

WESTPAC BANKING CORP
Form 424B2
November 16, 2009

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale of these securities is not permitted.

**Filed Pursuant to Rule 424(b)(2)
Registration No. 333-157381**

**Subject to Completion
Preliminary Prospectus Supplement dated November 16, 2009**

**PROSPECTUS SUPPLEMENT
(TO PROSPECTUS DATED NOVEMBER 16, 2009)**

US\$

Westpac Banking Corporation
(ABN 33 007 457 141)
% Notes due

We are offering US\$ _____ aggregate principal amount of our _____ % notes due _____, which we refer to as the notes. We will pay interest on the notes at the rate of _____ % per year semi-annually in arrears on _____ and _____ of each year, beginning on _____, 2010. The notes will mature on _____. We may redeem all, but not less than all, of the notes if specified events occur involving Australian taxation, as described under "Description of the Debt Securities Redemption of Debt Securities Redemption for Taxation Reasons" in the accompanying prospectus.

The notes will be our direct, unconditional and unsecured senior obligations and will rank, except for certain debts required to be preferred by law (including those in respect of our deposit liabilities in Australia as well as certain obligations to the Australian Prudential Regulation Authority, which we refer to as APRA), equally with all of our other unsecured and unsubordinated obligations from time to time outstanding.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Investing in the notes involves risks. To read about certain factors you should consider before investing in the notes, see "Forward-Looking Statements" on page S-ii and "Risk Factors" on page S-6 of this prospectus supplement, and the risk factors set forth in our Annual Report on Form 20-F for the financial year ended September 30, 2009 filed with the Securities and Exchange Commission on November 13, 2009, which we refer to as the 2009 Form 20-F and which is incorporated by reference in this prospectus supplement and the accompanying prospectus.

The notes are not protected accounts or deposit liabilities of Westpac for the purpose of the Banking Act 1959 of Australia and are not insured or guaranteed by (1) the Commonwealth of Australia or any governmental agency of Australia, (2) the United States of America, the Federal Deposit Insurance Corporation or any other governmental agency of the United States or (3) the government or any governmental

agency of any other jurisdiction.

	Per Note	Total
Public Offering Price	%	US\$
Underwriting Discount(1)	%	US\$
Proceeds to Westpac (before expenses)	%	US\$

(1) See "Underwriting" on page S-17 for further information.

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The underwriters expect that the notes will be ready for delivery in book-entry form only through The Depository Trust Company and its participants, including Euroclear Bank SA/NV and Clearstream Banking, société anonyme, on or about November , 2009.

Joint Book-Running Managers

BofA Merrill Lynch Citi Deutsche Bank Securities

November , 2009

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You should rely only on information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to the offering of the notes filed by us with the Securities and Exchange Commission, which we refer to as the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different, additional or inconsistent information, you should not rely on it. You should assume that the information in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to the offering of the notes filed by us with the SEC and the documents incorporated by reference herein and therein is only accurate as of the respective dates of such documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are offering to sell, and are seeking offers to buy, the notes only in jurisdictions where offers and sales of the notes are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any notes offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

PRESENTATION OF INFORMATION

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus which gives more general information about our debt securities, some of which may not apply to this offering.

If the information in this prospectus supplement is inconsistent with information contained in the accompanying prospectus or any document incorporated by reference into this prospectus supplement or the accompanying prospectus on or prior to the date hereof, you should rely on the information contained in this prospectus supplement.

Unless otherwise indicated, or the context otherwise requires, references in this prospectus supplement to "we," "us" and "our" or similar terms are to Westpac Banking Corporation and its controlled entities (within the meaning of Section 50AA of the Corporations Act 2001 of Australia, which we refer to as the Australian Corporations Act), and references to "Westpac" are to Westpac Banking Corporation (ABN 33 007 457 141).

We publish our consolidated financial statements in Australian dollars. In this prospectus supplement, unless otherwise stated or the context otherwise requires, references to "dollar amounts", "\$", or "A\$" are to Australian dollars, references to "US\$", "USD" or "US dollars" are to United States dollars and references to "NZ\$", "NZD" or "NZ dollars" are to New Zealand dollars.

FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, which we refer to as the Securities Act. Forward-looking statements include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions and results of operations and financial condition. We use words such as "will", "may",

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"expect", "intend", "seek", "would", "should", "could", "continue", "plan", "estimate", "anticipate", "believe", "probability", "risk" or other similar words to identify forward-looking statements. These forward-looking statements are subject to change and uncertainty 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 management's expectations or that the effect of future developments on us will be those anticipated by management. Actual results could differ materially from those we expect, depending on the outcome of various factors, including, but not limited to, those set forth in our 2009 Form 20-F and the other documents incorporated by reference in this prospectus supplement or the accompanying prospectus. These factors include:

impacts of the global financial crisis, including adverse conditions in funding, equity and asset markets;

our ability to successfully complete the integration of St.George Bank Limited into Westpac's operations, including our ability to realize anticipated synergies and the costs of achieving those synergies;

changes to our credit ratings;

inflation, interest rate, exchange rate, market and monetary fluctuations;

market liquidity and investor confidence;

the effect of, and changes in, laws, regulations, taxation or accounting standards or practices and government policy, particularly changes to liquidity and capital requirements arising from the global financial crisis;

changes in consumer spending, saving and borrowing habits in Australia, New Zealand and in other countries in which we conduct our operations;

the effects of competition in the geographic and business areas in which we conduct our operations;

the ability to maintain or to increase market share and control expenses;

the timely development of and acceptance of new products and services and the perceived overall value of these products and services by users;

technological changes;

demographic changes and changes in political, social or economic conditions in any of the major markets in which we operate;

stability of Australian and international financial systems and disruptions to financial markets and any losses we may experience as a result;

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our ability to complete, integrate or process acquisitions and dispositions;

our ability to incur additional indebtedness and any limitations contained in the agreements governing such additional indebtedness; and

various other factors beyond our control.

All forward looking statements speak only as of the date made, and we undertake no obligation to update our forward looking statements for any reason, whether as a result of new information, future events or otherwise.

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SUMMARY

Westpac Banking Corporation

We are one of the four major banking organizations in Australia and, through our New Zealand operations, we are also one of the largest banking organizations in New Zealand. We provide a broad range of banking and financial services in these markets, including retail, business and institutional banking and wealth management services.

We were founded in 1817 and were the first bank to be established in Australia. In 1850 we were incorporated as the Bank of New South Wales by an Act of the New South Wales Parliament. In 1982 we changed our name to Westpac Banking Corporation. On August 23, 2002, we were registered as a public company limited by shares under the Australian Corporations Act. Our principal office is located at 275 Kent Street, Sydney, New South Wales, 2000, Australia. Our telephone number for calls within Australia is 132 032 and our international telephone number is +61 2 9293 9270.

We have branches, affiliates and controlled entities throughout Australia, New Zealand and the near Pacific region and maintain offices in some of the key financial centers around the world. On December 1, 2008, we merged with St.George Bank Limited, which we refer to as St.George and which at the time was the fifth largest bank in Australia based on market capitalization. As at September 30, 2009, we had total assets of A\$589.6 billion. Our market capitalization as of November 13, 2009 was approximately A\$76.0 billion.

We have five key customer-facing business divisions. These businesses are Westpac Retail and Business Banking, St.George Bank, BT Financial Group (Australia), Westpac Institutional Bank and New Zealand Banking.

Westpac Retail and Business Banking, which we refer to as WRBB, is responsible for sales, marketing, and customer service for all consumer and small-to-medium enterprise customers within Australia under the Westpac and RAMS brands. WRBB offers a broad range of financial products, including savings and transaction accounts, demand and term deposits, credit cards, personal and housing loans, and business specific working capital, transactional, cash flow and trade finance facilities. RAMS Home Loans is a home loan franchise distribution business. Consumer activities are conducted through WRBB's nationwide network of branches (including in-store branches), RAMS franchise outlets, home finance managers, specialized consumer relationship managers, call centers, automatic teller machines, which we refer to as ATMs, and internet and telephone channels. For business customers, these activities are conducted by specialized business relationship managers, with the support of cash flow, financial markets and wealth specialists, via the branch network, business banking centers and internet and telephone channels. WRBB also includes the management of our third party consumer and business relationships, and the operation of the RAMS franchise distribution business.

St.George Bank is responsible for sales, marketing and customer service for our consumer, business and corporate customers in Australia under the St.George and BankSA brands. Consumer activities are conducted through a network of branches, third party distributors, call centers, ATMs, EFTPOS terminals and internet banking services. Business and corporate customers (businesses with facilities typically up to A\$150 million) are provided with a wide range of banking and financial products and services, including specialist advice for cash flow finance, trade finance, automotive and equipment finance, property finance, transaction banking and treasury services. Sales and service activities for business and corporate customers are conducted by relationship managers via business banking centers, internet and telephone banking channels.

BT Financial Group (Australia), which we refer to as BTFG, is Westpac's wealth management business. As a result of the merger with St.George, our wealth management business now also

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includes operations under the Asgard, Advance, Licensee Select, Magnitude, BankSA and Securitor brands. BTFG designs, manufactures and distributes financial products that are designed to help our customers achieve their financial goals by administering, managing and protecting their assets. Funds Management operations include the manufacturing and distribution of investment, superannuation and retirement products, investment platforms such as Wrap and Master Trusts and private banking and financial planning. Insurance solutions cover the manufacturing and distribution of life, general, lenders mortgage and deposit bonds insurance.

Westpac Institutional Bank, which we refer to as WIB, delivers a broad range of financial services to commercial, corporate, institutional and government customers either based in, or with interests in, Australia and New Zealand. WIB operates through dedicated sales industry teams, supported by specialist knowledge in financial and debt capital markets, transactional banking, margin lending, broking and alternative investment solutions. Customers are supported through Westpac branches and subsidiaries located in Australia, New Zealand, New York, London and Asia. WIB also includes the Premium Business Group which was transferred from WRBB during the 2009 financial year.

New Zealand Banking is responsible for sales and service of banking, wealth and insurance products for consumers and small to medium business customers in New Zealand. The division operates via an extensive network of branches and ATMs across both the North and South Islands. Banking products are provided under the Westpac brand while wealth and insurance products are provided by Westpac Life New Zealand and BT New Zealand. We conduct our New Zealand banking business through two banks in New Zealand: consumer and business banking operations are provided by Westpac New Zealand Limited, which is incorporated in New Zealand, and institutional customers are supported by Westpac Banking Corporation (NZ Division), a branch of Westpac, which is incorporated in Australia and forms part of WIB.

Other business divisions include:

Pacific Banking, which provides banking services for retail and business customers throughout near South Pacific Island Nations;

Group Treasury, which is primarily focused on the management of our interest rate risk and funding requirements;

Product and Operations, which is responsible for consumer and business product development and operations;

Technology, which is responsible for developing and maintaining reliable and flexible technology capabilities and technology strategies; and

Core Support, which comprises those functions performed centrally including finance, risk, legal and human resources.

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The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see "Description of the Notes" in this prospectus supplement and "Description of the Debt Securities" in the accompanying prospectus.

Issuer	Westpac Banking Corporation.
Notes Offered	US\$ aggregate principal amount of % notes due .
Maturity Date	The notes will mature on .
Interest Rate	% per year.
Interest Payment Dates	and of each year, beginning , 2010 and ending on . Any payment of principal, premium or interest required to be made on an interest payment date that is not a business day in New York, London and Sydney will be made on the next succeeding business day, and no interest will accrue on that payment for the period from and after the interest payment date to the date of payment on the next succeeding business day.
Ranking	The notes will be our direct, unconditional, unsubordinated and unsecured obligations and will rank, except for certain debts required to be preferred by law (including those in respect of our deposit liabilities in Australia as well as certain obligations to APRA), equally with all of our other unsecured and unsubordinated obligations from time to time outstanding. The notes will rank senior to our subordinated obligations, including any subordinated debt securities.
Redemption for Taxation Reasons	Subject to certain limitations, the indenture provides that we will have the right to redeem the notes in whole, but not in part, at any time within 90 days following the occurrence of a tax event, as defined in the accompanying prospectus under the heading "Description of the Debt Securities Redemption of Debt Securities Redemption for Taxation Reasons", with respect to the notes. If we redeem the notes in these circumstances, the redemption price of each note redeemed will be equal to 100% of the principal amount of such note plus accrued and unpaid interest on such note to but excluding the date of redemption.
Use of Proceeds	We estimate that the net proceeds from the offering of the notes, after taking into account the underwriting discount and deducting estimated offering expenses payable by us, will be US\$. We intend to use the net proceeds for general corporate purposes.
Sinking Fund	The notes will not be entitled to the benefit of any sinking fund.
Form of Note	Notes, in global form, which we refer to as global notes, held in the name of The Depository Trust Company, which we refer to as the Depository or DTC, or its nominee.
Trustee	The Bank of New York Mellon (as successor to the Chase Manhattan Bank), which we refer to as the trustee.

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We have derived the following summary financial information as of, and for the financial years ended, September 30, 2009, 2008 and 2007 from our audited consolidated financial statements and related notes which have been prepared in accordance with Australian Equivalents to International Financial Reporting Standards, which we refer to as A-IFRS, and International Financial Reporting Standards as issued by the International Accounting Standards Board.

You should read this information together with "Operating and financial review and prospects" and our audited consolidated financial statements and the accompanying notes included in our 2009 Form 20-F which is incorporated by reference in this prospectus supplement.

	As of and for the financial year ended September 30,			
	2009(1) (in US\$ millions)	2009	2008(2)	2007(2)
		(in A\$ millions)		
(Unaudited)				
Income statement				
Net interest income	10,276	11,646	7,222	6,313
Non-interest income	4,288	4,859	4,383	4,006
Net operating income before operating expenses and impairment charges	14,564	16,505	11,605	10,319
Operating expenses	(6,328)	(7,171)	(5,455)	(4,689)
Impairment charges	(2,857)	(3,238)	(931)	(482)
Profit from ordinary activities before income tax expense	5,379	6,096	5,219	5,148
Income tax expense	(2,276)	(2,579)	(1,287)	(1,630)
Net profit attributable to minority interests	(63)	(71)	(73)	(67)
Net profit attributable to equity holders	3,041	3,446	3,859	3,451
Balance sheet				
Loans	408,956	463,459	313,545	275,377
Other assets	111,296	126,128	126,131	102,243
Total assets	520,252	589,587	439,676	377,620
Deposits	290,712	329,456	233,730	202,054
Debt issues and acceptances	117,380	133,024	100,369	87,126
Loan capital	9,828	11,138	8,718	7,704
Other liabilities	70,061	79,398	77,388	62,828
Total liabilities	487,981	553,016	420,205	359,712
Shareholders' equity and minority interest	32,270	36,571	19,471	17,908

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	As of and for the financial year ended September 30,		
	2009	2008	2007
Key Financial Ratios			
Business Performance			
Operating expenses to operating income ratio (%)	43.4	47.0	45.4
Net interest margin	2.38	2.07	2.19
Productivity ratio(3)	4.47	4.16	4.07
Capital adequacy(4)			
Total equity to total assets (%)	6.2	4.4	4.7
Total equity to total average assets (%)	6.3	4.8	5.4
Tier 1 ratio (%)	8.1	7.8	6.5
Total capital ratio (%)	10.8	10.8	9.5
Credit Quality			
Net impaired assets to equity and collectively assessed provisions (%)	5.7	3.0	1.4
Total provisions(5) to gross loans and acceptances (basis points)	101.2	69.0	61.6
Other information			
Core full time equivalent staff (number at period end)(6)	34,188	26,717	25,903

- (1) Solely for the convenience of the reader, we have translated the amounts in this column from Australian dollars into U.S. dollars using the noon buying rate in New York City for cable transfers of Australian dollars as certified for customs purposes for the Federal Reserve Bank of New York as of September 30, 2009 of A\$1.00 to US\$0.8824. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate or as of that or any other date.
- (2) Where accounting classifications have changed or where changes in accounting policies are adopted retrospectively, comparatives have been restated and may differ from results previously reported.
- (3) Net operating income before operating expenses and impairment charges/salaries and other staff expenses (net of restructuring expenses).
- (4) The capital adequacy ratios at September 30, 2007 are calculated based on the requirements of the Basel I capital accord and have not been restated to reflect our adoption of the Basel II capital accord during the 2008 financial year.
- (5) Includes the APRA required capital deduction of nil (pre-tax) above A-IFRS provisioning levels at September 30, 2009 (2008 A\$14 million, 2007 A\$128 million), which forms part of the APRA termed General Reserve for Credit Losses.
- (6) Core full-time equivalent staff includes overtime and pro-rata part time staff. It excludes staff on unpaid absences (e.g. maternity leave), temporary and contract staff.

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RISK FACTORS

Investors should carefully consider the risks described below and in the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, including the risks described in our 2009 Form 20-F, before making an investment decision. The risks and uncertainties described below and in such other information are not the only ones facing us or you, as holders of the notes. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, may become important factors that affect us or you, as holders of the notes.

Because the indenture contains no limit on the amount of additional debt that we may incur, our ability to make timely payments on the notes you hold may be affected by the amount and terms of our future debt

Our ability to make timely payments on our outstanding debt may depend on the amount and terms of our other obligations, including any additional debt securities that we may issue. The indenture does not contain any limitation on the amount of indebtedness that we may issue in the future. As we issue additional debt securities under the indenture or incur other indebtedness, unless our earnings grow in proportion to our debt and other fixed charges, our ability to service the notes on a timely basis may become impaired.

The notes will constitute a separate series of debt securities under the indenture

Each time we issue debt securities, the debt securities that we issue will constitute a separate series of debt securities for purposes of the indenture (unless it is specifically provided that the debt securities so issued will constitute a reopening of an outstanding series of debt securities). This may result in adverse consequences to holders of the notes if an event of default were to occur with respect to the debt securities of a particular series but not with respect to the notes. If this were to occur, holders of debt securities of the series in respect of which such event of default shall have occurred may be entitled to accelerate the debt securities of such series while holders of the notes, in the absence of any event of default, would not be entitled to accelerate the notes or pursue any other remedy. As a result, holders of debt securities that have been accelerated may be entitled to payment in full in respect of their claims while holders of other series of debt securities, including the notes, that have not been accelerated will not be entitled to any such payment until an event of default shall have occurred with respect to the debt securities of such series.

The terms of the indenture and the notes provide only limited protection against significant events that could adversely impact your investment in the notes

The indenture governing the notes does not:

require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;

restrict our subsidiaries' ability to issue securities or otherwise incur indebtedness or other obligations that would be senior to our equity interests in our subsidiaries and therefore rank effectively senior to the notes with respect to the assets of our subsidiaries;

restrict our ability to repurchase or prepay any other of our securities or other indebtedness; or

restrict our ability to make investments or to repurchase, or pay dividends or make other payments in respect of, our common stock or other securities ranking junior to the notes.

As a result of the foregoing, when evaluating the terms of the notes, you should be aware that the terms of the indenture and the notes do not restrict our ability to engage in, or to otherwise be a party

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to, a variety of corporate transactions, circumstances and events that could have an adverse impact on your investment in the notes.

There is no existing public market for the notes, a market may not develop and you may have to hold your notes to maturity

The notes are a new issue of securities and there is no existing trading market for the notes. We have been advised by the underwriters that the underwriters intend to make a secondary market for the notes. However, they are not obligated to do so and may discontinue making a secondary market for the notes at any time without notice. If a trading market for the notes develops, no assurance can be given as to how liquid that trading market will be. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, performance and prospects.

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USE OF PROCEEDS

We estimate that the net proceeds from the offering of the notes, after taking into account the underwriting discount and deducting estimated offering expenses payable by us, will be US\$. We intend to use the net proceeds for general corporate purposes.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges (unaudited) for the periods indicated. The ratio is calculated based on earnings and charges determined in accordance with A-IFRS.