

IBOR Disclosure.

Disclosure relating to the potential discontinuation of Interbank Offered Rates (including LIBOR).

Westpac Institutional Bank

Date: May 2019

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Certain interest rate benchmarks are subject to ongoing international and other regulatory guidance and proposals for reform (**Reforms**).

The interest rate benchmarks which are the current subject of Reforms include U.S dollar LIBOR, British pound sterling LIBOR, Swiss Franc LIBOR, Japanese Yen TIBOR, Japanese Yen LIBOR, EUR LIBOR, EURIBOR and Euro Yen TIBOR ("**IBORS**").

It is not yet certain how any alternative benchmark rates will be calculated or applied to financial products, however the Reforms and other transition processes may -

- i. result in the discontinuation of one or more IBORs;
- ii. result in one or more IBORs performing differently than in the past;
- iii. require a need to determine or agree a successor reference rate or risk-free rate (**RFR**);
- iv. result in adjustments made to the identified fallback RFR related to the term structure methodology and credit spread, and any other applicable modifications;
- v. require legacy trading agreement(s), contracts and confirmations to be updated in respect of references to IBORs to take account of the adjustments as per (iv) above, including modifications to fallback rate trigger events; and/or
- vi. have other adverse effects or unforeseen consequences.

Even with spreads or other adjustments, IBOR-equivalent RFRs may be only an estimate or be an approximation of the relevant IBOR, may not be subject to continued verification against the relevant IBOR if it is suspended, discontinued or unavailable, and may not result in a rate that is the economic equivalent of the specific IBORs used in a transaction.

Please note that compiling bodies, sponsors and administrators of IBORs, contributing banks on the relevant IBOR panel, reference banks providing IBOR quotations pursuant to interest rate setting or fallback provisions or otherwise, and developers of alternative reference rates (including their participants) have no obligation to consider your interests in calculating, adjusting, converting, revising, discontinuing or developing any IBOR, alternative reference rates or fallbacks or in any of their submissions or quotations.

Any of the foregoing initiatives and actions, any delay or uncertainty regarding the same, or any failure of an alternative reference rate to be developed or gain market acceptance, could adversely affect IBOR-based obligations and investments and their economics, including the price, value or liquidity of IBOR-based obligations and investments, their usefulness for your intended purpose, the timing or amount of payments or deliveries and, if applicable, the likelihood that you will be able to exercise any option rights.

What does this mean for you?

Any change in the performance of an IBOR benchmark or its discontinuation could have a material adverse effect which may materially impact the economics of your IBOR-related transactions with Westpac Banking Corporation, its affiliates or subsidiaries. There is no assurance as to the long-term continuation or consistency of form of the IBORs.

You are therefore advised and encouraged to consult your own independent professional advisers and/or conduct your own independent investigation and analysis on the potential risks imposed by the Reforms and the potential resultant impact on your transactions with Westpac Banking Corporation, its affiliates or subsidiaries.

Please note that this Disclosure must not be construed as legal, financial, tax, accounting or other advice.

