

Daily Mid-Market Marks (Daily Marks)

Westpac Banking Corporation (Westpac) is required to provide disclosures of material information in relation to transactions in swaps (as that term is defined in the Commodity Exchange Act 1936 (U.S.) section 1a and regulations made thereunder) to certain counterparties other than swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants. This disclosure is made pursuant to and for the sole purpose of Commodity Futures Trading Commission regulation 17 CFR § 23.431(d).

Uncleared Swaps

For uncleared swaps executed by you with Westpac, Westpac will provide you with a daily mid-market mark (daily mark). Your daily mark will be made available via the following web portal: https://dailymark.integrate.net.au/DTIP/DailyMark/

All daily mark figures provided are expressed in the trade currency unless stated otherwise and reflect the position of Westpac's counterparty. For currency swaps, the 'Trade Net' figure is expressed in the currency of the first currency in the pair. Calculations of the daily mark are made in good faith based on information obtained from relevant internal and external sources.

The calculation of the daily mark is a mid-market estimate that does not include amounts for profit, credit reserve, hedging, funding, liquidity, or any other costs or adjustments which may have a material effect on the value of the transaction. Accordingly, the daily mark may not necessarily be a price at which Westpac or any other participant would agree to replace or terminate the transaction.

In preparing a daily mark, Westpac will use proprietary models and methodologies which depend on the type of transaction, and its characteristics. In doing so, Westpac may use past, present and future market data or other factors. From time to time, Westpac may make changes to models, methodologies, and assumptions where appropriate to the circumstances. Models for preparing a daily mark will typically involve discounting future cash flows. Such cash flows may be implied from market prices, modelled, or simulated.

Any calculation of exposure or calls for margin in respect of the transactions may be based on considerations other than the daily mark. Likewise, the daily mark provided may not necessarily be the value of the transaction that is marked on the books of Westpac.

Cleared Swaps

For cleared swaps originally executed by you with Westpac, you have the right to receive the daily mark from the relevant derivatives clearing organization upon request.



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