

NOT FOR DISTRIBUTION IN THE UNITED STATES

ASX ANNOUNCEMENT

12 November 2018

WESTPAC LAUNCHES WESTPAC CAPITAL NOTES 6 OFFER

Westpac Banking Corporation (**Westpac**) today announced the offer of a new hybrid capital security, Westpac Capital Notes 6 (**Notes**) (**Offer**).

Key features of the Offer and the Notes

Issue Price	\$100 per Note
Distributions	The Distribution Rate is a floating rate to be determined quarterly as the sum of the three month BBSW Rate per annum plus the Margin per annum, together multiplied by (1 - Tax Rate). The Margin will be determined via a Bookbuild, and is expected to be between 3.70% and 3.90% per annum. Distributions are non-cumulative and are expected to be paid quarterly in arrear, subject to the satisfaction of the Distribution Payment Conditions, which include that Distributions are at Westpac's absolute discretion.
Term	Perpetual, however the Notes may be Converted, Redeemed or Transferred.
Listed/trading	Expected to be quoted on ASX under the code WBCPI.
Offer size	Approximately \$750m, with the ability to raise more or less.
Use of proceeds	For general business purposes.
Regulatory capital	Additional Tier 1 Capital under the Australian Prudential Regulation Authority's (APRA) capital adequacy framework.
Offer Opening Date	20 November 2018
Offer Closing Date	5.00pm (Sydney time) on 11 December 2018, but may close earlier. ¹

There are risks associated with investing in Notes, many of which are outside the control of Westpac. Certain risks and uncertainties are referred to in the Prospectus, but other risks and uncertainties may also exist. As a result, Notes may not be suitable for some investors.

About the Offer

The Offer comprises:

- **a Reinvestment Offer:** a priority offer to registered holders of Westpac Capital Notes at 7.00pm (Sydney time) on 5 November 2018 and shown on the Register to have an address in Australia (**Eligible Westpac Capital Notes Holders**);

¹ Westpac and the Joint Lead Managers may, in their absolute discretion, close the Offer early or extend the Offer Period without notice. Westpac may also withdraw the Offer at any time before the Notes are issued.

- **a Securityholder Offer:** to registered holders of Ordinary Shares, Westpac Capital Notes 2, Westpac Capital Notes 3, Westpac Capital Notes 4 and/or Westpac Capital Notes 5 at 7.00pm (Sydney time) on 5 November 2018 and shown on the Register to have an address in Australia (**Eligible Securityholder**);
- **a Broker Firm Offer:** to Australian resident clients of the Syndicate Brokers; and
- **an Institutional Offer:** to Institutional Investors invited by Westpac Institutional Bank.

There is no general public offer for Notes.

Other features of the Notes

Scheduled Conversion	Scheduled to Convert into Ordinary Shares on 31 July 2026 subject to the satisfaction of the Scheduled Conversion Conditions.
Optional Conversion/ Redemption/ Transfer	Westpac may elect to Convert into Ordinary Shares (subject to certain conditions), Redeem (if APRA gives its prior written approval), or Transfer: - all or some of the Notes on 31 July 2024; or - all (but not some) of the Notes following a Tax Event or Regulatory Event.
Capital or Non-Viability Trigger Events	Westpac must Convert all or some of the Notes into Ordinary Shares immediately upon a Capital Trigger Event or a Non-Viability Trigger Event. The number of Ordinary Shares that Holders receive in these circumstances is limited by a Maximum Conversion Number (as required by APRA) and Holders may suffer loss as a consequence. If Conversion does not occur 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 attached to the Notes will be terminated and the investment will lose all of its value.
Acquisition Event	Westpac must Convert all of the Notes into Ordinary Shares following an Acquisition Event, subject to certain conditions.
Holders' right to request early Conversion/ Redemption/ Transfer	Holders have no right to request Conversion, Redemption or Transfer of the Notes for any reason. To realise their investment, Holders may sell their Notes on ASX at the prevailing market price.

Westpac Capital Notes holders

Eligible Westpac Capital Notes Holders will have the opportunity to apply to reinvest some or all of their Westpac Capital Notes in an equivalent number of Notes (as both have a face value of \$100 each). Participation in the Reinvestment Offer is optional.

Westpac will give priority to Applications received under the Reinvestment Offer. Eligible Westpac Capital Notes Holders who apply to reinvest all of their Westpac Capital Notes may also apply for additional Notes (but the priority will not extend to applications for additional

Notes).

Any Westpac Capital Notes not reinvested under the Reinvestment Offer (**Non-Participating Westpac Capital Notes**) will remain on issue. On 8 March 2019 (being the optional redemption/transfer date for Westpac Capital Notes), Westpac intends that all Non-Participating Westpac Capital Notes will be transferred to a third party nominated by Westpac (**Westpac Capital Notes Nominated Party**). If Non-Participating Westpac Capital Notes are transferred to the Westpac Capital Notes Nominated Party on 8 March 2019, Westpac Capital Notes holders will be paid the transfer proceeds of \$100 for each Non-Participating Westpac Capital Note they hold on that date.

For further information regarding the Westpac Capital Notes, please refer to the separate announcement lodged on ASX today.

How to obtain a Prospectus and apply

The Prospectus was lodged on ASX today and is also available on the Offer website at www.westpac.com.au/westpaccapnotes6. A replacement Prospectus containing the Margin will be available when the Offer opens on 20 November 2018.

The fastest way for Eligible Westpac Capital Notes Holders and Eligible Securityholders to apply is online. Application Forms and the replacement Prospectus will be available online through the Offer website once the Offer opens on 20 November 2018.

Alternatively, Eligible Westpac Capital Notes Holders and Eligible Securityholders may now request to receive a printed Prospectus and personalised Application Form through the Offer website **or** by calling the Westpac Capital Notes 6 Information Line (see details below). This process will take longer than applying online as these documents will not be mailed until after the Offer opens.

Broker Firm Applicants should contact their Syndicate Broker for instructions on how to obtain a copy of the Prospectus and apply.

Potential investors should read the Prospectus in full before deciding whether to apply for Notes.

For more information about the Offer

- Visit the Offer 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;
- Seek professional advice from a financial adviser or other professional adviser.

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.

Unless otherwise defined, capitalised expressions used in this announcement have the meanings given to them in the Prospectus.

For further enquiries, please contact:

David Lording
Head of Media Relations
M. 0419 683 411

Andrew Bowden
Head of Investor Relations
T. 02 8253 4008
M. 0438 284 863

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.