

ANSWERS TO KEY QUESTIONS ABOUT WESTPAC CPS

Comparison of Westpac CPS with Westpac SPS, Westpac SPS II and Westpac TPS

	Westpac CPS	Westpac SPS II	Westpac SPS	Westpac TPS
ASX code	WBCPC ⁷	WBCPB	WBCPA	WCTPA
Legal form	Preference Share	Stapled security – one preference share and one note issued by Westpac	Stapled security – one preference share and one note issued by Westpac	Preferred unit in the Westpac TPS Trust
Dividends	Floating rate Dividends – payable semi-annually in arrears subject to a Dividend Payment Test	Floating rate distributions – payable quarterly in arrears subject to a distribution payment test	Floating rate distributions – payable quarterly in arrears subject to a distribution payment test	Floating rate distributions – payable quarterly in arrears subject to a distribution payment test
Expected to be fully franked	Yes	Yes	Yes	Yes
Dividend Rate	(Margin + 180 day Bank Bill Rate) × (1 – Tax Rate)	(margin + 90 day bank bill rate) × (1 – tax rate)	(margin + 90 day bank bill rate) × (1 – tax rate)	(margin + 90 day bank bill rate) × (1 – tax rate)
Margin/Step-up	<ul style="list-style-type: none"> Margin (to be determined under the Bookbuild expected to be between 3.20% per annum and 3.50% per annum); There is no step-up in the Margin 	<ul style="list-style-type: none"> margin of 3.80% per annum; There is no step-up in the margin 	<ul style="list-style-type: none"> margin of 2.40% per annum; There is no step-up in the margin 	<ul style="list-style-type: none"> margin of 1.00% per annum until the step-up date (30 June 2016); After 30 June 2016, the initial margin increases by a one time step-up of 1.00% per annum
Issuer redemption rights (subject to prior written APRA approval)	Yes, on 31 March 2018 and each Dividend Payment Date thereafter, and in certain specified circumstances – see Section 1.8	Yes, in certain specified circumstances	Yes, in certain specified circumstances	Yes, on the step-up date and in certain specified circumstances

Note:

7. Westpac has applied to have Westpac CPS quoted on ASX and they are expected to trade under the code WBCPC.

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Potential Conversion to Ordinary Shares	Scheduled Conversion on 31 March 2020 (subject to the satisfaction of the Conversion Conditions) or in other specified circumstances, including Conversion upon the occurrence of a Capital Trigger Event	Mandatory Conversion on 30 September 2014 (subject to the satisfaction of the conversion conditions) or in other specified circumstances	Mandatory Conversion on 26 September 2013 (subject to the satisfaction of the conversion conditions) or in other specified circumstances	Yes, on the step-up date and in certain specified circumstances
Ranking in winding-up	Rank in priority to Westpac Ordinary Shares, equally with Equal Ranking Capital Securities and behind Senior Creditors (including depositors)	Rank in priority to Westpac Ordinary Shares, equally with equal ranking capital securities and behind all Westpac depositors and all holders of senior and subordinated debt (in accordance with the terms of issue of Westpac SPS II)	Rank in priority to Westpac Ordinary Shares, equally with equal ranking capital securities and behind all Westpac depositors and all holders of senior and subordinated debt (in accordance with the terms of issue of Westpac SPS)	Rank equally with equal ranking preference shares as Westpac TPS will have exchanged into preference shares of Westpac but ahead of Westpac Ordinary Shares and behind all Westpac depositors and all holders of senior and subordinated debt (in accordance with the terms of issue of Westpac TPS)