Terms of Issue to provide for the consequences of any Corporate Action taken by a Listed Entity. Westpac will announce any adjustment.

With the consent of the ASX and the Security Trustee, Westpac may, by supplemental deed, amend the Terms where necessary in the reasonable opinion of Westpac and the Security Trustee to comply with the law, rectify any technical defect, manifest error or ambiguity or to provide for the consequences of a Corporate Action (see Section 6.2(n) (Amendment of Terms)). Where the amendment is, in their opinion, materially prejudicial to the interest of Holders it must be approved by a resolution of Holders where at least 75% of the votes cast are in favour of the resolution (see Section 6.2(o) (Resolution of Holders)).

The Trust Deed cannot be amended in a way that affects the material rights and obligations of Holders, their absolute entitlement to the Underlying Parcels or present entitlement to the income of the Separate Trusts without a resolution of Holders where 75% of the votes are in favour of the resolution (see Sections 6.1(j) (Amendment of Separate Trusts) and 6.2(o) (Resolution of Holders)).

You may inspect the Trust Deed and the Terms at Westpac's offices at no charge. Copies of the Trust Deed and the Terms are also available at the Structured Investments page at Westpac's website, www.westpac.com.au, by going to the "Main Menu", highlighting "Investments and Superannuation" and selecting "Gearing" and then scrolling down to Westpac Trading Instalments.

2.22 Superannuation investments

The Superannuation Industry (Supervision) Act 1993 (the SIS Act) sets out restrictions on entering into borrowing arrangements, the giving of charges and on the types of investments that can be made by superannuation entities such as self managed superannuation funds, other regulated superannuation funds, trustees of approved deposit funds and pooled superannuation trusts. The Australian Taxation Office (ATO) which is responsible for the supervision of self managed superannuation funds under the SIS Act and the Australian Prudential Regulation Authority (APRA) the supervisor of other regulated funds, issued joint guidelines on 16 December 2002 in relation to the investment in instalment warrants by superannuation entities.

The regulators noted that "Superannuation Circular II.D.4 – Borrowing by superannuation entities" outlines their interpretation of the borrowing rules under the SIS Act. It is noted in the Circular that instalment warrants may not constitute a prohibited borrowing under the SIS Act.

However, the regulators noted that they had recently formed the view that securityholder applications by superannuation entities did constitute the giving of a charge. The regulators also said that they will not take action against any such current warrant holders, provided that they dispose of their holding by 16 December 2003.

As a result of the APRA and ATO guidelines, Westpac will not accept Securityholder Applications from trustees of superannuation entities. The regulators consider that such an application involves the giving of a prohibited charge.

Trustees of superannuation entities should have regard to their covenants under the SIS Act and ensure that they are familiar with the risks involved with instalment warrants and have in place adequate risk management procedures to manage the risks associated with instalment warrants prior to making such investments.

Trustees of superannuation entities need to carefully consider investments in Westpac Trading Instalments prior to making an investment decision. Westpac Trading Instalments should be considered as derivative instruments so trustees will need to consider how the investment will fit in with the trustee's investment strategy.

Irrespective of the views expressed by the ATO or APRA in respect of similar products, trustees of superannuation entities should seek their own advice as to whether Westpac Trading Instalments are an appropriate and authorised investment for their fund.

2.23 Virgin Blue Trading Instalments

Conditional and deferred settlement trading of the Virgin Blue Trading Instalments will not commence until 8 December 2003.

ASX will declare a Conditional Market in relation to Virgin Blue Trading Instalments. This is as a result of the Virgin Blue Shares being subject to a Conditional Market.

In a Conditional Market, each trade is a Conditional Sale subject to fulfilment of certain Conditions (called **Conditional Trading**). Conditional Trading is governed generally by ASX Business Rule 2.12. The timetable in the Introduction and this section 2.23 describe how such Conditional Trading will apply to the Virgin Blue Trading Instalments.

Section 2: Description of Westpac Trading Instalments (continued)

This section 2.23 on Conditional Trading and section 5.14 and 5.16 on the risks relating to Conditional Trading will not be relevant once conditional trading ceases and normal T+3 trading commences on ASX. This is expected to occur on 22 December 2003.

In accordance with the ASX Business Rules:

Condition means each of the conditions to which sales on a Conditional Market are subject;

Conditional Market means a market declared by the ASX to be a conditional market under ASX Business Rule 2.12.2; and

Conditional Sale means a sale which is conditional on fulfilment of Conditions and made on a Conditional Market.

Conditional Trading of Virgin Blue Shares

The issue of Virgin Blue Shares is subject to the following Conditions:

- (a) ASX admitting the Virgin Blue Shares to official quotation; and
- (b) settlement occurring,

as set out in section 2.12 of the Virgin Blue prospectus (the **Share Issue Conditions**).

It is currently expected that the Virgin Blue Shares will be trading on a conditional and deferred settlement basis between 8 December and 12 December and then on a deferred settlement basis only between 13 December and 15 December 2003.

If these Share Issue Conditions are not satisfied within 14 days (or such longer period as ASX allows) after the Virgin Blue Shares are first quoted on ASX, conditional trading of Virgin Blue Shares will be cancelled and the offer of Virgin Blue Shares will be cancelled and of no effect. There is no guarantee that the Share Issue Conditions will be satisfied by the expected dates or at all.

Conditional Trading of Virgin Blue Instalments

Virgin Blue Trading Instalments will trade on a Conditional Market until the following **Instalment Issue Conditions** are satisfied:

- (c) satisfaction of the following Conditions in relation to Virgin Blue:
 - (i) Virgin Blue notifying ASX of the satisfaction of the Share Issue Conditions;
 - (ii) Virgin Blue being admitted to the official list of ASX and Virgin Blue Shares being quoted; and

- (iii) Virgin Blue allotting and issuing the Virgin Blue Shares; and

- (d) the Security Trustee being registered as the holder of the Virgin Blue Shares following settlement of the Conditional Sales relating to the Virgin Blue Shares; and

- (e) Westpac allotting and issuing the Virgin Blue Trading Instalments.

The Instalment Issue Conditions are expected to be satisfied on 19 December 2003 and the Virgin Blue Trading Instalments applied for during Conditional Trading to be issued on that date. It is expected that holding statements for Virgin Blue Trading Instalments will then be despatched on 22 December 2003 and that Virgin Blue Trading Instalments will trade on a normal T+3 basis from 23 December 2003.

It is the responsibility of an Applicant or Holder of Virgin Blue Trading Instalments during Conditional Trading to verify their holding before dealing in the Virgin Blue Trading Instalments. This can be done by calling Westpac on 1800 024 420. Conditional Trading is contingent on satisfaction of the Instalment Issue Conditions. There is no guarantee that this will occur.

If any of the Instalment Issue Conditions are not satisfied within 14 days (or such longer period as ASX allows and Westpac announces) of 19 December 2003, the Instalment Issue conditions will not have been fulfilled. If an Instalment Issue Condition is not fulfilled, Conditional trading will be cancelled. The effect of this is discussed below.

Satisfaction of Instalment Issue Conditions and Settlement

On satisfaction of each Instalment Issue Condition, Westpac will notify ASX immediately. Westpac expects to notify ASX of the satisfaction of all Instalment Issue Conditions on 19 December 2003. It is expected that deferred settlement trading will continue until the despatch of holding statements on 22 December 2003 and normal T+3 trading will then commence on and from 23 December 2003. Conditional Sales and deferred settlement trading of Virgin Blue Trading Instalments is expected to settle on 30 December 2003.

Effect of cancellation of Conditional Trading

Conditional Trading is cancelled upon notification, by way of market announcement, of the non-satisfaction of a Condition (or upon the date by which a Condition had been required to be satisfied). Where Conditional Trading is cancelled, all Conditional Sales are said to be without any liability to the purported purchaser or seller whatsoever, other than the return of any moneys or documents delivered. In effect, the sales contract is a nullity and each transaction is unwound as if it had not occurred.

Where Conditional Trading is cancelled, Westpac will return the subscription moneys (for Cash Applicants), conditional Virgin Blue Shares, if any (for Shareholder Applicants), and any documents provided by the Applicant, to the Applicant within 20 Business Days of the date of cancellation. The Loan will also be terminated in accordance with its terms.

Shareholder Applications during Conditional Trading

It is the responsibility of each Securityholder Applicant to determine their holding before applying to be a Securityholder Applicant with their Virgin Blue Shares.

Westpac will only grant and allot that number of Virgin Blue Trading Instalments corresponding to that number of Virgin Blue Shares the Security Trustee becomes the registered holder of following settlement of the Virgin Blue Share transfer.

Conditional Trading at own risk

Westpac, the Broker, the Security Trustee, and the Registrar disclaim all liability to persons selling or acquiring Virgin Blue Trading Instalments under a Conditional Sale or otherwise dealing in respect of Virgin Blue Trading Instalments. All such persons do so at their own risk.

Section 3: Taxation considerations

This section is a summary of the key Australian tax issues for Holders of Westpac Trading Instalments. These Instalments are in respect of shares in listed companies. It has been prepared by Allens Arthur Robison, the Issuer's solicitors, as at 2 November 2003. It relates to investors who are Australian resident individuals (acting in their own capacity or as trustees) whose activities cannot be described as the conduct of a business of trading or dealing in shares, units or other marketable securities. It is restricted to investors who hold the Westpac Trading Instalments on capital account rather than on revenue account.

The summary expresses general conclusions and is based on Australian income tax laws, announcements and practices currently operative at the date of this Offering Circular. The Government has announced proposed changes to the law in respect of capital protected products, including instalment warrants, and these changes are referred to below. However, investors should monitor developments in this regard.

Taxation law is complex and its application will depend upon an investor's specific circumstances. Therefore, prospective investors should seek independent tax advice in relation to the Westpac Trading Instalments. This summary does not cover all possible dealings in relation to an Underlying Parcel.

Westpac Trading Instalment should be fully deductible to applicants and on market purchasers in the circumstances discussed below.

In summary, according to the announcement of 30 May 2003, the following interim approach is to apply to instalment warrants such as Westpac Trading Instalments that have a separately identifiable put option (called a Put Option):

1. Upon the purchase of a Westpac Trading Instalment under a cash or shareholder application, the cost of capital protection (for which a deduction is not available) is the Put Option Fee.
2. Upon the purchase of a Westpac Trading Instalment on the secondary market the cost of capital protection (for which a deduction is not available) will be calculated as:
 - if the market value of the underlying security at the time of purchase is greater than the Loan Amount, the amount attributed to the cost of capital protection is the price of the instalment plus the Loan Amount less the sum of the market value of the underlying security and the interest prepaid on the newly acquired loan; or
 - if the market value of the underlying security at the time of purchase is less than the Loan Amount, the amount attributed to the cost of capital protection is the price of the instalment plus the Loan Amount less the sum of the Loan Amount and the interest prepaid on the newly acquired loan.

3.1 Government Announcements

On 16 April 2003, the Federal Government announced that it would amend the tax law to ensure that part of the expense on a capital protected product is attributed to the cost of the capital protection feature. An instalment warrant is a capital protected product for these purposes. The amount attributed to the capital protection feature will not be deductible as interest or otherwise (but will form part of the capital gains cost base of the relevant asset).

On 30 May 2003, the Federal Government announced interim measures to enable the market in capital protected products to continue operating prior to the introduction of the new legislation. These interim measures are to be used to apportion the expense on a capital protected product between the interest component and the cost of capital protection.

Under the interim measures, as Westpac Trading Instalments have a separately identifiable put option (being the Put Option) for which an amount is paid by a holder upon issue (the Put Option Fee), no part of the interest component of an Instalment should be attributed to capital protection. This means that the interest on a

3.2 General deductibility

Interest is generally deductible if it is incurred in respect of moneys borrowed for use in producing assessable income or in carrying on a business for that purpose. However interest will not be deductible to the extent that the borrowings are used for private or domestic purposes, or solely for the purpose of generating capital gains. Therefore, investors should seek independent taxation advice before lodging a tax return claiming a tax deduction for the full amount of the interest paid.

Cash Applicants – Underlying Parcel comprises a share: if a Westpac Trading Instalment is acquired by a Cash Applicant for the purpose of deriving dividend income in connection with the Underlying Parcel, interest payable by the Applicant in respect of the Loan will be deductible, subject to timing and other limitations discussed below.

Securityholder Applicants: the deductibility of the interest payments will depend upon the use to which the borrowed moneys are put: interest will only be deductible where the borrowed moneys are used in assessable income producing activities or are employed in carrying on a business for that purpose, subject to the timing and other limitations discussed below. This will be a question of fact for each Securityholder Applicant. If a Securityholder Applicant ceases to use the Loan for income producing purposes, the amount of the deduction available in respect of pre-paid interest will be reduced.

On-market purchasers: an on-market purchaser (on-market Transferee) should be entitled to deductions for interest payable in respect of the Loan entered into by the Transferee on the acquisition of a Westpac Trading Instalment if the instalment is acquired by the Transferee for the purpose of deriving dividend income, subject to the timing and other limitations discussed below.

3.3 Timing of deductions for interest

Each Holder of a Westpac Trading Instalment will make a “pre-payment” of interest. Under general principles, it would be expected that a deduction for pre-paid interest would be available for the full amount of the pre-payment in the tax year in which that payment is made, notwithstanding that in some cases the interest may relate, in part, to a subsequent year. However, there are specific “anti pre-payment” rules which disallow certain “upfront” deductions and require deductions for pre-paid expenses to be spread over the period to which those expenses relate. In certain circumstances, the “tax shelter pre-payment rules” can further restrict the availability of “upfront” deductions for prepayments. The current position may be summarised as follows:

Certain individuals and small business taxpayers

Subject to the comments below concerning the “tax shelter pre-payment” rules, because the period for which a prepayment of interest will be paid by a Holder will not exceed 12 months from the payment date, such pre-payments by individuals that are not incurred in carrying on a business and by small business taxpayers (as defined) will be deductible in full in the year in which the relevant pre-payment is made (ie on an “upfront” basis rather than being spread over the years to which the prepayment relates). Notwithstanding satisfaction of the 12 month rule, an individual or small business taxpayer would be required to spread the tax deduction for each interest pre-payment if the “tax shelter pre-payment” rules were to apply. These rules apply to pre-paid expenditure incurred under an arrangement pursuant to which the

taxpayer’s allowable deductions exceed the taxpayer’s assessable income from the arrangement, with specific exclusions for pre-payments in relation to certain types of negatively geared investments, including listed shares. We consider that the ATO is likely to take the view that an investment in a Westpac Trading Instalment is, in effect, an investment in the shares which constitute the Underlying Parcel. On that basis, Cash Applicants should not be subject to the “tax shelter pre-payment shares” in respect of interest paid on funds borrowed to acquire a Westpac Trading Instalment. There is, however, a risk that deductions for interest that is pre-paid by Shareholder Applicants will be subject to these provisions (and thus will be required to be spread) unless the borrowed moneys are used for the purposes of making the relevant types of negatively geared investments or otherwise used for income earning purposes that are not subject to the tax shelter pre-payment rules.

All other taxpayers

All other taxpayers (ie other than the above-mentioned types of individuals and small business taxpayers) will not be entitled to claim an “upfront” tax deduction for pre-paid interest but will be required to spread each deduction over the period to which the interest relates.

3.4 Reimbursement of part of interest prepayment

Where a Westpac Trading Instalment is sold prior to the payment of the Completion Payment or the Completion Payment Date is brought forward because of an Extraordinary Event, a refund of pre-paid interest may be payable by Westpac to the Transferor (or the Holder) and offset against part of the outstanding Loan. The amount of the interest refund applied will be included in the assessable income of the Transferor (or the Holder) to the extent that an allowable deduction was previously available for the interest.

3.5 Early Repayment

No part of a pre-payment of interest will be refunded if the Completion Payment is paid early for reasons other than those mentioned in Section 3.4 above. In these circumstances, a Holder’s deductions for pre-paid interest should be reduced to the extent that the pre-payment relates to the unexpired term of the Westpac Trading Instalment and any non-deductible interest will be taken into account as part of a Holder’s cost base for the purpose of calculating any capital gains or losses as described in Section 3.8 below.

Section 3: Taxation considerations (continued)

3.6 Borrowing Fees

Any Borrowing Fees incurred by Holders should be allowable deductions to the Holders to the extent that the moneys borrowed under a Loan are used for the purpose of producing assessable income. Deductions for these Borrowing Fees will be spread over the term of the Loan or, where a Westpac Trading Instalment is disposed of prior to the Completion Payment Date, fees which have not yet been deducted should be deductible at that time.

3.7 Flow through of franking credits

Dividends paid in respect of Shares comprising an Underlying Parcel are to be distributed by the Security Trustee to the Holder (except where any relevant withholding provision applies) and will be included in each Holder's assessable income for the year of income in which the dividends are paid or distributions made. Where dividends are wholly or partly "franked" and the Holder is a "qualified person" in relation to the dividend. Holders are required to include an additional amount representing the franking credits in their assessable income and are entitled to a tax offset equal to this additional amount. The tax offset will reduce the tax liability of a Holder and, in relation to certain taxpayers, where the rebate exceeds a Holder's tax liability, the Holder may be entitled to a tax refund.

To be a "qualified person" in relation to a franked dividend, a Holder must satisfy two rules: the "holding period" (which requires that shares are held at risk for a specific period) and the "related payments rule" (which requires that, where any shareholder is obliged to pass the benefit of dividends on to others, the shareholder must hold the shares at risk for a specific period). Whether or not shares are held "at risk" is determined by reference to the financial concept of "delta". Holders who hold or dispose of financial positions, such as options, in relation to shares in an Underlying Parcel should take particular note of these measures. There is an exemption from these rules for individuals who will not claim franking rebates in any one year in excess of \$5,000. Such individuals will be taken to be "qualified persons" in relation to all dividends receive (provided that the related payments rule does not apply). The franking rules are complex and the application of the rules to a taxpayer will depend upon the particular circumstances of that taxpayer. Accordingly, each Holder should seek independent advice as to whether they will be treated as a "qualified person" in relation to dividends or relevant distributions received under a Westpac Trading Instalment.

Capital Gains Tax consequences

3.8 General CGT issues

The CGT provisions apply in respect of "CGT events" that occur in relation to CGT assets owned by a taxpayer. Generally, a taxpayer will make a capital gain when the "capital proceeds" received from a CGT event exceed the "cost base" of the relevant asset. (CGT is not payable in respect of any asset which is treated as having been acquired before 20 September 1985. This exception will only be relevant to Shareholder Applicants who acquired relevant shares or units prior to that date). Broadly, where an individual or trustee acquired an asset after 21 September 1999 and has held that asset for at least 12 months prior to a CGT event happening to the asset, the individual or entity may be entitled to a discount in respect of the nominal capital gain from the CGT event. It is noted that Holders would need to hold their Underlying Parcels for the full term of a Westpac Trading Instalment, plus an additional period in order to obtain the benefit of the CGT discount because the term of a Westpac Trading Instalment is less than 12 months. (Of possible relevance to Shareholder Applicants, it should be noted that for assets acquired prior to 21 September 1999 which have been held for more than 12 months, taxpayers may choose whether to use the discount method, or alternatively, calculate their taxable capital gain based on the whole amount of the gain reduced by an inflation component.) A capital loss will arise where the capital proceeds received in respect of the CGT event happening to an asset are less than the cost base for the asset. The capital gains tax treatment of interests in Westpac Instalments involves consideration of two separate assets for CGT purposes: the bundle of rights constituting a Westpac Instalment and the beneficial interest in the share in the Underlying Parcel. Costs incurred to acquire, and capital proceeds received from the disposal of, Westpac Instalments will need to be apportioned between these types of assets in calculating any capital gain or loss that may arise as a consequence of a relevant CGT event. Holders will be considered to have acquired (in the case of Cash Applicants) or to continue to hold (in the case of Shareholder Applicants) the beneficial interest in their respective Underlying Parcels for CGT purposes on the acquisition of a Westpac Trading Instalment, although the legal title to each Underlying Parcel will be held by the Security Trustee. The following analysis summarises what is likely to be acceptable to the ATO for the purposes of applying the CGT provisions to CGT events in relation to the Westpac Trading Instalments. However, if the ATO

sought to allocate these amounts differently, this would be unlikely to produce a materially different tax outcome for investors.

3.9 CGT cost bases

Cash Applicants: the cost base that a Cash Applicant will have in relation to the Applicant's beneficial interest in the Underlying Parcel will be based on the sum of the Capital Component plus the Loan Proceeds plus the Put Option Fee (where the Put Option is exercised) and any other relevant incidental costs. A Holder will not have a cost base for the Westpac Trading Instalment rights.

Securityholder Applicants: a Securityholder Applicant will have previously acquired the Underlying Parcel to which the Westpac Trading Instalment relates. The cost base of the Underlying Parcel will be based on the amount originally paid by the Securityholder Applicant to acquire the Underlying Parcel plus the Put Option Fee (where the Put Option is exercised) and any relevant incidental costs (possibly indexed).

On-market purchasers: the CGT cost base of an Underlying Parcel for an on-market purchaser (on-market Transferee) will (where the Put Option is exercised) consist of the on-market consideration paid by the Transferee to the Holder, together with the amount of the Loan provided by Westpac to the Transferee that is applied towards acquiring the Underlying Parcel (other than for the payment of deductible interest) and any incidental costs of acquisition.

Put Option Fee: the Put Option Fee payable by a Cash Applicant or Securityholder Applicant (or cost of capital protection for an on market purchaser) will form part of the cost base of an Underlying Parcel where the Put Option is exercised. If the Put Option is not exercised a capital loss in the amount of the Put Option Fee (or cost of capital protection for an on market purchaser) will be realised upon expiry of the Put Option.

3.10 On-market Transfers

An on-market transfer of a Westpac Trading Instalment will be treated, for CGT purposes, as a disposal by the Holder of both its beneficial interest in the Underlying Parcel and the rights attaching to the Westpac Trading Instalment. A transfer may result in a capital gain or capital loss to the Holder calculated in accordance with the general principles discussed above. In relation to a Holder's beneficial interest in an Underlying Parcel, the amount of "capital proceeds" taken to be received by the Holder will equal the sale price of the Westpac Trading Instalment plus that part of the Holder's outstanding Loan that will be discharged

as a consequence of the transfer (other than the part that will be discharged by Westpac applying any repayment of prepaid interest on behalf of the Transferor). The on-market disposal of the rights under the Westpac Trading Instalment should not give rise to a capital gain or a capital loss.

3.11 Payment of Completion Payment

The payment of the Completion Payment, pursuant to which the Holder will receive legal title to the Underlying Parcel should not give rise to a disposal of the Underlying Parcel for the purposes of the CGT provisions. This is either because the Holder will be "absolutely entitled" to the Underlying Parcel as against the Security Trustee at all relevant times or because the disposal entails the redemption of Westpac's security interest in the Underlying Parcel which is not a CGT event. A Holder's cost base in the Underlying Parcel will not be affected by the payment of the Completion Payment. The disposal of the rights under the Westpac Trading Instalment should not give rise to a capital gain or a capital loss.

3.12 Exercise of Put Option

The effect of a Holder exercising the Put Option is that a Holder will dispose of both the beneficial interest in the Underlying Parcel and all other rights under the Westpac Trading Instalment and the Holder's Loan will be discharged from the proceeds. This may result in a capital gain or capital loss to the Holder. For CGT purposes, the Holder will be taken to have received "capital proceeds" equal to Put Option Exercise Price which should be wholly attributable to the Holder's beneficial interest in the Underlying Parcel.

3.13 Failure to make Completion Payment

If a Holder fails to pay the Completion Payment, and Westpac exercises a Security Interest to cause the sale of the Underlying Parcel by the Security Trustee, the sale will constitute a disposal by the Holder of the Underlying Parcel. This may result in a capital gain or a capital loss to the Holder. In calculating any capital loss, where the sale proceeds are less than the Completion Payment, it is likely that the Commissioner of Taxation would seek to reduce the cost base of the Underlying Parcel by the amount of the shortfall. The provisions in the Tax Act relating to "commercial debt forgiveness" should not give rise to any adverse tax consequences for the Holder to the extent that the Loan Proceeds are not fully repaid from the proceeds of the sale of the Underlying Parcel.

Section 3: Taxation considerations (continued)

3.14 Trustee Holders

If a Holder acquires a Westpac Trading Instalment in the capacity of trustee, the Holder may, subject to the comments below, be required to supply the details and the tax file number of the "ultimate beneficiary" of the trust to the Security Trustee for the purposes of preparing a "Correct UB Statement". The Tax Act provides that, where certain trustees do not lodge "Correct UB Statements" with these details, those trustees are required to pay tax at the top marginal rate plus Medicare levy on the ultimate beneficiary's share of the net income of the trust. However, the ATO issued a Practice Statement (PS2000/2) on 6 April 2002 which effectively states that the ATO will not require trustees of "Transparent Trusts" and "Secured Purchase Trusts" to lodge "Correct UB Statements". The Separate Trusts established for the benefit of Holders should qualify as "Secured Purchase Trusts" or "Transparent Trusts" for these purposes. Accordingly, unless specifically requested to do so, trustee Holders are not required to provide the details of ultimate beneficiaries to the Security Trustee. Applicants may be requested to provide the relevant details to the Security Trustee in certain circumstances because, although the ATO treats such Practice Statements as "administratively binding" and will generally act in accordance with those statements, Practice Statements are not "legally binding" on the ATO.

3.15 Tax File Numbers

Australian resident investors are not under any obligation to quote a Tax File Number ("TFN") or an Australian Business Number ("ABN") in their Application Forms. However, if an Australian resident investor does not quote either its TFN or ABN, an amount of tax, at the rate of 48.5% may be withheld in respect of amounts of income which are payable by the Security Trustee to the Holder.

3.16 GST

Where supplies acquired or made by Holders as a result of their investment in a Westpac Trading Instalment do not relate to the carrying on of an enterprise, meaning an activity which constitutes a business or trade, there should be no direct GST implications from making the investment.

3.17 Tax Reform

At present it cannot be determined how future changes to the law, including the proposed amendments to the taxation of capital protected products, could impact on investors covered by this taxation summary. Potential investors are advised to monitor the amendments relating to capital protected products and any other changes to income tax law and seek independent advice as required.

Section 4: General Information relating to Westpac Trading Instalments

4.1 Market activities of Westpac

The Westpac Trading Instalments will constitute direct unconditional obligations of Westpac.

Westpac reserves the right to buy back Westpac Trading Instalments that have been issued. Westpac Trading Instalments bought back will not be cancelled automatically but may be cancelled or resold by Westpac. Westpac Trading Instalments may be issued after commencement of trading on the stock market of the ASX if the issue is not fully subscribed.

Brokers appointed by Westpac may apply for Westpac Trading Instalments to facilitate market making activities that may be undertaken in relation to the Westpac Trading Instalments. Those brokers will provide, as and when practicable, buy and sell quotations for Westpac Trading Instalments on the ASX.

4.2 Admission to trading status on the ASX

Application has been made and approval given for each Series of Westpac Trading Instalments offered by this Offering Circular to be admitted to trading status by the ASX. The fact that the ASX has admitted Westpac Trading Instalments to trading status is not to be taken in any way as an indication of the merits of Westpac or of Westpac Trading Instalments now offered for subscription.

Admission to trading status of Westpac Trading Instalments pursuant to this Offering Circular will commence as soon as practicable after the issue of Westpac Trading Instalment notices to subscribers and is anticipated for 27 November 2003. The ASX does not warrant the accuracy or truth of the content of this Offering Circular including any expert's report which it may contain.

In admitting Westpac Trading Instalments to trading status and not objecting to the Terms of Issue, the ASX has not authorised or caused the issue of this Offering Circular and is not in any way a party to or concerned in authorising or causing the issue of this Offering Circular or the making of offers or invitations with respect to Westpac Trading Instalments. The ASX takes no responsibility for the contents of this Offering Circular. In particular, ASX has not formed a view as to whether this Offering Circular complies with the 'reasonable investor' standard of disclosure contained in Rule 8.7.5 of the ASX Business Rules. These matters are the sole responsibility of Westpac. The ASX makes no representation as to whether this Offering Circular and the Terms comply with the Corporations Act or the ASX Business Rules.

To the extent permitted by the Australian Securities and Investments Commission Act, the Trade Practices Act or any other relevant law, the ASX will be under no liability for any claim whatsoever, including for any financial or consequential loss or damage suffered by Holders or any other person, where that claim arises wholly or substantially out of reliance on any information contained in this Offering Circular or any error in, or omission from, this Offering Circular.

4.3 Clearing House Electronic Sub-register System (CHES)

Westpac Trading Instalments will be CHES Approved Securities in accordance with the ASX Business Rules and the ASTC Operating Rules. Westpac will maintain an electronic Issuer Sponsored Subregister on CHES together with an electronic CHES Sub-register. These two subregisters will constitute Westpac's principal register of Holders.

Under CHES, on issue of Westpac Trading Instalments, Holders will be provided with a Holding Statement (similar to a bank statement) which sets out the number of Westpac Trading Instalments issued (or, subsequently, transferred) to each Holder. Holders will not be issued with a certificate. The Holding Statement will also contain the Holder Identification Number (HIN) of each Holder, in the case of a CHES holding, or the Shareholder Reference Number (SRN), in the case of an Issuer Sponsored Holding. Westpac will provide Holders with a Holding Statement after the end of any month during which there has been a change in the balance of the holding.

To hold Westpac Trading Instalments on the CHES Sub-register, an Applicant will need to be either a participant in CHES or be sponsored by a participant in CHES. Westpac Trading Instalments held by other applicants will be entered on the Issuer Sponsored Sub-register.

Owing to the electronic nature of the CHES environment, ownership of Westpac Trading Instalments can be transferred without paper documentation.

The Australian Securities and Investments Commission (ASIC) has issued a declaration under section 1075A(1) of the Corporations Act the effect of which is to apply Division 4 of Part 7.11 of the Corporations Regulations (dealing with the transfer of Division 4 financial products) and Part 7.11 of the Corporations Act (dealing with the title and transfer of securities) to each Series of Westpac Trading Instalments.

If you have any questions about the nature of your holding of Westpac Trading Instalments under the CHES system you should contact your broker or financial adviser.

Section 4: General Information relating to Westpac Trading Instalments (continued)

4.4 Offering Circular not a prospectus

On 11 March 2002, the Financial Services Reform Act 2001 (FSR) amended the law in relation to disclosure of financial products. Subject to the FSR transition provisions, Westpac Trading Instalments will require disclosure under Part 7.9 of the Corporations Act. Under transition, the Westpac Trading Instalments are exempt from certain provisions in Part 7.9 of the Corporations Act including the product disclosure and secondary trading provisions until 10 March 2004 unless Westpac opts in earlier.

The Australian Securities and Investments Commission (ASIC) has issued Class Order 00/1068 pursuant to Section 741 of the Corporations Law, which, subject to conditions, exempts Warrant Issuers, persons acting on behalf of Warrant Issuers and any person who is issued with warrants with the purpose of selling or transferring the warrants from the disclosure document provisions of Part 6D of the Corporations Law. The Class Order shall apply in relation to the Westpac instalments under this Offering Circular. This release is given on the basis that the Offering Circular is governed by and complies with the ASX Business Rules.

This Offering Circular has been prepared and issued in compliance with the ASX Business Rules relating to warrants (subject to waivers granted by the ASX). This Offering Circular complies in all respects with the information requirements of section 8 of the Business Rules as varied by the ASX with respect to this Offering Circular. The ASX has waived compliance with Business Rules 8.5.8; 8.7.8; and 8.17B.

As a result, Westpac Trading Instalments can be offered under this Offering Circular without the need to prepare either a prospectus or product disclosure statement under the Corporations Act.

4.5 Distribution of Offering Circular to secondary Holders/Transferees

Because Westpac Trading Instalments will be admitted to trading status on the ASX, they may be transferred to Holders other than the Applicant. Westpac will also provide a copy of this Offering Circular (which may be updated by a supplementary Offering Circular) on request to any person. Alternatively the Offering Circular and any supplementary Offering Circular can be viewed and printed or downloaded from the Structured Investments page at the Westpac website, www.westpac.com.au by selecting "Products and services" and then "Investments".

4.6 Westpac's reporting obligations

Under the ASX Business Rules, Westpac will be reporting to the ASX, on a quarterly basis, as to the number of Westpac Trading Instalments bought back during the quarter and the number of Westpac Trading Instalments outstanding at the time of making the report. Each quarterly report must also state Westpac's relevant interest (within the meaning of the Corporations Act) in the Securities at the time of making the report. Westpac must also report to the ASX any increase or decrease in its relevant interest in Securities which represents 1% or more of the issued capital of each Listed Entity.

4.7 Interest of experts

No expert whose report appears in this Offering Circular has:

- (a) any holding of Securities;
- (b) the right (whether legally enforceable or not) to subscribe for Securities; or
- (c) the right (whether legally enforceable or not) to nominate persons to subscribe for Securities,

where that interest is a 'substantial holding' within the meaning of section 9 of the Corporations Act, or would have a material influence, being an influence that a reasonable person would consider likely to influence any report or advice provided to Westpac, for the purposes of inclusion in, or the preparation of, the Offering Circular.

4.8 Substantial holders, takeovers and associations

The acquisition of Westpac Trading Instalments may have implications for Holders (particularly substantial holders) under Chapters 6 and 6C of the Corporations Act. The precise implications depend upon the Holder's particular circumstances.

The following explanation of the law as at the date of the Offering Circular is provided to assist Holders in identifying the practical obligations that may arise from holding a Westpac Trading Instalment. The obligations of Holders will, however, be affected by circumstances particular to individual Holders and Holders should obtain their own advice on the obligations they may have under the Corporations Act.

Each Holder will, as soon as a Westpac Trading Instalment is acquired, have a relevant interest in the number of Securities in which the Holder has a Beneficial Interest. Disclosure obligations (including obligations on substantial holders) and limitations on acquisitions, under

Chapters 6 and 6C of the Corporations Act may (depending on the Holder's voting power in the relevant entity under the Corporations Act) affect Holders in respect of acquisitions, continuing holdings, and disposals of Westpac Trading Instalments.

ASIC has issued Class Order 02/927 which applies in respect of the Westpac Trading Instalments to modify the Corporations Act so as to disregard any relevant interest in the Securities in the Underlying Parcel which the Security Trustee holds under the Trust Deed and in accordance with the Terms.

4.9 Foreign Holders

Foreign Holders should be aware of the restrictions placed on the foreign acquisitions and ownership of shares in Australian companies and interests in assets of Australian businesses under the Foreign Acquisitions and Takeovers. Acquiring Westpac Trading Instalments may affect the legal position of a Holder under that Act.

Foreign ownership of shares in Australian companies and interests in assets of Australian businesses may also be restricted under other Commonwealth legislation, or under Commonwealth Government policy for example, in relation to Australian banks and other financial institutions, insurance companies and companies in the telecommunications sector. Potential investors should seek their own independent legal advice as to the nature and applicability of these restrictions in the context of Westpac Trading Instalments.

4.10 Information about the Listed Entities and their Securities

Information about Westpac and the Listed Entities (and their Securities) in this Offering Circular has been prepared by Westpac only from information available to the public. Each of the Listed Entities is subject to continuous and periodic disclosure requirements under the ASX Listing Rules and Corporations Act.

Under continuous disclosure, once a Listed Entity becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Listed Entity's Securities then, subject to certain exceptions, the Listed Entity must immediately tell ASX that information. Listed Entities are also subject to periodic disclosure requirements relating to the lodgment of half-year reports, preliminary final reports and annual reports.

Continuous disclosure announcements and periodic reports are lodged with ASIC and ASX and are available from ASX's website (www.asx.com.au), information service providers and, generally, the relevant Listed Entity's website. The Listed Entities and their websites are set out in Section 1 (Introduction) of this Offering Circular.

To obtain more information about these Listed Entities and their Securities as well as Westpac Trading Instalments in relation to such Securities, consult with your financial adviser. As noted in Section 5.5 (Value of Westpac Trading Instalments) the value of Westpac Trading Instalments depends on various factors relating to features of the Westpac Trading Instalment and factors affecting the underlying Security.

The Listed Entities have not been involved in the preparation of this Offering Circular nor furnished any information specifically to Westpac for the purpose of its preparation. Similarly, information in this Offering Circular concerning those Listed Entities has not been independently verified. Westpac has no affiliation with those Listed Entities other than commercial arrangements arising in the ordinary course of its business and has no access to information concerning those Listed Entities, or their subsidiaries, other than information which is either:

- in the public domain; or
- obtained in the ordinary course of Westpac's business and not available to the division of Westpac which is responsible for the preparation of this Offering Circular and the offer of Westpac Trading Instalments.

Westpac does not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Investors should make their own enquiries.

Nothing in this Offering Circular can be relied upon as implying that there has been no change in the affairs of any Listed Entities or Westpac since the dates as at which information is given in this Offering Circular, or as a representation as to the future in relation to any Listed Entity.

Nothing in this Offering Circular should be taken to be an express or implied endorsement by the Listed Entities (or any of them) of this issue of Westpac Trading Instalments. The Listed Entities have not accepted any responsibility for any statement in this Offering Circular or undertaken any liability in respect of Westpac Trading Instalments.

Section 4: General Information relating to Westpac Trading Instalments (continued)

4.11 Consents

Allens Arthur Robison has given and not withdrawn its consent to be named in this Offering Circular, and has consented to be named in relation to Section 2.8 (Stamp duty), Section 3 (Taxation considerations), Section 4.8 (Substantial holders, takeovers and associations) and Section 6 (Summary of the Terms of Issue) in the form and context in which it is included but, in relation to any other part of this Offering Circular, has not been involved in its preparation, makes no statement and accepts no responsibility for its form or contents. Allens Arthur Robison has not authorised or caused the issue of this Offering Circular.

Computershare Investor Services Pty Limited has given and has not withdrawn its consent to be named in this Offering Circular, but has not been involved in the preparation of this Offering Circular, makes no statement in this Offering Circular, has not authorised or caused its issue, and accepts no responsibility for its form or contents.

Perpetual Trustee Company Limited has given and not withdrawn its consent to be named in this Offering Circular as Security Trustee. The Security Trustee has had no involvement in the preparation of any part of this Offering Circular (other than the particular corporate references to Perpetual Trustee Company Limited).

The Security Trustee expressly disclaims and takes no responsibility for any other part of this Offering Circular. It makes no statement in this Offering Circular and has not authorised or caused the issue of it. The Security Trustee does not guarantee the success of Westpac Trading Instalments or the repayment of capital or any particular rate of capital or income return.

PricewaterhouseCoopers has given and not withdrawn its consent to be named in this Offering Circular as the Issuer's auditor. The Issuer's auditor has had no involvement in the preparation of any part of this Offering Circular (other than the particular references to the auditor of the Issuer). PricewaterhouseCoopers expressly disclaims and takes no responsibility for any other part of this Offering Circular. It makes no statement in this Offering Circular and has not authorised or caused the issue of it. The Issuer's auditor does not guarantee the success of Westpac Trading Instalments or the repayment of capital or any particular rate of capital or income return.

Westpac Broking has given and not withdrawn its consent to be named in this Offering Circular, but has not been involved in the preparation of this Offering Circular, makes no statement in this Offering Circular, has not authorised or caused its issue, and accepts no responsibility for its form or contents.

4.12 Electronic Offering Circular requirements

Copies of the Offering Circular are available at the Structured investments page at the Westpac website, www.westpac.com.au, by selecting "Products and services" and then "Investments". If this Offering Circular is accessed electronically, it must be downloaded in its entirety from the Westpac website. Applications will only be considered where the Application Form has accompanied this electronic document and by making an Application, you declare that you were given access to this electronic Offering Circular together with the Application Form. The offer of Westpac Trading Instalments constituted by this Offering Circular is only available by this method to persons accessing and downloading or printing the electronic version of the Offering Circular in Australia. This Offering Circular, including all attachments and Application Forms, consists of 71 pages.

4.13 Foreign jurisdictions

None of the Westpac Trading Instalments, the Securities transferred under Westpac Trading Instalments, or this Offering Circular have been or will be lodged or registered under the securities laws of any other jurisdiction outside Australia. Further, the distribution of this Offering Circular in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Offering Circular comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This Offering Circular is not an offer or invitation in relation to Westpac Trading Instalments in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither Westpac Trading Instalments, any Securities transferred under Westpac Trading Instalments, or this Offering Circular, have been or will be lodged or registered under the United States Securities Act of 1933, as amended (Securities Act) and may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act), except in transactions exempt from the registration requirements of the Securities Act. Westpac Trading Instalments will not be admitted for trading by the United States Securities and Exchange Commission, any State Securities Commission, the Commodity Futures Trading Commission under the United States Commodity Exchange Act or any other regulatory authority.

4.14 Representations restricted to Offering Circular

This Offering Circular has been prepared and issued by Westpac Banking Corporation as Issuer. Westpac Broking is Broker to the Issue.

Potential investors should note that no person is authorised by Westpac or Westpac Broking (as Broker to the Issue) to give any information to investors or to make any representation other than this Offering Circular.

This Offering Circular is not a prospectus or other disclosure document issued for the purposes of the Corporations Act (see Section 4.4 (Offering Circular not a prospectus)).

Potential investors should note that a copy of this Offering Circular has not and will not be lodged with the Australian Securities and Investments Commission and the Australian Securities and Investments Commission takes no responsibility for its contents or for Westpac Trading Instalments.

4.15 Terminology

Westpac Trading Instalments will be admitted to trading status by the ASX as warrants under the warrant rules in section 8 of the ASX Business Rules. The terminology used in this Offering Circular, Trust Deed and the Terms varies from the terminology used in the warrant rules, as follows:

Westpac Trading Instalment corresponds to Warrant

First Payment corresponds to issue price

Completion Payment corresponds to exercise price

Completion Payment Date corresponds to expiry date

Completion Payment Notice corresponds to exercise notice

Terms and Trust Deed correspond to Terms of Issue

All defined terms are listed in Section 10 (Interpretation) of this Offering Circular.

4.16 ASIC Relief

ASIC Class Orders 02/926 and 02/927 apply to Westpac Trading Instalments issued under this Offering Circular.

Section 5: Risk Factors

5.1 What is the nature of Westpac's obligations?

Westpac has an obligation to procure the Transfer of the Underlying Parcels to Holders who give an effective Completion Payment Notice and make the Completion Payment. The ability of Westpac to fulfil its obligations under the Terms of Issue will affect the value of Westpac Trading Instalments. Investors must, therefore, make their own assessment of the ability of Westpac to meet its obligations under Westpac Trading Instalments.

In accordance with any Security Interest Westpac may exercise a power of sale if:

- (a) an effective Completion Payment Notice is not given in respect of Westpac Trading Instalments; or
- (b) an effective Completion Payment Notice is given but the Completion Payment is not made in full.

Westpac may be required to make payments to the Holder if Westpac exercises a power of sale over the Underlying Parcel. Where the proceeds of sale of the Underlying Parcel on the Completion Payment Date are sufficient to satisfy the Completion Payment and cover Westpac's costs of sale, the balance is payable to the Holder (see Section 2.3 [Making the Completion Payment]).

The obligations of Westpac under the Terms of Issue are unsecured contractual obligations which will rank equally with Westpac's other unsecured contractual obligations and with its unsecured debt (other than liabilities preferred by law or statute). Investors should be aware that the obligations are not deposit liabilities of Westpac and are not guaranteed by any other party. In addition, section 13A of the Banking Act 1959 provides that, should Westpac be unable to meet its obligations, the assets of Westpac in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of Westpac (which include the obligations of Westpac under the Terms of Issue).

5.2 Registration as Holder and Completion Payment Notices

A Completion Payment Notice will only be effective under the Terms of Issue if it is given by:

- the Holder; or
- a person who becomes the registered Holder before the 6th Business Day after the Completion Payment Notice is given.

It is important that investors who acquire Westpac Trading Instalments ensure that their broker puts in place

appropriate arrangements to enable the investor to become the Holder of the Westpac Trading Instalment within the required time and that the Completion Payment Notice is received by Westpac before 5:00 pm on the Completion Payment Date (the Closing Time).

However, even if you become registered as a Holder, your Completion Payment Notice will be ineffective if another Completion Payment Notice is given in respect of the same Westpac Trading Instalment by a person who becomes entitled to be registered as Holder of that Westpac Trading Instalment after you prior to your notice becoming effective.

5.3 Extraordinary Events and expiry

The occurrence of an Extraordinary Event may result in the Completion Payment Date being brought forward. Westpac (with the ASX's consent) has the discretion to nominate an event to be an Extraordinary Event if it is, or results in, the de-listing, withdrawal of trading status or suspension of the relevant Securities or Westpac Trading Instalments or if the Securities comprising the Underlying Parcel are subject to a buy-back offer, a takeover bid or scheme of arrangement or a Demerger occurs or is expected to occur.

Investors should also be aware that Westpac Trading Instalments will automatically expire if the relevant Securities become the subject of compulsory acquisition under the Corporations Act, the subject scheme of arrangement, and buy-backs and capital reductions in certain circumstances where the Securities in the Underlying Parcel are cancelled). In such instances, the Security Trustee may, subject to the Order of Payment, be obliged to account to the Holder for benefits received as a result (refer to clauses 18 (Takeover bid for Securities), 20 (Schemes of arrangement), 21 (Demergers), 22 (Buy-backs) and 28 (Reduction of Capital) of the Terms for further details).

Further, a Westpac Trading Instalment will automatically expire if a valid Completion Payment Notice is not given before the Closing Time.

In any of these cases the Holder may, in certain circumstances, be entitled to a payment.

5.4 Taxation

Australian taxation law is complex and the impact of the law on Holders, in relation to their Westpac Trading Instalments, may vary according to their personal circumstances. Further, tax law and practice may vary over time, possibly with retrospective application. The Taxation Section of this Offering Circular provides only a general

guide to the relevant tax implications for Holders. Accordingly, Holders should seek their own specific tax advice in relation to their investments in Westpac Trading Instalments. Potential Holders should particularly be aware of recent announcements by the Commonwealth Treasurer that the government intended to amend the tax laws relating to capital protected products. This issue is explained in the Section 3 (Taxation considerations) above. Holders will need to monitor developments in this regard in order to determine how much of the interest paid will be immediately deductible.

5.5 Value of Westpac Trading Instalments

The value of a Westpac Trading Instalment as traded on the ASX may be affected by a number of factors including (without limitation):

- the Completion Payment amount;
- the current trading price of the relevant Security;
- the price volatility of the relevant Security;
- the time remaining to the Completion Payment Date;
- prevailing interest rates; and
- other factors and general risks applicable to stock markets on which the relevant Securities are traded.

As a result, Westpac Trading Instalments may change significantly in value during their term and in certain circumstances may expire without any value. Because of the increased leverage, Westpac Trading Instalments have greater borrowing costs and also have greater price fluctuations resulting from price movements in the price of the underlying Security than other types of Westpac Instalments.

It is important that investors who propose to acquire Westpac Trading Instalments (whether from Westpac or by transfer from another Holder) have experience in options transactions. Any decision by an investor to acquire a Westpac Trading Instalment should be made only after consultation with their adviser. Each investor should carefully consider the suitability of Westpac Trading Instalments in the investor's particular circumstances.

5.6 Liquidity of trading market

It is not known how Westpac Trading Instalments will trade in the secondary market, nor whether that market will be liquid or illiquid. However, Westpac will (as and when practicable) arrange for buy and sell quotations to be provided for Westpac Trading Instalments on the ASX to help maintain liquidity in the relevant market.

Holders issued Westpac Trading Instalments prior to the anticipated Admission to Trading Status (anticipated for 27 November 2003) will not be able to trade their Westpac Trading Instalments on the ASX prior to that time. Holders wishing to trade prior to Admission to Trading Status should contact the Broker to the Issue.

5.7 Buy-back of Securities

The Security Trustee is under no obligation to accept or reject a buy-back offer made in relation to the Securities unless Westpac directs the Security Trustee to accept a buy-back offer. This will only occur if Westpac, in its absolute discretion, has advised the Holder of the offer and the Holder has directed Westpac to accept the offer.

5.8 Takeover bids for Securities

If a takeover bid is made for any Securities, the Completion Payment Date in relation to a particular Series of Westpac Trading Instalments may, with the ASX's permission, be brought forward by Westpac. In these circumstances or under the right to make an early Completion Payment, Holders may wish to make a Completion Payment with a view to participating in the takeover bid. Although the exercising Holder may be entitled under the provisions of the Corporations Act to accept a takeover bid made for the relevant Securities, the terms of the particular bid and the provisions of the Corporations Act may mean that Securities acquired by the Holder are not subject to the takeover. Thus, Westpac does not guarantee or represent to investors that Securities acquired by a Holder as a result of giving a Completion Payment Notice will be able to participate in any takeover bid for such Securities.

Also, Westpac and the Security Trustee undertake only to deliver the Securities in accordance with the Terms and the Trust Deed. In particular, neither Westpac nor the Security Trustee will accept any takeover bid on behalf of any exercising Holder. If compulsory acquisition of the Securities in the Underlying Parcel takes place after the conclusion of a successful takeover bid, the proceeds of such acquisition will be paid in accordance with the Order of Payment. Also, Westpac Trading Instalments will expire.

Investors should note that Westpac Trading Instalments may become worthless if a takeover bid is made for any Securities at a price which is less than the Completion Payment Amount (if a takeover bid is made before the Completion Payment Date).

Section 5: Risk Factors (continued)

5.9 De-listing, withdrawal of trading status or suspension

De-listing, withdrawal of trading status or suspension of Securities will not affect the validity of Westpac Trading Instalments or in any way detract from the obligations of Westpac under the Westpac Trading Instalment (unless it constitutes an Extraordinary Event). However, as a consequence of the de-listing or suspension of Securities, Westpac Trading Instalments may have their trading status withdrawn.

Westpac Trading Instalments may be halted or suspended from trading on the ASX if ASX deems such action appropriate in the interests of maintaining a fair and orderly market in a Series of Westpac Trading Instalments or in the relevant Securities. Similarly, ASX may halt or suspend Westpac Trading Instalments where it considers such action to be in the best interests of the public or where it deems it necessary to protect investors. Factors that may affect the ASX's decision include circumstances where the ASX has been advised that a Listed Entity is about to make an important announcement affecting its Securities, the presence of any unusual conditions or circumstances or Westpac's inability, unwillingness or failure to comply with the ASX Business Rules. Further, ASX may, in its absolute discretion, decide to halt or suspend Westpac Trading Instalments where it thinks fit.

5.10 Conflicts of interest

Westpac Entities, and directors and employees of such companies, may buy and sell Westpac Trading Instalments or Securities of Listed Entities as principal in their own right. Westpac Broking may conduct such transactions as agent for Westpac Entities, as well as for other principals or itself.

5.11 Amendment of the Trust Deed and the Terms

The Trust Deed and the Terms may be amended by the Security Trustee and/or Westpac in certain limited circumstances or by a resolution approved by at least 75% of all Holders who cast votes in accordance with the Trust Deed and the Terms.

5.12 Westpac's discretionary powers

The Terms confer a number of discretionary powers on Westpac which could affect the value of Westpac Trading Instalments including the power to fix an Accelerated Completion Payment Date where an Extraordinary Event occurs (see clause 12 of the Terms). In a number of instances, Westpac may only exercise its discretion with the consent of the ASX (unless that consent is unreasonably withheld or delayed).

5.13 The Security Trustee

Under the Trust Deed and the Terms, the Security Trustee has power to deal with Underlying Parcels by various means. These include the power to transfer Securities and to lend Securities to a Westpac Entity. The Security Trustee may also be entitled to rely on its indemnity under the Trust Deed to recover certain amounts out of the Underlying Parcels.

A summary of the role of the Security Trustee including the right of indemnity and various provisions limiting the responsibilities and liabilities of the Security Trustee is contained in Section 7 (Summary of the Terms of Issue) of this Offering Circular.

5.14 National Guarantee Fund – not a guarantor in all cases

Claims against the National Guarantee Fund may only be made in respect of secondary trading in Westpac Trading Instalments between brokers on the ASX and cannot be made in relation to the issue of Westpac Trading Instalments by Westpac or the settlement obligations of Westpac to Applicants if a Completion Payment Notice is given or a Westpac Trading Instalment expires.

The capacity of Westpac and the Security Trustee to settle all outstanding Westpac Trading Instalments is not guaranteed by the ASX, the National Guarantee Fund or the Options Clearing House.

In relation to Virgin Blue Trading Instalments, unless and until all of the Instalment Issue Conditions (see Section 2.23) are satisfied, Holders of Virgin Blue Trading Instalments will not have the benefit of protection under the National Guarantee Fund. Accordingly, any person who has a claim in respect of conditional trading activity (for whatever reason), will not be entitled to rely on recovering in respect of that claim from this statutory fund if the Instalment Issue Conditions are not satisfied.

5.15 Information for investors and their advisers

This Offering Circular contains the information which investors and their professional advisers would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the capacity of Westpac to fulfil its obligations under Westpac Trading Instalments and the risks, rights and obligations associated with Westpac Trading Instalments. Investors should be aware, however, that it is not possible for a document of this type to take into account the wide range of investment objectives, the financial situation and the particular needs of each reader. For this reason, nothing in this Offering Circular should be interpreted as a recommendation by Westpac, the Broker, the Security Trustee, or any associate of them or any other person concerning investment in Westpac Trading Instalments, the Securities or any other instrument. Investors should not rely on this Offering Circular other than in respect of the matters referred to above, or rely on it as the sole basis for any investment decision in relation to Westpac Trading Instalments, the Securities or any other instrument. Investors should obtain relevant information concerning the Listed Entities before deciding to invest in Westpac Trading Instalments.

5.16 Virgin Blue Trading Instalments

There is no guarantee that the Share Issue Conditions or the Instalment Issue Conditions, as set out in Section 2.23, will be satisfied in relation to Virgin Blue Shares or Virgin Blue Trading Instalments which are trading on a conditional basis. It is also possible that the conditions will be satisfied but that this is delayed beyond the expected date.

All persons dealing in Virgin Blue Trading Instalments while they are subject to the conditional market should understand that a conditional sale may be cancelled. ASX, as the market operator, will seek to unwind such cancelled transactions in an orderly manner.

Section 6: Summary of the Terms of Issue

The following summary of the Terms of Issue in relation to Westpac Trading Instalments has been prepared by Allens Arthur Robinson, the Issuer's solicitors, as at 23 July 2003.

The Terms of Issue are set out in the Trust Deed (see Section 6.1 (Significant provisions of the Trust Deed)) and Terms (see Section 6.2 (Significant provisions of the Terms)).

6.1 Significant provisions of the Trust Deed

The Underlying Parcels of Securities for Westpac Trading Instalments are held by Perpetual Trustee Company Limited (as Security Trustee) on trust for Holders (subject to any Security Interest of Westpac). The Trust Deed sets out the rights, powers, obligations and liabilities of the Security Trustee and each Holder in relation to the Underlying Parcel.

(a) Effect of Trust Deed

The rights, powers, obligations and liabilities of the Security Trustee and each Holder in relation to the Separate Trusts and the Underlying Parcels, are set out in the Trust Deed. The Trust Deed binds the Security Trustee in respect of its obligations to each Holder and by subscribing for or acquiring a Westpac Trading Instalment, each Holder agrees to be bound by the terms of the Trust Deed.

Where the Terms (see below) state that the Security Trustee will do something, the Security Trustee must take any Reasonable Action necessary to give effect to the Terms and must act consistently with the Terms.

Any promise taken to be given by a Holder under the Terms is also taken to be given by the Holder to and for the benefit of the Security Trustee, and each person who is a Holder from time to time has the benefit of the Security Trustee's obligations under the Trust Deed.

A Holder cannot enforce the Trust Deed against other Holders, and a Holder is not responsible for the obligations of the Security Trustee or any other Holder (clause 1).

(b) Nature of the trust and creation of Security Interest

The Security Trustee undertakes to hold each Underlying Parcel on a Separate Trust as bare trustee for the Holder on the terms and conditions of the Trust Deed.

Each Underlying Parcel is held on a Separate Trust of which the Holder is the Beneficiary (clause 2). Each Holder is absolutely entitled as against the Security Trustee to the Beneficial Interest in the Underlying Parcel (clause 3), and is presently entitled to any income derived by the Security Trustee in respect of that Holder's Separate Trust (clause 7).

Each Holder acknowledges that the Security Trustee as trustee for each Holder may separately mortgage (a **Security Interest**) to Westpac (as lender) each Underlying Parcel to secure the due and punctual repayment of the Secured Monies (clause 4.1). The Security Trustee is required to offer in writing to mortgage to Westpac all the Underlying Parcels on the terms set out in the Trust Deed and the Terms.

Although each trust is separate, Underlying Parcels and Westpac Trading Instalments may be aggregated for certain purposes (clause 8).

(c) Powers of Security Trustee

The Security Trustee has powers, duties, rights and discretions as set out in the Trust Deed. The Security Trustee may only exercise the powers conferred on it under the terms of the Trust Deed. It has no other "external" powers, duties, rights or discretions. However, the Security Trustee is given some specific powers (such as to grant security over Underlying Parcels).

(d) Dividends

Subject to tax file number obligations, the Security Trustee must pay to Holders the cash amount of any Dividend from the Listed Entities as soon as practicable after receipt and clearance of such Dividend from a Listed Entity (clause 13.1).

However, in the case of Special Dividends, if directed by Westpac, the Security Trustee must pay the cash amount of the Special Dividend in accordance with the Order of Payment (clause 13.2).

The Security Trustee is not permitted to participate in any Dividend reinvestment plan (or similar reinvestment plan) conducted by a Listed Entity (clause 12.10).

(e) Corporate Actions

The Security Trustee has obligations in respect of Corporate Actions and other events affecting Westpac Trading Instalments and Underlying Parcels. The Security Trustee for instance must not accept a takeover bid for the securities comprising the

Underlying Parcels and, unless directed by Westpac, must not accept any buy-back offer for securities comprising the Underlying Parcels. The Security Trustee also has a general power where Corporate Actions and other events happen to take action directed by Westpac (or if not directed by Westpac as it may decide) to maintain as far as practicable the economic position of Holders (clause 12.9).

(f) Limited liability and limited obligations of Security Trustee

The liability of the Security Trustee for losses or liabilities arising under or in connection with the Trust Deed is limited to the extent which the Security Trustee is actually indemnified against those losses or liabilities out of the property of the Separate Trusts, provided that the loss was not caused by the Security Trustee's own dishonesty (or that of its officers or employees), a wilful breach of trust or its own gross negligence (clause 14).

The liability of the Security Trustee is limited. It will not be liable to any Holder or any other person in respect of any conduct, delay, negligence or breach of duty in the exercise or non-exercise of any power nor for any loss (including consequential loss) which arises (unless it acts dishonestly, commits a breach of trust or is guilty of gross negligence) (clause 15).

Except where required by the express terms of the Trust Deed, the Security Trustee is not obliged to act in any particular manner, or to consult with Holders, keep itself informed as to the state of affairs of Westpac or any Listed Entity, monitor Westpac's compliance with the Trust Deed or any other agreement, provide Holders with financial information about Westpac or any Listed Entity, use its own funds for the payment of costs or expenses, or prepare accounts or returns in respect of the Separate Trusts (clause 11.1). The Security Trustee is not required to take any action unless its liability is limited in a manner satisfactory to the Security Trustee.

(g) No recourse to Separate Trusts

The Security Trustee cannot use the Separate Trusts to derive remuneration or recover expenses incurred by it in the discharge of its functions under the Trust Deed unless it has made a claim against Westpac under the indemnity in clause 43 of the Terms and Westpac has failed to satisfy that claim (clause 17). Under clause 43 of the Terms (which is summarised in Section 6.2(m) (Westpac to indemnify Security Trustee)), Westpac indemnifies the Security Trustee

against any loss, cost, expense or liability incurred by the Security Trustee in the performance of its duties under the Trust Deed of the Terms. The indemnity does not, however, cover any loss, cost, expense or liability incurred as a result of the Security Trustee's own dishonesty or the dishonesty of its employees, or the wilful commission or omission by it or its employees of any act known by them to be a breach of trust. The indemnity will also not extend to cover any loss, cost expense or liability incurred as a result of the Security Trustee's gross negligence.

(h) Replacement of Security Trustee

The Security Trustee may resign or be removed by Westpac provided there is another trustee appointed in its place. On appointment, the successor Security Trustee has all the rights, powers and obligations of the retiring Security Trustee (clause 21).

(i) Appointment of nominee

The Security Trustee can appoint a nominee to be the registered holder of the Underlying Parcel, provided that the nominee is a bare trustee for the Security Trustee with no power to deal with the Securities and Accretions (clause 24).

(j) Amendment of Separate Trusts

The Security Trustee may by supplemental deed make any modification, variation, alteration to or deletion from the terms of the Separate Trusts which in the opinion of Westpac:

- does not affect in any material way, the rights, conditions and obligations of Westpac and the Holders relating to the Westpac Trading Instalments; and
- does not affect the Holder's absolute entitlement to the Underlying Parcel or their present entitlement to the income; or
- is authorised by a resolution of Holders (clause 26) (in accordance with the provisions for obtaining such resolutions set out under clause 46 of the Terms summarised in Section 6.2(o) (Resolution of Holders)).

(k) Termination of Separate Trusts

A Separate Trust terminates on the earlier of:

- the transfer of the Underlying Parcel to:
 - the Holder;
 - Westpac; or
 - a third party;

Section 6: Summary of the Terms of Issue (continued)

- notice by a Westpac Entity (in its capacity as Holder) that it does not want to maintain a Separate Trust over property which may be created by the Trust Deed;
- the exercise by Westpac or the Security Trustee of a power of sale under any Security Interest; or
- the 80th anniversary of the Issue Date (clause 27).

6.2 Significant provisions of the Terms

(a) Effect of Terms

The rights, powers, obligations and liabilities of Westpac and each Holder in respect of the issue of Westpac Trading Instalments are set out in the Terms of Issue. By subscribing for or acquiring a Westpac Trading Instalment, a Holder agrees to be bound by the Terms. Any promise taken to be given by a Holder under the Terms is also taken to be given by the Holder to and for the benefit of Security Trustee, and each person who is a Holder from time to time has the benefit of Westpac's obligations under the Terms.

A Holder cannot enforce the Terms against other Holders, and a Holder is not responsible for the obligations of Westpac or any other Holder (clause 1).

(b) Terms of Westpac Trading Instalments

By accepting an Application, Westpac agrees to issue a Westpac Trading Instalment and make a Loan to the Applicant. Westpac Trading Instalments are issued on the following terms:

- each Holder acknowledges and agrees that the Underlying Parcel is held by the Security Trustee in accordance with the terms of the Trust Deed;
- the Underlying Parcel may be subject to a Security Interest granted in favour of Westpac by the Security Trustee on behalf of the Holder;
- each Westpac Trading Instalment constitutes an agreement between Westpac and the Holder on the terms set out in the Terms and the Trust Deed; and
- each Westpac Trading Instalment is transferable and by becoming a Holder, each Holder agrees to be bound by the Terms (clause 2.3).

(c) Loan

Westpac irrevocably offers to make a Loan to any person who becomes a Holder of a Westpac Trading Instalment (clause 2.2).

(d) Payment of Dividends

Holders are entitled to receive any cash Dividends declared by the relevant Listed Entities. The Security Trustee must pay to the Holder the cash amount of the Dividend by electronic funds transfer or cheque (clause 3 and 37.1)

However, Westpac may direct the Security Trustee to distribute the whole or part of the cash amount of Special Dividends in accordance with the Order of Payment (clause 3.3).

(e) No guarantee of Security Trustee's performance

Westpac does not guarantee the Security Trustee's performance of its duties under the Trust Deed and nothing in the Terms is to be taken as a representation by Westpac that the Security Trustee will perform or comply with its obligations under the Trust Deed (clause 7).

(f) Transfer of Westpac Trading Instalments

No fees are charged for registration of Transfers of Westpac Trading Instalments. Westpac undertakes to ensure that the Registrar does not prevent, delay or hinder a proper Transfer of Westpac Trading Instalments. All Transfers are made on terms that a new Loan will be provided to the new Holder. No cash payments are made under the new Loan as a result of the Transfer. The prior Holder irrevocably authorise Westpac to repay some or all of the Holder's Loan out of money borrowed by the new Holder under the new Loan (clause 10).

(g) Extraordinary Event

Westpac may fix an Accelerated Completion Payment Date (with the consent of the ASX) if the Securities comprised in the Underlying Parcel are:

- the subject of a buy-back offer;
- the subject of a takeover bid or a scheme of arrangement;
- the subject of a Demerger;
- de-listed; or
- suspended.

An Accelerated Completion Payment Date may also be fixed (with the consent of the ASX) if Westpac Trading Instalments are de-listed, withdrawn from trading status or suspended otherwise than as a result of the acts of Westpac, or there occurs a change to the tax treatment of trustees (clause 12.1).

(h) Completion Payment and Put Option

A Holder may give Westpac a duly completed Completion Payment Notice at any time before the Closing Time in respect of the Holder's Westpac Trading Instalments (clause 13.2). A Completion Payment Notice given within 10 Business Days of the Completion Payment Date will be deemed to have been given at the Closing Time on the Completion Payment Date.

If a Holder gives a Completion Payment Notice, the Holder is obliged to make the Completion Payment in full.

The Completion Payment Notice must be accompanied by the Completion Payment. The Completion Payment must be received in cleared funds by the 6th Business Day after the Completion Payment Notice is given. Westpac will notify the Holder if the Holder fails to meet its obligation to make the Completion Payment in cleared funds or if Westpac treats the Completion Payment Notice as invalid.

If a Holder gives a Completion Payment Notice and makes the Completion Payment in cleared funds by the 6th Business Day after the Completion Payment Notice is given, the Security Trustee must transfer the unencumbered legal title to the Underlying Parcel to the Holder within 20 Business Days of the Completion Payment Notice having been given (clause 13.5). If the Security Trustee fails to do so, Westpac must pay the Holder an amount calculated as 110% of the Market Value of the Underlying Parcel (clause 17.2).

If a Holder gives a Completion Payment Notice but the payment received and cleared is less than the aggregate of the Completion Payments for Westpac Trading Instalments specified in a Completion Payment Notice, Westpac may exercise its power of sale over any Underlying Parcels in respect of which Westpac determines the Completion Payment has not been received (clause 13.3). Despite Westpac exercising its power of sale, the Holder is still obliged to make the Completion Payment in full on all the Westpac Trading Instalments specified in the Completion Payment Notice and Westpac may recover any shortfall directly from the Holder (clause 13.4)

Alternatively, the Holder can exercise the Put Option. To make a Put Option, the Holder may deliver to Westpac a valid Put Option Exercise Notice at any time before the Closing Time on the Completion Payment Date. The Put Option Exercise Notice is irrevocable. A Put Option Exercise Notice is effective in respect of that number of Westpac Trading Instalments as are

subject to the Put Option Exercise Notice (or fewer) in respect of which the person who gave the notice is the registered Holder by the close of trading on the 6th Business Day after the Completion Payment Date.

On receipt of a valid Put Option Exercise Notice Westpac will purchase the Underlying Parcel at the Put Option Exercise Price and will apply this amount first to payment of the Completion Payment and the remainder, if any, to the Holder within 20 Business Days of the Completion Payment Date (clause 14).

If no Completion Payment Notice or Put Option Exercise Notice is given by Closing Time on the Completion Payment Date, Westpac may exercise its power of sale over the Underlying Parcel but may not seek to recover any shortfall directly from the Holder.

(i) Takeovers, schemes, buy-backs, rights, demergers and bonus issues

Westpac may (with the consent of ASX) fix an Accelerated Completion Payment Date if there is a takeover bid for any Securities comprised in the Underlying Parcel. Where the Securities are compulsorily acquired following completion of a takeover bid, Westpac must hold the consideration received and distribute the sale proceeds in accordance with the Order of Payment (clause 19).

If there is an offer to acquire all Westpac Trading Instalments in a Series, neither Westpac nor the Security Trustee has any obligation to Holders, and is not obliged to respond to such offers but either may take such Reasonable Action as it may be advised (clause 20).

Westpac may (with the consent of ASX) fix an Accelerated Completion Payment Date (in accordance with clause 12.1) if there is a scheme of arrangement in relation to any Securities comprised in the Underlying Parcel. Where the Securities are subject to a scheme of arrangement, Westpac must hold the consideration received and distribute the sale proceeds in accordance with the Order of Payment (clause 21).

Where a Listed Entity announces an intention to undertake a Demerger, Westpac may at its absolute discretion (with the consent of ASX) fix an Accelerated Completion Payment Date. If Westpac does not fix an Accelerated Completion Payment Date and the Listed Entity completes the Demerger, Westpac will have a number of options. Westpac may direct that the Security Trustee dispose of either the Securities in the Listed Entity or the Demerged Securities and distribute

Section 6: Summary of the Terms of Issue (continued)

the proceeds either to Holders or in accordance with the Order of Payment. Alternatively, Westpac may create a new Series of Westpac Trading Instalments over the Demerged Securities and allocate the Completion Payment across the original Westpac Trading Instalments and the new Series of Westpac Trading Instalments based on the relative market values of the Underlying Parcel of the original Westpac Trading Instalments and the Underlying Parcel of the new Series of Westpac Trading Instalments (using the Weighted Average Sale Price on the relevant date). Otherwise, Westpac, may decide that the Demerged Securities will form part of the Underlying Parcel and become subject to the Security Interest (clause 22).

If a buy-back offer is made for Securities comprised in Underlying Parcels, Westpac may (with the consent of ASX) fix an Accelerated Completion Payment Date. Westpac may, in its absolute discretion, direct the Security Trustee to accept the offer (clause 23) provided Westpac has advised Holders of the buy-back offer and those Holders have directed Westpac to accept the offer.

Securities issued as a result of a bonus issue made to Holders of Securities comprised in Underlying Parcels will form part of the Underlying Parcel and will be subject to the Security Interest (clause 24).

Where a Listed Entity gives holders of Securities the right to acquire securities under a rights issue (whether the rights issue is renounceable or non-renounceable), neither Westpac nor the Security Trustee will have an obligation to accept or deal with such rights and the Completion Payment Amount will not change, however, Westpac may take (and may direct the Security Trustee to take the steps necessary to give effect to) such Reasonable Action to confer a benefit on Holders arising from the rights issue (clause 25).

(j) Subdivision or consolidation of Underlying Parcels

Westpac can, in certain circumstances, subdivide or consolidate the Underlying Parcels if a Listed Entity divides, consolidates or similarly reconstructs its Securities (clause 26.1). However, Westpac can only exercise its powers under clause 26.1 if the rights of Holders will not be prejudiced and the new securities correspond to the relevant Westpac Trading Instalments (clause 26.2).

(k) Corporate Actions, reconstruction and reduction of capital

Where there is a Corporate Action by a Listed Entity, and a number of new Securities or other securities are issued by the Listed Entity or acquired by the Security Trustee on behalf of the Holders, in determining the number of new Securities or other securities to be added to the Underlying Parcel, the number added must be a whole number, and if there is an excess of Securities or other securities which do not comprise the Underlying Parcel. Westpac may direct the Security Trustee to sell such Securities or other securities and include the proceeds in the Underlying Parcel or distribute the proceeds to Holders. Where a Completion Payment Notice has been given, any cash amount included in the Underlying Parcel must be applied in partial satisfaction of the Completion Payment (clause 27).

Westpac may (with the consent of the ASX) reconstruct Westpac Trading Instalments in the event of a consolidation or subdivision of Securities in an Underlying Parcel or, if as a result of a Corporate Action, the number of Securities in an Underlying Parcel increases or decreases. Reconstruction may also take place generally with the consent of Holders (clause 28).

If a Listed Entity reduces its capital by distributing cash, securities or other assets (other than Demerged Securities), without cancelling any Securities, Westpac must either:

- pay the cash that it receives or sell the securities and other assets, pay the proceeds in accordance with the Order of Payment; or
- if the cash, securities or other assets are compulsorily applied to acquire new securities pursuant to a scheme of arrangement, receive and pay any remaining cash and sell the remaining securities, assets and new securities and apply the proceeds in accordance with the Order of Payment (clause 29.1).

Where a Listed Entity reduces its capital by cancelling any Securities, Westpac will receive as mortgagee and pay any cash distribution in accordance with the Order of Payment (clause 29.2).

Alternatively, the Underlying Parcel will be transferred to the Holder where any amounts to be paid pursuant to this clause exceed the aggregate amounts described in paragraphs (a) and (b) of the Order of Payment (clause 29.3). In this event, the Holder will receive the excess amount of any cash payment.

(l) Holding and cancellation of Westpac Trading Instalments

Westpac can cancel Westpac Trading Instalments if it becomes the Holder of the relevant Westpac Trading Instalment by recording the cancellation in the Register and directing the Security Trustee to sell the corresponding Underlying Parcel (clause 34) as if Westpac remained the Holder. Westpac can buy back or hold a Westpac Trading Instalment without cancelling it.

(m) Westpac to indemnify Security Trustee

Westpac agrees to indemnify the Security Trustee against any loss, cost, expense or liability incurred by the Security Trustee in the performance of its duties under the Trust Deed. The indemnity does not apply where the loss, cost etc arises as a result of the Security Trustee's dishonesty, breach of trust or gross negligence. The Security Trustee must not knowingly incur certain material liabilities without the consent of Westpac (clause 43).

(n) The payment of Taxes, GST and stamp duty

The Terms include provisions regarding payment of Tax, goods and services tax (GST) and stamp duty (clause 35).

(o) Amendment of Terms

Westpac, with the written consent of the Security Trustee, may amend the Terms from time to time provided that the proposed amendment is set out in a supplemental deed and:

- (i) the terms of the supplemental deed are authorised by a resolution of Holders; or
- (ii) the terms of the supplemental deed are necessary or desirable in the reasonable opinion of Westpac and the Security Trustee in order to:
 - (A) comply with any legal or regulatory requirement or to rectify any technical defect, manifest error or ambiguity and in the reasonable opinion of Westpac and the Security Trustee to not materially prejudice the interests of Holders; or
 - (B) provide for the consequences of any Corporate Action taken by a Listed Entity in respect of Securities comprised in the Underlying Parcels and, in the reasonable opinion of Westpac and the Security Trustee, the amendment is not materially prejudicial to the interests of the Holders; or

- (iii) the amendment does not apply to existing Westpac Trading Instalments (clause 45).

(p) Resolution of Holders

A resolution of Holders may only be passed where Westpac:

- notifies every Holder of the terms of the proposed variation;
- supplies every Holder with a document setting out the reasons for, and any advantages and disadvantages of, the proposed variation; and
- supplies every Holder with a ballot paper allowing the Holder to vote for or against the proposed variation.

Even if Westpac has complied with the above requirements, a resolution varying the Terms can only be passed if at least 75% of all votes cast by Holders are in favour of the resolution. Where a Holder is either Westpac or any of its associates, that Holder will not, in certain circumstances, be allowed to exercise its right to vote on the resolution.

Each Holder will have one vote for each Westpac Trading Instalment held and the voting period must not be less than 20 Business Days from despatch of the last notice of proposed variation to a Holder. No ballot can be requisitioned by Holders. Votes will be validated and checked by Westpac's auditors.

Section 7: Form of Loan Agreement

Loan Agreement

To: **[Name of Applicant(s)]** of **[Address of Applicant(s)]**.

Thank you for your application for a loan in respect of the Westpac Trading Instalments identified in your Application and any Westpac Trading Instalments issued as a result of the application of any Reinvestment Amount arising from your Application (the **Loan**). Westpac accepts your loan application. By applying for a Westpac Trading Instalment you irrevocably appoint the Security Trustee as your nominee to be the registered Holder of the Securities to which your Application relates.

Westpac Trading Instalments are issued on the terms and conditions set out in the Terms of Issue which are summarised in Section 6 (Summary of the Terms of Issue) of the **Offering Circular** dated 27 November 2003 (the **Offering Circular**) issued by Westpac in respect of the offer of Westpac Trading Instalments. Capitalised terms in this Loan Agreement have the same meaning as those in the Offering Circular. The singular includes the plural and visa versa.

1. Terms of Loan

(a) **Loan Amount for Applicants**

Subject to this Loan Agreement, Westpac will make a Loan available to you in respect of each Westpac Trading Instalment.

The Loan will be made available on the date on which this Agreement is signed by both Westpac and your attorney on your behalf or, in the case of a Transferee, on the date on which you have done everything necessary to effect a Transfer (in both cases, the **Effective Date**). The total amount of the Loan will be the number of Westpac Trading Instalments for which you have validly applied (including, for any Applicants, as a result of the application of any Reinvestment Amount) multiplied by the Completion Payment specified for the relevant Series in the Summary Table located in the Introduction of the Offering Circular.

(b) **Loan Amount for Transferee**

A Loan is also made available to each Transferee of a Westpac Trading Instalment.

Transferees must drawdown under the Loan an amount equal to the Loan Amount. The drawdown will occur on the date that Westpac Trading Instalments are Transferred to the Transferee without any further action required by the Transferee.

(c) **Completion Payment**

You may repay the Loan and acquire legal title to an Underlying Parcel by making the Completion Payment on or before the Completion Payment Date. If you do not make the Completion Payment or exercise the Put Option, Westpac may enforce any Security Interest described below.

The Completion Payment Date may alter in the manner referred to in the Offering Circular. In relation to a Westpac Trading Instalment the Loan is repaid and any Security Interest discharged on the 6th Business Day after the notice is given, subject to it being effective.

(d) **Interest**

Interest is payable on the Loan Amount from the Effective Date to the Completion Payment Date. The Interest Amount is the amount of interest payable for the unexpired period of the Westpac Trading Instalments acquired by you.

Part of the Interest Amount will be refunded (a **Refund**) if the Completion Payment Date is brought forward due to the occurrence of an Extraordinary Event. The amount of a Refund will be determined on a pro rata basis less the cost incurred by Westpac in:

- (i) terminating its funding arrangements in respect of the relevant Westpac Trading Instalments; or
- (ii) redeploying any amounts received early.

(e) **Directions**

If you are a Cash Applicant, you irrevocably authorise and direct Westpac to apply the Loan Proceeds for each Westpac Trading Instalment applied for to acquire the Underlying Parcel. Where the Loan Proceeds are made available in relation to Virgin Blue Trading Instalments and the Instalment Issue Conditions are not satisfied, you acknowledge that the Loan Proceeds held by or returned to the Security Trustee in respect of the cancelled purchase of a Virgin Blue Share are to be paid to Westpac. If the Security Trustee receives such moneys you irrevocably direct the Security Trustee to repay those moneys to Westpac. On receipt of such moneys by Westpac, the Loan will be discharged and this Loan Agreement will be terminated.

If you are a Securityholder Applicant, you irrevocably authorise and direct Westpac to apply the Loan Proceeds first to payment of the Interest Amount, the Put Option Fee and, if any, the Borrowing Fees, and

the balance (the **Securityholder Investment Amount**) to be paid in cash to you. Where the Loan Proceeds are made available in relation to Virgin Blue Trading Instalments and the Instalment Issue Conditions are not satisfied, you direct Westpac to retain any Loan Proceeds payable to you until the Instalment Issue Conditions are satisfied. If the Instalment Issue Conditions are not satisfied, no Loan Proceeds will be paid to you, each party's obligations under this Loan Agreement will be discharged and this Loan Agreement terminated.

Where you give a direction in your Application that any Securityholder Investment Amount, as applicable, is to be used as a Reinvestment Amount:

- (i) you will be provided a Loan in respect of that number of additional Westpac Trading Instalments equal to the quotient of the Reinvestment Amount divided by the First Payment;
- (ii) you irrevocably authorise and direct Westpac to apply the Loan Proceeds for each such additional Westpac Trading Instalment to acquire the Underlying Parcel; and
- (iii) you direct that any cash remaining from the Reinvestment Amount (which will be less than the First Payment amount) be paid to charity.

If you are a Transferor or Transferee you give the directions on a Transfer as discussed in Section 3 (Transfer of Westpac Trading Instalments) below.

(f) Limited recourse

Your liability to Westpac for repayment of each Loan is limited to the total amount received by Westpac in relation to the Underlying Parcel relating to each Westpac Trading Instalment to be issued to you (whether by exercising any power of sale or otherwise) excluding Dividends paid to you before the Completion Payment Date. Westpac will not take any action against you in relation to the Loan to recover any amount beyond enforcing any Security Interest (as referred to below).

However, this does not apply if you have given a Completion Payment Notice, in which case you are liable to pay the Completion Payment in full.

2. Security Interest

(a) Acknowledgement of Security Interest

You acknowledge that in consideration of Westpac making the Loan available the Security Trustee, on your behalf, may mortgage to Westpac on the terms

set out in the Terms of Issue all the Security Trustee's rights in and to the Underlying Parcel to secure the due and punctual payment of the Loan or, where a Completion Payment Notice is given in respect of some or all of the Westpac Trading Instalments the subject of the Completion Payment Notice, the Completion Payment in respect of those Westpac Trading Instalments.

(b) Sale of Underlying Parcel

Accordingly:

- (i) if a Holder does not make the Completion Payment on or before the Completion Payment Date in relation to a Westpac Trading Instalment;
- (ii) the Holder, having given a Completion Payment Notice, does not make the Completion Payment; or
- (iii) the Holder is or becomes bankrupt or in liquidation,

Westpac may be entitled to sell an Underlying Parcel and apply the proceeds in accordance with the Order of Payment. To the extent permitted by law the Security Trustee has dispensed with any notice or lapse of time required by any law for the enforcement of a Security Interest or the exercise of any power by Westpac under this Agreement or the Terms of Issue.

3. Transfer of Westpac Trading Instalments

- (a) Where you are the Transferor subject to paragraph (b) below, on the registration of a Transfer, you will be entitled to a refund of as much of the Interest Amount as relates to the period from the Transfer Date to the Completion Payment Date, being an amount equal to the interest payable by the Transferee on the new Loan.
- (b) Where you are a Transferee you irrevocably authorise and direct Westpac on the Effective Date of any Transfer in respect of each Westpac Trading Instalment to apply on the Transfer Date:
 - (i) a portion of the Loan Amount on your Loan in pre-payment of interest on your Loan for the period from the Transfer Date to the Completion Payment Date (being an amount previously pre-paid by the Transferor); and
 - (ii) the remainder of the new Loan to the Transferor in repayment of the amount due by the Transferor to Westpac.
- (c) Where you are the Transferor:
 - (i) you agree with Westpac that the Interest Refund to which you are entitled (that amount now pre-paid

Section 7: Form of Loan Agreement (continued)

by the Transferee as described under paragraph (b)(i) above) be applied towards partial repayment of your Loan; and

- (ii) agree to the remainder of your Loan being repaid by the application of the remainder of the Transferee's Loan Proceeds (the amount referred to in paragraph (b)(ii) above), in repayment of your Loan.

4. Demerger

If Westpac decides that, on a Demerger, it will issue a new Series of Westpac Trading Instalments in respect of the Demerged Securities, Westpac may allocate the Loan Proceeds between the existing Series and the new Series (thereby reducing the amount of the Loan in respect of the existing Series) and may execute any document on your behalf, including a new loan agreement, to effect this result and to issue to you the new Series of Westpac Trading Instalments. No such action taken by Westpac can result in an increase in the amount of the loan proceeds.

5. Miscellaneous

(a) Joint Applications or Transfers

Where the Application or Transfer is for two (2) or more persons, references to "you" in this Loan Agreement means each Applicant or Transferee jointly and severally.

(b) Further assurances

You agree to take all steps, execute all documents and do everything reasonably required by Westpac to give effect to the transactions contemplated by this Agreement.

(c) Notices

Any notice given under this Agreement must be in writing addressed to the intended recipient at the address shown above or the address last notified by the intended recipient to the sender. A notice will be taken to be given or made when delivered, receive or left at the above address.

(d) Stamp duty

Westpac agrees to pay all stamp duty payable on this Agreement. You agree to promptly provide to Westpac any information Westpac reasonably requests to assist in the calculation and payment of any such stamp duty.

(e) Assignment

Westpac may novate, assign or sub-participate this Agreement and any or all of its rights under this Agreement at any time.

You must not novate, assign or sub-participate this Agreement and any or all of your rights under this Agreement (other than in accordance with the Trust Deed) at any time.

(f) No waiver

No failure to exercise a power, and no delay in exercising a power operates as a waiver.

(g) Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction is ineffective in that jurisdiction to the extent of the prohibition or unenforceability.

(h) Governing law

This Agreement is governed by the law of New South Wales. The parties submit to the exclusive jurisdiction of the Courts of New South Wales.

Signed for and on behalf of Westpac
by its attorneys

I accept the above offer

Signature of Attorney for and on behalf of the Applicant(s)

Section 8: Information about Westpac

8.1 Introduction

Westpac is one of the four major banking organisations in Australia and also one of the largest banks in New Zealand. Westpac provides a broad range of banking and financial services in these markets, including retail, commercial and institutional banking and wealth management activities.

Westpac was founded in 1817 and was the first bank to be established in Australia. In 1850 Westpac was incorporated as the Bank of New South Wales by an Act of the New South Wales Parliament. In 1982 Westpac changed its name to Westpac Banking Corporation. On 23 August 2002 Westpac was registered as a public company limited by shares under the Australian Corporations Act 2001. Westpac's principal office is located at 60 Martin Place, Sydney, New South Wales, 2000, Australia.

Westpac has branches, affiliates and controlled entities throughout Australia, New Zealand and the Pacific region and maintains offices in key financial centres around the world. As at 30 September 2003 Westpac's market capitalisation was \$30 billion. Westpac's operations comprise four key areas of business, serving approximately 7.7 million customers. These four areas of business are:

- **Business and Consumer Banking:** providing retail banking and other financial services to individuals and small to medium-size businesses in all states and territories of Australia;
- **BT Financial Group (BTFG):** providing investment, retirement planning and life insurance services that are designed to enable customers to build, manage and protect personal wealth;
- **Westpac Institutional Bank:** providing banking and financial services to corporate, institutional and government customers, and also supplying products to small and medium-size businesses primarily in Australia and New Zealand; and
- **New Zealand:** providing a full range of retail, commercial and wealth management services to customers throughout New Zealand.

8.2 Business and Consumer Banking

The Business and Consumer Banking (BCB) unit represents the regional bank operations branded 'Westpac' in New South Wales, Queensland, South Australia, Tasmania, the Australian Capital Territory and the Northern Territory, 'Bank of Melbourne' in Victoria, and 'Challenge Bank' in Western Australia.

BCB is responsible for servicing and product development for consumer and small to medium-size business customers within Australia. Activities are conducted via a nationwide network of branches (over 800 including in-store branches), call centres, automatic teller machines (ATMs) and internet banking services. Front line staff provides sales and service-related functions to customers for a broad range of financial products, including savings and cheque accounts, demand and term deposits, credit cards, personal and housing loans. A significant portion of housing finance sales is through independent mortgage brokers. In the years ended 30 September 2003 approximately 28% of mortgage loan drawdowns were arranged via this channel. Westpac also employs around 600 financial planners and advisers who provide advice in respect of various superannuation, investment and life insurance products. Business banking customers are additionally serviced by specialised relationship managers.

Westpac is a significant lender in the housing finance market in Australia. In the year ended 30 September 2003, Westpac's owner-occupied residential mortgage loan portfolio in Australia increased 10.3% to \$42.0 billion (net of securitised loans) with variable interest rate loans comprising 91% of the portfolio. Non-owner-occupied residential mortgage loans increased 10.3% during the year ended 30 September 2003. As at 30 September 2003 these loans amounted to \$37.1 billion of which around 85% constituted variable interest rate loans. In addition, Westpac is a major provider of credit card finance in Australia. Total credit card outstandings at 30 September 2003 were \$4.5 billion (2002 \$4.1 billion, 2001 \$5.6 billion). Continued growth in Westpac's "Altitude" credit card products and the establishment of a strategic third party alliance drove the increase in credit card outstandings in 2003, while the decrease of \$1.5 billion in 2002 was attributable primarily to the sale of AGC (see below), including the related credit card product.

In May 2002, Westpac sold the finance company, Australian Guarantee Corporation Limited (AGC).

In Australia, AGC's existing consumer and business finance operations were included in the sale. Westpac was granted certain marketing rights in relation to the AGC business finance portfolio. These arrangements enable Westpac to continue to offer a full range of products to existing business customers. Within the business finance market in Australia, Westpac's equipment finance portfolio has grown 119% to \$4.9 billion during 2003 as a result.

Westpac's e-channel group managers online banking facilities for Westpac's business and personal customers. As at 30 September 2003, approximately 1.8 million online banking customers conducted 62 million online transactions during the past financial year.

Section 8: Information about Westpac (continued)

8.3 BT Financial Group

The BT Financial Group (BTFG), Westpac's newly named wealth management business, designs, manufactures and services financial products that enable customers to achieve their financial goals through the accumulation, management and protection of personal wealth. These products include managed investments (mutual funds), life insurance, income protection, personal and business superannuation (pensions), margin lending and discount securities broking, client portfolio administration (wrap) platforms and portfolio management and administration of corporate superannuation.

Distribution of Wealth Management products is conducted through our Australian and New Zealand consumer distribution business and an extensive range of independent financial advisers.

Westpac has achieved a major transformation of its wealth management business during the last 12 to 15 months following the acquisition of Rothschild Australia Asset Management (RAAM) in June 2002 and BT Funds Management (BTFM) in October 2002. These acquired businesses combined with Westpac legacy wealth management business to constitute BTFG.

As a result of these strategic acquisitions, Westpac's wealth management business has become a significant force in the financial services industry in Australia and New Zealand with over \$43 billion in funds under management as at 30 September 2003 (2002 \$33 billion). BTFG has also experienced significant growth from its 'wrap' product which provides customers with a single consolidated view of investments, tax reporting and seamless switching between investment products and is accessible 24 hours a day. Since the creation of the new BTFG business unit on 31 October 2002, Westpac's 'wrap' funds under administration grew 37% or \$2.6 billion to \$9.6 billion.

As at 30 September 2003, Westpac's wealth management businesses had \$251 million in life insurance and risk in-force premiums (2002 \$202 million) and \$1,590 million in margin loans outstanding (2002 \$560 million).

8.4 Westpac Institutional Bank

The institutional bank strives to meet the financial needs of corporations, institutions and government customers, which are based in, or have interests in, Australia and New Zealand. This is achieved through dedicated industry teams supported by specialised expertise in financial markets, corporate finance, advisory, equity and transactional banking. The products and services offered include:

Capital

Debt/Equity underwriting
Financial Structuring
Loan Syndications
Capital Markets
Lending

Financial Markets

Foreign Exchange
Derivatives
Commodities
Debt Securities
Trade Finance

Transactional Services

International Payments
International cash management
Domestic transactional services

Advice

Mergers and Acquisitions
Project Finance
Property
Resources

Specialised Capital

Alternate assets
Structured products
Institutional funds management

In the global financial markets, Westpac focuses on Australian and New Zealand dollar-denominated financial products and also provide a range of currency and interest rate risk management products.

Over the financial year Westpac experienced substantial growth in Westpac's online delivery of financial market and transactional services products. In this financial year Westpac executed around 50,000 foreign exchange and bond transactions with customers through online channels, compared to 6,000 transactions in the previous financial year.

The institutional bank operates with a strong Australasian focus. Westpac supports its customers through branches and subsidiaries located in Australia, New Zealand, New York, London, Tokyo, Singapore, and Hong Kong, and are represented in Thailand, Indonesia and China.

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1. Includes the assets of Westpac's Life company.
 2. Includes a portion of the wealth management business's funds under management.

8.5 New Zealand Retail

During 2003, Westpac experienced substantial growth in Westpac's online delivery of financial market and transactional services products. In this financial year Westpac more than doubled the number of foreign exchange and bond transactions conducted with their customers through its online channels. Westpac has also significantly enhanced its capability to create structured investment products through the establishment of a specialized capital business unit and the purchase of a controlling interest in Hastings Funds Management Limited (Hastings) in October 2002.

The institutional bank operates with a strong Australasian focus. Westpac supports its customers through branches and subsidiaries located in Australia, New Zealand, New York, London, Tokyo, Singapore, and Hong Kong, and is represented in Thailand, Indonesia and China.

8.5 New Zealand Retail

Westpac began operating in New Zealand in 1861 as the Bank of New South Wales. In 1996, Westpac acquired Trust Bank New Zealand Limited. Following recent analysis of market representation a decision was made to align Westpac's New Zealand operations with the Westpac brand name. In addition, Westpac has relocated the senior customer-facing staff, product and head office functions from Wellington to Auckland.

Westpac is one of New Zealand's largest banks, providing a full range of retail banking products, wealth management services and commercial banking services to customers. As at 30 September 2003, Westpac had 4,782 staff, 200 branches and 480 ATMs operating throughout the country. Westpac has 1.3 million customers, 326,000 of whom are registered users of its online banking service.

Westpac is the second largest lender of housing finance in New Zealand. As at 30 September 2003, Westpac's mortgage loan portfolio (net of securitised loans) was NZ\$16.7 billion (2002 NZ\$15.1 billion) including securitised loans of NZ\$0.8 billion (2002 NZ\$1.0 billion). In addition, Westpac is a major provider of wealth management services, with NZ\$1.7 billion (2002 NZ\$1.6 billion) in funds under management as at 30 September 2003.

8.6 Business and Technology Solutions and Services

Business and Technology Solutions and Services (BTSS) provide functional support to the business units and comprise the following areas: Group Operations, Chief Information Officer (CIO), Chief Technology Officer (CTO), Corporate Services, Group Property, Strategic Sourcing, and Blueprint Program.

Group Operations performs back office processing and settlement services for banking products.

The CIO and CTO technology group defines Westpac's overall information technology (IT) architecture, supports and enhances software systems, and manages and implements major projects across Westpac.

The Corporate Services group provides infrastructure support for cash management, fraud, physical security, business services, and records management.

Group Property was established in 2003 to develop Westpac's new Sydney office (see "Recent Developments" below) and to manage the existing property portfolio.

Strategic Sourcing manages IT, telecommunications, mortgage and voucher processing outsourcing contracts that Westpac has entered into with IBM Global Services Australia (IBMGSA), Electronic Data Systems Corporation (EDS) and Unisys respectively. Strategic Sourcing also manages Group Procurement Services.

Blueprint is a major transformation program with the objective of delivering new technology and streamlined processes to support lending to business and consumer customers and is transforming Westpac's sales, service, marketing and technology functions, enabling Westpac's customer-facing staff to gain more complete view of its customers at all points of interaction.

8.7 Other

In Westpac's financial business segment results BTSS forms part of 'other', which also includes Group Treasury, Pacific Banking and Head Office functions. Due to its relatively small size, Westpac does not report the Pacific Banking business as a separate business segment.

8.8 Property

Westpac occupies premises primarily in Australia and New Zealand including approximately 899 branches as at 30 September 2003. Of the premises occupied, as at 30 September 2003, Westpac directly owns approximately 7% in Australia and less than 1% in New Zealand. The remainder of these premises are held under commercial lease with terms generally averaging five years.

As at 30 September 2003, the carrying value of directly-owned premises and sites was \$131 million.

Under the sale and leaseback program 43 properties have been sold in Australia with total proceeds of \$129 million, and 35 properties in New Zealand with total proceeds of \$43 million during the past three financial years.

Section 8: Information about Westpac (continued)

8.9 Recent developments

Sale of Australian Guarantee Corporation Limited (AGC)

On 31 May 2002, Westpac sold its 100% interest in AGC in Australia to General Electric Capital (GE). In addition Westpac sold certain loan assets of Australian Guarantee Corporation (NZ) Limited to GE. Westpac has retained certain marketing rights in Australia to AGC business customers, enabling Westpac to continue to offer a full range of products to existing business customers. This transaction resulted in a profit on sale of \$754 million and a reduction in total group assets of approximately \$9.9 billion being recorded in the second half of the 2002 financial year.

Acquisition of BT Financial Group (BT)

On 26 August 2002, Westpac announced the acquisition of most of the business of BT for \$900 million. An additional payment of up to \$150 million may be paid, contingent upon exceeding certain performance hurdles in the future. The acquisition includes the funds management operations of BT Financial Group in New Zealand and was completed on 31 October 2002. The acquisition was funded from existing financing sources.

Acquisition of Rothschild Australia Asset Management (Rothschild)

On 1 June 2002, Westpac acquired the Rothschild funds management business for \$323 million. The business has been rebranded as Sagitta Wealth Management.

Acquisition of Hastings Funds Management Limited (Hastings)

On 19 August 2002, Westpac announced agreements to purchase a 51% shareholding in Hastings for an initial payment of \$36 million which settled on 16 October 2002. Further payments, to acquire the remaining 49%, are dependent on Hastings' financial and operational performance over the next three years.

The business will form part of the institutional banking division. Hastings, with approximately \$2 billion in assets under management, is involved in specialized funds management principally in infrastructure, and also in private equity, forestry and high yield debt.

Outsourcing

On 1 October 2001, Westpac entered into a ten-year agreement with EDS (Business Process Administration) Pty Limited whereby they provide mortgage and other processing services in connection with Westpac's mortgage loan portfolio. Westpac continue to perform the sales, credit and collection functions related to home loan mortgage business. The estimated costs to be paid by Westpac over the remaining life of the multi-year agreement is approximately \$1 billion.

On 30 September 2002, Westpac entered into an agreement with First Data Resources Australia Limited ('First Data') to provide a managed service for cards processing. First Data assumed responsibility for Australasian cards processing in phases from October 2002. Westpac retains control of cards sales, credit, collections and customer service functions. The estimated costs to be paid by Westpac over the life of the multi-year agreement are approximately \$100 million.

KENS office site

On 7 March 2003, Westpac announced that it will consolidate ten Sydney Central Business District (CBD) office sites into two locations at its existing office at 60 Martin Place and new premises being developed at the northern end of Darling Harbour near King Street.

Construction of the new premises has commenced. It will consist of two office towers of 21 and 32 levels linked by a common foyer and will include two levels of retail space, a retail branch, childcare facilities, an urban park and tenant parking. This will be a 'green' site with at least a four star sustainable energy rating. Westpac has signed a 12 year lease on the building with three, six year options to extend. Construction will be completed in phases and is expected to be finalised by November 2006.

The Westpac Office Trust (the trust) was established in March 2003 to acquire the KENS site. To fund the acquisition, the trust raised \$365 million from investors. The trust has been admitted to the official list of the ASX and its securities were first quoted on 7 August 2003. Westpac Funds Management Limited, a wholly owned subsidiary of Westpac, is the responsible entity of the trust.

8.10 Directors' Profiles

Leon Davis ASAIT, DSc(h.c), FRACI, FAustIMM, Age 64.

Term of Office: Director since November 1999. Chairman since December 2000.

Independent: Yes.

External Directorships: Deputy Chairman of Rio Tinto; Director of each of Huysmans Pty Limited, Codan Limited and Trouin Pty Limited; Board Member of The Walter and Eliza Hall Institute of Medical Research; Trustee of each of the Westpac Foundation and the Rio Tinto Aboriginal Foundation.

Skills, experience and expertise: Leon has had many years of experience in resource management, both in Australia and overseas. He has lived and worked in senior positions in Australia, Papua New Guinea, Singapore and the United Kingdom. He was formerly Chief Executive of CRA Ltd and then Rio Tinto in the United Kingdom.

Barry Capp BE(Civil), BCom, BA. Age 70.

Term of Office: Director since May 1993.

Independent: Yes.

External Directorships: Chairman of National Foods Limited and Chairman of Trustees of William Buckland Foundation; Director of each of Australian Infrastructure Fund Limited, Hellaby Holdings Limited and Melbourne University Private Limited.

Skills, experience and expertise: Barry was employed for many years in financial and commercial roles and has had experience in company reconstructions.

David Crawford BCom, LLB, FCA, FCPA, Age 59.

Term of Office: Director since May 2002.

Independent: Yes.

External Directorships: Chairman of each of Lend Lease Corporation Limited and the Australia Ballet; Director of each of BHP Billiton Limited, Foster's Group Limited and National Foods Limited; Member of the Council of the University of Melbourne; and Treasurer of the Melbourne Cricket Club.

Skills, experience and expertise: David was National Chairman of KPMG from 1998 until 2001, a member of KPMG's International Board and, prior to that, Chairman of KPMG's Southern Regional Practice (1996-1998). He was the Chief Executive Officer of the Rural Finance Corporation in Victoria managing the integration and merger of the activities of the Victorian Economic Development Corporation with the Rural Finance Corporation.

The Hon. Sir Llewellyn Edwards

AC, MB, BS, FRACMA, LLD(h.c.), FAIM. Age 68.

Term of Office: Director since November 1988.

Independent: Yes.

External Directorships: Chairman of each of AMACA Pty Limited, AMABA Pty Limited, The Medical Research and Compensation Foundation, UQ Holdings Pty Limited and Pacific Film & Television Commission; Director of Uniseed Pty Limited; and Trustee of the Westpac Foundation.

Skills, experience and expertise: Sir Llewellyn Edwards has had extensive experience in Queensland state politics (including five years as Treasurer), business and in community service (Chairman World Expo 88 Authority and Chancellor of University of Queensland), as well as acting as a consultant to business and government.

Ted Evans AC, BEcon. Age 62.

Term of Office: Director since November 2001.

Independent: Yes.

External Directorships: Nil.

Skills, experience and expertise: Ted has extensive experience in the financial sector, having joined the Australian Treasury in 1969, heading the Fiscal and Monetary Branch in 1980 and the General Financial and Economic Policy Division in 1982. From 1984 to 1989 he held the position of Deputy Secretary and was Secretary to the Treasury from 1993 to 2001. From 1976 to 1979 he was a member of the Australian Permanent Delegation to the OECD in Paris and, from 1989 to 1993, executive director on the Board of the International Monetary Fund, representing Australia and a number of other countries, mainly in the Asia Pacific region. He was a Director of the Reserve Bank of Australia from 1993 to 2001 and the Commonwealth Bank of Australia from 1993 to 1996.

Helen Lynch AM. Age 60.

Term of Office: Director since November 1997.

Independent: Yes.

External Directorships: Chairman of each of Sydney Symphony Orchestra Holdings Pty Limited and the Westpac Staff Superannuation Plan Pty Limited; Director of each of Southcorp Limited and Institute of Molecular Bioscience.

Skills, experience and expertise: Helen has had thirty-six years' experience in Westpac including membership of Westpac's executive team before retiring in 1994.

Section 8: Information about Westpac (continued)

David Morgan BEc, MSc, PhD. Age 56.

Term of Office: Appointed Managing Director and Chief Executive Officer in March 1999. Executive Director since November 1997.

Independent: No.

External Directorships: Nil.

Skills, experience and expertise: David has extensive experience in the financial sector, having worked in the International Monetary Fund in Washington in the 1970s and the Federal Treasury in the 1980s where he headed all major areas before being appointed Senior Deputy Secretary. Since joining Westpac in 1990, he has had responsibility for all major operating divisions including Westpac Financial Services, Retail Banking, Commercial Banking, Corporate and Institutional Banking and International Banking.

Carolyn Hewson BEc, (Hons.), MA (Econ.). Age 48.

Term of Office: Director since February 2003.

Independent: Yes.

External Directorships: Director of each of the Australian Gaslight Company, CSR Limited and the Economic Development Board of South Australia; Board and advisory roles with the Royal Humane Society, YWCA of the Sydney (President), the Australian Charities Fund and The Neurosurgical Research Foundation - Royal Adelaide Hospital.

Skills, experience and expertise: Carolyn has had 15 years experience in the finance sector and was an Executive Director of Schroders Australia Limited between 1989 and 1995.

Peter Wilson CA, Age 62.

Term of office: Appointed Director effective from 31 October 2003.

Independent: Yes.

External Directorships: Chairman of each of Port of Napier Limited, Evergreen Forests Limited and Global Equities Market Securities Limited. Director of each of The Colonial Motor Company Limited, Westpac (NZ) Investments Limited, Urbus Properties Limited and Hill Country Corporation Limited.

Skills, experience and expertise: Peter is a chartered accountant and formerly a partner with Ernst & Young, with extensive experience in banking, business establishment, problem resolution, asset sale and management of change functions. Peter was Director and (from 1991) Chairman of Trust Bank New Zealand Limited which was acquired by Westpac in 1996.

8.11 Statement of Financial Performance and Statement of Financial Position

The Statement of Financial Performance for the financial years ended 30 September 2003, 2002, 2001, 2000 and 1999 for the Group are set out as follows. The statements have been extracted from published audited consolidated financial statements. Refer to the Annual Financial Report for additional information.

\$m (unless otherwise indicated)	2003	2002	2001	2000	1999
Statement of financial performance – year ended 30 September¹					
Net interest income	4,344	4,146	4,051	3,669	3,476
Non-interest income	2,986	2,978	2,537	2,414	2,155
Net operating income	7,330	7,124	6,588	6,083	5,631
Total operating expenses excluding bad and doubtful debts and income tax expense	(3,926)	(3,995)	(3,570)	(3,503)	(3,434)
Operating profit before bad and doubtful debts and income tax expense	3,404	3,129	3,018	2,580	2,197
Bad and doubtful debts	(485)	(461)	(433)	(202)	(171)
Profit from ordinary activities before income tax expense	2,919	2,668	2,585	2,378	2,026
Income tax expense	(728)	(471)	(677)	(660)	(567)
Net profit attributable to outside equity interests	(8)	(5)	(5)	(3)	(3)
Net profit attributable to equity holders	2,183	2,192	1,903	1,715	1,456
Statement of financial position at 30 September¹					
Total assets	221,339	191,037	189,845	167,618	140,220
Loans	160,473	135,870	122,250	107,533	97,716
Acceptances	3,788	4,788	15,700	15,665	10,249
Deposits and public borrowings	129,071	110,763	96,157	89,994	85,546
Loan capital	4,544	4,512	4,838	4,892	2,692
Total equity	13,996	10,468	9,705	9,262	8,997
Total risk weighted assets	142,909	128,651	127,242	114,816	102,592
Share information					
Earnings per share (cents)	115.6	118.3	102.8	88.8	77.0
Dividends per ordinary share (cents)	78	70	62	54	47
Net tangible assets per ordinary share (\$)²	4.97	4.56	4.28	3.96	3.71
Share price (\$):					
High	17.14	17.01	14.55	12.97	12.06
Low	12.83	13.11	11.87	9.16	8.36
Close	16.20	13.85	13.29	12.75	9.45
Ratios					
Total equity to total assets (%)	6.3	5.5	5.1	5.5	6.4
Total equity to total average assets (%)	6.7	5.6	5.4	5.8	6.4
Total capital ratio (%)³	10.5	9.6	9.9	9.9	9.2
Dividend payout ratio (%)	67.5	59.2	60.3	60.8	61.0
Return on average ordinary equity (%)	19.2	21.7	21.1	18.4	16.8
Productivity ratio⁴	3.99	3.90	3.78	3.35	3.08
Total operating expenses to operating income ratio (%)	53.6	56.1	54.2	57.6	61.0
Net interest margin	2.65	2.80	3.11	3.10	3.25
Other information					
Points of bank representation (number at financial year end)⁵	1,129	1,371	1,347	1,375	1,625
Core full time equivalent staff (number at financial year end)⁶	25,013	23,637	27,088	29,510	31,731

1 The above statements of financial performance extracts for 2003, 2002 and 2001 and statements of financial position extract for 2003 and 2002 are derived from the consolidated financial statements included in this report, and for prior years are derived from financial statements previously published, each of which have been presented in accordance with Australian GAAP.

2 After deducting preference equity and goodwill.

3 For details on the calculation of this ratio refer to note 44 to the financial statements.

4 Net operating income/salaries and other staff expenses.

5 As of 2003, business banking, agribusiness, private bank and financial planning centres all operate from our branch network and as such are no longer counted as separate points of representation.

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

Section 8: Information about Westpac (continued)

8.12 Disclosure obligations

Westpac, as a corporation whose shares and other securities are quoted on the stock markets of the ASX, is a closing entity under the Corporations Act and has a continuous disclosure obligation. This means that, subject to certain exceptions, Westpac must disclose to the ASX any information that would have a material effect on the price or value of its ordinary shares and other securities. Information disclosed to the ASX by Westpac can be viewed on the public file of Westpac at the ASX.

For the duration of the Offer Period under this Offering Circular Westpac will provide to Holders on request a copy of each of the following documents:

- the annual report of Westpac for the financial year ended 30 September 2003 filed with the ASX; and
- the audited financial statements of Westpac for the five years up to and including the year ending 30 September 2003.

If you wish to obtain such documents you may contact Westpac Group Investor Relations at:

Level 25, 60 Martin Place
Sydney NSW 2000
(02) 9229 3311

Alternatively, you can view and download Westpac's Results and Annual Reports from our Investor Centre web page located at www.westpac.com.au.

No circumstance has arisen or information has become available, since the end of the financial years set out on the previous pages that would materially affect an investor's decision as to the capacity of Westpac to fulfil its obligations specified in the Terms.

Section 9: Interpretation

In this Offering Circular, unless the context otherwise requires:

Acceptance means acceptance by Westpac of an Application, which acceptance occurs upon:

- (a) Westpac and the Applicant (by an attorney on its behalf) entering into the Loan Agreement; and
- (b) Westpac giving a written instruction to the Registrar to register the issue of Westpac Trading Instalments to the Applicant upon receipt of a confirmation from the Security Trustee that the Security Trustee is or has become the registered holder of Securities comprised in the Underlying Parcels the subject of Westpac's acceptance and that those Securities have become subject to the Security Interest.

Accelerated Completion Payment Date means the date to which the Completion Payment Date has been brought forward as a result of an Extraordinary Event in accordance with clause 12.1 of the Terms.

Accretion means all rights accretions and entitlements attaching to the Securities after the date of issue of the corresponding Westpac Trading Instalments including, without limitation, all voting rights and all distributions (other than cash Dividends and cash returns of capital), shares, units notes, options or other securities exercisable, declared, paid or issued in respect of the Securities.

Applicant means a person who makes an Application and includes a joint Applicant and if applicable, a Westpac Entity.

Application means an application to Westpac for a Loan and Westpac Trading Instalments on the terms and conditions set out in the Application Form.

Application Form means a form attached to this Offering Circular or such other form as Westpac agrees to accept.

Application Number means a number provided to the Applicant (or their agent) by Westpac in respect of the Applicant's Application.

Assessed Value Payment means 90% of the value of the difference between the Market Value of the Underlying Parcel and the Completion Payment (but only if the Intrinsic Value of the Underlying Parcel exceeds 5% of the Completion Payment on the Completion Payment Date).

ASIC means Australian Securities and Investment Commission.

ASTC means the ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

ASTC Operating Rules means the operating rules of the ASTC, by whatever name.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691) or the stock market conducted by Australian Stock Exchange Limited, as the context requires.

ASX Business Rules means the Business Rules of the ASX regulating trading in warrants on the ASX.

ASX Listing Rules means the Listing Rules of the ASX.

Beneficial Interest means the beneficial interest of a Holder in a particular Underlying Parcel under a Separate Trust.

Beneficiary means an Initial Beneficiary and/or a Holder and/or a Westpac Beneficiary as the context requires.

Borrowing Fees means fees payable to Westpac, stated by Westpac to be the borrowing fees for Applications made on a particular day, being a component of the First Payment for Cash Applicants or paid out of the Loan Proceeds for Securityholder Applicants.

Broker means Westpac Securities Limited (ABN 39 087 924 221) trading as Westpac Broking.

Business Day means a Trading Day on which banks are open for business in Sydney and Melbourne.

Capital Component means the capital component of the First Payment as specified by Westpac at the time of Application.

Cash Application means an Application pursuant to which the Applicant pays the First Payment in cash to Westpac upon Application and Cash Applicant has a corresponding meaning.

CHESS means the Clearing House Electronic Subregister System operated in accordance with the ASTC Operating Rules.

CHESS Approved Securities has the meaning given in the ASTC Operating Rules.

CHESS Sub-register has the meaning given in the ASX Listing Rules.

Closing Time means 5.00 pm on the Completion Payment Date.

Completion Payment means the amount payable to Westpac to require it to direct the Security Trustee to transfer the unencumbered legal title to the Underlying Parcel to the Holder being an amount equal to the Loan Amount.

Section 9: Interpretation (continued)

Completion Payment Date means (in respect of a Series) the Completion Payment Date outlined in the Summary Table on page 6 of this Offering Circular or, where the context requires, an Accelerated Completion Payment Date determined pursuant to clause 12.1 of the Terms.

Completion Payment Notice means a notice substantially in the form or to the effect of the form in Section 10 (Completion Payment Notice) of this Offering Circular.

Corporate Action has the meaning given in the ASTC Operating Rules.

Corporations Act means the Corporations Act 2001 (Cth).

Demerger means an event where a Listed Entity reduces its capital by way of demerger which entitles holders of Securities in the Listed Entity to acquire Securities in a demerged entity.

Demerged Securities means the Securities acquired under a Demerger.

Dividend in relation to Westpac Trading Instalments over shares means a dividend.

Extraordinary Event means an event described in clause 12 of the Terms (Accelerated Completion Payment Date).

First Payment means in respect of an Underlying Parcel the sum specified by Westpac on a particular day as the amount of the First Payment payable for a particular Cash Application.

Holder means the person recorded in the Register as the Holder of a Westpac Trading Instalment from time to time.

Holder Identification Number or **HIN** has the meaning given in the ASTC Operating Rules.

Holding Statement means a statement issued pursuant to clause 8.2 of the Terms.

Initial Beneficiary means a Successful Applicant.

Instalment Issue Conditions has the meaning given to that term in Section 2.23.

Interest Amount means the amount of interest payable on a Loan.

Interest Refund means an amount calculated in accordance with Section 2.7(d) (Sale of Westpac Trading Instalments) of this Offering Circular.

Intrinsic Value means the Weighted Average Sale Price less the Completion Payment.

Issue Date means the date on which Westpac accepts the first Application made under this Offering Circular.

Issuer means Westpac.

Issuer Sponsored Holding has the meaning given in the ASTC Operating Rules.

Issuer Sponsored Subregister has the meaning given in the ASX Listing Rules.

Listed Entity means an entity listed on the ASX, the Securities of which are the subject of Westpac Trading Instalments.

Loan means each loan (which may be secured) offered by Westpac to successful Applicants or subsequent Transferees on the terms and conditions set out in the Application Form and the Loan Agreement.

Loan Agreement means the Loan Agreement (which may be secured) between Westpac and each successful Applicant or each subsequent Transferee, a sample form of which is set out in Section 7 (Form of Loan Agreement) of this Offering Circular.

Loan Amount means the total amount advanced and outstanding under the Loan Agreement in respect of each Loan at any relevant time and including any part of it.

Loan Proceeds means the proceeds of a Loan.

Market Value means the market value of an Underlying Parcel determined pursuant to clause 16.3 of the Terms namely, the aggregate of the values of the items of property comprising an Underlying Parcel being:

- (a) where the item of property is traded on the ASX on the relevant date, the Weighted Average Sale Price of that item of property on the ASX; and
- (b) in all other cases, the value determined by Westpac (with the consent of the ASX) to be the fair market value of that item of property on the relevant date.

Minimum Subscription means for:

- (a) Cash Applicants – a minimum of \$2, 000 per Series;
- (b) Securityholder Applicants – a minimum number of Westpac Trading Instalments per Series as set out in the Summary Table on page 6 of this Offering Circular.

Offer Period means the period commencing on the date of this Offering Circular and ending (unless brought forward by Westpac) at 5.00 pm on 20 October 2003.

Offering Circular means this Offering Circular.

Options Clearing House means Options Clearing House Pty Limited (ABN 48 001 314 503).

Order of Payment means the payment of the Disposal Proceeds in the following order:

- (a) First: All costs, charges, liabilities and expenses of the Security Trustee which have been incurred in or are incidental to the exercise or performance or attempted exercise or performance of a power or duty under the Trust Deed or Terms in respect of the relevant Underlying Parcel, including Taxes and any other amount payable to the Security Trustee from the relevant Separate Trust in accordance with the Trust Deed or the Terms.
- (b) Second: The Secured Monies, to Westpac.
- (c) Third: Any balance, to the Holder (without interest and in full discharge of all liability of the Security Trustee and Westpac to the Holder),

except where Westpac exercised its power of sale in accordance with clause 13.6 of the Terms (No Completion Payment Notice) in which case the Holder will receive the greater of the amount under paragraph (c) and the Assessed Value Payment and the remainder will be distributed in accordance with paragraphs (a) and (b).

Put Option means the right of the Holder to elect to transfer its entire right, title and interest in the corresponding Underlying Parcel to Westpac (or as Westpac may direct) in consideration of the Put Option Exercise Price, in accordance with clause 14 of the Terms.

Put Option Exercise Notice means a notice substantially in the form or to the effect of that notice appearing as Section 11 of this Offering Circular.

Put Option Exercise Price means the price at which the Put Option is exercisable, being the greater of the Completion Payment and the Market Value of the Underlying Parcel.

Put Option Fee means an amount specified by Westpac for Applications made on a particular day being consideration for Westpac providing the Put Option.

Reasonable Action means action taken by Westpac, or by the Security Trustee which is taken after consultation with Westpac, and which is lawful, practicable, does not create a risk of liability for Westpac or the Security Trustee unacceptable to either and is otherwise reasonable.

Register means the register of Holders of Westpac Trading Instalments in respect of particular Listed Entities and includes the relevant CHESS subregister and issuer sponsored subregister established under the ASTC Operating Rules.

Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other competent registrar appointed by Westpac with the written consent of the Security Trustee.

Reinvestment Amount means a Securityholder Investment Amount that an Applicant has directed Westpac to apply to acquire further Westpac Trading Instalments under their Application.

Reminder Notice means a notice sent pursuant to clause 13.1 of the Terms.

Secured Monies means the Loan Amount and all fees, costs, charges, liabilities, Tax and expenses incurred by and payable to Westpac under the Terms directly in relation to the relevant Underlying Parcels and the sale thereof, and any amounts due pursuant to clause 35.1(c) of the Terms (Notification and Payment of Tax).

Security in relation to Westpac Trading Instalments over shares means one fully paid ordinary share in the capital of a Listed Entity and in relation to Westpac Trading Instalments over stapled securities means a combination of shares (or interests in shares) in a Listed Entity and units representing a beneficial interest in a trust represented by a Listed Entity, stapled together such that the shares (or interest in shares) and units cannot be dealt with separately.

Security Interest means the mortgage held by Westpac in respect of an Underlying Parcel to secure repayment of the Secured Monies.

Security Trustee means the trustee of the Separate Trusts appointed pursuant to the Trust Deed.

Securityholder Application means an Application under which the Applicant transfers Securities for the Series of Westpac Trading Instalments which are the subject of the Application and **Securityholder Applicant** has a corresponding meaning.

Securityholder Investment Amount means the amount of cash equal to the Loan Proceeds less the Interest Amount, Put Option Fee, and, where applicable, Borrowing Fees in relation to each Westpac Trading Instalment provided to each Securityholder Applicant on acceptance of their Application by Westpac.

Separate Trust means each trust established under the Trust Deed.

Series means those Westpac Trading Instalments issued under this Offering Circular relating to Securities which have the same rights.

Section 9: Interpretation (continued)

Share Issue Conditions has the meaning given to that term in Section 2.23.

Special Dividend is a Dividend that is special or abnormal and includes a Dividend that:

- (a) is described by the entity that pays the Dividend as special, extraordinary, abnormal, extra or additional;
- (b) forms part of a scheme of arrangement or takeover consideration;
- (c) forms part of a special distribution involving a return of capital;
- (d) is a dividend paid on a Demerger; or
- (e) is characterised by ASX as a special Dividend.

Successful Applicant means an Applicant whose Application has been accepted.

Summary Table means the Summary Table of Westpac Trading Instalments on page 6 of this Offering Circular.

Tax includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government or Government agency, and any related interest, penalty, charge, fee or other amount, excluding stamp duty payable on the Trust Deed, on the transfer of Securities to the Security Trustee or upon the transfer of Securities from the Security Trustee to the Holder or Westpac under the Terms or the Trust Deed.

Tax Act means the Income Tax Assessment Act 1997, and the operative provisions of the Income Tax Assessment Act 1936, both as amended from time to time, and any successor legislation.

Terms means the Deed Poll – Warrant Terms executed by Westpac on or about 22 July 2003 as amended from time to time with the written consent of the Security Trustee, a summary of which is contained in Section 6 (Summary of the Terms of Issue) of this Offering Circular.

Terms of Issue means the Trust Deed and the Terms.

Trading Day has the meaning given in the ASX Business Rules.

Transfer means the transfer of a Westpac Trading Instalment pursuant to clause 10 of the Terms.

Transfer Date means the date on which a Transfer is effective, being the date on which the Transferee is registered in the Register as the holder of the Westpac Trading Instalment.

Transferee means a person to whom a Westpac Trading Instalment is Transferred.

Transferor means a Holder who Transfers a Westpac Trading Instalment.

Trust Deed means the Deed Poll – Declaration of Trust executed by the Security Trustee dated on or about 22 July 2003 as amended from time to time.

Underlying Parcel means a Security acquired by the Security Trustee in respect of a Westpac Trading Instalment, and all Accretions in respect of that Security, encumbered only by the Security Interest, as varied, if at all, pursuant to the Trust Deed and the Terms.

Virgin Blue Shares means ordinary shares in Virgin Blue Holdings Limited (ACN 100 686 226).

Weighted Average Sale Price means the price of an item of property on the ASX determined by Westpac by dividing the total of the sale prices of identical items of property on the ASX by the number of those items the subject of sales during the relevant period specified below:

- (a) during the 5 Trading Days immediately following the relevant date;
- (b) in relation to the calculation of the Intrinsic Value in the 2 hours immediately prior to close of trading on the relevant date; or
- (c) for the purposes of clause 21.4(c) of the Terms (Creation of new Series on a Demerger) on the relevant date,

excluding any ASX special crossings, option exercises and overseas sales reported by the ASX on the relevant days.

Westpac means Westpac Banking Corporation (ABN 33 007 457 141) of 60 Martin Place, Sydney NSW 2000 and, where relevant, includes any subsidiary of Westpac.

Westpac Beneficiary means a Westpac Entity which is absolutely entitled to Securities of a Listed Entity held by the Security Trustee in accordance with the Trust Deed.

Westpac Entity means Westpac or a related body corporate of Westpac.

Westpac Trading Instalment means a warrant (as that term is used in section 8 of the ASX Business Rules) issued pursuant to the Terms and the Trust Deed and offered under this Offering Circular.

Section 10: Completion Payment Notice

Completion Payment Notice for Westpac Trading Instalments

To: The Manager
 Westpac Trading Instalments (Expiry)
 Structured Investments
 Westpac Banking Corporation
 PO Box A990
 Sydney South NSW 1234

Dear Sir/Madam

This is to notify you that, I/we¹, being the Holder or being entitled to be registered as the Holder of the number of Westpac Trading Instalments in the Series specified below and issued in accordance with the Terms summarised in Section 6 (Summary of the Terms of Issue) of the Offering Circular issued by Westpac Banking Corporation dated 27 November 2003, hereby give a Completion Payment Notice in respect of those Westpac Trading Instalments.

This notice is, as required by the Terms, accompanied by the required instruments including a cheque in favour of Westpac Banking Corporation for the Completion Payment amount. I/We agree that where this Completion Payment Notice is ineffective in respect of the some or all of the Westpac Trading Instalments the subject of this notice that I/we must pay the Completion Payment or, where Westpac exercises its power of sale, I/we must pay Westpac any shortfall between the amount of the Completion Payment and the actual proceeds of sale received by Westpac as mortgagee.

Name of Holder	<input type="text"/>		
SRN	<input type="text"/>		
PID	<input type="text"/>	HIN	<input type="text"/>
Contact telephone number	<input type="text"/>		
Series of Westpac Trading Instalments	<input type="text"/>		
ASX Code for that Series	<input type="text"/>		
Number of Westpac Trading Instalments	<input type="text"/>		
Total Completion Payment	<input type="text" value="\$"/>		
Date ²	<input type="text" value="/ /"/>		

1. Delete as applicable.
2. Where this notice is given within 10 Business Days of the Completion Payment Date it will be deemed to be given at 5.00 pm on the Completion Payment Date.

Optional: To assist with the processing of this Completion Payment Notice please attach a copy of your CHESS Holding Statement for these Securities.

PLEASE NOTE: The Securities to be delivered to your account will be registered as an Issuer Sponsored holding. Investors wanting to transfer these holdings to their broker sponsored account should contact their stockbroker to arrange this.

Completion Payment amount cheques must be made payable to Westpac Banking Corporation.

Signature	<input type="text"/>	Signature	<input type="text"/>
Printed Name	<input type="text"/>	Printed Name	<input type="text"/>
Date	<input type="text" value="/ /"/>	Date	<input type="text" value="/ /"/>

Section 11: Put Option Exercise Notice

Put Option Exercise Notice

This form should only be completed by those Holders wishing to sell their underlying Securities to Westpac, rather than paying the Completion Payment and receiving the underlying Securities, or rolling their Westpac Trading Instalments into a new Series.

To: The Manager
 Westpac Trading Instalments (Expiry)
 Structured Investments
 Westpac Banking Corporation
 PO Box A990
 Sydney South NSW 1234

Dear Sir/Madam

This is to notify you that, I/we¹, being the Holder/entitled to be registered as the Holder* of the number of Westpac Trading Instalments relating in the Series specified below and issued with the Terms summarised in Section 6.2 of the Offering Circular issued by Westpac Banking Corporation dated 27 November 2003, hereby give a Put Option Exercise Notice in respect of those Westpac Trading Instalments.

Name of Holder	<input type="text"/>		
SRN	<input type="text"/>		
PID	<input type="text"/>	HIN	<input type="text"/>
Contact telephone number	<input type="text"/>		
Series of Westpac Trading Instalments	<input type="text"/>		
ASX Code for that Series	<input type="text"/>		
Number of Westpac Trading Instalments	<input type="text"/>		

Signature

Printed Name

Date / /

Signature

Printed Name

Date / /

1. Delete as applicable.

Before you complete this form please read the section titled "Privacy Consent" in section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Important Notice

If there is no application number on your form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company.

Date of birth assists Westpac in Applicant identification (dd/mm/yyyy).

If you are investing as the trustee of a trust or superannuation fund entity, you should also put the name of the trust or fund, where indicated. Up to 2 joint Applicants may register.

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN - Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note - An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

† Superannuation entities should obtain their own advice about the suitability of investing in Westpac Instalments.

Westpac Banking Corporation ABN 33 007 457 141

Broker/Adviser Stamp

Westpac Trading Instalments Cash Application Form

Send to: Westpac Trading Instalments
Structured Investments
Westpac Banking Corporation
PO Box A990
Sydney South NSW 1234
Facsimile 02 9284 8648

Adviser's Name

Application
Number

The Application Form is for Westpac Trading Instalments over Securities outlined in the Introduction of the Offering Circular dated 27 November 2003. The Offering Circular contains important information about investing in Westpac Trading Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac Trading Instalments. The expiry date of the Offering Circular is **10 March 2004**.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, on request the Issuer or the Broker will provide a free paper copy of the Offering Circular and Application Form and any supplementary document. This Application Form cannot be completed or lodged electronically - it must be downloaded and printed.

A Applicant's Details

Name - (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Date of birth
/ /

Applicant 2

Date of birth
/ /

Name of Trust, Superannuation Fund, Business or Other (if applicable)

ABN
(if applicable)

Address

State Postcode

Contact Details

Contact Name

Day Phone

Mobile Phone

Email Address

Tax File Number Enter your TFN, ABN or TFN exemption category
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

B Sponsoring Broker's (CHESS) Details for delivery of Westpac Trading Instalments

Broker's Name

Broker's Address

State Postcode

Broker's
Phone Number

Account Name

C Bank Account Details – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in section A of the Application Form.

D Investment Summary

Note that the Investment Amount is subject to a minimum application per series of \$2,000.

ASX Code	Number of Westpac Trading Instalments	First Payment	Investment Amount \$	Instalment Confirmation Number
ANZIX				
CBAIX				
NABIIX				
NCPIIX				
NCPIWY				
QANIIX				
RIOIX				
TLSIIX				
VBAIX				
VBAIWY				

Total Amount Payable on Application

Write the number of Westpac Trading Instalments you are applying for in each Series in the column titled "Number of Westpac Trading Instalments". If a confirmed First Payment has been obtained from Westpac by your approved financial adviser, write this amount in the First Payment column and insert the Confirmation Number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying this amount by the number of Westpac Trading Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac Trading Instalments, write the dollar value amount you wish to have applied as the Investment Amount (minimum application is \$2,000 per Westpac Instalment Series). Add up the Investment Amount for each series of Westpac Trading Instalments and write this number in the box provided at the bottom of the Investment Summary Table on page 6 of this Offering Circular for the full name of each Listed Entity.

E Payment Details – Cheque

Please attach cheque to this application.

Account Name

Bank

Cheque Number

Total \$

Cheque – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation – WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown below:
Westpac Trading Instalments
Structured Investments
Westpac Banking Corporation
PO Box A990
Sydney South NSW 1234

F Payment Details – Direct Credit

Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note that generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name Westpac Banking Corporation – Warrants

BSB 032 916 Account No. 10 0331

Aux Serial No. Total \$

Please insert Application Number found on top of the Application Form.

Direct Credit – If you arrange a direct credit, please credit the money to the Account Name, BSB, and Account Number on the left. So that we can identify your payment, you **MUST** link your Application Number to your payment: if you fill in a direct credit form or a Westpac deposit slip, write your Application Number in the "Aux serial no." section on that form. If you make an electronic transfer, please type your Application Number in the Description field, which appears on our statement. You **MUST** mail in the original Application Form. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

G Payment Details – BPAY

Please arrange transfer of funds equal to the total amount invested. Note, generally BPAY cannot be confirmed as cleared funds until the day following payment.



Billier Code: 47464

Total \$

The customer reference number to use when paying through BPAY is the Application Number found on top of the Application Form.

BPAY – You can transfer funds electronically through the BPAY system. The application number is to be used as the customer reference number. You **MUST** mail in the original Application Form. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

Direct Debit - You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. You **MUST** mail in the original Application Form. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

H Payment Details - Direct Debit - Westpac Account

This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name

BSB

Account No

Total \$

1 Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking"), Computershare Investor Services Pty. Ltd. ("Registrar"), Perpetual Trustee Company Limited ("Security Trustee") and any other member of the Westpac Group (the "Parties") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me of the Westpac Instalments the subject of my/our Application, to enable the Parties and any Service provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why). I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate.

Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.

If you **do not** wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to acctstats@westpac.com.au; or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
 - Complete any blanks in the Loan Agreement;
 - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
 - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
 - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
 - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Trading Instalments.

3 Investor Declarations

By lodging the Application Form I/we, whose full name(s) and address(es) appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Trading Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 27 November 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Trust Deed and Terms in respect of any Securities to which my/our Application relates (My Securities) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
2. I/We authorise and direct the Security Trustee or its nominee to become the registered Holder of My Securities and to do anything incidental or necessary to become the registered Holder.
3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of Trust Deed and the Terms), and agree to accept the Westpac Trading Instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac Trading Instalments subject to the rights and obligations set out in the Trust Deed and the Terms of Issue.
5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).
6. I/We represent and warrant that I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
7. I/We understand that if I/we:
 - fail to provide any information requested in this Application Form; or
 - do not agree to any of the possible exchanges or disclosures detailed above,
 my/our application may not be accepted by Westpac.
8. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Trading Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
9. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

Non - Capital Guarantee Nature of Westpac Trading Instalments

10. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac Trading Instalments, and accordingly that there is a risk that I/we may sustain a complete loss of my/our investment in the Westpac Trading Instalments.

Individual/Joint Application

Signature Applicant 1	Signature Applicant 2
Print Name	Print Name
Witnessed by (print name)	Witnessed by (print name)
Signature of Witness	Signature of Witness
Date	Date
/ /	/ /

Company Application

Director/Sole Director Signature	Director/Secretary Signature
Print Name	Print Name
Date	Date
/ /	/ /

Company Seal (if applicable)

Unless you have received a confirmed First Payment through your approved financial adviser, Westpac will issue you with a number of Westpac Trading Instalments determined by your Investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form and cleared funds.

If the Application Form is signed under an attorney, a copy of the Power of Attorney should be provided to Westpac. Applications on behalf of superannuation funds, trusts, partnerships, and deceased estates are to be signed by the individual trustees, executors or principals.

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

Before you complete this form please read the section titled "Privacy Consent" in section 1 of this Application Form.

Please complete all relevant information on the Application Form.

The instructions below are a guide to assist you in completing your Application Form.

Important Notice

If there is no application number on your form, and you are paying by a method other than cheque, you will need to call Westpac on 1800 024 420 to obtain an application number. This enables Westpac to reconcile your payment to your Application Form.

Write the full name you wish to appear on your Holding Statement. This must be the name of the individual or company.

Date of birth assists Westpac in Applicant identification (dd/mm/yyyy).

If you are investing as the trustee of a trust or superannuation fund entity, you should also put the name of the trust or fund, where indicated. Up to 2 joint Applicants may register.

Enter your postal address where Westpac should send all correspondence and communications as well as your contact details. For joint Applicants, only one address can be inserted. We will direct any correspondence or telephone calls to the person named under "Contact Details".

TFN/Exemption or ABN - Quoting this number is not compulsory, but tax may be taken out of your distribution if you do not quote your number or your exemption. For more information about TFN/ABN rules, contact your local Taxation Office. If you are investing as the trustee of a trust or superannuation fund, you should enter the TFN of the trust or superannuation fund. If the trust or fund does not have its own TFN, enter the TFN of the Trustee or beneficiary. Please Note - An Australian Business Number may only be provided for a business use account.

If you are already a participant in CHESS, you may complete this section by providing the PID of your sponsoring broker and your HIN. If you are unsure of these details contact your sponsoring broker for completion prior to lodgment. If no details are provided, you will become issuer sponsored and be allocated a Shareholder Reference Number (SRN) which will appear on your Holding Statement.

Westpac Banking Corporation ABN 33 007 457 141

Broker/Adviser Stamp

Westpac Trading Instalments Securityholder Application Form

Send to: Westpac Trading Instalments
Structured Investments
Westpac Banking Corporation
PO Box A990
Sydney South NSW 1234
Facsimile 02 9284 8648

Adviser's Name

Application Number

The Application Form is for Westpac Trading Instalments over Securities outlined in the Introduction of the Offering Circular dated 27 November 2003. The Offering Circular contains important information about investing in Westpac Trading Instalments. Potential Investors should read the attached Offering Circular prior to making an application to invest in Westpac Trading Instalments. The expiry date of the Offering Circular is 10 March 2004.

A person (including the Issuer) who gives another person access to this Application Form must also give that other person access (at the same time and by the same means) to the Offering Circular and any supplementary document. If the Offering Circular and Application Form have been accessed electronically, on request the Issuer or the Broker will provide a free paper copy of the Offering Circular and Application Form and any supplementary document. This Application Form cannot be completed or lodged electronically - it must be downloaded and printed.

A Applicant's Details

Name - (including Trustees); Company Name; or Title (Mr, Mrs, Miss); Given Name(s) & Surname

Applicant 1

Date of birth
/ /

Applicant 2

Date of birth
/ /

Name of Trust, Business or Other (if applicable)

ABN
(if applicable)

Address

State Postcode

Contact Details

Contact Name

Day Phone

Mobile Phone

Email Address

Tax File Number Enter your TFN, ABN or TFN exemption category
(If you are a non-resident for tax purposes, please indicate your status and an exemption number, if applicable)

Applicant 1

Applicant 2

If claiming an exemption, please insert one of the following reasons in the space for the TFN:

- If a pensioner, insert pensioner type, eg age/invalid/service/wife's/carer's/widow's/sole parent/special parent/rehabilitation pension;
- If tax exempt, insert reason for exemption.

B Sponsoring Broker's (CHESS) Details - for delivery of Westpac Trading Instalments

Broker's Name

Broker's Address

State Postcode

Broker's
Phone Number

Account Name

C Bank Account Details – for direct credit payments of distributions

Bank/Institution

Account Name

Branch

BSB

Account Number

Enter your bank account details here for the distribution(s) and, where applicable, the Securityholder Investor Amount to be directly credited into your account. The instructions are only applicable for accounts held with banks, building societies and credit unions within Australia. If no details are provided, a cheque will be mailed to the address appearing in section A of the Application Form.

D Investment Summary

ASX Code	Minimum Number of Shares (1)	Number of Westpac Trading Instalments (2)	Securityholder Investment Amount per Instalments (3)	Securityholder Investment Amount (4)	HIN & PID or SRN of Existing Shares (5)
ANZIX	150				
CBAIX	100				
NABIIX	100				
NCPIIX	200				
NCPIWY	200				
QANIIX	700				
RIOIX	100				
TLSIIX	600				
VBAIX	1000				
VBAIWY	1000				

Write the number of Westpac Trading Instalments you are applying for in each Series in the column titled "Number of Westpac Trading Instalments". If your approved financial adviser has obtained a confirmed Securityholder Investment Amount from Westpac, write this amount in the column provided, otherwise leave it blank. If a confirmed Securityholder Investment Amount has been obtained, the total Securityholder Investment Amount is determined by multiplying this amount by the number of Westpac Trading Instalments you are applying for. If the Securityholder Investment Amount has been provided then add up the total Securityholder Investment Amount amounts for each series of Westpac Trading Instalments and write this number in the box provided at the bottom of the Investment Summary table, otherwise leave it blank and this will be determined by Westpac. Refer to the Summary Table on page 6 of this Offering Circular for the full name of each Listed Entity.

Total Securityholder Investment Amount per Application

E Reinvestment of Securityholder Investment Amount

I/We agree to invest the Securityholder Investment Amount per Application due to me/us in applying for additional Westpac Trading Instalments. *(tick one)*

Yes

No

You can apply to re-invest any Securityholder Investment Amount amount due to you as a result of the Securityholder Application in application for further Westpac Trading Instalments. If you wish to re-invest any Securityholder Investment Amount amount you should tick the "Yes" box in this section of the Securityholder Application Form. You will then need to complete Section F. If you do not tick either box, you will be deemed to have elected to apply the Cash Payment Loan as a Re-Investment Amount for further Westpac Trading Instalments in that Series. If you do not want to re-invest the amount you must tick the "No" box and complete the Consumer Credit Declaration in Section 4 of this Application.

Write the number of Westpac Trading Instalments you are applying for in each Series in the column titled "Number of Westpac Trading Instalments". If a confirmed First Payment has been obtained from Westpac by your approved financial adviser, write this amount in the First Payment column and insert the Confirmation Number in the column provided, otherwise leave these columns blank. If a confirmed First Payment has been obtained, the Investment Amount is determined by multiplying the confirmed First Payment amount by the number of Westpac Trading Instalments you are applying for. Alternatively, if you are applying for a dollar value of Westpac Trading Instalments, write the dollar value amount you wish to have applied as the Investment Amount. If re-investing in Series already applied for, there is no minimum application amount. Otherwise, the minimum application is \$2,000 per Westpac Instalment Trading Instalment Series. Add up the Investment Amount for each series of Westpac Trading Instalments and write this number in the box provided at the bottom of the Re-Investment Summary Table. Refer to the Summary Table on page 6 of this Offering Circular for the full name of each Listed Entity.

If you do not know the total Re-Investment Amount, you can indicate the percentage(s) to be invested under the Investment Amount. If you do not specify how the Total Cash Payment (Loan) per Application amount is to be re-invested, you will be deemed to have applied for further Westpac Trading Instalments in the same Series in the same proportions. Any amount remaining and insufficient to use to apply for a further Westpac Trading Instalment in the Series that you have applied for will be donated to charity.

F Re-Investment Summary of Securityholder Investment Amount

If you ticked the "Yes" box in Section E, please set out your Re-Investment Summary below.

ASX Code	% of Total Securityholder Investment Amount per Series (1)	Number of Westpac Trading Instalments (2)	First Payment (3)	Investment Amount in \$ (4)	Instalment Confirmation Number (5)
ANZIXX					
CBAIXX					
NABIXX					
NCPIXX					
NCPIWY					
QANIXX					
RIOIXX					
TLSIXX					
VBAIXX					
VBAIWY					
Total Amount Payable on Application					

G Payment Details – Direct Credit

Direct Credit - If you arrange a direct credit, please credit the money to the Account Name, BSB, and Account Number on the left. So that we can identify your payment, you **MUST** link your Application Number to your payment: if you fill in a direct credit form or a Westpac deposit slip, write your **Application Number** in the "Aux serial no." section on that form. If you make an electronic transfer, please type your **Application Number** in the Description field, which appears on our statement. You **MUST** mail in the **original Application Form**. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

Please arrange transfer of funds equal to the total amount invested into the following account (you can arrange this through your bank or any Westpac branch). Note that generally Direct Credit cannot be confirmed as cleared funds until the day following payment.

Account Name Westpac Banking Corporation – Warrants
 BSB 032 916 Account No. 10 0331
 Aux Serial No. Total \$

Please insert Application Number found on top of the Application Form.

H Payment Details – BPAY

BPAY - You can transfer funds electronically through the BPAY system. The **application number is to be used as the customer reference number**. You **MUST** mail in the **original Application Form**. If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

Please arrange transfer of funds equal to the total amount invested. Note, generally BPAY cannot be confirmed as cleared funds until the day following payment.



Bill Code: 47464

Total \$

The customer reference number to use when paying through BPAY is the Application Number found on top of the Application Form.

I Payment Details – Cheque

Please attach cheque to this application.

Account Name

Bank

Cheque Number Total \$

Cheque – Please provide details of any cheques that you are attaching and ensure that all cheques equal your total amount payable. Cheques are to be made out to "Westpac Banking Corporation - WARRANTS" and crossed "Not Negotiable". Then simply mail in the Application Form together with the cheque to the address shown on the top of the form.

J Payment Details – Direct Debit – Westpac Account

This option is available for Westpac Customers only. Please fill in your account details and the total amount invested below. We will arrange the transfer once we receive your signed Application Form.

Account Name

BSB Account No

Total \$

Direct Debit – You can use direct debit if you have a Westpac account. Please complete the account details for Westpac to debit the Total. **You MUST mail in the original Application Form.** If no application number appears on top of the Application Form you will need to call Westpac on 1800 024 420 to obtain one.

1 Privacy Consent

I/We agree that Westpac Banking Corporation ("Westpac"), Westpac Broking ("Broking"), Computershare Investor Services Pty. Ltd. ("Registrar"), Perpetual Trustee Company Limited ("Security Trustee") and any other member of the Westpac Group (the "Parties") may exchange with each other any information about me/us including:

- any information provided by me/us in this document;
- anything about my/our credit worthiness, credit standing, credit history or credit capacity which may, under the Privacy Act, lawfully be exchanged if I/we authorise the exchange;
- any other personal information I/we provide to any of them or which they otherwise lawfully obtain about me/us; and
- transaction details or transaction history arising out of my/our arrangements with Westpac or any of them.

If any of the Parties engages anyone (a "Service Provider") to do something on its behalf (for example a mailing house or a data processor) then I/we agree that the Party and the Service Provider may exchange with each other any information referred to above.

Any of the Parties might give any information referred to above to entities other than the Parties and the Service Providers where it is required or allowed by law or where I/we have otherwise consented.

I/We agree that any information referred to above can be used by the Parties and any Service Provider to give effect to the issue to me of the Westpac Instalments the subject of my/our Application, to enable the Parties and any Service provider to comply with any applicable laws or regulations and for account administration, planning, product development and research purposes.

I/We understand that I/we can access most personal information that members of the Westpac Group hold about me/us (sometimes there will be a reason why that is not possible, in which case I/we will be told why). I/We understand that if I/we fail to provide any information requested in this form, or do not agree to any of the possible exchanges or uses detailed above, my/our Application may not be accepted by Westpac.

To find out what sort of personal information members of the Westpac Group have about you, or to make a request for access, please contact Westpac on 132 032. The Westpac Group means Westpac Banking Corporation and its related bodies corporate.

Members of the Westpac Group would like to be able to contact you, or send you information, regarding other products and services.

If you do not wish to receive this information, please:

- call us on 132 032;
- write to us at GPO Box 3433, Sydney, 2001;
- send an e-mail to acctstats@westpac.com.au; or
- call in at any Westpac, Bank of Melbourne or Challenge Bank branch.

You do not need to do this if you have already told us you do not wish to receive information of this sort.

2 Power of Attorney

1. For valuable consideration I/we irrevocably appoint any employee of Westpac Banking Corporation whose title includes the words "head of", "associate" or "manager" severally as my/our attorney.
2. An attorney may, in my name:
 - Complete any blanks in the Loan Agreement;
 - Execute the Loan Agreement substantially in the form set out in the Offering Circular manually or by authorising the electronic image of the signature of the attorney (or sub-attorney) to be applied to the Loan Agreement in electronic form;
 - Do anything which I am/we are obliged to do under or in relation to the Loan Agreement or any other agreement or arrangement between me/us and Westpac relating to the Loan or any subsequent loan;
 - Do anything incidental or necessary in relation to the above (including, but not limited to, completing any blanks in the attached Application Form(s) and appointing any person as sub-attorney to do any of the above); and
 - Do anything in relation to the Securities which I may lawfully do (including selling the Securities) if an event occurs which would make a Mortgage enforceable.
3. For the purposes of this Power of Attorney, Loan Agreement includes any Subsequent Loan Agreement.
4. Subsequent Loan Agreement means any future Loan Agreement relating to an Application by me for a future series of Westpac Trading Instalments.

3 Investor Declarations

By lodging the Application Form I/we, whose full name(s) and address(es) appear above, hereby acknowledge and confirm my/our Application for the number of Westpac Trading Instalments on this Application Form to be issued in accordance with the terms of the Offering Circular dated 27 November 2003 issued by Westpac Banking Corporation Limited. I/We acknowledge that in making our Application:

1. I/We have irrevocably appointed Perpetual Trustee Company Limited ("Security Trustee") or its nominee as my/our nominee on the terms of the Trust Deed and Terms in respect of any Securities to which my/our Application relates (My Securities) for valuable consideration and to facilitate the granting of the Loan and any Security Interest.
2. I/We authorise and direct the Security Trustee or its nominee to become the registered Holder of My Securities and to do anything incidental or necessary to become the registered Holder.
3. I/We declare that before completing this Application Form, I/we have received and was/were given access to an Offering Circular together with this Application Form.
4. Before completing this Application Form, I/we have read and understood the Offering Circular (which I/we received together with this Application Form, including the Summary of Trust Deed and the Terms), and agree to accept the Westpac Trading Instalments on the conditions set out in the Offering Circular and agree to be bound by and hold the Westpac Trading Instalments subject to the rights and obligations set out in the Trust Deed and the Terms of Issue.
5. I/We declare that my/our Application is not being made in my/our capacity as the trustee of any estate (other than a complying superannuation fund or other excluded trust as defined in section 102UC of the Income Tax Assessment Act 1936).

3 Investor Declarations *continued*

6. I/We declare that my/our Application is NOT being made in my/our capacity as the trustee of a superannuation fund.
7. I/We represent and warrant that:
 - I/We are the sole legal and beneficial* owner(s) of My Securities;
 - My Securities are free from any Encumbrances; and
 - I am/we are not bankrupt or insolvent (as the case may be) and am/are able to pay my/our debts as and when they become due and that no step has been taken to make me/us bankrupt or commence winding up proceedings, appoint a controller or administrator, seize or take possession of any of my/our assets or make an arrangement, compromise or composition with any of my/our creditors.
- * Delete the words "and beneficial" if subject to the previous declaration you are acting as a trustee. In this case, you in addition represent and warrant that you have all power, authority and discretion vested as trustee to apply in relation to the securities which are subject of the trust.
8. I/We instruct my sponsoring broker (or the relevant registrar of an issuer-sponsored sub-register) to deliver My Securities to Westpac Broking, PID 1056 as an "Off-Market" transaction.
9. I/We understand that if I/we:
 - fail to provide any information requested in this Application Form; or
 - do not agree to any of the possible exchanges or disclosures detailed above, my/our application may not be accepted by Westpac.
10. I/We understand that Westpac may pay to an adviser the fees identified in the Offering Circular to which this Application Form is attached in connection with the issue and holding of Westpac Trading Instalments, and that the adviser may pay all or a portion of these fees to other persons. I/We assent to the payment of these fees.
11. I/We acknowledge that in making my/our application, my/our application is made and addressed to both Westpac and the Security Trustee.

Non - Capital Guarantee Nature of Westpac Trading Instalments
 12. I/We understand and agree that neither the Security Trustee nor Westpac nor any member of the Westpac Banking Corporation Group is guaranteeing any return of capital in respect of Westpac Trading Instalments, and accordingly that there is a risk that I/we may sustain a complete loss of my/our investment in the Westpac Trading Instalments.

The number of Westpac Trading Instalments you will receive will equal the number of Securities to be transferred under your Application. Where you have elected to re-invest the Cash, Westpac will issue you with an additional number of Westpac Trading Instalments determined by your Re-Investment Amount. This will be dependent on the First Payment established by Westpac on the day we receive your original Application Form unless you have received a confirmed First Payment through your financial adviser.

Individual/Joint Application

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Witnessed by (print name)

Witnessed by (print name)

Signature of Witness

Signature of Witness

Date

/ /

Date

/ /

If the Application Form is signed under an attorney, a copy of the Power of Attorney should be provided to Westpac. Applications on behalf of trusts, partnerships, and deceased estates are to be signed by the individual trustees, executors or principals.

Company Application

Director/Sole Director Signature

Director/Secretary Signature

Print Name

Print Name

Date

/ /

Date

/ /

Company applications must be signed by two directors, a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director. The Application Form can also be signed under the company seal provided that the fixing of the seal is witnessed by two directors or a director and company secretary of the company, or for a proprietary company that has a sole director who is also the sole company secretary, by that director.

Company Seal (if applicable)

If you have ticked the "No" box under "Section E Re-Investment of Cash Payment (Loan)", you must complete this Consumer Credit Declaration.

4 Declaration of the Purpose for which Credit is Provided (*Delete if inapplicable)

*I/We declare that the credit to be provided to me/us by Westpac Banking Corporation is to be applied wholly or predominantly for business or investment purposes (or for both purposes).

IMPORTANT

You should **not** sign this declaration unless the Loan is wholly or predominantly for business or investment purposes. By signing this declaration you may **lose** your protection under the Consumer Credit Code.

Signature Applicant 1

Signature Applicant 2

Print Name

Print Name

Date



/ /

Date

/ /

This Offering Circular is signed by Westpac Banking Corporation.

SIGNED, SEALED and DELIVERED)
on behalf of)
WESTPAC BANKING CORPORATION)

by  and )
Stephen Eakin)
Tier One Attorney)
Peter Hill)
Tier One Attorney)

as its attorneys under a Power of Attorney)
dated 17 January 2001)
registered book 4299 No. 332)
(who by signing this document warrant that)
at the time of signing they have no notice)
of the revocation of such Power of Attorney))

in the presence of:)
)
James Poon)
Witness)

Directory

Issuer

Westpac Banking Corporation
Level 5, 255 Elizabeth Street
SYDNEY NSW 2000
Australia
Phone 1800 024 420

Registrar

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
SYDNEY NSW 2000
Australia

Application Mailing Details

Westpac Trading Instalments
Structured Investments
Westpac Banking Corporation
P.O. Box A990
SYDNEY SOUTH NSW 1234
Australia

Security Trustee

Perpetual Trustee Company Limited
Level 8, 9 Castlereagh Street
SYDNEY NSW 2000
Australia

Issuer's Auditor

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
SYDNEY NSW 1171
Australia

Issuer's Solicitors

Allens Arthur Robinson
Level 17, The Chifley Tower
2 Chifley Square
SYDNEY NSW 2000
Australia

Broker to the issue

Westpac Broking
Level 15, 60 Carrington Street
SYDNEY NSW 2000
Australia