

NOT FOR DISTRIBUTION IN THE UNITED STATES

ASX ANNOUNCEMENT

13 March 2018

WESTPAC ISSUES \$1.69 BILLION OF WESTPAC CAPITAL NOTES 5

Westpac Banking Corporation has successfully completed the Offer of Westpac Capital Notes 5 (Notes). Approximately 16.9 million Notes were issued at \$100 each, raising approximately \$1.69 billion.

BASIS OF ALLOCATION

- **Reinvestment Offer** – All valid Applications (including Applications through Syndicate Brokers) and Applications for additional Notes were accepted in full.
- **Securityholder Offer** – All valid Applications were accepted in full.
- **Broker Firm Offer** – Allocations to Syndicate Brokers were determined under the Bookbuild and scaled back as agreed by Westpac and the Joint Lead Managers.
- **Institutional Offer** – Institutional Investors have been individually advised of their Allocations.

CONFIRMATION OF ALLOCATIONS

Holding Statements with details of Notes allocated and any refund of Application Payments from invalid Applications are expected to be dispatched by 20 March 2018.

To confirm an Allocation prior to receiving a Holding Statement:

- **Reinvestment Offer and Securityholder Offer Applicants** – Call the Westpac Capital Notes 5 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 784 494**. Applicants will need to quote their holder number (SRN or HIN).
- **Broker Firm Applicants** – Contact your Syndicate Broker.

The basis of Allocation and information on how Applicants can confirm their Allocations will also appear in The Australian and The Australian Financial Review tomorrow. A copy of the notice is attached to this announcement.

TRADING ON THE ASX

The Notes are expected to commence trading on the ASX under the ASX code WBCPH as follows:

- **Deferred settlement trading** – 14 March 2018
- **Normal settlement trading** – 21 March 2018

Holders must confirm their Allocation before trading Notes to avoid the risk of selling Notes they do not own. Holders who sell their Notes before receiving confirmation of their Allocation do so at their own risk.

FIRST DISTRIBUTION PAYMENT¹

The first Distribution of \$0.9927 per Note is expected to be paid on 22 June 2018. The Record Date is 14 June 2018.

The Distribution Rate of 3.5875% for the first Distribution Period was calculated as follows:

90 day Bank Bill Rate on 13 March 2018	1.9250% p.a.
plus Margin	<u>+3.2000% p.a.</u>
	5.1250% p.a.
multiplied by (1 – Tax Rate)	<u>x 0.70</u>
Distribution Rate	3.5875% p.a.

Cash amount of Distribution per Note **\$0.9927²**

Distributions are expected (but not guaranteed) to be fully franked and accordingly Holders are expected to receive cash Distributions and franking credits.³

MAXIMUM CONVERSION NUMBER

The Issue Date VWAP was calculated as \$30.37. If Notes ultimately convert to Ordinary Shares, the maximum number of Ordinary Shares that may be issued on Conversion (Maximum Conversion Number) has been set at:

- 6.5854 Ordinary Shares per Note if Conversion occurs on the Optional Conversion Date (22 September 2025) or the Scheduled Conversion Date (22 September 2027⁴); and
- 16.4636 Ordinary Shares per Note if Conversion occurs at any other time.

For more information on the Maximum Conversion Number, refer to Section 2 of the Prospectus.

HOLDINGS OF WESTPAC DIRECTORS AND THEIR ASSOCIATES

1,370 Notes (less than 0.01% of the Offer) were Allocated to Westpac directors and their associates in aggregate.

HOLDERS OF NOTES

Included with this announcement is a list of the twenty largest Note Holders and a distribution schedule of Note Holders.

¹ Distributions are within the absolute discretion of Westpac and only payable subject to satisfaction of the Distribution Payment Conditions. Distributions may not be paid.

² The number of days in the first Distribution Period will be 101 days and is longer than the normal Distribution Period.

³ The potential value of the franking credits does not accrue to Holders at the same time as Holders receive the cash Distribution. A Holder's ability to use the franking credits will depend on that Holder's individual tax position.

⁴ Conversion of Notes to Ordinary Shares on this date is subject to satisfaction of the Scheduled Conversion Conditions.

TRANSFER AND BUY-BACK OF PARTICIPATING WESTPAC CPS

Today, all Westpac CPS participating in the Reinvestment Offer were transferred to the Westpac CPS Nominated Party for \$100 each and the proceeds were reinvested in the Notes. Those Westpac CPS were subsequently bought back by Westpac and cancelled.

A Pro-Rata Westpac CPS Dividend (cash amount of \$1.6229 per Westpac CPS) has today been paid on all Westpac CPS held on the record date of 5 March 2018, regardless of whether or not they were reinvested in Notes under the Reinvestment Offer.

NON-PARTICIPATING WESTPAC CPS

Approximately \$566 million of Westpac CPS (Non-Participating Westpac CPS) remain on issue following the completion of the Reinvestment Offer. It is expected that the last day of ASX trading in Westpac CPS will be 14 March 2018 and off-market transfers of Westpac CPS will not be accepted after 23 March 2018.

All Non-Participating Westpac CPS on issue at 3 April 2018 will be automatically transferred to the Westpac CPS Nominated Party on that date, in accordance with the transfer notice lodged on ASX on 5 February 2018. Holders will be paid \$100 for each Non-Participating Westpac CPS under the transfer. A Final Westpac CPS Dividend (expected cash amount of \$0.1782 per Westpac CPS) will also be paid on 3 April 2018 for each Non-Participating Westpac CPS held on the record date of 23 March 2018⁵. Following the transfer, all the Non-Participating Westpac CPS will be retired, with Westpac converting some or all of them into Ordinary Shares. The final amount of Ordinary Shares to be issued will be announced on ASX on 3 April 2018.

WESTPAC CAPITAL NOTES 5 CLASS RULING

The Australian Taxation Office (ATO) has advised that it expects to issue a Class Ruling in respect of the Notes on 14 March 2018. The Class Ruling will confirm the Australian tax consequences for certain Note Holders.

Once published, a copy of the Class Ruling will be available from the Westpac Capital Notes 5 website at www.westpac.com.au/westpaccapnotes5 and on the ATO website at www.ato.gov.au.

FURTHER INFORMATION

For more information on Westpac Capital Notes 5:

- Visit the Westpac Capital Notes 5 website at www.westpac.com.au/westpaccapnotes5; or
- Call the Westpac Capital Notes 5 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 784 494** (local call within Australia).

The Offer of Westpac Capital Notes 5 was made under a Prospectus dated 13 February 2018, which is available on the Westpac Capital Notes 5 website.

Capitalised terms used in this announcement have the meanings given to them in the Prospectus.

⁵ The Final Westpac CPS Dividend is subject to satisfaction of the dividend payment test in the Westpac CPS Terms.

FURTHER ENQUIRIES

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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. Securities Act)) (U.S. Person). Westpac Capital Notes 5 have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, delivered or transferred in the United States or to, or for the account or benefit of, any U.S. Person.

WESTPAC CAPITAL NOTES 5

20 LARGEST HOLDER LIST AS AT 13 MARCH 2018

Rank	Investor	Number of Notes	% of total Notes issued
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,381,100	8.17
2	NATIONAL NOMINEES LIMITED	558,677	3.31
3	SHARE INVESTING NOMINEES PTY LIMITED	219,643	1.30
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	217,590	1.29
5	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	132,628	0.78
6	IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	129,728	0.77
7	CITICORP NOMINEES PTY LIMITED	113,307	0.67
8	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	104,049	0.62
9	DIMBULU PTY LTD	100,000	0.59
10	ZASHVIN PTY LTD	92,220	0.55
11	RANDAZZO C & G DEVELOPMENTS PTY LTD	92,000	0.54
12	PERSHING AUSTRALIA NOMINEES PTY LTD <ACCUM A/C>	89,483	0.53
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	84,847	0.50
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	80,787	0.48
15	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	69,775	0.41
16	BT PORTFOLIO SERVICES LIMITED <THE AL'N'ALL A/C>	68,000	0.40
17	BERNE NO 132 NOMINEES PTY LTD <684168 A/C>	60,000	0.35
18	NORA GOODRIDGE INVESTMENTS PTY LIMITED	60,000	0.35
19	MRS LINDA ANNE VAN LIESHOUT	60,000	0.35
20	RAKIO PTY LTD <PIEKARSKI GYMPIE A/C>	55,000	0.33
Total		3,768,834	22.29
Total number of Westpac Capital Notes 5 on issue		16,903,383	

DISTRIBUTION OF HOLDERS AS AT 13 MARCH 2018

Range (Notes)	Number of Holders	Number of Notes issued	% of total Notes issued
1 to 1,000	15,725	5,614,510	33.21
1,001 to 5,000	1,979	4,373,288	25.87
5,001 to 10,000	177	1,346,633	7.97
10,001 to 100,000	114	2,712,230	16.05
100,001 and over	8	2,856,722	16.90
Total	18,003	16,903,383	100.00

Important notice to all Westpac Capital Notes 5 Applicants

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FURTHER INFORMATION

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- 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).

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.

The Offer of Notes was made under a Prospectus dated 13 February 2018, which is available on the Westpac Capital Notes 5 website. Capitalised terms used in this notice have the meanings given to them in the Prospectus.

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.