

NOT FOR DISTRIBUTION IN THE UNITED STATES

ASX ANNOUNCEMENT

18 December 2018

WESTPAC ISSUES \$1.42 BILLION OF WESTPAC CAPITAL NOTES 6

Westpac Banking Corporation has successfully completed the Offer of Westpac Capital Notes 6 (Notes). Approximately 14.2 million Notes were issued at \$100 each, raising approximately \$1.42 billion.

BASIS OF ALLOCATION

- **Reinvestment Offer** – All valid reinvestment Applications (including Applications through Syndicate Brokers) were accepted in full. Applications for additional Notes have been accepted in accordance with the basis of Allocation set out below for the Securityholder Offer.
- **Securityholder Offer** – Applications under the Securityholder Offer have been scaled back and Notes have been Allocated on the following basis:
 - up to \$25,000 of each Application Payment has been accepted in full; and
 - 70% of Application Payments in excess of \$25,000 have been accepted. Calculations resulting in a fraction of a Note have been rounded up to the next whole Note.
- **Broker Firm Offer** – Allocations to Joint Lead Managers and Co-Managers were determined under the Bookbuild. Syndicate Brokers are responsible for determining Allocations made to Broker Firm Applicants.
- **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 as a result of scaling or from invalid Applications are expected to be mailed by 21 December 2018.

To confirm an Allocation prior to receiving a Holding Statement, Applicants may:

- **Reinvestment Offer and Securityholder Offer** – Call the Westpac Capital Notes 6 Information Line (see below for details), quoting their holder number (SRN or HIN).
- **Broker Firm Offer** – Contact their 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 newspapers tomorrow. A copy of the notice is attached to this announcement.

HOLDINGS OF WESTPAC DIRECTORS AND THEIR ASSOCIATES

No Notes have been Allocated to Westpac Directors or their associates.

HOLDERS OF NOTES

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

TRADING ON THE ASX

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

- **Deferred settlement trading** – 19 December 2018
- **Normal settlement trading** – 24 December 2018

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

FIRST DISTRIBUTION PAYMENT

The first Distribution of \$0.9895 per Note is expected to be paid on 18 March 2019. The Record Date is 8 March 2019. Distributions are within the absolute discretion of Westpac and only payable subject to satisfaction of the Distribution Payment Conditions.

The Distribution Rate of 4.0129% for the first Distribution Period was calculated as follows:

3 month BBSW Rate on 18 December 2018	2.0327% p.a.
plus Margin	+3.7000% p.a.
	5.7327% p.a.
multiplied by (1 – Tax Rate)	x 0.70
Distribution Rate	4.0129% p.a.
Cash amount of Distribution per Note	\$0.9895

Distributions are expected (but not guaranteed) to be fully franked and accordingly Holders are expected to receive cash Distributions and franking credits.¹

MAXIMUM CONVERSION NUMBER

The Issue Date VWAP was calculated as \$25.62. 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:

- 7.8064 Ordinary Shares per Note if Conversion occurs on the Optional Conversion Date (31 July 2024) or the Scheduled Conversion Date (31 July 2026²); and
- 19.5160 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.

¹ 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. Holders should refer to Sections 2.1.5 and 5.1.4 of the Prospectus in relation to the Labor Party proposal to remove cash refunds for excess franking credits.

² Conversion of Notes to Ordinary Shares on this date is subject to satisfaction of the Scheduled Conversion Conditions.

TRANSFER AND REDEMPTION OF PARTICIPATING WESTPAC CAPITAL NOTES

Today, all Westpac Capital Notes participating in the Reinvestment Offer were transferred to the Westpac Capital Notes Nominated Party for \$100 each and the proceeds were applied towards the subscription of Notes. Those approximately \$722 million of Westpac Capital Notes were subsequently redeemed by Westpac.

A Pro-Rata Westpac Capital Notes Distribution has today been paid on all Westpac Capital Notes held on the record date of 11 December 2018, regardless of whether or not they were reinvested in Notes under the Reinvestment Offer.

WESTPAC CAPITAL NOTES 6 CLASS RULING

The Australian Taxation Office (**ATO**) has advised that it expects to issue a Class Ruling in respect of the Notes on or after 9 January 2019. The Class Ruling will confirm the Australian tax consequences for certain Note Holders.

Once published, a copy of the Class Ruling will be available on the Notes website (details below) and on the ATO website at www.ato.gov.au.

FURTHER INFORMATION

For more information on the Notes:

- Visit the Notes website at www.westpac.com.au/westpaccapnotes6;
- Call the Westpac Capital Notes 6 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 653 497**.

The Offer was made under a Prospectus dated 20 November 2018, which is available on the Notes website.

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

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 6 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.

Important notice to all Westpac Capital Notes 6 Applicants

Westpac Banking Corporation has successfully completed the Offer of Westpac Capital Notes 6 (Notes). Approximately 14.2 million Notes were issued at \$100 each, raising approximately \$1.42 billion.

BASIS OF ALLOCATION

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CAUTION – Westpac Capital Notes 6 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.

The Offer of Notes was made under a Prospectus dated 20 November 2018, which is available on the Notes 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.

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FURTHER INFORMATION

For more information on the Notes:

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WESTPAC CAPITAL NOTES 6

20 LARGEST HOLDER LIST AS AT 18 DECEMBER 2018

Rank	Investor	Number of Notes	% of total Notes issued
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,440,292	10.12%
2	BNP PARIBAS NOMS PTY LTD <DRP>	338,113	2.38%
3	BT PORTFOLIO SERVICES LIMITED <NAMROG INVESTMENTS P/L A/C>	200,000	1.41%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	178,020	1.25%
5	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	139,437	0.98%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	134,871	0.95%
7	NATIONAL NOMINEES LIMITED	111,570	0.78%
8	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	110,543	0.78%
9	DIMBULU PTY LTD	100,000	0.70%
10	G HARVEY INVESTMENTS PTY LIMITED	100,000	0.70%
11	IOOF INVESTMENT MANAGEMENT LIMITED <IPS SUPER A/C>	91,255	0.64%
12	V S ACCESS PTY LTD <V S ACCESS A/C>	90,000	0.63%
13	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	65,050	0.46%
14	PERSHING AUSTRALIA NOMINEES PTY LTD <ACCUM A/C>	62,744	0.44%
15	MUTUAL TRUST PTY LTD	60,664	0.43%
16	179 HYDE INVESTMENT PTY LTD <179 HYDE UNIT A/C>	60,000	0.42%
17	JENNY-LYNN PROPERTIES PTY LTD <MANKEN FAMILY A/C>	55,000	0.39%
18	CITICORP NOMINEES PTY LIMITED	51,146	0.36%
19	EASTCOTE P/L <THE VAN LIESHOUT FAMILY A/C>	50,000	0.35%
20	WILLIMBURY PTY LTD	50,000	0.35%
Total		3,488,705	24.52%
Total number of Westpac Capital Notes 6 on issue		14,230,580	

DISTRIBUTION OF HOLDERS AS AT 18 DECEMBER 2018

Range (Notes)	Number of Holders	Number of Notes issued	% of total Notes issued
1 to 1,000	12,018	4,351,396	30.58
1,001 to 5,000	1,605	3,548,523	24.94
5,001 to 10,000	157	1,249,175	8.78
10,001 to 100,000	88	2,428,640	17.07
100,001 and over	8	2,652,846	18.64
Total	13,876	14,230,580	100.00