

Media Release

23 December, 2009

Westpac Participation in Industry Resolution to NZ Structured Finance Litigation

Westpac Banking Corporation today announced that, as part of a broader industry arrangement including BNZ, ANZ and ASB, it has reached a settlement with the New Zealand Commissioner of Inland Revenue (CIR) relating to nine structured finance transactions undertaken by Westpac in NZ between 1998 and 2002.

Under the settlement Westpac will pay the CIR 80% of the full amount of primary tax and interest.

The other banks entered into proportionately equivalent settlement agreements.

As part of the settlement arrangements no penalties will be levied against Westpac by the CIR.

Westpac fully provided for the value of primary tax and interest claimed by the CIR as part of its 2009 result, and as a result there will be a write back in 2010 of approximately NZD 190 million (AUD 150 million). The amount of the write back will be excluded from cash earnings in 2010, consistent with the treatment in Westpac's 2009 results.

All other details of the settlement agreement remain confidential.

Ends.

For Further Information

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