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Media Release

11 May 2006

Westpac launches a new innovative Tier 1 security

Westpac Banking Corporation today announced the launch of a new innovative Tier 1 security, to be known as Westpac Trust Preferred Securities (Westpac TPS).

Westpac TPS will be issued by Westpac Funds Management Limited, a wholly owned subsidiary of Westpac, as responsible entity of the Westpac TPS Trust which is a registered managed investment scheme. The Offer is for the issue of Westpac TPS at an Issue Price of \$100 each, to raise approximately \$500 million, with the ability to raise more or less.

Westpac's Chief Financial Officer, Phil Coffey, said: "Westpac TPS further enhance the strength and efficiency of Westpac's capital base while providing investors with an attractive security."

Westpac TPS will pay non-cumulative, floating rate distributions, scheduled to be paid quarterly and expected to be fully franked.

Westpac TPS will be offered to eligible holders of Westpac ordinary shares and Westpac FIRsTS (Eligible Securityholders). Institutional investors and retail clients of the Joint Lead Managers and syndicate brokers will also be eligible to participate.

The Westpac TPS Offer will be made via a Product Disclosure Statement (PDS). The PDS has been lodged with the Australian Securities and Investment Commission (ASIC) today and is available for download at www.westpac.com.au/investorcentre.

An application will be made to have Westpac TPS quoted on the Australian Stock Exchange, allowing Westpac TPS to be traded at the prevailing market price after completion of the Offer.

The Offer is expected to open on 19 May 2006 and expected to close on 13 June for Eligible Securityholders and on 19 June 2006 for other investors.

Westpac Banking Corporation, Deutsche Bank AG, Goldman Sachs JBWere Pty Ltd, Macquarie Equity Capital Markets Limited and UBS AG, Australia Branch have been appointed as Joint Lead Managers and Joint Bookrunners to the Offer.

A summary of the key features of Westpac TPS is attached to this announcement.

Eligible Securityholders can register to receive a PDS and a personalised application form by calling the Westpac TPS Information Line on 1300 787 993 or by registering online at www.westpac.com.au/investorcentre.

Ends.

For Further Information

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More information about Westpac Trust Preferred Securities

Westpac TPS are preferred units in the Westpac TPS Trust (ARSN 119 504 380) (the Trust). The Trust is a registered managed investment scheme that has been established for the purpose of issuing Westpac TPS to retail and institutional investors in Australia and investing in Notes to be issued by Westpac.

Distributions will be based on the 3 month Bank Bill Swap Rate plus a margin, adjusted for any franking credits attached. The Initial Margin (which applies from the issue date until the step-up date (30 June 2016)) will be between 1.00%–1.10% per annum. The Initial Margin is expected to be announced on 19 May 2006 following a bookbuild process.

If Westpac TPS are still on issue on the step-up date the Initial Margin will increase by a one-time step-up of 1.00% per annum.

Westpac TPS will be offered to eligible institutional and eligible retail investors. The Offer will comprise:

- ◆ An Eligible Securityholder Offer
- ◆ A Broker Firm Offer; and
- ◆ An Institutional Offer

Westpac TPS may be redeemed for cash (subject to APRA's approval) or converted into a number of Westpac ordinary shares in certain circumstances. Westpac TPS automatically exchange into Westpac Preference Shares on the occurrence of certain events.

Broker Firm Applicants should contact their Syndicate Broker for instructions on how to register their interest.

Applications must be for a minimum of 50 Westpac TPS (\$5,000).

Full details of the Offer are contained in the PDS, which is available at www.westpac.com.au/investorcentre. Investors should consider the PDS in full before deciding whether to invest in Westpac TPS.

Key dates for the Offer*

Record date for Eligible Securityholders	7.00pm 4 May 2006
Lodgement of PDS with ASIC	11 May 2006
Bookbuild	17 May 2006 and 18 May 2006
Announcement of Initial Margin	19 May 2006
Opening Date	19 May 2006
Closing Date for Eligible Securityholder Offer	5.00pm 13 June 2006
Closing Date for Broker Firm Offer	10.00am 19 June 2006
Issue Date	21 June 2006
Westpac TPS commence trading on ASX on a deferred settlement basis	22 June 2006
Holding Statements despatched by	26 June 2006
Westpac TPS commence trading on ASX on a normal settlement basis	27 June 2006

*These dates are subject to change. All times referenced are Sydney time.

Note: Capitalised terms in this summary refer to terms as defined in the Westpac TPS PDS.