

5 February 2018

Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

LETTERS AND TRANSFER NOTICE TO HOLDERS OF WESTPAC CONVERTIBLE PREFERENCE SHARES (WESTPAC CPS)

Westpac Banking Corporation (Westpac) today released the following attached documents in relation to Westpac CPS:

- a letter to holders of Westpac CPS who are eligible to participate in the Westpac Capital Notes 5 Reinvestment Offer. This letter includes a description of the Reinvestment Offer announced by Westpac today; and
- a transfer notice for Westpac CPS, which will be sent to all Westpac CPS holders.

Yours sincerely,



Tim Hartin
Company Secretary

NOT FOR DISTRIBUTION IN THE UNITED STATES

This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities 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 of 1933) (U.S. Person). Westpac Capital Notes 5 are being offered in Australia only and will not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person.

Westpac Convertible Preference Shares
Issued by Westpac Banking Corporation

All Registrar communications to:
Link Market Services Limited (Link)
Locked Bag A6015, Sydney South NSW 1235 Australia
Telephone (local call cost within Australia): +61 1300 784 494
ASX Code: WBCPC
Email: westpac@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

5 February 2018

Dear Westpac CPS Investor,

REINVESTMENT OFFER TO ELIGIBLE WESTPAC CPS HOLDERS

I am writing to inform you that Westpac Banking Corporation (**Westpac**) has announced the offer of a new Additional Tier 1 capital security known as Westpac Capital Notes 5 (**Notes**). As an eligible holder of Westpac Convertible Preference Shares (**Westpac CPS**)¹, you have an opportunity to reinvest your Westpac CPS in the Notes (**Reinvestment Offer**). Participation in the Reinvestment Offer is optional.

If you do not wish to participate in the Reinvestment Offer no further action is required and you can continue to hold your Westpac CPS until 3 April 2018. If you don't participate in the Reinvestment Offer and you don't otherwise sell your Westpac CPS on-market before 14 March 2018 (which is expected to be the last day of trading in Westpac CPS), you will receive \$100 for each Westpac CPS you hold on 3 April 2018.

If you wish to participate in the Reinvestment Offer

The Reinvestment Offer is expected to open on 13 February 2018. You may elect to reinvest some or all of the Westpac CPS you held at 7.00pm (Sydney time) on 29 January 2018, in the same number of Notes (as both have a face value of \$100). If you apply to reinvest all of your Westpac CPS, you may also apply for additional Notes. Application Payments are only required if you apply for additional Notes. There are no associated transaction costs to participate in the Reinvestment Offer or to apply for additional Notes.

Westpac will give priority to Applications received under the Reinvestment Offer (including Applications made through Syndicate Brokers) when Allocating the Notes. This priority does not apply to Applications for additional Notes. The Closing Date for the Reinvestment Offer is expected to be 5.00pm (Sydney time) on 6 March 2018.

It is important to highlight that the Reinvestment Offer is not a simple rollover into a similar investment. The Notes and Westpac CPS have different benefits and risks, which must be evaluated separately. The Reinvestment Offer will be made via the Westpac Capital Notes 5 Prospectus (**Prospectus**), which you should read in full before deciding to apply for Notes. The Prospectus was lodged on the Australian Securities

¹ You are eligible to participate in the Reinvestment Offer because you were registered as a Westpac CPS holder at 7.00pm (Sydney time) on 29 January 2018 and are shown on the Westpac CPS Register as having an address in Australia.

Exchange (**ASX**) on 5 February 2018 and is also available at the Westpac Capital Notes 5 Offer website at www.westpac.com.au/westpaccapnotes5.

How to apply to participate in the Reinvestment Offer

Applications can be made by completing the Reinvestment Application Forms accompanying the replacement Prospectus containing the Margin, which will be available when the Offer opens on 13 February 2018. These documents contain full details of the Notes and how to apply under the Reinvestment Offer.

You will be mailed a printed Prospectus with a personalised Reinvestment Application Form shortly after the Offer opens (please allow a minimum of five business days to receive the documents). The online Prospectus and Reinvestment Application Form can also be accessed through the Westpac Capital Notes 5 Offer website at www.westpac.com.au/westpaccapnotes5. If you do not receive your printed documents, please call the Westpac Capital Notes 5 Information Line (details below).

Complete and return your personalised Reinvestment Application Form to the Registrar by the Closing Date, expected to be 5.00pm (Sydney time) on 6 March 2018.

What if I continue to hold Westpac CPS on 3 April 2018?

On 3 April 2018, you will be paid \$100 per Westpac CPS for any Westpac CPS you continue to hold on that date.

If you wish to realise your investment in Westpac CPS before 3 April 2018, you may sell your Westpac CPS on the ASX at the prevailing market price (which may be higher or lower than \$100 per Westpac CPS) on or by 14 March 2018, which is expected to be the last day of trading in Westpac CPS. You may need to pay brokerage if you choose to sell Westpac CPS on the ASX. It is also expected that off-market transfers of Westpac CPS will not be accepted after 23 March 2018.

Pro-Rata Westpac CPS Dividend and Final Westpac CPS Dividend payments

The following Westpac CPS dividends will be paid, provided the dividend payment test in the Westpac CPS terms is satisfied:

- (i) a Pro-Rata Westpac CPS Dividend for the period from 1 October 2017 to 13 March 2018 (inclusive). This dividend will be paid on 13 March 2018 for all Westpac CPS you hold on the record date of 5 March 2018, regardless of whether or not you participate in the Reinvestment Offer. If you participate in the Reinvestment Offer, the Pro-Rata Westpac CPS Dividend will be the last dividend you will receive on your Westpac CPS being reinvested. The expected cash amount of the Pro-Rata Westpac CPS Dividend is \$1.6229 per Westpac CPS; and
- (ii) a Final Westpac CPS Dividend for the period from 14 March 2018 to 31 March 2018 (inclusive). This dividend will be paid on 3 April 2018 for all Westpac CPS not participating in the Reinvestment Offer that you continue to hold on the record date of 23 March 2018. The expected cash amount of the Final Westpac CPS Dividend is \$0.1782 per Westpac CPS.

The payment of \$100 per Westpac CPS held on 3 April 2018 and Westpac CPS dividends will be made in accordance with your payment instructions, recorded on the Westpac CPS Register. You may amend your payment instructions online at www.linkmarketservices.com.au/westpac or by calling the Westpac Capital Notes 5 Information Line (details below). Changes in payment instructions must be made by 5.00pm (Sydney time) on the record date for the relevant Westpac CPS dividend payment.

Amendments to Westpac CPS Terms and Transfer Notice

Westpac has amended the Westpac CPS Terms to facilitate the Reinvestment Offer, the transfers of Westpac CPS and related matters, as permitted under the Westpac CPS Terms. The amended Westpac CPS Terms were lodged on the ASX on 5 February 2018 and are also available on our website at www.westpac.com.au/westpaccps.

Westpac has also issued the transfer notice that accompanies this letter, which outlines that:

- if you participate in the Reinvestment Offer, your Participating Westpac CPS will be acquired by UBS AG, Australia Branch (**the Westpac CPS Nominated Party**) on 13 March 2018 and the transfer proceeds (\$100 per Participating Westpac CPS) will be automatically reinvested in Westpac Capital Notes 5; and
- if you don't participate in the Reinvestment Offer and you don't otherwise sell your Westpac CPS on-market before 14 March 2018, any Westpac CPS you hold on 3 April 2018 will be automatically transferred to the Westpac CPS Nominated Party who will pay you the transfer proceeds of \$100 for each Westpac CPS you hold on that date.

If you have any questions regarding your Westpac CPS holding, please call the Westpac Capital Notes 5 Information Line (details below).

Obtain further information about the Notes and Reinvestment Offer

- Visit the **Westpac Capital Notes 5 Offer website** at www.westpac.com.au/westpaccapnotes5;
- Read the Prospectus, which contains full details of the Offer (including the Reinvestment Offer), in its entirety;
- Call the **Westpac Capital Notes 5 Information Line** (Monday to Friday, 8.30am to 5.30pm, Sydney time) on 1300 784 494 (local call cost within Australia);
- Seek professional advice from a financial adviser or other professional adviser.

WARNING – Westpac Capital Notes 5 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their overall complexity may make them difficult to understand and the risks associated with the Notes could result in the loss of all of your investment. If you do not fully understand how they work or the risks associated with them, you should obtain professional advice.

This letter is not financial product advice and has not taken into account your objectives, financial situation or needs.

Unless otherwise defined, capitalised expressions used in this letter have the meanings given to them in the Westpac Capital Notes 5 Prospectus.

I would like to take this opportunity to thank you for your investment and support of Westpac.



Andrew Bowden

Head of Investor Relations
Westpac Banking Corporation

Transfer Notice for Westpac CPS

Westpac Banking Corporation (**Westpac**) notifies holders of Westpac Convertible Preference Shares (**Westpac CPS**) that:

- on 13 March 2018, Westpac CPS being reinvested in Westpac Capital Notes 5 (**Participating Westpac CPS**) will be acquired by UBS AG, Australia Branch (the **Nominated Party**)¹ in accordance with clause 5.1(b) of the Westpac CPS terms (as amended) (the **Terms**). The proceeds (\$100) for each Participating Westpac CPS acquired will be automatically reinvested in Westpac Capital Notes 5 in accordance with the terms of the Reinvestment Offer set out in the Westpac Capital Notes 5 Prospectus; and
- on 3 April 2018², all remaining Westpac CPS on issue at that time will be acquired by the Nominated Party¹ in accordance with clause 5.1(c) of the Terms. The proceeds (\$100) for each Westpac CPS acquired will be paid to Westpac CPS holders in the same manner in which their dividends are usually paid.

The Nominated Party has given an undertaking via the Nominated Party Deed Poll (**Deed Poll**) in favour of each Westpac CPS holder to acquire each Westpac CPS for \$100 pursuant to the relevant transfer.

Copies of the Deed Poll containing the undertakings by the Nominated Party and the Terms are available from the Westpac CPS website at www.westpac.com.au/westpaccps or by calling the Westpac Capital Notes 5 Information Line on 1300 784 494.

Capitalised terms used but not defined in this notice have the meaning given in the Terms.



Tim Hartin
Company Secretary
Westpac Banking Corporation

¹ Subject to certain conditions in the Deed Poll being satisfied.

² 31 March 2018 is not a business day and accordingly, the transfer of Westpac CPS will occur on the next business day (being 3 April 2018).