

Westpac Capital Notes 7

Investor Presentation

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 **estpac** GROUP

Westpac Banking Corporation ABN 33 007141

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Disclaimer

THIS PRESENTATION IS NOT FOR DISTRIBUTION IN THE UNITED STATES.

YOU SHOULD CONSIDER AND READ THE PROSPECTUS IN FULL BEFORE DECIDING WHETHER TO INVEST IN WESTPAC CAPITAL NOTES 7.

This presentation has been prepared and authorised by Westpac Banking Corporation (ABN 33 007 457 141, AFSL 233714) (“Westpac”) in connection with a proposed offer (“Offer”) of Westpac Capital Notes 7 (“Notes”).

The Offer is being made under a prospectus (“Prospectus”) which was lodged with the Australian Securities and Investments Commission (“ASIC”) on 4 November 2020, and a replacement Prospectus, which will include the Margin and Broker Firm Application Form, and is expected to be lodged with ASIC on or about 13 November 2020.

Westpac Institutional Bank, ANZ Securities Limited, Citigroup Global Markets Australia Pty Ltd, Commonwealth Bank of Australia, E&P Corporate Advisory Pty Ltd, Morgans Financial Limited, Ord Minnett Limited and Shaw and Partners Limited are the Joint Lead Managers to the Offer (“Joint Lead Managers”).

The information in this presentation is an indicative overview and does not contain all information necessary to make an investment decision in relation to the Notes. It is intended to constitute a summary of certain information relating to Westpac and the Offer and does not purport to be a complete description of Westpac or the Offer. This presentation also includes information derived from publicly available sources that has not been independently verified.

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Disclaimer (continued)

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The Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act 1959 (Cth) or the Financial Claims Scheme and are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits). The Notes are not guaranteed or insured by any government agency, by any member of the Westpac Group or any other person.

The Prospectus is available on the Offer website at www.westpac.com.au/westpaccapnotes7. Applications for the Notes may only be made during the Offer Period by completing and submitting a Broker Firm Application Form or making an online Reinvestment Application or Securityholder Application via the Offer website at www.westpac.com.au/westpaccapnotes7.

This presentation is not a prospectus or an offer of securities for subscription or sale in any jurisdiction. The distribution of this presentation or the Prospectus in jurisdictions outside of Australia may be restricted by law. Any person who comes into possession of this presentation or the Prospectus in jurisdictions outside Australia should seek advice on and observe any such restrictions. Nothing in this presentation is to be construed as authorising the distribution, or the offer or sale of the Notes in any jurisdiction other than Australia, and Westpac and the Joint Lead Managers do not accept any liability in this regard. Failure to comply with these restrictions may constitute a violation of applicable securities laws. In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("US 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 within the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the US Securities Act).

All amounts are in Australian dollars unless otherwise indicated.

Unless otherwise specified, capitalised terms in this presentation have the same meaning given to them in the Prospectus.

Westpac Capital Notes 7

Summary of terms and conditions

Issuer	<ul style="list-style-type: none">• Westpac Banking Corporation (“Westpac”)
Quotation	<ul style="list-style-type: none">• Expected to be quoted on ASX under code WBCPJ
Size	<ul style="list-style-type: none">• Approximately A\$750 million with the ability to raise more or less
Purpose	<ul style="list-style-type: none">• Notes will qualify as Additional Tier 1 Capital of the Westpac Group• The proceeds received under the Offer will be used by Westpac for general business purposes
Term	<ul style="list-style-type: none">• Perpetual (no fixed maturity date) unless Converted, Redeemed¹ or Transferred<ul style="list-style-type: none">– Westpac option to Convert, Redeem or Transfer on 22 March 2027 (approximately 6.3 years from issuance)– Scheduled Conversion into Ordinary Shares on 22 March 2029 (approximately 8.3 years from issuance), subject to satisfaction of the scheduled conversion conditions– Conversion² into Ordinary Shares must occur following a Capital Trigger Event or a Non-Viability Trigger Event– Conversion, Redemption or Transfer in other limited circumstances
Distributions	<ul style="list-style-type: none">• Floating rate, payable quarterly and expected to be fully franked³• Distribution Rate = (3 month BBSW Rate + Margin) x (1 – Tax Rate)⁴• Discretionary, non-cumulative and only payable subject to the Distribution Payment Conditions• Margin expected to be in the range of 3.40% - 3.60% per annum. The Margin will be determined at the end of the Bookbuild
Distribution Payment Conditions	<ul style="list-style-type: none">• The payment of Distributions is subject to the satisfaction of the Distribution Payment Conditions, being (i) Westpac's absolute discretion, (ii) the Distribution payment not resulting in a breach of Westpac's capital requirements (on a Level 1 basis) or of the Westpac Group's capital requirements (on a Level 2 basis), (iii) the Distribution payment not resulting in Westpac becoming, or being likely to become, insolvent for the purposes of the Corporations Act, and (iv) APRA not otherwise objecting to the payment
Dividend and Capital Restrictions	<ul style="list-style-type: none">• If a Distribution is not paid in full on a relevant Distribution Payment Date, then until a Distribution is paid in full on a subsequent Distribution Payment Date (or in other limited circumstances), Westpac must not determine or pay Ordinary Share Dividends or undertake any discretionary Buy Back or Capital Reduction, subject to certain exceptions. The restrictions on determining or paying a Dividend will be of limited application in circumstances where Westpac has deferred its decision on determining a Dividend or determines not to pay a Dividend. These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative

¹ Redemption is subject to APRA's prior written approval. There can be no certainty that APRA will provide its prior written approval. ² The number of Ordinary Shares that can be issued on Conversion is limited to a Maximum Conversion Number. If Conversion of Notes following a Capital Trigger Event or a Non-Viability Trigger Event does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00 pm on the 5th Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), all rights in relation to those Notes will be terminated (the investment will lose all of its value and Holders will not receive any compensation or unpaid Distributions) and Notes will have no ranking in a Winding Up. ³ Your ability to use franking credits will depend on your individual tax position. ⁴ The Tax Rate is 30% (or 0.30 expressed as a decimal) as at the date of this presentation but that rate may change.

Westpac Capital Notes 7

Summary of terms and conditions (continued)

Capital Trigger Event	<ul style="list-style-type: none">• A Capital Trigger Event occurs if Westpac determines, or APRA notifies Westpac in writing that it believes, that Westpac's Common Equity Tier 1 Capital Ratio is equal to or less than 5.125% on either or both a Level 1 or Level 2 basis
Non-Viability Trigger Event	<ul style="list-style-type: none">• A Non-Viability Trigger Event occurs if APRA notifies Westpac in writing that it believes Conversion of Notes (or conversion, write-off or write down of other capital instruments of the Westpac Group) or a public sector injection of capital, or equivalent support, is necessary because, without it, Westpac would become non-viable• If a Non-Viability Trigger Event occurs because APRA has determined that Westpac would become non-viable without a public sector injection of capital (or equivalent support), all Notes must be Converted at their full Face Value
Conversion following a Capital Trigger Event or Non-Viability Trigger Event	<ul style="list-style-type: none">• Upon the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event, Westpac must immediately Convert all or some of the Notes into a variable number of Ordinary Shares at a 1% discount to the 5 Business Day VWAP prior to the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as applicable), subject to a Maximum Conversion Number• Conversion in this case is not subject to conversion conditions
Maximum Conversion Number	<ul style="list-style-type: none">• The Maximum Conversion Number limits the number of Ordinary Shares that may be issued on Conversion• The Maximum Conversion Number for a Capital Trigger Event or Non-Viability Trigger Event is the Face Value of the Note (initially \$100 per Note) divided by 20% of the Issue Date VWAP (as adjusted in limited circumstances)• If any Notes are Converted following a Capital Trigger Event or Non-Viability Trigger Event, the Maximum Conversion Number will apply and limit the number of Ordinary Shares to be issued. In this case, the value of the Ordinary Shares received may (in the case of a Capital Trigger Event) and is likely to (in the case of a Non-Viability Trigger Event) be significantly less than the Face Value of those Notes and Holders may suffer loss as a consequence
Termination of Holders' rights if Conversion does not occur	<ul style="list-style-type: none">• If Conversion of the Notes does not occur for any reason by 5:00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date, Holders' rights in relation to the Notes will be terminated and the Holders will lose all of their investment and they will not receive any compensation or unpaid Distributions
Ranking	<ul style="list-style-type: none">• In a Winding Up of Westpac, if not previously Redeemed, Converted or otherwise had the rights attaching to them terminated following a Capital Trigger Event or Non-Viability Trigger Event, the Notes would rank for payment (i) ahead of Westpac's obligations to holders of Ordinary Shares, (ii) equally among themselves and with Equal Ranking Capital Securities, and (iii) behind Westpac's obligations to Senior Creditors• The ranking of the investment in a Winding Up will be adversely affected if a Capital Trigger Event or Non-Viability Trigger Event occurs. If the Notes have Converted into Ordinary Shares, Holders will rank equally with existing holders of Ordinary Shares. If Conversion does not occur for any reason, all rights in relation to the Notes will be terminated. It is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up

Comparison to other Westpac Group ASX listed Additional Tier 1 securities¹

6

	Westpac Capital Notes 7	Westpac Capital Notes 6	Westpac Capital Notes 3
ASX code	WBCPJ ²	WBCPI	WBCPF
Issue date	<ul style="list-style-type: none"> 4 December 2020 	<ul style="list-style-type: none"> 18 December 2018 	<ul style="list-style-type: none"> 8 September 2015
Term	<ul style="list-style-type: none"> Perpetual with the first possible Scheduled Conversion Date on 22 March 2029 	<ul style="list-style-type: none"> Perpetual with the first possible scheduled conversion date on 31 July 2026 	<ul style="list-style-type: none"> Perpetual with the first possible scheduled conversion date on 22 March 2023
Margin	<ul style="list-style-type: none"> Expected to be in the range of 3.40% - 3.60% p.a. and will be determined at the end of the Bookbuild 	<ul style="list-style-type: none"> 3.70% p.a. 	<ul style="list-style-type: none"> 4.00% p.a.
Distributions	<ul style="list-style-type: none"> Discretionary, floating rate, non-cumulative, payable quarterly in arrear – subject to the Distribution Payment Conditions 	<ul style="list-style-type: none"> Discretionary, floating rate, non-cumulative, payable quarterly in arrear – subject to the distribution payment conditions 	<ul style="list-style-type: none"> Discretionary, floating rate, non-cumulative, payable quarterly in arrear – subject to the distribution payment conditions
Expected franking	<ul style="list-style-type: none"> Yes, subject to gross-up for unfranked portion³ 	<ul style="list-style-type: none"> Yes, subject to gross-up for unfranked portion³ 	<ul style="list-style-type: none"> Yes, subject to gross-up for unfranked portion³
Westpac redemption rights (subject to prior written APRA approval)	<ul style="list-style-type: none"> Yes, on 22 March 2027 and in certain specified circumstances 	<ul style="list-style-type: none"> Yes, on 31 July 2024 and in certain specified circumstances 	<ul style="list-style-type: none"> Yes, on 22 March 2021 and in certain specified circumstances
Conversion to Ordinary Shares (other than on a Capital Trigger Event or Non-Viability Trigger Event)	<ul style="list-style-type: none"> Yes, Scheduled Conversion on 22 March 2029, following an Acquisition Event or Optional Conversion, each being subject to certain conditions 	<ul style="list-style-type: none"> Yes, scheduled conversion on 31 July 2026, following an acquisition event or optional conversion, each being subject to certain conditions 	<ul style="list-style-type: none"> Yes, scheduled conversion on 22 March 2023, subject to Scheduled Conversion Conditions or following an acquisition event
Conversion upon a Capital Trigger Event or Non-Viability Trigger Event	<ul style="list-style-type: none"> Yes⁴, some or all Notes must be Converted into Ordinary Shares, subject to a Maximum Conversion Number 	<ul style="list-style-type: none"> Yes⁴, some or all notes must be converted into ordinary shares, subject to a maximum conversion number 	<ul style="list-style-type: none"> Yes⁴, some or all notes must be converted into ordinary shares, subject to a maximum conversion number
Capital classification	<ul style="list-style-type: none"> Additional Tier 1 	<ul style="list-style-type: none"> Additional Tier 1 	<ul style="list-style-type: none"> Additional Tier 1

¹ On 21 September 2017, Westpac issued perpetual non-call 10 USD SEC registered Additional Tier 1 securities (USD AT1 Securities) that rank pari passu with Westpac's ASX listed Additional Tier 1 securities and provides for loss absorption upon Capital Trigger Event and Non-Viability Trigger Event on substantially the same terms as Westpac's ASX listed Additional Tier 1 securities. The USD AT1 Securities pay a fixed coupon of 5% until the first reset date in September 2027. ² Notes are expected to trade on ASX under code WBCPJ. ³ Your ability to use franking credits will depend on your individual tax position. ⁴ If Conversion of Notes does not occur for any reason and Ordinary Shares are not issued for any reason by 5.00 pm on the 5th Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then the Holders' rights in relation to those Notes will be terminated immediately, and Holders will lose all of the value of their investment in the Notes and they will not receive any compensation or unpaid Distributions.

Westpac Capital Notes 7 Offer summary

Offer

- The Offer is for the issue of Westpac Capital Notes 7 at an Issue Price of A\$100 to raise approximately A\$750 million, with the ability to raise more or less
- The Offer includes a Reinvestment Offer, which is a priority offer to Eligible Westpac Capital Notes 3 Holders to reinvest all or some of their Westpac Capital Notes 3 in the Westpac Capital Notes 7
- Westpac Capital Notes 7 are not deposit liabilities of Westpac, are riskier than bank deposits and may not be suitable for some investors. Their 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

Who can apply?

- The Offer consists of:
 - a Reinvestment Offer – a priority offer to registered holders of Westpac Capital Notes 3 at 7.00pm Sydney time on 28 October 2020 and shown on the Register to have an address in Australia (“Eligible Westpac Capital Notes 3 Holders”)
 - a Securityholder Offer – an offer to registered holders of Ordinary Shares, Westpac Capital Notes 2, Westpac Capital Notes 4, Westpac Capital Notes 5 and/or Westpac Capital Notes 6 at 7.00pm Sydney time on 28 October 2020 and shown on the Register to have an address in Australia (“Eligible Securityholders”)
 - a Broker Firm Offer – an offer to Australian resident clients of the Syndicate Brokers including clients who are also Eligible Westpac Capital Notes 3 Holders and are applying under the Reinvestment Offer
 - an Institutional Offer – an offer to Institutional Investors invited by Westpac Institutional Bank
- There is no general public offer of the Notes

Applications

- Applications under the Securityholder Offer and Applications for additional Notes under the Reinvestment Offer must be for a minimum of 50 Notes (A\$5,000) and in incremental multiples of 10 Notes (A\$1,000) thereafter
- Applications may be scaled back if there is excess demand

How to apply

- For more information on how to apply, see Section 8 of the Prospectus (“Applying for Westpac Capital Notes 7”)

More information

- The Prospectus contains important information about investing in Westpac Capital Notes 7 and you should read the Prospectus in full before applying. The information in this presentation should be read in conjunction with the Prospectus. A copy of the Prospectus is available at www.westpac.com.au/westpaccapnotes7

Priority Reinvestment Offer for Eligible Westpac Capital Notes 3 Holders

Reinvestment Offer	<ul style="list-style-type: none">• A priority offer to Eligible Westpac Capital Notes 3 Holders to apply to reinvest all or some of their Westpac Capital Notes 3 in Notes through the Reinvestment Offer
Who can participate in the Reinvestment Offer?	<ul style="list-style-type: none">• An Eligible Westpac Capital Notes 3 Holder is:<ul style="list-style-type: none">– a registered holder of Westpac Capital Notes 3 at 7.00pm (Sydney time) on the Reinvestment Offer Record date, being 28 October 2020; and– shown on the Register as having an address in Australia
Options for Eligible Westpac Capital Note Holders	<ul style="list-style-type: none">• Apply to automatically reinvest all or some of their Westpac Capital Notes 3 in Notes• Do nothing (see below)
Applications	<ul style="list-style-type: none">• Eligible Westpac Capital Notes 3 Holders who wish to apply and who own 50 Westpac Capital Notes 3 or fewer must apply to reinvest all of their Westpac Capital Notes 3 and those who own more than 50 Westpac Capital Notes 3 must apply to reinvest a minimum of 50 Westpac Capital Notes 3 (\$5,000)• Eligible Westpac Capital Notes 3 Holders may apply for additional Notes if they reinvest all of their Westpac Capital Notes 3• Priority will be given to Applications received under the Reinvestment Offer (including Applications made through Syndicate Brokers), but will not extend to Applications for additional Notes
Pro-Rata Distributions	<ul style="list-style-type: none">• A First Pro-Rata Westpac Capital Notes 3 Distribution on all Westpac Capital Notes 3 in respect of the period from (but excluding) 22 September 2020 to (and including) 4 December 2020, payable on 4 December 2020. This is the last distribution payable on any Participating Westpac Capital Notes 3¹
Differences between Westpac Capital Notes 3 and Notes	<ul style="list-style-type: none">• The Notes and Westpac Capital Notes 3 are similar, however there are some key differences between the Notes and the Westpac Capital Notes 3 which you should be aware of before deciding whether to reinvest your Westpac Capital Notes 3 under the Reinvestment Offer. Eligible Westpac Capital Notes 3 Holders should read the Prospectus in full before deciding whether to apply for Notes• A comparison of Notes and Westpac Capital Notes 3 is contained on slide 6 of this presentation and in section 3.4 of the Prospectus• If you have any questions about the differences between Notes and Westpac Capital Notes 3 or the Reinvestment Offer, you should seek advice from your professional adviser before deciding to participate in the Reinvestment Offer and invest in Notes
Non-Participating Westpac Capital Notes 3	<ul style="list-style-type: none">• On 22 March 2021, Westpac intends to transfer all outstanding Westpac Capital Notes 3 to the Westpac Capital Notes 3 Nominated Party in accordance with the Westpac Capital Notes 3 Terms. If the intended transfer proceeds, Non-Participating Westpac Capital Notes 3 Holders will receive \$100 per Westpac Capital Note 3• A Second Pro-Rata Westpac Capital Notes 3 Distribution on Non-Participating Westpac Capital Notes 3 in respect of the period from (but excluding) 4 December 2020 to (and including) 22 December 2020, payable on 22 December 2020¹• An Intended Final Westpac Capital Notes 3 Distribution on Non-Participating Westpac Capital Notes 3 in respect of the period from (but excluding) 22 December 2020 to (and including) 22 March 2021, payable on 22 March 2021¹

¹ All Westpac Capital Notes 3 distribution payments are subject to the satisfaction of the distribution payment conditions in the Westpac Capital Notes 3 Terms

Key dates

Key dates for the Offer

Record date for determining Eligible Securityholders (7.00pm Sydney time)	28 October 2020
Announcement of Offer and lodgement of the Prospectus with ASIC	4 November 2020
Bookbuild period commences	4 November 2020
Announcement of the Margin	12 November 2020
Lodgement of replacement Prospectus with ASIC	13 November 2020
Opening Date	13 November 2020
Closing Date for the Securityholder Offer (5.00pm Sydney time)	30 November 2020
Closing Date for the Broker Firm Offer (5.00pm Sydney time)	30 November 2020
Issue Date of Notes	4 December 2020
Commencement of normal settlement trading	7 December 2020
Holding Statements dispatched by	8 December 2020

Key dates for Westpac Capital Notes 7

Record Date for first Distribution	12 March 2021
First Distribution Payment Date ¹	22 March 2021
Option for Westpac to Convert ² , Redeem ³ or Transfer the Notes	22 March 2027
Scheduled Conversion Date ⁴	22 March 2029

Key dates for Reinvestment Offer

Reinvestment Offer Record Date for determining Eligible Westpac Capital Notes 3 Holders (7.00pm Sydney time)	28 October 2020
Opening Date for the Reinvestment Offer	13 November 2020
Record date for First Pro-Rata Westpac Capital Notes 3 Distribution (7.00pm Sydney time)	26 November 2020
Closing Date for the Reinvestment Offer (5.00pm Sydney time)	30 November 2020
Expected date of transfer of Participating Westpac Capital Notes 3 to Westpac Capital Notes 3 Nominated Party	4 December 2020
Issue Date of Notes for the Reinvestment Offer	4 December 2020
Payment date for First Pro-Rata Westpac Capital Notes 3 Distribution ⁵	4 December 2020

¹ Distributions are payable quarterly, subject to satisfaction of the Distribution Payment Conditions. ² Subject to satisfaction of the Optional Conversion Restriction. ³ There can be no certainty that APRA will provide its prior written approval for any such Redemption. ⁴ Conversion of the Notes to Ordinary Shares on this date is subject to satisfaction of the Scheduled Conversion Conditions. ⁵ Subject to satisfaction of the distribution payment conditions in the Westpac Capital Notes 3 Terms.

Westpac Capital Notes 7 Key Risks

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- There is a risk that Distributions will not be paid. Distributions are discretionary, non-cumulative and are only payable subject to satisfaction of the Distribution Payment Conditions.
- If a Distribution is not paid in full because the Distribution Payment Conditions are not satisfied, Holders are not entitled to receive the unpaid Distribution.
- Conversion may not occur on 22 March 2029, being the first possible Scheduled Conversion Date, or at all, if the Scheduled Conversion Conditions are not satisfied.
- Conversion, Redemption or Transfer may occur in certain circumstances before the Scheduled Conversion Date, which may be disadvantageous to Holders in light of market conditions or your individual circumstances. Holders have no right to request Conversion, Redemption or Transfer.
- The Notes are not deposit liabilities or protected accounts of Westpac for the purposes of the Banking Act or Financial Claims Scheme and are not subject to the depositor protection provisions of Australian banking legislation (including the Australian Government guarantee of certain bank deposits).
- It is possible that the Notes may trade at a market price below their Face Value (initially \$100 per Note). Circumstances in which the market price of the Notes may decline include general conditions, changes in government policy, changes in regulatory policy, impacts of regulatory change, changes in investor perception and sentiment in relation to Westpac, changes in the market price of other securities issued by Westpac or other issuers and the occurrence of or increase in the likelihood of the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event.
- The market for the Notes will likely be less liquid than the market for Ordinary Shares. Holders who wish to sell their Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for the Notes.
- The value and availability of franking credits to a Holder will depend on that Holder's particular circumstances and the tax rules that apply at the time of each Distribution.
- The Distribution Rate will fluctuate (increase and/or decrease) over time with movements in the 3 month BBSW Rate. It is possible for the 3 month BBSW Rate to become negative. Should this occur, the negative amount will be taken into account in calculating the Distribution Rate (but there is no obligation on Holders to pay Westpac if the Distribution Rate becomes negative and there would be no Distribution in those circumstances). There is a risk that the Distribution Rate may become less attractive compared to returns available on comparable securities or investments.
- If a Capital Trigger Event or Non-Viability Event Trigger occurs, the value of Ordinary Shares received on Conversion may (in the case of a Capital Trigger Event) and is likely to (in the case of a Non-Viability Trigger Event) be significantly less than approximately \$101.01 for each Note (based on the Initial Face Value of \$100 per Note).

This is a summary of the key risks only. You should read the Westpac Capital Notes 7 Prospectus in full before deciding to invest (including Section 5 "Investment risks")

Westpac Capital Notes 7 Key Risks (continued)

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- If for any reason Conversion of Notes does not occur and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event (for example, due to applicable law, order of a court or action of any government authority or operational delays), all rights in relation to those Notes will be terminated immediately and the Notes will not be Converted, Redeemed or Transferred on any subsequent date. Holders will lose all of the value of their investment and will not receive any compensation or unpaid Distributions.
- Any credit rating assigned to the Notes or other Westpac securities could be reviewed, suspended, withdrawn or downgraded by credit rating agencies, or credit rating agencies could change their rating methodology, at any time which could adversely affect the market price and liquidity of the Notes and other Westpac securities.
- The Ordinary Share price used to calculate the number of Ordinary Shares to be issued on Conversion may be different to the market price of Ordinary Shares at the time of Conversion because the price used in the calculation is based on the VWAP during the relevant period prior to the Conversion Date.
- As the Notes are perpetual instruments and have no fixed maturity date, there is a risk the Notes could remain on issue indefinitely and Holders may not be repaid their investment.
- In the event of a Winding Up, if the Notes are still on issue and have not been Redeemed or Converted, they will rank ahead of Ordinary Shares, equally among themselves and with all other Equal Ranking Capital Securities and behind Senior Creditors (including depositors and all holders of Westpac's senior or less subordinated debt). If there is a shortfall of funds on a Winding Up to pay all amounts ranking senior to and equally with the Notes, Holders will lose all or some of their investment. However, it is likely that a Capital Trigger Event or Non-Viability Trigger Event would occur prior to a Winding Up and the Notes would have been Converted into Ordinary Shares, in which case Holders will hold Ordinary Shares and rank equally with other holders of Ordinary Shares in a Winding Up. If Conversion does not occur for any reason following a Capital Trigger Event or Non-Viability Trigger Event and Ordinary Shares are not issued for any reason by 5.00pm on the fifth Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), all rights attaching to those Notes will be terminated on the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), and Holders will lose all of the value of their investment in those Notes and they will not receive any compensation or unpaid Distributions and those Notes will have no ranking in a Winding Up.
- Any fall in Westpac's Common Equity Tier 1 Capital Ratio as a result of future changes to regulatory capital requirements may adversely impact the market price of the Notes or potentially increase the chance at a later date that Conversion takes place due to the occurrence of a Capital Trigger Event or Non-Viability Trigger Event.
- Westpac may issue further securities which rank equally with, or ahead of, the Notes.
- An investment in Notes may be affected by Westpac's ongoing performance and financial position and other risks associated with Westpac and the Westpac Group.

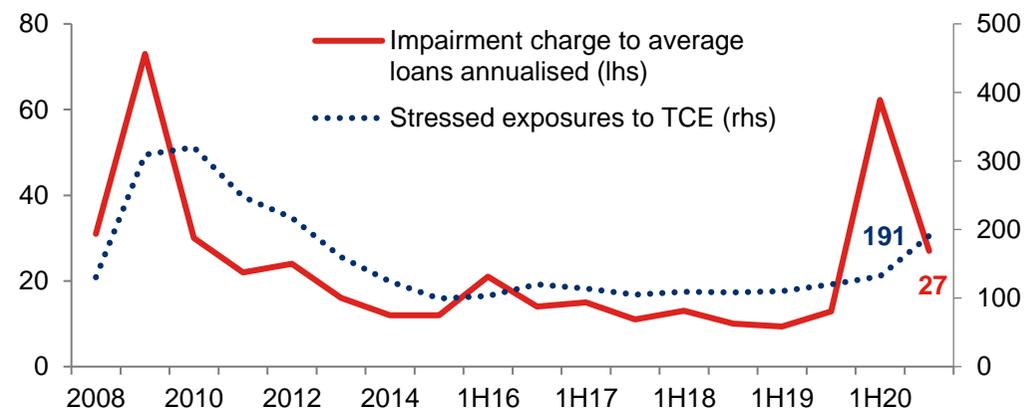
This is a summary of the key risks only. You should read the Westpac Capital Notes 7 Prospectus in full before deciding to invest (including Section 5 "Investment risks")

2H20 Key financial metrics

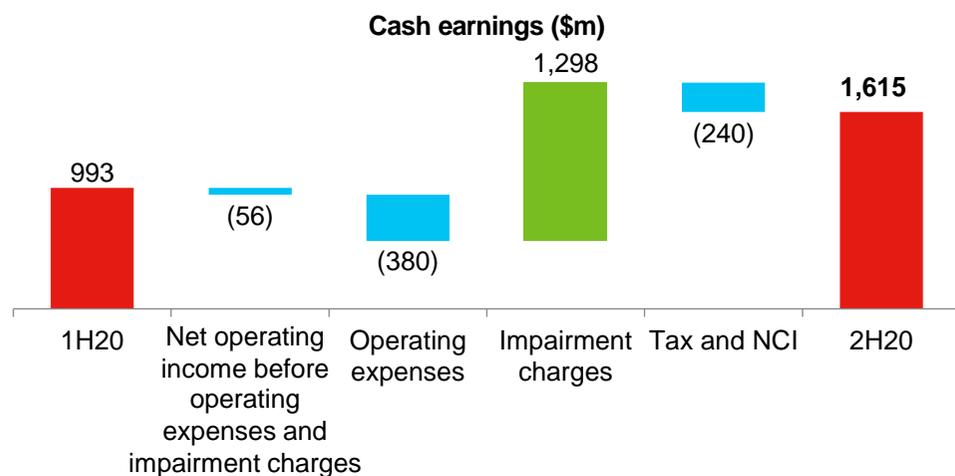
Financial metrics	2H20	1H20	Change 2H20-1H20
Reported net profit	\$1,100m	\$1,190m	(8%)
Cash earnings	\$1,615m	\$993m	63%
Net interest margin	2.03%	2.13%	(10bps)
Expense to income ratio	63.59%	59.57%	large
Return on equity	4.72%	2.94%	178bps

Asset quality: stress emerging, less than expected

Impairment charges and stressed exposures¹ (bps)



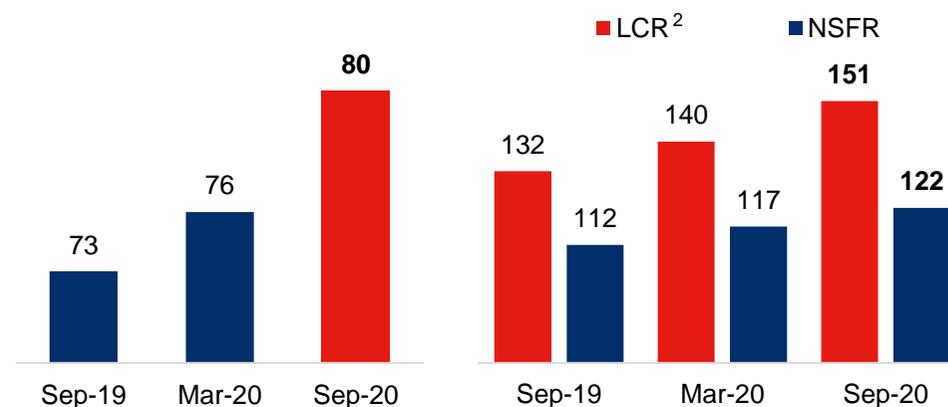
2H20 earnings up from lower impairments



Stronger balance sheet

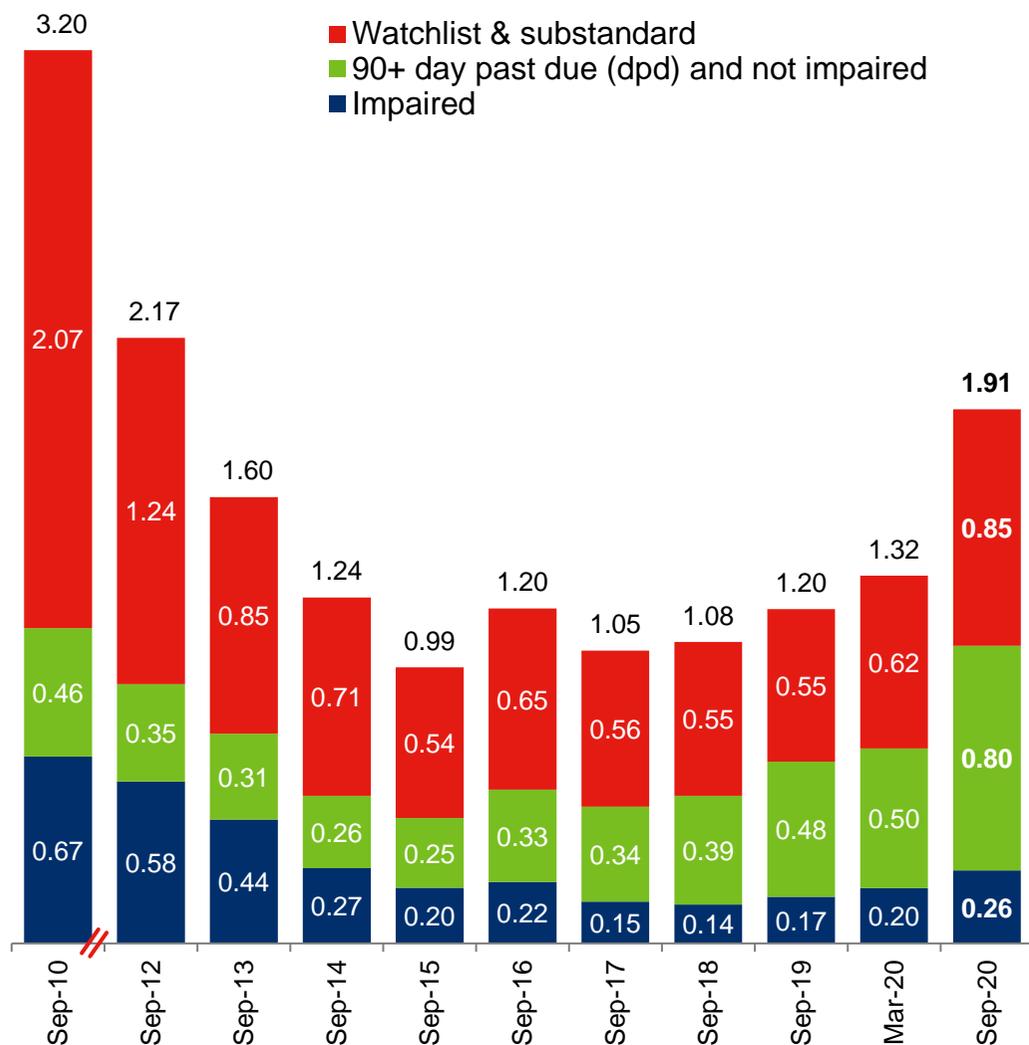
Deposit to loan ratio (%)

LCR (%) and NSFR (%)



1. 1H19 reflects the adoption of AASB 9 from 1 October 2020. 2008 and 2009 are pro forma including St.George for the entire period with First Half 2009 Profit Announcement providing details of pro forma adjustments. 2. LCR figures are a quarterly average.

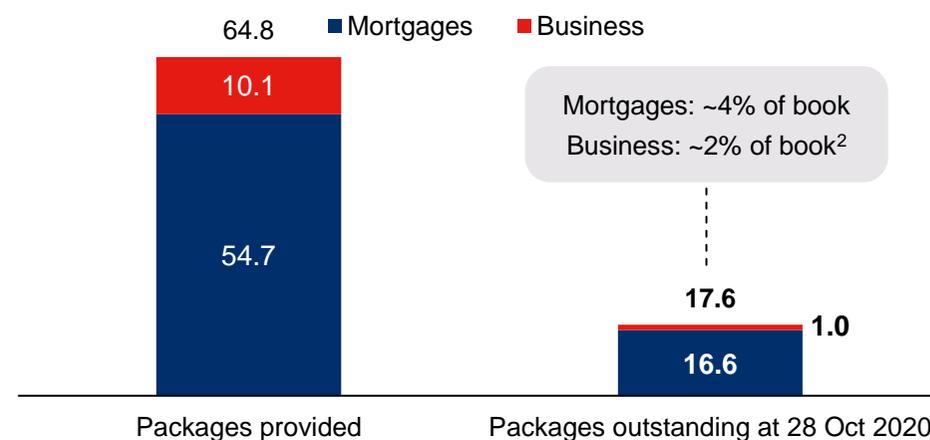
Stressed exposures as a % of total committed exposure (%)



Provisions for impairments

	Sept-19	Mar-20	Sep-20
Total loan provisions to gross loans (bps)	54	80	88
Impaired asset provisions to impaired assets (%)	45	50	41
Collectively assessed provisions to credit RWA (bps)	95	140	154
Total provisions to credit RWA (bps)	107	157	171

Australian deferral packages¹ (\$bn)



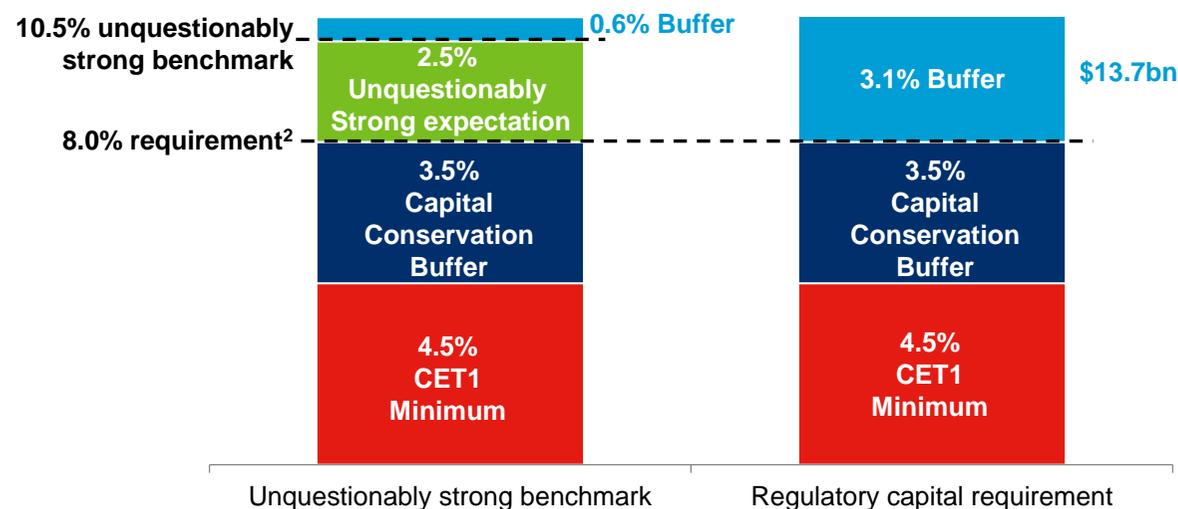
¹ Business packages outstanding represents customers on deferral who are yet to end their 6 month deferral package of the original \$10.1bn provided. Check-ins on customers granted packages are underway. ² Refers to customers eligible for deferral package i.e Total committed exposure less than \$10m.

Key capital ratios

Key capital ratios

%	Sep-19	Mar-20	Sep-20
CET1 capital ratio	10.7	10.8	11.1
Additional Tier 1 capital	2.2	2.1	2.1
Tier 1 capital ratio	12.8	12.9	13.2
Tier 2 capital	2.8	3.4	3.1
Total regulatory capital ratio	15.6	16.3	16.4
Risk weighted assets (RWA) (\$bn)	429	444	438
Leverage ratio	5.7	5.7	5.8
Level 1 CET1 ratio	11.0	11.1	11.4
Internationally comparable ratios¹			
Leverage ratio (internationally comparable)	6.4	6.3	6.4
CET1 capital ratio (internationally comparable)	15.9	15.8	16.5

CET1 capital ratio 11.1% at 30 September 2020

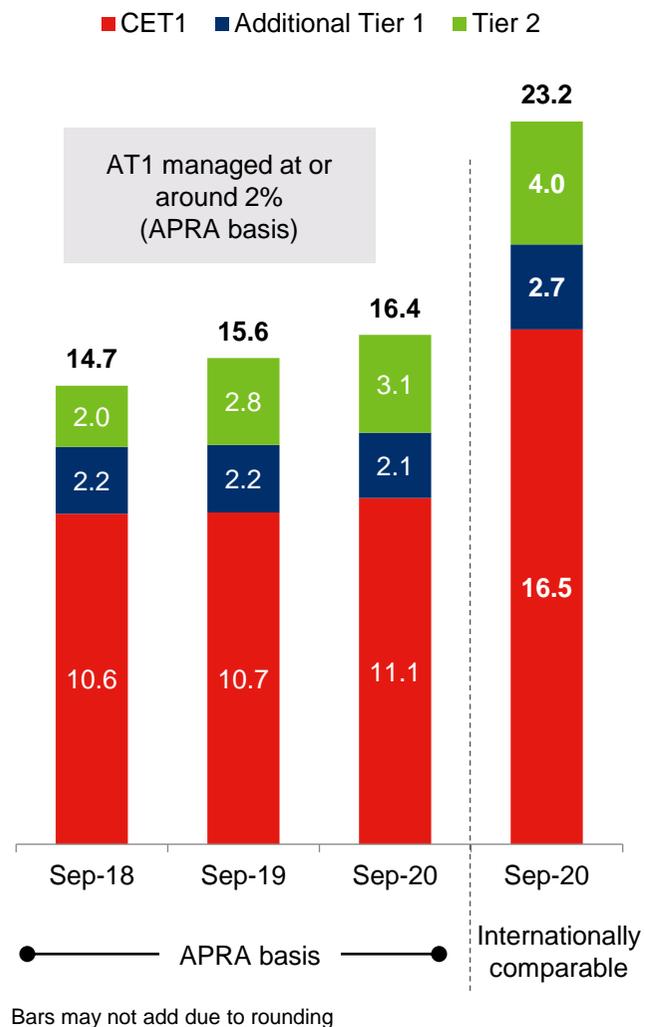


	Central economic estimate	Downside
CRWA³ sensitivity	V-shaped recession, mortgage delinquencies 1.5x current levels, business downgrades across a range of sectors	W shaped recovery, mortgage delinquencies 2x current levels, further downgrades
	FY20 Actual	FY20 Actual
	~0.8ppts	~0.8ppts
CRWA/EAD⁴	FY21	FY21
	~3ppts	~3ppts
	FY22	FY22
	~2ppts	~3ppts
CET1	FY20 Actual	FY20 Actual
	~(16bps)	~(16bps)
	FY21	FY21
	~(64bps)	~(66bps)
	FY22	FY22
	~(36bps)	~(59bps)

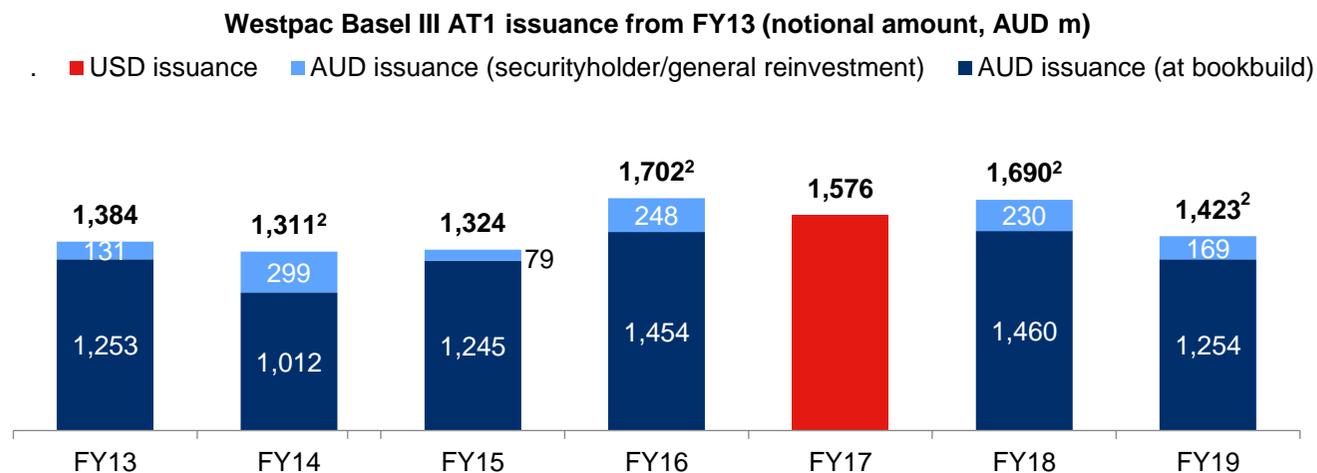
1 Internationally comparable methodology aligns with the APRA study titled 'International Capital Comparison Study' dated 13 July 2015. 2 The regulatory requirement of 4.5% and 3.5% Capital Conservation Buffer for D-SIBs. It may be higher for individual banks. 3 Credit Risk Weighted Assets. 4 Credit Risk Weighted Assets / Exposure at Default.

Additional Tier 1 profile

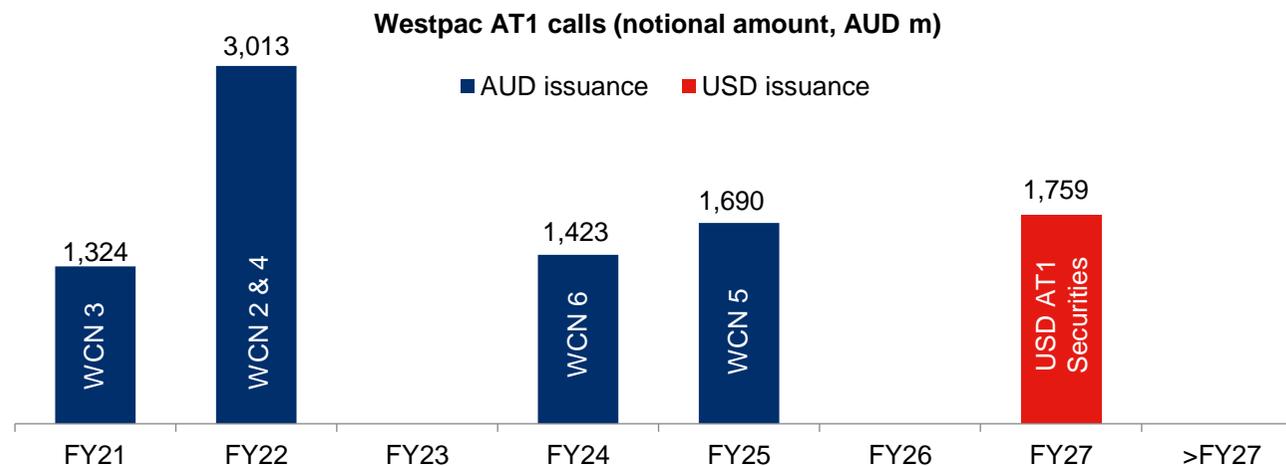
Level 2 regulatory capital ratios (%)



Annual issuance in the range of AUD1.3bn - 1.7bn¹



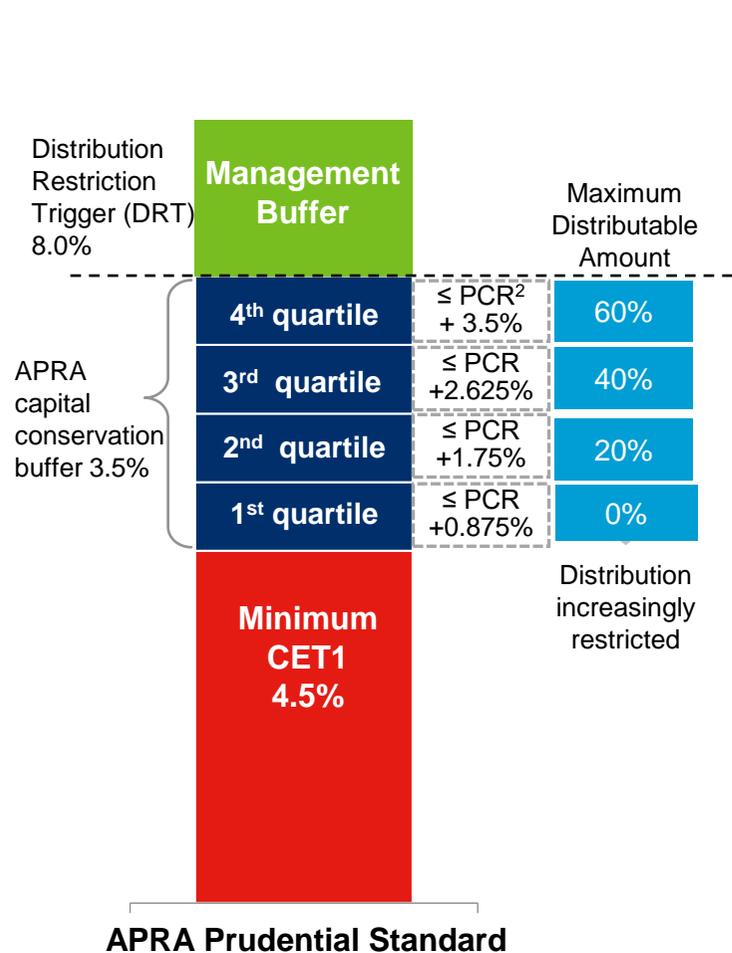
AT1 refinancing needs are limited³



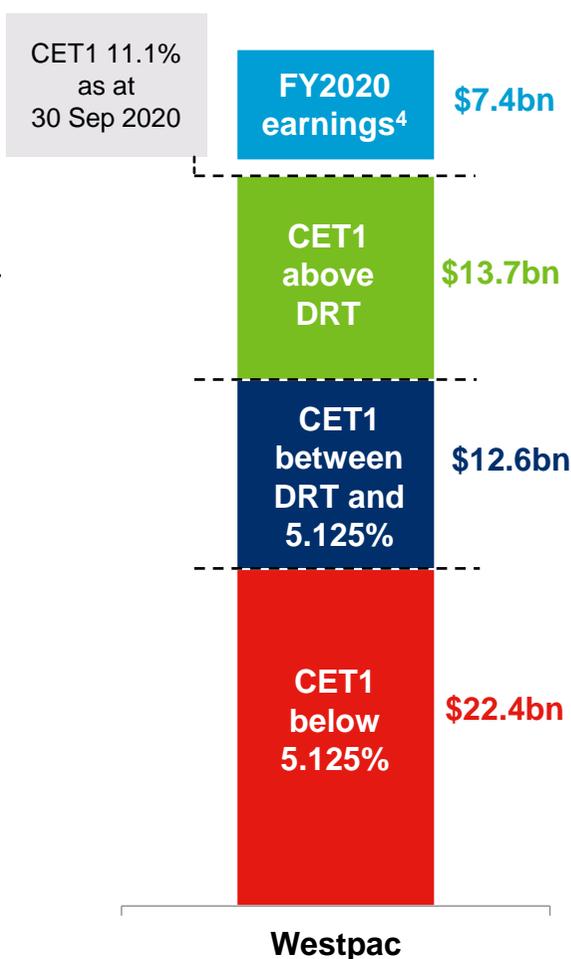
¹ FX at issue date. ² Transaction includes a reinvestment offer. ³ FX as at 30 September 2020.

Capital and earnings buffers

Distribution Restriction Trigger¹



Indicative Level 2 buffers³



Potential measures available to Westpac to strengthen capital

- Asset sales, including the businesses within the Specialist Business division
- DRP discount and/or DRP underwrite
- New share issuance
- RWA management
- Reducing dividends

Maximum Distributable Amount

- If CET1 level falls below Westpac's Distribution Restriction Trigger (DRT) i.e. below the PCR and capital buffer, distribution of earnings is increasingly restricted
- Restrictions include restrictions on ordinary share dividends and buybacks, discretionary staff bonuses and AT1 coupon payments
- Westpac expects to prioritise distribution payments on AT1 securities so it is not restricted from paying dividends on ordinary shares
- FY20 aggregate AT1 coupons were approximately \$250m, which are de minimis relative to Westpac's total Tier 1 Capital
- An ADI can apply to APRA to make payments in excess of the Maximum Distributable Amount

Westpac indicative capital buffers in context as at 30 Sept 2020 (APRA basis)

	Level 1	Level 2
Westpac CET1 surplus >DRT ¹	\$14.7bn	\$13.7bn
Westpac CET1 surplus >5.125%	\$27.2bn	\$26.3bn

¹ The Distribution Restriction Trigger is currently 8.0% for D-SIBs, however, it may be higher for individual ADIs (including Westpac). Applicable at Level 1 and Level 2. ² Prudential capital requirement. ³ Based on Westpac's capital position as at 30 September 2020 and assuming that industry minimums apply as at 30 September 2020. ⁴ Represents an additional potential amount that may be available to absorb losses (based on Westpac's financial year 2020 statutory profit before impairment charges and income tax expense). This amount is not a forecast of future earnings and past performance is not necessarily an indicator of future performance.

Additional Information and Appendices

Additional Information

Scheduled Conversion

Summary of certain events that may occur

Appendix 1: Joint Lead Managers

Distributions	<ul style="list-style-type: none">• Non-cumulative, floating rate Distributions paid quarterly in arrear• Expected to be fully franked (if not fully franked the cash amount of the Distribution will be increased to compensate for the unfranked portion)• Distributions are payable on 22 March, 22 June, 22 September, and 22 December of each year, commencing on 22 March 2021• Distributions are at Westpac's discretion and subject to the Distribution Payment Conditions being satisfied• Non-payment will not be an event of default and Holders have no right to apply for a Winding Up for non-payment
Distribution Rate and Margin	<ul style="list-style-type: none">• The Distribution Rate = (3 month BBSW Rate + Margin) × (1 – Tax Rate)¹• Margin expected to be in the range of 3.40% - 3.60% per annum. The Margin will be determined at the end of the Bookbuild
Dividend and Capital Restriction	<ul style="list-style-type: none">• If for any reason a Distribution has not been paid in full for a relevant Distribution Payment Date, then until a Distribution is paid in full on a subsequent Distribution Payment Date (or all Notes are Converted at their full Face Value, Redeemed or terminated following a failure to Convert) Westpac must not:<ul style="list-style-type: none">– determine or pay any Dividends on its Ordinary Shares; or– undertake any discretionary Buy Back or Capital Reduction,unless the amount of the unpaid Distribution is paid in full within 20 Business Days of the relevant Distribution Payment Date (and in certain other limited circumstances). These restrictions would not apply where the reason a Distribution was not paid was because the Distribution Rate was zero or negative
Optional Conversion, Redemption or Transfer	<ul style="list-style-type: none">• Westpac may elect to Convert into Ordinary Shares (subject to certain conditions), Redeem or Transfer:<ul style="list-style-type: none">– all or some of the Notes on 22 March 2027; or– all of the Notes following a Tax Event or a Regulatory Event• Redemption is subject to Westpac receiving APRA's prior written approval²• Conversion is subject to certain conditions
Mandatory Conversion upon an Acquisition Event	<ul style="list-style-type: none">• Westpac must Convert all of the Notes into Ordinary Shares following an Acquisition Event, subject to certain conditions
Holder rights	<ul style="list-style-type: none">• Holders have no right to request Conversion, Redemption or Transfer for any reason• To realise their investment, Holders may sell their Notes on the ASX at the prevailing market price. Depending on market conditions at the time, the Notes may be trading at a market price below the Face Value and/or the market for the Notes may not be liquid. The Notes may experience market price volatility more or less than Ordinary Shares

¹ The Tax Rate is 30% (or 0.30 expressed as a decimal) as at the date of this presentation but that rate may change. ² There can be no certainty that APRA will provide its prior written approval for any such Redemption.

Westpac Capital Notes 7 Additional information

Scheduled Conversion

Scheduled Conversion

- On 22 March 2029, the first possible “Scheduled Conversion Date” and subject to the Scheduled Conversion Conditions being satisfied, the Notes will mandatorily Convert into Ordinary Shares
- Holders will receive for each Note they hold a variable number of Ordinary Shares with the benefit of a 1% discount to the 20 Business Day VWAP prior to the Scheduled Conversion Date

Scheduled Conversion Conditions

- The satisfaction of the Scheduled Conversion Conditions on the Scheduled Conversion Date will depend on the price of Ordinary Shares:
 - **First Scheduled Conversion Condition** - the VWAP of Ordinary Shares on the 25th Business Day before (but not including) the Scheduled Conversion Date must be greater than 56.12% of the Issue Date VWAP; and
 - **Second Scheduled Conversion Condition** - the VWAP of Ordinary Shares during the 20 Business Days before (but not including) the Scheduled Conversion Date must be greater than 50.51% of the Issue Date VWAP

Purpose of the Scheduled Conversion Conditions

- It is intended that upon a Scheduled Conversion, Holders should receive Ordinary Shares worth approximately \$101.01¹ per Note

Deferral of Conversion

- If the Scheduled Conversion Conditions are not met on 22 March 2029, Conversion will not occur until the next Distribution Payment Date on which the Scheduled Conversion Conditions are satisfied, if ever
- Notes may remain on issue indefinitely if the Scheduled Conversion Conditions are not satisfied and the Face Value may not be repaid

¹ Based on the Initial Face Value of \$100 per Note and the VWAP of Ordinary Shares during the 20 Business Days before the Scheduled Conversion Date, with a benefit of a 1% discount. The value of the Ordinary Shares received on Conversion may be worth more or less than \$101.01 depending on the market price of Ordinary Shares before Conversion and the Face Value of the Notes at the Conversion Date. Holders would also receive a Distribution. Distributions are subject to the Distribution Payment Conditions being satisfied, including being at Westpac's absolute discretion.

Westpac Capital Notes 7 Additional information

Summary of certain events that may occur

The table below is a summary of certain events that may occur while the Notes are on issue and what Holders may receive under the Westpac Capital Notes 7 Terms. The events may not occur as their occurrence is dependent upon factors including share price, the occurrence of contingencies and in some cases Westpac's discretion.

Event	When?	Is APRA approval required?	Are there other other pre-conditions to the event?	What value will Holder receive for each Note?	In what form will that value be provided to Holders?
Redemption at Westpac's option	22 March 2027 or if a Tax Event or Regulatory Event occurs	Yes ¹	Yes, before or concurrently with Redemption ⁸	\$100 ^{4,5}	Cash
Transfer at Westpac's option	22 March 2027 or if a Tax Event or Regulatory Event occurs	No	No	\$100 ^{4,5}	Cash
Conversion at Westpac's option	22 March 2027 or if a Tax Event or Regulatory Event occurs	No	Yes ²	Ordinary Shares worth approximately \$101.01 ^{3,4}	Variable number of Ordinary Shares
Scheduled Conversion	22 March 2029 or the first Distribution Payment Date after that date on which the Scheduled Conversion Conditions are satisfied	No	Yes ²	Ordinary Shares worth approximately \$101.01 ^{3,4}	Variable number of Ordinary Shares
Conversion in other circumstances	If an Acquisition Event occurs	No	Yes ²	Ordinary Shares worth approximately \$101.01 ^{3,4}	Variable number of Ordinary Shares
	If a Capital Trigger Event or Non-Viability Trigger Event occurs	No	No	Depending on the price of Ordinary Shares, at the relevant time, Holders may (in the case of a Capital Trigger Event) and are likely to (in the case of a Non-Viability Trigger Event) receive significantly less than approximately \$101.01 ⁶ and may receive nothing if Conversion does not occur for any reason and Ordinary Shares are not issued for any reason ⁷	Variable number of Ordinary Shares up to the Maximum Conversion number ⁷ .

¹ Holders should not expect that APRA's approval will be given if requested. ² Conversion is conditional on Westpac's Ordinary Share price being above a specified level in the period prior to Conversion. ³ Based on the Initial Face Value of \$100 per Note and the VWAP of Ordinary Shares during the relevant VWAP Period before the Conversion Date, with a benefit of a 1% discount. The value of the Ordinary Shares received on Conversion may be worth more or less than \$101.01 depending on the market price of Ordinary Shares before Conversion and the Face Value of the Notes at the Conversion Date. ⁴ Holders would also receive a cash Distribution. Distributions are subject to the Distribution Payment Conditions being satisfied, including being at Westpac's absolute discretion. ⁵ Based on the Initial Face Value of \$100, may be less if the Face Value has been reduced (following a Capital Trigger Event or Non-Viability Trigger Event). ⁶ Based on an Initial Face Value of \$100 per Note. ⁷ If for any reason Conversion of Notes does not occur and Ordinary Shares are not issued for any reason by 5.00 pm on the 5th Business Day after the Capital Trigger Event Conversion Date or Non-Viability Trigger Event Conversion Date (as the case may be), then the Holders' rights in relation to those Notes are terminated, the investment will lose all of its value and Holders will not receive any compensation or unpaid Distributions. ⁸ Westpac may only Redeem Notes if it replaces them with capital of the same or better quality (and the replacement is done under conditions that are sustainable for the income capacity of Westpac) or obtains confirmation that APRA is satisfied that Westpac does not have to replace the Notes.

Appendix 1: Joint Lead Managers

ARRANGER AND JOINT LEAD MANAGER

Westpac Institutional Bank



- Allan O'Sullivan (02) 8254 1425
 - Robert Moulton (02) 8253 4584
-

JOINT LEAD MANAGERS

ANZ Securities Limited



- Tariq Holdich (02) 8037 0622
 - Brenton Smith (02) 8037 0036
-

Citigroup Global Markets Australia Pty Ltd



- Ian Campbell (02) 8225 6033
-

Commonwealth Bank of Australia



- Truong Le (02) 9118 1205
 - Rob Kenna (02) 9118 1219
-

E&P Corporate Advisory Pty Ltd



- Scott Favaloro (03) 9631 9877
-

Morgans Financial Limited



- Steven Wright (07) 3334 4941
 - Karyn Ferguson (07) 3334 4915
-

Ord Minnett Limited



- Robert Thomson (03) 9608 4134
 - Kyle Pleash (02) 8216 6712
-

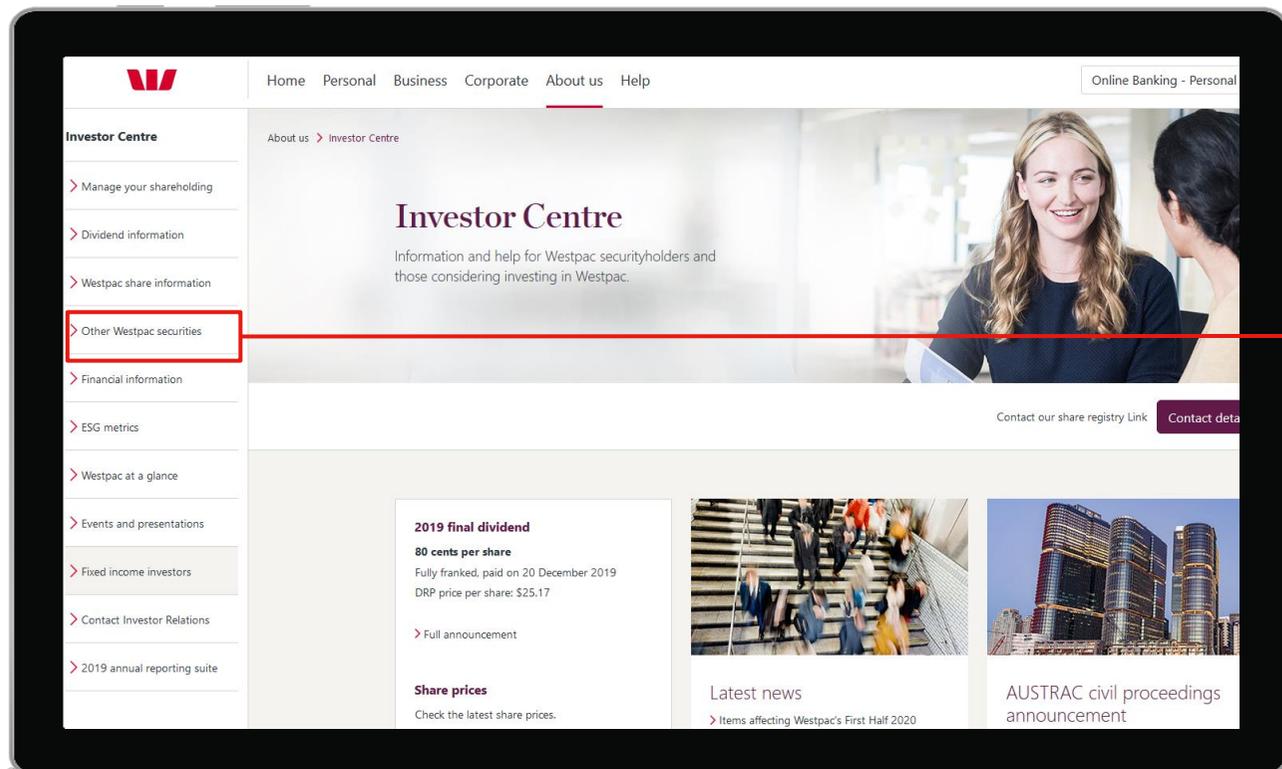
Shaw and Partners Limited



- Conrad Anderson (02) 9238 1372
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More information

www.westpac.com.au/investorcentre



Other Westpac securities

Westpac hybrid securities, preference shares, capital notes and subordinated notes listed on the Australian Securities Exchange.

Westpac's Guide to Bank Hybrids

Westpac's Guide to Bank Hybrids, a web-based guide to help investors understand some of the typical features and risks associated with an investment in bank hybrid securities. The Guide to Bank Hybrids provides a brief overview of hybrid investments, including how to invest in an Australian bank and the typical features and risks of different types of bank hybrids.

Latest distribution/interest/dividend payments

Security	Payment date	Rate per annum	Amount per note/share
Westpac Subordinated Notes II	22 August 2018	4.2453%	\$1.0700
Westpac NZD Subordinated Notes	3 September 2018	4.6950%	NZ\$0.0117375
Westpac Capital Notes	10 September 2018	3.6793%	\$0.9274
Westpac Capital Notes 3	24 September 2018	4.2770%	\$1.0780
Westpac Capital Notes 5	24 September 2018	3.7170%	\$0.9369
Westpac Capital Notes 2	24 September 2018	3.6120%	\$0.9104
Westpac Capital Notes 4	1 October 2018	4.9000%	\$1.2351

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