



Australia's First Bank

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21 November 2005

Company Announcements Platform  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

**Buy-Back booklet and Buy-Back Tender Forms**

Pursuant to Listing Rule 3.17, I enclose a copy of the Buy-Back booklet and Buy-Back Tender Forms being forwarded to Westpac Banking Corporation's (*Westpac*) shareholders in connection with Westpac's current off-market share buy-back scheme.

Yours faithfully

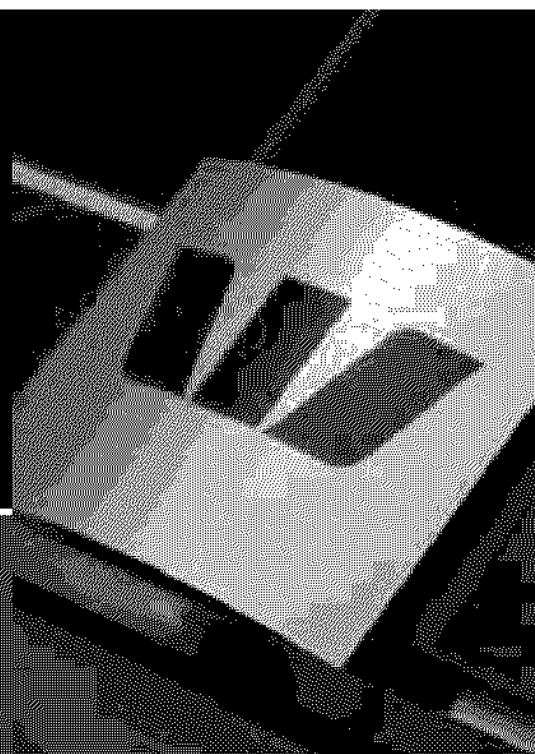
Emma Lawler  
Head of Group Secretariat

# Westpac Banking Corporation Buy-Back Tender

ABN 33 007 457 141

**This is an important document.** If you are in doubt as to the action you should take, please consult your financial, taxation or other professional adviser immediately.

This Buy-Back is not available to persons in, and the document is not to be distributed into, the United States of America, Canada or Japan. No offer is being made in the United States, Canada or Japan or to U.S. Persons or residents of Canada or Japan.



**Westpac**

# Important dates

## November 2005

|             |                                                                                                                                            |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| 3 November  | Last day that Shares can generally be acquired to be eligible for Buy-Back franking entitlements                                           |
| 8 November  | Shares quoted ex-entitlement on the ASX: Shares bought on or after this date will not confer an entitlement to participate in the Buy-Back |
| 14 November | Buy-Back Record Date: determination of shareholders entitled to participate in the Buy-Back                                                |
| 23 November | Final Dividend Record Date <sup>1</sup>                                                                                                    |
| 24 November | Mailing of Buy-Back Documents to shareholders completed                                                                                    |
| 28 November | Tender Period opens                                                                                                                        |

## December 2005

|             |                                                                                                   |
|-------------|---------------------------------------------------------------------------------------------------|
| 14 December | Payment date for final dividend                                                                   |
| 15 December | Westpac Annual General Meeting                                                                    |
| 16 December | Tender Period closes. Tenders must be received by the Registry no later than 9.00pm (Sydney time) |
| 19 December | Expected announcement of the Buy-Back Price and scale back (if any)                               |
| 23 December | Dispatch/crediting of Buy-Back proceeds to participating shareholders completed                   |

### Note:

<sup>1</sup> Shareholders who have submitted a Tender should still be eligible for the final dividend (see Section 1.28).

While Westpac does not anticipate changing these dates and times, it reserves the right to do so without notifying you. Westpac may also decide not to proceed with the Buy-Back.

### Eligibility to participate

Subject to the following, you are eligible to participate in the Buy-Back if Shares are registered in your name on the Buy-Back Record Date (14 November 2005) and, in accordance with the Settlement Rules, the Shares confer an entitlement to receive this Buy-Back Invitation.

Restricted Employee Shares and ADRs are not eligible to be tendered into the Buy-Back (see Section 5.2).

Any person who is in the United States, Canada or Japan or who is a US Person or a resident of Canada or Japan is not entitled to participate, directly or indirectly, in the Buy-Back. Copies of the Buy-Back Documents are not being mailed or otherwise distributed or sent into the United States, Canada or Japan.

Any person receiving any of the Buy-Back Documents must not, directly or indirectly, distribute or send them into the United States, Canada or Japan, or make them available to any US Person or resident of Canada or Japan (including any legal or beneficial owner of Shares that is a US Person or a resident of Canada or Japan) or any person who is in the United States, Canada or Japan.

Westpac will not accept Tender Forms:

- (a) from any person who does not represent that they are not (and they are not acting for the account or benefit of a person who is) in the United States, Canada or Japan, a US Person or a person resident in Canada or Japan; or
- (b) that have been postmarked in the United States, Canada or Japan or that otherwise appear to Westpac or its agents to have been sent from the United States, Canada or Japan.

The date of this booklet is 11 November 2005.

### Definitions

Some words used in this booklet have defined meanings. Section 6 "Definitions and Interpretation" defines these words which are capitalised throughout this booklet.

# Chairman's letter



Dear Shareholder

It is with pleasure that I invite you to consider participating in an off-market buy-back of Westpac's ordinary shares.

A strong earnings performance in the 2005 financial year has generated significant capital over the year and our capital ratios are above our target ranges.

Given this position, your Board has considered various ways to return the surplus capital to shareholders and has determined that an off-market buy-back is in the best interests of the company as a whole, as it is expected to deliver the greatest benefits to both participating and non-participating shareholders. More detail on the rationale for undertaking an off-market buy-back is outlined in Section 1.2 of this booklet.

Westpac is intending to buy back approximately \$700 million of capital via the off-market buy-back, which will allow you to offer to sell some or all of your shares back to Westpac. Participation in the buy-back is entirely voluntary and you should consider your individual circumstances before deciding whether to participate.

This booklet contains important information on the buy-back and I encourage you to read it carefully. The general Australian taxation implications of the buy-back for participating shareholders are described in Section 2 of this booklet. However, the buy-back will have different tax consequences for different shareholders and you should obtain your own tax advice.

Under the buy-back structure, shares will only be bought back at a discount to the market price of Westpac ordinary shares. It is therefore expected that shareholders who are not Australian residents for tax purposes will choose not to participate as they would be likely to obtain a better outcome by selling their shares on-market. Shareholders in the USA, Canada and Japan are ineligible to participate because this buy-back is not being conducted in accordance with the requirements of those jurisdictions. In addition, Restricted Employee Shares and ADRs are not eligible to be tendered into the buy-back.

If you have any questions on the buy-back or how you can participate, please contact our enquiry line on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or on +61 2 8280 7070 from outside Australia and New Zealand. Copies of this document and other information relevant to the buy-back are also available on Westpac's website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)).

If you wish to submit a Tender, please ensure that your completed and signed Tender Form is received by the Registry or if you are a CHESS sponsored holder that your broker processes your Tender, by no later than 9.00pm (Sydney time) on Friday, 16 December 2005.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Leon A. Davis'. The signature is fluid and cursive, with a large, stylized 'L' and 'D'.

Leon A. Davis AO  
Chairman

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# Key features of the Buy-Back

Westpac is conducting the Buy-Back by way of an off-market tender. This Buy-Back booklet represents an invitation to offer to sell some or all of your Shares to Westpac.

|                                |                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Target size</b>             | Approximately \$700 million, or around 2 per cent of Westpac's ordinary shares. Westpac may vary the size of the Buy-Back depending on demand.                                                                                                                                                                                                                                            |
| <b>Tender Discount range</b>   | Tenders can be lodged at discount percentages of 8 per cent to 14 per cent inclusive (at 1 per cent intervals) to the Market Price. The Market Price will be announced to the market no later than 6.00pm (Sydney time) on the Closing Date and will be available on the Westpac website or by calling the Buy-Back enquiry line.                                                         |
| <b>Buy-Back Price</b>          | The Buy-Back Price will be calculated by applying the Buy-Back Discount as determined by Westpac to the Market Price and will be announced to the ASX on Monday, 19 December 2005. The Buy-Back Price will comprise a capital component <sup>1</sup> of \$4.00 and the balance will be a fully franked deemed dividend <sup>2</sup> .                                                     |
| <b>Eligible shareholders</b>   | You are eligible to participate in the Buy-Back if you have Shares registered in your name on the Buy-Back Record Date (14 November 2005) and you are not an ineligible shareholder.                                                                                                                                                                                                      |
| <b>Ineligible shareholders</b> | Excluded Foreign Persons, including any person who is (or who is acting for the account or benefit of a person who is) in the United States, Canada or Japan or who is a US Person or a resident of Canada or Japan, are ineligible to participate in the Buy-Back. In addition, Restricted Employee Shares and ADRs are not eligible to be tendered into the Buy-Back (see Section 5.2). |
| <b>Closing Date</b>            | 9.00pm (Sydney time) on Friday, 16 December 2005 <sup>3</sup> .                                                                                                                                                                                                                                                                                                                           |

Notes:

- For Australian tax purposes, the sale proceeds of the Shares for entities other than entities taxed as companies will generally be taken to be the \$4.00 capital component plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price.
- For Australian tax purposes only.
- Westpac reserves the right to vary the Closing Date by announcement to the ASX.

## What should you do?

If you are eligible to participate in the Buy-Back, you have two choices:

### (1) Offer to sell some or all of your Shares to Westpac

- Refer to Section 1.16 for details on how to participate
- You can choose any Tender Discount between 8 per cent and 14 per cent inclusive (at 1 per cent intervals) to the Market Price at which you wish to have your Shares bought back (see Section 1.8)
- You can choose to lodge a Final Price Tender and accept whatever Buy-Back Price is determined through the tender process (see Section 1.11)
- You can choose to make your Tender conditional on one of the Minimum Prices set out on your Tender Form (see Section 1.12)
- If your Tender is successful, there will be certain tax consequences (see Sections 2 and 3)
- You should not have to pay any brokerage to sell your Shares into the Buy-Back
- Ensure that your completed and signed Tender Form is received by the Registry or, if you are a CHESS Holder, that your broker processes your Tender by the Closing Date

### (2) Do nothing

- The number of shares you hold will not change, however your proportional shareholding in Westpac will increase marginally if the Buy-Back is completed
- As a shareholder, you will benefit from expected improvements in Westpac's cash earnings per share and return on equity, and you will continue to be subject to the normal benefits and investment risks associated with share ownership

## Need help?

Please read this booklet for more detailed information about the Buy-Back. If you have any further questions after reading this booklet, please call the Westpac Buy-Back enquiry line on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or +61 2 8280 7070 from outside Australia and New Zealand.

This booklet does not provide financial product advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider obtaining independent advice before making any financial decisions.

# 1

## Details of the Buy-Back and Tender Process

This Section sets out the terms of the Buy-Back and other information to assist you in making a decision whether to participate in the Buy-Back.

You should also have regard to other information previously made available to shareholders about Westpac, such as Westpac's 2005 annual financial report for the full year ended 30 September 2005. These documents can be viewed online at Westpac's website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)).

## **About the Buy-Back**

### **1.1 What is an off-market buy-back tender?**

An off-market buy-back is an invitation to eligible shareholders to offer to sell any or all of their Shares to Westpac.

This off-market Buy-Back is being conducted by way of a tender process. Under that process, Shares may be tendered by shareholders to Westpac at any of the specified discounts in the Tender Discount range from 8 per cent to 14 per cent inclusive (at 1 per cent intervals) to the Market Price or as a Final Price Tender. After the end of the Tender Period, Westpac will determine the Buy-Back Price, which will be the price that equates to the largest Tender Discount that will enable Westpac to acquire the amount of capital it determines to buy back.

Those Shares bought back by Westpac will subsequently be cancelled, thereby reducing the total number of shares that Westpac has on issue.

For Australian tax purposes, under an off-market buy-back, the Buy-Back Price is comprised of a deemed dividend component and a capital component, as described in Section 2.1.

### **1.2 Why has Westpac chosen to undertake an off-market buy-back?**

For the reasons set out below and in Sections 1.3 and 1.4, the Board has determined that an off-market buy-back is in the best interests of Westpac as a whole.

A strong earnings performance in the 2005 financial year coupled with a high level of participation in the dividend reinvestment plan, has seen the company generate a significant capital surplus and, as a result, Westpac's capital ratios are above its target ranges. The Board has considered various ways to return this surplus capital to shareholders in order to maintain a more efficient capital

structure and reduce its cost of capital. The Board has also sought to address the adverse impact on cash earnings per share of an increasing share count, which is primarily attributable to shares issued under Westpac's dividend reinvestment plan and employee equity incentive schemes. While the Board considered the payment of a special dividend or a capital return, these mechanisms do not reduce the number of shares on issue and therefore would not address the cash earnings per share dilution.

As detailed in Section 2, for Australian tax purposes, the Buy-Back Price in this off-market Buy-Back is treated partially as a fully franked deemed dividend and partially as capital proceeds. This treatment will be more attractive to some shareholders than others and will allow Westpac to purchase Shares at an 8 per cent to 14 per cent discount to the Market Price. Compared to an on-market buy-back, the Buy-Back therefore permits more Shares to be acquired for the same amount of capital. As a result, an off-market buy-back is expected to have a greater impact on cash earnings per share as it enables a higher number of shares to be repurchased over a shorter period of time.

All eligible shareholders will have an equal opportunity to participate in the Buy-Back and shareholders successfully tendering their Shares will receive the same Buy-Back Price. An off-market buy-back also offers greater choice and flexibility to eligible shareholders than other methods of returning capital (see Section 1.3) and permits Westpac to determine the most appropriate number of Shares to buy back based on shareholder demand.

While the Buy-Back will result in a reduction of Westpac's available franking credits (described in more detail in Section 4.3), Westpac's ability to continue to fully frank its dividends remains strong.

### **1.3 What are the benefits of participating in an off-market buy-back?**

The benefits of participating in an off-market buy-back tender are considered to be as follows:

- for some shareholders, depending on their tax status, the after-tax return of participating in the Buy-Back may be greater than a sale of their Shares on-market. This is because the Buy-Back Price is split between a capital component and a fully franked deemed dividend component for Australian tax purposes, as described in Section 2;

- shareholders whose Tenders are accepted should not have to pay any brokerage to sell their Shares into the Buy-Back; and
- you may choose whether and to what extent you wish to participate in the Buy-Back. In particular, you may:
  - choose how many (if any) Shares to tender; and
  - choose the basis upon which you tender your Shares (for example, at what Tender Discount(s) or as a Final Price Tender and with the option of a Minimum Price condition).

#### **1.4 What are the benefits if I do not participate in the Buy-Back?**

If you choose not to participate, are ineligible to participate or participate but none of your Shares are bought back, the number of shares you hold will not change as a result of the Buy-Back and you will continue to be subject to the normal benefits and investment risks associated with share ownership.

After the Buy-Back is completed, the reduction in the number of shares on issue means you will hold a slightly larger percentage of the total number of issued ordinary shares in Westpac. The reduction in the number of shares on issue and the return of surplus capital is expected to maintain the efficiency of Westpac's capital structure and result in improvements to cash earnings per share and return on equity.

Given that the Buy-Back allows for the purchase of Shares at a discount of at least 8 per cent to the Market Price, the Buy-Back is expected to have a greater impact on cash earnings per share than under an on-market buy-back as more Shares will be able to be purchased by Westpac for the same amount of capital.

#### **1.5 Am I entitled to tender Shares into the Buy-Back?**

If you were a registered holder of Shares (which does not include ADRs or Restricted Employee Shares) as at the Buy-Back Record Date (Monday, 14 November 2005) and you are not an Excluded Foreign Person (as defined in Section 6.1), you are eligible to participate in the Buy-Back.

You are entitled to tender up to 100 per cent of the Shares which are registered in your name on the Buy-Back Record Date and which, in accordance with the Settlement Rules, confer an entitlement to participate in the Buy-Back. Any

shares which you acquire on-market on or after the ex-entitlement date (8 November 2005) generally will not be registered in your name on the Buy-Back Record Date and therefore will not carry an entitlement to participate in the Buy-Back. In addition, Shares acquired after 3 November 2005 will generally not be entitled to franking credits and rebates associated with the Buy-Back (see Section 1.27).

The maximum number of Shares you are entitled to tender into the Buy-Back is set out on your personalised Tender Form which is enclosed with this booklet.

#### **1.6 Can New Zealand shareholders and other shareholders outside Australia tender Shares into the Buy-Back?**

The Buy-Back Invitation is not being made to any Excluded Foreign Person as defined in Section 6.1. In particular, the Buy-Back Invitation is not being made to any person who is (or who is acting for the account or benefit of a person who is) in the United States, Canada or Japan or any US Person or a resident of Canada or Japan.

Furthermore, given that the Buy-Back will proceed only at a discount of at least 8 per cent to the Market Price, Westpac anticipates that New Zealand shareholders and other eligible shareholders who are resident outside Australia for tax purposes will choose not to participate in the Buy-Back as they would be likely to obtain a better outcome by selling their Shares on-market. New Zealand shareholders should also refer to Section 3 for a general summary of the New Zealand tax consequences of the Buy-Back.

#### **1.7 Can shares held by participants in Westpac's employee Plans be tendered into the Buy-Back?**

Restricted Employee Shares are not eligible to be tendered into the Buy-Back and these shares have not been included on your Tender Form. However, any fully paid Westpac ordinary Shares which you hold at the Buy-Back Record Date, which are not Restricted Employee Shares, have been included on your Tender Form and may be tendered into the Buy-Back.

Participants in Westpac's employee Plans should refer to the Westpac intranet site for more information.

## About the Tender process

### 1.8 What price will Westpac pay to buy back my Shares under the Buy-Back?

The Buy-Back Price will be the price that equates to the largest Tender Discount in the range between 8 per cent and 14 per cent inclusive (at 1 per cent intervals) to the Market Price that will enable Westpac to acquire the amount of capital it determines to buy back.

For each Share purchased from you under the Buy-Back, you will receive a cash amount determined in accordance with the following formula:

$$A = B \times (1 - C)$$

Where:

**A** is the Buy-Back Price (that is, the price per Share, rounded to the nearest cent, to be paid for all Shares bought back under the Buy-Back);

**B** is the Market Price; and

**C** is the Buy-Back Discount.

So, for example, if the relevant Market Price is \$21.00, and the Buy-Back Discount is 14 per cent, the Buy-Back Price would be \$18.06 (i.e.  $\$21.00 \times (1 - 0.14)$ ).

The Buy-Back Price will not exceed the Tax Value (defined in Section 6.1). The Tax Value is expected to be \$19.83, adjusted for the movement in the S&P/ASX 200 Banks Index from the commencement of trading on the ASX on 2 November 2005 to the close of trading on the ASX on the Closing Date. The method for calculating the Tax Value is explained in more detail in Section 2.6.

A shareholder whose Tender is accepted by Westpac under the Buy-Back will be paid the Buy-Back Price for each Share that is bought back, even if their Tender Discount equates to a lower price than the Buy-Back Price.

### 1.9 What is the Market Price?

The Market Price is calculated as the volume weighted average price (VWAP) of Westpac ordinary shares sold on the ASX over the five trading days up to and including the Closing Date (adjusted for certain trades – see the definition of VWAP in Section 6.1).

### 1.10 How will I know what the Market Price is?

From Tuesday, 13 December 2005 until the publication of the actual Market Price, Westpac intends to publish daily a cumulative VWAP calculation on its website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)). The VWAP calculation will also be available through the Buy-Back enquiry line. Please note that this cumulative VWAP calculation is only an estimate of the Market Price as it will not cover the entire five day VWAP period.

The actual Market Price, representing the VWAP for the full five trading day period, will be available no later than 6.00pm on the Closing Date, by accessing Westpac's website or by calling the Buy-Back enquiry line. Westpac also intends to announce the Market Price to the ASX (and other relevant overseas stock exchanges) at this time.

### 1.11 What is a Final Price Tender?

A Final Price Tender is an offer to sell your Shares to Westpac at the Buy-Back Price, whatever it is determined to be under the tender process.

The Buy-Back Price could be as high as an 8 per cent discount to the Market Price or as low as a 14 per cent discount to the Market Price. If a large number of Final Price Tenders are submitted, it is more likely that the Buy-Back Price will be at a larger discount to the Market Price.

Final Price Tenders are intended to make it easier for retail shareholders to participate successfully in the Buy-Back. Subject to the scale back mechanism (described in Section 1.20) and any Minimum Price condition (described in Section 1.12) you may impose, all of the Shares which you tender as a Final Price Tender will be bought back. A scale back will only apply to Final Price Tenders if the total number of Shares tendered at a 14 per cent Tender Discount and as Final Price Tenders exceeds the total number of Shares which Westpac decides to buy back.

If you wish to increase the likelihood that your Shares will be bought back, you may consider submitting a Final Price Tender.

### **1.12 What is a Minimum Price condition?**

You have the option of making your Tender conditional on the Buy-Back Price being no less than one of the four specified Minimum Prices set out on your Tender Form. This is an option available to you, but it may impact on the success of your Tender.

If you are concerned that movements in the Market Price after you lodge your Tender may result in your Tender corresponding to a lower Buy-Back Price than the price at which you are willing to sell your Shares, then you may wish to make your Tender conditional on the Buy-Back Price being greater than or equal to a specified Minimum Price. If the Buy-Back Price is below your Minimum Price, then your Tender will be rejected and your Shares will not be bought back.

If you choose to make your Tender conditional on the Buy-Back Price being greater than or equal to one of the specified Minimum Prices, you must do this in addition to nominating a Tender Discount or a Final Price Tender. If you fail to nominate a Tender Discount or a Final Price Tender, and only make your Tender conditional on the Buy-Back Price being greater than or equal to a specified Minimum Price, your Tender will not be accepted by Westpac.

If you do not choose a Minimum Price, your Tender will still be valid.

### **1.13 Do I have to tender any of my Shares into the Buy-Back?**

Participation in the Buy-Back is entirely at your discretion. If you do not wish to participate, you do not have to do anything and the number of shares you hold will not change as a result of the Buy-Back.

### **1.14 Do I have to tender all of my Shares into the Buy-Back?**

With the exception of holders of 200 Shares or less, you are entitled to tender some or all of the Shares registered in your name as at the Buy-Back Record Date.

If you hold 200 Shares or less and you wish to participate in the Buy-Back:

- you must tender all of your Shares; and
- you may only tender those Shares at one of the specified Tender Discounts or as a Final Price Tender,

otherwise your Tender will be rejected.

### **1.15 How does participating in the Buy-Back compare to selling my Shares on the stock market?**

Depending on your individual circumstances, if you sell your Shares on a stock exchange, the income taxation implications may be different from selling your Shares into the Buy-Back. Section 2 sets out details of the potential tax consequences for shareholders subject to Australian tax law and Section 3 sets out details of the potential tax consequences for shareholders subject to New Zealand tax law.

In addition, to execute a share sale on a stock exchange, you may need to pay brokerage whereas you should not need to pay brokerage to participate in the Buy-Back.

However, if you were to sell your Shares on a stock exchange, it is likely that you would be able to sell your Shares for a higher price than the Buy-Back Price. This is because the prices at which shareholders can tender Shares into the Buy-Back are at a discount of between 8 per cent and 14 per cent inclusive (at 1 per cent intervals) to the Market Price. Accordingly, it is likely that Westpac's share price, during and after the Tender Period, will be higher than the Buy-Back Price.

To give you an indication of the after-tax proceeds from participating in the Buy-Back compared with selling shares on-market, Westpac intends to provide a tax calculator on its website during the Tender Period ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)).

By making the Buy-Back Invitation to shareholders and in setting the range of Tender Discounts, Westpac is not making any recommendation to you as to whether to participate in the Buy-Back, or giving any advice on the value of your Shares.

Before you decide what to do with your Shares, Westpac strongly recommends that you seek your own professional advice.

## **How to lodge a Tender**

### **1.16 How do I participate in the Buy-Back?**

There are four steps to participating in the Buy-Back:

Step 1 – Decide how many Shares you wish to sell;

Step 2 – Choose your Tender Discount(s) and/or a Final Price Tender;

Step 3 – Nominate a Minimum Price (this is optional); and

Step 4 – Submit your Tender(s) by 9.00pm (Sydney time) on Friday, 16 December 2005.

### **Step 1 – Decide how many Shares you wish to sell**

Having decided to participate in the Buy-Back, you then need to decide how many Shares you wish to sell.

The personalised Tender Form enclosed with this booklet sets out the **maximum** number of Shares you may tender. You may tender any number of Shares up to this maximum number. However, if you hold 200 Shares or less and you wish to participate in the Buy-Back you may only submit one Tender in respect of all of your Shares.

You should not, before the Buy-Back Date, sell or offer to sell to anyone else the Shares you have tendered into the Buy-Back, unless you first withdraw or amend your Tender (see Section 1.26).

### **Step 2 – Choose your Tender Discount(s) and/or a Final Price Tender**

Once you have determined the number of Shares you wish to tender, you need to indicate on your Tender Form the Tender Discount(s) to the Market Price at which you are willing to sell those Shares.

You may tender your Shares at any discount from 8 per cent to 14 per cent inclusive to the Market Price, at the specified 1 per cent intervals, or as a Final Price Tender. The discount at which you tender your Shares will represent the lowest price (i.e. the largest discount to the Market Price) at which Westpac will buy back your Shares if your Tender is successful.

If you wish to increase the likelihood that your Shares will be bought back, you may consider submitting a Final Price Tender (see Section 1.11).

If you hold more than 200 Shares and you wish to participate in the Buy-Back, you may tender different parcels of your Shares at different Tender Discounts and/or as a Final Price Tender. For example, you may tender half of the Shares you wish to sell at a 12 per cent Tender Discount and half as a Final Price Tender. However, you may not tender the same Shares at different Tender Discounts and as a Final Price Tender. Each parcel of Shares tendered at a different Tender Discount or as a Final Price Tender is treated as a separate Tender. The total number of Shares you tender into the Buy-Back should not exceed the number of Shares you held as at the Buy-Back Record Date (as set out on your Tender Form).

If you hold 200 Shares or less and you wish to participate in the Buy-Back, you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender.

### **Step 3 – Nominate a Minimum Price (optional)**

In addition to choosing to tender your Shares at one or more specified Tender Discounts and/or as a Final Price Tender, you may also elect to impose a Minimum Price condition on your Tender (see Section 1.12).

If you select a Minimum Price, your Tender will be conditional upon the Buy-Back Price being greater than or equal to the Minimum Price you have specified on your Tender Form. If you nominate a Minimum Price on your Tender Form and the Buy-Back Price is lower than your nominated Minimum Price, your Shares will not be bought back. The Minimum Price can only be one of the four listed Minimum Prices specified on the Tender Form.

Shareholders may wish to delay submitting their Tender until towards the end of the Tender Period, so that they can consider the approximate or actual Market Price before submitting their Tender.

### **Step 4 – Submit your Tender(s)**

How you submit your Tender will depend on the type of holding you have, as specified on the enclosed Tender Form.

#### *Issuer Sponsored Holdings*

Once you have determined:

- the number of Shares you wish to sell;
- your Tender Discount(s) and/or any Final Price Tender; and
- if you so choose, your Minimum Price,

you need to complete and sign your personalised Tender Form and return it to the Registry.

Your completed Tender Form must be received by the Registry by no later than 9.00pm (Sydney time) on the Closing Date (scheduled to be Friday, 16 December 2005) at:

***From within Australia***

**If sending by mail**

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Reply Paid 1519  
Sydney South NSW 1234

**If delivering in person (by 5.00pm)**

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Level 8, 580 George Street  
Sydney NSW 2000

**If sending by facsimile:**

Westpac Buy-Back Tender  
+61 2 9287 0303

***From outside Australia***

**If sending by mail**

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Locked Bag A6015  
Sydney South NSW 1235  
AUSTRALIA

You can use the enclosed reply-paid envelope if you are posting your Tender Form in Australia.

Westpac will not accept your Tender Form unless it is physically received at one of the above addresses by no later than 9.00pm (Sydney time) on the Closing Date (scheduled to be Friday, 16 December 2005). You should allow sufficient time for this to occur if you are sending your Tender Form by mail.

***CHESS Holdings***

Once you have determined:

- the number of Shares you wish to sell;
- your Tender Discount(s) and/or any Final Price Tender; and
- if you so choose, your Minimum Price,

you need to instruct your controlling participant (normally your broker) in sufficient time for them to process your Tender by 9.00pm (Sydney time) on the Closing Date (scheduled to be Friday, 16 December 2005<sup>1</sup>). The name of the controlling participant who manages your CHESS

Holding as at the Buy-Back Record Date is printed on your Tender Form.

If you are a CHESS Holder, you should **NOT** send your Tender Form to the Registry. Instead, you will receive written confirmation from ASTC of the Tenders made on your holding or Tenders withdrawn by your controlling participant. You should be aware that, irrespective of its wording, this confirmation is not an acceptance by Westpac of any Tender.

***New Zealand Branch Registered Shareholders***

Tender Forms must be received by the Registry by 9.00pm (Sydney time) on Friday, 16 December by mail, hand delivery or facsimile:

**If sending by mail**

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1030

**If delivering in person (by 5.00pm Auckland time)**

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Level 12, 120 Albert Street  
Auckland

**If sending by facsimile**

Westpac Buy-Back Tender  
+64 9 375 5990

If you have any questions in relation to the processing of your Tender Form, please contact the Buy-Back enquiry line between 8.30am and 5.30pm (Sydney time) Monday to Friday on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or on +61 2 8280 7070 from outside Australia and New Zealand. The Buy-Back enquiry line will remain open until 9.00pm (Sydney time) on the Closing Date.

**1.17 Can I withdraw or amend my Tender?**

Once you have submitted a Tender, it can be withdrawn or amended by following the procedures set out below prior to 9.00pm (Sydney time) on the Closing Date.

***Issuer Sponsored Holdings***

To withdraw or amend a Tender you have submitted you will need a Withdrawal/Amendment Form, a copy of which is included in the back of this booklet. Additional

<sup>1</sup> Please note that end of day processing of the CHESS subregister will be delayed until 9.00pm (Sydney time) on the Closing Date to facilitate processing of any Tenders received after 7.00pm, which is the normal commencement time for end of day processing. Tenders received after 9.00pm on the Closing Date will not be accepted.

copies can be obtained from the Westpac website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)) or by contacting the Buy-Back enquiry line between 8.30am and 5.30pm (Sydney time) Monday to Friday on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or on +61 2 8280 7070 from outside Australia and New Zealand.

#### *Withdrawal of Tenders*

You can withdraw all of your Tenders by ticking the "Withdrawal" box on the Withdrawal/Amendment Form, completing your shareholder details, signing the form and returning it to the Registry at the address provided so that it is received by no later than 9.00pm (Sydney time) on the Closing Date. If the Registry does not receive your Withdrawal/Amendment Form by this time, your withdrawal will not be effective.

#### *Amendment of Tenders*

If you wish to change the terms of some or all of your Tenders or you wish to withdraw some (but not all) of your Tenders, then you must tick the "Amendment" box on the Withdrawal/Amendment Form. You must then complete your shareholder details and the details of all of your Tenders in accordance with the instructions shown on the form and return the form to the Registry at the address provided so that it is received by no later than 9.00pm (Sydney time) on the Closing Date.

The effect of amending your Tenders, by submitting a Withdrawal/Amendment Form, will be to withdraw all of your previous Tenders and replace them with the Tenders detailed on the Withdrawal/Amendment Form. If you wish to change some but not all of your previous Tenders, then you will still need to complete the details of **all** of your Tenders that you wish to submit as if you had not previously submitted any.

If your Withdrawal/Amendment Form is incomplete or incorrect, the Registry will attempt to contact you before the Closing Date. Where there is insufficient time or you cannot be contacted, your Withdrawal/Amendment Form will not be accepted and your existing Tender may be accepted into the Buy-Back.

Any amendment of your Tenders by completing a Withdrawal/Amendment Form (as set out above) will not be effective unless it is received by the Registry by no later than 9.00pm (Sydney time) on the Closing Date.

#### ***CHESS Holdings***

If you have a CHESS Holding and you wish to amend or withdraw your Tender, you will need to instruct your controlling participant in sufficient time for them to process your amendment or withdrawal by no later than 9.00pm (Sydney time) on the Closing Date.

If you have a CHESS Holding, you should **NOT** send a Withdrawal/Amendment Form to the Registry.

The effect of your controlling participant withdrawing or amending one or more of your Tenders will be to withdraw those Tenders, and in the case of an amendment, to replace the amended Tenders with new Tenders.

If you are a CHESS Holder, you will receive written confirmation from ASTC of the withdrawals/amendments made in relation to your holding by your controlling participant. You should be aware that, irrespective of its wording, this confirmation is not an acceptance by Westpac of your withdrawal or amendment of any Tender.

#### **1.18 How can I obtain additional Tender or Withdrawal/Amendment Forms?**

If you require an additional Withdrawal/Amendment Form or any replacement Tender Forms, please call the Buy-Back enquiry line on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or on +61 2 8280 7070 from outside Australia and New Zealand between the hours of 8.30am and 5.30pm (Sydney time) Monday to Friday. A copy of the Withdrawal/Amendment Form will also be available from the Westpac website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)).

#### **Results of the Buy-Back**

##### **1.19 How will Westpac determine successful Tenders and any scale back?**

If Westpac proceeds with the Buy-Back and the Tender Discount you have selected:

- is equal to or greater than the Buy-Back Discount, or you lodged a Final Price Tender, those Shares will be bought back, subject to any scale back; or
- is smaller than the Buy-Back Discount, those Shares will not be bought back.

If you have chosen a Minimum Price and the Buy-Back Price is below that price, your Tender will be rejected and those Shares will not be bought back.

**When may a scale back apply?**

A scale back may apply if the total number of Shares tendered at a Tender Discount which is equal to or greater than the Buy-Back Discount, and as Final Price Tenders, is more than the total number of Shares Westpac determines to buy back. In such circumstances, a scale back would apply as follows:

**If the Buy-Back Discount is between 8 per cent and 13 per cent (inclusive)**

Where the Buy-Back Discount is between 8 per cent and 13 per cent (inclusive):

- (a) Tenders at a Tender Discount greater than the Buy-Back Discount will be accepted in full;
- (b) Tenders at a Tender Discount smaller than the Buy-Back Discount will be rejected;
- (c) Small Holding Tenders (see below) will be accepted in full;
- (d) Final Price Tenders will be accepted in full; and
- (e) Shares tendered at the Buy-Back Discount (other than Final Price Tenders and Small Holding Tenders) will be scaled back on a pro rata basis.

**If the Buy-Back Discount is 14 per cent**

Where the Buy-Back Discount is 14 per cent:

- (a) the Priority Allocation (see below) will apply to each shareholder who tendered Shares at a 14 per cent Tender Discount and/or as a Final Price Tender. If the shareholder tendered less than the Priority Allocation, all of those Shares will be bought back. If the shareholder tendered more than the Priority Allocation, the Priority Allocation will be bought back in full and any excess above the Priority Allocation will be scaled back as set out in (d) below;
- (b) Small Holding Tenders (see below) will be accepted in full;
- (c) Tenders at a Tender Discount smaller than 14 per cent will be rejected; and
- (d) the balance of Tenders at a 14 per cent Tender Discount and Final Price Tenders (other than Priority Allocations and Small Holding Tenders) will be scaled back on a pro rata basis.

When the scale back is applied, all fractions will be rounded down to the nearest Share.

If you want to reduce the likelihood of any scale back applying to your Tender, you may consider submitting a Final Price Tender (see Section 1.11 for further details).

**What is the Priority Allocation?**

The Priority Allocation only arises if the Buy-Back Discount is at the greatest Tender Discount in the range (a 14 per cent Tender Discount) and there is a scale back. The Priority Allocation is equal to 200 Shares or such lesser number of Shares as is required to ensure that Westpac is able to buy back only the number of Shares it determines to buy back.

If the Buy-Back Discount is a 14 per cent Tender Discount and there is a scale back, then for each shareholder's aggregate Tender (of Shares tendered at a 14 per cent Tender Discount and as a Final Price Tender):

- the Priority Allocation is the maximum number of Shares that will be accepted before the scale back is applied; and
- the scale back will only apply to that portion of each aggregate Tender which exceeds the Priority Allocation.

**What is a Small Holding Tender?**

A Small Holding Tender is a Tender submitted by a shareholder who tenders all of their Shares at a discount equal to or greater than the Buy-Back Discount or as a Final Price Tender and who would have a Small Holding (100 Shares or less) created as a result of a scale back. As indicated above, Small Holding Tenders will not be scaled back.

However, if you become the registered holder of additional ordinary shares in Westpac after the Buy-Back Record Date and you are the registered holder of more shares (excluding Restricted Employee Shares) at the Closing Date than you held on the Buy-Back Record Date, then your Tender will not be a Small Holding Tender and any scale back will apply to your Tender as it would to any other Tender. This may occur if, for example, you participate in the Westpac dividend reinvestment plan and Westpac ordinary shares are transferred to you in respect of the 2005 final dividend.

**1.20 How will a scale back affect my Tender?**

To assist you in understanding how a scale back may affect your Tender, two illustrative examples are set out below.

### Assumptions

For each example, it is assumed that five shareholders, holding a different number of Shares in Westpac, submit Tenders under the Buy-Back. In each example:

- the Buy-Back Discount (and corresponding Buy-Back Price) and the scale back percentage are different; but
- the particular shareholder's total holding, number of Shares tendered and Tender Discount(s) selected are the same.

In addition, it is assumed that no shareholder elects a Minimum Price condition and that no additional shares are acquired by the shareholder after the Buy-Back Record Date.

### Example 1: 14 per cent Buy-Back Discount and 50 per cent scale back

It is assumed that the Market Price is \$21.00 and the Buy-Back Discount is 14 per cent, resulting in a Buy-Back Price of \$18.06<sup>1</sup>. It is also assumed that there is a 50 per cent scale back. In these circumstances, the outcome of each Tender would be as follows:

Example 1, Table 1: Outcome of Tenders lodged

|               | Total Shares held | Shares tendered | Tender Discount    | Price represented by Tender Discount (\$) | Outcome                                        |
|---------------|-------------------|-----------------|--------------------|-------------------------------------------|------------------------------------------------|
| Shareholder 1 | 10,000            | 5,000           | 14%                | \$18.06                                   | Partially successful, 2,600 Shares bought back |
| Shareholder 2 | 1,500             | 1,500           | 12%                | \$18.48                                   | Not successful, no Shares bought back          |
| Shareholder 3 | 300               | 300             | Final Price Tender | \$18.06                                   | Successful, all 300 Shares bought back         |
| Shareholder 4 | 5,000             | 3,000           | 8%                 | \$19.32                                   | Not successful, no Shares bought back          |
|               |                   | 1,000           | 10%                | \$18.90                                   | Not successful, no Shares bought back          |
|               |                   | 1,000           | Final Price Tender | \$18.06                                   | Partially successful, 600 Shares bought back   |
| Shareholder 5 | 1,200             | 1,000           | 12%                | \$18.48                                   | Not successful, no Shares bought back          |

**Shareholder 1:** tendered 5,000 of their Shares at a Tender Discount equal to the Buy-Back Discount of 14 per cent. As a result of the 50 per cent scale back (see scale back table on the following page), Shareholder 1 would have 2,600 Shares bought back at the Buy-Back Price of \$18.06. This is not a Small Holding Tender as Shareholder 1 did not tender all of their Shares at Tender Discount(s) greater than or equal to the Buy-Back Discount or as a Final Price Tender and, in any event, Shareholder 1 would not have had a Small Holding after the 50 per cent scale back was applied.

**Shareholder 2:** tendered all of their 1,500 Shares at a Tender Discount of 12 per cent which is smaller than the Buy-Back Discount, so no Shares would be bought back.

**Shareholder 3:** tendered all of their 300 Shares as a Final Price Tender. The Tender would be successful and 300 Shares would be bought back at the Buy-Back Price of \$18.06. This is a Small Holding Tender as following the Priority Allocation and scale back, Shareholder 3 would be left with a Small Holding (100 Shares or less).

Therefore, this Tender would not be scaled back.

**Shareholder 4:** tendered all of their Shares; 3,000 Shares at an 8 per cent Tender Discount, 1,000 Shares at a 10 per cent Tender Discount and 1,000 Shares as a Final Price Tender. Each of the 8 per cent and 10 per cent Tender Discounts would not be successful as they are smaller than the Buy-Back Discount of 14 per cent. The Final Price Tender would be partially successful; as a result of the 50 per cent scale back, Shareholder 4 would have 600 Shares bought back (see scale back table on the following page) at the Buy-Back Price of \$18.06. This is not a Small Holding Tender as Shareholder 4 did not tender all of their Shares at Tender Discount(s) greater than or equal to the Buy-Back Discount or as a Final Price Tender and, in any event, Shareholder 4 would not have had a Small Holding after the 50 per cent scale back was applied.

**Shareholder 5:** chose a Tender Discount of 12 per cent which is smaller than the Buy-Back Discount, so no Shares would be bought back.

<sup>1</sup> This is an illustrative example only. You should not rely on \$21.00 being the Market Price, or \$18.06 being the Buy-Back Price.

Example 1, Table 2: Impact of the scale back

|               | Shares tendered<br>at a 14%<br>Tender Discount<br>or as Final<br>Price Tenders | Shares<br>subject to<br>scale back <sup>1</sup> | Scale back <sup>2</sup> | Tender post<br>scale back<br>and Priority<br>Allocation <sup>3,4</sup> | Shares<br>remaining <sup>5</sup> | Small<br>Holding<br>Tender <sup>6</sup> | Shares<br>that are<br>bought<br>back <sup>6</sup> |
|---------------|--------------------------------------------------------------------------------|-------------------------------------------------|-------------------------|------------------------------------------------------------------------|----------------------------------|-----------------------------------------|---------------------------------------------------|
| Shareholder 1 | 5,000                                                                          | 4,800                                           | 50%                     | 2,600                                                                  | 2,400                            | No                                      | 2,600                                             |
| Shareholder 2 | 0                                                                              | Scale back not applicable                       |                         |                                                                        |                                  |                                         |                                                   |
| Shareholder 3 | 300                                                                            | 100                                             | 50%                     | 250                                                                    | 50                               | Yes                                     | 300                                               |
| Shareholder 4 | 1,000                                                                          | 800                                             | 50%                     | 600                                                                    | 400                              | No                                      | 600                                               |
| Shareholder 5 | 0                                                                              | Scale back not applicable                       |                         |                                                                        |                                  |                                         |                                                   |

Notes:

- 1 If the Buy-Back Discount is 14 per cent, the Priority Allocation of up to the first 200 Shares is bought back from each shareholder who successfully tenders their Shares at the 14 per cent Tender Discount and/or as a Final Price Tender before the scale back applies. For example, Shareholder 3 has 100 Shares that are subject to scale back (300 – 200 = 100).
- 2 A scale back of 50 per cent means 50 per cent of the Shares subject to scale back would be bought back (not including Small Holding Tenders).
- 3 When the scale back is calculated, fractions will be rounded down to the nearest Share.
- 4 Shares remaining refers only to Shares remaining from those Shares which were tendered at a 14 per cent Tender Discount or as a Final Price Tender.
- 5 Shareholder 3 tendered all of their Shares as a Final Price Tender. As a result of the Priority Allocation and scale back, Shareholder 3 would be left with a Small Holding (i.e. 100 Shares or less) and so the Tender is a Small Holding Tender. Neither Shareholder 1 nor Shareholder 4 tendered all of their Shares as a Final Price Tender or at Tender Discount(s) greater than or equal to the Buy-Back Discount, so their Tenders are not Small Holding Tenders. In any event, Shareholder 1 and Shareholder 4 would not be left with a Small Holding (i.e. 100 Shares or less) after any scale back.
- 6 Shares that are bought back refers only to Shares that are bought back from those Shares which were tendered at a 14 per cent Tender Discount or as a Final Price Tender.

**Example 2: 12 per cent Buy-Back Discount and 10 per cent scale back**

It is assumed that the Market Price is \$21.00 and the Buy-Back Discount is 12 per cent, resulting in a Buy-Back Price of \$18.48<sup>1</sup>. It is also assumed that there is a 10 per cent scale back, however, as the Buy-Back Discount is not at 14 per cent, no Priority Allocation is applied. In these circumstances, the outcome of each Tender would be as follows:

Example 2, Table 1: Outcome of Tenders lodged

|               | Total<br>Shares held | Shares<br>tendered | Tender<br>Discount    | Price<br>represented<br>by Tender<br>Discount<br>(\$) | Outcome                                        |
|---------------|----------------------|--------------------|-----------------------|-------------------------------------------------------|------------------------------------------------|
| Shareholder 1 | 10,000               | 5,000              | 14%                   | \$18.06                                               | Successful, all 5,000 Shares bought back       |
| Shareholder 2 | 1,500                | 1,500              | 12%                   | \$18.48                                               | Partially successful, 1,350 Shares bought back |
| Shareholder 3 | 300                  | 300                | Final Price<br>Tender | \$18.48                                               | Successful, all 300 Shares bought back         |
| Shareholder 4 | 5,000                | 3,000              | 8%                    | \$19.32                                               | Not successful, no Shares bought back          |
|               |                      | 1,000              | 10%                   | \$18.90                                               | Not successful, no Shares bought back          |
|               |                      | 1,000              | Final Price<br>Tender | \$18.48                                               | Successful, all 1,000 Shares bought back       |
| Shareholder 5 | 1,200                | 1,000              | 12%                   | \$18.48                                               | Partially successful, 900 Shares bought back   |

<sup>1</sup> This is an illustrative example only. You should not rely on \$21.00 being the Market Price, or \$18.48 being the Buy-Back Price.

**Shareholder 1:** tendered 5,000 of their Shares at a 14 per cent Tender Discount. The Tender would be successful as the 14 per cent Tender Discount is greater than the Buy-Back Discount of 12 per cent. All 5,000 Shares tendered would be bought back at the Buy-Back Price of \$18.48.

**Shareholder 2:** tendered all of their Shares at a 12 per cent Tender Discount which is equal to the Buy-Back Discount. The Tender would be partially successful; as a result of the 10 per cent scale back Shareholder 2 would have 1,350 Shares bought back (see scale back table below) at the Buy-Back Price of \$18.48.

**Shareholder 3:** tendered all of their 300 Shares as a Final Price Tender. All 300 Shares tendered as a Final Price Tender would be bought back at the Buy-Back Price of \$18.48, as Final Price Tenders are not subject to scale back where the Buy-Back Discount (i.e. 12 per cent) is not the largest Tender Discount of 14 per cent.

**Shareholder 4:** the 3,000 Shares tendered at an 8 per cent Tender Discount and the 1,000 Shares tendered at a 10 per cent Tender Discount would not be successful as these Tender Discounts are smaller than the 12 per cent Buy-Back Discount. All of the 1,000 Shares tendered as a Final Price Tender would be bought back at the Buy-Back Price of \$18.48 as Final Price Tenders are not subject to scale back where the Buy-Back Discount (i.e. 12 per cent) is not the largest Tender Discount of 14 per cent.

**Shareholder 5:** the 1,000 Shares tendered would be partially successful; as a result of the 10 per cent scale back, Shareholder 5 would have 900 Shares bought back (see scale back table below) at the Buy-Back Price of \$18.48. This would not be a Small Holding Tender as the shareholder did not tender all of their Shares at or below the Buy-Back Discount or as a Final Price Tender.

*Example 2, Table 2: Impact of the scale back*

|               | Shares tendered<br>at a 12%<br>Tender Discount <sup>1</sup> | Shares<br>subject to<br>scale back <sup>2</sup> | Scale back <sup>3</sup> | Tender post<br>scale back<br>and Priority<br>Allocation <sup>4, 5</sup> | Shares<br>remaining <sup>6</sup> | Small<br>Holding<br>Tender <sup>7</sup> | Shares<br>that are<br>bought<br>back <sup>7</sup> |
|---------------|-------------------------------------------------------------|-------------------------------------------------|-------------------------|-------------------------------------------------------------------------|----------------------------------|-----------------------------------------|---------------------------------------------------|
| Shareholder 1 | 0                                                           | Scale back not applicable                       |                         |                                                                         |                                  |                                         |                                                   |
| Shareholder 2 | 1,500                                                       | 1,500                                           | 10%                     | 1,350                                                                   | 150                              | No                                      | 1,350                                             |
| Shareholder 3 | 0                                                           | Scale back not applicable                       |                         |                                                                         |                                  |                                         |                                                   |
| Shareholder 4 | 0                                                           | Scale back not applicable                       |                         |                                                                         |                                  |                                         |                                                   |
| Shareholder 5 | 1,000                                                       | 1,000                                           | 10%                     | 900                                                                     | 100                              | No                                      | 900                                               |

**Notes:**

- 1 Final Price Tenders are not subject to scale back because the Buy-Back Price is not based on the largest Tender Discount of 14 per cent.
- 2 The Buy-Back Discount is not at the largest Tender Discount of 14 per cent and therefore no Priority Allocation applies in this case.
- 3 A scale back of 10 per cent means 90 per cent of the Shares subject to scale back would be bought back (not including Small Holding Tenders or Final Price Tenders).
- 4 When the scale back is calculated, fractions will be rounded down to the nearest Share.
- 5 Shares remaining refers to Shares remaining from those Shares which were tendered at a 12 per cent Tender Discount.
- 6 Shareholder 2 did not have a Small Holding (i.e. 100 shares or less) remaining after scale back, so this is not a Small Holding Tender. Shareholder 5 did not tender all of their Shares as a Final Price Tender or at Tender Discount(s) greater than or equal to the Buy-Back Discount, so this is not a Small Holding Tender.
- 7 Shares that are bought back refers only to Shares that are bought back from those Shares which were tendered at a 12 per cent Tender Discount.

#### **1.21 How will I know if my Tender has been scaled back?**

The details of any scale back will be announced with the results of the Buy-Back. Westpac expects to make this announcement on Monday, 19 December 2005.

#### **1.22 How will I know what the Buy-Back Price is?**

Westpac will announce the Buy-Back Price to the ASX (and other relevant overseas stock exchanges) as soon as possible after the Closing Date. Westpac expects this announcement to be made on Monday, 19 December 2005. The announcement will also be posted on Westpac's website ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)) and the results will be available through the Buy-Back enquiry line.

#### **1.23 Will all the Shares I tender be bought back?**

The success of your Tender will depend on the Tender Discount(s) you have selected, the number of Tenders and prices at which they are lodged by other shareholders and the total number of Tenders Westpac accepts. There is no guarantee that all or even some of your Tender will be accepted.

As described in more detail in Section 1.19, if you tender some or all of your Shares at a Tender Discount smaller than the Buy-Back Discount, your Tender in relation to those Shares will be rejected and those Shares will not be bought back. If you wish to increase the likelihood that your Shares will be bought back, you may consider submitting a Final Price Tender.

#### **1.24 How will I know how many of my Shares have been bought back?**

By no later than Friday, 23 December 2005, Westpac intends to send to all shareholders who have tendered their Shares into the Buy-Back a notification of the number of their Shares (if any) that have been bought back by Westpac and the Buy-Back Price.

Shareholders can also access this information on or after Monday, 19 December 2005 by contacting the Buy-Back enquiry line on 1800 804 255 (toll free) within Australia, 0800 002 727 (toll free) within New Zealand or on +61 2 8280 7070 from outside Australia and New Zealand. If you are a CHESS Holder, ASTC will provide you with written confirmation of the Tenders made on your holding or Tenders withdrawn by your controlling participant.

#### **1.25 How will I receive payment for Shares bought back?**

Payments will be made in Australian dollars only. If you have an existing direct credit authority for the payment of dividends in Australian dollars on your Shares recorded on the Westpac Share Register at 9.00pm (Sydney time) on the Closing Date, all proceeds due to you under the Buy-Back will be credited to your nominated Australian dollar bank account.

In all other cases, including where dividend payment instructions are denominated in currencies other than Australian dollars, you will be paid by cheque drawn on an Australian bank branch in Australian dollars.

If you wish to alter your current dividend payment arrangement you will need to send written confirmation so that it is received by the Registry by 5.00pm (Sydney time) on 16 December 2005. **If you do alter your nominated bank account details, this will be taken to be your nominated bank account for future dividend payments.**

Cheques and direct credit advices will be mailed at your risk to your address as shown on the Westpac Share Register at 9.00pm (Sydney time) on Friday, 16 December 2005.

Payments to bank accounts and dispatch of cheques to the addresses specified above are expected to be completed by no later than Friday, 23 December 2005 and will satisfy Westpac's obligation to pay you for any Shares that Westpac buys back.

### **Share rights during the Tender Period**

#### **1.26 Can I trade my Shares after submitting a Tender?**

Once you have tendered any Shares into the Buy-Back, you should not:

- sell or offer to sell those Shares;
- convert those Shares from an Issuer Sponsored Holding to a CHESS Holding or vice versa; or
- move those Shares between CHESS Holdings (for instance, if you change your controlling participant).

However, any Shares which you have not tendered into the Buy-Back may be sold or otherwise dealt with in the ordinary manner.

Once you have submitted a Tender, the number of Shares you have tendered will be locked and placed in a "sub-position" on the Westpac Share Register. You will not be able to deal successfully with those Shares until they are released from the sub-position. For the Shares to be released from that sub-position before the end of the Tender Period, you must withdraw or amend your Tender in accordance with the procedures set out in Section 1.17.

Withdrawals or amendments made in accordance with these procedures may not take immediate effect. You should take this into consideration if you wish to sell or offer to sell any of the Shares which you have tendered. If, at the Buy-Back Date, you do not hold at least the number of Shares you successfully tendered, Westpac may, at its discretion, reject your Tender(s) or treat your Tender(s) as if you had tendered the number of Shares held by you at the Closing Date (see Section 5.13 for further details).

#### **1.27 Can I purchase shares during the Tender Period?**

Shareholders who tender their Shares into the Buy-Back should be able to purchase additional shares in Westpac on or after 8 November 2005 without affecting the tax treatment of their Shares successfully tendered into the Buy-Back. This is because:

- those additional shares will not carry an entitlement to participate in the Buy-Back; and
- the ATO has provided indicative confirmation that shares acquired on an ex-entitlement basis for the Buy-Back on or after 8 November 2005 will be excluded from the "last-in-first-out" principle of the 45 day rule. These newly purchased shares will not affect shareholders' ability to receive franking credits on Shares acquired on or before 3 November 2005 which are successfully tendered into the Buy-Back (see Section 2.7).

Please be aware that Shares acquired after Thursday, 3 November 2005 will generally not qualify for franking entitlements under the 45 day rule. That is, Shares purchased on Friday, 4 November and Monday, 7 November 2005 will be subject to the last-in-first-out principle and generally not be entitled to the franking credits and tax offsets attached to the dividend component of the Buy-Back Price.

General information on the Australian and New Zealand tax implications for shareholders participating in the Buy-Back is included in Sections 2 and 3, although eligible shareholders will need to consider their own particular tax circumstances.

#### **1.28 Will I still receive the 2005 final dividend if my Shares are bought back?**

Yes. All shareholders with an entitled registered holding on 23 November 2005 will be paid the 51 Australian cents per share fully franked 2005 final dividend in respect of that holding, whether or not they participate in the Buy-Back.

Under the Buy-Back, Shares will not be bought back until 19 December 2005, which is after the Final Dividend Record Date on 23 November 2005. As a result, you will still be entitled to the final dividend on any Shares that are tendered into the Buy-Back, as long as you are the registered holder of those Shares on 23 November 2005.

#### **1.29 Can I still vote at the Annual General Meeting if I tender all of my Shares into the Buy-Back?**

Yes. Shareholders who tender their Shares into the Buy-Back will be entitled to vote in respect of those Shares (in accordance with the voting rights attached to those Shares) at Westpac's Annual General Meeting on Thursday, 15 December 2005.

### **Recent performance of Westpac shares**

#### **1.30 How have Westpac shares performed over recent times?**

The closing price of Westpac shares on the ASX on Thursday, 10 November 2005 was \$22.05.

Westpac's highest and lowest market sale prices and average closing prices on the ASX during each of the preceding six months were as follows:

| Month          | Low <sup>1</sup><br>(\$) | High <sup>1</sup><br>(\$) | Average<br>closing prices <sup>2</sup><br>(\$) |
|----------------|--------------------------|---------------------------|------------------------------------------------|
| May 2005       | 18.73                    | 20.08                     | 19.48                                          |
| June 2005      | 19.10                    | 19.97                     | 19.59                                          |
| July 2005      | 19.17                    | 20.07                     | 19.55                                          |
| August 2005    | 19.35                    | 20.32                     | 19.73                                          |
| September 2005 | 19.83                    | 21.40                     | 20.63                                          |
| October 2005   | 20.14                    | 21.48                     | 20.59                                          |

Source: IRESS

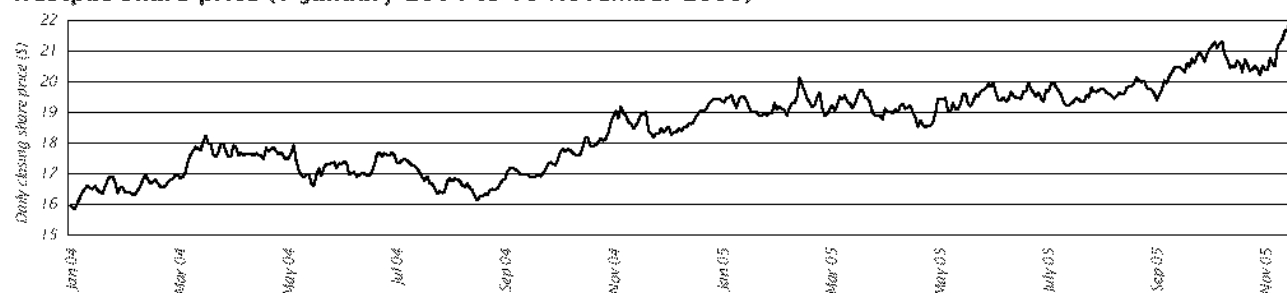
Notes:

1 Based on trading of Westpac ordinary shares during normal ASX trading hours, generally from 10.00am to 4.00pm.

2 Calculated as the average of the closing prices of Westpac ordinary shares on the ASX for each trading day over the relevant month.

A graph indicating the share price performance of Westpac over the period from 1 January 2004 to 10 November 2005 is set out below.

#### Westpac share price (1 January 2004 to 10 November 2005)



Source: IRESS

# 2

## Tax Implications of the Buy-Back for Australian Shareholders

The following discussion is provided by Allens Arthur Robinson, Australian legal and tax advisers to Westpac, and is intended only as a general summary of the Australian income tax implications of participating in the Buy-Back<sup>1</sup>.

Unless otherwise specified, this discussion is based on income tax legislation and administrative practice as at 9 November 2005. These laws, the interpretation of them by the courts, and administrative practice may change at any time, possibly with retrospective effect. Westpac has received a draft Class Ruling from the ATO for shareholders who participate in the Buy-Back, which provides indicative confirmation of a number of the statements contained in this summary. The ATO will not issue the Class Ruling in a form that is binding on the Commissioner of Taxation until after completion of the Buy-Back. Although it is not anticipated to be the case, when the binding Class Ruling is issued by the ATO it is possible that it may express a view contrary to that set out below.

This general summary of the Australian income tax implications of participating in the Buy-Back is limited to shareholders who hold their Shares on capital account and therefore, may be assessed for tax under the CGT provisions on Shares bought back by Westpac. Some shareholders, for example those who carry on a business which includes dealing in shares, may be assessed on their dealings in shares other than under the CGT provisions. The tax consequences for those shareholders may differ significantly from those discussed below.

If you decide to participate in the Buy-Back, your particular tax treatment will depend on your own circumstances. **It is therefore important that you obtain professional tax advice to take into account your particular circumstances.**

## 2.1 Introduction

The Buy-Back will constitute an "off-market" buy-back for tax purposes. As such, all of the Buy-Back Price in excess of \$4.00 will generally be treated as a fully franked deemed dividend for Australian tax purposes.

A shareholder participating in the Buy-Back will be taken, for CGT purposes, to have disposed of their Shares when Westpac accepts the Tender. This is anticipated to be on Monday, 19 December 2005. For CGT purposes, shareholders other than corporate tax entities will be treated as having disposed of their Shares for the \$4.00 capital component plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price. The Tax Value is the amount which would have been the value of the Shares when Westpac accepts the Tender, if the Buy-Back had not occurred or been intended to occur. That amount is expected to be \$19.83, adjusted for the movement in the S&P/ASX 200 Banks Index from the commencement of trading on the ASX on 2 November 2005 to the close of trading on the ASX on the Closing Date (see Section 2.6).

## 2.2 Australian resident individual

### **(a) Income Tax – Treatment of deemed dividend**

An Australian resident individual participating in the Buy-Back will be deemed to have received a fully franked dividend equal to the excess of the Buy-Back Price over \$4.00 for each Share bought back. The deemed dividend will be included in the individual's assessable income.

If a shareholder, whose Shares are bought back, is entitled to the benefit of the franking credit on the deemed dividend (see Section 2.7), the shareholder will also:

- include the franking credit on the deemed dividend in their assessable income; and
- be entitled to a tax offset equal to the franking credit.

The tax offset reduces the total tax payable by the shareholder on their taxable income. If the tax offset exceeds the total tax payable by the shareholder on their taxable income, the shareholder may be entitled to a refund of that excess.

### **(b) Capital Gains Tax – Disposal of Shares (acquired after 19 September 1985)<sup>2</sup>**

An Australian resident individual participating in the Buy-Back will be deemed for CGT purposes to have disposed of each Share bought back, for capital proceeds

<sup>1</sup> Allens Arthur Robinson in their capacity as legal and tax advisers to Westpac have provided this summary to Westpac about matters of relevant Australian tax law and the legal interpretation of that tax law based on the information provided by Westpac. Allens Arthur Robinson is not providing financial product advice within the meaning of the Corporations Act. To the extent that this summary contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about whether to participate in the Buy-Back. A shareholder should, before making any decision to participate in the Buy-Back, consider taking financial advice from a person who holds an Australian Financial Services Licence under the Corporations Act.

<sup>2</sup> Shares acquired on or before 19 September 1985 will not normally be subject to CGT in Australia, however the deemed dividend component of the Buy-Back Price for such Shares will be relevant for income tax purposes.

of \$4.00 plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price. The method for calculating the Tax Value is discussed in Section 2.6.

The calculation of any capital gain in respect of Shares bought back will depend on when the Shares were bought. If a shareholder has held their Shares for less than 12 months, any capital gain will be calculated as the excess of the deemed capital proceeds over the CGT cost base of the Shares. If the Shares were acquired at or before 11.45am (ACT time) on 21 September 1999, the shareholder may choose whether to index the cost base to 30 September 1999 or apply the CGT discount (which reduces the gain, net of any capital losses, by 50 per cent). Shareholders who acquired their Shares after 11.45am (ACT time) on 21 September 1999 and have held their Shares for more than 12 months must apply the CGT discount in calculating any capital gain on disposal.

Generally, the CGT cost base for a Share will be the amount the shareholder paid to acquire the Share together with certain incidental costs of acquisition, for example stamp duty and brokerage, and certain incidental costs of disposal.

A capital loss for a Share disposed of under the Buy-Back will be the excess of the CGT cost base of the Share over the deemed capital proceeds. No allowance for indexation is made in determining the cost base of the Share for this purpose.

The capital loss which arises under the Buy-Back may be greater than the capital loss which may have arisen under an equivalent sale of the Shares on-market. This is because the capital proceeds under the Buy-Back are deemed to be \$4.00 plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price, rather than the price at which the shareholder would have sold their Shares on-market. The lower deemed capital proceeds means that any capital gain, which would have otherwise arisen on disposal of the Shares, is reduced or eliminated.

A capital loss that arises from the Buy-Back can only be used to offset capital gains made by the individual shareholder. Capital losses that are not used in the year in which they arise may be carried forward and used to offset capital gains made in later years.

Any capital loss arising from the Buy-Back cannot be offset against the dividend or any franking credits included in the shareholder's assessable income.

The table in Section 2.8 provides illustrative examples of the potential tax consequences for an Australian resident individual disposing of their Shares into the Buy-Back. The actual tax consequences will depend on the Buy-Back Price, the Tax Value, the individual's applicable marginal tax rate and their CGT cost base for the Shares.

*It is important to understand that the table is an illustrative example only and is based on a number of assumptions including:*

- (a) an assumed Buy-Back Price which may not be the actual Buy-Back Price. The actual Buy-Back Price and the amount of the frankable distribution will not be known until after the Closing Date;*
- (b) a Tax Value which may change depending on the movement of the S&P/ASX 200 Banks Index up to the Closing Date; and*
- (c) two illustrative cost bases of \$10.00 and \$15.00 per Share.*

*The actual tax consequences for an individual may be different because of their particular circumstances.*

## **2.3 Australian resident company**

### **(a) Income Tax – Treatment of deemed dividend**

An Australian resident company participating in the Buy-Back will be deemed to have received a fully franked dividend equal to the excess of the Buy-Back Price over \$4.00 for each Share bought back.

The shareholder will be required to include the deemed dividend in its assessable income.

If the shareholder is entitled to the benefit of the franking credit on the deemed dividend (see Section 2.7 below), the shareholder will also:

- include the franking credit on the deemed dividend in its assessable income;
- be entitled to a tax offset equal to the franking credit; and
- be entitled to a credit in its own franking account equal to the amount of the franking credit received.

No refund will be available if the tax offset exceeds the tax payable by the shareholder. However, to the extent that the shareholder has excess franking offsets, it may be entitled to a tax loss.

***(b) Capital Gains Tax – Disposal of Shares (acquired after 19 September 1985)<sup>1</sup>***

An Australian resident company participating in the Buy-Back will be deemed for CGT purposes to have disposed of each Share bought back, for capital proceeds of \$4.00 plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price. The method for calculating the Tax Value is discussed in Section 2.6.

A capital gain for a Share disposed of under the Buy-Back will be the excess of the deemed capital proceeds over the CGT cost base of the Share. If the Share was acquired at or before 11.45am (ACT time) on 21 September 1999, the cost base may be indexed to 30 September 1999.

Generally, the CGT cost base for a Share will be the amount the shareholder paid to acquire the Share together with certain incidental costs of acquisition, for example stamp duty and brokerage, and certain incidental costs of disposal.

A capital loss for a Share disposed of under the Buy-Back will be the excess of the CGT cost base of the Share (ignoring any indexation) over the deemed capital proceeds. However, any capital loss that does arise will be reduced or eliminated because of recent amendments to the law. The relevant amendments are contained in Schedule 3 to *Tax Laws Amendment (2004 Measures No 6) Act 2005*, which received Royal Assent on 21 March 2005. The amendments relate to subsection 159GZZZQ(8) of the *Income Tax Assessment Act 1936* and apply with effect from 1 July 2002. The amendments are complex, but in essence, are intended to deny corporate taxpayers some or all of any capital loss arising from the franked deemed dividend component of an off-market share buy-back. The amendments do this by increasing the deemed capital proceeds by reference to the franked deemed dividend. However, the application of the amendments is not clear in all circumstances. In light of this, it is very important that Australian resident companies seek their own independent taxation advice before participating in the Buy-Back.

If a capital loss does arise from the Buy-Back, it can only be used to offset capital gains. Capital losses that are not used in the year in which they arise may be carried forward and used to offset capital gains made in later years, subject to restrictions including the continuity of ownership test or the same business test.

Any capital loss arising from the Buy-Back cannot be offset against the deemed dividend or any franking credits included in the shareholder's assessable income.

**2.4 Australian complying superannuation fund**  
***(a) Income Tax – Treatment of deemed dividend***

An Australian complying superannuation fund participating in the Buy-Back will be deemed to have received a fully franked dividend equal to the excess of the Buy-Back Price over \$4.00 for each Share bought back. The shareholder will be required to include in its assessable income the amount of the deemed dividend.

If the shareholder is entitled to the benefit of the franking credit on the deemed dividend (see Section 2.7 below), the shareholder will also:

- include the franking credit on the deemed dividend in its assessable income; and
- be entitled to a tax offset equal to the franking credit.

The tax offset reduces the total tax payable by the shareholder on its taxable income. If the tax offset exceeds the total tax payable by the shareholder on its taxable income, the shareholder may be entitled to a refund of that excess.

***(b) Capital Gains Tax – Disposal of Shares***

An Australian complying superannuation fund participating in the Buy-Back will be deemed for CGT purposes to have disposed of each Share bought back, for capital proceeds of \$4.00 plus the amount (if any) by which the Tax Value exceeds the Buy-Back Price. The method for calculating the Tax Value is discussed in Section 2.6.

<sup>1</sup> Shares acquired on or before 19 September 1985 (and which are not treated for CGT purposes as if they were acquired after that date) will not normally be subject to CGT in Australia, however the deemed dividend component of the Buy-Back Price for such Shares will be relevant for income tax purposes.

If a shareholder has held their Shares for less than 12 months, any capital gain will be the excess of the capital proceeds over the CGT cost base of the Shares. If the Shares were acquired at or before 11.45am (ACT time) on 21 September 1999, the shareholder may choose whether to index the cost base to 30 September 1999 or apply the one third CGT discount (which reduces the gain, net of any capital losses, by one third). Shareholders who acquired their Shares after 11.45am (ACT time) on 21 September 1999 and have held their Shares for more than 12 months must apply the CGT discount.

Generally, the CGT cost base for a Share will be the amount the shareholder paid to acquire the Share together with certain incidental costs of acquisition, for example stamp duty and brokerage, and certain incidental costs of disposal.

It should be noted that if the Shares were acquired by the superannuation fund before 1 July 1988, the CGT cost base may have been adjusted to the market value of the Shares on 30 June 1988.

A capital loss for a Share disposed of under the Buy-Back will be the excess of the CGT cost base of the Share (ignoring any indexation) over the deemed capital proceeds.

A capital loss that arises from the Buy-Back can only be used to offset capital gains. Capital losses that are not used in the year in which they arise may be carried forward and used to offset capital gains made in later years.

Any capital loss arising from the Buy-Back cannot be offset against the deemed dividend or any franking credit included in the shareholder's assessable income.

## 2.5 Non-residents

### **(a) Income Tax – Tax treatment of deemed dividend**

A non-resident shareholder will not be liable to Australian income tax or withholding tax on the franked deemed dividend component of the Buy-Back Price.

However, different consequences may arise if a non-resident shareholder holds Shares as part of a business conducted through a permanent establishment in Australia, and specific Australian tax advice should be obtained in that case.

### **(b) Capital Gains Tax – Disposal of Shares (acquired after 19 September 1985)<sup>1</sup>**

Under the Australian CGT rules, a taxable capital gain or capital loss should not arise for a non-resident participating in the Buy-Back unless the non-resident together with its "associates" has at any time in the preceding five years held 10 per cent or more of the issued shares of Westpac.

However, different consequences may arise if a non-resident shareholder holds Shares as part of a business conducted through a permanent establishment in Australia, and specific Australian tax advice should be obtained in that case.

A general summary of the New Zealand tax consequences for New Zealand shareholders is set out in Section 3.

## 2.6 Tax Value

Last year, the ATO released Taxation Determination TD 2004/22 which sets out the ATO's views generally in relation to determining the Tax Value of shares bought back off-market. TD 2004/22 provides that the Tax Value should be determined as the volume weighted average price of the shares over the last five trading days before the first announcement of the buy-back, adjusted for the movement in the S&P/ASX 200 Index from the commencement of trading on the day of announcement to close of trading on the closing date.

TD 2004/22 also provides that if companies undertaking an off-market buy-back wish to vary this methodology, representations should be made to the ATO explaining the rationale for the variation.

Westpac has made representations to the ATO that its market value setting methodology adopted in TD 2004/22 should be varied in determining the Tax Value of the Shares. As a result of these representations, the ATO has indicated that the Tax Value of the Shares is expected to be \$19.83, adjusted for movements in S&P/ASX 200 Banks Index from the commencement of trading on the ASX on 2 November 2005 to the close of trading on the ASX on the Closing Date, calculated as follows:

$$\frac{\$19.83^2 \times \text{Closing level of S\&P/ASX 200 Banks Index on the Closing Date}}{5,891.32^3}$$

5,891.32<sup>3</sup>

<sup>1</sup> Shares acquired on or before 19 September 1985 will not normally be subject to CGT in Australia, however the deemed dividend component of the Buy-Back Price for such Shares will be relevant for income tax purposes.

<sup>2</sup> The volume weighted average price (excluding not at market trades) of Westpac shares on the ASX over the last five trading days before the announcement of the Buy-Back on 2 November 2005, adjusted to an ex-dividend basis.

<sup>3</sup> Level of the S&P/ASX 200 Banks Index at the commencement of trading on 2 November 2005.

If the movement in the S&P/ASX 200 Banks Index is significantly different from the movement in the Westpac share price over the relevant period, Westpac may approach the ATO to seek to vary the methodology used to determine the Tax Value.

If the Buy-Back Price is higher than the Tax Value, a portion of the deemed dividend equal to the difference between the Buy-Back Price and the Tax Value would be deemed to be unfrankable. However, as Westpac intends to set the Buy-Back Price at no more than the Tax Value, this will not occur.

## **2.7 Limits on availability of franking credits and tax offsets**

The Australian tax legislation includes a number of rules which may prevent shareholders participating in the Buy-Back from claiming the benefit of franking credits on the deemed dividend component of the Buy-Back Price.

These rules are designed, among other things, to discourage trading in franking credits. These rules may deny the benefit of franking credits to shareholders generally, or because of their particular circumstances.

Westpac has received indicative confirmation from the ATO that it will not make a determination to deny shareholders generally the benefit of tax offsets on the deemed dividend under the Buy-Back. This is expected to be confirmed when the ATO issues the Class Ruling.

The particular circumstances of each participating shareholder will also be relevant in determining whether the rules deny the benefit of the tax offset or franking credits to that shareholder. For example, the period during which the shareholder holds the Shares and any arrangements the shareholder has in relation to the Shares will be important.

Generally, resident shareholders should have regard to the operation of the holding period rule (the 45 day rule) in relation to their participation in the Buy-Back. Shareholders who are individuals and whose total franking credit entitlement for the income year does not exceed \$5,000 should not be subject to the 45 day rule. As a result of some recent changes to the law, this exemption may not be available. However, the former Minister for Revenue and the Assistant Treasurer in a

Press Release dated 27 September 2002 indicated that the Government intends to amend the law to ensure that this exemption continues to be available.

In simple terms, the 45 day rule requires an Australian resident shareholder to have held their shares "at risk" for a specified period in order to "qualify" for the franking credits on a dividend. This would include the deemed dividend component of the Buy-Back Price. The 45 day rule requires that shareholders must hold their Shares at risk for a period of 45 days (excluding the days of acquisition and disposal) within a period beginning on the date those Shares were acquired and ending 45 days after the Shares become ex-dividend.

The 45 day rule is complex. Generally, a shareholder who is subject to the rule, has acquired their Shares on or before Thursday, 3 November 2005 and has not entered into collateral arrangements which reduce the risks associated with owning their Shares, will satisfy the 45 day rule in respect of the deemed dividend component of the Buy-Back Price. This is on the basis that the determination of the Buy-Back allocations (including any scale back) occurs no earlier than on Monday, 19 December 2005.

If a shareholder who is subject to the 45 day rule has acquired Shares on Friday, 4 November 2005 or Monday, 7 November 2005, these Shares, while they do confer the entitlement to participate in the Buy-Back, will not satisfy the 45 day rule and therefore do not confer the entitlement to receive the tax offset or franking credits otherwise attached to the deemed dividend component of the Buy-Back Price.

A shareholder may fail the requirements of the 45 day rule even if the shareholder acquired their Shares on or before Thursday, 3 November 2005. This may arise where the shareholder has entered into other arrangements regarding the Shares which reduce their risk of loss or opportunity for gain on the Shares. For example, granting an option to another person to acquire their Shares would reduce that risk or opportunity.

The 45 day rule also operates on a "last-in-first-out" basis so that a shareholder will be deemed, for the purpose of applying the 45 day rule, to have disposed of their most recently acquired Shares under the Buy-Back. As such, if Shares were acquired on Friday, 4 November 2005 or Monday, 7 November 2005, a shareholder who is subject to the 45 day rule will not qualify for the franking credits on the deemed dividend component of the Buy-Back Price for up to the number of the Shares acquired on those dates, even if the shareholder also purchased Shares on or before Thursday, 3 November 2005. However, for this Buy-Back, the ex-entitlement date is Tuesday, 8 November 2005 and Westpac has obtained indicative confirmation from the ATO that Shares purchased on an ex-entitlements basis on or after Tuesday, 8 November 2005 will be excluded from the "last-in-first-out" rule. This means that Shares acquired by a shareholder on or after Tuesday, 8 November 2005 on an ex-entitlement basis will not affect the ability to receive franking credits on Shares acquired on or before Thursday, 3 November 2005 and which are successfully tendered into the Buy-Back.

In addition, where the shareholder is under an obligation to make related payments in respect of the deemed dividend arising on the Buy-Back Price, the shareholder may not qualify for the tax offset or franking credits unless other at risk holding requirements are satisfied.

## 2.8 Worked tax examples for Australian resident individuals and Australian complying superannuation funds

The worked examples below set out the potential tax consequences per Share for Australian resident individuals and Australian complying superannuation funds participating in the Buy-Back, and assumes a Buy-Back Price of \$18.06 (an assumed 14 per cent Buy-Back Discount to an assumed Market Value of \$21.00) and two illustrative cost bases for CGT purposes of \$10.00 and \$15.00 per Share. You should not rely on this price as being the actual Buy-Back Price; see Section 1.8 for an explanation of how the Buy-Back Price will be determined.

The "James example" in the following table assumes a Buy-Back Price of \$18.06 and a \$15.00 cost base for CGT purposes and provides more detailed commentary on the relevant calculations in notes A to I following the table. The column on the right of the table marked "Your workings" is there to assist you, should you choose to participate in the Buy-Back. It is intended to help you calculate the anticipated income tax and CGT consequences based on your assumed marginal tax rate, the assumed Buy-Back Price and the assumed Tax Value of \$21.00. You should not rely on this being the actual Tax Value; see Section 2.6 for an explanation of how the Tax Value will be determined.

*It is important to understand that the table is an illustrative example only and is based on a number of assumptions including:*

- *a Buy-Back Price which may not be the actual Buy-Back Price. The actual Buy-Back Price and the amount of the franked deemed dividend will not be known until after the Buy-Back closes;*
- *the discount capital gain method is used, which may or may not be applicable depending on a participating shareholder's circumstances; and*
- *a Tax Value which may change (see Section 2.6). The actual Tax Value will not be known until after the Buy-Back closes.*

In any event, the tax consequences for an individual or superannuation fund may be different from the example because of their particular circumstances. The amounts calculated under the tax table will not necessarily reflect the actual tax consequences for you if you choose to participate in the Buy-Back.

### Tax calculator

To give you an indication of the after-tax proceeds from participating in the Buy-Back compared with selling shares on-market, Westpac intends to provide a tax calculator on its website during the Tender Period ([www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre)).

|                                                            | Superfund          |                | Australian resident individuals <sup>1</sup> |                |                                |                |                                 |                |
|------------------------------------------------------------|--------------------|----------------|----------------------------------------------|----------------|--------------------------------|----------------|---------------------------------|----------------|
|                                                            |                    |                | Income =<br>\$0 – \$6,000                    |                | Income =<br>\$6,001 – \$21,600 |                | Income =<br>\$21,601 – \$63,000 |                |
| Per share A\$                                              | 15.00%<br>tax rate |                | 0.00%<br>marginal tax rate                   |                | 16.50%<br>marginal tax rate    |                | 31.50%<br>marginal tax rate     |                |
| <b>Income tax consequences (deemed dividend)</b>           |                    |                |                                              |                |                                |                |                                 |                |
| Illustrative Buy-Back Price                                | \$18.06            |                | \$18.06                                      |                | \$18.06                        |                | \$18.06                         |                |
| Less: capital component                                    | (\$4.00)           |                | (\$4.00)                                     |                | (\$4.00)                       |                | (\$4.00)                        |                |
| Assumed fully franked deemed dividend <sup>2</sup>         | \$14.06            |                | \$14.06                                      |                | \$14.06                        |                | \$14.06                         |                |
| Add: gross up for franking credits                         | \$6.03             |                | \$6.03                                       |                | \$6.03                         |                | \$6.03                          |                |
| Assessable income                                          | \$20.09            |                | \$20.09                                      |                | \$20.09                        |                | \$20.09                         |                |
| Tax on assessable income                                   | (\$3.03)           |                | \$0.00                                       |                | (\$3.31)                       |                | (\$6.33)                        |                |
| Tax offset <sup>3</sup>                                    | \$6.03             |                | \$6.03                                       |                | \$6.03                         |                | \$6.03                          |                |
| Net tax offset (tax payable) on<br>franked deemed dividend | \$3.02             |                | \$6.03                                       |                | \$2.72                         |                | (\$0.30)                        |                |
| <b>After tax proceeds<sup>4</sup></b>                      | <b>\$17.08</b>     |                | <b>\$20.09</b>                               |                | <b>\$16.78</b>                 |                | <b>\$13.76</b>                  |                |
| <b>CGT consequences (capital)</b>                          |                    |                |                                              |                |                                |                |                                 |                |
| Capital component                                          | \$4.00             | \$4.00         | \$4.00                                       | \$4.00         | \$4.00                         | \$4.00         | \$4.00                          | \$4.00         |
| Add: excess Tax Value over Buy-Back Price <sup>5</sup>     | \$2.94             | \$2.94         | \$2.94                                       | \$2.94         | \$2.94                         | \$2.94         | \$2.94                          | \$2.94         |
| Less: illustrative cost base                               | (\$10.00)          | (\$15.00)      | (\$10.00)                                    | (\$15.00)      | (\$10.00)                      | (\$15.00)      | (\$10.00)                       | (\$15.00)      |
| Nominal capital gain/(loss) on disposal                    | (\$3.06)           | (\$8.06)       | (\$3.06)                                     | (\$8.06)       | (\$3.06)                       | (\$8.06)       | (\$3.06)                        | (\$8.06)       |
| Discount capital gain/(loss) <sup>6</sup>                  | (\$2.04)           | (\$6.37)       | (\$1.53)                                     | (\$4.03)       | (\$1.53)                       | (\$4.03)       | (\$1.53)                        | (\$4.03)       |
| Tax impact of capital gain/loss <sup>6</sup>               | \$0.31             | \$0.81         | \$0.00                                       | \$0.00         | \$0.25                         | \$0.66         | \$0.48                          | \$1.27         |
| <b>After tax proceeds<sup>5,6</sup></b>                    | <b>\$4.31</b>      | <b>\$4.81</b>  | <b>\$4.00</b>                                | <b>\$4.00</b>  | <b>\$4.25</b>                  | <b>\$4.66</b>  | <b>\$4.48</b>                   | <b>\$5.27</b>  |
| <b>Total after tax proceeds<sup>5,6</sup></b>              | <b>\$21.39</b>     | <b>\$21.89</b> | <b>\$24.09</b>                               | <b>\$24.09</b> | <b>\$21.03</b>                 | <b>\$21.44</b> | <b>\$18.24</b>                  | <b>\$19.03</b> |

Notes:

- 1 The marginal tax rate used includes the Medicare levy of 1.5 per cent. The liability of an individual to pay the Medicare levy depends on the individual's own circumstances.
- 2 This assumed fully franked deemed dividend (\$14.06) is calculated as the assumed Buy-Back Price of \$18.06 less the fixed capital component of \$4.00.
- 3 This assumes the shareholder is fully entitled to the franking credits.
- 4 This assumes, for illustrative purposes only, that the market value for tax purposes (the "Tax Value") of the Shares is \$21.00. The actual Tax Value is expected to be \$19.83, adjusted for the movement in the S&P/ASX 200 Banks Index from 5,891.32 (the level at the commencement of trading on 2 November 2005) to the closing level on the Closing Date.
- 5 This assumes that the discount capital gain method is used, which adjusts the total capital gain by a discount factor (50 per cent for individuals; 33.33 per cent for complying superannuation funds). Although capital losses, as such, are not subject to discount, it is assumed that capital losses are offset against other, discounted capital gains. If capital losses are offset against undiscounted capital gains (e.g. on assets held for less than 12 months), the tax impact of the capital loss will be greater (more favourable) than shown in the table.
- 6 This assumes shareholders will be able to fully utilise capital losses to offset capital gains. The capital loss, which arises under the Buy-Back, may be different to any capital gain/loss which may have arisen under an equivalent sale of Shares on-market. This is because in this example the capital proceeds under the Buy-Back are the aggregate of \$4.00 (the cash capital component) plus \$2.94 (the excess of the assumed Tax Value over the assumed Buy-Back Price). The \$2.94 is used for illustrative purposes only.

|                                 |  |                             |           | James example                            | Your workings                                   |                                        |
|---------------------------------|--|-----------------------------|-----------|------------------------------------------|-------------------------------------------------|----------------------------------------|
| Income =<br>\$63,001 ~ \$95,000 |  | Income =<br>\$95,000+       |           | Income =<br>\$50,000                     | Income =<br>\$.....                             |                                        |
| 43.50%<br>marginal tax rate     |  | 48.50%<br>marginal tax rate |           | 31.50%<br>marginal tax rate              | .....%<br>marginal tax rate                     |                                        |
| \$18.06                         |  | \$18.06                     |           | Buy-Back Price = \$18.06 <b>A</b>        | Buy-Back Price = \$ .....                       |                                        |
| (\$4.00)                        |  | (\$4.00)                    |           | Capital component = (\$4.00) <b>B</b>    | Capital component = (\$4.00)                    |                                        |
| \$14.06                         |  | \$14.06                     |           | $\$18.06 - \$4.00 = \$14.06$ <b>B</b>    | $\$..... - \$4.00 = \$.....$                    |                                        |
| \$6.03                          |  | \$6.03                      |           | $\$14.06 * (0.3/0.7) = \$6.03$ <b>C</b>  | $\$..... * (0.3/0.7) = \$.....$                 |                                        |
| \$20.09                         |  | \$20.09                     |           | $\$14.06 + \$6.03 = \$20.09$ <b>C</b>    | $\$..... + \$..... = \$.....$                   |                                        |
| (\$8.74)                        |  | (\$9.74)                    |           | $-\$20.09 * 31.50\% = (\$6.33)$ <b>D</b> | $-(\$..... * ..... \%) = (\$.....)$             |                                        |
| \$6.03                          |  | \$6.03                      |           | $\$14.06 * (0.3/0.7) = \$6.03$ <b>C</b>  | $\$..... * (0.3/0.7) = \$.....$                 |                                        |
| (\$2.71)                        |  | (\$3.71)                    |           | $\$6.03 - \$6.33 = (\$0.30)$ <b>E</b>    | $\$..... - \$..... = \$.....$                   |                                        |
| \$11.35                         |  | \$10.35                     |           | $\$14.06 - \$0.30 = \$13.76$             | $\$..... - \$..... = \$.....$                   |                                        |
|                                 |  |                             |           |                                          |                                                 |                                        |
| \$4.00                          |  | \$4.00                      | \$4.00    | \$4.00                                   | Capital component = \$4.00                      | Capital component = \$4.00             |
| \$2.94                          |  | \$2.94                      | \$2.94    | \$2.94                                   | $\$21.00 - \$18.06 = \$2.94$ <b>F</b>           | $\$..... - \$..... = \$.....$          |
| (\$10.00)                       |  | (\$15.00)                   | (\$10.00) | (\$15.00)                                | Cost base = (\$15.00)                           | Your cost base = \$.....               |
| (\$3.06)                        |  | (\$8.06)                    | (\$3.06)  | (\$8.06)                                 | $\$4.00 + \$2.94 - \$15.00 = (\$8.06)$ <b>G</b> | $\$4.00 + \$..... - \$..... = \$.....$ |
| (\$1.53)                        |  | (\$4.03)                    | (\$1.53)  | (\$4.03)                                 | $(\$8.06) * 50\% = (\$4.03)$ <b>H</b>           | $\$..... * ..... \% = \$.....$         |
| \$0.67                          |  | \$1.75                      | \$0.74    | \$1.96                                   | $\$4.03 * 31.50\% = \$1.27$                     | $\$..... * ..... \% = \$.....$         |
| \$4.67                          |  | \$5.75                      | \$4.74    | \$5.95                                   | $\$4.00 + \$1.27 = \$5.27$                      | $\$4.00 + \$..... = \$.....$           |
| \$16.02                         |  | \$17.10                     | \$15.09   | \$16.30                                  | $\$13.76 + \$5.27 = \$19.03$ <b>I</b>           | $\$..... + \$..... = \$.....$          |

### “James example”

James earns \$50,000 per annum, and he is in a tax bracket that gives him a marginal tax rate of 31.5 per cent. James purchased 5,000 Westpac ordinary shares at \$15.00 per share and we have assumed his cost base for CGT purposes is \$15.00. James is able to tender at any of the seven specified Tender Discounts in the range of 8 per cent to 14 per cent to the Market Price or as a Final Price Tender, and wants to calculate the income tax and CGT consequences for a given Buy-Back Price within the range, on a per Share basis.

### Income tax consequences (See “James example” above)

A If James decides to tender at a 14 per cent Tender Discount to the assumed Market Price of \$21.00 the equivalent Buy-Back Price would be \$18.06 per Share.

B The Buy-Back Price is made up of two components, a capital component of \$4.00 and a fully franked deemed dividend component. The assumed fully franked deemed dividend component would be \$14.06 per Share, representing the difference between the illustrative Buy-Back Price of \$18.06 and the capital component of \$4.00.

C The deemed dividend component of the Buy-Back Price will be fully franked; therefore it needs to be “grossed up” for the franking credits that are attached to it. The “gross up” occurs because tax credits can be passed to shareholders for income tax already paid by Westpac. The company tax rate in Australia is 30 per cent, so the “gross up” is calculated by dividing the fully franked deemed dividend component by 0.7 and then multiplying it by 0.3. This gives James a “grossed up” deemed dividend amount of \$20.09.

D James calculates his income tax liability by multiplying the "grossed up" deemed dividend amount of \$20.09 by his marginal tax rate of 31.5 per cent.

E Overall, James must pay 30 cents of income tax for every Share he sells in the Buy-Back. This is the difference between the tax already paid by Westpac (\$6.03) and the tax payable at his marginal rate (\$6.33). James' net deemed dividend proceeds after income tax are \$13.76 (i.e. \$14.06 less \$0.30). Note: numbers may differ due to rounding.

***CGT consequences (See "James example" above)***

F For tax purposes, the price at which James will be deemed to have sold his Shares into the Buy-Back will be equal to the \$4.00 capital component plus any amount by which the Tax Value exceeds the Buy-Back Price. Based on an assumed Tax Value of \$21.00 and the assumed Buy-Back Price of \$18.06, the excess amount is \$2.94.

G James will be deemed to have sold his Shares into the Buy-Back for \$6.94 per Share (i.e. the \$4.00 capital component plus the \$2.94 excess of the assumed Tax Value over the assumed Buy-Back Price). James' cost base is \$15.00 per Share. Thus, the maximum capital loss that James will be able to offset against capital gains, assuming his Shares are sold into the Buy-Back, is \$8.06 per Share (i.e. \$15.00 less \$6.94).

H Assuming James has held the other (gain) assets for more than 12 months, the discount capital gain method is used, which has the effect of adjusting the total capital loss by a discount factor of 50 per cent for individuals.

I James would receive after tax proceeds of \$19.03 if he tenders his Shares at \$18.06 per Share (i.e. 14 per cent Tender Discount to the assumed Market Price of \$21.00), based on the assumptions above and the notes to the table.

# 3

## Tax Implications of the Buy-Back for New Zealand Shareholders

The following discussion is provided by Chapman Tripp, New Zealand tax advisers to Westpac, and is intended only as a general summary of the New Zealand income tax implications for New Zealand tax resident shareholders (New Zealand shareholders) participating in the Buy-Back<sup>1</sup>.

This discussion is based on the law as at 9 November 2005. It is neither exhaustive nor definitive. Tax laws can be changed, potentially with retrospective effect.

As tax consequences vary depending on personal circumstance, New Zealand shareholders should obtain their own taxation advice before deciding whether or not to participate.

### 3.1 Introduction

In summary, the Buy-Back Price received by a New Zealand shareholder will not generally be subject to New Zealand tax unless:

- (a) they hold their Shares on revenue account; or
- (b) the Buy-Back Price is treated as a dividend for that particular shareholder. This should only be the case if the New Zealand shareholder (and certain associated persons) sells less than 15 per cent of their Shares in the Buy-Back.

No New Zealand imputation credits will be attached to the Buy-Back Price, and Australian franking credits attached to the Buy-Back Price are not creditable against New Zealand tax obligations.

Under the Buy-Back structure, Shares will only be bought back at a discount to the Market Price. Westpac therefore anticipates that, whether or not a New Zealand shareholder is subject to New Zealand tax on the Buy-Back Price, they will not choose to participate in the Buy-Back, as they would be likely to obtain a better outcome by selling their Shares on market.

### 3.2 Whether the Buy-Back Price is taxable as a dividend or sale proceeds

The Buy-Back will be a non-pro rata off-market cancellation of the Shares for New Zealand tax purposes. The Buy-Back Price received by a New Zealand

shareholder will therefore be subject to New Zealand income tax as a dividend unless all of the following conditions are satisfied.

- (a) The amount paid in the Buy-Back is less than Westpac's "available subscribed capital calculated using the ordering rule". Westpac believes that this condition is satisfied.
- (b) The New Zealand shareholder suffers a 15 per cent interest reduction. This means the New Zealand shareholder's percentage shareholding in Westpac after the cancellation of Shares under the Buy-Back must be 85 per cent or less of the New Zealand shareholder's percentage shareholding before the cancellation. For this purpose, the person is treated as holding not only their own Shares, but also the Shares of certain "counted associates".
- (c) The Buy-Back Price is not "in lieu of the payment of a dividend". The Commissioner of Inland Revenue has given Westpac a non-binding opinion that, based on the facts provided to him by Westpac, the amount is not in lieu of the payment of a dividend, and this condition should therefore be satisfied.

To assist New Zealand shareholders, the definition of a counted associate is discussed in Section 3.3 immediately below.

### 3.3 Who is a counted associate?

The test for who is a counted associate can be very complex. In broad terms, the test applies as follows.

In the case of Shares held by a natural person (other than as a trustee), a counted associate is:

- (a) their spouse;
- (b) their minor children;
- (c) the trustee of any trust of which the spouse or a minor child is a beneficiary;
- (d) any company in which the person holds (directly or indirectly) a 25 per cent or greater interest;
- (e) a partnership in which the person is a partner;

<sup>1</sup> Chapman Tripp partnership in their capacity as legal and tax advisers to Westpac have provided this summary to Westpac about matters of relevant New Zealand tax law and the legal interpretation of that tax law based on the information provided by Westpac. Chapman Tripp is not providing financial product advice within the meaning of the Corporations Act. To the extent that this summary contains any information about a financial product within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about whether to participate in the Buy-Back. A shareholder should, before making any decision to participate in the Buy-Back, consider taking financial advice from a person who holds an Australian Financial Services Licence under the Corporations Act.

- (f) a partnership in which a person who is associated with the person is a partner.

In the case of Shares held by a company (other than as a trustee), a counted associate is:

- (a) another company with 50 per cent or greater commonality of ownership or with commonality of control;
- (b) any person who holds (directly or indirectly) a 25 per cent or greater interest in the company;
- (c) a partnership in which the company is a partner;
- (d) a partnership in which a person who is associated with the company is a partner.

In the case of Shares held by a person as a trustee, a counted associate is:

- (a) a company in which the trustee holds (directly or indirectly) a 25 per cent or greater interest;
- (b) a partnership in which the trustee is a partner;
- (c) a partnership in which a person who is associated with the trustee is a partner.

### **3.4 New Zealand taxation consequences if the Buy-Back Price is a dividend**

For a New Zealand shareholder who is taxed on the Buy-Back Price as a dividend, the Buy-Back Price will be income equal to the Australian dollar Buy-Back Price converted into New Zealand dollars on the day the amount is received.

No New Zealand imputation credits will be attached to the dividend. The Australian franking credits attached to the Buy-Back Price will not give rise to any credit against New Zealand tax. The New Zealand shareholder should be able to claim a credit for Australian withholding tax or capital gains tax (if any) imposed in respect of the Buy-Back Price.

No deduction will be allowed for the cost of the Shares bought back if the New Zealand shareholder holds the Shares on capital account. Shares will generally be held on capital account unless the person acquired the Shares:

- (a) with a dominant purpose of selling or otherwise disposing of them;
- (b) as part of a share dealing business;

- (c) as part of a profit making undertaking or scheme; or

- (d) as part of a business an ordinary incident of which includes the sale of shares.

A New Zealand shareholder who holds their Shares on revenue account (i.e. a shareholder who does not hold their Shares on capital account) will be entitled to a deduction for the cost of the Shares that are bought back.

### **3.5 New Zealand taxation consequences if the Buy-Back Price is not a dividend**

For a New Zealand shareholder who is not taxed on the Buy-Back Price as a dividend, the Buy-Back Price will not be subject to New Zealand tax if the New Zealand shareholder holds the Shares on capital account.

A New Zealand shareholder who holds their Shares on revenue account will be taxed on the New Zealand dollar equivalent of the Australian dollar Buy-Back Price, calculated using the exchange rate applying on the date of payment. The shareholder will have a deduction for the cost of acquiring the Shares.

### **3.6 Resident withholding tax**

As the Buy-Back Price will only be paid in Australian dollars, no resident withholding tax will be withheld.

# 4

## Effect of the Buy-Back on Westpac

#### 4.1 Pro forma impact of the Buy-Back on Westpac

The table below sets out Westpac's Consolidated Statement of Financial Position and a Pro Forma Consolidated Statement of Financial Position as at 30 September 2005, assuming \$700 million of capital is bought back<sup>1</sup>.

| As at 30 September 2005                             | Actual<br>(A\$m) | Pro Forma<br>(A\$m) |
|-----------------------------------------------------|------------------|---------------------|
| <b>Assets</b>                                       |                  |                     |
| Cash and balances with central banks                | 1,844            | 1,844               |
| Due from other financial institutions               | 10,896           | 10,896              |
| Trading securities                                  | 9,399            | 9,399               |
| Investment securities                               | 2,428            | 2,428               |
| Loans                                               | 195,589          | 195,589             |
| Acceptances of customers                            | 4,864            | 4,864               |
| Life insurance assets                               | 13,740           | 13,740              |
| Regulatory deposits with central banks overseas     | 347              | 347                 |
| Goodwill                                            | 2,290            | 2,290               |
| Fixed assets                                        | 839              | 839                 |
| Deferred tax assets                                 | 945              | 945                 |
| Other assets                                        | 16,572           | 16,572              |
| <b>Total assets</b>                                 | <b>259,753</b>   | <b>259,753</b>      |
| <b>Liabilities</b>                                  |                  |                     |
| Due to other financial institutions                 | 10,654           | 10,654              |
| Deposits                                            | 149,454          | 149,454             |
| Debt issues <sup>2</sup>                            | 41,771           | 42,474              |
| Acceptances                                         | 4,864            | 4,864               |
| Current tax liabilities                             | 317              | 317                 |
| Deferred tax liabilities                            | 267              | 267                 |
| Life insurance policy liabilities                   | 11,722           | 11,722              |
| Provisions                                          | 415              | 415                 |
| Other liabilities                                   | 18,863           | 18,863              |
| <b>Total liabilities excluding loan capital</b>     | <b>238,327</b>   | <b>239,030</b>      |
| <b>Loan capital</b>                                 |                  |                     |
| Subordinated bonds, notes and debentures            | 3,702            | 3,702               |
| Subordinated perpetual notes                        | 512              | 512                 |
| <b>Total loan capital</b>                           | <b>4,214</b>     | <b>4,214</b>        |
| <b>Total liabilities</b>                            | <b>242,541</b>   | <b>243,244</b>      |
| <b>Net assets</b>                                   | <b>17,212</b>    | <b>16,509</b>       |
| <b>Equity</b>                                       |                  |                     |
| Ordinary shares <sup>3</sup>                        | 5,296            | 5,138               |
| Reserves                                            | (181)            | (181)               |
| Retained profits <sup>1</sup>                       | 8,777            | 8,202               |
| Fixed Interest Resetable Trust Securities (FRITS)   | 655              | 655                 |
| Trust Preferred Securities 2003 (TPS 2003)          | 1,132            | 1,132               |
| Trust Preferred Securities 2004 (TPS 2004)          | 685              | 685                 |
| <b>Equity attributable to equity holders of WBC</b> | <b>16,364</b>    | <b>15,661</b>       |
| Outside equity interests:                           |                  |                     |
| Managed investment schemes                          | 826              | 826                 |
| Other                                               | 22               | 22                  |
| <b>Total equity</b>                                 | <b>17,212</b>    | <b>16,509</b>       |

Notes:

<sup>1</sup> This assumes for illustrative purposes only, a Buy-Back Price of \$18.06, a Buy-Back Discount of 14 per cent and a Market Price of \$21.00.

<sup>2</sup> The Buy-Back will be funded from general funding and existing debt programs and facilities.

<sup>3</sup> Assuming a Buy-Back Price of \$18.06, \$4.00 of the Buy-Back Price will be debited to ordinary shares and the assumed balance of \$14.06 per Share will be debited to retained profits. Estimated costs of the Buy-Back have also been debited to ordinary shares.

#### 4.2 Impact of the Buy-Back on key financial indicators and capital ratios

While the precise impact of the Buy-Back cannot be determined until the Buy-Back Price and the size of the Buy-Back are known, the Buy-Back is expected to result in a more efficient capital structure and improve Westpac's cash earnings per share and return on equity in the 2006 financial year and later years.

As at 30 September 2005, the Adjusted Common Equity (ACE) ratio was 5.4%, and the Tier 1 ratio was 7.2%, which are both above Westpac's target ranges of:

- ACE ratio in the range of 4.5% – 5.0%; and
- Tier 1 capital ratio in the range of 6.0% – 6.75%.

On a pro-forma basis, as at 30 September 2005, assuming a \$700 million Buy-Back<sup>1</sup>, the ACE ratio would be 5.0% and the Tier 1 ratio would be 6.8%.

#### 4.3 Impact on Westpac's franking account

The amount of franking credits that will be utilised under the Buy-Back will not be known until the Buy-Back Price and the total size of the Buy-Back are determined. By way of illustration, if it is assumed that \$700 million of capital is purchased under the Buy-Back, approximately \$260<sup>1</sup> million of franking credits would be utilised. In any event, Westpac's ability to continue to fully frank its dividends remains strong.

#### 4.4 What effect will the Buy-Back have on Westpac's issued shares?

On 4 November 2005, Westpac had on issue 1,871 million ordinary shares. Assuming a total of \$700 million of capital is bought back, the following table sets out the number of shares and the percentage of total issued shares, which would be bought back at different Buy-Back Prices. All Shares that Westpac buys back will be cancelled.

| Tender Discount (%) | Buy-Back Price <sup>1</sup> (\$) | Number of Shares bought back under the Buy-Back (million) | Percentage of total issued shares (%) |
|---------------------|----------------------------------|-----------------------------------------------------------|---------------------------------------|
| 14                  | 18.06                            | 38.76                                                     | 2.1                                   |
| 13                  | 18.27                            | 38.31                                                     | 2.0                                   |
| 12                  | 18.48                            | 37.88                                                     | 2.0                                   |
| 11                  | 18.69                            | 37.45                                                     | 2.0                                   |
| 10                  | 18.90                            | 37.04                                                     | 2.0                                   |
| 9                   | 19.11                            | 36.63                                                     | 2.0                                   |
| 8                   | 19.32                            | 36.23                                                     | 1.9                                   |

Notes:

1 This assumes for illustrative purposes only, a Market Price of \$21.00.

The Buy-Back is not expected to have any change of control implications for Westpac.

#### 4.5 Full year results and other information

Electronic copies of Westpac's 2005 full year profit announcement can be found on its website at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre). Announcements made by Westpac after the date of this booklet may be of interest to shareholders. Any such announcements can also be found at [www.westpac.com.au/investorcentre](http://www.westpac.com.au/investorcentre).

#### 2005 Earnings

In 2005 Westpac delivered a record net profit attributable to equity holders of \$2,818 million, up 11% on the twelve months to 30 September 2004. Cash earnings attributable to ordinary shareholders increased 12% to \$2,874 million in 2005 and cash earnings per share also increased 12% in 2005. Further information is contained in the 2005 full year profit announcement.

#### Shareholder Returns

Returns to shareholders over the 2005 financial year have been strong with economic profit rising 17% and the cash earnings return on equity maintained at 21%, which is at the upper end of the major bank sector. Economic profit growth exceeded growth in cash earnings principally due to the 16% increase in dividends over the year with a consequent rise in franking credits distributed.

Note:

1 This assumes for illustrative purposes only, a Buy-Back Price of \$18.06, a Buy-Back Discount of 14 per cent and a Market Price of \$21.00.

Over the past five years Westpac's economic profit has increased at a compound annual growth rate of 14% while cash earnings return on equity has averaged 21% for the same period.

The Board has determined to pay a fully franked final dividend of 51 cents per ordinary share, an increase of 7 cents (16%) over the final fully franked dividend in 2004. The total dividend to be paid for 2005 is 100 cents fully franked, an increase of 16% on 2004. The increase in dividends results in the 2005 dividend payout ratio improving by 2 percentage points on 2004 to 64%.

A highlight of the result has been the significant capital surplus generated over the year. This has enabled Westpac to fund the 16% increase in dividends and has led to a further increase in Westpac's key capital ratios, which remain comfortably above Westpac's target ranges. Based on the mid point of Westpac's target Adjusted Common Equity range Westpac had over \$1.1 billion of surplus capital at 30 September 2005.

Given this level of surplus, and greater clarity around Westpac's capital needs associated with the introduction of International Financial Reporting Standards (and allowing for capital to support additional earnings volatility), the Board has decided to return part of this surplus to shareholders by way of this Buy-Back.

#### **4.6 Outlook**

Australian economic growth eased in 2005 with GDP growth falling from over 3% in 2004 to around 2.5% in 2005. While growth was slower, sustainability has been enhanced by the recovery in export growth, the income boost from the surge in the terms of trade and continuing strong business investment.

Looking ahead, in 2006 Westpac expects growth in the Australian economy to remain solid as exports continue to grow, the benefits from the rising terms of trade become more widely dispersed and the downturn in housing activity stabilises.

In New Zealand, Westpac expects economic growth will continue to slow as the housing market and the export sector lose momentum.

Overall, the financial services environment is likely to remain positive although Westpac is expecting a moderation of credit growth from an average of 13% in

2005 to an average of 12% in 2006. Westpac believes that equity markets are unlikely to repeat the strength exhibited in 2005.

Westpac also expects asset quality to remain positive given the strength of the economy and the quality of corporate balance sheets. However, the rise in oil prices may stress some isolated sectors. Consumers have increased their gearing over recent years although, given that a deterioration in unemployment or a significant increase in interest rates is unlikely, this sector is not expected to come under additional pressure in the near term.

Westpac believes that a more significant influence on the outlook is the changing competitive landscape. With a range of new competitors now entrenched and a significant investment in front-line capability, Westpac believes that there will be a further increase in competition for new business over the coming year. An increasing propensity to use price to gain business is also likely to place continued pressure on margins.

Efforts over the last six years to enhance the sustainability of the organisation have created a strong platform for growth. The foundation of that platform is Westpac's highly committed workforce, high and improving customer satisfaction and Westpac's strong position globally in the banking sector for sustainability.

At the financial level, all businesses delivered sound financial performances in 2005 and this combined with the growth options embedded in all businesses provides sound momentum into the new financial year.

In addition, the strengthening of Westpac's distribution network in 2005, increasing both the capability of branches and the reach of Westpac's network provides a further source of growth.

In framing Westpac's outlook for the year ahead, Westpac continues to believe that providing specific earnings guidance is not appropriate.

Westpac believes its outlook remains positive. Westpac believes that it can continue to deliver strong returns for shareholders, based on the continuing strength of its operating environment and its strong relationships with its employees, customers and the broader community.

# 5

## Additional Information

This Section sets out further details of the Buy-Back including important information for joint shareholders, trustees and nominees.

### **5.1 Size of the Buy-Back**

ASIC has granted Westpac an exemption under subsection 257D(4) of the Corporations Act to permit Westpac to conduct the Buy-Back in substantially the same manner as an equal access scheme. Further details of the exemption granted by ASIC are set out in Section 5.15.

Under the Corporations Act, Westpac may, without shareholder approval, buy back any number of Shares under an equal access buy-back, provided that the number of voting shares bought back in the Buy-Back and in any other buy-back conducted in the last 12 months preceding the Buy-Back, does not exceed 10 per cent of the smallest number of votes attaching to Westpac's voting shares at any time during the last 12 months preceding the Buy-Back.

Westpac intends to buy back approximately \$700 million of capital. However, Westpac may vary the size of the Buy-Back in light of demand and may substantially increase the size of the Buy-Back if there is excess demand at an attractive price.

In any event, the maximum amount of the Buy-Back, and any increase arising from strong demand, will result in Westpac being significantly below this 10 per cent limit established by the Corporations Act. Furthermore, Westpac retains the discretion to buy back any lesser number of Shares than is indicated in this booklet, or no Shares at all.

### **5.2 Excluded Foreign Persons, ADRs and Restricted Employee Shares**

This Buy-Back Invitation is not being made to any Excluded Foreign Persons. In addition, ADRs and Restricted Employee Shares are not eligible to be tendered into the Buy-Back.

Without limiting the rights that Westpac otherwise has in relation to Tenders, a Tender submitted by an Excluded Foreign Person will not be accepted by Westpac. Specifically, any person who is (or who is acting for the account or benefit of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan is not entitled to participate, directly or indirectly, in the Buy-Back.

Any person receiving any of the Buy-Back Documents must not, directly or indirectly, distribute or send them into the United States, Canada or Japan, or make them available to any US Person or resident of Canada or Japan (including to any legal or beneficial owner of Westpac ordinary shares that is a US Person or a resident of Canada or Japan) or any person who is in the United States, Canada or Japan.

Westpac will not accept Tender Forms:

- (a) from any person who does not represent that they are not (and they are not acting on behalf or for the account or benefit of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan; or
- (b) that have been postmarked in the United States, Canada or Japan or that otherwise appear to Westpac or its agents to have been sent from the United States, Canada or Japan.

By submitting a Tender Form, you warrant that you are not an Excluded Foreign Person.

### **5.3 Shares held by trustees and nominees**

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares about the Buy-Back, subject to any legal restrictions in the countries where such beneficial owners are resident and provided such persons are not Excluded Foreign Persons or holders of ADRs, and then aggregate all instructions received from beneficial owners. It is the responsibility of the trustee or nominee to complete an aggregated Tender Form on behalf of all beneficial owners.

The trustee or nominee must ensure that an aggregated Tender Form is received by the Registry by 9.00pm (Sydney time) on the Closing Date (Friday, 16 December 2005). For CHESS Holdings, the trustee or nominee will need to aggregate all Tenders received from beneficial owners and provide instructions to its controlling participant in time for the aggregate Tender to be processed by 9.00pm (Sydney time) on the Closing Date (Friday, 16 December 2005).

Any scale back that applies to Shares tendered by trustees or nominees will be performed on a registered shareholder basis.

#### **5.4 Margin lending arrangements and other encumbrances**

If you hold Shares under margin lending arrangements or if they are held as security for a loan or as Australian Clearing House Pty Limited collateral, you should ensure that your participation in the Buy-Back is permitted by those margin lending arrangements, the terms and conditions of the particular loan or by the Australian Clearing House Pty Limited.

By submitting a Tender, you warrant to Westpac that, at all times after you tender your Shares for sale in the Buy-Back, and on the Buy-Back Date, the Shares are free from any mortgage, charge, lien or other encumbrances (whether legal or equitable) and from any third party rights.

#### **5.5 Shareholders with more than one holding of Shares**

You will receive a personalised Tender Form for each separate registered holding of Shares. For example, if you hold some Shares in your name and some Shares jointly with your spouse, you will receive two Tender Forms. You may tender Shares into the Buy-Back from any or all of your separate registered holdings provided that you complete a Tender Form for each holding you wish to tender. Any scale back that applies to Shares tendered from more than one of your registered holdings of Shares will be applied to each of those registered holdings as if they were held by different persons.

#### **5.6 Joint shareholders**

If you hold your Shares jointly with another person (for example, your spouse) and you have an Issuer Sponsored Holding or you are a New Zealand branch registered shareholder, you must complete and return the Tender Form in accordance with instructions for joint holdings on the Tender Form.

#### **5.7 Restrictions on Tender acceptances**

Westpac will not accept any Tender which it may not lawfully accept or which, if accepted, would give rise to an illegal or unenforceable Buy-Back Contract or a Buy-Back Contract which Westpac cannot otherwise lawfully perform.

#### **5.8 Restrictions on the payment of Buy-Back proceeds**

Westpac will pay shareholders the Buy-Back Price for each Share that Westpac buys back, unless it is prohibited from doing so. Westpac is currently prohibited from making payments to certain political regimes, terrorist organisations and their sponsors under the *Banking (Foreign Exchange) Regulations 1959* (Cwlth), Part 4 of the *Charter of the United Nations Act 1945* (Cwlth), the *Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002* (Cwlth), the *Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001* (Cwlth) and the *Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003* (Cwlth).

#### **5.9 Rights under this Buy-Back Invitation cannot be transferred**

This Buy-Back Invitation is personal to you. You cannot transfer your rights under this Buy-Back Invitation.

#### **5.10 The effect of submitting a Tender**

A Tender constitutes an offer to sell the tendered Shares to Westpac on the terms and conditions set out in the Buy-Back Documents. A Tender does not, of itself, constitute a binding contract for the sale of the tendered Shares and cannot be enforced against Westpac. Westpac retains the discretion to accept or reject any Tender, and may choose to reject all Tenders.

If Westpac accepts your Tender, a binding Buy-Back Contract is formed between you and Westpac, and you must sell the tendered Shares back to Westpac on the terms and conditions set out in the Buy-Back Documents, including the terms and conditions set out below.

By submitting a Tender Form, you:

- offer to sell to Westpac on the Buy-Back Date the number of Shares nominated for sale on your Tender Form (adjusted in accordance with the terms and conditions set out in the Buy-Back Documents) at your Tender Discount(s) and/or as a Final Price Tender (subject to any Minimum Price you may have chosen);

- agree that Westpac's announcement to the ASX on the Buy-Back Date of the Buy-Back Price is:
  - effective notice or communication of Westpac's acceptance of those of your Tenders which are submitted at a Tender Discount equal to or greater than the Buy-Back Discount or as a Final Price Tender (adjusted in accordance with the terms and conditions set out in the Buy-Back Documents), which are submitted in accordance with the Buy-Back Documents (or treated by Westpac as being so submitted), which are at a price not less than your Minimum Price condition (if you have chosen one) and which are not rejected by Westpac; and
  - effective notice of Westpac's rejection of any of your Tenders submitted at a Tender Discount less than the Buy-Back Discount or where your Minimum Price condition (if you have chosen one) has not been satisfied;
- agree that it is only upon such communication by announcement to the ASX that a contract is formed for the purchase of relevant Shares;
- waive any requirement to receive further notice or communication from Westpac of its acceptance or rejection of any Tender submitted by you;
- warrant to Westpac that at any time you tender your Shares for sale in the Buy-Back, and on the Buy-Back Date, you are the registered holder of the Shares that you have tendered and that they are free from any mortgage, charge, lien or other encumbrance (whether legal or equitable) and from any third party rights;
- warrant that you are a person to whom the Buy-Back Invitation may lawfully be made, that you are a person whose participation in the Buy-Back is permitted under the laws of the jurisdiction in which you are resident and that you are not an Excluded Foreign Person;
- warrant that you are not (nor are you acting for the account or benefit of) a US Person, a resident of Canada or Japan, or a person located in the United States, Canada or Japan;
- warrant that you have not distributed or sent any Buy-Back Documents or other document referring to the Buy-Back into the United States, Canada or Japan or to any other US Person, resident of Canada or Japan;
- authorise Westpac (and its officers, agents or contractors) to correct any error in or omission from your Tender Form, and to insert any missing details;
- undertake not to sell or offer to sell Shares to any other person if, as a result, you will at any time after you submit your Tender until the Buy-Back Date hold fewer Shares than the number of Shares you have tendered; and
- undertake that if you breach any of these covenants, undertakings, agreements or warranties you will indemnify Westpac for all its costs arising from the breach.

You will be taken to have submitted a Tender when the Registry receives your signed and validly completed Tender Form or, if you have a CHESS Holding, your Tender from your controlling participant through CHESS.

#### **5.11 Westpac's rights to accept or reject Tenders and Tender Forms**

At any time, Westpac may (at its sole discretion):

- accept or reject any Tender or Tender Form; and/or
- accept or reject a Tender not made on the terms and conditions set out in the Buy-Back Documents, or a Tender Form not submitted in accordance with the procedures set out in the Buy-Back Documents.

Westpac may do each of these things in relation to all or some of the Tenders or the Tender Forms it receives, in its sole discretion.

Westpac will not accept any Tender or Tender Form that has been postmarked in the United States, Canada or Japan or that otherwise appears to Westpac or its agents to have been sent from the United States, Canada or Japan.

### **5.12 Westpac's right to vary dates and times or terminate the Buy-Back**

While Westpac does not anticipate changing any of the dates and times set out in the Buy-Back Documents (including, without limitation, the Closing Date and the Buy-Back Date), it reserves the right to do so by announcement to the ASX and without any other notice. Such an announcement will be taken to amend this booklet (and the other Buy-Back Documents) accordingly.

Without limitation, Westpac reserves the right to terminate the Buy-Back, at any time prior to the date on which Westpac enters into Buy-Back Contracts, by making an announcement to the ASX to that effect.

### **5.13 Westpac's right to adjust Tenders**

If you are entitled to participate in the Buy-Back, you are entitled to tender the lesser of:

- the number of Shares registered in your name on the Buy-Back Record Date (being Monday, 14 November 2005) which, in accordance with the Settlement Rules, confer an entitlement to participate in the Buy-Back; and
- the number of Shares you hold on the Closing Date, (your "**Entitled Shares**").

If you submit one Tender of more than your Entitled Shares and Westpac accepts your Tender, Westpac will only buy back the number of your Entitled Shares.

If you submit more than one Tender and, in aggregate, you have tendered more than your Entitled Shares, Westpac will only buy back the number of your Entitled Shares by:

- first acquiring that number of your Entitled Shares as forms part of your Tender with the largest Tender Discount which is equal to or greater than the Buy-Back Discount, or submitted as a Final Price Tender (and, if you have chosen one, where your Minimum Price condition is satisfied); and

- then acquiring the remaining number of your Entitled Shares from your Tender with the second highest Tender Discount which is equal to or greater than the Buy-Back Discount, (and, if you have chosen one, where your Minimum Price condition is satisfied) and will repeat this process until all of your Entitled Shares successfully tendered are bought back.

If you select more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price you have specified.

The provisions set out above are subject to any scale back.

### **5.14 Director participation**

Directors are entitled to participate in the Buy-Back, but the Westpac Board has determined that all Directors and Group Executives and selected senior officers involved in implementing the Buy-Back should not participate in the Buy-Back in respect of Shares held by them. Accordingly, none of the Directors, Group Executives or selected senior officers involved in implementing the Buy-Back will participate in the Buy-Back.

### **5.15 Regulatory relief**

#### ***ASIC relief***

ASIC has granted Westpac an exemption under subsection 257D(4) of the Corporations Act. This exemption permits Westpac:

- to conduct the Buy-Back in substantially the same manner as an equal access buy-back, in accordance with Division 2 of Part 2J of the Corporations Act;
- to use the scale back mechanism described in Section 1.19;
- to invite shareholders (other than Excluded Foreign Persons and any shareholder who holds only Restricted Employee Shares), to offer for sale Shares in accordance with the terms and conditions of the Buy-Back Invitation; and
- not to accept any Tender received from an Excluded Foreign Person or in respect of Restricted Employee Shares,

provided certain conditions are met, including that the Buy-Back Price is calculated by applying the Tender Discount selected by Westpac following the end of the Tender Period to the Market Price and that eligible shareholders are permitted to lodge a Tender conditional on a Minimum Price.

ASIC has also granted Westpac an exemption from any requirement to provide a Financial Services Guide in or with this booklet.

#### **ASX**

The ASX has granted Westpac the following:

- a waiver from Listing Rule 7.40 to permit Westpac to dispatch the Buy-Back Documents to shareholders within eight business days after the Buy-Back Record Date and to close the Tender Period at 9.00pm on 16 December 2005; and
- a waiver from Listing Rule 3.8A to permit Westpac to lodge an Appendix 3F up to two business days after the Closing Date.

#### **5.16 Privacy**

Westpac is carrying out the Buy-Back in accordance with the Corporations Act. This involves the collection of personal information contained in Tender Forms to enable Westpac to process your Tender. If you do not provide this information, Westpac may be hindered in, or prevented from, processing your Tender.

The personal information collected by Westpac will only be disclosed to the Registry, in its capacity as share registrar of Westpac, to a print and mail service provider, to Westpac's advisers in relation to the Buy-Back and to financial institutions in respect of payments to you in connection with the Buy-Back or as required or authorised by law.

If you wish to access the personal information collected by Westpac in relation to your shareholding, please write to Westpac, C/- Link Market Services Limited at the mailing address set out on the Tender Form.

# 6

## Definitions and Interpretation

## 6.1 Definitions

In the Buy-Back Documents, unless the context otherwise requires:

|                             |                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACT</b>                  | means Australian Capital Territory.                                                                                                                                                                                                                   |
| <b>ADRs</b>                 | means American Depositary Receipts representing fully paid Westpac ordinary shares.                                                                                                                                                                   |
| <b>ASIC</b>                 | means the Australian Securities and Investments Commission.                                                                                                                                                                                           |
| <b>ASTC</b>                 | means the ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532), the securities clearing house of the ASX.                                                                                                                             |
| <b>ASX</b>                  | means Australian Stock Exchange Limited (ABN 98 008 624 691).                                                                                                                                                                                         |
| <b>ASX Market Rules</b>     | means the rules that form part of the operating rules of the ASX for the purposes of the Corporations Act.                                                                                                                                            |
| <b>ATO</b>                  | means the Australian Taxation Office.                                                                                                                                                                                                                 |
| <b>Board</b>                | means the board of directors of Westpac.                                                                                                                                                                                                              |
| <b>Buy-Back</b>             | means the buy-back of Shares by way of a tender process as set out in the Buy-Back Documents.                                                                                                                                                         |
| <b>Buy-Back Contract</b>    | means the agreement formed on the Buy-Back Date between you and Westpac if Westpac accepts your Tender.                                                                                                                                               |
| <b>Buy-Back Date</b>        | means the date and time Westpac announces to the ASX the Buy-Back Price, the total number of Shares to be bought back and the details of any scale back.                                                                                              |
| <b>Buy-Back Discount</b>    | means the discount to be selected by Westpac, being the largest discount within the range of 8 per cent to 14 per cent inclusive (at 1 per cent intervals) which will enable Westpac to buy back the number of Shares that it determines to buy back. |
| <b>Buy-Back Documents</b>   | means this booklet, the Tender Form and the Withdrawal/Amendment Form.                                                                                                                                                                                |
| <b>Buy-Back Invitation</b>  | means the invitation by Westpac to its eligible shareholders to offer to sell Shares to Westpac as set out in the Buy-Back Documents.                                                                                                                 |
| <b>Buy-Back Price</b>       | means the price per Share at which Westpac will buy back Shares from Tenders it accepts in the Buy-Back, rounded to the nearest cent. This price is determined by applying the Buy-Back Discount selected by Westpac to the Market Price.             |
| <b>Buy-Back Record Date</b> | means Monday, 14 November 2005, being the date of determination of the shareholders entitled to participate in, and the number of Westpac ordinary shares entitled to be tendered into, the Buy-Back.                                                 |
| <b>CGT</b>                  | means capital gains tax.                                                                                                                                                                                                                              |
| <b>CHESS</b>                | means the Clearing House Electronic Subregister System.                                                                                                                                                                                               |
| <b>CHESS Holder</b>         | means a holder of Shares on the CHESS subregister of Westpac.                                                                                                                                                                                         |
| <b>CHESS Holding</b>        | means a holding of Shares on the CHESS subregister of Westpac.                                                                                                                                                                                        |
| <b>Closing Date</b>         | means Friday, 16 December 2005, unless Westpac announces a later date.                                                                                                                                                                                |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Corporations Act</b>           | means the <i>Corporations Act 2001</i> (Cwlth), as modified by the relief described in Section 5.15.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Entitled Shares</b>            | has the meaning given to that term in Section 5.13.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Excluded Foreign Person</b>    | <p>means a person:</p> <p>(a) to whom Westpac would be prohibited from paying money pursuant to:</p> <ul style="list-style-type: none"> <li>(i) the <i>Banking (Foreign Exchange) Regulations 1959</i> (Cwlth);</li> <li>(ii) Part 4 of the <i>Charter of the United Nations Act 1945</i> (Cwlth);</li> <li>(iii) the <i>Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002</i> (Cwlth);</li> <li>(iv) the <i>Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001</i> (Cwlth);</li> <li>(v) the <i>Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003</i> (Cwlth); or</li> <li>(vi) any other act, rule or regulation prohibiting Westpac from making payments to foreign persons;</li> </ul> <p>(b) to whom the Buy-Back Invitation may not be lawfully made under the laws of the jurisdiction in which they are resident; or</p> <p>(c) whose participation in the Buy-Back is not permitted under the laws of the jurisdiction in which they are resident.</p> <p>For the avoidance of doubt, an Excluded Foreign Person includes any person who is (or who is acting for the account or benefit of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan.</p> |
| <b>Final Dividend Record Date</b> | means the date of the determination of shareholders entitled to receive the final dividend.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Final Price Tender</b>         | means a Tender in which the shareholder elects to receive the Buy-Back Price, whatever Westpac determines it to be.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Issuer Sponsored Holder</b>    | means a holder of Shares on the issuer sponsored subregister of Westpac.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Issuer Sponsored Holding</b>   | means a holding of Shares on the issuer sponsored subregister of Westpac.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Market Price</b>               | means the VWAP (as defined) of Westpac ordinary shares on the ASX over the five trading days up to and including the Closing Date, calculated to four decimal places, as determined by Westpac.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Minimum Price</b>              | means one of the specified minimum prices on the Tender Form which a shareholder may elect in order for their Tender to be conditional upon the Buy-Back Price being equal to or greater than that amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Plan</b>                       | means any Westpac employee equity incentive scheme.                                                                                                                                                                                                                                                                                                                                                            |
| <b>Priority Allocation</b>        | only applies in the event of a scale back and if the Buy-Back Discount is 14 per cent and means 200 Shares or such lesser number of Shares as is required to ensure that Westpac is able to buy back only the number of Shares it determines to buy back.                                                                                                                                                      |
| <b>Registry</b>                   | means Link Market Services Limited in Australia (ABN 54 083 214 537) and Link Market Services Limited in New Zealand.                                                                                                                                                                                                                                                                                          |
| <b>Restricted Employee Shares</b> | means fully paid ordinary shares of Westpac held pursuant to a Plan where, as at the Buy-Back Record Date, the holder is not entitled to sell those shares into the Buy-Back or where the shares are subject to forfeiture under the terms of the Plan.                                                                                                                                                        |
| <b>Settlement Rules</b>           | means the settlement rules of the ASTC or of the relevant stock exchange on which your Shares were acquired, as amended from time to time.                                                                                                                                                                                                                                                                     |
| <b>Shares</b>                     | means fully paid ordinary shares in the capital of Westpac on issue as at the Buy-Back Record Date. Shares do not include ADRs or Restricted Employee Shares.                                                                                                                                                                                                                                                  |
| <b>Small Holding</b>              | means a holding of fewer than or equal to 100 Shares.                                                                                                                                                                                                                                                                                                                                                          |
| <b>Small Holding Tender</b>       | has the meaning given to that term in Section 1.19.                                                                                                                                                                                                                                                                                                                                                            |
| <b>Tax Value</b>                  | means the amount which would have been the value of a Share on the Buy-Back Date if the Buy-Back had not occurred and was never proposed to occur, which is expected to be calculated as \$19.83 adjusted for the movement in the level of the S&P/ASX 200 Banks Index from the commencement of trading on the ASX on 2 November 2005 to the close of trading on the ASX on the Closing Date. See Section 2.6. |
| <b>Tender</b>                     | means a shareholder's offer to sell nominated Shares back to Westpac at a specified Tender Discount or as a Final Price Tender on the terms and conditions set out in the Buy-Back Documents (as amended in accordance with the procedures set out in this booklet).                                                                                                                                           |
| <b>Tender Discounts</b>           | means the range of discounts between 8 per cent and 14 per cent inclusive (at 1 per cent intervals) to the Market Price, as specified on the Tender Form.                                                                                                                                                                                                                                                      |
| <b>Tender Form</b>                | means the form on which a shareholder is to make an offer to sell their nominated Shares to Westpac under the Buy-Back (and includes a Tender Form amended in accordance with the procedures set out in the Buy-Back Documents).                                                                                                                                                                               |
| <b>Tender Period</b>              | means the period within which shareholders may lodge, withdraw or amend a Tender in accordance with the Buy-Back Documents.                                                                                                                                                                                                                                                                                    |
| <b>US Person</b>                  | has the meaning given by Regulation S under the United States Securities Act of 1933, as amended.                                                                                                                                                                                                                                                                                                              |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>VWAP</b>                           | for a share over a period means the volume weighted average price of Westpac ordinary shares sold on the ASX excluding any transactions defined in the ASX Market Rules as special crossings, crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase, any overseas trades or trades pursuant to the exercise of options over shares, and any overnight crossings or other trades that Westpac determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand. |
| <b>Westpac</b>                        | means Westpac Banking Corporation (ABN 33 007 457 141).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Westpac Share Register</b>         | means the share register of Westpac maintained by the Registry.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Withdrawal/<br/>Amendment Form</b> | means the form (a copy of which is included at the back of this booklet) entitled "Withdrawal/Amendment Form" that is required to withdraw or amend a Tender.                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>you or shareholder</b>             | means a holder of Shares in Westpac.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## 6.2 Interpretation

In the Buy-Back Documents, unless the context otherwise requires:

- the singular includes the plural, and vice versa;
- words importing one gender include other genders;
- other parts of speech and grammatical forms of a word or phrase defined in this booklet have a corresponding meaning;
- terms used in the Buy-Back Documents and defined in the Corporations Act have the meanings given to them in the Corporations Act;
- a reference to currency is to Australian dollars; and
- a reference to time is to Sydney time.

The postal acceptance rule does not apply to Tenders.

The Buy-Back Invitation, your Tender, and any Buy-Back Contract generally are governed by the laws of New South Wales, Australia.

# 7

## Illustrative Examples of Completed Tender Forms

The following examples of completed Tender Forms are provided for illustrative purposes only. Westpac is not providing any advice as to whether, or at what Tender Discounts, you should tender your Shares. Participation in the Buy-Back is entirely optional. If, after reading this booklet, you decide to participate in the Buy-Back, please refer to the instructions on the back of your personalised Tender Form when completing it.

If you **do not** want to participate in the Buy-Back, you do not need to do anything. The number of shares you hold will not change as a result of the Buy-Back.

### Issuer Sponsored Holder tendering only as a Final Price Tender (example only)

In the example below, an Issuer Sponsored Holder has elected to tender part of their holding (1,000 Shares) as a Final Price Tender. The steps taken in completing the Tender Form were as follows:

This is an example only, please note Issuer Sponsored Holder Tender Forms are red in colour.

#### Step 1

The number of Shares tendered as a Final Price Tender (1,000) was noted at Box B.

#### Step 2

The total number of Shares (1,000) tendered was noted in Box D.

#### Step 3

Contact details were noted in Box E.

#### Step 4

The shareholder signed at Box F and the completed and signed Tender Form was then mailed, faxed or delivered to the Registry.



**Westpac Banking Corporation**  
ABN 52 007 457 141

**Tender Form – Issuer Sponsored Holders**

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.  
If you do not wish to participate in the Buy-Back, do not return this form.  
Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN)

Please complete the form using black ink only  
I/We tender the following shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

**B** Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

**C** Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender these Shares.

**D** TOTAL NUMBER OF SHARES TENDERED  
Add up the number of Shares in Boxes B and C and enter that number in Box D.

**E** Please provide your contact details in case we need to speak to you about your Tender Form:  
 Contact name: Sample Customer Contact daytime telephone: (02) 9999 9999 Date: 15 / 12 / 05

**F** Please sign within the appropriate boxes below:  
 Individual or Joint Shareholder 1: S. Customer Joint Shareholder 2: Joint Shareholder 3:  
 Sole Director and Sole Company Secretary: Director/Company Secretary: Director:

**G** THIS BOX IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE GREEN. You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price.

☐ A\$15.00 ☐ A\$16.25 ☐ A\$17.50 ☐ A\$18.75

**A** Shares that you can tender as at 14 November 2005: 2,000

as a FINAL PRICE TENDER

at a ☐ 1.4% Tender Discount

at a ☐ 1.3% Tender Discount

at a ☐ 1.2% Tender Discount

at a ☐ 1.1% Tender Discount

at a ☐ 1.0% Tender Discount

at a ☐ 9% Tender Discount

at a ☐ 8% Tender Discount

The number of Shares in Box B must not be more than the number in Box A.

**Tender Form must be received by the Registry by 5pm (Sydney time) on Friday, 16 December 2005**

**WBC BSW001**

## CHESS Holder tendering at a 10 per cent Tender Discount and with a Minimum Price condition (example only)

In the example below, a CHESS Holder has elected to tender their entire holding of 5,000 Shares at a 10 per cent Tender Discount and with a Minimum Price condition. The steps taken in completing the Tender Form were as follows:

This is an example only, please note CHESS Holder Tender Forms are blue in colour.

### Step 1

The number of Shares tendered at a 10 per cent Tender Discount (5,000) was noted in Box C.

### Step 2

The total number of Shares (5,000) tendered was noted at Box D.

### Step 3

Contact details were noted in Box E.

### Step 4

The shareholder signed at Box F.

### Step 5

The shareholder chose the option of selecting a Minimum Price of A\$16.25 as a condition of their tender at Box G. The shareholder then communicated their instructions to their controlling participant (normally their broker).

**DO NOT SEND YOUR CHESS HOLDER TENDER FORM TO THE REGISTRY**

**Westpac**

**Westpac Banking Corporation**  
ABN 33 007 497 141

**Tender Form – CHESS Holders**

THIS DOCUMENT IS IMPORTANT IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.  
If you wish to participate in the Buy-Back, you must give this Tender Form to your controlling participant (normally your broker, for your Tender(s)) to be effective. Do NOT return this form to the Registry.  
Please refer to the instructions on the back of this form.  
Your controlling CHESS participant as at 14 November 2005 is:

Holder Identification Number (HID):

Please complete the form using black ink only.  
I/we tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

**A** Shares that you can tender as at 14 November 2005: **5,000**

**B** Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

**C** Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.

**D** TOTAL NUMBER OF SHARES TENDERED: Add up the number of Shares in Boxes B and C and write that number in Box D.

**E** Please provide your contact details in case we need to speak to you about your Tender.

Contact name: **Sample Customer** Contact telephone: **(02) 9999 9999** Date: **15/12/05**

**F** Please sign within the appropriate boxes below.

Individual or Joint Shareholder 1: **S. Customer** Joint Shareholder 2: Joint Shareholder 3:

Joint Director and Sole Company Secretary: Director/Company Secretary: Director:

**G** THIS BOX IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE CHECK. You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price.

☐ A\$15.00 ☒ A\$16.25 ☐ A\$17.50 ☐ A\$18.75

**Tender Forms must be processed by your controlling participant by 5pm (Sydney time) on Friday, 16 December 2005**

**WBC BDW002**

## Issuer Sponsored Holder tendering at both specified Tender Discounts and as a Final Price Tender (example only)

In the example below, an Issuer Sponsored Holder has elected to tender their entire holding at a combination of Tender Discounts and as a Final Price Tender. The steps taken in completing the Tender Form were as follows:

This is an example only. please note Issuer Sponsored Holder Tender Forms are red in colour.

### Step 1

The number of Shares tendered as a Final Price Tender (2,000) was noted at Box B.

### Step 2

The number of Shares tendered at the various Tender Discounts was noted in Box C.

### Step 3

The total number of Shares tendered ( $2,000 + 1,000 + 1,000 + 500 = 4,500$ ) was noted at Box D.

### Step 4

Contact details were noted in Box E.

### Step 5

The shareholder signed at Box F and the completed and signed Tender Form was then mailed, faxed or delivered to the Registry.

**Westpac**

**Westpac Banking Corporation**  
ABN 33 007 457 141

**Tender Form – Issuer Sponsored Holders**

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.  
If you do not wish to participate in the Buy-Back, do not return this form.  
Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN)

Please complete the form using black ink only.  
I/We tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents.

Shares that you can tender as at 14 November 2005 **4,500**

**B** Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

**C** Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.

**D** TOTAL NUMBER OF SHARES TENDERED:  
Add up the number of Shares in boxes B and C and write that number in box D.

**E** Please provide your contact details in case we need to speak to you about your Tender Form:  
Contact name: **Sample Customer** Contact telephone: **(02) 9999 9999** Date: **15 / 12 / 05**

**F** Please sign within the appropriate boxes below:  
Individual or Joint Shareholder 1: **S. Customer** Joint Shareholder 2: Joint Shareholder 3:  
Individual or Joint Company Secretary: Director:

**G** THIS BOX IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE WHICH You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price.

☐ A\$15.00 ☐ A\$16.25 ☐ A\$17.50 ☐ A\$18.75

**Tender Form must be received by the Registry by 5pm (Sydney time) on Friday, 15 December 2005**

**WBC B2BW001**



## Westpac Banking Corporation

ABN 33 007 457 141

Please insert your name and address details

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|--|
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|  |

Please insert your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) (or Holder Reference Number for New Zealand holders)

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I/We tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

## Withdrawal/Amendment Form

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

Please refer to the instructions on the back of this form.

Tick one box only.



**Withdrawal:** I/We withdraw my/our previous Tender(s) in accordance with the Buy-Back booklet (complete Box F only).

OR



**Amendment:** I/We withdraw my/our previous Tender(s) in accordance with the Buy-Back booklet and wish to submit a replacement Tender(s) as set out below (complete Boxes A to G).

**A**

Shares that you can tender as at 14 November 2005

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| <b>B</b>                                                                                                                      | Insert the number of Shares (if any) you wish to tender as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  | as a FINAL PRICE TENDER                                                         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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| <b>C</b>                                                                                                                      | Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | <table border="1"><tr><td>at a</td><td>14%</td><td>Tender Discount</td></tr><tr><td>at a</td><td>13%</td><td>Tender Discount</td></tr><tr><td>at a</td><td>12%</td><td>Tender Discount</td></tr><tr><td>at an</td><td>11%</td><td>Tender Discount</td></tr><tr><td>at a</td><td>10%</td><td>Tender Discount</td></tr><tr><td>at a</td><td>9%</td><td>Tender Discount</td></tr><tr><td>at an</td><td>8%</td><td>Tender Discount</td></tr></table> | at a | 14% | Tender Discount | at a | 13% | Tender Discount | at a | 12% | Tender Discount | at an | 11% | Tender Discount | at a | 10% | Tender Discount | at a | 9% | Tender Discount | at an | 8% | Tender Discount |
|                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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| at a                                                                                                                          | 14%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at a                                                                                                                          | 13%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at a                                                                                                                          | 12%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at an                                                                                                                         | 11%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at a                                                                                                                          | 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at a                                                                                                                          | 9%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| at an                                                                                                                         | 8%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Tender Discount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| <b>D</b>                                                                                                                      | TOTAL NUMBER OF SHARES TENDERED<br>Add up the number of Shares in Boxes B and C and write that number in Box D.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  | <b>The number of Shares in Box D must not be more than the number in Box A.</b> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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| <b>E</b>                                                                                                                      | Please provide your contact details in case we need to speak to you about your Withdrawal/Amendment Form:<br>Contact name <table border="1"><tr><td></td></tr></table> Contact daytime telephone <table border="1"><tr><td>( )</td></tr></table> Date <table border="1"><tr><td>/</td><td>/</td><td>/</td></tr></table>                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               | ( )                               | /                                                                                                                       | /                                 | /                                                                               |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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| ( )                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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| <b>F</b>                                                                                                                      | Please sign within the appropriate boxes below.<br><table border="1"><tr><td>Individual or Joint Shareholder 1<br/><table border="1"><tr><td></td></tr></table><br/>Sole Director and Sole Company Secretary</td><td>Joint Shareholder 2<br/><table border="1"><tr><td></td></tr></table><br/>Director/Company Secretary/<br/>Witness (NZ only)</td><td>Joint Shareholder 3<br/><table border="1"><tr><td></td></tr></table><br/>Director</td></tr></table>                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   | Individual or Joint Shareholder 1<br><table border="1"><tr><td></td></tr></table><br>Sole Director and Sole Company Secretary |                                   | Joint Shareholder 2<br><table border="1"><tr><td></td></tr></table><br>Director/Company Secretary/<br>Witness (NZ only) |                                   | Joint Shareholder 3<br><table border="1"><tr><td></td></tr></table><br>Director |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| Individual or Joint Shareholder 1<br><table border="1"><tr><td></td></tr></table><br>Sole Director and Sole Company Secretary |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Joint Shareholder 2<br><table border="1"><tr><td></td></tr></table><br>Director/Company Secretary/<br>Witness (NZ only)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                   | Joint Shareholder 3<br><table border="1"><tr><td></td></tr></table><br>Director                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
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|                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| <b>G</b>                                                                                                                      | THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY: You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price.<br><table border="1"><tr><td><input type="checkbox"/> A\$15.00</td><td><input type="checkbox"/> A\$16.25</td><td><input type="checkbox"/> A\$17.50</td><td><input type="checkbox"/> A\$18.75</td></tr></table> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                   | <input type="checkbox"/> A\$15.00                                                                                             | <input type="checkbox"/> A\$16.25 | <input type="checkbox"/> A\$17.50                                                                                       | <input type="checkbox"/> A\$18.75 |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |
| <input type="checkbox"/> A\$15.00                                                                                             | <input type="checkbox"/> A\$16.25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/> A\$17.50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <input type="checkbox"/> A\$18.75 |                                                                                                                               |                                   |                                                                                                                         |                                   |                                                                                 |  |  |                                                                                 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |     |                 |      |     |                 |      |     |                 |       |     |                 |      |     |                 |      |    |                 |       |    |                 |

Withdrawal/Amendment Forms must be received by 9pm (Sydney time) on Friday, 16 December 2005

WBC BBW004



# Westpac Banking Corporation

ABN 33 007 457 141

## Withdrawing or Amending your Tender(s)

Shareholders who have tendered their Shares into the Buy-Back and who now wish to either withdraw or amend their Tender(s) must lodge this Withdrawal/Amendment Form.

### How to complete the Withdrawal/Amendment Form

The instructions below are cross-referenced to the relevant section on the front of this form. Defined terms have the same meaning as in the Buy-Back booklet. **Please complete the form using black ink only.**

Mark only one of the two boxes:

**Withdrawal** – Tick the "Withdrawal" Box if you wish to withdraw your previous Tender(s) and you do not wish to submit a new replacement Tender(s). **Please complete Box F.**

**OR Amendment** – Tick the "Amendment" Box if you wish to amend your previous Tender(s) and submit a new replacement Tender(s). **Please complete Box A through to Box G.**

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               |          |                                                                                                                                                                                                                                                                                                                                           |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> | Insert the total number of Shares registered in your name as at 14 November 2005 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell some or all of these Shares to Westpac by ticking the Amendment box and following the instructions set out below. If you need to check the total number of Shares you may tender into the Buy-Back, please call the Buy-Back enquiry line on 1 800 804 255 (toll free within Australia), 0800 002 727 (toll free within New Zealand) or +61 2 8280 7070 (from outside Australia and New Zealand).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |               |          |                                                                                                                                                                                                                                                                                                                                           |
| <b>B</b> | <b>Final Price Tender</b><br>Insert the number of Shares (if any) you wish to tender as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>AND/OR</b> | <b>C</b> | <b>Tender Discount</b><br>Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts (unless you have a Small Holding, in which case refer to the instructions for Box D below). Each parcel is a separate Tender. |
| <b>D</b> | After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D.<br><b>Note that the number of Shares in Box D must not be more than the number of Shares in Box A.</b><br>If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.13 of the Buy-Back booklet.<br><b>If you hold 200 Shares or less</b> (i.e. a Small Holding), you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender.<br><b>If you hold more than 200 Shares</b> , you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |          |                                                                                                                                                                                                                                                                                                                                           |
| <b>E</b> | Please provide your contact details in case we need to speak to you about your Withdrawal/Amendment Form.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |               |          |                                                                                                                                                                                                                                                                                                                                           |
| <b>F</b> | You must sign this form in Box F. By signing and returning this Withdrawal/Amendment Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to sell your Shares on, the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.10 of the Buy-Back booklet).<br><b>Individual holders</b> Where a holding is in one name, the registered shareholder must sign.<br><b>Joint holders</b> All holders must sign.<br><b>Under power of attorney</b> If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.<br><b>Deceased estate</b> All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.<br><b>Company</b> This form must be signed by 2 directors, a director and company secretary. In the case of a company with a sole director who is also the sole company secretary, that person must sign (and for a New Zealand registered company, that signature must be witnessed).<br>By signing this Withdrawal/Amendment Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States, Canada or Japan, a US Person (as defined in the Buy-Back booklet) or a resident of Canada or Japan or (ii) tendering any Shares by means of this Withdrawal/Amendment Form for the account or benefit of a person in the United States, Canada or Japan, a US Person or a resident of Canada or Japan. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back. |               |          |                                                                                                                                                                                                                                                                                                                                           |
| <b>G</b> | <b>THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:</b> You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. <b>If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |               |          |                                                                                                                                                                                                                                                                                                                                           |

Westpac will not accept Withdrawal/Amendment Forms from any person (or person acting on account of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan or any Withdrawal/Amendment Form that has been postmarked in, or otherwise appears to Westpac or its agents to have been sent from, the United States, Canada or Japan.

### Payment for Shares bought back

Payments will be made in Australian dollars only. Westpac will dispatch payment for Shares bought back no later than 23 December 2005.

### Submitting your Withdrawal/Amendment Form

|                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>CHESS Holdings</b><br>You will need to contact your controlling participant (usually your broker) in sufficient time for your controlling participant to process your Withdrawal/Amendment Form no later than 9pm (Sydney time) on 16 December 2005. <b>Do not send your Withdrawal/Amendment Form to the Registry.</b> | <b>Issuer Sponsored Holdings and New Zealand Branch Registered Holders</b><br>Your completed Withdrawal/Amendment Form must be received no later than 9pm (Sydney time) on 16 December 2005, at:<br><b>From within Australia</b><br><b>If sending by mail</b><br>Westpac Buy-Back Tender<br>C/- Link Market Services Limited<br>Locked Bag A6015<br>Sydney South NSW 1235<br><b>If delivering in person (during business hours only)</b><br>Westpac Buy-Back Tender<br>C/- Link Market Services Limited<br>Level 8, 580 George Street<br>Sydney NSW 2000<br><b>If sending by facsimile</b><br>Westpac Buy-Back Tender<br>+61 2 9287 0303 |  |  |
|                                                                                                                                                                                                                                                                                                                            | <b>From within New Zealand</b><br><b>If sending by mail</b><br>Westpac Buy-Back Tender<br>C/- Link Market Services Limited<br>PO Box 91976, Auckland 1030<br><b>If delivering in person (during business hours only)</b><br>Westpac Buy-Back Tender<br>C/- Link Market Services Limited<br>Level 12, 120 Albert Street, Auckland<br><b>If sending by facsimile</b><br>Westpac Buy-Back Tender<br>+64 9 375 5990                                                                                                                                                                                                                          |  |  |

This Withdrawal/Amendment Form relates to the Westpac Buy-Back booklet dated 11 November 2005 and should be read in conjunction with that booklet.

If you require further information on how to complete this form please contact the Buy-Back enquiry line on 1800 804 255 (toll free within Australia), 0800 002 727 (toll free within New Zealand) or +61 2 8280 7070 (from outside Australia and New Zealand).

Withdrawal/Amendment Forms must be received by 9pm (Sydney time) on Friday, 16 December 2005.

# Contacts

If you have any questions in relation to the Buy-Back  
please call the Buy-Back enquiry line:

Within Australia:  
1800 804 255

Within New Zealand:  
0800 002 727

From outside Australia and New Zealand:  
+612 8280 7070

8.30am to 5.30pm (Sydney time)  
Monday to Friday



**Westpac Banking Corporation**  
 ABN 33 007 457 141

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

If you do not wish to participate in the Buy-Back, do not return this form.

Please refer to the instructions on the back of this form.

Securityholder Reference Number (SRN)

Please complete the form using black ink only.

I/We tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

**A**

Shares that you can tender  
as at 14 November 2005

|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------|
| <b>B</b>                                                                                                                                                                                                                                                       | Insert the number of Shares (if any) you wish to tender as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                      |                           | as a FINAL PRICE TENDER                                                         |
| <b>C</b>                                                                                                                                                                                                                                                       | Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.                                                                                                                                                                                                                                                                                      |                           | at a <input type="text" value="14%"/> Tender Discount                           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a <input type="text" value="13%"/> Tender Discount                           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a <input type="text" value="12%"/> Tender Discount                           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at an <input type="text" value="11%"/> Tender Discount                          |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a <input type="text" value="10%"/> Tender Discount                           |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a <input type="text" value="9%"/> Tender Discount                            |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at an <input type="text" value="8%"/> Tender Discount                           |
| <b>D</b>                                                                                                                                                                                                                                                       | TOTAL NUMBER OF SHARES TENDERED<br>Add up the number of Shares in Boxes B and C and write that number in Box D.                                                                                                                                                                                                                                                                                                       |                           | <b>The number of Shares in Box D must not be more than the number in Box A.</b> |
| <b>E</b>                                                                                                                                                                                                                                                       | Please provide your contact details in case we need to speak to you about your Tender Form:                                                                                                                                                                                                                                                                                                                           |                           |                                                                                 |
| Contact name                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                       | Contact daytime telephone | Date                                                                            |
|                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                       | (    )                    | /    /                                                                          |
| <b>F</b>                                                                                                                                                                                                                                                       | Please sign within the appropriate boxes below.                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">Individual or Joint Shareholder 1</div> <div style="width: 30%;">Joint Shareholder 2</div> <div style="width: 30%;">Joint Shareholder 3</div> </div>                     |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
| <div style="display: flex; justify-content: space-between;"> <div style="width: 30%;">Sole Director and Sole Company Secretary</div> <div style="width: 30%;">Director/Company Secretary</div> <div style="width: 30%;">Director</div> </div>                  |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
| <b>G</b>                                                                                                                                                                                                                                                       | <b>THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:</b> You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price. |                           |                                                                                 |
| <div style="display: flex; justify-content: space-around;"> <span><input type="checkbox"/> A\$15.00</span> <span><input type="checkbox"/> A\$16.25</span> <span><input type="checkbox"/> A\$17.50</span> <span><input type="checkbox"/> A\$18.75</span> </div> |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |

**Tender Forms must be received by the Registry by 9pm (Sydney time) on Friday, 16 December 2005**

# Westpac Banking Corporation

ABN 33 007 457 141

## How to complete this Tender Form

The instructions below are cross-referenced to the relevant section on the front of this form. Defined terms have the same meaning as in the Buy-Back booklet. **Please complete the form using black ink only.**

**A** This is the total number of Shares registered in your name as at 14 November 2005 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell these Shares to Westpac by following the instructions set out below.

**B Final Price Tender**  
Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

AND/OR

**C Tender Discount**  
Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts (unless you have a Small Holding, in which case refer to the instructions for Box D below). Each parcel is treated as a separate Tender.

**D** After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D.

**Note that the number of Shares in Box D must not be more than the number of Shares in Box A.**

If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.13 of the Buy-Back booklet.

**If you hold 200 Shares or less** (i.e. a Small Holding), you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender.

**If you hold more than 200 Shares**, you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender.

**E** Please provide your contact details in case we need to speak to you about your Tender Form.

**F** You must sign this form in Box F. By signing and returning this Tender Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to sell your Shares on, the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.10 of the Buy-Back booklet).

**Individual holders** Where a holding is in one name, the registered shareholder must sign.

**Joint holders** All holders must sign.

**Under power of attorney** If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.

**Deceased estate** All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

**Company** This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

By signing this Tender Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States, Canada or Japan, a US Person (as defined in the Buy-Back booklet) or a resident of Canada or Japan or (ii) tendering any Shares by means of this Tender Form for the account or benefit of a person in the United States, Canada or Japan, a US Person or a resident of Canada or Japan. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back.

**G THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:** You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. **If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.**

Westpac will not accept Tender Forms from any person (or person acting on account of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan or any Tender Form that has been postmarked in, or otherwise appears to Westpac or its agents to have been sent from, the United States, Canada or Japan.

### Payment for Shares bought back

Payments will be made in Australian dollars only. Westpac will dispatch payment for Shares bought back no later than 23 December 2005.

### Submitting your Tender Form

Send, deliver or fax your completed and signed Tender Form or, if mailing in Australia, use the enclosed reply-paid envelope so that your Tender Form is received no later than 9pm (Sydney time) on 16 December 2005.

#### If sending by mail

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Locked Bag A6015  
Sydney South NSW 1235, Australia

#### If delivering in person (during business hours only)

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Level 8, 580 George Street  
Sydney NSW 2000, Australia

#### If sending by facsimile

Westpac Buy-Back Tender  
+61 2 9287 0303

**This Tender Form relates to the Westpac Buy-Back booklet dated 11 November 2005 and should be read in conjunction with that booklet.**

**If you require further information on how to complete this form please contact the Buy-Back enquiry line on 1800 804 255 (toll free within Australia) or +61 2 8280 7070 (from outside Australia).**

**Tender Forms must be received by the Registry by 9pm (Sydney time) on Friday, 16 December 2005.**

**Westpac Banking Corporation**

ABN 33 007 457 141

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

If you wish to participate in the Buy-Back, you must give this Tender Form to your controlling participant (normally your broker), for your Tender(s) to be effective. Do NOT return this form to the Registry.

Please refer to the instructions on the back of this form.

Your controlling CHESS participant as at 14 November 2005 is:

Holder Identification Number (HIN)

Please complete the form using black ink only.

I/We tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

**A** Shares that you can tender as at 14 November 2005

|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------|
| <b>B</b> | Insert the number of Shares (if any) you wish to tender as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                      |                           | as a FINAL PRICE TENDER                                                         |
| <b>C</b> | Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.                                                                                                                                                                                                                                                                                      |                           | at a 14% Tender Discount                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 13% Tender Discount                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 12% Tender Discount                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 11% Tender Discount                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 10% Tender Discount                                                        |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 9% Tender Discount                                                         |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                           | at a 8% Tender Discount                                                         |
| <b>D</b> | TOTAL NUMBER OF SHARES TENDERED<br>Add up the number of Shares in Boxes B and C and write that number in Box D.                                                                                                                                                                                                                                                                                                       |                           | <b>The number of Shares in Box D must not be more than the number in Box A.</b> |
| <b>E</b> | Please provide your contact details in case we need to speak to you about your Tender:                                                                                                                                                                                                                                                                                                                                |                           |                                                                                 |
|          | Contact name                                                                                                                                                                                                                                                                                                                                                                                                          | Contact daytime telephone | Date                                                                            |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       | ( )                       | / /                                                                             |
| <b>F</b> | Please sign within the appropriate boxes below.                                                                                                                                                                                                                                                                                                                                                                       |                           |                                                                                 |
|          | Individual or Joint Shareholder 1                                                                                                                                                                                                                                                                                                                                                                                     | Joint Shareholder 2       | Joint Shareholder 3                                                             |
|          | <div style="display: flex; justify-content: space-between;"> <div>Sole Director and Sole Company Secretary</div> <div>Director/Company Secretary</div> <div>Director</div> </div>                                                                                                                                                                                                                                     |                           |                                                                                 |
| <b>G</b> | <b>THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:</b> You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price. |                           |                                                                                 |
|          | AS\$15.00                                                                                                                                                                                                                                                                                                                                                                                                             | AS\$16.25                 | AS\$17.50 AS\$18.75                                                             |

**Tender Forms must be processed by your controlling participant by 9pm (Sydney time) on Friday, 16 December 2005**

# Westpac Banking Corporation

ABN 33 007 457 141

## How to complete this Tender Form

The instructions below are cross-referenced to the relevant section on the front of this form. Defined terms have the same meaning as in the Buy-Back booklet. **Please complete the form using black ink only.**

**A**

This is the total number of Shares registered in your name as at 14 November 2005 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell these Shares to Westpac by following the instructions set out below.

**B**

### Final Price Tender

Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

**AND/OR**

**C**

### Tender Discount

Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts (unless you have a Small Holding, in which case refer to the instructions for Box D below). Each parcel is a separate Tender.

**D**

After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D.

**Note that the number of Shares in Box D must not be more than the number of Shares in Box A.**

If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.13 of the Buy-Back booklet.

**If you hold 200 Shares or less** (i.e. a Small Holding), you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender.

**If you hold more than 200 Shares**, you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender.

**E**

Please provide your contact details in case we need to speak to you about your Tender Form.

**F**

You must sign this form in Box F. By signing and returning this Tender Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to sell your Shares on, the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.10 of the Buy-Back booklet).

#### Individual holders

Where a holding is in one name, the registered shareholder must sign.

#### Joint holders

All holders must sign.

#### Under power of attorney

If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.

#### Deceased estate

All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

#### Company

This form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

By signing this Tender Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States, Canada or Japan, a US Person (as defined in the Buy-Back booklet) or a resident of Canada or Japan or (ii) tendering any Shares by means of this Tender Form for the account or benefit of a person in the United States, Canada or Japan, a US Person or a resident of Canada or Japan. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back.

**G**

**THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:** You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. **If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.**

Westpac will not accept Tender Forms from any person (or person acting on account of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan or any Tender Form that has been postmarked in, or otherwise appears to Westpac or its agents to have been sent from, the United States, Canada or Japan.

### Payment for Shares bought back

Payments will be made in Australian dollars only. Westpac will dispatch payment for Shares bought back no later than 23 December 2005.

### Submitting your Tender Form

You will need to instruct your controlling participant (usually your broker) in sufficient time for your controlling participant to process your Tender no later than 9pm (Sydney time) on 16 December 2005.

**DO NOT RETURN THIS FORM TO WESTPAC OR THE REGISTRY**

**This Tender Form relates to the Westpac Buy-Back booklet dated 11 November 2005 and should be read in conjunction with that booklet.**

**If you require further information on how to complete this form please contact the Buy-Back enquiry line on 1800 804 255 (toll free within Australia) or +61 2 8280 7070 (from outside Australia).**

**Tender Forms must be processed by your controlling participant by 9pm (Sydney time) on Friday, 16 December 2005.**

## Westpac Banking Corporation

ABN 33 007 457 141

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

### New Zealand Branch Registered Shareholders

Tender Forms must be received by the Registry by 11pm (Auckland time) on Friday, 16 December 2005.

If you do not wish to participate in the Buy-Back, do not return this form.

Please refer to the instructions on the back of this form.

Holder Reference Number

Please complete the form using black ink only.

I/We tender the following Shares to Westpac at the specified Tender Discount(s) and/or as a Final Price Tender, on the terms and conditions set out in the Buy-Back Documents:

**A**

Shares that you can tender as at 14 November 2005

|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                                                                                 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------|
| <b>B</b> | Insert the number of Shares (if any) you wish to tender as a Final Price Tender.                                                                                                                                                                                                                                                                                                                                      |                                   | as a FINAL PRICE TENDER                                                         |
| <b>C</b> | Insert the number of Shares (if any) you wish to tender next to the Tender Discount(s) at which you wish to tender those Shares.                                                                                                                                                                                                                                                                                      |                                   | at a <input type="text" value="14%"/> Tender Discount                           |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="13%"/> Tender Discount                           |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="12%"/> Tender Discount                           |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="11%"/> Tender Discount                           |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="10%"/> Tender Discount                           |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="9%"/> Tender Discount                            |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   | at a <input type="text" value="8%"/> Tender Discount                            |
| <b>D</b> | TOTAL NUMBER OF SHARES TENDERED<br>Add up the number of Shares in Boxes B and C and write that number in Box D.                                                                                                                                                                                                                                                                                                       |                                   | <b>The number of Shares in Box D must not be more than the number in Box A.</b> |
| <b>E</b> | Please provide your contact details in case we need to speak to you about your Tender Form:                                                                                                                                                                                                                                                                                                                           |                                   |                                                                                 |
|          | Contact name                                                                                                                                                                                                                                                                                                                                                                                                          | Contact daytime telephone         | Date                                                                            |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       | ( )                               | / /                                                                             |
| <b>F</b> | Please sign within the appropriate boxes below.                                                                                                                                                                                                                                                                                                                                                                       |                                   |                                                                                 |
|          | Individual or Joint Shareholder 1                                                                                                                                                                                                                                                                                                                                                                                     | Joint Shareholder 2               | Joint Shareholder 3                                                             |
|          |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                                                                                 |
|          | Sole Director                                                                                                                                                                                                                                                                                                                                                                                                         | Director/Witness                  | Director/Witness                                                                |
| <b>G</b> | <b>THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:</b> You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the following prices. You will not receive less than this amount for your Shares, however your Shares will not be bought back if the Minimum Price you tick is higher than the Buy-Back Price. |                                   |                                                                                 |
|          | <input type="checkbox"/> A\$15.00                                                                                                                                                                                                                                                                                                                                                                                     | <input type="checkbox"/> A\$16.25 | <input type="checkbox"/> A\$17.50 <input type="checkbox"/> A\$18.75             |

**Tender Forms must be received by the Registry by 11pm (Auckland time) on Friday, 16 December 2005**

# Westpac Banking Corporation

ABN 33 007 457 141

## How to complete this Tender Form

The instructions below are cross-referenced to the relevant section on the front of this form. Defined terms have the same meaning as in the Buy-Back booklet. **Please complete the form using black ink only.**

**A** This is the total number of Shares registered in your name as at 14 November 2005 that confer an entitlement to participate in the Buy-Back. If you wish to participate in the Buy-Back, you can offer to sell these Shares to Westpac by following the instructions set out below.

**B Final Price Tender**  
Insert the number of Shares (if any) you wish to tender as a Final Price Tender.

AND/OR

**C Tender Discount**  
Insert the number of Shares (if any) you wish to tender at the specified Tender Discount. You may offer to sell parcels of Shares at up to 7 different specified Tender Discounts (unless you have a Small Holding, in which case refer to the instructions for Box D below). Each parcel is treated as a separate Tender.

**D** After indicating the number of Shares you wish to tender as a Final Price Tender (Box B) and/or at specified Tender Discount(s) (Box C), you need to add up the number of Shares in Boxes B and C and write the total in Box D.

**Note that the number of Shares in Box D must not be more than the number of Shares in Box A.**

If the number of Shares in Box D is more than the number of Shares in Box A, you will be deemed to have offered only the number of Shares shown in Box A and, if you have selected more than one Tender Discount and/or a Final Price Tender, your Tender will be adjusted in the manner set out in Section 5.13 of the Buy-Back booklet.

**If you hold 200 Shares or less** (i.e. a Small Holding), you may only submit one Tender in respect of all of your Shares and such a Tender must be at one of the specified Tender Discounts or as a Final Price Tender.

**If you hold more than 200 Shares**, you may tender different parcels of Shares at one or more Tender Discounts and/or as a Final Price Tender.

**E** Please provide your contact details in case we need to speak to you about your Tender Form.

**F** You must sign this form in Box F. By signing and returning this Tender Form, you acknowledge that you have read and understood the Buy-Back booklet and agree to, and make an offer to sell your Shares on, the terms and conditions set out in the Buy-Back Documents (including the warranties, authorisations and undertakings set out in Section 5.10 of the Buy-Back booklet).

**Individual holders** Where a holding is in one name, the registered shareholder must sign.

**Joint holders** All holders must sign.

**Under power of attorney** If not already noted by the Registry, an originally certified copy of the power of attorney must be sent to the Registry. Where this form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power.

**Deceased estate** All executors should sign and, if not already noted by the Registry, send an originally certified copy of probate or letters of administration to the Registry.

**Company** This form must be signed by 2 directors or, in the case of a company with a sole director who is also the sole company secretary, their signature must be witnessed.

By signing this Tender Form you confirm that you are not an Excluded Foreign Person and, in particular, are not (i) in the United States, Canada or Japan, a US Person (as defined in the Buy-Back booklet) or a resident of Canada or Japan or (ii) tendering any Shares by means of this Tender Form for the account or benefit of a person in the United States, Canada or Japan, a US Person or a resident of Canada or Japan. ADRs and Restricted Employee Shares may not be tendered into the Buy-Back.

**G THIS BOX G IS OPTIONAL – EITHER LEAVE IT BLANK OR TICK ONE MINIMUM PRICE ONLY:** You should only tick a Minimum Price if you wish to make your Tender conditional on the Buy-Back Price being no less than one of the specified prices. You will not be paid less than this amount for your Shares, however if the Minimum Price you select is higher than the Buy-Back Price your Shares will not be bought back. **If you complete Box G, you must also complete Box B and/or Box C. Tick no more than one Minimum Price in Box G – if you tick more than one Minimum Price, your Tender will be deemed to be conditional on the highest Minimum Price that you have specified.**

Westpac will not accept Tender Forms from any person (or person acting on account of a person who is) in the United States, Canada or Japan, a US Person or a resident of Canada or Japan or any Tender Form that has been postmarked in, or otherwise appears to Westpac or its agents to have been sent from, the United States, Canada or Japan.

### Payment for Shares bought back

Payments will be made in Australian dollars only. Westpac will dispatch payment for Shares bought back no later than 23 December 2005.

### Submitting your Tender Form

Send, deliver or fax your completed and signed Tender Form or, if mailing in New Zealand, use the enclosed reply-paid envelope so that your Tender Form is received no later than 11 pm (Auckland time) on 16 December 2005.

#### If sending by mail

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
PO Box 91976, Auckland 1030

#### If delivering in person

Westpac Buy-Back Tender  
C/- Link Market Services Limited  
Level 12, 120 Albert Street, Auckland

#### If sending by facsimile

Westpac Buy-Back Tender  
+64 9 375 5990

**This Tender Form relates to the Westpac Buy-Back booklet dated 11 November 2005 and should be read in conjunction with that booklet.**

**If you require further information on how to complete this form please contact the Buy-Back enquiry line on 0800 002 727 (toll free within New Zealand) or +61 2 8280 7070 (from outside New Zealand).**

**Tender Forms must be received by the Registry by 11 pm (Auckland time) on Friday, 16 December 2005.**