

12 November 2018

Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

LETTER AND TRANSFER NOTICE TO ELIGIBLE WESTPAC CAPITAL NOTES (WCN) HOLDERS

Westpac Banking Corporation today released the following enclosed documents regarding WCN:

- a letter to WCN holders who are eligible to participate in the Westpac Capital Notes 6 Reinvestment Offer; and
- a transfer notice regarding any WCN reinvested in Westpac Capital Notes 6.

Yours sincerely



Tim Hartin
Group Company Secretary
Westpac Banking Corporation

NOT FOR DISTRIBUTION IN THE UNITED STATES

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. Person). Westpac Capital Notes 6 are being offered in Australia only and will not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person.

Westpac Capital Notes

Issued by Westpac Banking Corporation

All Registrar communications to:

Link Market Services Limited (Link)

Locked Bag A6015, Sydney South NSW 1235 Australia

Telephone (local call cost within Australia): +61 1300 653 497

ASX Code: WBCPD

Email: westpac@linkmarketservices.com.auWebsite: www.linkmarketservices.com.au

12 November 2018

Dear Investor,

REINVESTMENT OFFER TO ELIGIBLE WESTPAC CAPITAL NOTES HOLDERS

You are receiving this letter as a holder of Westpac Capital Notes (**WCN**), which are quoted on the ASX under the code WBCPD.

I am pleased to let you know that Westpac Banking Corporation (**Westpac**) has announced the offer of a new ASX listed Additional Tier 1 Capital security known as Westpac Capital Notes 6 (**Notes**). The Notes are subordinated, unsecured notes issued by Westpac and are expected to provide investors with fully franked, floating rate, non-cumulative distributions paid quarterly.

As an eligible holder of WCN¹, you have an opportunity to reinvest some or all of your WCN in the Notes (**Reinvestment Offer**).

Participation in the Reinvestment Offer is optional. If you do not wish to participate, no further action is required. Westpac intends to transfer WCN not reinvested in Notes to a third party on the optional redemption/transfer date of 8 March 2019. Should this occur, you will receive the face value of \$100 for each WCN you still hold on that date, along with the intended distributions, as discussed below.

If you wish to participate in the Reinvestment Offer

The Reinvestment Offer is expected to open on 20 November 2018 and close at 5.00pm (Sydney time) on 11 December 2018 (**Offer Period**). You may elect to reinvest some or all of the WCN you held at 7.00pm (Sydney time) on 5 November 2018 in Notes once the Offer opens. You will be Allocated one Note for each WCN reinvested under the Reinvestment Offer (**Participating WCN**), as both have a face value of \$100 each.

If you apply to reinvest all of your WCN, you may also apply for additional Notes. You will need to make

¹ Eligible WCN holders are registered holders of WCN at 7.00pm (Sydney time) on 5 November 2018 and shown on the Register to have an address in Australia.

an Application Payment for any additional Notes. There are no transaction costs to participate in the Reinvestment Offer or to apply for additional Notes.

Westpac will give priority to Applications received under the Reinvestment Offer (including Applications made through Syndicate Brokers) when Allocating the Notes. This priority will not extend to Applications for additional Notes.

The Reinvestment Offer will be made through the Westpac Capital Notes 6 Prospectus (Prospectus), which you should read in full before deciding to apply for Notes. The Prospectus was lodged on ASX on 12 November 2018 and is also available at the Westpac Capital Notes 6 Offer website at www.westpac.com.au/westpaccapnotes6.

How to apply to participate in the Reinvestment Offer

You may apply online during the Offer Period by completing the Reinvestment Application Form via the Offer website at www.westpac.com.au/westpaccapnotes6. You will need your WCN Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) to apply online. This is the fastest way for you to apply to ensure your Application is received by the Registrar by the expected **Closing Date** of 5.00pm (Sydney time) on 11 December 2018.

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

Reinvestment Application Forms and Application Payments for any additional Notes must be completed and returned so that they are received by the Registrar by the Closing Date.

If you don't participate in the Reinvestment Offer

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

If you wish to realise your investment in Non-Participating WCN before 8 March 2019, you may sell your Non-Participating WCN on ASX at the prevailing market price (which may be higher or lower than the transfer proceeds of \$100 per WCN) on or by 28 February 2019, which is expected to be the last day of trading in WCN². You may need to pay brokerage if you choose to sell WCN on ASX.

Westpac Capital Notes distributions

The following WCN distributions are intended to be paid, provided the distribution payment conditions in the WCN terms (**WCN Terms**) are satisfied:

- (i) a distribution of \$0.8956 per WCN for the period from 9 September 2018 to 8 December 2018

² It is also expected that off-market transfers of WCN will not be accepted after 4 March 2019.

(inclusive). This distribution will be paid on 10 December 2018³ for all WCN you hold on the record date of 30 November 2018, regardless of whether you participate in the Reinvestment Offer;

- (ii) a pro-rata WCN distribution for the period from 9 December 2018 to 18 December 2018 (inclusive). This distribution will be paid on 18 December 2018 for all WCN you hold on the record date of 11 December 2018, regardless of whether you participate in the Reinvestment Offer. This distribution will be the last paid on any Participating WCN; and
- (iii) for any Non-Participating WCN you hold on the record date of 28 February 2019, in addition to the above distributions, you will receive the intended final WCN distribution for the period from 19 December 2018 to 8 March 2019 (inclusive). This distribution is intended to be paid on 8 March 2019.

All distribution payments and payments of any transfer proceeds for Non-Participating WCN will be made in accordance with your payment instructions recorded on the WCN Register.

Amendments to Westpac Capital Notes Terms and transfer notice

Westpac has amended the WCN Terms primarily to facilitate the Reinvestment Offer, as permitted under the WCN Terms. The amended WCN Terms were lodged on ASX on 12 November 2018 and are also available on our website at www.westpac.com.au/westpaccapnotes.

Westpac has also lodged on ASX the transfer notice that accompanies this letter, which outlines that if you participate in the Reinvestment Offer, your Participating WCN will be transferred to the WCN Nominated Party on 18 December 2018 and the transfer proceeds (\$100 per Participating WCN) will be automatically applied towards the subscription for Notes. The transfer on 18 December 2018 is separate to the intended transfer of Non-Participating WCN on 8 March 2019.

If you have any questions regarding your WCN holding, please call the Westpac Capital Notes 6 Information Line (details below).

Obtain further information about the Notes and Reinvestment Offer

- Visit the **Offer website** at www.westpac.com.au/westpaccapnotes6;
- Read the Prospectus, which contains full details of the Offer (including the Reinvestment Offer);
- 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.

Thank you for your investment and support of Westpac.



Andrew Bowden
Head of Investor Relations
Westpac Banking Corporation

³ 8 December 2018 is not a business day for the purposes of the WCN Terms and accordingly the payment of the 8 December 2018 WCN distribution will be made on the next business day (being 10 December 2018).

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.

This letter is not financial product advice and has not taken into account your objectives, financial situation or needs.

Unless otherwise defined, capitalised expressions used in this letter have the meanings given to them in the Westpac Capital Notes 6 Prospectus.

Transfer Notice for Westpac Capital Notes

Westpac Banking Corporation (**Westpac**) notifies holders of Westpac Capital Notes that on 18 December 2018, any Westpac Capital Notes reinvested in Westpac Capital Notes 6 under the Reinvestment Offer (**Participating Westpac Capital Notes**) will be transferred to UBS AG, Australia Branch (the **Nominated Party**)¹. This transfer is in accordance with clause 7(a)(ii) of the Westpac Capital Notes terms (as amended) (the **Terms**).

To facilitate the transfer the Nominated Party has agreed to acquire each Participating Westpac Capital Note for \$100 as set out in the Nominated Party Deed Poll. The \$100 proceeds for each Participating Westpac Capital Note transferred will be automatically reinvested in Westpac Capital Notes 6 in accordance with the terms of the Reinvestment Offer set out in the Westpac Capital Notes 6 Prospectus.

Copies of the Nominated Party Deed Poll and the Terms are available from the Westpac Capital Notes website at www.westpac.com.au/westpaccapnotes or by calling the Westpac Capital Notes 6 Information Line on 1300 653 497.

Capitalised terms used but not defined in this notice have the meaning given in the Terms.



Tim Hartin

Group Company Secretary
Westpac Banking Corporation

¹ Subject to certain conditions in the Nominated Party Deed Poll being satisfied.