

RED & BLACK BOND

Joint Lead Arrangers & Managers



Joint Lead Managers



Other Contributors



This is an Investment Statement for the purpose of the Securities Act 1978 for Red & Black Bonds issued by Westpac New Zealand Limited. This Investment Statement is prepared as at 13 July 2011. It is an important document and should be read in its entirety.

Important Information

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

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Investors should note that further important information is available in Westpac NZ's current Disclosure Statement and in the Bond Deed Poll (pursuant to which the Bonds will be issued). Copies of Westpac NZ's current Disclosure Statement may be obtained from any branch of Westpac NZ or on Westpac NZ's website at www.westpac.co.nz following the link "Disclosure Statements" which is located at the bottom left corner of the homepage.

Copies of the Bond Deed Poll may be obtained free of charge from Link Market Services Limited at Level 16, Brookfields House, 19 Victoria Street West, PO Box 91976, Auckland 1142, or from the Treasurer, Westpac New Zealand Limited at Westpac on Takutai Square, 16 Takutai Square, Auckland 1010 or PO Box 934, Shortland Street, Auckland 1140.

Important Information

The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient and transparent financial markets.

For more information about investing go to <http://www.fma.govt.nz>

Important notice

The purpose of this Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to subscribe for Bonds.

This Investment Statement has been prepared in accordance with the Securities Regulations 2009 as amended by the Securities Amendment Regulations 2011.

Bonds are not guaranteed by Westpac Banking Corporation

The Bonds are issued by Westpac NZ. A description of Westpac NZ is set out on page 6.

Prospective investors should note that the Bonds are not liabilities of, or deposits with, Westpac Banking Corporation and are not guaranteed by Westpac Banking Corporation or any other member of the Westpac Banking Corporation Group.

Bonds are offered only in New Zealand

The Bonds offered pursuant to this Investment Statement are not offered, and this Investment Statement does not constitute an offer of Bonds, to the public in any jurisdiction other than New Zealand. No action has been taken, or will be taken, by Westpac NZ which would permit a public offering of the Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). No person may purchase, offer, sell, distribute or deliver any Bonds offered pursuant to this Investment Statement, or have in their possession, or distribute to any person, any offering material (including this Investment Statement) or any documents in connection with the Bonds offered pursuant to this Investment Statement, to any person in any jurisdiction other than in compliance with all applicable laws and regulations.

Any persons or entities applying for Bonds are deemed to represent that they are not in a jurisdiction which prohibits the making of an offer of this kind and are not acting for a person in such a jurisdiction.

Important Information

By purchasing the Bonds, each Bondholder is deemed to have indemnified Westpac NZ, the Joint Lead Arrangers & Managers and the Joint Lead Managers for any loss suffered by any of them by reason of any breach of the above selling restrictions.

Non-reliance

Each Joint Lead Arranger & Manager, each Joint Lead Manager and each other Contributor has authorised and takes responsibility for the statements about itself in the section entitled *“Other Contributors to the Offer”* on pages 7 to 10.

The Joint Lead Arrangers & Managers and the Joint Lead Managers have not authorised or caused the issue of this Investment Statement nor do they make or purport to make any statement in this Investment Statement (or any statement on which a statement in this Investment Statement is based), other than its Contributor Information. Further, the Joint Lead Arrangers & Managers and the Joint Lead Managers have not independently verified the information contained in this Investment Statement, other than its Contributor Information. In accepting delivery of this Investment Statement, the recipient acknowledges that neither the Joint Lead Arrangers & Managers, the Joint Lead Managers, nor their respective related companies nor the officers, employees, agents or advisers of any of them gives any warranty or representation of accuracy or reliability and they take no responsibility for it, other than in relation to its Contributor Information. They shall not have any liability for any errors or omissions (including for negligence) in this Investment Statement (other than in relation to its Contributor Information), and each recipient waives all claims in that regard.

In particular, none of the Joint Lead Arrangers & Managers, the Joint Lead Managers, nor any of their respective directors, officers, employees or agents has undertaken, or will at any time undertake, to review the financial condition or affairs of Westpac NZ, or any of their respective affiliates, at any time or to advise any Bondholder of any information coming to its attention with respect to Westpac NZ and makes no representations as to the ability of Westpac NZ to comply with its obligations under the Bonds.

Neither the Joint Lead Arrangers & Managers, the Joint Lead Managers, nor any of their respective directors, officers, employees or agents, guarantees the payment of interest or principal or any other amounts due under the Bonds or the amount of returns which Bondholders may receive.

Definitions

Capitalised terms used in this Investment Statement have defined meanings which appear in the Glossary from page 31. All references to time are to time in New Zealand.

Offer Highlights

- Fixed interest rate of 5.80% per annum paid semi-annually in arrears by Westpac NZ, comprising:
 - 5.30% per annum which will be paid to you, and
 - 0.50% per annum which will be donated by you to the Christchurch Earthquake Appeal Trust
- Quoted on NZDX*
- Brokerage payable to Joint Lead Arrangers & Managers and Joint Lead Managers will also be donated to the Christchurch Earthquake Appeal Trust. All services provided in producing this Offer have been donated by their providers

* Application has been made to NZX for permission to quote the Bonds on the NZDX and all the requirements of NZX relating to the quotation that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered market under the Securities Markets Act 1988.

What if your investment returns could help rebuild Christchurch?

With the Red & Black Bond, a portion of your interest rate can help restore Christchurch communities

To the many Cantabrians who are now wondering how and when their world will get back to normal, we offer our understanding and support. Since last September when the first quake struck, many people have wondered how they can help and what they can do to make a difference to the lives of Cantabrians affected by the quakes. Many have donated their time and money, yet the restoration of the City continues. And as it continues, so does the need for funds.

Westpac NZ, UBS New Zealand Limited and our Joint Lead Managers have come up with a way for you to help the people of Christchurch in a way that doesn't require you to donate any cash at hand.

The Red & Black Bond

It's a new fixed rate, five year investment with a 5.80% p.a. interest rate. And with each semi-annual interest payment payable to the Bondholders, 0.50% p.a. is donated to the Christchurch Earthquake Appeal Trust to help restore local community-based infrastructure and facilities, such as sports and cultural facilities and community halls.

The Christchurch Earthquake Appeal Trust

The Christchurch Earthquake Appeal Trust was established in March 2011 following the tragic 22 February quake. It will direct funds across a range of significant community projects.

The Christchurch Earthquake Appeal Trust is a charitable trust registered with the Charities Commission (registration number CC46329). The trustees of the Trust are the Secretary to the Treasury of New Zealand, the Secretary for Internal Affairs and the Vice Chancellor of Canterbury University. The Deed of Trust establishing the Christchurch Earthquake Appeal Trust is available on the website of the Charities Commission www.register.charities.govt.nz/CharitiesRegister by searching under the name "Christchurch Earthquake Appeal Trust" or the registration number CC46329.

Westpac NZ

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

Westpac conducts its New Zealand banking business through two banks in New Zealand: Westpac New Zealand Limited (“Westpac NZ”) which is incorporated in New Zealand; and the New Zealand branch of Westpac Banking Corporation, which is incorporated in Australia.

Westpac NZ is one of New Zealand’s largest banking organisations and provides a wide range of consumer and business banking products and services to consumers, small to medium-sized businesses and the New Zealand Government.

Westpac NZ provides a full range of financial services to over 1.2 million customers, including savings and transactions accounts, term deposit accounts and various lending products, including home loans. It is a leading provider of business banking solutions for business clients, including various deposit and lending products.

Customers can do business with Westpac NZ nationwide through our network of over 200 branches and over 500 Westpac-branded ATMs. Some Westpac NZ branches are equipped with self-service banking technologies and incorporate “24/7” banking services including deposit automation and cash exchange facilities.

At the date of this Investment Statement, Westpac NZ holds a long-term senior unsecured debt rating of AA by Standard & Poor’s (Australia) Pty Limited, Aa3 by Moody’s Investors Service Pty Limited and AA by Fitch Ratings. You should check the current ratings for Westpac NZ before subscribing for any Bonds. A credit rating will not be sought for the Bonds.

A credit rating is not a recommendation to purchase, sell, or hold an investment. Such ratings are subject to revision, qualification, suspension or withdrawal at any time by the assigning rating agency. Investors are cautioned to evaluate each rating independently of any other rating.

Bonds are not guaranteed by Westpac Banking Corporation

Prospective investors should note that the Bonds are not liabilities of or deposits with Westpac Banking Corporation and are not guaranteed by Westpac Banking Corporation or any other member of the Westpac Banking Corporation Group.

Other Contributors to the Offer

Each company and firm mentioned in this Investment Statement as a demonstration of its support for the Christchurch rebuild has contributed its time to the Offer free of charge, and in the case of the Joint Lead Managers, they will also donate their brokerage to the Christchurch Earthquake Appeal Trust.

UBS

UBS is a leading global wealth manager, top tier investment banking and securities firm, and one of the largest global asset managers. UBS is present in all major financial centres worldwide.

Operating in New Zealand since 1951, initially as Buttle Wilson, UBS New Zealand Limited is an accredited NZX Firm, a market leader in Investment Banking, incorporating corporate, government and institutional clients, and a full service institutional equity broking house.

Forsyth Barr

Forsyth Barr is a New Zealand owned firm, with a history spanning 75 years. Forsyth Barr has 19 offices throughout the country and over 250 investment professionals. Forsyth Barr assists retail, institutional, wholesale and corporate clients across the full range of investment services.

Forsyth Barr is a foundation New Zealand Exchange Limited firm (NZX) and accredited market participant of NZX. Forsyth Barr provides sharebroking and research services, investment banking services for companies looking to raise debt and equity capital, and is a leading provider of portfolio management and advisory services.

Forsyth Barr is a leading participant in secondary trading of securities on the NZX Debt Market with a number one market share position for trades in 2009 and 2010.

Forsyth Barr provide meaningful and relevant support back into New Zealand communities. It is involved in a wide range of community events and partnerships throughout the country with a long commitment to supporting the arts in Christchurch. With a 25 year history in Christchurch, Forsyth Barr is committed to helping the rebuilding of New Zealand's garden city, both at an infrastructure level and beyond as Forsyth Barr support their staff and other Canterbury residents facing the future.

Other Contributors to the Offer

First NZ Capital

First NZ Capital is one of New Zealand's leading finance houses offering sharebroking, portfolio management, investment banking, financial and economic research services.

First NZ Capital was voted Sharebroking Firm of the Year by the Institute of Financial Professionals of New Zealand Inc in 2008, 2009 and 2010 and consistently ranked first for the past decade in secondary market share.

First NZ Capital has been a trusted provider of wealth management and investment advice to individuals, companies and institutions for nearly 50 years. First NZ Capital's forerunner, RA Jarden & Co, was established in 1961 by All Black Ron Jarden. First NZ Capital's strong local expertise and ownership is backed by their strategic alliance with Credit Suisse Group, a relationship that has existed for 20 years.

First NZ Capital has offices in Auckland, Wellington, Havelock North and Nelson. First NZ Capital has a 25% shareholding in Christchurch Investment bank Murray + Co.

Macquarie Capital (New Zealand) Limited

Macquarie Capital (New Zealand) Limited is a wholly-owned subsidiary of Macquarie Group Limited. Macquarie Group Limited and its subsidiaries ("Macquarie Group") are global providers of banking, financial, advisory, investment and funds management services. Macquarie Group Limited is listed in Australia (ASX: MQG) and is regulated by APRA (Australian Prudential Regulation Authority), the Australian Banking regulator, as the owner of Macquarie Bank Limited, an authorised deposit taker.

Founded in 1969, Macquarie Group employs more than 15,500 people operating out of over 70 office locations in 28 countries. As at 31 March 2011, Macquarie Group had assets under management of approximately A\$310 billion.

In New Zealand Macquarie Group operates through wholly-owned subsidiaries which directly employ 125 staff across its offices in Auckland, Wellington and Christchurch:

- Macquarie Capital (New Zealand) Limited provides a range of services including specialist capabilities in corporate finance (including advisory, mergers and acquisitions and corporate restructuring), equity and debt capital markets, debt restructuring and principal investments.
- Macquarie Securities (NZ) Limited operates as a leading full service institutional cash equities broker providing sales, sales trading, execution and research.

Other Contributors to the Offer

- Macquarie Equities New Zealand Limited is the broking entity for Macquarie Private Wealth New Zealand's retail banking and financial services businesses providing a diverse range of wealth management products and services in Auckland, Wellington and Christchurch.

NZX

NZX is an integrated information, markets and infrastructure company. NZX operates the New Zealand securities, derivatives and energy markets, builds and maintains the infrastructure on which they operate, and provides a range of information and data to support market growth and development on a global scale.

Chapman Tripp

Chapman Tripp is one of New Zealand's pre-eminent commercial law firms. With offices in Auckland, Wellington and Christchurch, it is a full service law firm with a truly national presence.

The firm advises on the full spectrum of New Zealand law and is consistently recognised as a leading law firm by international legal directories, including Chambers Global, Asia Pacific Legal 500, IFLR1000, AsiaLaw Profiles and PLC Which Lawyer?.

Chapman Tripp was the first major law firm to set up a formal pro bono practice, now in its eighth year. Each year the firm provides its community partners with legal help, business expertise, resources or the energy of its people willing to get involved when opportunities arise. Chapman Tripp's Community programme is focussed on three main areas: investing in a stronger community; contributing to New Zealand's economic future; and supporting New Zealand's vibrant arts environment.

Colenso BBDO

Colenso BBDO has been producing world-class creative work for iconic local and global brands since 1969.

Today Colenso BBDO's client list includes Westpac NZ, Vodafone, Air New Zealand, Yellow, V, Mainland, Anchor, Tip Top, TVNZ, DB, Burger King and Fisher & Paykel.

Despite being a boutique Auckland brand shop, Colenso BBDO is recognised as the most creative and most effective agency in New Zealand.

After winning more Cannes Lions than any agency in New Zealand's history, Colenso BBDO finished 2010 ranked 15th in the world in the Cannes Report, 20th in the world in the Big Won Report and 44th in the world in the Gunn Report.

Other Contributors to the Offer

And after winning thirteen effectiveness awards including Best in Show at the New Zealand Effies, were named Effectiveness Agency of the Year for the second year running.

Their success has been sustained over the long term and they were the highest ranked agency of the 2000's according to Campaign Brief, who named them New Zealand Agency of the Decade.

These days, their focus is on progressive work that creates conversation around their clients' brands. They have twice won a Cannes Integrated Lion, a coveted award reserved for the world's most innovative creative thinking. And their work in the digital space has won them B&T Magazine's Digital Agency of the Year in both 2008 and 2010, and Best in Show at the Asian Digital Media Awards in both 2009 and 2010.

With brands they've helped build being rolled out internationally and their work now running in several global markets, they aspire to be considered one of the world's great creative agencies.

LINK

Link Market Services ("LINK") operates securities registry services for the New Zealand capital markets and was formed in 2005 as a joint venture between NZX and Link Group Australia. Since inception, LINK has built a multi-faceted operation with over 145 issuer clients in both the debt and equity capital markets.

Backed by a strong committed team, LINK now provides a premium range of services to clients across many commercial sectors, including banks, corporate entities, local authorities, state-owned enterprises, agricultural co-operatives, and managed funds. Clients include Westpac, Air New Zealand, Auckland Airport, Ryman Healthcare, Infratil, Port of Tauranga, Genesis Energy, Goodman Fielder, Kathmandu, and Xero.

LINK has a track record of bringing innovative new technology to the registry space, and providing issuers and investors with an ever-expanding range of services and products. LINK has offices in both the North Island and South Island, and our team is pleased to be able to contribute to the re-build of Christchurch.

Summary of the main terms of the offer

For a more complete description of the Bonds, see Answers to Important Questions from page 15.

Issuer Westpac New Zealand Limited. A description of Westpac NZ is set out on page 6.

Maturity Date 16 August 2016

Interest Rate and Donation The Interest Rate consists of a fixed interest rate of 5.80% per annum comprising:

- 5.30% per annum which will be paid to the Bondholders, and
- 0.50% per annum which will be donated by the Bondholders to the Christchurch Earthquake Appeal Trust (referred to in this Investment Statement as the Donation Portion).

By subscribing for the Bonds, Bondholders irrevocably assign the Donation Portion to the Christchurch Earthquake Appeal Trust with the effect that Westpac NZ will pay the Donation Portion directly to the Christchurch Earthquake Appeal Trust on each Interest Payment Date.

Bondholders will not have to pay tax on the Donation Portion, nor will they be able to claim a tax credit or deduction in relation to the Donation Portion.

Interest Payment Dates Interest is payable semi-annually in arrears on 16 February and 16 August in each year, commencing on 16 February 2012, until redemption. Each interest payment (less the Donation Portion) will be made to the Bondholder on the Register as at the Record Date.

Early Bird Interest Westpac NZ will pay interest to each subscriber for Bonds on the subscription moneys for that Bondholder at the Interest Rate (less the Donation Portion) for each day in the period from (and including) the date on which subscription moneys are banked to Westpac NZ's account to (but excluding) the Issue Date. Early Bird Interest will be paid 10 business days after the Issue Date and the Donation Portion of the Early

Summary of the main terms of the offer

	Bird Interest will be paid by Westpac NZ to the Christchurch Earthquake Appeal Trust at the same time. As with any interest payment, Early Bird Interest will be paid after deducting any applicable withholding tax or approved issuer levy.
Ranking	The Bonds are unsecured, unsubordinated obligations of Westpac NZ.
Joint Lead Arrangers & Managers	Westpac Institutional Bank and UBS New Zealand Limited.
Joint Lead Managers	First New Zealand Capital Securities Limited, Forsyth Barr Limited and Macquarie Capital (New Zealand) Limited.
Registrar	Link Market Services Limited.
Donation of Brokerage	<p>A brokerage fee of 0.25% of the amount issued pursuant to the Offer is payable by Westpac NZ to the Joint Lead Managers, other NZX Firms and approved financial intermediaries. The brokerage will be donated by each Joint Lead Manager and those other NZX Firms and approved financial intermediaries to the Christchurch Earthquake Appeal Trust.</p> <p>Brokerage at applicable rates is likely to be payable by a Bondholder on any transfer of the Bondholder's Bonds effected through a financial intermediary.</p>
Donation of Services	Link Market Services Limited, NZX, Colenso BBDO and Chapman Tripp have each agreed to provide their services in connection with the Offer free of charge.
Currency	New Zealand Dollars.
Denomination and minimum application amount	<p>\$1 per Bond. The minimum investment amount is \$5,000 and must be in multiples of \$1,000 thereafter.</p> <p>Westpac NZ may accept all or part of any application, or refuse any application, in its absolute discretion.</p>
Issue Price	\$1 per Bond (being the Principal Amount of each Bond).
Minimum Principal Amount	The minimum aggregate Principal Amount of the Bonds is \$50 million.

Summary of the main terms of the offer

Events of Default	<p>Events of Default include non-payment of interest or principal within 14 days of the due date.</p> <p>The Events of Default and their consequences are more fully described under the heading <i>Early Repayment due to default</i> from page 20.</p>
Who may apply	<p>The Bonds are offered to New Zealand resident investors.</p> <p>Instructions on how to apply for the Bonds are contained from page 16 under <i>How much do I pay?</i></p>
Early Redemption by Issuer	<p>Westpac NZ may elect to compulsorily redeem any Bonds following the occurrence of a Tax Event. For further detail please see the section entitled <i>What returns will I get? – Early redemption for tax reasons</i>.</p>
NZDX Quotation	<p>Application has been made to NZX for permission to quote the Bonds on the NZDX and all the requirements of NZX relating to the quotation that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered market under the Securities Markets Act 1988.</p>
Ratings	<p>Credit ratings will not be sought for the Bonds.</p>
Form of the Bonds	<p>The Bonds will be entered onto the register maintained by the Registrar. Title passes by transfer and registration.</p>
New Zealand taxation	<p>A description of the applicable New Zealand taxes is set out under Taxation from page 28.</p>
Applications	<p>Investors wishing to subscribe for the Bonds should use the Application Form at the back of this Investment Statement. Applications for the Bonds and accompanying payment must be received by the Registrar by 4.00pm on the Closing Date, being 11 August 2011.</p> <p>Full application instructions are set out under <i>How much do I pay?</i> from page 16.</p>
No Underwriting	<p>The Offer is not underwritten.</p>
Governing Law	<p>New Zealand.</p>

Important dates

Opening Date	21 July 2011
Closing Date*	11 August 2011
Issue Date	16 August 2011
Early Bird Interest (if any) paid**	Ten business days after the Issue Date
Interest Payment Dates	16 February and 16 August in each year commencing 16 February 2012 until (and including) the Maturity Date
Maturity Date	16 August 2016

The above dates are indicative only and subject to change by Westpac NZ at any time prior to the actual Issue Date. Westpac NZ has the right to extend or otherwise vary the Opening Date and the Closing Date. This may have a consequent effect on other dates listed above. Any change to the Closing Date will be advised by NZX announcement.

* Applications must be received by the Registrar on the Closing Date by 4.00 pm.

** The Donation Portion of the Early Bird Interest will also be paid to the Christchurch Earthquake Appeal Trust on this date.

Answers to important questions

1. What sort of investment is this?

Bonds

The Bonds are debt securities with a fixed rate of interest payable semi-annually in arrears. The Bonds will have a five year term, maturing on 16 August 2016.

The Bonds are unsecured, unsubordinated debt obligations of Westpac NZ.

The terms and conditions of the Bonds are contained in the Bond Deed Poll and this Investment Statement. Each Bond will rank equally with each other Bond and with all other unsecured, unsubordinated debt obligations of Westpac NZ, except indebtedness preferred by law.

Form

The Bonds will be issued in registered form. This will mean that title in respect of a Bond will be conclusively determined by the entry in the Register in respect of that Bond. Westpac NZ and the Registrar will be entitled to deal exclusively with the persons named in the Register in respect of a Bond for all purposes, including the making of payments.

NZDX Quotation

Application has been made to NZX for permission to quote the Bonds on the NZDX and all the requirements of NZX relating to the quotation that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered market under the Securities Markets Act 1988.

Westpac NZ intends that quotation of the Bonds on the NZDX will commence within 10 Business Days of the Issue Date.

2. Who is involved in providing it for me?

Issuer

The Issuer is Westpac New Zealand Limited, whose principal address is Westpac on Takutai Square, 16 Takutai Square, Auckland, New Zealand. Westpac NZ's contact address is Westpac on Takutai Square, 53 Galway St, Auckland 1010 or PO Box 934, Shortland Street, Auckland, 1140. These addresses may change from time to time without notice to Bondholders. Details of the address of Westpac NZ is available online at www.business.govt.nz/companies.

Answers to important questions

Westpac NZ was incorporated in New Zealand on 14 February 2006. Westpac NZ is a registered bank under the Reserve Bank of New Zealand Act 1989.

Westpac NZ or any subsequent issuer of Bonds may, without the consent of Bondholders, nominate another person to take the place of the issuer under the Bond Deed Poll in substitution of the issuer or a previous substituted issuer of Bonds. Such substitution may only occur if a number of requirements set out in the Bond Deed Poll are met.

Westpac NZ provides a full range of financial services for retail and business banking customers, including home and business lending. Further information on the principal business activities of Westpac NZ is set out on page 6 under the heading *Westpac NZ*.

Prospective investors should note that the Bonds are not liabilities of or deposits with Westpac Banking Corporation and are not guaranteed by Westpac Banking Corporation or any other member of the Westpac Banking Corporation Group.

Directors of the Issuer

As at the date of this Investment Statement, the directors of Westpac NZ are as follows:

Peter David Wilson (Chairman)
Philip Matthew Coffey
George Frazis
Christopher John David Moller
Harold Maffey Price
Ralph Graham Waters

The directors may change from time to time without notice to you. See the Companies Office website at www.business.govt.nz/companies for details.

3. How much do I pay?

Minimum investment

The Issue Price of each Bond is \$1.00. The minimum amount you can invest is \$5,000, and in multiples of \$1,000 thereafter. There is no limit on the maximum investment you may make.

Applications and payments

Applications must be made on the Application Form contained in this Investment Statement, and in accordance with the instructions from page 36. Only New Zealand

Answers to important questions

residents may apply for Bonds. This Investment Statement does not constitute an offer of Bonds in any jurisdiction other than New Zealand.

Payment must be made in New Zealand dollars for immediate value by direct debit, by a cheque drawn on a New Zealand bank account (or, if the application is for Bonds of an aggregate subscription amount of \$500,000 or more, by bank cheque), or through the NZClear System (institutional investors only) or by any other method acceptable to Westpac NZ.

All completed Application Forms plus payment for the Issue Price should be:

- mailed or delivered to the Registrar at the address specified in the Application Form to arrive before 4.00pm on the Closing Date; or
- delivered to any branch of Westpac NZ before 4.00pm on the Closing Date; or
- mailed to Westpac NZ at PO Box 934, Shortland Street, Auckland, 1140, to arrive before 4.00pm on the Closing Date.

Application Forms received after 4.00 pm on the Closing Date will not be accepted, unless otherwise agreed by Westpac NZ in its absolute discretion.

All cheques are to be made in New Zealand dollars drawn on a New Zealand bank account of a financial institution and made payable to “Red & Black Bond Offer” and crossed “Not transferable”. They must not be post-dated.

Application Forms may be lodged with any NZX Primary Market Participant, UBS or any other channel approved by NZX in time to enable forwarding to the Registrar by the closing date.

Westpac NZ may refuse any application, or accept an application in part only, without giving any reason.

Any application money received by Westpac NZ in respect of an application which is declined, in whole or part, will be refunded in whole or part (as the case may be) (without interest) to the applicant.

Where an applicant's payment for Bonds is dishonoured, Westpac NZ may cancel any Bonds issued to that applicant, and may pursue the defaulting applicant for damages suffered by Westpac NZ.

Answers to important questions

No cooling off period

There is no cooling off period during which a Bondholder can cancel his or her investment in the Bonds.

4. What are the charges?

Applicants pay no fees or charges to invest in the Bonds other than the Issue Price.

Issue expenses in relation to the Bonds, including any legal, accounting, registry, printing, distribution and promotion expenses are payable by Westpac NZ.

A brokerage fee of 0.25% of the amount issued pursuant to the Offer is payable by Westpac NZ to the Joint Lead Managers, other NZX Firms and approved financial intermediaries. The brokerage will be donated by the Joint Lead Managers and all other recipients of brokerage to the Christchurch Earthquake Appeal Trust.

Link Market Services Limited, NZX, Chapman Tripp and Colenso BBDO have each agreed to provide their services in connection with the Offer free of charge.

Brokerage at applicable rates is likely to be payable by a Bondholder on any transfer of the Bondholder's Bonds effected through a financial intermediary.

Secondary market fees

A fee or commission may be charged if Bonds are purchased or sold on the secondary market. Westpac NZ takes no responsibility for the pricing actions of other secondary market participants (including any financial adviser through whom you purchase Bonds), and any fee or commission is to be directly negotiated between you and the relevant secondary market participant.

5. What returns will I get?

Overview

The information set out in this section should be read in conjunction with the information set out under the heading *What are my risks?* from page 22. Certain events could reduce or eliminate the returns intended to be derived from holding the Bonds.

Key factors that determine returns

The key factors that determine the returns on a Bondholder's investment are:

Answers to important questions

- the Interest Rate (including the irrevocable assignment of the Donation Portion to the Christchurch Earthquake Appeal Trust);
- the financial condition and credit ratings of Westpac NZ;
- any applicable taxes (refer to *Taxation* on pages 28 to 30) ;
- fluctuations in the price of the Bonds if sold on the secondary market;
- any early redemption of the Bonds due to a tax event as described under “*Early redemption for tax reasons*” on page 21; and
- the other risk factors described under *What are my risks?* from page 22.

The Bonds’ initial quotation on the NZX will be based on a coupon rate of 5.30% as this is the interest rate that you will actually receive. The effect of this is that the Bonds are expected to trade at a discount to the principal value of the Bonds.

It is not possible to quantify as at the date of this Investment Statement the exact amount of returns Bondholders will receive, and therefore no such amount can be promised by Westpac NZ.

Interest rate and charitable donation

The Bonds will carry a fixed rate of interest payable semi-annually in arrears. The Interest Rate will be 5.80% per annum, comprising 5.30% of which will be paid to you and a Donation Portion of 0.50% per annum which will (pursuant to the irrevocable assignment made by you in the Application Form) be donated to the Christchurch Earthquake Appeal Trust.

By subscribing for the Bonds, Bondholders irrevocably assign, and direct Westpac NZ to pay, the Donation Portion of 0.50% per annum to the Christchurch Earthquake Appeal Trust.

Interest payment

Interest is payable semi-annually in arrears (one half of the annual amount per Interest Payment Date) on 16 February and 16 August of each year until (and including) the Maturity Date.

Each interest payment (less the Donation Portion) (other than in respect of Early Bird Interest), will be made to the Bondholder on the Register as at the Record Date, which is 10 days prior for the relevant Interest Payment Date or Maturity Date.

Answers to important questions

Each original subscriber for the Bonds will be entitled to interest at the initial interest rate described above (less the Donation Portion) for the period from the date the subscription monies are credited and cleared to Westpac NZ's account to (but excluding) the Issue Date. This Early Bird Interest will be paid not later than 10 Business Days after the Issue Date and the Donation Portion of the Early Bird Interest will be paid by Westpac NZ to the Christchurch Earthquake Appeal Trust at the same time.

If an Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof. Interest payment amounts are calculated on a 365 day year basis.

Redemption by Bondholders

The Principal Amount of each Bond will be repaid by Westpac NZ to the Bondholder on the Maturity Date. Bondholders have no right to require redemption of any of their Bonds except following an Event of Default (see *Early repayment due to default* below).

This means that Bondholders have no ability to cash in their investment, except by selling their Bonds in the secondary market (if any).

Early repayment due to default

If an Event of Default occurs and remains unremedied in relation to the Bonds, a Bondholder may, by notice in writing to Westpac NZ (with a copy to the Registrar), require any Bonds held by that Bondholder to be repaid on the next Business Day after service of the notice (unless, prior to that date, Westpac NZ has cured or otherwise made good all Events of Default subsisting in respect of the Bonds prior to that date). The Events of Default applicable to the Bonds are as follows:

- if Westpac NZ does not pay any principal or interest in respect of the Bonds within 14 days of the due date; or
- if Westpac NZ becomes insolvent, or a liquidator or receiver is appointed in respect of Westpac NZ or the whole or a major part of its assets, or Westpac NZ enters into a general assignment or arrangement or composition with or for the benefit of its creditors (other than for the purposes of a solvent reconstruction or amalgamation); or

Answers to important questions

- the commencement of the liquidation, winding-up or dissolution of Westpac NZ, Westpac NZ being removed from the New Zealand Register of Companies or the appointment of a statutory manager in respect of Westpac NZ (in each case other than for the purposes of a solvent reconstruction or amalgamation).

Early redemption for tax reasons

Westpac NZ, at its option, may, but without having any obligation to do so, elect to redeem any Bonds early if Westpac NZ is or will become obliged to make any deductions or withholding on account of New Zealand withholding tax from any payment to a Bondholder as a result of any change in, or amendment to, the laws or regulations or rulings of New Zealand, or any change in the application or official interpretation of such laws or regulations, which becomes effective after the date on which the Bonds are issued under the Bond Deed Poll, and Westpac NZ is unable to avoid such obligation by taking reasonable measures available to it. This includes circumstances where the rate of approved issuer levy payable in respect of any Bonds is increased from the rate applying at the time the Bonds are issued under the Bond Deed Poll.

The redemption shall occur on the first Interest Payment Date applicable to the Bonds falling at least 30 days after the redemption notice is given to Bondholders by Westpac NZ. Furthermore, the redemption notice may not be given more than 60 days prior to the Interest Payment Date which is immediately before the first date that Westpac NZ is obliged to make the relevant deduction or withholding.

Person liable to pay returns

Westpac NZ is legally liable to pay the returns on the Bonds. Prospective investors should note that the Bonds are not liabilities of or deposits with Westpac Banking Corporation and are not guaranteed by Westpac Banking Corporation or any member of the Westpac Banking Corporation Group.

Answers to important questions

6. What are my risks?

No investment is risk-free and the Bonds are no exception. There is a risk of you not recovering the sum which you paid for the Bonds and/or of you not receiving the returns described above under the heading *What returns will I get?* as a result of the risks described in this section.

The principal risk of you not being able to recover in full your principal investment, or not receiving in full the returns set out above under the heading *What returns will I get?* is that Westpac NZ may become insolvent for any reason, become subject to statutory management, or otherwise may be unable to and/or fail to make any payment.

In that event:

- you might not recover all your principal investment or receive the agreed returns; and
- you will not be liable to pay any further amounts to Westpac NZ or any other person in respect of your Bonds.

Information about other risks and Westpac NZ's policies with respect to risk management can be found in Westpac NZ's current Disclosure Statement which may be obtained from any branch of Westpac NZ or on Westpac NZ's website at www.westpac.co.nz following the link "Disclosure Statements" which is located at the bottom left corner of the homepage.

Consequences of insolvency

In the event that Westpac NZ is put into liquidation or statutory management during the term of your investment, secured creditors of Westpac NZ and creditors preferred by statute will rank ahead of your claim. After the payment of these creditors in full, your claim as a holder of Bonds will rank equally with all other unsecured, unsubordinated creditors of Westpac NZ.

Interest rate risk and market risk

If you sell your Bonds before maturity, the price you obtain for them may be different to the price you paid for them. This is because changes in market interest rates or other market factors can affect the market value of your Bonds. For instance, if market rates go up, the market value of your Bonds may go down or vice versa. The price at which you may be able to sell your Bonds may also be affected by a deterioration, whether real or perceived, in Westpac NZ's creditworthiness (including a downgrade of its credit rating), or the lack of an established market or demand for the Bonds.

Answers to important questions

The price at which you may be able to sell your Bonds before maturity will also be impacted by the interest rate you will receive net of the Donation Portion of 0.50%. As a consequence of the assignment of the Donation Portion to the Christchurch Earthquake Appeal Trust, the Bonds will have an initial quoted interest rate on the NZDX of 5.30%. The effect of this is that the Bonds are expected to trade at a discount to the principal value of the Bonds.

7. Can the investment be altered?

Terms of the Offer

The Bonds are issued subject to the terms and conditions set out in the Bond Deed Poll and this Investment Statement. Subject to the comments below, the Conditions in relation to the Bonds cannot be altered unless agreed to by an extraordinary resolution of the Bondholders in accordance with the terms of the Bond Deed Poll. An “extraordinary resolution” is a resolution passed at a duly convened meeting of Bondholders at which at least 75% of the persons voting at the meeting voted in favour of the resolution. An extraordinary resolution is binding on all Bondholders whether or not they were present at such meeting.

The Bond Deed Poll permits certain conditions of, and procedures relating to, the Bonds to be amended by Westpac NZ without the consent of the Bondholders in certain circumstances, including if such amendment:

- is required to correct a manifest error or is of a formal, technical or administrative nature; or
- is convenient for the purpose of obtaining or maintaining the quotation of the Bonds on any securities exchange in New Zealand or elsewhere; or
- is required to comply with any requirements of any applicable law; or
- is an appropriate and reasonable amendment in all the circumstances (including where it is necessary or convenient for complying with the practice of New Zealand financial markets), provided that in Westpac NZ’s opinion such amendment will not have a material adverse effect on Westpac NZ or become materially prejudicial to the general interest of Bondholders.

Answers to important questions

8. How do I cash in my investment?

Maturity Date

The Principal Amount of the Bonds will be repaid by Westpac NZ on the Maturity Date being 16 August 2016.

Redemption by Bondholders

Bondholders have no right to require redemption of the Bonds, except in the case of an Event of Default. This means that Bondholders have no ability to cash in their investment prior to the Maturity Date, other than by selling their Bonds in any secondary market.

Transfer of Bonds

Bondholders are entitled to sell or transfer the Bonds at any time subject to the terms of the Conditions and applicable securities laws and regulations.

The Bonds may be transferred using any common or usual form approved by the Registrar or through the NZCDC Settlement System.

Bondholders should not attempt to sell the Bonds until they know whether, and how many, Bonds have been issued to them. None of Westpac NZ, the Joint Lead Arrangers & Managers, the Joint Lead Managers, nor any of their respective directors or employees, nor any other person, accepts any liability or responsibility should any applicant for the Bonds attempt to sell or otherwise deal with any of the Bonds before receiving a statement recording the number of the Bonds (if any) issued to them.

A Bondholder may transfer part of his/her interest in a Bond. However, no transfer of the Bonds or any part of a Bondholder's interest in a Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold the Bonds with an aggregate Principal Amount of less than \$5,000 or integral multiples other than \$1,000.

It is expected that there will be a secondary market for the Bonds. However, Westpac NZ, the Joint Lead Arrangers & Managers and the Joint Lead Managers give no assurances as to the existence or characteristics of such secondary market.

Brokerage at applicable rates is likely to be payable by a Bondholder on any transfer of the Bondholder's Bonds effected through a financial intermediary.

Answers to important questions

Application has been made to NZX for permission to quote the Bonds on the NZDX and all the requirements of NZX relating to the quotation that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered market under the Securities Markets Act 1988.

9. Who do I contact with enquiries about my investment?

Inquiries about applying for Bonds or your investment should be made in the first instance to:

The Registrar and Paying Agent

Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
PO Box 91976
Auckland 1142

Telephone for investor inquiries: (09) 375 5998
Facsimile: (09) 375 5990
Email: Lmsenquiries@linkmarketservices.com

Alternatively, you may contact:

Westpac NZ

The Treasurer
Westpac New Zealand Limited
Westpac on Takutai Square
53 Galway Street, Auckland 1010
PO Box 934
Shortland Street, Auckland 1140
Telephone: (09) 367 3539
Facsimile: (09) 367 3818

The principal place of business of Westpac NZ is set out in the section *“Who is involved in providing it for me?”*

Please note that this address differs from the one stated in the Bond Deed Poll but this address overrides the address listed in that deed.

Answers to important questions

10. Is there anyone to whom I can complain if I have problems with the investment?

Any complaints about the Bonds can be directed to:

The Registrar and Paying Agent

Link Market Services Limited

Level 16, Brookfields House

19 Victoria Street West

PO Box 91976

Auckland 1142

Telephone for investor inquiries: (09) 375 5998

Facsimile: (09) 375 5990

Email: Lmsenquiries@linkmarketservices.com

If the Registrar is unable to assist you or you are dissatisfied with the response, you may contact:

Westpac NZ

The Treasurer

Westpac New Zealand Limited

Westpac on Takutai Square

53 Galway Street, Auckland 1010

PO Box 934

Shortland Street, Auckland 1140

Telephone: (09) 367 3539

Facsimile: (09) 367 3818

The principal place of business of Westpac NZ is set out in the section *“Who is involved in providing it for me?”*

Westpac NZ subscribes to the New Zealand Bankers’ Association Code of Banking Practice, which sets out the minimum standards for resolving complaints.

In addition, you may refer a complaint to the Office of the Banking Ombudsman for independent review if you are dissatisfied with Westpac NZ’s response to your complaint. The Banking Ombudsman is an approved dispute resolution scheme, of which Westpac NZ is a member. The Banking Ombudsman may be contacted by writing to Banking

Answers to important questions

Ombudsman, Freepost 218002, PO Box 10573, The Terrace, Wellington 6143 or calling 0800 805 950 or by email to help@bankomb.org.nz.

11. What other information can I obtain about this investment?

Further information about the Bonds and about Westpac NZ as issuer of the investment is contained in the following documents:

- Westpac NZ's most recent Disclosure Statement including financial statements;
- Westpac NZ's Customer Information brochures;
- the New Zealand Bankers' Association Code of Banking Practice;
- the Bond Deed Poll (incorporating or together with any amendments to that deed); and
- further copies of this Investment Statement,

which can be requested, free of charge, by contacting:

- Link Market Services Limited, Level 16, Brookfields House, 19 Victoria Street West, PO Box 91976, Auckland 1142; or
- the Treasurer, Westpac New Zealand Limited, Westpac on Takutai Square, 53 Galway Street, Auckland 1010, or PO Box 934, Shortland Street, Auckland 1140, or on (09) 367 3539.

This information may take five business days to get to you.

Publicly available financial information

A copy of Westpac NZ's most recent financial statements that have been filed under the Financial Reporting Act 1993 (together with all documents required to be registered with those financial statements) is filed with the Registrar of Financial Service Providers, which can be inspected on its website at www.business.govt.nz/fsp.

Other information

The Registrar will send you a notice of registration in respect of your Bonds and a withholding tax certificate each year during the term of the Bonds.

Westpac NZ is also required to make half-yearly and annual results announcements to NZDX, and such other announcements as are required by the NZDX listing rules from time to time.

Taxation

Introduction

The return on the Bonds will be affected by taxes. If the law requires Westpac NZ to deduct an amount in respect of taxes from a payment under the Bonds, then Westpac will deduct the amount of the tax (or, alternatively, the approved issuer levy (“AIL”)) from the payment and pay it to the relevant authority. Westpac NZ is not obliged to gross-up, indemnify or otherwise compensate or pay any additional amounts to the Bondholders nor the Trust as a consequence of or otherwise in connection with such deduction.

Under the Bonds, each Bondholder indemnifies Westpac NZ in respect of any tax which Westpac NZ becomes liable to pay on behalf of that Bondholder (including in relation to the Donation Portion). Westpac NZ may deduct any indemnity payment from future amounts payable.

Further information relating to tax is set out below. However, it does not constitute taxation advice to any Bondholder, nor does it purport to be a complete summary of New Zealand tax law and practice currently applicable.

Taxation laws are subject to change, and such changes may materially affect your tax position with respect to an investment in the Bonds. You should obtain your own independent financial and taxation advice before deciding to invest in the Bonds. In particular, you should consult your tax advisor in relation to your tax residency and status or the effect of any relevant tax legislation on your investment.

Resident Withholding Tax

Resident withholding tax (“RWT”) will be deducted from the gross amount of interest (or payments deemed by law to be interest) paid to you in accordance with the provisions of the Income Tax Act 2007 (“Tax Act”), where RWT is required to be deducted.

RWT will be imposed on the amount of interest paid on the Bonds less the portion of the interest donated to the Canterbury Earthquake Appeal Trust.

The RWT rate depends on the nature of the Bondholder, whether you have provided your IRD number to Westpac NZ and (where an IRD number has been provided) any election made by you. Current RWT rates can be found at www.ird.govt.nz.

RWT will not be deducted by Westpac NZ where you provide an original or certified copy of an appropriate RWT exemption certificate to Westpac NZ at least 10 Business Days prior to the Record Date for the relevant payment.

Non-Resident Withholding Tax

If at any time a Bond is held by a Bondholder who is not a New Zealand tax resident or engaged in business through a fixed establishment (as defined in the Tax Act) in New Zealand (Non-resident Bondholder), non-resident withholding tax (“NRWT”) will be deducted, where appropriate, at the rate required by law from payments made to such Bondholder.

The NRWT rate payable varies depending on any double-tax agreement between New Zealand and the Bondholder’s country of residence. Current NRWT rates can be found at www.ird.govt.nz.

If a Non-resident Bondholder derives interest under a Bond jointly with a person who is resident in New Zealand for tax purposes, then NRWT is deducted at the applicable RWT rates. Where a non-resident who is not the Bondholder is beneficially entitled to interest under a Bond, the Bondholder should consult their own taxation advisers about their withholding obligations.

If Westpac NZ is lawfully able to pay AIL (as defined in section 86F of the Stamp and Cheque Duties Act 1971) in respect of any payment of interest (or deemed interest) to a Non-resident Bondholder, then, unless requested otherwise by the Bondholder in writing and agreed to by Westpac NZ, Westpac NZ will register for and pay the AIL to the appropriate governmental authority and will deduct the amount paid from the interest (or deemed interest) payable to that Non-resident Bondholder in lieu of deducting NRWT at the rate otherwise applicable from that payment.

Interest Income

Interest payments receivable by Bondholders will be subject to income tax or NRWT. However Bondholders will:

- not have to pay tax on the Donation Portion; and
- not be able to claim a tax credit or deduction in relation to the Donation Portion.

Gains on Disposal

Under the financial arrangements rules, gains on the sale of the Bonds will be taxable to New Zealand resident Bondholders. Non-resident Bondholders may also be subject to tax on such gains. Bondholders should consult their own taxation advisers about the effect of taxes on their investment in any Bonds.

Taxation

Recognition of Income under the Financial Arrangements Rules

Bondholders that are not a “cash basis person” (as defined in the Tax Act) may be required to spread income and expenditure over the term of the Bonds in accordance with the Financial Arrangements rules. Such Bondholders should consult their own taxation advisers about the effect of taxes on their investment in any Bonds.

No Gross-up/Maximum Rate

Without limiting the above:

- Westpac NZ will not be required to and will not make any additional payment by way of gross-up or otherwise with respect to the deduction or withholding from any payment made in respect of the Bonds in respect of taxation (including AIL);
- where applicable, deductions of NRWT or RWT will be made at the maximum rate from time to time applicable unless a Bondholder provides Westpac NZ with evidence that a lesser rate is applicable.

In this Investment Statement, unless the context otherwise requires:

Application Form means the application form attached to this Investment Statement.

Bond Deed Poll means the Note Deed Poll entered into by Westpac NZ and dated 10 November 2006 under which the Bonds are constituted and issued (as amended from time to time).

Bonds mean the Red & Black Bonds offered pursuant to this Investment Statement.

Bond Moneys means, in relation to a Bond at any time, the Principal Amount, interest and other moneys payable on, or in relation to, that Bond to the relevant Bondholder.

Bondholder means a person whose name is recorded in the Register as the holder of a Bond.

Business Day means any day (other than a Saturday or a Sunday) on which the NZDX is open for trading.

Christchurch Earthquake Appeal Trust means the charitable trust known as the Christchurch Earthquake Appeal Trust, registered with the Charities Commission (registration number CC46329).

Closing Date means the end of the offer period for the Bonds, being 11 August 2011 or such other date that Westpac NZ may determine.

Conditions means the terms and conditions applicable to the Bonds as set out in the Bond Deed Poll and this Investment Statement (and if there are any inconsistencies between the Bond Deed Poll and this Investment Statement, terms and conditions set out in this Investment Statement prevail).

Contributor Information means, in relation to a Contributor, the information relating to that Contributor set out in the section entitled "*Other Contributors to the Offer*".

Contributors means UBS New Zealand Limited, First NZ Capital Securities Limited, Forsyth Barr Limited, Macquarie Capital (New Zealand) Limited, Link Market Services Limited, Colenso BBDO and Chapman Tripp and **Contributor** means any one of them.

Disclosure Statement means a disclosure statement published by Westpac NZ under Section 81 of the Reserve Bank of New Zealand Act 1989.

Dollars and **\$** means the lawful currency of New Zealand.

Glossary

Donation Portion means the amount of the interest rate (0.50% per annum) which will be donated by you to the Christchurch Earthquake Appeal Trust.

Early Bird Interest means interest paid at the Interest Rate on application money held on trust by the Registrar until (but excluding) the Issue Date where an application is successful.

Event of Default has the meaning given to that term in the Bond Deed Poll.

Interest Payment Date means 16 February and 16 August in each year commencing on 16 February 2012, until redemption of the Bonds. Early Bird Interest will be paid no later than 10 Business Days after the Issue Date.

Interest Rate means 5.80% per annum. The Interest Rate for the purpose of trading Bonds on NZDX excludes the Donation Portion.

Investment Statement means this investment statement dated 13 July 2011.

Issue Date means 16 August 2011 or such other date as Westpac NZ may determine.

Issue Price means \$1.00 per Bond, being the Principal Amount of each Bond.

Issuer means Westpac New Zealand Limited.

Joint Lead Arrangers & Managers means Westpac Institutional Bank and UBS New Zealand Limited.

Joint Lead Managers means First NZ Capital Securities Limited, Forsyth Barr Limited and Macquarie Capital (New Zealand) Limited.

Maturity Date for a Bond means 16 August 2016 unless the Bond is redeemed earlier in accordance with the Conditions.

NZCDC Settlement System means the settlement system owned by, and operated and managed by or on behalf of, New Zealand Clearing and Depository Corporation Limited and includes:

- (a) the operation of the central counterparty clearing house by NZ Clearing; and
- (b) the operation of the central product depository by NZ Depository; and
- (c) the performance of the custodian trustee role by NZD Nominee; and
- (d) a system for the transfer of legal title to securities, including by electronic means.

NZClear System means the securities clearing and settlement facility operated by the Reserve Bank of New Zealand and known as the NZClear System.

NZDX means the New Zealand debt market operated by NZX, on which the Bonds are to be listed.

NZX means NZX Limited.

Opening Date means the first date of the offer period for the Bonds, being 21 July 2011 or such other date as Westpac NZ may determine.

Principal Amount means, in relation to a Bond, the amount (other than interest) payable on redemption or repayment of that Bond, being the amount recorded as such in the Register in respect of that Bond.

Record Date means, in relation to a payment due on a Bond, the tenth calendar day before the relevant Interest Payment Date or Maturity Date.

Register means the register of the Bonds maintained by the Registrar.

Registrar means Link Market Services Limited.

Trust means the charitable trust known as the Christchurch Earthquake Appeal Trust, registered with the Charities Commission (registration number CC46329).

Trustees means the trustees for the time being of the Trust (the current trustees of the Trust are the Secretary to the Treasury of New Zealand, the Secretary for Internal Affairs and the Vice Chancellor of Canterbury University).

Westpac Banking Corporation means Westpac Banking Corporation ABN 33 007 457 141, incorporated in Australia.

Westpac Banking Corporation Group means Westpac Banking Corporation and any of its subsidiaries.

Westpac Institutional Bank means Westpac Institutional Bank, a division of Westpac Banking Corporation, New Zealand Branch.

Westpac NZ means Westpac New Zealand Limited.

Directory

Issuer

Westpac New Zealand Limited
Westpac on Takutai Square
16 Takutai Square
Auckland
New Zealand

Joint Lead Arrangers & Managers

Westpac Institutional Bank
Westpac on Takutai Square
16 Takutai Square
Auckland
New Zealand
Freephone: 0800 601 901

UBS New Zealand Limited
Level 17, PWC Tower
188 Quay Street
Auckland
New Zealand
Freephone: 0800 200 221

Joint Lead Managers

First NZ Capital Securities Limited
Level 39, ANZ Centre
23-29 Albert Street
Auckland
New Zealand
Freephone: 0800 005 678

Forsyth Barr Limited
Level 9, Forsyth Barr House
The Octagon
Dunedin
New Zealand
Freephone: 0800 367 227

Macquarie Capital (New Zealand) Limited
Level 17, Lumley Centre
88 Shortland Street
Auckland
New Zealand
Freephone: 0800 650 125

Organising Participant

UBS New Zealand Limited
Level 17, PWC Tower
188 Quay Street
Auckland
New Zealand

Registrar

Link Market Services Limited
Level 16, Brookfields House
19 Victoria Street West
PO Box 91976
Auckland 1142
New Zealand

Legal Advisers to Westpac NZ

Chapman Tripp
23 Albert Street
Auckland
New Zealand

Application instructions and Application Form

Applications to subscribe for Bonds must be made on the Application Form contained in this Investment Statement.

A = Investor Details

Insert your full name(s), address and telephone numbers.

In addition please supply your mobile number to enable the Registrar, Link Market Services Limited, to contact you regarding your investment. You will receive a TXT message whenever your holding balance, bank account, address or FIN changes on the Register.

Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application.

Use the table below to see how to write your name correctly.

Type of Investor:	Correct way to write Name:	Incorrect way to write Name:
Individual person	JOHN SMITH	J SMITH
More than one person	JOHN SMITH MICHELLE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
Partnerships	JOHN SMITH MICHAEL SMITH (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS
Clubs and unincorporated associations	JANE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

B = Application Payment Details

Payment must be made in New Zealand dollars for immediate value by direct debit, by a cheque drawn on a New Zealand bank account (or, if the application is for Bonds of an aggregate subscription amount of \$500,000 or more, by bank cheque), or through the NZClear System (**institutional investors only**) by prior arrangement.

Application instructions and Application Form

Complete the amount of Bonds applied for. Note **the minimum amount and minimum integral multiples** that are stated in the Application Form. Advise payment method and bank account details for future interest payments.

OPTION 1:

If you choose the direct debit option you must **tick the box authorising the Registrar to direct debit** the bank account nominated on the Application Form, **on the day the Application Form is received by the Registrar**, for the amount applied for on the Application Form. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the application funds in the bank account for direct debit are available **on the day the Registrar receives the Application Form;**
- **the person(s) giving the direct debit instruction has/have the authority to operate the account** solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your application will be rejected.

If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the application form.

OPTION 2:

Cheques must be drawn from a New Zealand registered bank and must be made in New Zealand dollars. Cheques must be made payable to “Red & Black Bond Offer”, crossed “Not Transferable” **and must not be post-dated as cheques will be banked on day of receipt.** If an applicant’s cheque is dishonoured, the Issuer may cancel that applicant’s allotment of Bonds and pursue any other legal remedies available to it.

If you pay by cheque, please supply your bank account details to enable Westpac New Zealand Limited to pay your interest into your nominated bank account as future interest payments will be made to you by direct credit.

Application instructions and Application Form

OPTION 3:

Investors who are members of the NZClear System may, by prior arrangement with the Registrar, settle their applications for the Bonds on the Issue Date through the NZClear System.

C = Holder number details

If you have other investments registered under a Common Shareholder Number (“**CSN**”) you must supply your CSN in the space provided. The name and address details on your application form must correspond with the registration details under that CSN. If you do not provide a CSN it will be deemed that you do not have a current CSN and a base registry number and FIN will be allocated to you at allotment of the bonds.

D = Provide your IRD number and tick the relevant RWT box

Resident withholding tax (“**RWT**”) will be deducted from any interest paid to you on subscription money (unless you provide a valid RWT exemption certificate). Tick the RWT box that applies to you. If you are exempt from RWT, please tick the exempt box and attach a photocopy of your RWT exemption certificate. Only one IRD number is required per holding.

E = Irrevocable legal assignment of Donation Portion

By signing this Application Form and subscribing for the Bonds, you hereby irrevocably and unconditionally assign all your right, title and interest in and to the Donation Portion to the Trustees for the time being of the Christchurch Earthquake Appeal Trust and give notice of that assignment to those Trustees.

F = Electronic investor correspondence

By supplying your email address the Issuer will be able to deliver your investor correspondence to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs.

G = Signing and Dating

Read the Investment Statement and Application Form carefully and sign and date the Application Form.

The Application Form must be signed by the applicant(s) personally, or by two directors of a company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

H = If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the reverse of the Application Form.

I = If the Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent on the reverse of the Application Form.

Joint applicants must each sign the Application Form.

J = Closing Date and Delivery

This Offer will close at **4.00pm** on **11 August 2011** (being the Closing Date). Applicants should remember that the Closing Date may be changed at the sole discretion of the Issuer. Changes will be advised by NZX announcement. The Issuer reserves the right to refuse to accept applications received by the Registrar after the Closing Date. Your Application Form should be delivered in accordance with the instructions contained in the Application Form.

Personal Information Rights

Personal information provided by you will be held by the Issuer and the Registrar at their respective addresses shown in the Directory on the inside back cover of this Investment Statement or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. You have a right to access and correct any personal information about you under the Privacy Act 1993. You can also access your information on the Link Market Services website: www.linkmarketservices.com (you will be required to enter your holder number and FIN).

Notes

(ATTACH CHEQUE HERE)

WESTPAC NEW ZEALAND LIMITED
Issue of Fixed Rate Bonds
(Red & Black Bonds)

BROKER STAMP

Broker code

Advisor code

APPLICATION FORM

This Application Form is issued with the Investment Statement prepared as at **13 July 2011** "Investment Statement", issued by Westpac New Zealand Limited ("Issuer"). Please complete this Application Form and return it to, or lodge it with, an appropriate person as specified under the heading "Applications and payments" from page 16 of the Investment Statement

Before completing this Application Form, applicants should read the Investment Statement to which this application relates

A APPLICATION DETAILS AND INFORMATION – PLEASE PRINT IN BLOCK LETTERS

First Name(s):		Family Name:	
First Name(s):		Family Name:	
First Name(s):		Family Name:	
Corporate Name or <<On Account>> :			
Postal Address:			
Telephone mobile		Telephone daytime	

B APPLICATION PAYMENT – IMPORTANT

Applications must be accompanied by payment in full. Payment must be made either by **direct debit** by completing the bank account section below, or by cheque payable to "Red & Black Bond Offer" and crossed "Not Transferable". Payment must be in New Zealand currency based on NZ\$1.00 per Bond. Your Application Form must be received by Link Market Services Limited ("Link ") by **4.00pm, 11 August 2011**.

Applications must be for a minimum of **NZ\$5,000** and, thereafter, in multiples of **NZ\$1,000**. The Issuer may accept or reject all or part of this application without giving reason.

Amount of Bonds applied for:

NZ\$

You may choose only ONE of the PAYMENT options below. Please tick the box next to your selected option (v).

- OPTION 1** ☐ Please direct debit my bank account stated below for the amount of Bonds applied for above (or any lesser amount as determined by the Issuer). By ticking this box and signing this Application Form, I agree that Link is authorised to direct debit my account for the full amount of Bonds applied for (or any lesser amount as determined by the Issuer). All future interest paid by the Issuer will also be credited to this account unless Link is advised otherwise in writing.
- OPTION 2** ☐ Please find attached my payment by cheque. I have supplied my bank account details below for the purpose of direct crediting of any future interest paid by the Issuer.
- OPTION 3** ☐ Payment will be made by NZClear as arranged with Link (**authorised institutional investors only**). NZClear Mnemonic:

NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR DIRECT DEBIT AND/OR DIRECT CREDIT OF FUTURE INTEREST PAYMENTS:

Name of Bank	Name of Account:
<input type="text"/>	<input type="text"/>
Bank/Branch	Account No
<input type="text"/>	<input type="text"/>
	Suffix
<input type="text"/>	<input type="text"/>

OR for the purpose of Interest Payments only, if you have a current Cash Management Account:

Direct credit to my Cash Management Account: Name of NZX Member Firm where Cash Management Account is held:

Cash Management Client Account number

C COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a base registry number will be allocated.

If you currently have a Common Shareholder Number (CSN), please enter it here:

D IRD NUMBER & RESIDENT WITHHOLDING TAX

IRD number (only one IRD number is required in respect of a joint application):

Deduct Resident Withholding Tax from my interest earned at the following rate (tick✓ one).

Please note that companies (other than a company which is acting as a trustee or a company which is a Maori authority) do not need to tick any box unless they hold an RWT exemption certificate. Tax will automatically be deducted at 28%.

☐ 10.5% ☐ 17.5% ☐ 30% ☐ 33%

☐ **Exempt** - please tick this box if you hold a RWT exemption certificate from IRD and attach a copy of your RWT exemption certificate.

E IRREVOCABLE LEGAL ASSIGNMENT OF DONATION PORTION

By signing this Application Form and subscribing for the Bonds, I/we hereby irrevocably and unconditionally assign all my/our right title and interest in and to the Donation Portion to the Trustees from time to time of the Christchurch Earthquake Appeal Trust and give notice of that assignment to those Trustees.

F ELECTRONIC CORRESPONDENCE & REPORTING

To enable the Issuer to provide you with your investor correspondence in relation to your holding in this security electronically where possible, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

G SIGNATURE(S) OF APPLICANT(S)

I/We hereby acknowledge that I/we have received and read the Investment Statement, and apply for the dollar amount of Bonds set out above and agree to accept such Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the Investment Statement.

All applicants on the Application Form must sign.

Date:

H SEND APPLICATION FROM AND CHEQUE TO BE RECEIVED BY LINK MARKET SERVICES, NO LATER THAN 4.00PM ON 11 AUGUST 2011

Red & Black Bond Offer

c/- Link Market Services Limited

PO Box 91976, Auckland 1142

Or deliver to:

Level 16, Brookfields House, 19 Victoria Street, Auckland

Investor phone number: +64 9 375 5998

I CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY: *(Complete this section if you are acting on behalf of the Applicant on this Application Form for whom you have power of attorney)*

I, [.....] (full name)

of [.....] (place and country of residence),

[.....] (occupation), CERTIFY:

- THAT by deed dated [.....] (date of instrument creating the power of attorney),
[.....] (full name of person/body corporate which granted the power of attorney)
of [.....]
(place and country of residence of person/body corporate which granted the power of attorney**)
appointed me [.....] attorney;
(his/her/its)

- THAT I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and

- THAT I have not received notice of any event revoking the power of attorney.

Signed at [.....], this [.....], day of [.....] (month/year)

Signature of attorney [.....]

J CERTIFICATE OF NON-REVOCATION OF AGENT: *(Complete this section if you are acting as Agent on behalf of the Applicant on this Application Form)*

I, [.....] (full name)

of [.....] (place and country of residence),

[.....] (occupation), CERTIFY:

- THAT by the agency agreement dated [.....] (date of instrument creating the agency),
[.....] (full name of person/body corporate which appointed you as agent)
of [.....]
(place and country of residence of person/body corporate which appointed you as agent **)

appointed me [.....] agent;
(his/her/its)

- THAT I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and

- THAT I have not received any notice or information of the revocation of my appointment as agent.

Signed at [.....] this [.....], day of [.....] (month/year)

Signature of Agent [.....]

Terms and Conditions

TERMS AND CONDITIONS OF APPLICATION

By signing (or authorising an attorney or agent to sign) this Application Form:

- (a) the applicant acknowledges that this Application Form was distributed with the Investment Statement; and
- (b) the applicant acknowledges that he/she/it has read and understood the statements made in the Investment Statement relating to the Privacy Act 1993 in the section of the Investment Statement entitled “Application Instructions”. Applicants who are members of the NZClear System may settle their applications for the Bonds applied for in this Application Form on the Issue Date through the NZClear System. Investors who are not members of the NZClear System or NZClear members who wish to settle prior to the Issue Date must pay for the Bonds applied for by a cheque delivered with the Application Form prior to the Closing Date, or by completing the authority to direct debt or by another payment method approved by the Joint Lead Managers, the Organising Participant or other selected financial institutions to whom the Application Form is being delivered.

An application received by the Registrar cannot be withdrawn or revoked by the applicant. Westpac New Zealand Limited reserves the right to decline any application, in whole or in part, without giving any reason and may decide not to accept any applications whatsoever.

Money received in respect of applications that are declined in whole or in part will be refunded in whole or in part (as the case may be). Refunds will be mailed to unsuccessful applicants within 10 Business Days of the allotment of the Bonds. Interest will not be paid on application money refunded to applicants.

Allotment Statements for the Bonds will be dispatched to successful applicants as soon as practicable after allotment, but in any event within five Business Days of the Issue Date.

Applications must conform to the application instructions in the section of the Investment Statement entitled “How much do I pay?” and “Application Instructions and Application Form”.

A joint application must be signed by all applicants. Only the address of the first named of the joint applicants will be recorded on the Register and all interest payments, notices, and other correspondence will be sent to that address.

Applications lodged by individuals must be signed personally or by their attorney or agent. If this Application Form is signed by an attorney, the attorney must complete the certificate of non-revocation of power of attorney set out in the Application Form. If this Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent set out in the Application Form.

Terms defined in the Investment Statement have the same meaning in this Application Form.

This Application Form, the Offer, and any contract arising out of its acceptance are each governed by New Zealand law. Under the Financial Transactions Reporting Act 1996, investors may be required to produce evidence of their identity.

Notes
