

Westpac New Zealand Limited

Investor Presentation

The material contained in this presentation should not be reproduced, distributed or transmitted to any person without consent of Westpac New Zealand Limited.



31 July 2023

Important Information

This presentation has been prepared by Westpac New Zealand Limited ("**WNZL**") in relation to its offer ("**Offer**") of unsecured, subordinated notes ("**Notes**"). This disclaimer applies to this presentation and the verbal or written comments of any person presenting it.

The Notes do not represent a protected account, deposit or liability of Westpac Banking Corporation ABN 33 007 457 141 ("**WBC**" or "**Westpac**") or any other company in the Westpac group other than WNZL. Neither Westpac nor any other company in the Westpac group stands behind or otherwise guarantees WNZL or the principal amount or investment performance of the Notes. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards.

An indicative terms sheet dated 31 July 2023 has been prepared in respect of the Offer ("**Terms Sheet**"). The Terms Sheet can be found by visiting <https://www.nzx.com/companies/WNZ> or can be obtained from the Joint Lead Managers or your usual financial advice provider.

This presentation provides information in summary form only and is not intended to be complete. The information in this presentation has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness, reasonableness and completeness cannot be guaranteed.

Further information about WNZL is contained in half-yearly disclosure statements WNZL prepares under the Banking (Prudential Supervision) Act 1989, available at www.westpac.co.nz/about-us/legal-information-privacy/disclosure-statements. WNZL is also subject to a disclosure obligation that requires it to notify certain material information to NZX for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/WNZ>.

The information in this presentation is general in nature and does not take account of your individual circumstances. It does not constitute financial, investment, legal, tax or other advice or a recommendation to purchase Notes.

You should carefully read and consider the Terms Sheet, consider the suitability of an investment in the Notes in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues) and consult your financial, legal, tax and other professional advisers before deciding to invest in the Notes.

This investment is riskier than a bank deposit. The Notes are complex financial products that are not suitable for many investors. If you do not fully understand how they work or the risks associated with them, you should not invest in them.

WNZL has not taken and will not take any action that would permit a public or regulated offering of the Notes, or possession or distribution of any offering material in respect of the Notes, including this presentation, in any country or jurisdiction where action for that purpose is required (other than New Zealand). The Notes may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.

The Terms Sheet and any disclosure statement, information memorandum, prospectus, circular, advertisement or other offering material in respect of the Notes may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

To the maximum extent permitted by law, none of WNZL, Westpac as Arranger, or Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited, Hobson Wealth Partners Limited, Jarden Securities Limited or Westpac as Joint Lead Managers, or their respective directors, officers, employees, agents or advisers, make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this presentation, or in any further information that may at any time be supplied in connection with the Offer or accept responsibility or liability therefor or for any loss or damage howsoever occurring resulting from the use of or reliance on this presentation by any person.

Important Information (continued)

All amounts are in New Zealand dollars unless otherwise indicated.

Financial data in this presentation is as at 31 March 2023 unless otherwise indicated. Any other financial information provided as at a date after 31 March 2023 has not been audited or reviewed by any independent registered public accounting firm.

Information contained in, or otherwise accessible through, the websites mentioned in this presentation do not form part of the presentation unless we specifically state that the information is incorporated by reference thereby forming part of the presentation. All references in this presentation to websites are inactive textual references and are for information only.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Disclosure regarding forward-looking statements.

This presentation contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

We use words such as ‘will’, ‘may’, ‘expect’, ‘indicative’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘aim’, ‘probability’, ‘risk’, ‘forecast’, ‘likely’, ‘estimate’, ‘anticipate’, ‘believe’, or other similar words to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond our control and have been made based upon management’s expectations and beliefs concerning future developments and their potential effect upon us. There can be no assurance that future developments will be in accordance with our expectations or that the effect of future developments on us will be those anticipated. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results could differ materially from the expectations described in this presentation.

Important Notice

The Offer of Notes by WNZL is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("**FMCA**").

The offer contained in this presentation is an offer of debt securities that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as WNZL's \$600,000,000 unsecured, subordinated notes with an interest rate for the first 5 years of 6.19% per annum and a maturity date of 16 September 2032 (if not repaid earlier), which are currently quoted on the NZX Debt Market under ticker code WNZ1T2 ("**Existing Notes**").

Accordingly, the Notes are the same class as the Existing Notes for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

WNZL is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("**NZX**") for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/WNZ>.

The Existing Notes are the only debt securities of WNZL that are in the same class as the Notes.

Investors should look to the market price of the Existing Notes referred to above to find out how the market assesses the returns and risk premium for those notes.

An application has been made to NZX for permission to quote the Notes on the NZX Debt Market and all the requirements of NZX that can be complied with on or before the distribution of the Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in the Terms Sheet or this presentation. NZX is a licensed market operator, and the NZX Debt market is a licensed market under the FMCA.

Offer highlights

Term	Description
Issuer	Westpac New Zealand Limited (“ WNZL ”)
Description of the debt securities	Unsecured subordinated notes (“ Notes ”)
Offer Amount	Up to \$100 million. WNZL reserves the right to accept unlimited oversubscriptions at its discretion
Face Value and Issue Price	\$1.00
Purpose	The Offer will raise Tier 2 Capital to help WNZL meet its regulatory capital requirements and manage its capital position. The proceeds received under the Offer will be used by WNZL for general corporate purposes
Maturity Date	14 February 2034
Optional Redemption Dates	The First Optional Redemption Date (being 14 February 2029) or on any Interest Payment Date after that date
Interest Rate	The interest rate will be a fixed rate for a period of 5 and a half years, after which it will change to a floating rate that resets at quarterly intervals
Credit Rating of the Notes	The Notes are expected to be rated A3 by Moody’s Investors Service and A- by S&P Global Ratings
Quotation	WNZL intends to quote the Notes on the NZX Debt Market. NZX ticker code “WNZ2T2” has been reserved for the Notes
No Public Pool	There is no public pool for the Notes. All Notes will be reserved for subscription by clients of the Joint Lead Managers and Primary Market Participants and other persons invited to join the Bookbuild
Selling Restrictions	The Offer of Notes will be made to investors in New Zealand and certain overseas institutional investors
Joint Lead Managers	Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited, Jarden Securities Limited, Hobson Wealth Partners Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Summary terms

Term	Description
Description of the debt securities	Unsecured subordinated notes providing Tier 2 regulatory capital
Ranking	<p>In a liquidation of WNZL, each Note gives the Holder the right to payment of an amount equal to the Face Value and all accrued but unpaid interest. The right of Holders to payment of this amount will rank:</p> <ul style="list-style-type: none"> • behind the claims of all depositors and other creditors of WNZL, except for the claims and rights described below; • equally with the claims of other Holders and holders of any other securities and obligations that rank equally with the Notes; and • ahead of the rights of WNZL's shareholders and holders of any other securities and obligations of WNZL that rank behind the Notes
No Guarantee	The Notes are not guaranteed by any member of the WNZL Group, Westpac Banking Corporation or by any other person
Repayment	<p>The Notes must be repaid by WNZL on the Maturity Date. WNZL may choose to repay:</p> <ul style="list-style-type: none"> • all or some of the Notes early on the First Optional Redemption Date or on any Interest Payment Date after that date; and • all (but not some) of the Notes early on any Interest Payment Date if a Tax Event or a Regulatory Event has occurred. <p>Optional early redemption is subject to certain conditions, including the Reserve Bank of New Zealand's ("RBNZ") prior written approval (which the RBNZ may not provide) and WNZL satisfying the Solvency Condition. Holders have no right to require early redemption, and Holders should not assume that WNZL will elect to repay the Notes prior to the Maturity Date</p>
Interest Payments	Quarterly
Issue Margin	The Issue Margin is the percentage rate per annum determined by WNZL in consultation with the Joint Lead Managers through the Bookbuild. The Issue Margin will be announced by WNZL via NZX on or about the Rate Set Date. The Issue Margin for the Notes will not change
Interest Rate	<p>The interest rate will be a fixed rate for a period of 5 and a half years, after which it will change to a floating rate that resets at quarterly intervals.</p> <ul style="list-style-type: none"> • The interest rate for the first 5 and a half years until the First Optional Redemption Date (14 February 2029) will be a fixed rate equal to the sum of the Swap Rate (a reference rate for a 5 and a half year period) on the Rate Set Date (3 August 2023) plus the Issue Margin. • The interest rate from (and including) the First Optional Redemption Date will be a floating rate which will be reset quarterly to be equal to the sum of the applicable 3 Month Bank Bill Rate (a benchmark interest rate for a 3 month period) plus the same Issue Margin
Minimum Subscription Amount	\$5,000 and in multiples of \$1,000 thereafter
Brokerage	0.50% on firm allocations plus 0.50% brokerage, payable by WNZL

Summary terms (continued)

Interest Payments

- The payment of interest on each Interest Payment Date (other than on the Maturity Date (14 February 2034)) is conditional on WNZL satisfying the Solvency Condition
- The Solvency Condition will be satisfied if WNZL is Solvent at the time the payment is due and WNZL is able to pay the amount and still be Solvent immediately after paying the amount
- The Solvency Condition does not apply to payments that are required to be made on the Maturity Date or if WNZL is in liquidation
- If interest is not paid on an Interest Payment Date because the Solvency Condition is not satisfied, the unpaid interest will remain owing, will itself bear interest (at the same rate as the Notes), and will be payable on the earlier of the next Business Day on which the Solvency Condition is satisfied and the Maturity Date

Events of Default

- The Notes have very limited events of default:
 - Payment default: an event of default will occur if WNZL does not pay any Face Value due in respect of the Notes within 7 Business Days of its due date, or WNZL does not pay any interest due in respect of the Notes within 14 Business Days of its due date
 - Commencement of liquidation: an event of default will occur on the commencement of liquidation of WNZL
- To the extent that a payment on the Notes is not required to be made because the Solvency Condition is not satisfied, the amount is not due and payable and a payment default cannot occur
- If a payment default occurs, a Holder may only bring proceedings:
 - to recover any amount then due and payable but unpaid on the Notes (subject to satisfaction of the Solvency Condition if the payment of the unpaid amount was subject to the Solvency Condition);
 - to obtain an order for specific performance of any other obligation in respect of the Notes; or
 - for the liquidation of WNZL
- In addition to the rights listed above, in the case of the commencement of liquidation of WNZL, the Face Value of each Note and any accrued but unpaid interest on the Notes will immediately become due and payable, and a Holder may claim in the liquidation for that amount
- In this circumstance, a Holder's claim will be subordinated and it is unlikely that a Holder will receive payment of any amount owing on the Notes

Key dates

Key dates for the Offer	Date
Opening Date	31 July 2023
Closing Time	Thursday, 11.00am on 3 August 2023
Rate Set Date	3 August 2023
Issue Date / Allotment Date	14 August 2023
Expected date of initial quotation and trading of the Notes on the NZX Debt Market	15 August 2023

Key dates for the Notes	Date
First Interest Payment Date	14 November 2023
Interest Payment Dates	Quarterly in arrear on each 14 August, 14 November, 14 February and 14 May during the Term, commencing on 14 November 2023; and on the date on which the Notes are repaid
First Optional Redemption Date	14 February 2029
Maturity Date	14 February 2034

Westpac New Zealand Limited

Westpac New Zealand Limited

One of NZ's major banks

- Westpac New Zealand Limited (“WNZL”) has material market share positions and is one of NZ's largest banks.
- WNZL is the 4th largest bank by total assets¹.
- WNZL is the 2nd largest bank by total deposits¹.
- Large, full service franchise including retail, business, rural, corporate and institutional banking.

Operating in NZ for over 160 years, as part of the Westpac group

- A core market for Westpac Banking Corporation (“WBC”) following the conclusion of an ownership review in 2021.
- Total assets NZ\$122.0bn (approx. 11% of parent WBC)¹.
- Reported Net Operating Income NZ\$1.4bn (approx. 12% of parent WBC)¹.
- Approximately 5,000 employees¹.
- Well-established commitment to operating sustainably and supporting communities in which we operate, environment, social and governance (“ESG”) strategy aligned to parent.

Well rated, stable operating environment, regulated banking system

- WNZL credit rating: A+ (Stable Outlook) / A1 (Stable Outlook) / AA- (Stable Outlook) by Fitch / Moody's / S&P.
- Strong linkages between the Australian and NZ banking systems.
- New Zealand has a conservative prudential banking regulator (Reserve Bank of New Zealand or “RBNZ”) that oversees well-governed and well-capitalised institutions that contribute to New Zealand's economic wellbeing.
- NZ Sovereign: AA+ (Stable) / Aaa (Stable) / AA+ (Stable) by Fitch / Moody's / S&P².

A simple business model supporting strong asset quality

- Domestic, retail banking focus.
- Residential mortgages comprise 66% of gross lending¹.
- Deposit-to-loan ratio 81.2%¹.
- A Common Equity Tier 1 (“CET1”) ratio of 11.1%¹.

¹ As at 31 March 2023

² Foreign currency / issuer rating

Capital management

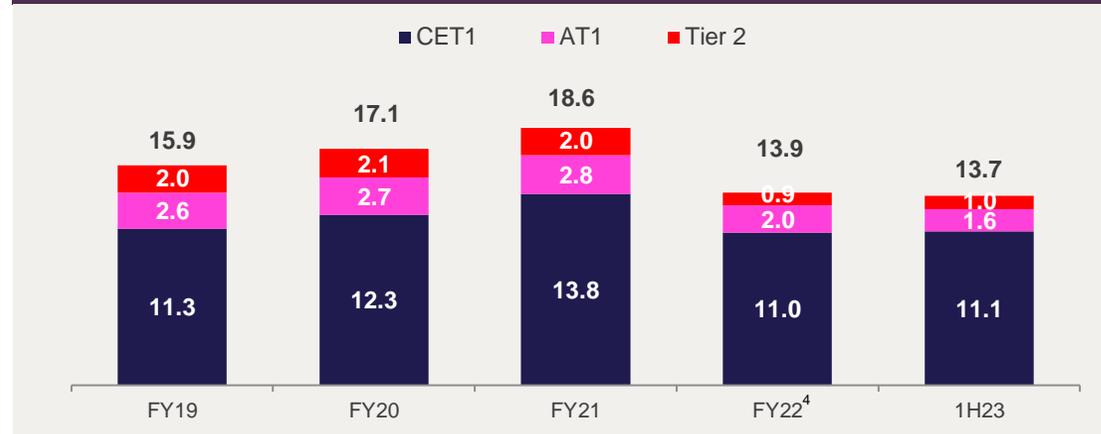
Capital adequacy ratios (RBNZ basis) as at 31 March 2023

	Regulatory Minimum	Prudential capital buffer ("PCB") ¹	Regulatory Minimum (incl. PCB) ²	WNZL
Common Equity Tier 1 ("CET1") capital ratio	4.5%	3.5%	8.0%	11.1%
Tier 1 capital ratio (CET1 plus Additional Tier 1 ("AT1"))	6.0%	3.5%	9.5%	12.7%
Total capital ratio	8.0%	3.5%	11.5%	13.7%
Prudential capital buffer ratio	3.5%		3.5%	5.7%

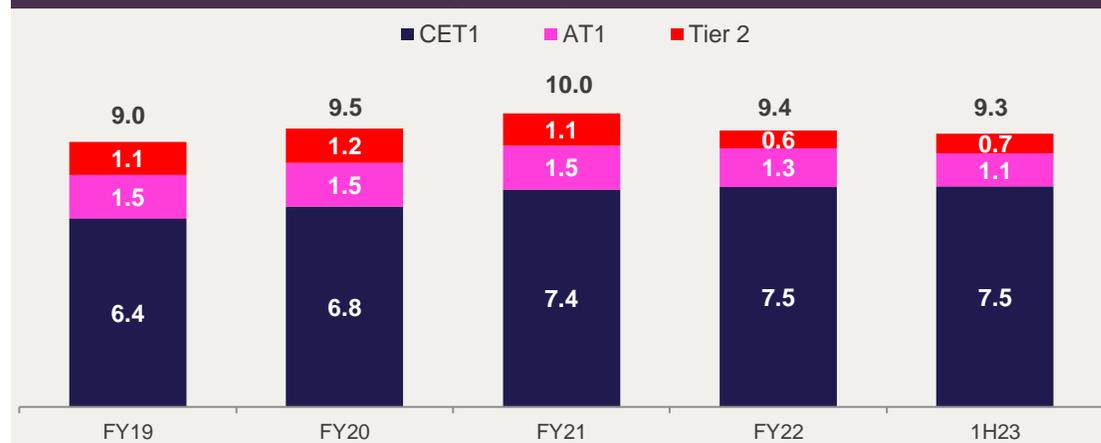
Commentary

- WNZL's 31 March 2023 capital adequacy ratios reflect the RBNZ's changes to the New Zealand capital adequacy framework effective from 1 January 2022. Changes include:
 - New Risk Weighted Assets ("RWA") portfolio floor of 85% of the standardised model
 - Existing capital instruments with conversion features no longer fully eligible as capital, with 75% of total nominal value of affected instruments currently recognised as regulatory capital under progressive transitional haircut³

WNZL regulatory capital ratios (%)



WNZL regulatory capital (NZ\$bn)



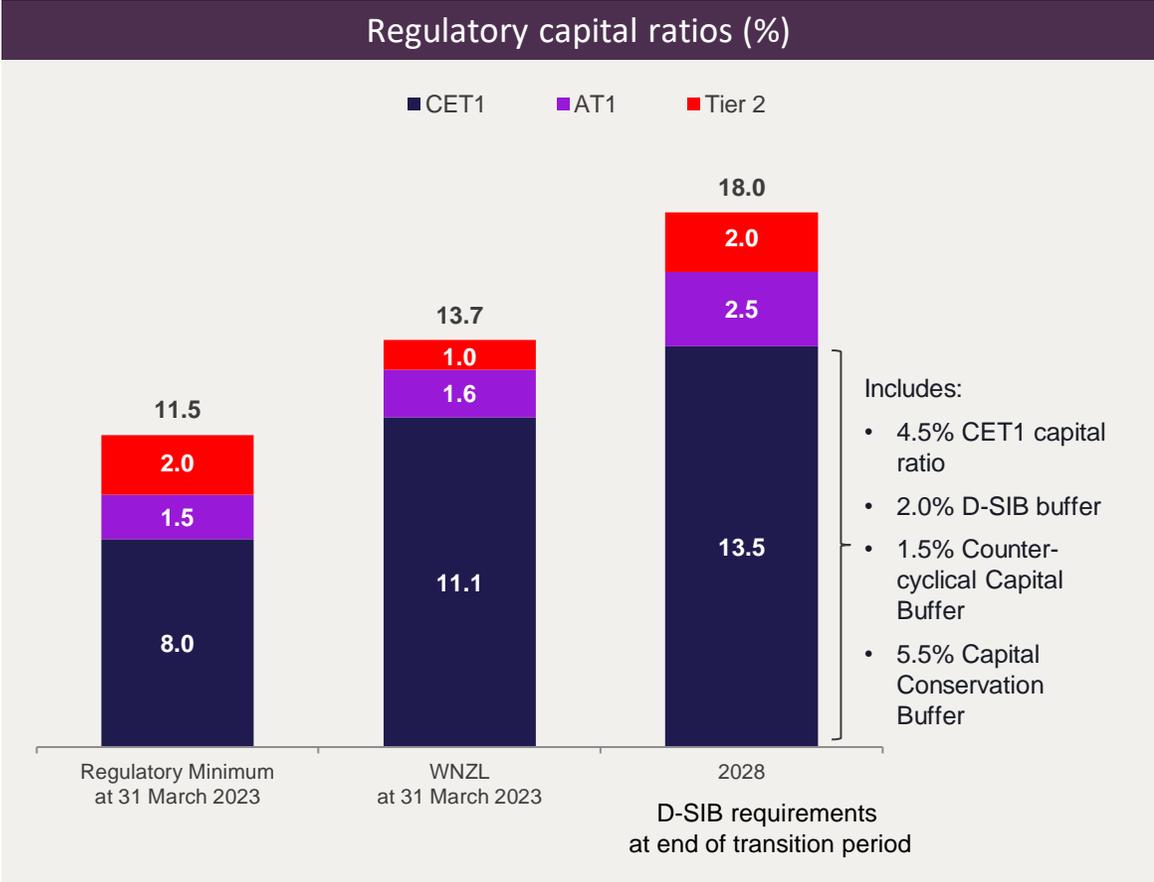
¹ The buffer for Domestic Systemically Important Banks (D-SIBs). From 1 July 2023, the current prudential capital buffer ("PCB") is 4.5% for WNZL, as set out in RBNZ BPR100. ("RBNZ Capital Adequacy policy").

² All locally incorporated registered D-SIBs in New Zealand must comply with the minimum capital ratios which includes a 3.5% PCB from 1 July 2022.

³ As at 31 March 2023, this restriction only affected WNZL's Additional Tier 1 instrument.

⁴ Due to changes in the RBNZ's Banking Prudential Requirements effective from 1 January 2022 (recalibration of risk-weighted assets ("RWA") and the introduction of grandfathering on capital instruments – see commentary above), capital ratios for WNZL as of 31 March 2023 and 30 September 2022 are not comparable to those prior to and including 30 September 2021.

Increasing capital buffers ahead of new regulatory capital requirements



- RBNZ regulatory capital requirements**
- The RBNZ increased total capital requirements for D-SIBs to 18.0% of RWA from 11.5%. The transition period for the new capital framework began on 1 July 2022 and ends on 1 July 2028¹.
 - Tier 1 capital requirement of 16.0% of RWA
 - Eligible Tier 1 capital comprises common equity and redeemable perpetual preference shares
 - AT1 can comprise no more than 2.5% of the 16.0% Tier 1 capital requirement
 - Existing AT1 instruments to be phased out over a seven-year period
 - Maintaining a maximum allowance of Tier 2 capital at 2.0% of RWA

¹ As set out in RBNZ BPR100, minimum Tier 1 capital ratio and minimum total capital ratio will increase to 7% and 9% respectively on 1 July 2024, subject to the delivery of updated conditions of registration by the RBNZ to WNZL.

Financial performance

Key financial metrics (%)					
	FY19	FY20	FY21	FY22	1H23 ⁶
Net interest margin ¹	2.14	1.90	1.95	2.01	2.22
Cost to income ²	42.3	48.6	47.7	44.2	43.5
Customer deposit to loan ratio ³	76.6	80.7	82.0	80.4	81.2
Stressed exposures to TCE ⁴	1.63	1.57	1.17	0.95	1.31
Return on average total equity ⁵	13.0	7.3	11.4	12.1	10.5
CET1 capital ratio	11.3	12.3	13.8	11.0	11.1

Income statement extract (NZ\$m)					
	FY19	FY20	FY21	FY22	1H23
Net operating income	2,272	2,118	2,306	2,559	1,423
Net interest income	1,943	1,875	2,066	2,291	1,309
Other operating income	329	243	240	268	114
Operating expenses	-961	-1,030	-1,099	-1,131	-619
Impairment expense/benefit	10	-320	84	27	-154
Income tax expense	-357	-218	-360	-408	-183
Net Profit After Tax ("NPAT")	964	550	931	1,047	467

¹ Net Interest Income for the period over average Interest Earning Assets for the period

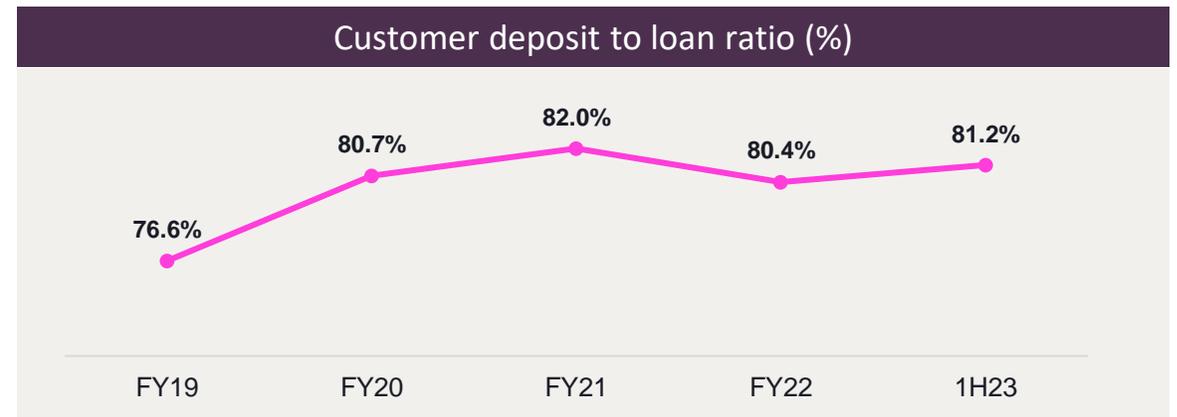
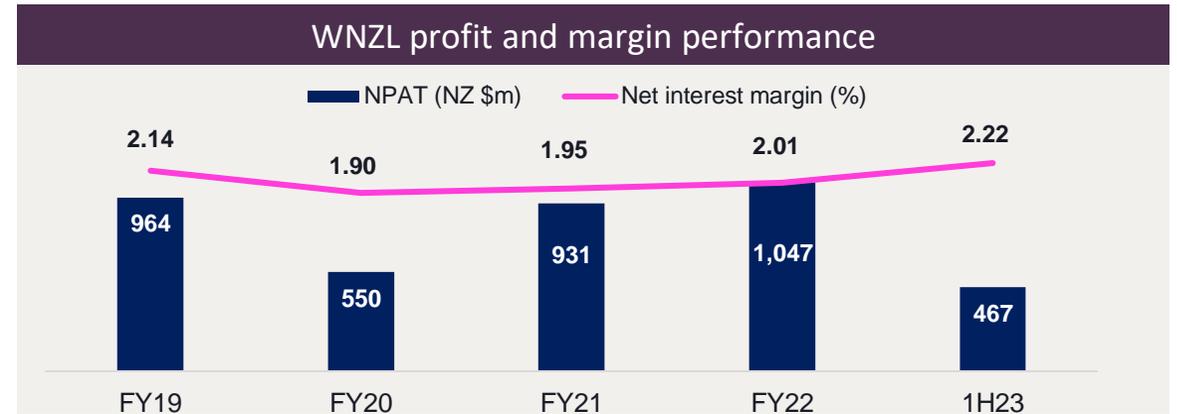
² Operating expenses over Net Operating Income

³ Deposits excluding Certificates of Deposit over Net Loans

⁴ TCE is Total Committed Exposure. "Stressed exposures" are defined as "watchlist and substandard", "90-days past due" and "not impaired" and "impaired" exposures.

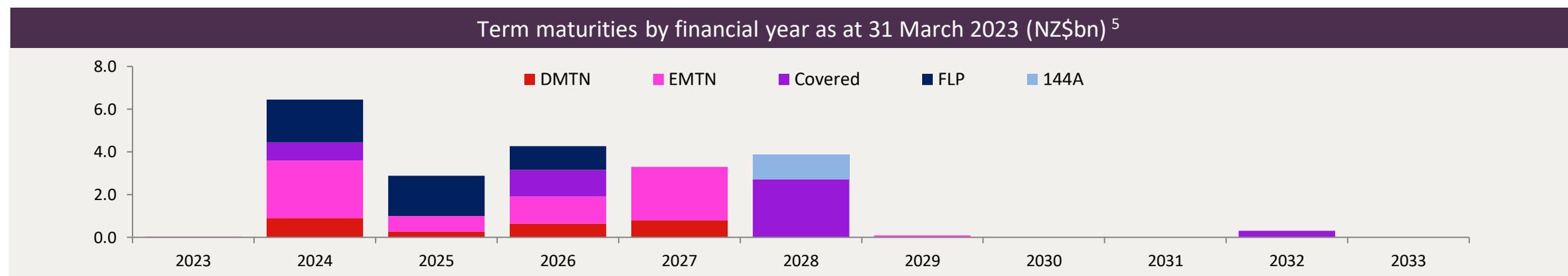
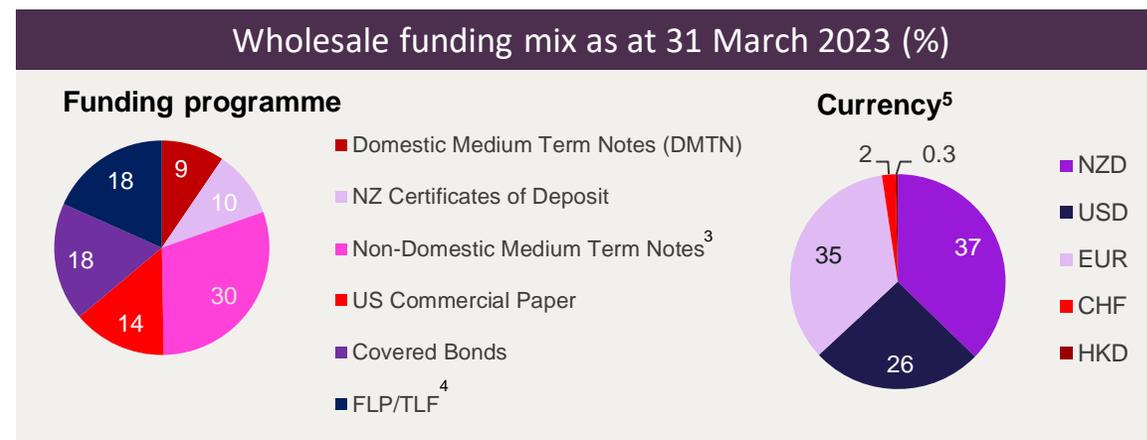
⁵ Net Profit over average Equity for the period

⁶ Annualised figures



Wholesale funding profile

Funding composition ¹						
NZ\$bn	FY19	FY20	FY21	FY22	1H23	1H23 %
Customer Deposits	64.5	71.0	75.9	77.9	79.8	74.2
Wholesale Onshore <1yr	1.1	3.0	3.5	2.9	2.8	2.6
Wholesale Offshore <1yr	2.3	2.5	3.0	5.5	3.9	3.6
Wholesale Onshore >1yr ²	2.9	3.5	5.5	7.3	7.7	7.2
Wholesale Offshore >1yr	12.6	9.8	9.9	11.1	13.3	12.4
Total Funding	83.4	89.8	97.8	104.7	107.5	100.0



¹ Excludes existing Tier 2, AT1 and equity. Certificates of deposits are included in "Wholesale Onshore <1yr" and excluded from "Customer Deposits".

² 1H23 includes the NZ\$5.0bn drawn under the RBNZ's Funding for Lending Programme ("FLP") and NZ\$80m we have drawn under its Term Lending Facility ("TLF").

³ Comprises of Euro Medium Term Notes (EMTN), US Medium Term Notes (144A) and Green Bonds.

⁴ The FLP offered secured term central bank funding to registered banks, with the aim of lowering funding costs to stimulate lending growth across the economy and help reduce interest rates for borrowers. Under the FLP, the RBNZ offered 3-year funding to eligible institutions. The funding was structured as floating rate repurchase transactions priced at the Official Cash Rate ("OCR"), each for a term of three years. Participants could access the funding over a 2-year transaction period. The TLF was a long-term funding scheme in support of the Government's Business Finance Guarantee Scheme to help promote lending to business. Access to the FLP closed on 6 December 2022. Access to the TLF closed on 28 July 2021.

⁵ Data represents management view using NZD hedged amounts.

Liquidity risk management

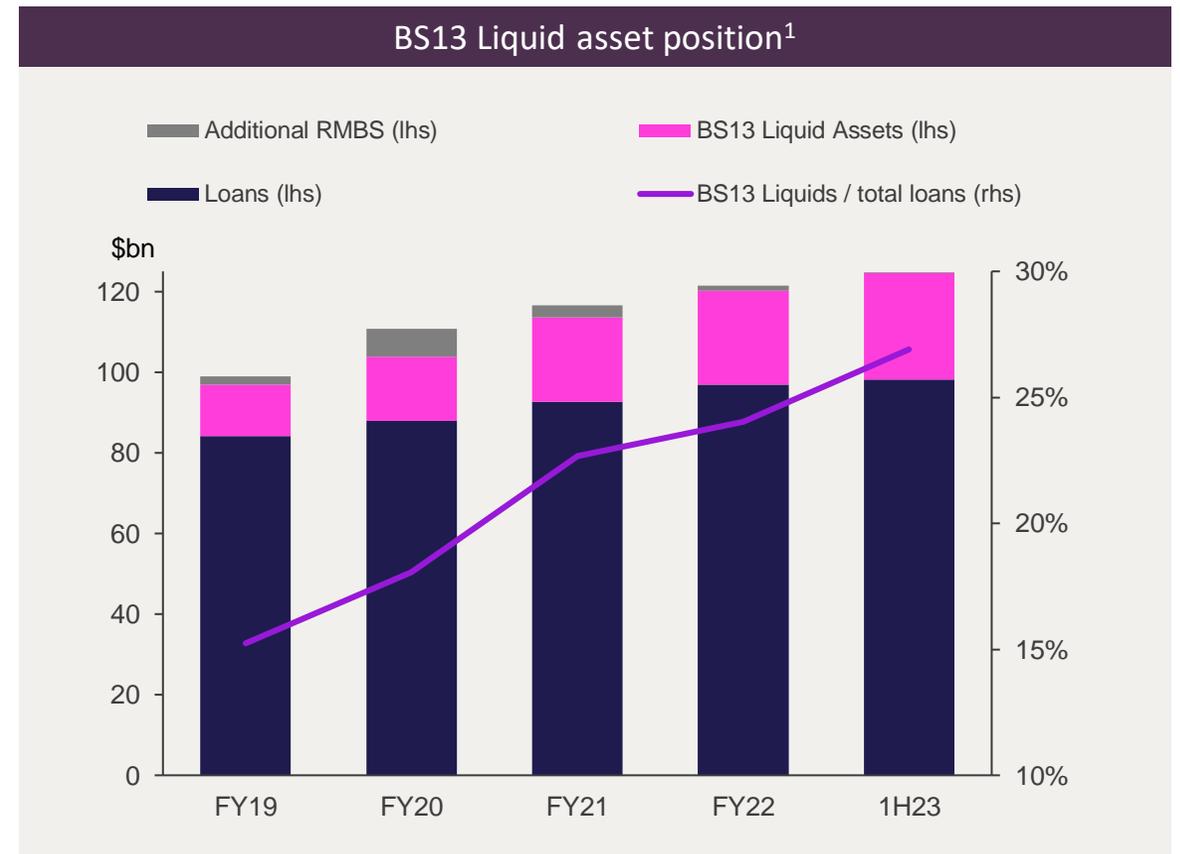
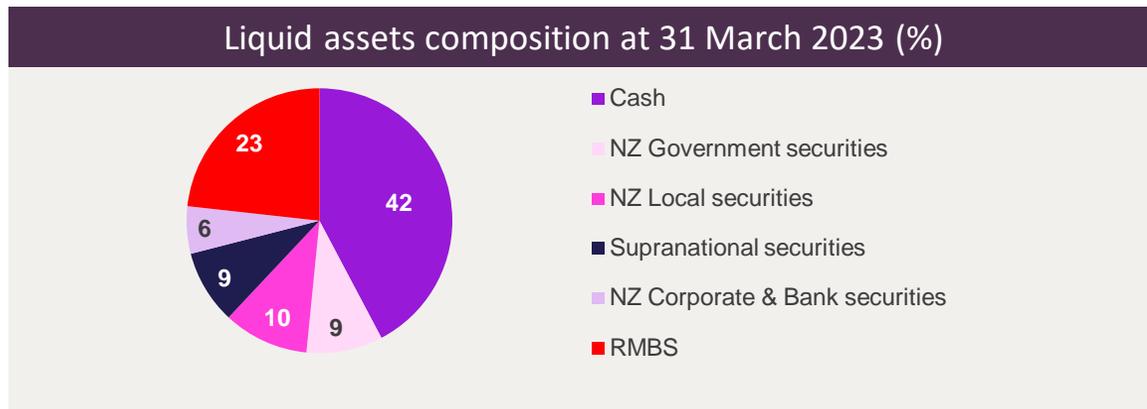
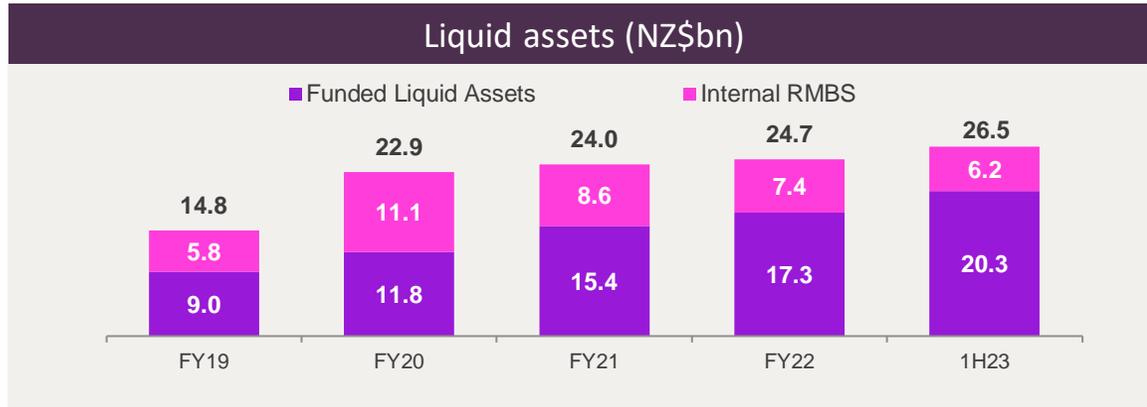
Strong liquidity risk management metrics

Key metrics	Details	WNZL 1H23
Mismatch Ratio (MMR) and Liquidity Coverage Ratio (LCR)¹	<ul style="list-style-type: none"> The RBNZ Banking Standard 13 (BS13) mismatch ratio is a measure of a bank's liquid assets, adjusted for expected cash inflows and outflows during a 1-month or 1-week period of stress with a regulatory minimum of 0%. The APRA APS 210 LCR is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets to allow them to survive a period of significant liquidity stress lasting 30 calendar days. 	9.0% 1 month MMR²
Liquid assets	<ul style="list-style-type: none"> WNZL's liquid assets are measured at Available-For-Sale/FVOCI (fair value through other comprehensive income) and valuation changes from credit spread movements are reflected in the FVOCI equity reserve. Liquid assets are considered eligible for the MMR and LCR if they are of high credit quality, can be readily liquefied in times of liquidity stress with limited erosion of value, and are unencumbered. WNZL's funded liquid assets are included at market value in the MMR and LCR and are well diversified along product, issue and obligor lines. 	NZ\$26.5bn available liquid assets (27% of net loans)
Interest rate risk (IRR) management (liquids portfolio)	<ul style="list-style-type: none"> Market interest rate risk arising in the banking book stems from the ordinary course of banking activities, including loans, deposits, liquid assets and capital management. WNZL's exposure to interest rate risk in the liquid asset portfolio is hedged using derivatives. Derivatives hedging liquid assets are designated in either cash flow or fair value hedge relationships and valuation changes from credit spread movements are reflected in the FVOCI equity reserve. 	NZ\$166m aggregate capital charge for IRR exposures
Depositor diversification	<ul style="list-style-type: none"> WNZL has a well-diversified deposit portfolio from retail, business, corporate and institutional sources. Household deposits make up 44% of total deposits. 	NZ\$79.8bn customer deposits
Core Funding Ratio (CFR)	<ul style="list-style-type: none"> RBNZ BS13 requires registered banks to meet a minimum Core Funding Ratio (CFR) of 75%, ensuring that at least a minimum proportion of bank funding is met through customer deposits, term wholesale funding and Tier 1 capital. WBC also calculates a "shadow" NSFR for WNZL using APS210 methodology and WNZL operates to a target ratio of >100%. 	88.2% CFR²

¹ WNZL is subject to the RBNZ liquidity requirements under BS13 as well as APRA's obligations under APS 210 indirectly, insofar as Westpac Group is required to comply with them. The RBNZ is currently undertaking a review of its liquidity policy (BS13). This review is expected to conclude in late 2025 or early 2026.

² 3-month average for the month ended 31 March 2023

Liquid assets

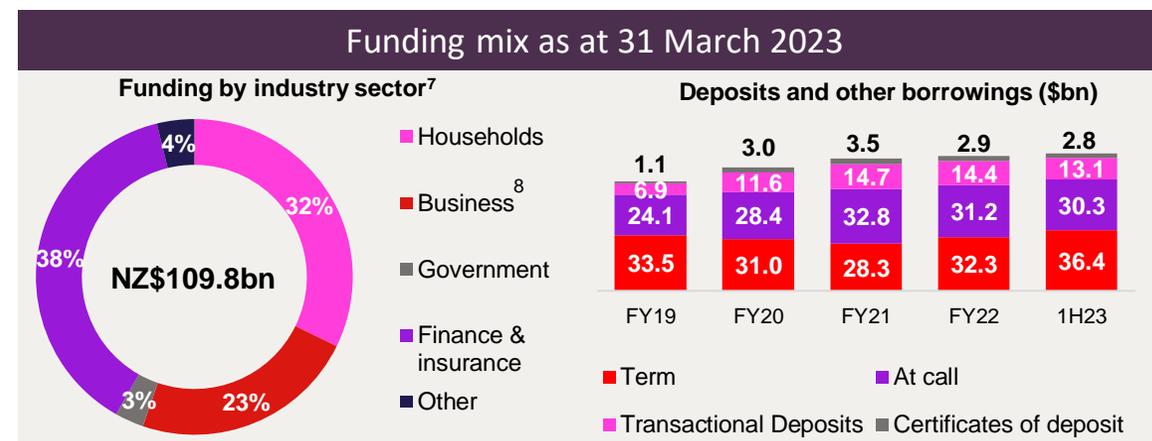
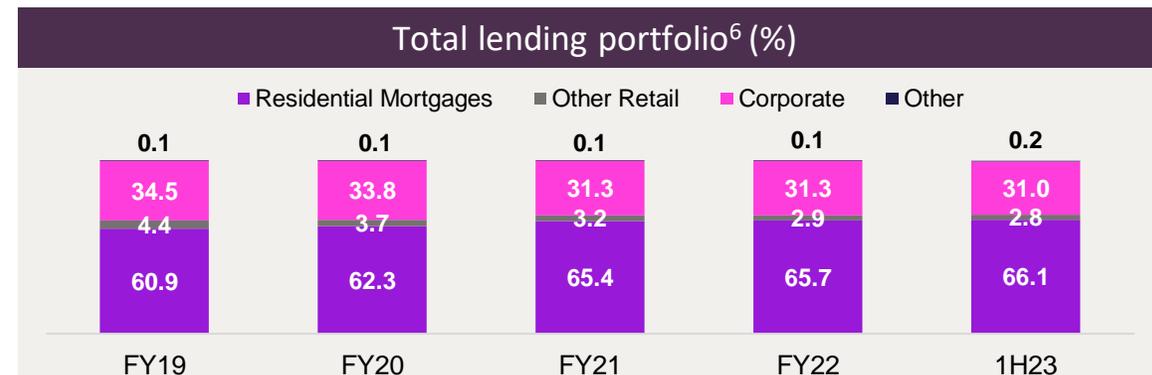


¹ Additional Residential Mortgage-Backed Securities ("RMBS") and BS13 liquid assets shown at haircut amounts. Additional RMBS represents the excess internal RMBS held above the 5% limit on the total assets that contribute to RBNZ BS13 liquid assets.

Balance sheet exposures

Balance sheet extract (NZ\$m)					
Assets	FY19	FY20	FY21	FY22	1H23
Advances to customers	84,160	87,959	92,632	96,882	98,209
Cash and liquid assets ¹	7,994	11,818	15,432	18,561	20,237
Other assets ²	1,951	2,321	2,482	1,769	1,985
Due from related entities	2,502	1,094	1,834	2,606	1,616
Total assets	96,607	103,192	112,380	119,818	122,047

Liabilities and Equity	FY19	FY20	FY21	FY22	1H23
Collateral received	473	419	188	82	145
Deposits ³	65,606	73,970	79,367	80,848	82,566
Debt issues ⁴	17,846	15,799	16,304	19,933	19,801
Due to related entities	1,632	1,487	1,836	2,961	1,949
Other liabilities ⁵	1,024	1,215	3,743	5,131	6,602
Loan capital	2,609	2,612	2,579	2,083	2,085
Total shareholders equity	7,417	7,690	8,363	8,780	8,899
Total liabilities and equity	96,607	103,192	112,380	119,818	122,047



¹ Cash and liquid assets, trading securities, financial assets and investment securities

² Derivative financial instruments, other financial assets, property and equipment, deferred tax assets, intangible assets, collateral paid, other assets and available for sale securities.

³ Included Registered Certificates of Deposits

⁴ Debt issues at fair value through Income Statement and debt issues at amortised cost.

⁵ Other liabilities at fair value through Income Statement, derivative liabilities, current taxation liability, other financial liabilities and provisions.

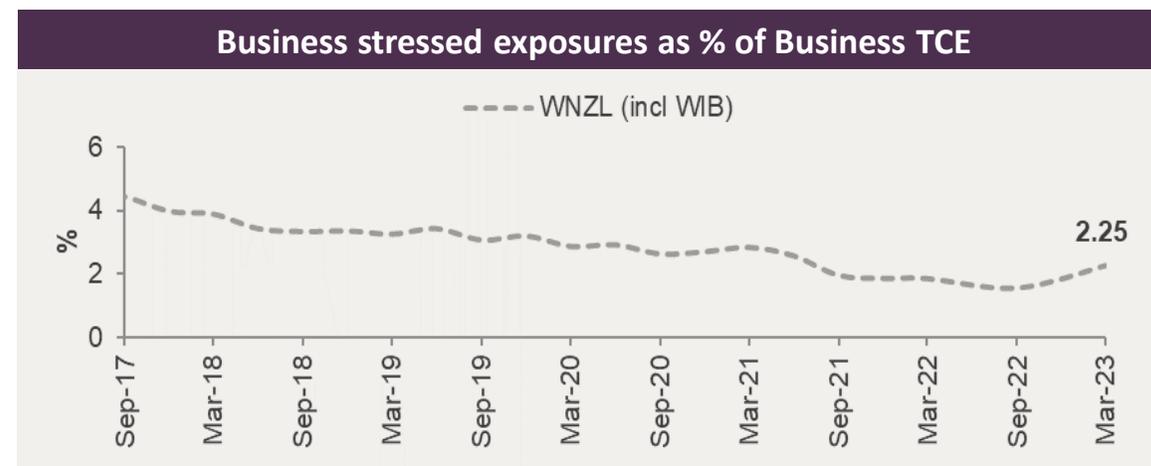
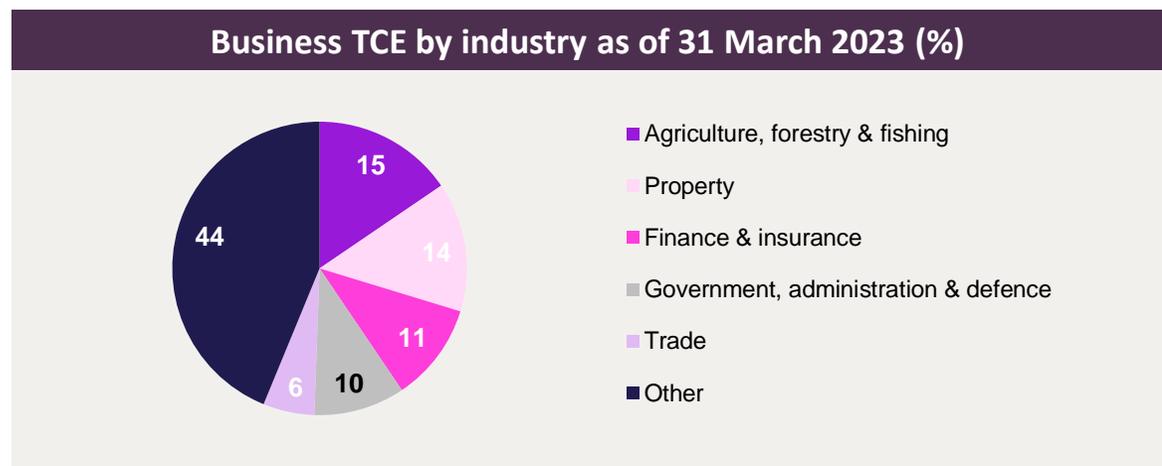
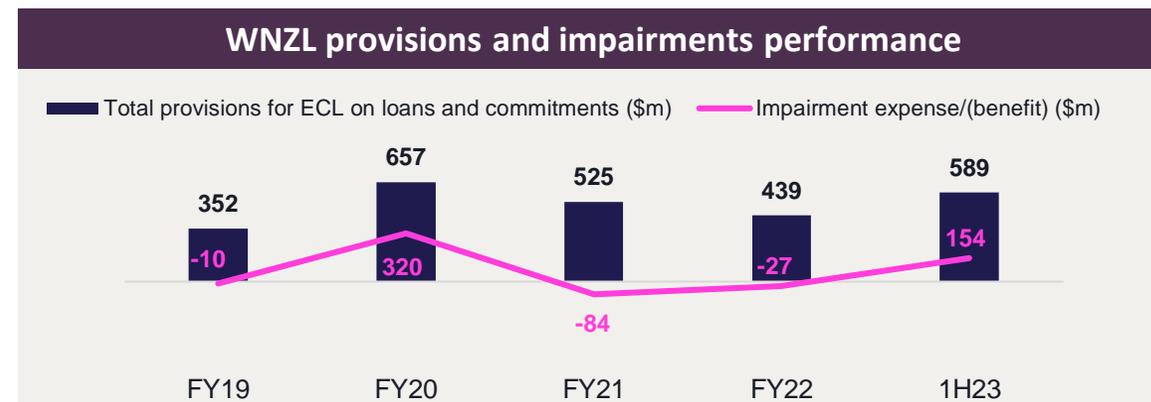
⁶ Total lending portfolio based on gross loans (bars do not add to 100% due to rounding).

⁷ Includes wholesale funding and deposits

⁸ Includes accommodation, cafes, restaurants, agriculture, construction, forestry and fishing, manufacturing, mining, property and business services, services, trade, transport, storage and utilities.

WNZL lending portfolio and performance

Total committed exposure (TCE)				
\$bn	FY22	1H23	%TCE	vs FY22
Consumer lending¹	80.2	81.5	55.0%	1.6%
Business lending	65.4	66.7	45.0%	1.9%
Non-Institutional ²	27.2	26.7	18.0%	-2.0%
Institutional	38.2	40.0	27.0%	4.6%
Total committed exposure	145.6	148.1	100.0%	1.7%



¹ The majority of TCE for consumer lending consists of home loans

² Non-institutional includes corporate, property, commercial and agribusiness and SME Retail

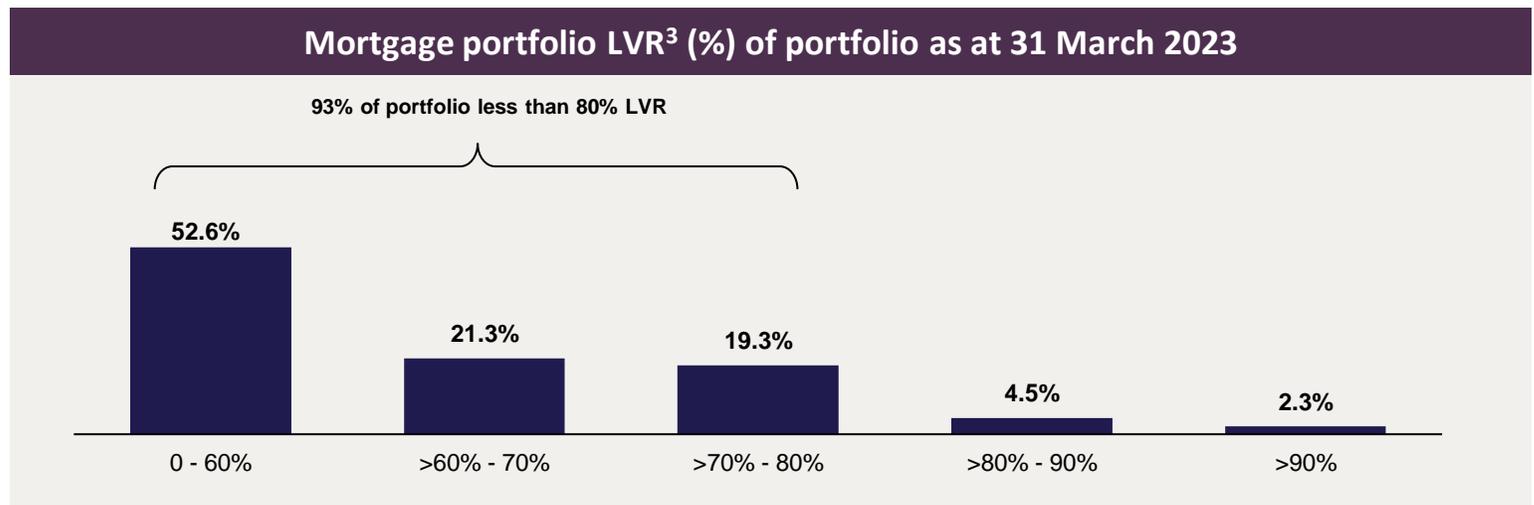
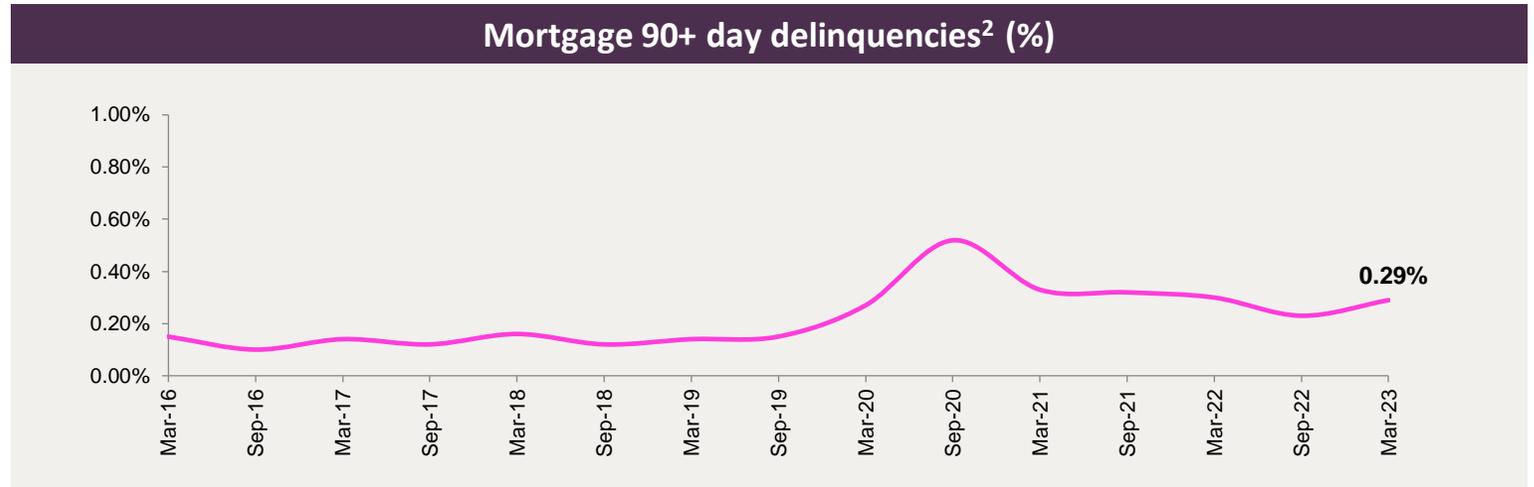
WNZL mortgage portfolio

Mortgage portfolio at 31 March 2023	
Total portfolio ¹	\$65.3b
Fixed / Floating (%)	91 / 9
Owner occupied (%)	73.7
Investment property loans (%)	26.3
Broker introduced (%)	51.1
Interest-only (%)	17.0
Origination LVR 80-90% (%)	8.6
Origination LVR >90% (%)	2.6

¹ Gross Loans

² Excludes corporate

³ Loan-to-value ratio ("LVR") based on current loan property value at latest credit event. Note this includes undrawn commitments and other off balance sheet exposures.

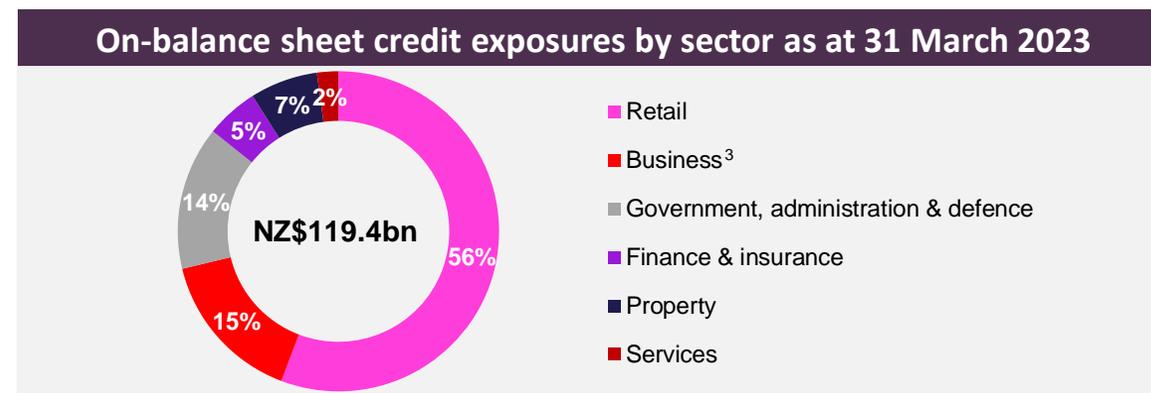


Asset quality

Agribusiness portfolio		
	Sep-22	Mar-23
Total committed exposure (TCE) (\$bn)	9.8	9.7
Agriculture as a % of total TCE ¹	6.7	6.6
% of portfolio graded as 'stressed' ²	4.9	5.9
% of portfolio in impaired	0.03	0.08

Commercial property portfolio		
	Sep-22	Mar-23
Total committed exposure (TCE) (\$bn)	9.4	9.5
Property as a % of total TCE	6.5	6.4
% of portfolio graded as 'stressed' ²	1.7	3.0
% of portfolio in impaired	0.06	0.06

Dairy portfolio		
	Sep-22	Mar-23
Total committed exposure (TCE) (\$bn)	6.3	6.3
Dairy as a % of total TCE	4.3	4.2
% of portfolio graded as 'stressed' ²	4.1	4.7
% of portfolio in impaired	0.04	0.04



¹ Agribusiness represents exposures in the agriculture industry

² Includes impaired exposures

³ Includes accommodation, cafes and restaurants, agriculture, construction, forestry and fishing, manufacturing, mining, property and business services, transport and storage, trade and utilities.

Our Sustainability Strategy

Sustainability Priorities	What	2025 Targets*	FY22 Progress and HY23 Highlights
 <p>Manaaki te ao Care for the planet</p>	<p>We want to support Aotearoa's transition to a resilient, net-zero economy for the benefit of all Kiwis</p>   	<ul style="list-style-type: none"> Reduce annual Scope 1, 2, and Scope 3 Mandatory operational emissions by 30% against a 2019 base year.¹ Offset remaining emissions to be carbon neutral Enable NZ\$10b in sustainable finance² Manage our climate-related financial risks 	<ul style="list-style-type: none"> Operational emissions reduced by 45.7% for year ended 30 June 2022 against a 2019 base year Enabled NZ\$7.31b in sustainable finance as at 30 September 2022 Structured over NZ\$3.87b of sustainable debt in the year as at 30 September 2022 51% of our fleet is electric or plug-in hybrid vehicles as at 30 September 2022 Released Westpac NZ's third Climate Risk Report in November 2022 based on the recommendations of the Taskforce for Climate-Related Financial Disclosure (TCFD)
 <p>Manaaki te tāngata Care for people</p>	<p>We want to help create thriving local communities and a workforce and society where everyone feels valued</p>    	<ul style="list-style-type: none"> Set a cultural diversity in leadership target 1% of annual pre-tax profits invested in communities³ NZ\$700m in lending to healthy, affordable and social housing⁴ 	<ul style="list-style-type: none"> Progress on the cultural diversity in leadership target has been delayed due to challenges in collecting sufficient employee data, with which to set appropriate targets in-line with best practice. Work to collect data is ongoing, with targets to be set within the next 6-18 months as at 30 September 2022 0.57% (NZ\$8.26m) pre-tax profits invested in communities as at 30 September 2022 NZ\$677m in lending to healthy, affordable and social housing as at 30 September 2022 Provided natural disaster support to customers and communities, following the late January flooding and Cyclone Gabrielle, including: <ul style="list-style-type: none"> Committed \$3m in grants to eligible business customers and \$1m to organisations assisting with immediate flood relief and recovery Offered temporary overdrafts, discounted loans and deferral of loan repayments to eligible customers Doubled the volunteering leave available to our people to two days per year. Over 11,000 volunteer hours in FY22
 <p>E tipu pūtea ora Grow financial wellbeing</p>	<p>We want to enable all Kiwis to be financially secure and independent</p>    	<ul style="list-style-type: none"> 25,000 people to participate in Westpac-facilitated financial education workshops from 2021 to 2025 Help 15,000 New Zealanders who are at risk of financial exploitation and exclusion from 2021 to 2025 Source 25% of annual supplier spend from local small and medium sized businesses, including those owned by diverse and under-represented groups by 2025 	<ul style="list-style-type: none"> 22,378 participants in Westpac-facilitated financial education workshops as at 30 September 2022 Helped 6,251 New Zealanders who are at risk of financial exploitation and exclusion as at 30 September 2022 14.6% of supplier spend on small and medium sized businesses as at 30 September 2022 Continuing our focus on financial inclusion by commissioning The Westpac NZ Access to Banking in Aotearoa Report. The report looks at the issue of access to bank accounts, including barriers, outcomes, and those affected, and provides insights on how we can help to make banking more accessible and help enhance Westpac's work on financial inclusivity that is already underway. Partnering with Oranga Tamariki and VOYCE Whakarongo-Mai to help young people in care access a bank account and financial education, including piloting a new process with young people in care aged 15-17 to address the access challenges faced around identity and address verification requirements.

*Annual targets are to be achieved by September 30, 2025. Other targets are to be achieved during the period October 1, 2020 to September 30, 2025, unless stated otherwise.

¹ Environmental Year runs 1 July to 30 June. CO2e results include all Westpac business units based in New Zealand. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity. Scope 3 Mandatory covers the indirect emissions relevant to the day-to-day running of the business but excludes emissions from customers. These are sector specific, as defined by the Toitū net carbonzero programme.

² This is a cumulative target which comprises (a) \$5b for lending to climate change solutions, \$700m lending for healthy, affordable and social housing, and additional environmental, social, and sustainability-linked lending (building on FY20 exposure), and (b) facilitation of sustainable bonds (for customers and Westpac New Zealand Limited Treasury) by Westpac Banking Corporation (acting through its New Zealand Branch). All lending will meet the eligibility criteria set out in international sustainable finance principles. Our targets are a total commitment, measuring the cumulative flow of capital to support New Zealand becoming a net-zero emissions economy.

³ Community investment is made up of: monetary contributions (charitable gifts, matched giving and community partnerships), time contributions, in-kind gifts and donations, and management costs. It excludes commercial sponsorships.

⁴ This is a cumulative target (building on FY20 exposure) and includes Kiwibuild and shared equity (a form of shared home ownership, often between an individual and an organisation), as well as Westpac's Warm Up lending.

Contact us

Contacts

Ben Turner

Treasurer
Westpac New Zealand Limited
16 Takutai Square
Auckland 1010, New Zealand
Phone: (64 9) 348 9995
Email: ben.turner@westpac.co.nz

Liam Cleary

Executive Director, Head of Funding
Balance Sheet and Securitisation
Westpac New Zealand Limited
16 Takutai Square
Auckland 1010, New Zealand
Phone: (64 9) 336 9924
Email: liam.cleary@westpac.co.nz



WNZL

Please visit our investor websites:

www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors

www.westpac.co.nz/about-us/investor-centre/#unsecured-subordinated-notes-offer

- Funding and Securitisation Programmes
- WNZL Disclosure Statements
- WSNZL Financial Statements



INDICATIVE TERMS SHEET

For an offer of unsecured subordinated
Notes by Westpac New Zealand Limited.

31 July 2023

Joint Lead Managers:



This indicative terms sheet (**Terms Sheet**) sets out the key terms of the offer (**Offer**) by Westpac New Zealand Limited (**WNZL**) of up to \$100 million (with the ability to accept unlimited oversubscriptions at WNZL's discretion) of unsecured, subordinated notes maturing on 14 February 2034 (**Notes**) under the Deed Poll dated 31 July 2023 made by WNZL (**Deed Poll**).

Capitalised terms used but not defined in this Terms Sheet have the meaning given to them in the Deed Poll unless the context otherwise requires.

Important Notice

The Offer of Notes by WNZL is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

The Offer contained in this Terms Sheet is an offer of debt securities that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as WNZL's \$600,000,000 unsecured, subordinated notes with an interest rate for the first 5 years of 6.19% per annum and a maturity date of 16 September 2032 (if not repaid earlier), which are currently quoted on the NZX Debt Market under ticker code WNZ1T2 (**Existing Notes**).

Accordingly, the Notes are the same class as the Existing Notes for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

WNZL is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting nzx.com/companies/WNZ.

The Existing Notes are the only debt securities of WNZL that are in the same class as the Notes.

Investors should look to the market price of the Existing Notes referred to above to find out how the market assesses the returns and risk premium for those notes.

You should carefully consider the features of the Notes, which differ from the features of a standard senior bond. See “Risks associated with the Notes specifically” on page 11 below.

Key dates for the Offer

Opening Date	31 July 2023
Closing Time	Thursday, 11.00am on 3 August 2023
Rate Set Date	3 August 2023
Issue Date/Allotment Date	14 August 2023
Expected date of initial quotation and trading of the Notes on the NZX Debt Market	15 August 2023

Key dates for the Notes

First Interest Payment Date 14 November 2023

Interest Payment Dates

- Quarterly in arrear on each 14 August, 14 November, 14 February and 14 May during the term of the Notes, commencing on 14 November 2023; and
- The date on which the Notes are repaid

First Optional Redemption Date 14 February 2029

Maturity Date 14 February 2034

The key dates for the Offer and the Notes are indicative only and subject to change. WNZL may, in its absolute discretion and without notice, vary the timetable (including by closing the Offer early, accepting late applications and extending the Closing Time).

If the Closing Time is extended, the Rate Set Date, the Issue Date, the expected date of initial quotation and trading of the Notes on the NZX Debt Market, the Interest Payment Dates, the First Optional Redemption Date and the Maturity Date may also be extended. Any such changes will not affect the validity of any applications received.

WNZL reserves the right to cancel the Offer and the issue of the Notes, in which case any application monies received will be refunded (without interest) as soon as practicable and in any event within 5 Business Days of the cancellation.

Overview of the Notes

Issuer	WNZL.
Description of the Debt Securities	Unsecured subordinated notes.

In a liquidation of WNZL, each Note gives the Holder the right to payment of an amount equal to the Face Value and all accrued but unpaid interest. The right of Holders to payment of this amount will rank:

- **behind** the claims of all depositors and other creditors of WNZL, except for the claims and rights described below;
- **equally with** the claims of other Holders and holders of any other securities and obligations that rank equally with the Notes; and
- **ahead** of the rights of WNZL's shareholders and holders of any other securities and obligations of WNZL that rank behind the Notes.

Ranking in Liquidation

In a liquidation of WNZL, it is unlikely that there will be surplus assets available for the liquidator to pay any amount to Holders in respect of the Notes.

The following diagram shows how WNZL's liabilities (including the Notes) and equity rank in a liquidation of WNZL. The diagram does not describe every type of liability or security that WNZL may have while the Notes are outstanding.

	Ranking on a liquidation of WNZL	Description and examples	Indicative amount (NZ\$m)
Higher ranking ↑	Liabilities that rank in priority to the Notes	Secured liabilities (including covered bonds, repurchase agreements and collateralised derivatives) and creditors preferred by law (for example, Inland Revenue for certain unpaid taxes)	10,482
		Unsubordinated unsecured debt (including depositors, senior bonds and other unsubordinated creditors)	100,581
Lower ranking ↓	Liabilities that rank equally with the Notes (including the Notes)	The Notes	100
		Other subordinated obligations of WNZL (including Existing Notes)	592
	Liabilities that rank below the Notes and preferred equity	Perpetual subordinated debt, preference shares and other equally ranked instruments	1,493
	Equity (other than preferred equity)	Ordinary shares, reserves and retained earnings	8,899

Notes:

1. Amounts shown above (except for the estimated value of the Notes) are indicative amounts derived from WNZL's unaudited financial statements for the 6 months ended 31 March 2023. The actual amounts of liabilities and equity of WNZL at the point of any liquidation would be different to the indicative amounts set out in the diagram above.
2. The table has been adjusted to include the issue of Notes, based on an estimated issue size of NZ\$100 million. This adjustment does not affect the other amounts listed in the table. The total value of the Notes to be issued will be announced by WNZL on or about the Rate Set Date (3 August 2023) via NZX.
3. Covered bonds are debt securities under which the bondholder has both an unsecured claim on WNZL (as guarantor) and a secured claim over certain assets which have been sold by WNZL to Westpac NZ Covered Bond Limited, the Covered Bond Guarantor. Despite those assets having been sold by WNZL, those assets still appear in WNZL's financial statements but would not be available to creditors of WNZL or Holders in a liquidation of WNZL.
4. Amounts shown are presented in millions of New Zealand dollars and may be subject to rounding adjustments.

Offer Amount	Up to NZ\$100 million (with the ability to accept unlimited oversubscriptions at WNZL's discretion).
---------------------	--

Purpose	The Offer will raise Tier 2 Capital to help WNZL meet its regulatory capital requirements and manage its capital position. The proceeds of the Offer will be used for WNZL's general corporate purposes.
----------------	---

Regulatory Capital	The Notes will be treated as Tier 2 Capital.
---------------------------	--

	Senior Credit Rating of the Issuer	Expected Issue Credit Rating
Credit Ratings	S&P Global Ratings	AA- (Stable)
	Moody's Investors Service	A1 (Stable)
	Fitch Ratings	A+ (Stable)

A credit rating is not a recommendation to buy, sell or hold the Notes or any securities issued by WNZL. The above ratings and outlooks are current as at the date of this Terms Sheet and may be made subject to suspension, revision or withdrawal at any time by the assigning rating organisation.

No Guarantee	The Notes are not guaranteed by any member of the WNZL Group, Westpac Banking Corporation or any other person.
---------------------	--

Not Deposit Liabilities	The Notes are not deposit liabilities of, or protected accounts with, WNZL or any other member of the WNZL Group. WNZL is not an authorised deposit-taking institution under the Banking Act 1959 of Australia (Australian Banking Act). The depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits) do not apply to WNZL.
--------------------------------	---

Repayment	Subject to an Early Redemption (see below), the Notes must be repaid by WNZL on the Maturity Date (14 February 2034).
Early Redemption	<p>WNZL may choose to repay:</p> <ul style="list-style-type: none"> • all or some of the Notes early on the First Optional Redemption Date or on any Interest Payment Date after that date; and • all of the Notes early on any Interest Payment Date if a Tax Event or a Regulatory Event has occurred. <p>Early Redemption is subject to certain conditions, including WNZL obtaining the Reserve Bank’s prior approval (which the Reserve Bank may not provide) and WNZL satisfying the Solvency Condition.</p> <p>Holders have no right to require early redemption, and Holders should not assume that WNZL will choose to repay the Notes prior to the Maturity Date or that WNZL will be able to satisfy the conditions that apply to Early Redemption.</p>
Amount that is Payable to Holders if the Notes are Repaid	Holders will receive the Face Value of the Notes plus all accrued but unpaid interest on the Notes when the Notes are repaid.
Interest Rate	<p>The interest rate will be a fixed rate for a period of 5 and a half years, after which it will change to a floating rate that resets at quarterly intervals.</p> <p>The interest rate for the first 5 and a half years until the First Optional Redemption Date (14 February 2029) will be a fixed rate equal to the sum of the Swap Rate (a reference rate for a 5 and a half year period) on the Rate Set Date (3 August 2023) plus the Issue Margin, and will be announced by WNZL via NZX on or about the Rate Set Date.</p> <p>The interest rate from (and including) the First Optional Redemption Date will be a floating rate which will be reset quarterly to be equal to the sum of the applicable 3 Month Bank Bill Rate (a benchmark interest rate for a 3 month period) plus the same Issue Margin.</p> <p>If the sum of the 3 Month Bank Bill Rate plus the Issue Margin is less than 0% per annum, the floating rate will be deemed to be 0% per annum.</p> <p>Each time the interest rate is reset after the First Optional Redemption Date, the new interest rate will be announced by WNZL via NZX on or about the date it is reset.</p>
Issue Margin	The Issue Margin (which may be within, above or below the indicative Issue Margin range) will be determined by WNZL in conjunction with the Joint Lead Managers following a bookbuild process on the Rate Set Date. The Issue Margin for the Notes will not change.
Indicative Issue Margin Range	2.00% to 2.20% per annum.

Swap Rate	<p>The mid-market rate for an interest rate swap with a term of 5 and a half years commencing on the Issue Date, as calculated by WNZL, according to market convention, with reference to Bloomberg Page ICNZ4 (or any successor page) on the Rate Set Date, expressed as a percentage per annum, adjusted for quarterly payments and rounded, if necessary, to the nearest 2 decimal places with 0.005 being rounded up.</p>
3 Month Bank Bill Rate	<p>In relation to an Interest Payment Date after the First Optional Redemption Date, the FRA rate administered by the New Zealand Financial Benchmark Facility (NZFBF) (or any person that takes over the administration of that rate) for bank bills having a term of, or of about, 3 months as displayed at or about 10.45am or such later time as WNZL may determine on the previous Interest Payment Date on Bloomberg BKBM page 'GDCO 2805' (or any successor page) or if that rate is not displayed by 10.45am (New Zealand time) or such later time as WNZL may determine on that date, the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate) at or around that time on that date, in each case expressed as a percentage per annum and rounded, if necessary, to the nearest 4 decimal places with 0.00005% being rounded up.</p> <p>If the 3 Month Bank Bill Rate becomes unavailable WNZL will replace it with an alternative reference rate (see “Risks associated with the Notes specifically - The interest rate may go down to 0% per annum” below for further details).</p>
Calculation of Interest Payments	<p>Until the First Optional Redemption Date (14 February 2029) interest will be payable in equal amounts on each Interest Payment Date.</p> <p>After the First Optional Redemption Date the interest payable on each Interest Payment Date will be calculated on the basis of the actual number of days from (and including) the previous Interest Payment Date to (but excluding) that Interest Payment Date.</p>
Solvency Condition	<p>The payment of interest or principal in respect of a Note at any time before the Maturity Date or the liquidation of WNZL is subject to the following conditions:</p> <ul style="list-style-type: none"> • WNZL must be Solvent at the time the payment is due; and • WNZL must be able to pay the amount and still be Solvent immediately after paying the amount. <p>The Solvency Condition does not apply to payments that are required to be made on the Maturity Date or if WNZL is in liquidation.</p>
No Event of Default for Failure to Satisfy the Solvency Condition	<p>No event of default arises if WNZL fails to pay an amount on the Notes on account of not satisfying the Solvency Condition.</p>
Unpaid Interest Accumulates	<p>If interest is not paid on an Interest Payment Date because the Solvency Condition is not satisfied, the unpaid interest will remain owing, will itself bear interest (at the same rate as the Notes), and will be payable on the earlier of the next Business Day on which the Solvency Condition is satisfied and the Maturity Date.</p>

Events of Default	<p>The Notes have very limited events of default, as described below:</p> <ul style="list-style-type: none"> • Payment default: an event of default will occur if WNZL does not pay any Face Value due in respect of the Notes within 7 Business Days of its due date or WNZL does not pay any interest due in respect of the Notes within 14 Business Days of its due date. • Commencement of liquidation: an event of default will occur on the commencement of liquidation of WNZL.
Limited Enforcement Rights and Rights in Liquidation of WNZL	<p>Holders' rights are limited if an event of default occurs, as described below:</p> <p>If a payment default occurs, Holders may only bring proceedings:</p> <ul style="list-style-type: none"> • to recover any amount then due and payable but unpaid on the Notes (subject to satisfaction of the Solvency Condition if the payment of the unpaid amount was subject to the Solvency Condition); • to obtain an order for specific performance of any other obligation in respect of the Notes; or • for the liquidation of WNZL. <p>In the case of the commencement of liquidation of WNZL, the Face Value of each Note and any accrued but unpaid interest on the Notes will immediately become due and payable, and you may claim in the liquidation for that amount (on a subordinated basis).</p>
No Restrictions on Issuing Further Securities or Creating Further Liabilities	<p>There are no restrictions on WNZL issuing further securities or creating further liabilities after the Notes have been issued that rank equally with, or in priority to, the Notes in a liquidation of WNZL.</p> <p>WNZL could therefore, at any time after the Issue Date, issue further securities or create further liabilities that rank equally with or in priority to the Notes.</p>
Business Days (for Interest Payment Purposes)	<p>A day on which commercial banks are open for general business in Auckland and Wellington.</p>
Business Day Convention	<p>If an Interest Payment Date on or before the First Optional Redemption Date is not a Business Day, WNZL will make payment on the next Business Day, and no adjustment will be made to the amount of interest payable as a result of the delay in payment.</p> <p>If an Interest Payment Date after the First Optional Redemption Date is not a Business Day, then the Interest Payment Date will be the next Business Day, unless that day falls in the next calendar month, in which case it will be the preceding Business Day, and, in either case, the amount of interest payable will be adjusted to reflect the actual payment date.</p>

Record Date (for Payment Purposes)	<p>In the case of:</p> <ul style="list-style-type: none"> • a payment of interest, the date which is 10 days before the relevant Interest Payment Date; or • a payment of any other amount, a date determined by WNZL and notified to NZX, the Registry and Holders, <p>or in either case such other date as may be required by NZX.</p>
Brokerage	0.50% on firm allocations plus 0.50% brokerage, payable by WNZL.
No Underwriting	The Offer is not underwritten.
Minimum Subscription Amount	NZ\$5,000 and in multiples of NZ\$1,000 thereafter.
Face Value / Issue Price	NZ\$1.00 per Note.
ISIN	NZWNZD02T2L8
Quotation	<p>Application has been made to NZX for permission to quote the Notes on the NZX Debt Market and all the requirements of NZX relating to that quotation that can be complied with on, or before the date of distribution of this Terms Sheet, have been complied with. However, the Notes have not yet been approved for trading and NZX accepts no responsibility for any statement in this Terms Sheet.</p> <p>NZX ticker code WNZ2T2 has been reserved for the Notes.</p> <p>NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMCA.</p>
Documents	<p>This Terms Sheet.</p> <p>Deed Poll and Conditions of the Notes.</p>
Governing Law	New Zealand.
Approved Issuer Levy	<p>WNZL intends to register the Notes for approved issuer levy (AIL) and, where it is eligible to do so in respect of interest paid to a non-resident Holder that is subject to the non-resident withholding tax rules (and unless otherwise elected by the Holder), to pay AIL in lieu of deducting non-resident withholding tax. If the Notes qualify for the 0% rate of AIL, WNZL intends to apply the 0% rate, otherwise it will apply AIL at the applicable rate. The amount of any AIL paid will be deducted from payments to you.</p>

Selling Restrictions

WNZL has not taken and will not take any action which would permit a public offering of Notes, or possession or distribution of any offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

The Notes may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered.

Any disclosure statement, information memorandum, prospectus, circular, advertisement or other offering material in respect of the Notes may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed).

Specific selling restrictions as of the date of this Terms Sheet are set out in the Schedule to this Terms Sheet for Australia, Hong Kong, Singapore and the United States.

By subscribing for Notes, you agree to comply with the selling restrictions and to indemnify WNZL, the Registrar, the Arranger and each Joint Lead Manager (and their respective directors, officers, employees and agents) in respect of any loss, cost, liability or expense sustained or incurred as a result of you breaching the selling restrictions.

How to apply

There is no public pool for the Notes. All Notes (including any oversubscriptions) will be reserved for subscription by clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries invited to participate in the bookbuild process.

Accordingly, retail investors should contact a Joint Lead Manager, primary market participant or approved financial intermediary for details on how to acquire Notes. You can find a primary market participant by visiting nzx.com/services/market-participants/find-a-participant.

The primary market participant or approved financial intermediary can also explain what arrangements will be needed to put in place for you to trade the Notes (including obtaining a common shareholder number (**CSN**), an authorisation code (**FIN**) and opening an account with a primary market participant) as well as the costs and timeframes for putting such arrangements in place.

Arranger

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (**Westpac**).

Joint Lead Managers

Bank of New Zealand, Craigs Investment Partners Limited, Forsyth Barr Limited, Hobson Wealth Partners Limited, Jarden Securities Limited and Westpac.

Registrar

Link Market Services Limited.

The Notes will be accepted for settlement within the NZClear System.

Risks associated with the Notes specifically

You should carefully consider the features of the Notes, which differ from the features of a standard senior bond. Those features include the subordinated nature of the Notes, the potential for interest to not be paid when due, the change to floating rate interest after 5 and a half years, no rights for holders to require redemption before maturity, the potential for Notes to be repaid early in some circumstances, and the potential effects of regulatory change. Key risks concerning those features are set out in more detail below.

This summary does not cover all of the risks of investing in the Notes. For example, whilst certain risks in relation to the Notes are set out in more detail below, those risks relating to WNZL, rather than the Notes themselves, are not set out below on the basis that information relating to WNZL and its operations is disclosed to the market already pursuant to WNZL's continuous disclosure obligations under the NZX Listing Rules. Also, the summary below sets out the risks in relation to the Notes that differ from risks in relation to standard senior bonds. It does not cover the risks that are common to both the Notes and standard senior bonds (such as risks around liquidity and your ability to sell the Notes at a given price, or at all).

You should carefully consider these risk factors (together with the other information in this Terms Sheet) before deciding to invest in the Notes. If you do not fully understand how the Notes work or the risks associated with them, you should not invest in them.

The statement of risks in this Terms Sheet also does not take account of your personal circumstances, financial position or investment requirements. Before making any investment decision, you should consider the suitability of an investment in the Notes in light of your individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues) and consult your financial adviser.

The interest rate for the Notes should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the Offer is fair.

In a liquidation of WNZL, it is unlikely that you will receive payment of any amount owing on your Notes.

The Notes are subordinated. In a liquidation of WNZL, your right to payment of an amount equal to the Face Value plus all accrued but unpaid interest will rank behind depositors and other unsubordinated creditors of WNZL. It is unlikely that there will be surplus assets available for the liquidator to pay any amount to you in respect of your Notes. See "Ranking in Liquidation" above.

You have no rights against WNZL if interest is not paid because the Solvency Condition is not satisfied on the payment date.

At any time before the Maturity Date (14 February 2034) the payment of interest on your Notes on an Interest Payment Date is conditional on WNZL satisfying the Solvency Condition. If WNZL does not pay interest on an Interest Payment Date because the Solvency Condition is not satisfied, it will not constitute an event of default by WNZL and you will have no right to take action against WNZL or any other person in respect of that non-payment. See "Solvency Condition" above.

The interest rate may go down to 0% per annum.

The interest rate will be a fixed rate for a period of 5 and a half years until the First Optional Redemption Date, after which it will change to a floating rate that resets at quarterly intervals. The floating rate will be equal to the sum of the applicable 3 Month Bank Bill Rate plus the Issue Margin. The 3 Month Bank Bill Rate changes

to reflect market conditions over time, so the 3 Month Bank Bill Rate will likely vary for each Interest Payment Date after the First Optional Redemption Date. The 3 Month Bank Bill Rate may go down, including below 0% per annum. If the sum of the 3 Month Bank Bill Rate plus the Issue Margin is less than 0% per annum, the floating rate will be deemed to be 0% per annum. This means that, when the interest rate is reset, it may be lower than the rate that applied for a prior period, and may be 0% per annum. See “Interest Rate” above.

If the 3 Month Bank Bill Rate becomes unavailable WNZL will replace it with an alternative reference rate. In doing so WNZL will act in good faith and in a commercially reasonable manner and may consult with such sources of market practice as it considers appropriate. See “3 Month Bank Bill Rate” above. Any such replacement may result in the Notes performing differently (which may include payment of a lower interest rate) than if the 3 Month Bank Bill Rate had continued to be available and apply to the Notes.

You have no right to require early repayment of your Notes and WNZL may not repay your Notes early.

The Notes are a long term investment with a term of 10 and a half years. You have no right to require that your Notes be repaid early. WNZL is under no obligation to repay the Notes early. There is no certainty that WNZL will choose to repay the Notes:

- on the First Optional Redemption Date or any Interest Payment Date after that date; or
- if a Tax Event or Regulatory Event has occurred,

or that WNZL will be able to satisfy the conditions that apply to early repayment. In particular, there is no certainty that the Reserve Bank would give its approval to an early repayment.

Unless your Notes are repaid early by WNZL, to realise your investment before the Maturity Date you would need to sell your Notes on the NZX Debt Market at the prevailing market price. You may not be able to sell your Notes, and even if you can, the price may be less than what you paid for your Notes. See “Early Redemption” above.

WNZL may repay all or some of your Notes early in certain circumstances.

In certain circumstances, WNZL can repay all or some of your Notes early (see “Early Redemption” above). You may be disadvantaged if all or some of the Notes are repaid early. For instance, if all or some of the Notes are repaid early you may not be able to reinvest the proceeds at a comparable return.

WNZL's regulatory requirements may change.

As a New Zealand registered bank, WNZL is subject to regulatory requirements, including conditions of registration that are imposed by the Reserve Bank. The regulatory requirements that apply to WNZL may change from time to time and you may be disadvantaged by the changes. For instance, the Reserve Bank restricted banks from redeeming any capital instruments (such as the Notes) for a period during the COVID-19 pandemic and the Reserve Bank has also signalled that it will further consider the potential role for statutory bail-in powers in New Zealand. If statutory bail-in powers are enacted in New Zealand, they may apply to write-down or otherwise diminish the value of certain capital and other liabilities of WNZL in a resolution, although the Government has previously indicated a view that statutory bail-in should not apply to debt instruments issued before such powers are enacted (such as the Notes) unless their terms are renewed. The Reserve Bank is expected to report back to the Minister of Finance on statutory bail-in by June 2025 (being two years after the enactment of the Deposit Takers Act 2023). As a holder of capital instruments (such as the Notes) you may be disadvantaged by any statutory bail-in imposed in the future (in the event it is applied retrospectively), and the use of other resolution powers by the Reserve Bank.

Other Information

By purchasing the Notes, a Holder will be taken to agree to be bound by the terms of the Deed Poll (including the conditions of the Notes set out in the Deed Poll) and this Terms Sheet.

A copy of the Deed Poll is available at WNZL's website at westpac.co.nz/about-us/investor-centre/#unsecured-subordinated-notes-offer.

Any internet site addresses provided in the Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

This investment is riskier than a bank deposit. These Notes are complex financial products that are not suitable for many investors. If you do not fully understand how they work or the risks associated with them, you should not invest in them. Investors should seek qualified independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances. Investors will also be personally responsible for ensuring compliance with relevant laws and regulations applicable to them (including any required registrations).

The Arranger and Joint Lead Managers and their respective directors, officers, employees and agents: (a) have not authorised or caused the issue of, or made any statement in, any part of this Terms Sheet, (b) do not make any representation, recommendation or warranty, express or implied regarding the origin, validity, accuracy, adequacy, reasonableness or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Terms Sheet, and (c) to the extent permitted by law, do not accept responsibility or liability for this Terms Sheet or for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the offer of Notes.

For further information regarding WNZL, visit nzx.com/companies/WNZ.

Contact details

Issuer:

Westpac New Zealand Limited

Westpac on Takutai Square
53 Galway Street
Auckland 1010 New Zealand
Phone: +64 9 336 9924
Email: treasurer@westpac.co.nz

Registry:

Link Market Services Limited

Level 30, PwC Tower
15 Customs Street West
Auckland 1010
New Zealand
Phone: +64 9 375 5998
Email: enquiries@linkmarketservices.co.nz

Arranger:

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square
Level 8 16 Takutai Square
Auckland 1010
New Zealand
Phone: 0800 772 142

Joint Lead Managers:

Bank of New Zealand

Level 6
80 Queen Street
Auckland 1010
New Zealand
Phone: 0800 275 269

Craigs Investment Partners Limited

Level 32, Vero Centre
48 Shortland Street
Auckland 1010
New Zealand
Phone: 0800 226 263

Forsyth Barr Limited

Level 23, Shortland & Fort
88 Shortland Street
Auckland 1010
New Zealand
Phone: 0800 367 227

Hobson Wealth Partners Limited

Level 4, Australis Nathan Buildings
37 Galway Street, Britomart
Auckland 1010
New Zealand
Phone: 0800 742 737

Jarden Securities Limited

Level 32, PwC Tower
15 Customs Street West Commercial Bay
Auckland 1010
New Zealand
Phone: 0800 005 678

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)

Westpac on Takutai Square
Level 8 16 Takutai Square
Auckland 1010
New Zealand
Phone: 0800 772 142

Schedule: Specific Selling Restrictions

Australia

This Terms Sheet and the offer of Notes are only made available in Australia to persons to whom an offer of securities can be made without disclosure in accordance with applicable exemptions in sections 708(8) (sophisticated investors) or 708(11) (professional investors) of the Australian Corporations Act 2001 (the **Corporations Act**). This Terms Sheet is not a prospectus, product disclosure statement or any other formal “disclosure document” for the purposes of Australian law and is not required to, and does not, contain all the information which would be required in a “disclosure document” under Australian law. This Terms Sheet has not been and will not be lodged or registered with the Australian Securities & Investments Commission or the Australian Securities Exchange and WNZL is not subject to the continuous disclosure requirements that apply in Australia.

Prospective investors should not construe anything in this Terms Sheet as legal, business or tax advice nor as financial product advice for the purposes of Chapter 7 of the Corporations Act. Investors in Australia should be aware that the offer of Notes for resale in Australia within 12 months of their issue may, under section 707(3) of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 of the Corporations Act apply to the re-sale.

Hong Kong

WARNING: This Terms Sheet has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the “SFO”). No action has been taken in Hong Kong to authorise or register this Terms Sheet or to permit the distribution of this Terms Sheet or any documents issued in connection with it. Accordingly, the Notes have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Notes has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Notes may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Terms Sheet have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Terms Sheet, you should obtain independent professional advice.

Singapore

Securities and Futures Act Product Classification: Solely for the purposes of sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the **SFA**), WNZL has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

This Terms Sheet and any other materials relating to the Notes have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Terms

Sheet and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Notes, may not be issued, circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Terms Sheet has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Terms Sheet immediately. You may not forward or circulate this Terms Sheet to any other person in Singapore.

Any offer is not made to you with a view to the Notes being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Notes. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

The Notes have not been, and will not be, registered under the Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

The Notes will not be offered or sold in the United States or to, or for the account or benefit of, US persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Notes, as determined and certified by the Arranger except in accordance with Rule 903 of Regulation S. Any Notes sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Notes covered hereby have not been registered under the US Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold in the United States, or to or for the account or benefit of, US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the US Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the completion of the distribution of all Notes, an offer or sale of the Notes in the United States by the Arranger or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

