



200



200 years proudly supporting Australia

Euro Green Bond Debt Investor Update

European Investor Roadshow
November 2017

Dow Jones Sustainability Indices
Number one bank globally in 2017,
for the 4th year in a row and the 10th time
since the index was established

Westpac Banking Corporation
ABN 33 007 457 141



Disclaimer

The material contained in this presentation is intended to be general background information on Westpac Banking Corporation ("Westpac") (ABN 33 007 457 141) and its activities.

It should not be reproduced, distributed or transmitted to any person without the consent of Westpac and is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or regulation. It does not constitute a prospectus, offering memorandum or offer of securities.

The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs. The material contained in this presentation may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information.

All amounts are in Australian dollars unless otherwise indicated.

Financial information in this presentation may be presented on a cash earnings basis. Cash earnings is a non-GAAP measure. Refer to Westpac's 2017 Annual Report on Form 20-F for the year ended 30 September 2017 filed with the SEC for details of the basis of preparation of cash earnings. Refer to Appendix 2 for a reconciliation of reported net profit to cash earnings.

Financial data in this presentation is as at 30 September 2017 unless otherwise indicated. Comparisons of FY17 financial results are to FY16 unless otherwise stated.

Information contained in or otherwise accessible through the websites mentioned in this presentation does not form part of the presentation unless we specifically state that the information is incorporated by reference thereby forming part of the presentation. All references in this presentation to websites are inactive textual references and are for information only.

Disclosure regarding forward-looking statements

This presentation contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the US Securities Act of 1933, as amended, and Section 21E of the US Securities Exchange Act of 1934, as amended. Forward-looking statements are statements about matters that are not historical facts. Forward-looking statements appear in a number of places in this presentation and include statements regarding our intent, belief or current expectations with respect to our business and operations, market conditions, results of operations and financial condition, including, without limitation, future loan loss provisions, financial support to certain borrowers, indicative drivers, forecasted economic indicators and performance metric outcomes.

We use words such as 'will', 'may', 'expect', 'indicative', 'intend', 'seek', 'would', 'should', 'could', 'continue', 'plan', 'aim', 'probability', 'risk', 'forecast', 'likely', 'estimate', 'anticipate', 'believe', or other similar words to identify forward-looking statements. These forward-looking statements reflect our current views with respect to future events and are subject to change, certain risks, uncertainties and assumptions 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 our expectations or that the effect of future developments on us will be those anticipated. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results could differ materially from the expectations described in this presentation. Factors that may impact on the forward-looking statements made include, but are not limited to, those described in the section entitled 'Risk factors' in Westpac's Annual Report on Form 20-F for the year ended 30 September 2017 filed with the SEC. When relying on forward-looking statements to make decisions with respect to us, investors and others should carefully consider such factors and other uncertainties and events. We are under no obligation, and do not intend, to update any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, after the date of this presentation.

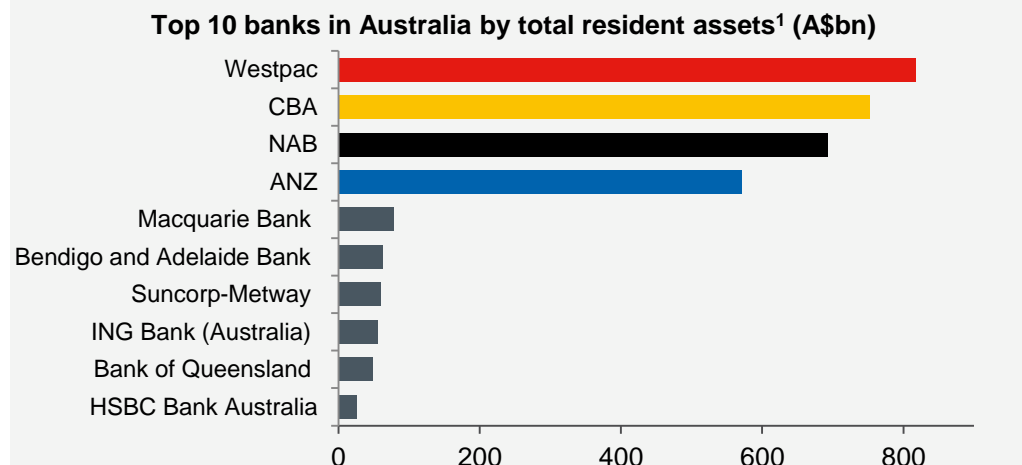
Westpac: clear domestic focus and a strong market position

| 3

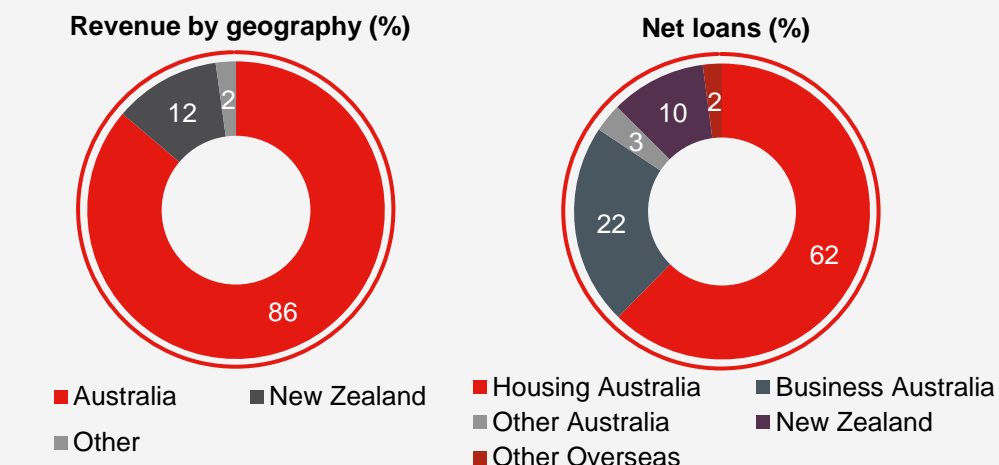
Unique portfolio of national and regional brands



Large domestic presence



Clear focus on Australia and New Zealand



Strong market share positions

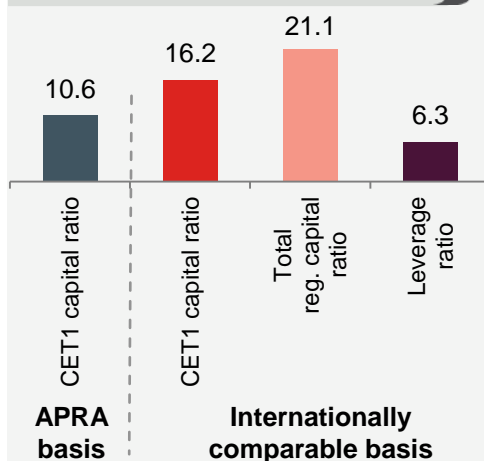
Customers	13.8m
Australian household deposit market share ²	23%
Australian mortgage market share ³	23%
Australian business market share ³	19%
Australian wealth platforms market share ⁴	19%
New Zealand deposit market share ⁵	19%
New Zealand consumer lending market share ⁵	19%

1 Source: APRA Banking Statistics August 2017. Total resident assets refers to all assets on the banks' domestic books that are due from residents. 2 Source: APRA Banking Statistics September 2017. 3 Source: RBA Financial Aggregates, September 2017. 4 Source: Strategic Insight, 30 June 2017. 5 Source: RBNZ, September 2017.

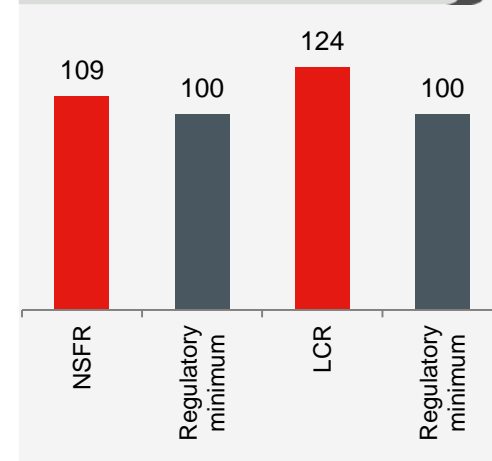
Full Year 2017 financial performance

FY17 Reported Results	FY17	% Change FY17-FY16
Financial results (A\$m)		
Net operating income	21,802	4
Expenses	(9,434)	2
Net profit before impairment charges and income tax expenses	12,368	5
Impairment charges	(853)	(24)
Reported net profit after tax	7,990	7
Cash earnings	8,062	3
Financial metrics		
Return on average ordinary equity	13.6%	33bps
Earnings per share	238.0c	6
Net interest margin	2.06%	(4bps)
Expense to income ratio	43.3%	(65bps)
Impairment charges to average gross loans annualised	13bps	(4bps)
Balance sheet and asset quality		
Total committed exposure (TCE)	\$1.0tr	3
Loans	\$684.9bn	3
Customer deposits	\$486.7bn	4
Gross impaired assets to gross loans	0.22%	(10bps)

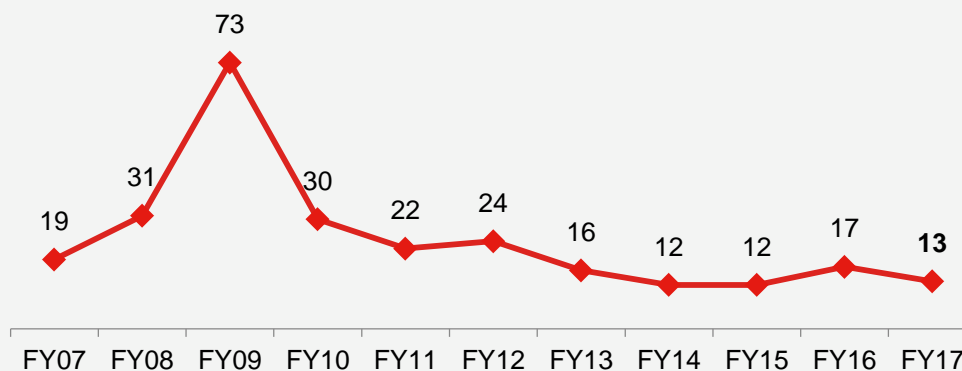
Capital ratios (%)



Balance sheet ratios (%)

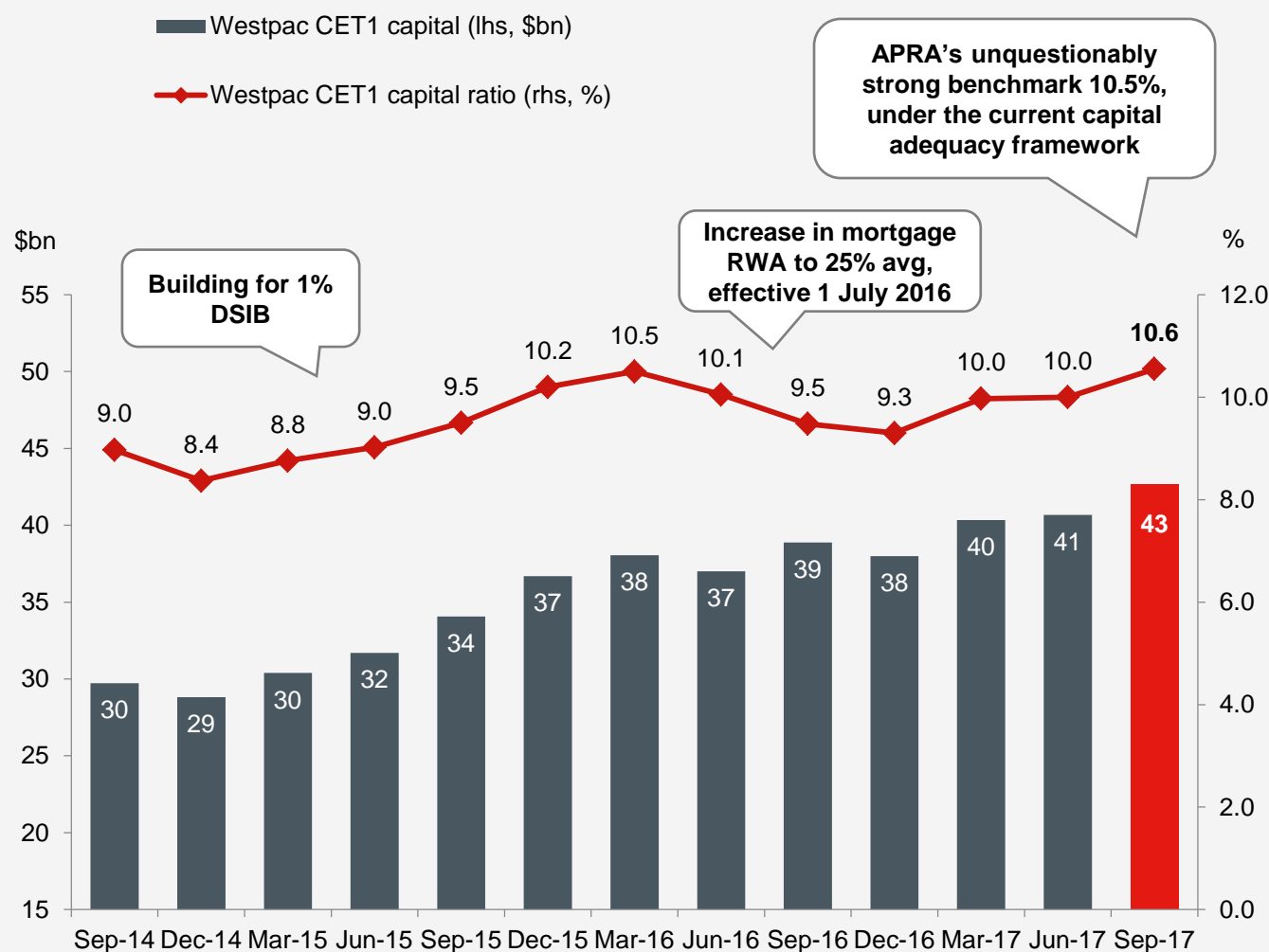


Impairment charges to average gross loans annualised (bps)



Westpac capital levels ‘unquestionably strong’

CET1 capital ratio (%) and CET1 capital (\$bn) (APRA basis)



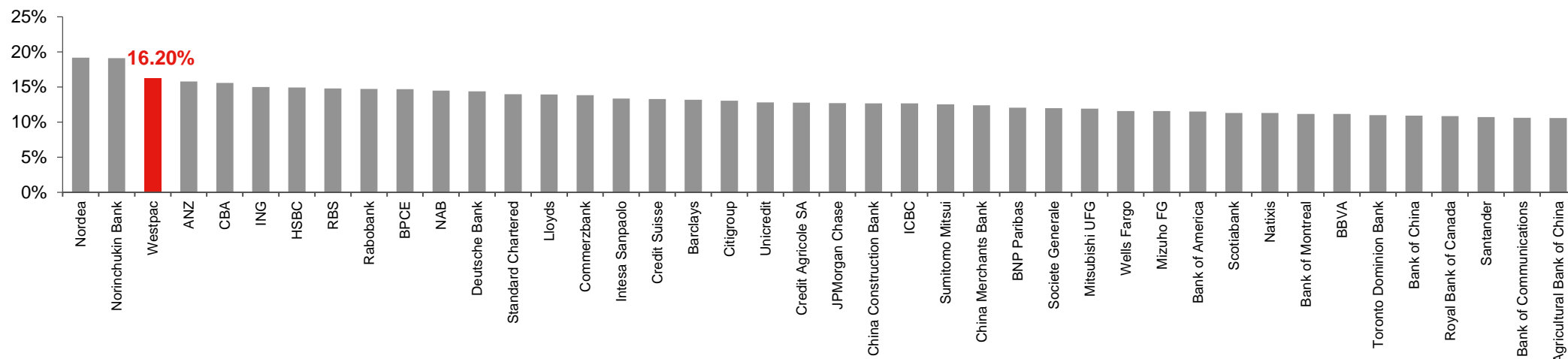
Key capital ratios (%)

APRA Level 2 basis	Sep-16	Mar-17	Sep-17
CET1 capital ratio	9.5	10.0	10.6
Additional Tier 1 capital	1.7	1.7	2.1
Tier 1 capital ratio	11.2	11.7	12.7
Tier 2 capital	1.9	2.3	2.2
Total regulatory capital ratio	13.1	14.0	14.8
Risk weighted assets (RWA) (\$bn)	410	404	404
Leverage ratio	5.2	5.3	5.7
Internationally comparable ratios¹			
Leverage ratio (internationally comparable)	5.9	6.0	6.3
CET1 capital ratio (internationally comparable)	14.4	15.3	16.2

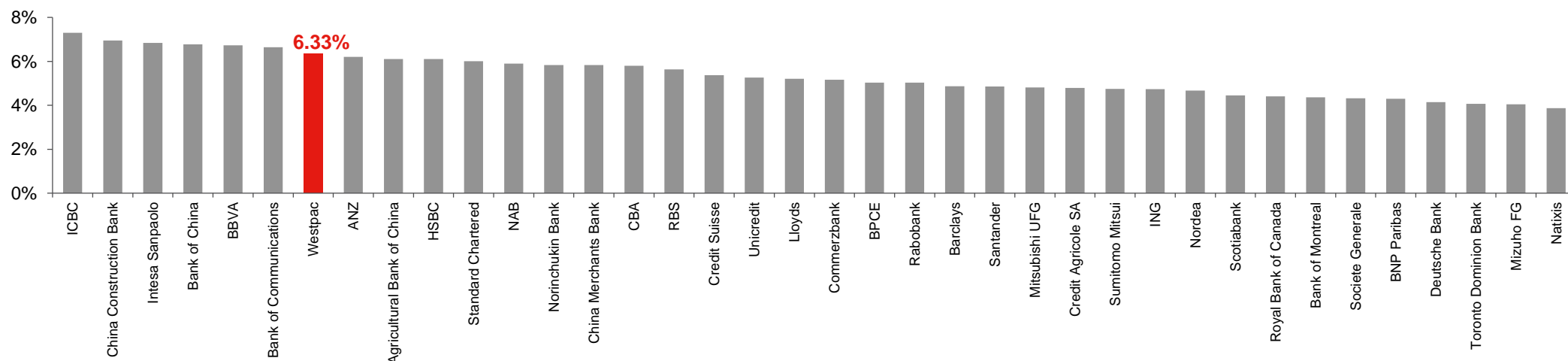
¹ The basis of the internationally comparable CET1 capital ratio aligns with the APRA study titled "International capital comparison study", released 13 July 2015. For more details on adjustments refer to Appendix 1.

Well placed on internationally comparable CET1 and leverage ratios

Common equity Tier 1 ratio (%)



Leverage ratio (%)



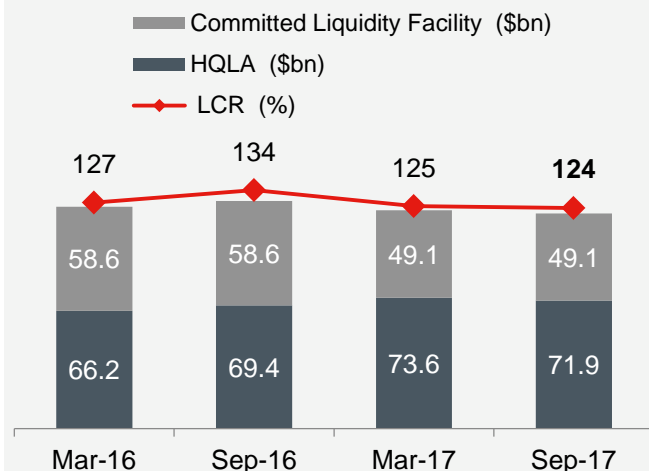
Peer group comprises listed commercial banks with assets in excess of A\$700bn and which have disclosed fully implemented Basel III ratios or provided sufficient disclosure to estimate. Based on company reports/presentations. Ratios at 30 June 2017, except for Westpac, ANZ and NAB, which are at 30 Sep 2017, while Scotiabank, Bank of Montreal, Royal Bank of Canada and Toronto Dominion are at 31 July 2017. For CET1, assumes Basel III capital reforms fully implemented. Leverage ratio is on a transitional basis. Where accrued expected dividends have been deducted, these have been added back for comparability. US banks are excluded from leverage ratio analysis due to business model differences, for example from loans sold to US Government sponsored enterprises.

Well positioned for NSFR on 1 January 2018

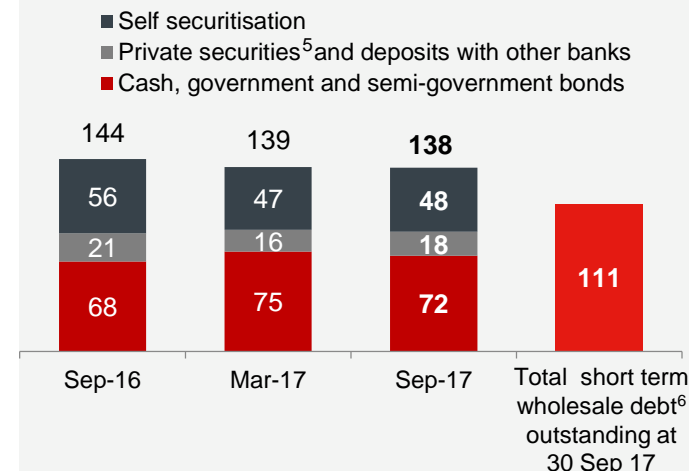
Liquidity coverage ratio (\$bn and %)

	Sep-16	Mar-17	Sep-17
HQLA ¹	69.4	73.6	71.9
CLF ²	58.6	49.1	49.1
Total LCR Liquid assets	128.0	122.7	121.0
Customer deposits	63.5	65.9	65.6
Wholesale funding	13.1	13.2	12.2
Other flows ³	19.2	19.1	20.1
Total cash outflows	95.8	98.2	98.0
LCR⁴	134%	125%	124%

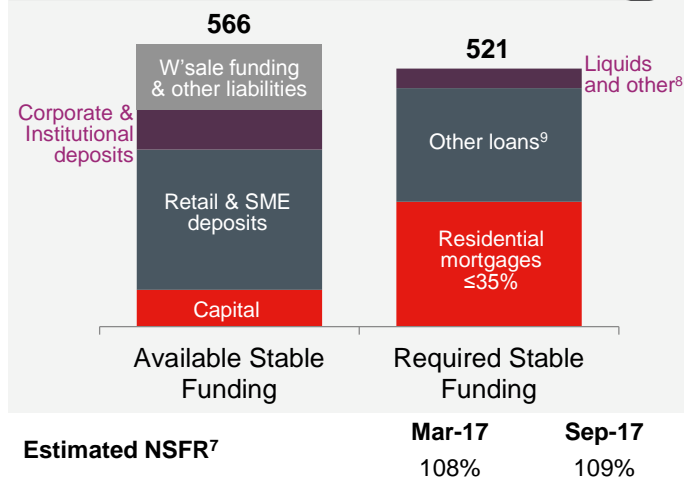
Liquidity coverage ratio (%)



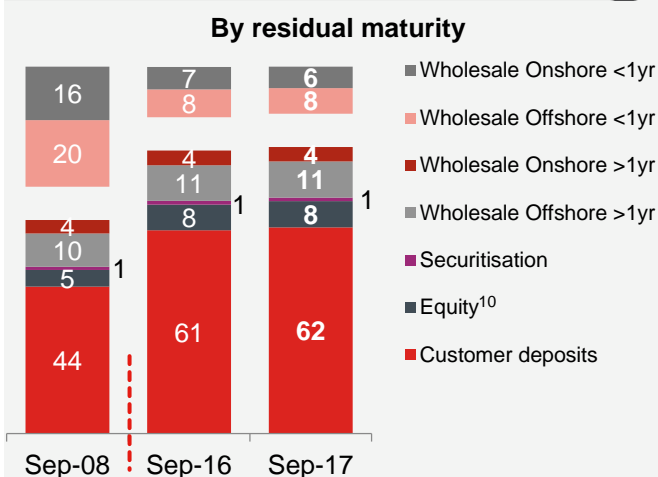
Unencumbered liquid assets (\$bn)



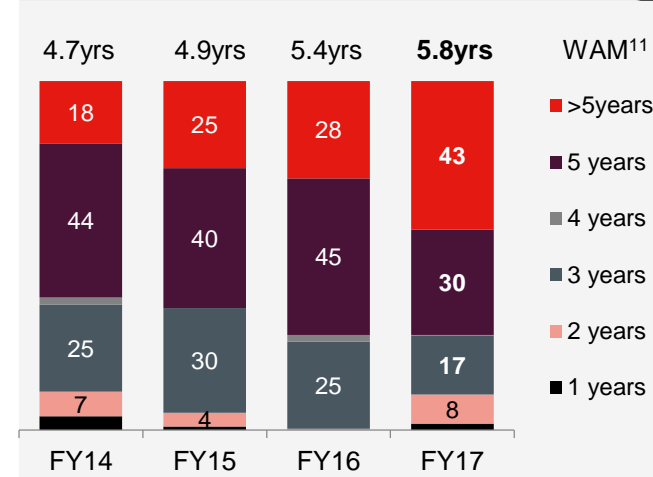
Net stable funding ratio (NSFR, \$bn)



Total funding composition (%)



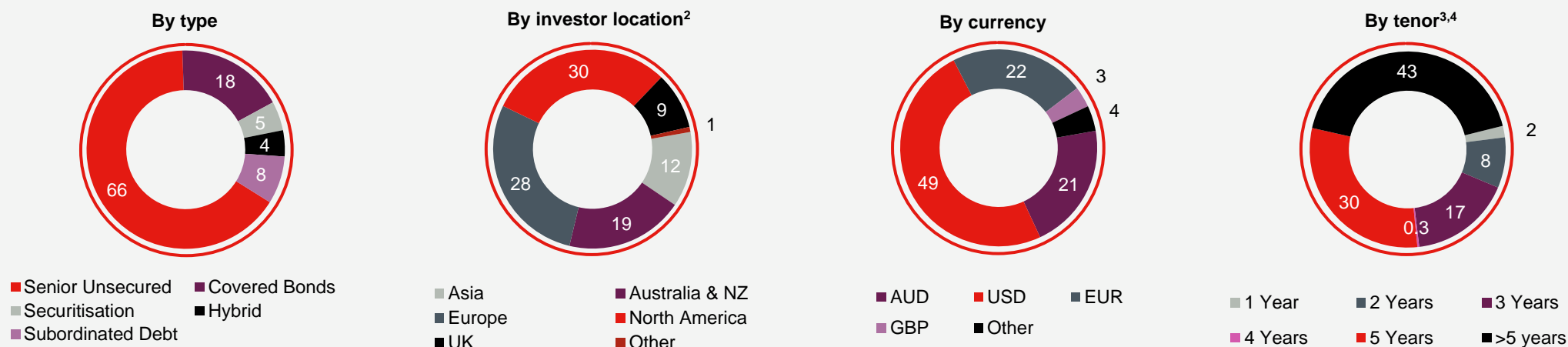
New term issuance by tenor^{11,12} (%)



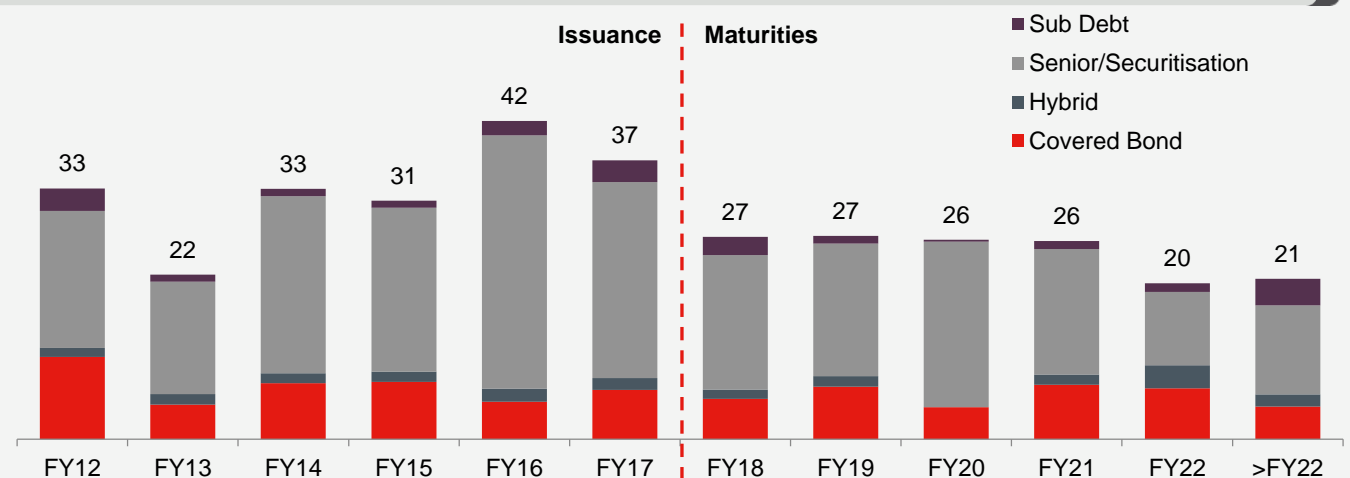
1 Includes HQLA as defined in APS 210, RBNZ eligible liquids, less RBA open repos funding end of day ESA balances with the RBA. 2 The RBA makes available to Australian Authorised Deposit-taking Institutions a committed liquidity facility (CLF) that, subject to qualifying conditions, can be accessed to meet LCR requirements under APS210 – Liquidity. 3 Other flows include credit and liquidity facilities, collateral outflows and inflows from customers. 4 LCR is calculated as the percentage ratio of stock of HQLA and CLF over the total net cash outflows in a modelled 30 day defined stressed scenario. Calculated on a spot basis. 5 Private securities include Bank paper, RMBS, and Supra-nationals. 6 Includes long term wholesale funding with a residual maturity less than or equal to 1 year. 7 NSFR is estimated based on current APRA guidelines. NSFR will commence in Australia on 1 January 2018. 8 Other includes derivatives and other assets. 9 Other loans includes off balance sheet exposures and residential mortgages >35% risk weight. 10 Equity excludes FX translation, Available-for-Sale securities and Cash Flow Hedging Reserves. 11 Tenor excludes RMBS and ABS. 12 Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure.

New term issuance well diversified

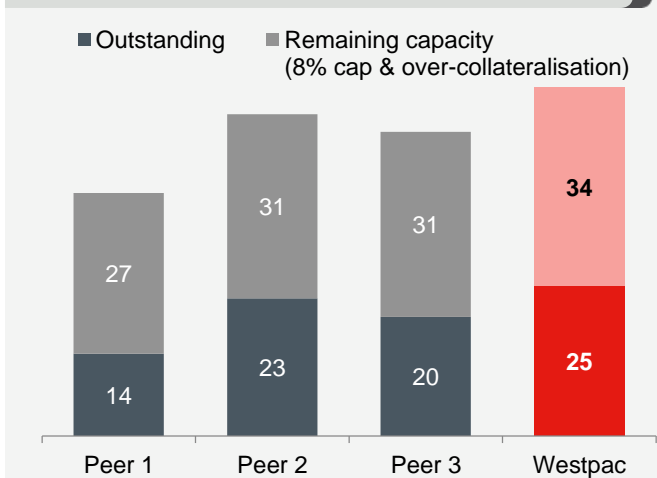
FY17 new term issuance composition¹ (%)



Term debt issuance and maturity profile^{1,3,5} (\$bn)



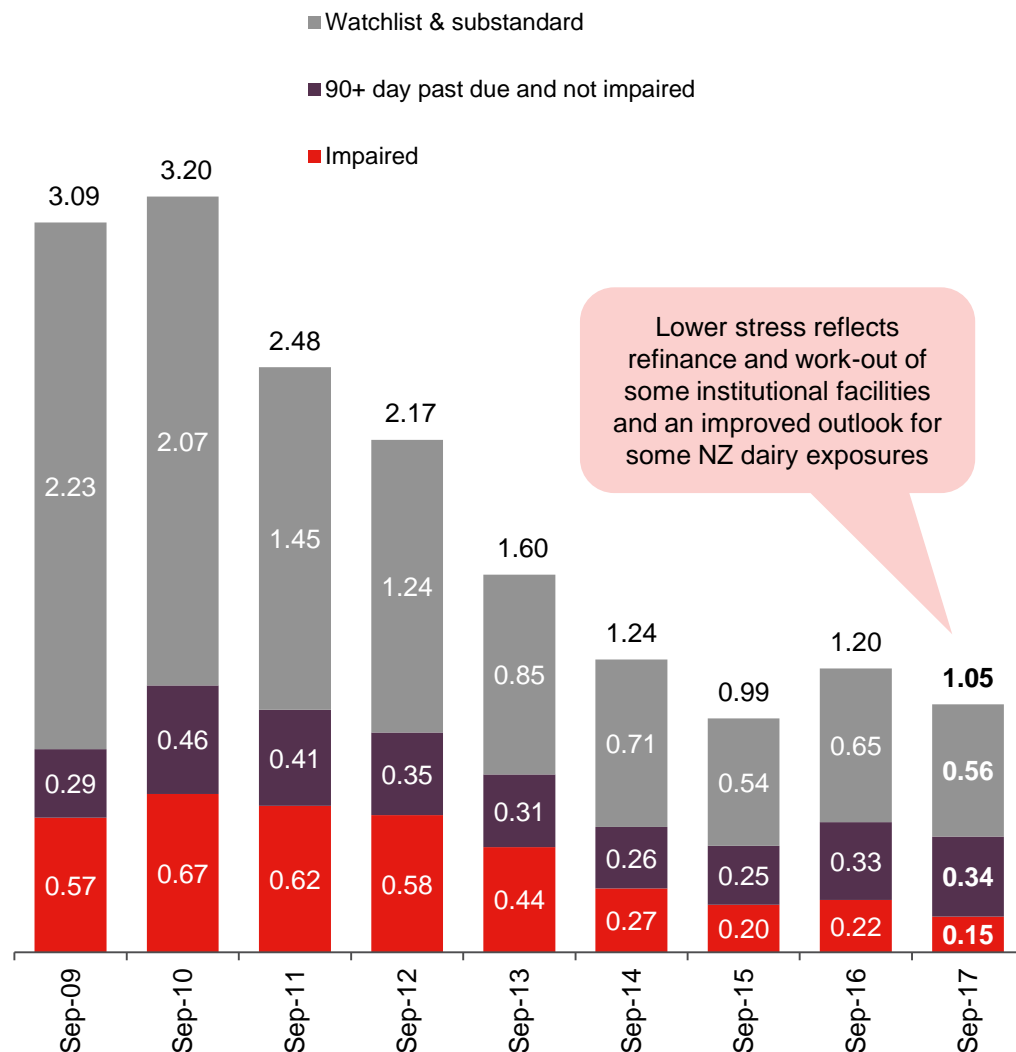
Australian covered bond issuance⁶ (\$bn)



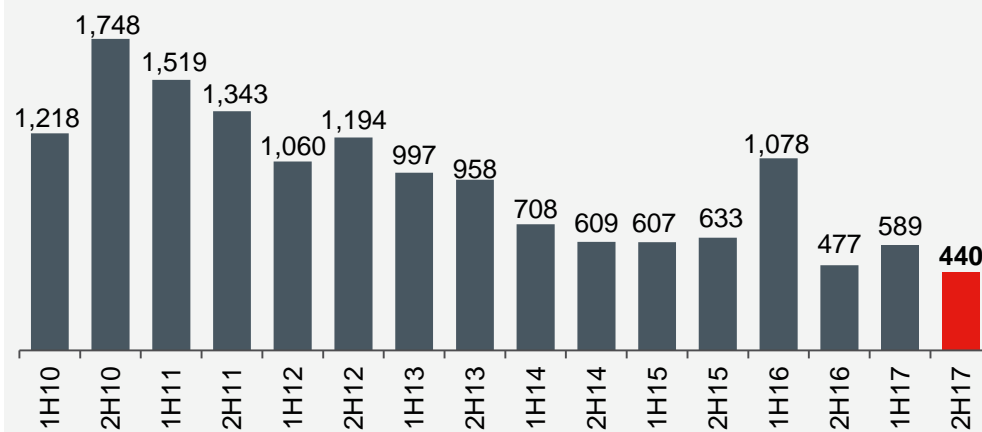
¹ Based on residual maturity and FX spot currency translation. Includes all debt issuance with contractual maturity greater than 370 days excluding US Commercial Paper and Yankee Certificates of Deposit. ² Westpac public benchmark transactions only. ³ Contractual maturity date for hybrids and callable subordinated instruments is the first scheduled conversion date or call date for the purposes of this disclosure. ⁴ Tenor excludes RMBS and ABS. ⁵ Perpetual sub-debt has been included in >FY22 maturity bucket. Maturities exclude securitisation amortisation. ⁶ Sources: Westpac, APRA Banking Statistics September 2017.

Impaired assets and stressed assets lower

Stressed exposures as a % of TCE (%)



New and increased gross impaired assets (\$m)



Provisions

	2H16	1H17	2H17
Total provisions to gross loans (bps)	54	52	45
Impaired asset provisions to impaired assets (%)	49	52	46
Collectively assessed provisions to credit RWA (bps)	76	77	76
Economic overlay (\$m)	389	378	323

A large graphic on the left side of the slide. It features a close-up of a hand cupped together, holding a stream of water that is falling. The background of this graphic is a soft-focus image of a wind turbine against a blue sky. The entire slide has a background image of a vast field of yellow wildflowers under a warm, golden-hour sky.

200



200 years proudly supporting Australia

Sustainability – Environmental, Social and Governance at Westpac

Overview

11

Fifteen years ago Westpac set out its first sustainability strategy outlining the bank's position on the responsibility of business, with the vision that every generation should live better than the last

Part of doing business at Westpac

Strategic priorities



- Help improve the way people work and live as our society changes
- Help find solutions to environmental challenges
- Help customers to have a better relationship with money for a better life

Track record



- **Ranked world's most sustainable bank for 10th time** in 2017 Dow Jones Sustainability Indices Review
- Recognised as one of only ten Australian companies to achieve **Leadership level in the 2017 CDP¹**, with a climate score of A-. This puts Westpac among the top **22%** of companies globally to achieve this level
- **Assigned Gold Class ranking** in the 2017 RobecoSAM Sustainability Yearbook
- **Awarded 6 Star Green Star interior rating** for Bank of Melbourne flagship branch by the Green Building Council of Australia

Significant achievements



- Released updated position statements and 2020 Action Plans for Climate Change and Human Rights
- Maintained our carbon neutral status for 4th year in a row
- 50% target reached for women in leadership positions
- Awarded more than 200 education scholarships, 200 community grants, and recognised 200 Businesses of Tomorrow in our 200th year

¹CDP, formerly the Carbon Disclosure Project

In 2013, we set out a five-year strategy stating our vision, strategic priorities and priorities for a sustainable future

12

OUR VISION

To be one of the world's great service companies, helping our customers, communities and people to prosper and grow.

STRATEGIC PRIORITIES



PERFORMANCE DISCIPLINE

Managing our business in a balanced and disciplined way to be recognised as the region's best-performing bank.



SERVICE LEADERSHIP

Through our service revolution, help customers achieve their goals.



DIGITAL TRANSFORMATION

Continue to invest in digitisation and use technology to redesign and enhance the customer experience.



TARGETED GROWTH

Direct investment towards the areas that offer the greatest growth including wealth and SME.

WORKFORCE REVOLUTION

Employ and retain the best people with a culture that helps them succeed.

EMBRACING SOCIETAL CHANGE

Help improve the way people work and live as society changes.



A SUSTAINABLE FUTURE



BETTER FINANCIAL FUTURES

Help customers have a better relationship with money.



ENVIRONMENTAL SOLUTIONS

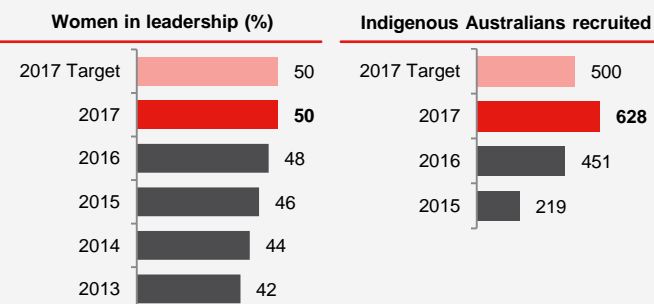
Help find solutions to environmental challenges.



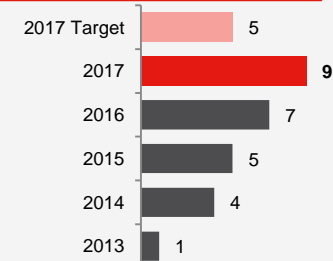
Embracing societal change

Helping improve the way people work and live, as our society changes

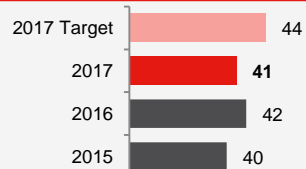
- Ensure our workforce is representative of the community
- Extend length and quality of working lives
- Anticipating the future needs of ageing and culturally diverse customers



Initiatives introduced that support the financial wellbeing of ageing and culturally diverse customers



Wellbeing average Work Ability Index¹



Environmental solutions

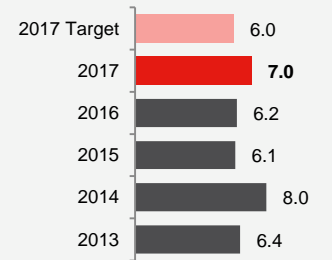
Helping find solutions to environmental challenges

- Provide products and services to help customers adapt to environmental challenges
- Increase lending and investment in CleanTech and environmental services
- Reduce our environmental footprint

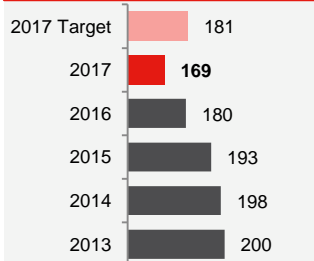
Unique services launched to help customers adapt to environmental challenges (cumulative number)



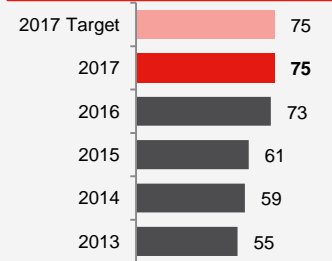
Make up to \$6 billion available for lending and investment in CleanTech and environmental services (\$bn)



Electricity efficiency in commercial and retail sites (kWh/m2)



Recycling rates in Sydney head offices (% of waste)

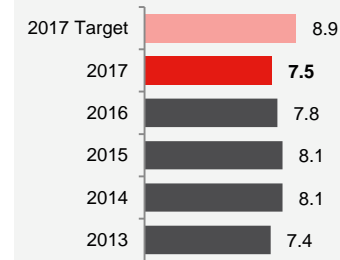


Better financial futures

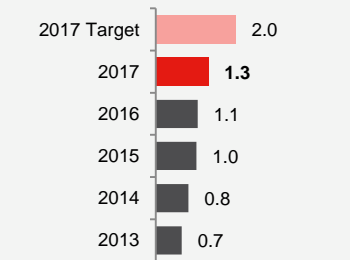
Helping customers to have a better relationship with money, for a better life

- Ensure all customers have access to the right advice to achieve a secure retirement
- Help customers meet their financial goals in retirement
- Increase access to financial services in the Pacific
- Help people gain access to social and affordable housing

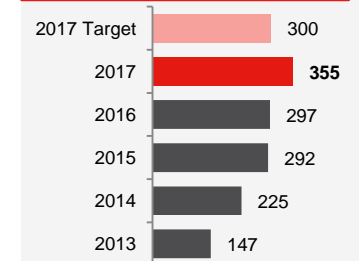
Westpac Group customers with Westpac Group superannuation (%)



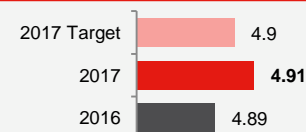
Make up to \$2 billion available for lending and investment in the social and affordable housing sector (\$bn)



Net basic banking account customers in the Pacific (cumulative '000)



Average customer satisfaction rating as reflected through BT Adviser View































¹ Wellbeing average Work Ability Index (biennial index score out of 49; conducted out of cycle in 2016)

Alignment to the UN Sustainable Development Goals

Overview

- In 2016, building on our earlier mapping of Westpac activities to the UN Sustainable Development Goals (SDGs), we publicly confirmed our support for the SDGs through a 'CEO Statement of Support' coordinated by the UNGC Network Australia
- Westpac has identified six priority SDGs that we can most directly influence through our business model
- We have mapped these priority SDGs against our material issues in the following table

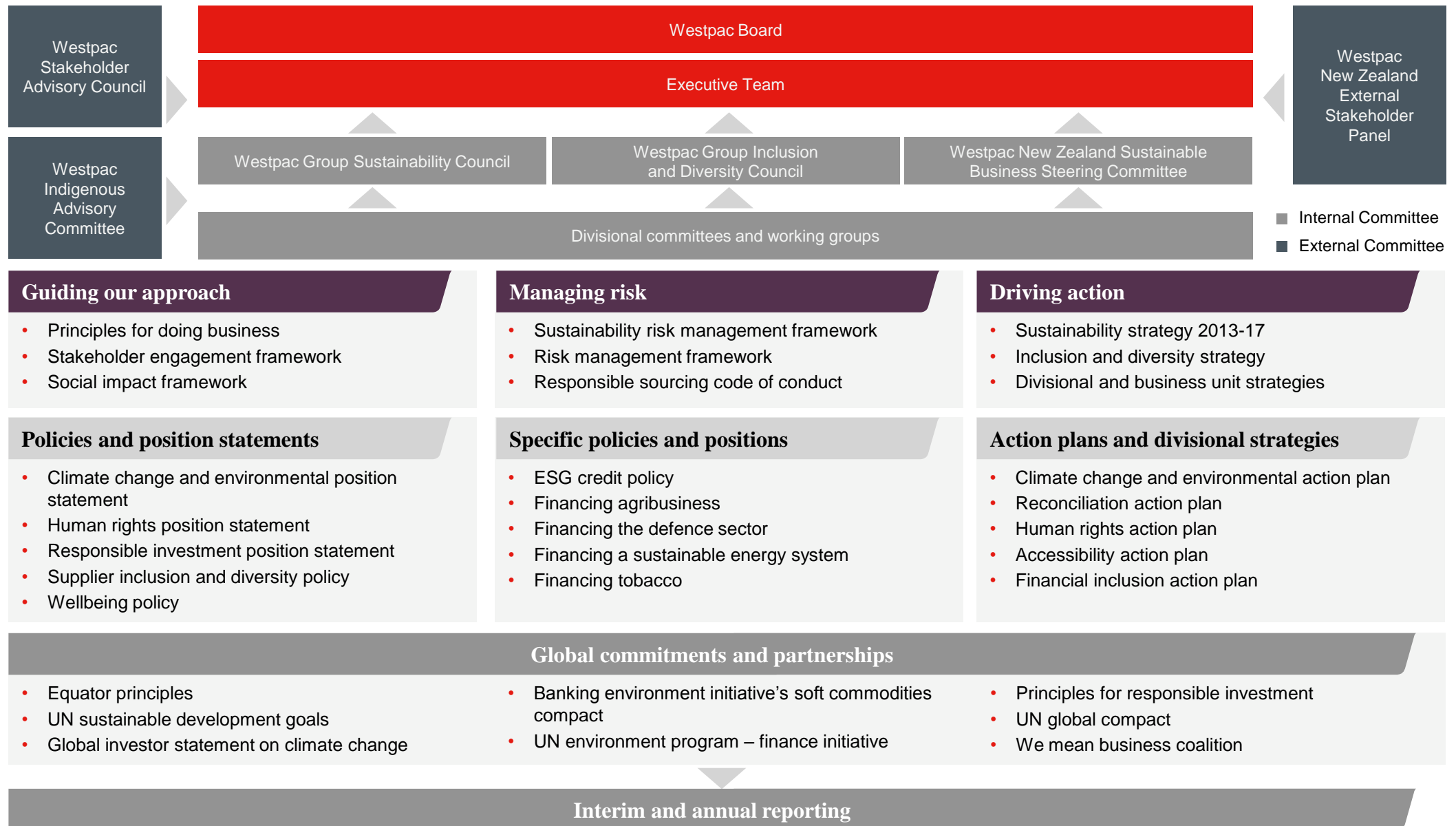
Alignment to the Sustainable Development Goals

Conduct and Trust	<ul style="list-style-type: none"> Conduct and culture Changing regulatory landscape Financial and economic performance Governance, risk and remuneration 	  
Service leadership	<ul style="list-style-type: none"> Customer experience, support and access Financial capability and empowerment 	   
Digital innovation	<ul style="list-style-type: none"> Digital product and service transformation Information security and data privacy 	  
Workforce of the future	<ul style="list-style-type: none"> Talent attraction and retention Workforce wellbeing Inclusion and diversity 	    
Positive societal impact	<ul style="list-style-type: none"> Supporting communities in need Positive impact finance Climate change transition and opportunities Societal diversity and prosperity 	      
Value chain risk	<ul style="list-style-type: none"> Our direct environment footprint Value chain sustainability risks 	     

Note: The table shows the six Sustainable Development Goals we have prioritised. As we respond to our most material issues, Westpac's actions will support the achievement of these priority goals, while also considering the role we can play to support the remaining 11 goals.

Sustainability governance framework

15



Westpac's framework for managing ESG risks...

Westpac's approach to environmental, social, and governance assessment of companies and projects



Risk Management Strategy

- A Board-approved Risk Management Strategy that covers sustainability and reputational risks
- Underpinned by a number of key risk documents on sustainability



Screening

- When assessing a project or prospective customer, Westpac credit officers, deal teams and sustainability specialists screen against
 - Environmental risks
 - Social risks
 - Governance risks
 - All other Westpac position statements



Equator Principles

- In addition, Westpac applies the Equator Principles (EP III) to all project finance transactions, project-related corporate loans, and bridge loans with a tenor of less than two years

If the identified ESG risks do not meet Westpac's risk appetite—which includes a requirement to meet the criteria outlined in our position statements – then we will not proceed with the transaction

Governance and oversight forums for the ongoing management of environmental challenges

1

Group-wide sustainability performance is reported to the **Westpac Group Executive Team** and **Westpac Board**

2

Group Sustainability Council has responsibility for the Group's delivery on the sustainability strategy

3

Environmental Management Committee has responsibility for the Group's footprint and performance against efficiency metrics

4

Climate Change Solutions Committee has responsibility for driving performance against our commitment to make available up to A\$10 billion in lending and investment to climate change solutions by 2020 and A\$25 billion by 2030

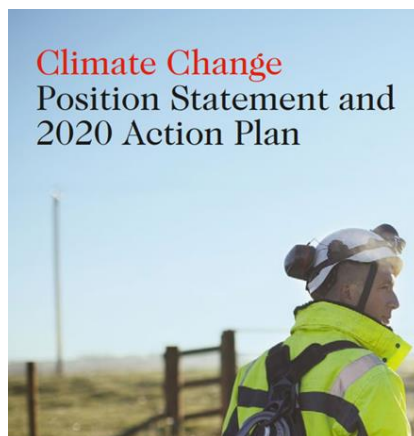
5

Working groups are also formed to manage specific environmental issues as they arise

...which we continue to update

- Westpac continues to update the Group's sustainability governance frameworks responding to material sustainability topics, both issues and opportunities, including:
 - Climate Change Position Statement and 2020 Action Plan
 - Human Rights Position Statement and 2020 Action Plan
 - Reconciliation Action Plan 2018 - 2020
 - Accessibility Action Plan 2018 - 2020
- Released our first Slavery and Human Trafficking Statement in response to the UK Modern Slavery Act in 2016
- Released our Responsible Sourcing Code of Conduct and established our global Responsible Sourcing Steering Committee to oversee its application in 2017

Climate change



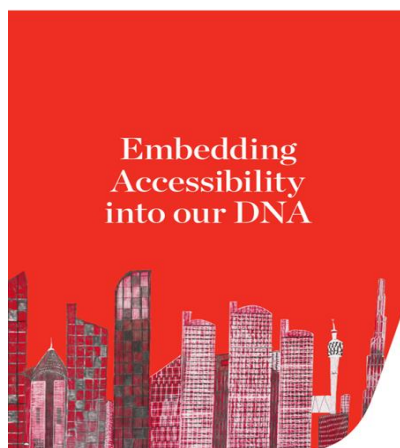
Human rights



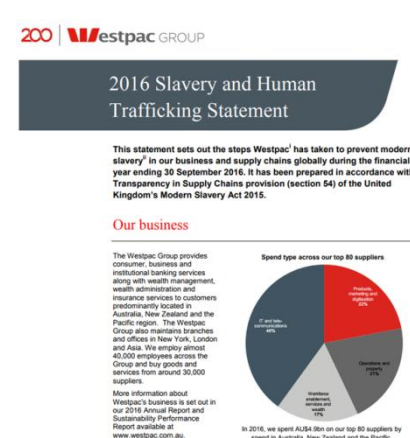
Reconciliation



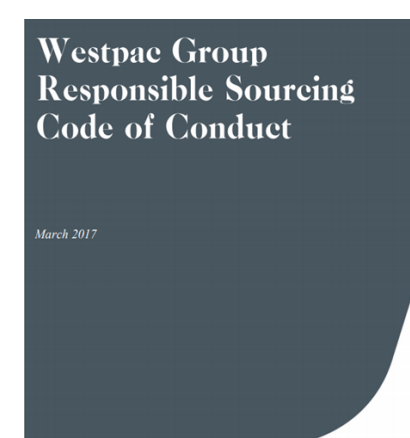
Accessibility



Modern Slavery Act



Supply chain



Westpac Climate Change Position Statement and 2020 Action Plan

Westpac was the first Australian bank to recognise the importance of limiting global warming to two degrees

Westpac's Approach to Climate Change



The Westpac Group has long recognised that climate change is one of the most significant issues that will impact the long-term prosperity of our economy and way of life

Our Principles



The following focus areas will direct Westpac's actions on climate change:

1

A transition to a net zero emissions economy is required

2

Economic growth and emissions reductions are complementary goals

3

Addressing climate change creates financial opportunities

4

Climate-related risk is a financial risk

5

Transparency and disclosure matters

Our 2020 Action Plan



The core principles that guide and inform Westpac's approach to climate change are:

1

Provide finance to back climate change solutions

2

Support businesses that manage their climate-related risks

3

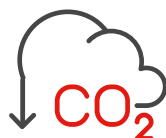
Help individual customers respond to climate change

4

Improve and disclose our climate change performance

5

Advocate for policies that stimulate investment in climate change solutions



Since we set out our first climate change action plan almost a decade ago, we have been helping customers and communities transition to a low carbon economy



Westpac Climate Change Position Statement and Action Plan builds on our strong track record, outlining the next phase of actions we are taking to meet our commitment to operate a manner consistent with limiting global warming to less than two degrees Celsius above pre-industrial levels

Our 2020 Action Plan

19

Provide finance to back climate change solutions

1

Increase our target lending exposure to climate change solutions to \$10 billion by 2020 and \$25 billion by 2030

Facilitate up to \$3 billion in climate change solutions by 2020, e.g. Climate Bond issuance and arrangement

2

Support businesses that manage their climate-related risks

and play a constructive role as they manage the transition

3

Help individual customers respond to climate change

by making their homes more climate-resilient, improve energy efficiency and reduce their environmental impact

4

Improve and Disclose our climate change performance

for example setting targets to reduce Westpac's direct footprint emissions by 9% by 2020 and 34% by 2030

5

Advocate for policies

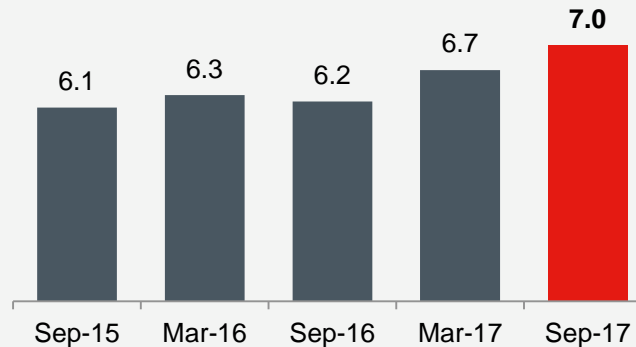
such as a continued commitment to a broad market-based price on carbon as the most efficient way to encourage emissions reductions at the lowest cost to the economy

Provide finance to back climate change solutions

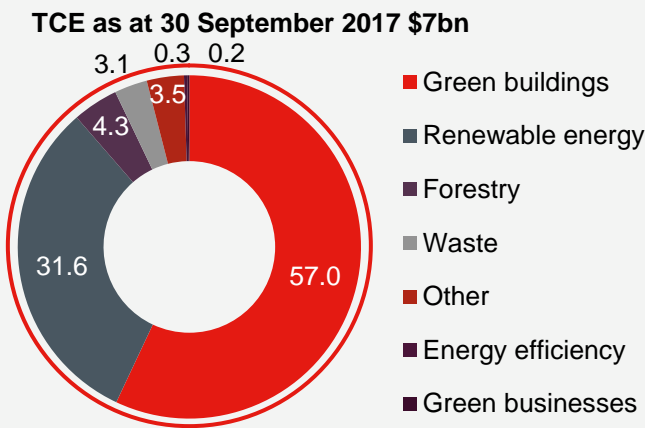


- In our role as a financial intermediary we act as a market facilitator and partner to existing and new customers, backing financially viable, affordable, low carbon solutions that will drive the transition to a net zero emissions economy whilst accelerating the reduction in emissions
- In 2017, Westpac's commitment to Climate Change Solutions markets was A\$7.0bn
 - Increased target since 2013 despite more stringent criteria in 2015 for green buildings, lifting from 4 star NABERS rating to 5 stars
- As of 30 September 2017, 1% of total Group lending was to mining activities with lending to coal mining being 8% of the total mining portfolio

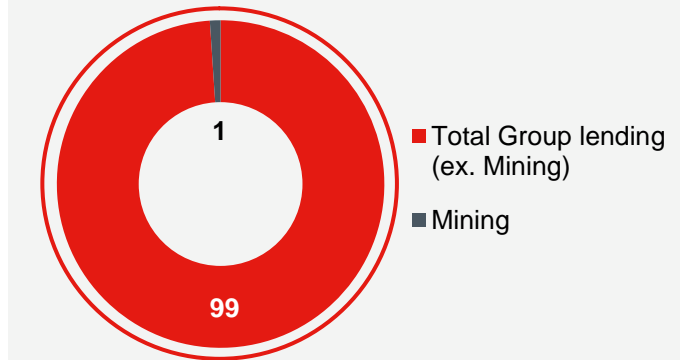
CleanTech and environmental services exposure (\$bn)



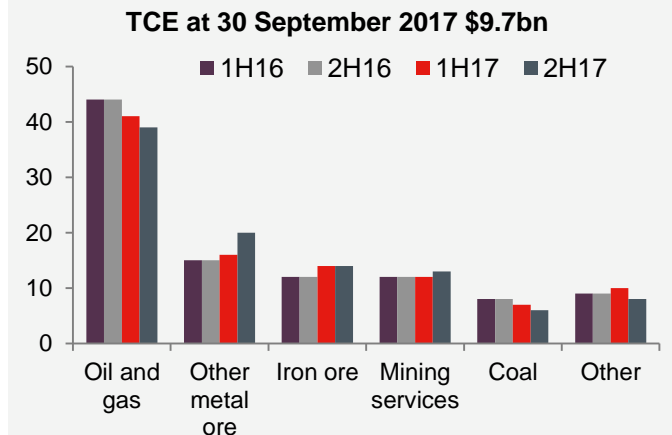
CleanTech and environmental services exposure (%)



Group mining portfolio to total lending TCE (%)



Mining portfolio (TCE) by sector (%)

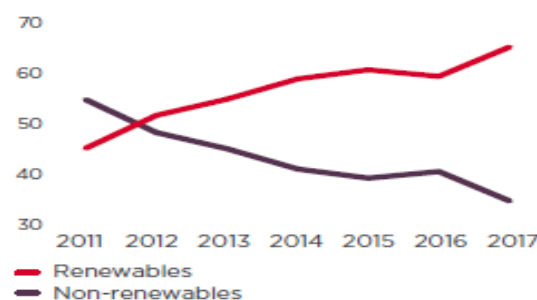


Supporting the transition to a 2 degree economy

- The proportion of renewable energy financing in our total electricity generation portfolio has increased from 45% in 2011 to 66% in 2017
- The emissions intensity of Westpac's power generation portfolio as at 30 September 2017 was 0.36 tCO₂e/MWh below the National Electricity Market ('NEM') for June 2017 of 0.86 tCO₂e/MWh
- Total attributable financing to electricity generation (Aust/NZ) of Westpac's portfolio is \$3.225bn

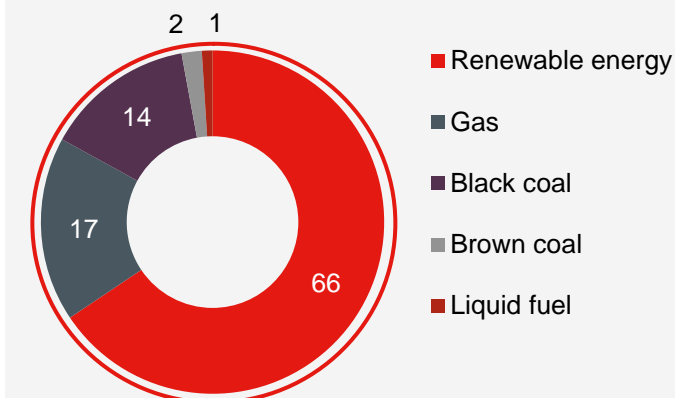
Westpac Group electricity generation – Aust. & NZ (%)¹

Electricity generation – Australia and New Zealand (%)

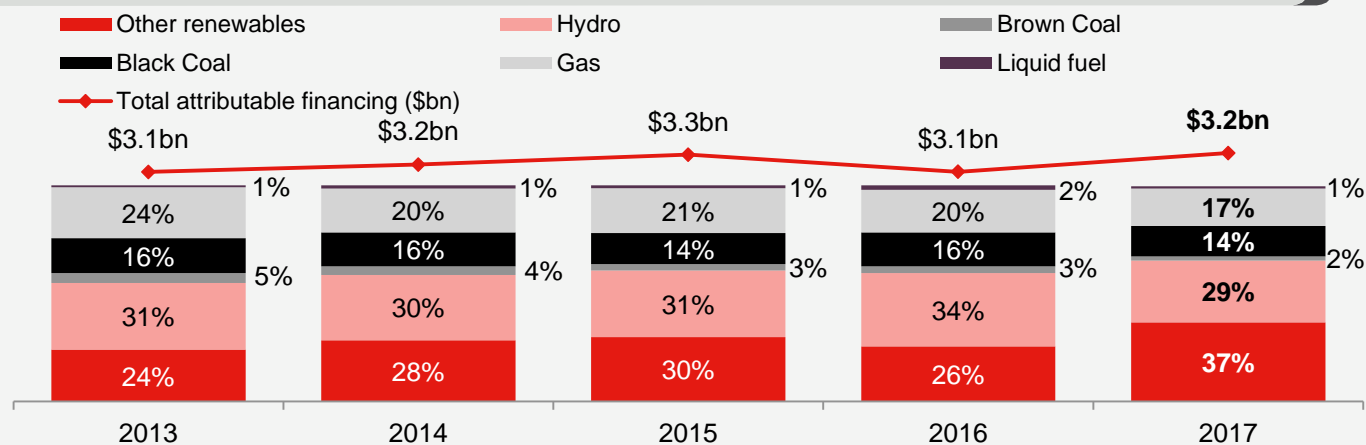


1. Green Star is an internationally-recognised sustainability rating system for the design, construction and operation of buildings, fit-outs and communities.

Westpac Group electricity generation exposure (%)¹

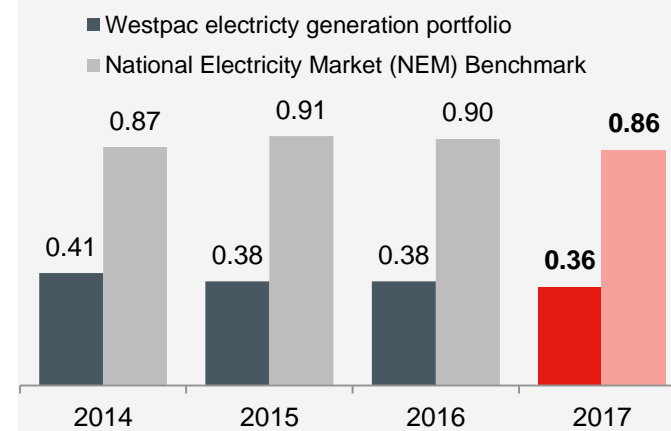


Westpac electricity generation (Australia and New Zealand)¹



1 Exposures in WIB only.

Emissions intensity (tCO₂-e/MWh) – Australia only



Well recognised performance and achievements

22

Extra-Financing Ratings



Awarded Gold Class ranking in RobecoSAM's 2017 Sustainability Yearbook



Achieved a Prime status rating and identified as a leading performer of sustainability since 2014



Recognised in the 2017 CDP to achieve Leadership level for our response to climate change, announced in October 2017



Reconfirmed as a constituent of the Ethibel Sustainability Index (ESI) Excellence Global, announced September 2017



Achieved highest "Leading" rating for the tenth consecutive year for disclosure of sustainability risks in 2017

Sustainability Index



Number one bank globally in 2017, for the 4th year in a row and the 10th time since the index was established



Included in the 2016 Global 100 Most Sustainable Corporations in the World, January 2016



Member of the FTSE4Good Index, of which Westpac has been a member for over 10 years, announced in April 2017



Member of the MSCI Global ESG Leaders index



Member of the STOXX 2016/2017 Global ESG Leaders Indices for the fourth consecutive year

Equality Recognition



Ranked as the leading Australian bank in the Bloomberg Financial Services Gender Equality Index



#1 Bank in Top 10 Australian Network on Disability's Inaugural Access and Inclusion Index



Employer of Choice by The Workplace Gender Equality Agency for the 7th consecutive year



Number one bank globally in 2017, for the 4th year in a row and the 10th time since the index was established



Named as Australia's 2016 Employer of the Year for LGBTI Inclusion in the Australian Workplace Equality Index Awards

Westpac's key international initiatives, commitments and partnerships



UN Sustainable Development Goals
CEO Statement of Commitment (2015)



United Nations Global Compact
Signatory (2002)
Global Compact Network Australia
Founding Member



The Equator Principles
Founding Adopter
First Australian Bank (2003)



UN Environment Program Finance Initiative
Founding Member (1991)



UN Principles for Responsible Investment
(2007)



Green Bond Principles



Banking Environment Initiative
Soft Commodities Compact



We Mean Business Coalition



Global Investor Coalition
Statement on Climate Change



200



200 years proudly supporting Australia

Westpac Climate Bond

Westpac Banking Corporation
ABN 33 007 457 141

Westpac Climate Bond: a strong fit to our 2020 Action Plan

| 25

Use of proceeds

Selection of assets

Management of Proceeds

Reporting

Why issue Climate Bonds?

- To provide financing for technologies and practices that are consistent with the investment required to limit global warming to less than two degrees and address its impacts
- To support the development of the Australian and global Climate Bond market and to seek investor diversity
- Westpac issued its first Climate Bond in June 2016
- Westpac Climate Bonds give investors the opportunity to support environmental projects through a high-grade fixed income investment

Climate Bond Framework in accordance with GBP and CBI

Use of Proceeds

- The net proceeds will be used to fund Eligible Green Projects that meet the requirements of the Climate Bond Initiative's Climate Bonds Standard (V2.1)
 - Renewable Energy Projects
 - Low Carbon Building – Commercial
 - Transport – Rail
- CBS are fully aligned with the Green Bond Principles

Selection of Assets

- Meet Westpac's Board-approved Risk Management Strategy that covers sustainability and reputational risks
- Project selection to meet CBI taxonomy for certification
- Review and approve in Climate Change Solutions Committee

Management of Proceeds

- Internal tracking of Climate Bond proceeds
- Climate Bond specific product code

Reporting

- Use of Proceeds Reporting
- Impact Reporting

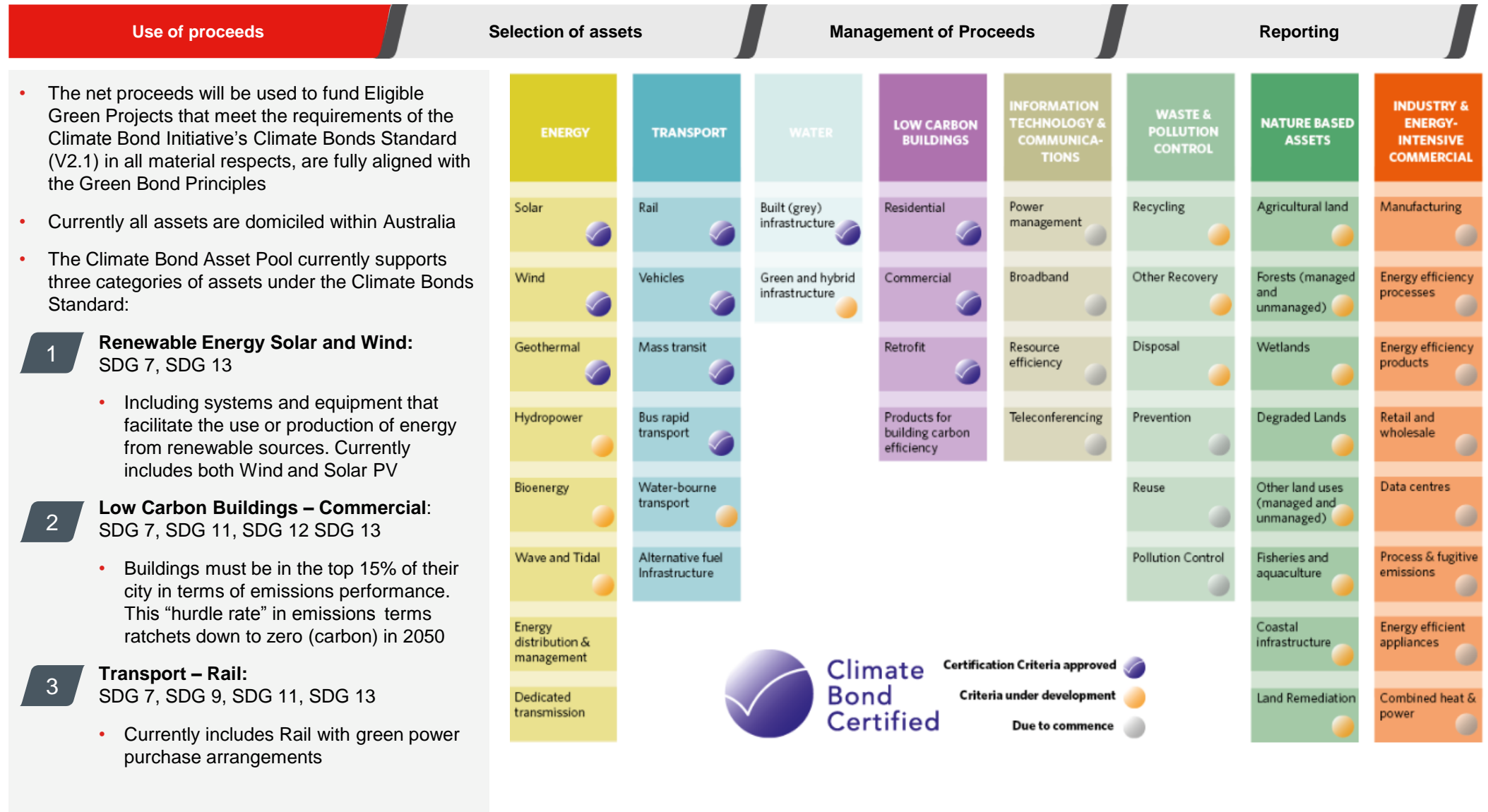
USE OF PROCEEDS LANGUAGE: Only bonds issued to fund projects and assets which qualify as "Eligible Projects & Physical Assets" under the terms of the Climate Bonds Standard can be certified as Climate Bonds. "Eligible Projects & Physical Assets" are projects, physical assets or loans made to finance physical assets that satisfy the prescribed eligibility criteria for the purposes of the Climate Bonds Standard. "Eligible Projects & Physical Assets" are subject to sector-specific technical criteria and must be regarded as contributing to the delivery of a low carbon economy within the terms of the Climate Bonds Standard. The Eligible Projects & Physical Assets with which a Climate Bond is associated are referred to as the "Nominated Projects".

The Issuer expects to use the proceeds of the issuance of the Notes to finance or maintain the finance for one or more of its Nominated Projects. So long as the Notes are outstanding, the Issuer's internal records will show, at any time, the net proceeds from the issuance of the Notes as allocated to the assets that fall within the Nominated Projects. During the term of the Notes, the Issuer will provide Holders with periodic reporting on the use of proceeds to finance Nominated Projects.

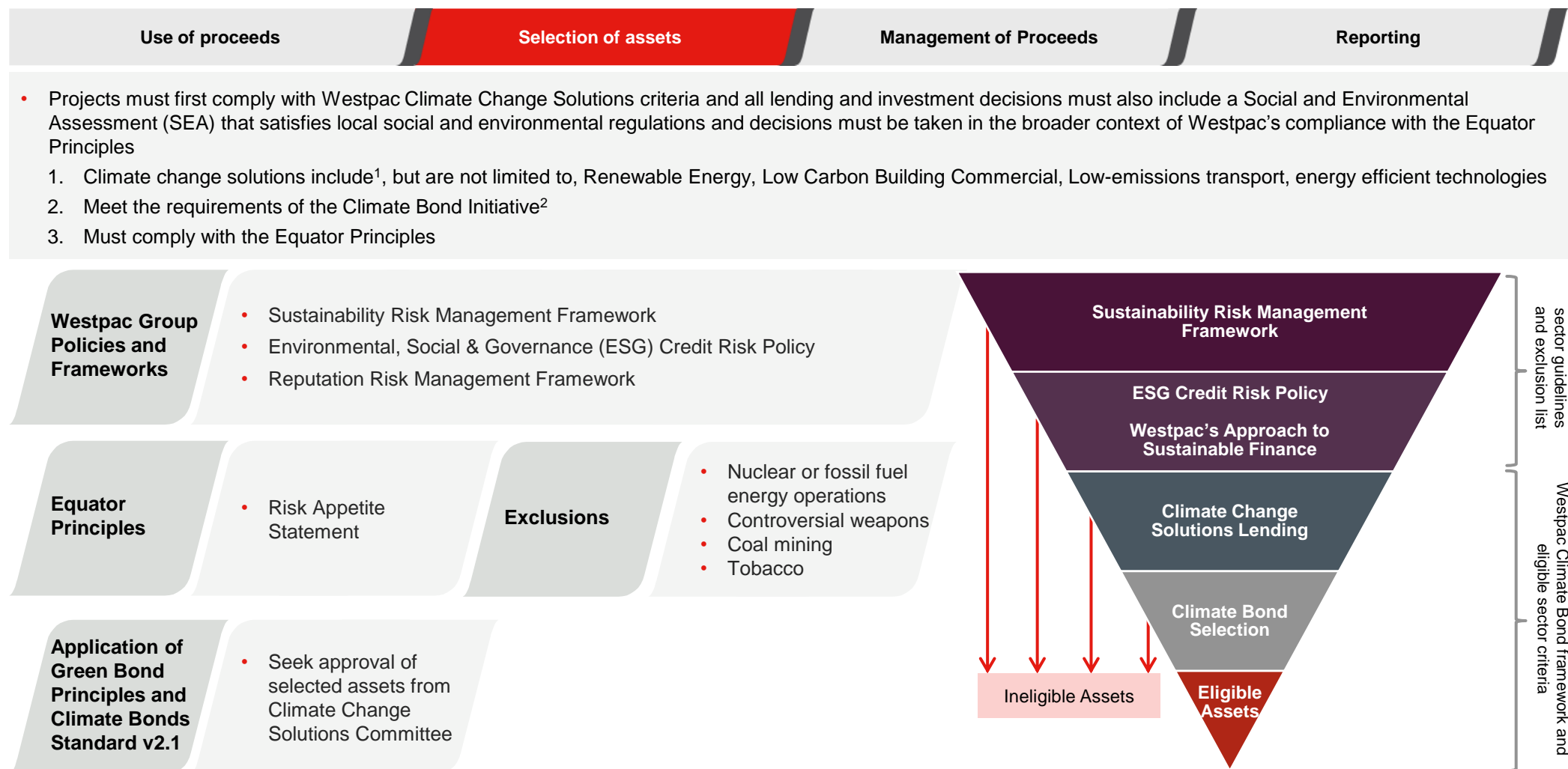
Details of the actual Nominated Projects with which the Notes may be associated at any given time may be subject to obligations of confidentiality that would preclude the Issuer disclosing those details to Holders. In addition, investors should note that the Issuer is not required to, and no assurance can be given that, the Issuer will, invest in any such project or that any investment in any such project will be retained for the term of the Notes. Investors should further note that the Issuer may at any time and from time to time change the composition of its investments financed by the Notes and such investments may not include any of the projects or assets described above. ²

¹ This target will be updated in the next update of this strategy to reflect changes in technology, policy, climate science and investment assumptions and as our approach evolves.

² Please see Term Sheet or Final Terms for full details



Source: Climate Bonds Taxonomy



¹ Climate Change Solutions Lending refers to Westpac Institutional Bank Lending,

² Climate Bond Selection refers to the subset of CCSL represented by direct lending to CBS V2.1 eligible assets

Selection of Assets – Climate Bond asset pool

| 28

Use of proceeds

Selection of assets

Management of Proceeds

Reporting

Climate Bond Pool

Customer	State	Sector	UN SDG
Oaklands Hill Wind Farm	VIC	Renewable Energy Projects	7, 13
Hallett 4 Wind Farm	SA	Renewable Energy Projects	7, 13
Hallett 5 Wind Farm	SA	Renewable Energy Projects	7, 13
Gunning Wind Energy Developments Pty Ltd	NSW	Renewable Energy Projects	7, 13
Collgar Wind Farm	WA	Renewable Energy Projects	7, 13
Wind Farm 1	AUST	Renewable Energy Projects	7, 13
Pyrenees Wind Energy Developments Pty Ltd	VIC	Renewable Energy Projects	7, 13
Wind Farm 2	AUST	Renewable Energy Projects	7, 13
PARF Silverton Finco Pty Ltd	NSW	Renewable Energy Projects	7, 13
PARF Finco 1 Pty Ltd	NSW	Renewable Energy Projects	7, 13
Transmission Operations (Australia) 2 Pty Ltd	VIC	Renewable Energy Projects	7, 13
Transmission Operations (Australia) Pty Ltd	VIC	Renewable Energy Projects	7, 13
Rail Asset 1	NSW	Transport - Rail	7,9,11,13
ATO Adelaide – Charter Hall	SA	Low Carbon Buildings - Commercial	7,11,12,13
Horizon MP Management (70 Eagle Street)	QLD	Low Carbon Buildings - Commercial	7,11,12,13
Green Building 1	AUST	Low Carbon Buildings - Commercial	7,11,12,13
Green Building 2	AUST	Low Carbon Buildings - Commercial	7,11,12,13
City West ACT	ACT	Low Carbon Buildings - Commercial	7,11,12,13
40 Creek Street Brisbane	QLD	Low Carbon Buildings - Commercial	7,11,12,13
Bankwest Place Perth	WA	Low Carbon Buildings - Commercial	7,11,12,13
55 Elizabeth Street Brisbane	QLD	Low Carbon Buildings - Commercial	7,11,12,13
Zenith Sub Trust, Chatswood	SYD	Low Carbon Buildings - Commercial	7,11,12,13
Green Building 3	SYD	Low Carbon Buildings - Commercial	7,11,12,13
Green Building 4	SYD	Low Carbon Buildings - Commercial	7,11,12,13
Green Building 5	SYD	Low Carbon Buildings - Commercial	7,11,12,13

Aggregate Statistics	\$m	%
Renewable Energy Projects	AUD 730	36
Low Carbon Buildings - Commercial	AUD 1,142	56
Transport – Rail	AUD 179	9
Total	AUD 2,051	100

Outstanding Issuance	\$m	Public/Private
AUD senior 5 year due 2021	AUD 500	Public Benchmark
USD senior 10 year due 2027	USD 50 / AUD 66	Private Placement (FX 0.7629 as at 31/03/17)

Remaining Pool Capacity AUD 1,485

7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES



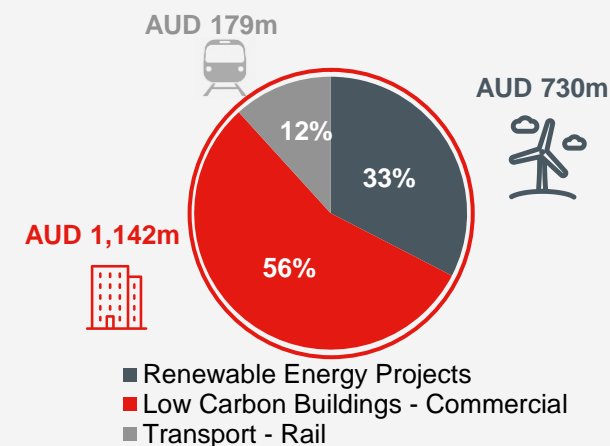
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Aggregate Statistics by Sector



Aggregate Statistics by Country



Use of proceeds

Selection of assets

Management of Proceeds

Reporting



White Rock Wind Farm **Northern New South Wales, Australia**

- White Rock Wind Farm is a green field renewable energy project currently being developed in the north of New South Wales, approximately 20km west of the town of Glenn Innes
- In June 2016, Westpac participated in the financing of the construction facility
- The Project was subject to Westpac's Equator Principles assessment. Westpac applied the Equator Principles based on due diligence material and concluded that the Project was a Category B Project, defined as having potential limited social or environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures
- The project is a joint venture between CECWPC (a company backed by China Energy Conservation and Environmental Protection Group, a large scale group with expertise in clean energy and environment protection in China) and Goldwind Capital (the largest wind farm equipment manufacturer in China)



AGL Partnership – Wind Farms¹ and PV Solar Plants **Queensland / New South Wales, Australia**

- For 170 years Westpac has been AGL's primary banker supporting them in delivering innovative energy solutions
- The Powering Australian Renewables Fund, or PARF as it is known, is a landmark partnership between AGL, QIC and the Future Fund
- Westpac is a key financier on all the PARF deals, and is proving itself as the go to bank for financing renewable energy projects
- The Fund currently intends to develop, own and manage approximately 1,000 megawatts of large scale renewable energy infrastructure assets. In New South Wales, the Fund has solar plants already in operation at Nyngan and Broken Hill and the Silverton Wind Farm is currently under construction. Its most recent addition is the 453 megawatts Coopers Gap Wind Farm development at Cooranga North in Queensland

¹ Image of Hallett Wind Farm courtesy of AGL Energy

Use of proceeds

Selection of assets

Management of Proceeds

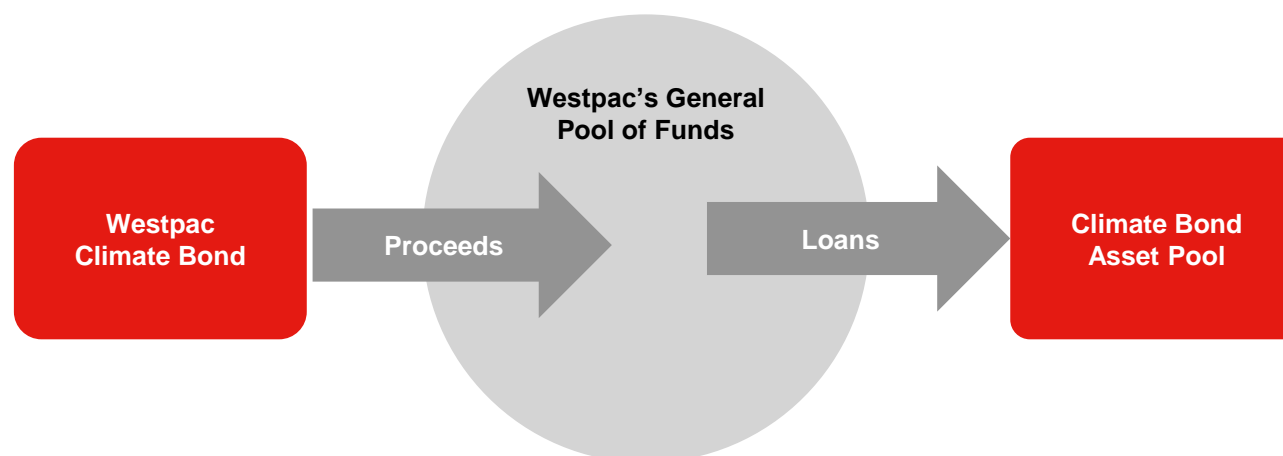
Reporting

Management of Climate Bond proceeds

- Eligible assets will be identified for inclusion in an aggregated common pool of Climate Bond assets for all Westpac Climate Bonds
- Proceeds raised under the bond will go into the Westpac general pool of funds, then tagged and allocated to investment in the Climate Bond Asset Pool
- Westpac expects to maintain Climate Bond Asset Pool in excess of the net proceeds of issued Climate Bonds
 - Any unallocated proceeds will be invested in cash and/or cash equivalent and/or other liquid marketable instruments until suitable eligible assets can be identified
- Westpac will use its best efforts to substitute any redeemed loans once an appropriate substitution option will have been identified

Governance and oversight

- Westpac has established an internal Climate Change Solutions Committee
 - A cross-divisional team of sustainability experts, senior directors and managers
 - Responsible for driving progress on Westpac's Climate Change Solutions lending objectives
 - Responsible for monitoring / governing the Westpac Climate Bond framework / selection of eligible assets
 - Internally monitor the progress, outcomes and impacts of the eligible assets



Use of proceeds

Selection of assets

Management of Proceeds

Reporting

Independent Third Party Certification

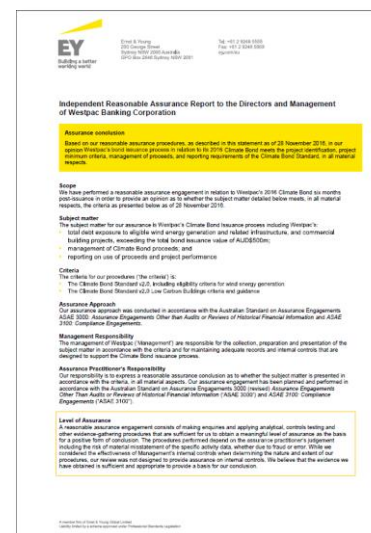
- Westpac's Climate Bonds have been certified by the Climate Bonds Initiative to comply with the Climate Bonds Standard
- Westpac intends to obtain Climate Bond Certification from the Climate Bonds Initiative for each Climate Bond issued
- Westpac's existing Climate Bonds are Climate Bond Certified
- In alignment with CBS (V2.1) Westpac has requested programmatic certification to allow continued regular issuance
- Each bond issuance will be individually certified

Independent Third Party Assurance

- Compliance with Climate Bonds Standard has been independently verified by Ernst & Young
- EY provided assurance that Westpac's bond issuance process for Climate Bonds meets the project identification, project minimum criteria, management of proceeds, and reporting requirements of the Climate Bonds Standard, in all material respects
- In alignment with the broader Westpac Sustainability Group, auditing and assurance process will now be conducted by PWC
- Assurance will be provided semi-annually



Certification is available for assets and projects that meet the requirements of the Climate Bonds Standard. In order to receive the "Climate Bond Certified" stamp of approval, a prospective issuer of a Green or Climate Bond must appoint an approved 3rd party verifier, who will provide a verification statement that the bond meets the Climate Bonds Standard. The Climate Bonds Standard allows Certification of a bond prior to its issuance, enabling the issuer to use the Climate Bond Certification Mark in marketing efforts and investor roadshows. The Climate Bonds Standards Board (comprised of members representing \$34 trillion of assets under management) confirms Climate Bond Certification once the bond has issued and the proceeds have been allocated to projects and assets.



Use of proceeds

Selection of assets

Management of Proceeds

Reporting

Reporting

- Westpac will provide an annual use of proceeds and impact report on a single common pool of the Climate Bond assets for all Climate Bond issuances
- The report will detail allocation of proceeds, total amount outstanding of Climate Bonds, total amount unused proceeds and environmental impact of the financed portfolio
- The report will be available each May on Westpac's website: <https://www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors/Climate-Bonds/>
- Reporting in line with the guidelines of the Green Bond Principles and "Working Towards a Harmonized Framework for Green Bond Impact Reporting" paper dated November 2015¹
- Assurance will be provided by the external auditor of the report
- Will be reviewed and approved by the Climate Change Solutions Committee

1. www.ifc.org November 2015.

The image shows a screenshot of the Westpac website. The top navigation bar includes links for Home, Personal, Business, Corporate, and About us. The main content area is titled 'Fixed income investors' and lists various investment options: Unsecured funding, Secured funding, Credit ratings, Fixed income presentations, Global funding contacts, Westpac Securities NZ Limited, and Westpac Climate Bonds. A red box highlights the 'Westpac Climate Bonds' link. Below this, a zoomed-in view of the 'Westpac Climate Bonds' page is shown. This page features the title 'Westpac Climate Bonds' and a detailed description of the bonds, including their purpose, environmental impact, and how they are funded. The page also includes a 'Find out more' link.

Use of proceeds

Selection of assets

Management of Proceeds

Reporting



Environmental Impacts

- Renewable energy projects financed in part by Westpac Climate Bonds have, to date:
 - Generated 2.6 million megawatt hours (MWh) of clean energy (a megawatt hour is equivalent to the amount of electricity used by about 330 homes during one hour)
 - Reduced annual greenhouse gas emissions (GHG) by 2.3 million tCO₂e (tonne of carbon dioxide equivalents)
- Green buildings financed in part by Westpac Climate Bonds have, on average, performed 8% better than the state benchmark for energy efficiency using a ten year period

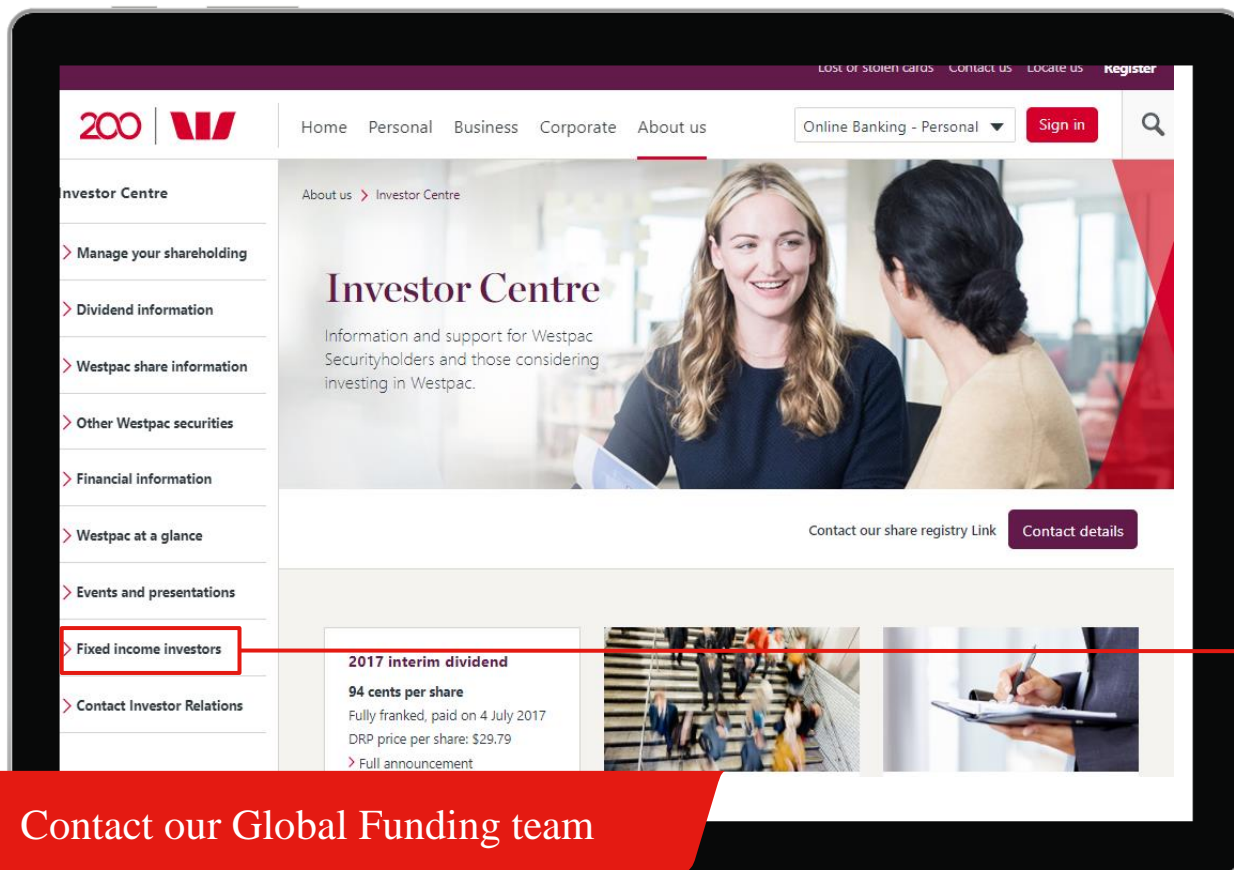
As at 31 March 2017¹

Energy Efficiency	Signed Amount (TCE, A\$m)	Share of Portfolio Financing (%)	Eligibility for Green Bonds (%)	Net Lettable Area (sqm)	MW Capacity (MW)	Average Climate Bond Asset Pool Lifetime (Months)	Annual Energy Generation (MWh)	Annual GHG emissions reduced/avoided (tCO ₂ e)	Better than Benchmark Index
Renewable Energy Projects	566.56	46	100		810.08	34	2,643,264.10	2,347,218.52	-
Green Buildings	606.77	49	100	224,054	0	21	-	-	8%
Other (RE Infrastructure)	61.49	5	100		0	34	-	-	-
	1,234.82	100	100		810.08	28	2,643,264.10	2,347,218.52	8%

Notes

- Emission reductions (TCO₂e/MWh) is GHG intensity (National Energy Market GHG Cal 2016 of 0.888) * MWh Generated (annual). Intensity is sum of daily total emissions/energy.
- Assumption for RE assets based on Cal 2016 Generation from either asset operating reports or AEMO dispatch data
- Renewable energy financing is generally syndicated across several banks and Westpac's share has been estimated at 25-30% in the numbers above
- Green Building financing varies across assets and Westpac's share has been estimated at 25-50% in the numbers above

1. EY Audit. www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors/Climate-Bonds/



Contact our Global Funding team

Joanne Dawson

Deputy Treasurer, Westpac Banking Corporation
 ☎ +61 2 8204 2777
 ✉ joannedawson@westpac.com.au

Alexander Bischoff

Executive Director, Global Funding
 ☎ +61 2 8253 4314
 ✉ abischoff@westpac.com.au

Richard Salmon

Director, Global Funding
 ☎ +61 2 8253 4314
 ✉ rsalmon@westpac.com.au

Nick Cooper

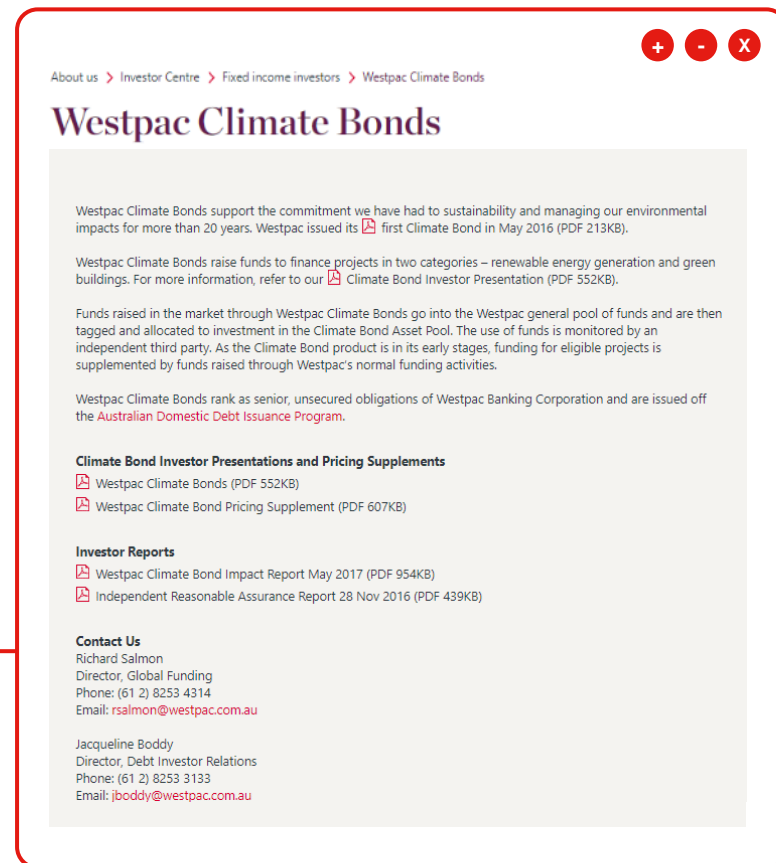
Associate, Global Funding
 ☎ +61 2 8253 4314
 ✉ nicholascooper@westpac.com.au

Jacqueline Boddy

Director, Debt Investor Relations
 ☎ +61 2 8253 3133
 ✉ jboddy@westpac.com.au

Michael Chen (Sustainability)

Head of Sustainability, Institutional
 ☎ +61 437 496 077
 ✉ michael.chen1@westpac.com.au





200



200 years proudly supporting Australia

Appendix

References and Links

www.westpac.com.au/about-westpac/investor-centre/fixed-income-investors/Climate-Bonds/

www.westpac.com.au/about-westpac/sustainability/

www.westpac.com.au/about-westpac/sustainability/our-positions-and-perspectives/

www.westpac.com.au/about-westpac/sustainability/performance-reports/

www.nabers.gov.au/public/webpages/home.aspx