Westpac Capital Notes 2 were offered in Australia only. This announcement does not constitute an offer of securities for sale in the United States, and the Westpac Capital Notes 2 may not be offered or sold in the United States.

ASX ANNOUNCEMENT

23 June 2014

Westpac raises $1.31 billion from Westpac Capital Notes 2

Westpac Banking Corporation (**Westpac**) announced that it today issued 13,105,705 Westpac Capital Notes 2 (**Notes**) at an Issue Price of $100 each, raising approximately $1.31 billion.

The Notes are expected to commence trading on a deferred settlement basis on ASX from 12 noon (Sydney time) on Tuesday, 24 June 2014 under the ASX code "WBCPE". Trading on a normal settlement basis is expected to commence on ASX on Monday, 30 June 2014.

Allocation policy

Reinvestment Offer	All valid Applications were accepted in full (including Applications made through Syndicate Brokers)
Securityholder Offer	All valid Applications were accepted in full
Broker Firm Offer	Allocations to Syndicate Brokers were determined under the Bookbuild conducted on 14 May 2014 and were scaled back as agreed between Westpac and the Joint Lead Managers
Institutional Offer	Investors have been individually advised of their Allocations

There was no general public offer of Notes.

Holding Statements and confirmation of holding

Holding Statements stating the number of Notes Allocated are expected to be dispatched by Friday, 27 June 2014. Refunds for over payments will also be dispatched by this date.

Applicants may confirm their holding before receiving their Holding Statement:

- Reinvestment Offer or Securityholder Offer Applicants may call the Information Line on **1300 551 547** (Monday to Friday, 8.30am to 5.30pm, Sydney time) and quote their holder number (SRN or HIN).
- Broker Firm Offer Applicants (which includes Eligible Westpac SPS II Holders participating in the Reinvestment Offer through a Syndicate Broker) should contact their Syndicate Broker.

Any Holder wishing to trade Notes before receiving their Holding Statement is responsible for confirming their Allocation prior to trading to avoid the risk of selling Notes they do not own. Holders who sell their Notes before receiving their Holding Statements do so at their own risk.

First Distribution Payment

The Distribution Rate for the first Distribution Period from (but excluding) 23 June 2014 to (and including) 23 September 2014 is 4.0285% per annum and was calculated as follows:

90 day Bank Bill Rate on 23 June 2014:	2.7050%	p.a.
Plus Margin:	3.05%	p.a.
	5.7550%	p.a.
Multiplied by (1 – Tax Rate[1]):	0.70	
Distribution Rate:	**4.0285%**	p.a.

This equates to a Distribution of $1.0154 per Note (based on 92 days in the first Distribution Period). The first Distribution is expected to be paid on 23 September 2014[2].

The Record Date for the first Distribution is 15 September 2014.

Distributions are expected to be fully franked and accordingly Holders are expected to receive cash Distributions and franking credits[3].

After the first Distribution Period, Distribution Rates will be set quarterly on the first Business Day of each Distribution Period. The Distribution Rate for each Distribution Period will be advised to ASX and will also be available on Westpac's website at **www.westpac.com.au/westpaccapnotes2**.

Maximum Conversion Number

Based on the Issue Date VWAP[4] of $34.37, the maximum number of Ordinary Shares that may be issued on Conversion (Maximum Conversion Number) has been set at:

- 5.8190 per Note, if the Conversion occurs on a Scheduled Conversion Date or the Optional Conversion Date on 23 September 2022; or
- 14.5476 per Note, if Conversion occurs at any other time.

For more information on the Maximum Conversion Number, refer to section 2 of the Prospectus.

Tax ruling

As noted in the Prospectus, Westpac applied for a Class Ruling to confirm the Australian tax consequences for certain Holders of Westpac Capital Notes 2. The ATO issued the Class Ruling on 4 June 2014 as CR 2014/46. A copy of the Class Ruling is available at **www.westpac.com.au/westpaccapnotes2** and on the ATO website at www.ato.gov.au.

Participation by Westpac Directors and associates in the Offer

250 Notes were Allocated to Westpac directors and their associates in aggregate.

[1] The Tax Rate is 30% as at the date of this announcement.
[2] Distributions are within the absolute discretion of Westpac and only payable subject to satisfaction of the Distribution Payment Conditions. Distributions may not be paid.
[3] The potential value of the franking credits does not accrue to Holders at the same time as Holders receive the cash Distribution and a Holder's ability to use the franking credits will depend on that Holder's individual tax position.
[4] VWAP means volume weighted average price.

More information

The Offer was made under a Prospectus dated 15 May 2014.

For more information visit the Westpac website at **www.westpac.com.au/westpaccapnotes2** or call the Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 551 547**.

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

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Ends.