

Westpac Life Insurance Services Limited

ABN 31 003 149 157 Statutory Fund Restructure.

The Australian Prudential Regulation Authority has approved an application by Westpac Life Insurance Services Limited ABN 31 003 149 157 (**WLISL**) under section 52 of the *Life Insurance Act 1995* (Cth) to restructure its statutory funds with effect from 12.01 am (AEST) on 1 July 2017.

The statutory fund restructure involves:

- a transfer of the policy liabilities and assets of each of WLISL Statutory Fund No.4 and WLISL Statutory Fund No.6 into WLISL Statutory Fund No.1, and
- a transfer of the policy liabilities and assets of each of WLISL Statutory Fund No.3, WLISL Statutory Fund No.8 and WLISL Statutory Fund No.10 into WLISL Statutory Fund No.2.

In summary, WLISL considers that the statutory fund restructure:

- will simplify WLISL's statutory fund structure, and reporting and balancing processes,
- will reduce compliance and operational risk, and
- will enable capital to be deployed more efficiently, with WLISL still maintaining sufficient capital in accordance with APRA's prudential requirements.

Based on the report by WLISL's Appointed Actuary on the proposed restructure, *"There will be no unfavourable impact on the contractual benefits or rights, or reasonable expectations, of any WLISL policy owner and, as such, there will be no material disadvantage or unfairness to the Transferring Fund Policy Owners and the Receiving Fund Policy Owners when those owners are viewed as a group... There remains a risk that in extreme scenarios the capital resources of the statutory fund will be depleted. This is highly improbable and capital is held above regulatory minimum requirements. Therefore policy owners' benefit security will remain appropriate after the Proposed Restructure."*

A summary of WLISL's Appointed Actuary's report, dated 18 July 2017, is available at www.westpac.com.au/life-restructure