

NZX ANNOUNCEMENT

4 August 2016

WESTPAC ANNOUNCES INTEREST RATE FOR NZD SUBORDINATED NOTES

Westpac Banking Corporation (ABN 33 007 457 141), acting through its Sydney head office (**Westpac**), today announced that it has successfully closed the bookbuild for the offer (**Offer**) of unsecured, subordinated, fixed rate notes (**Notes**). The Offer size has been set at NZ\$400 million.

The Offer opens on 5 August 2016 and is expected to close on 26 August 2016.

The interest rate for the Notes will be 4.6950% per annum, which reflects a margin of 2.60% per annum over the New Zealand 5 year swap rate. The margin was determined by Westpac following the bookbuild and will not change over the term of the Notes. The interest rate will be reset on 1 September 2021 for a further five years. Interest is scheduled to be paid quarterly in arrear for the duration of the Notes subject to Westpac satisfying the solvency condition.

The Notes have a term of 10 years. However, the Notes may be repaid from 1 September 2021 (in 5 years) or earlier in certain circumstances. If Westpac encounters severe financial difficulty, a non-viability trigger event could occur and some or all of the Notes may be converted into Westpac ordinary shares (or written off completely).

All of the Notes have been allocated to financial intermediaries for distribution to their clients, and investors will only be able to obtain an allocation of Notes through the Joint Lead Managers, the Co-Managers or their financial adviser.

Westpac will pay early bird interest at 3.25% per annum (less any applicable withholding taxes) on application monies for applications that are accepted, unless those application monies are returned for any reason.

The scheduled issue date for the Notes is 1 September 2016.

Full details of the Notes are contained in the product disclosure statement (**PDS**) for the offer of Notes, which may be obtained through a Joint Lead Manager, a Co-Manager or from a financial adviser. A copy of the PDS is also available at www.westpac.com.au/westpacnzdsubnotes. There are restrictions on offering, issuing or selling the Notes outside New Zealand, as set out in the PDS.

The Notes are complex financial products that are not suitable for many investors. If you do not fully understand how the Notes work or the risks associated with them, then you should not invest in them. You should read the PDS for the Notes in full. You can seek advice from a financial adviser to help you make an investment decision.

- ENDS -

Further enquiries

Westpac Media Relations (Sydney)

David Lording
Tel: +61 2 8219 8512
Mob: +61 419 683 411

Westpac Investor Relations (Sydney)

Andrew Bowden
Tel: +61 2 8253 4008
Mob: +61 438 284 863

Arranger & Joint Lead Manager
Westpac Banking Corporation
(acting through its New Zealand branch)
Tel: 0800 942 822
www.westpac.com.au/investorcentre

Joint Lead Managers

BNZ

Tel: 0800 284 017
www.bnz.co.nz

Deutsche Craigs

Tel: 0800 226 263
www.craigsip.com

First NZ Capital

Tel: 0800 005 678
www.firstnzcapiatal.co.nz

Forsyth Barr

Tel: 0800 367 227
www.forsythbarr.co.nz

Macquarie

Tel: 0800 742 737
www.macquarie.com/nz/corporate

Co-Managers

JBWere

Tel: 0800 555 555
www.jbwere.co.nz

Macquarie Equities

Tel: 0800 742 737
www.macquarie.com/nz/personal-nz

The Notes may only be offered for sale or sold in New Zealand. In particular, the Notes will not be registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act) or the securities law of any state of the United States and may not be offered, sold or delivered or transferred in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the U.S. Securities Act).