

ASX ANNOUNCEMENT

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24 MAY 2017

WESTPAC GROUP ANNOUNCES BT INVESTMENT MANAGEMENT (BTIM) INSTITUTIONAL OFFER

Westpac Group announces a fully-underwritten offer of 60 million shares (approximately 19% of BTIM's shares on issue) to institutional investors domiciled in Australia and other relevant jurisdictions.¹

The Offer price range has been set as \$10.25 to \$10.75 per share. The bottom of the range represents a discount of 16% to last closing price of \$12.18 and a 14% discount to the 30 day VWAP of \$11.94.

Chief Executive Officer, BTFG, Brad Cooper, said "Under the leadership of Chair Jim Evans and CEO Emilio Gonzalez, BTIM management have a strong business that is uniquely placed as a global asset management firm. BTIM remain an important asset management provider to BT Financial Group. However, with the successful diversification of BTIM's business outside Australia and BT Financial Group's strategic focus on providing wealth solutions, including through our market leading Panorama platform, Westpac no longer needs to retain a shareholding in BTIM."

Following completion of the offer, Westpac's ownership in BTIM will reduce from 29% to 10%. Westpac intends, subject to favourable market conditions, to sell its remaining 10% shareholding in BTIM in the future. This would occur in accordance with escrow arrangements communicated to BTIM in respect of the retained shareholding. Any sale would not occur prior to the release of BTIM's First Half 2018 results (expected to be in May 2018).

Completion of the offer is expected to add approximately 10 basis points to Westpac's Common Equity Tier 1 capital ratio. The post-tax accounting gain will be disclosed as part of our Full Year 2017 results.

Macquarie Capital (Australia) Limited will act as Sole Lead Manager, Underwriter and Bookrunner of the Offer.

While BTIM will remain a strategic partner, following the sell-down some changes in the arrangements between Westpac, BT Financial Group and BTIM will occur over time.

Settlement of the transaction is expected to occur on Friday, 26 May 2017.

¹ See the Annexure for the applicable selling restrictions

Disclaimer

This announcement does not constitute financial product or investment advice and has not been prepared to take into account the investment objectives, financial circumstances or particular needs of any investor. Potential investors in either Westpac or BTIM should seek professional independent advice from their financial advisor or other professional advisor.

ENDS

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ANNEXURE: SELLING RESTRICTIONS

This document does not constitute an offer of ordinary shares ("Shares") of BTIM in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the

- FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

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themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

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United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares

has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Seller.

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