

ASX ANNOUNCEMENT

8 September 2015

WESTPAC RAISES \$1.32 BILLION FROM WESTPAC CAPITAL NOTES 3

Westpac Banking Corporation (**Westpac**) announces that the Offer of Westpac Capital Notes 3 (**Notes**) has successfully closed. Westpac issued 13,244,280 Notes at an Issue Price of \$100 each, raising approximately \$1.32 billion.

The Notes qualify as Additional Tier 1 Capital under APRA's Prudential Standards.

BASIS OF ALLOCATION

Securityholder Offer	All valid Applications were accepted in full.
Broker Firm Offer	Allocations to Syndicate Brokers were determined under the Bookbuild and scaled back as agreed amongst Westpac and the Joint Lead Managers.
Institutional Offer	Investors have been individually advised of their Allocations.

CONFIRMATION OF ALLOCATIONS

Holding Statements with details of Allocations are expected to be dispatched by Monday 14 September 2015. Any refunds of Application Payments will also be dispatched by this date.

To confirm an Allocation prior to receiving a Holding Statement:

- **Securityholder Offer Applicants** – Call the Westpac Capital Notes 3 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 206 701**
- **Broker Firm Applicants** – Contact your Syndicate Broker

TRADING ON ASX

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

- **Deferred settlement basis** – Wednesday 9 September 2015 (tomorrow) from approximately 10.00am Sydney time
- **Normal settlement basis** – Tuesday 15 September 2015

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

FIRST DISTRIBUTION PAYMENT¹

The Distribution Rate for the first Distribution Period from (but excluding) Tuesday 8 September 2015 to (and including) Tuesday 22 December 2015 is 4.3155% per annum and was calculated as follows:

90 day Bank Bill Rate on 8 September 2015	2.1650% p.a.
plus Margin	4.00% p.a.
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	6.1650% p.a.
multiplied by (1 – Tax Rate ²)	x 0.70
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Distribution Rate	4.3155% p.a.
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Cash Distribution per Note	\$1.2414

Each Distribution Period will generally have 90-92 days. The number of days in the first Distribution Period will be longer at 105 days.

Distributions are expected to be fully franked and accordingly Holders are expected to receive cash Distributions and franking credits.³

Key dates for the first Distribution:

Record Date	14 December 2015
Distribution Payment Date	22 December 2015

MAXIMUM CONVERSION NUMBER

Based on the Issue Date VWAP of \$31.23, the maximum number of Ordinary Shares that may be issued on Conversion (Maximum Conversion Number) has been set at:

- 6.4041 Ordinary Shares per Note, if Conversion occurs on a Scheduled Conversion Date (22 March 2023) or the Optional Conversion Date (22 March 2021); or
- 16.0102 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.

TAX RULING

As noted in the Prospectus, Westpac applied for a Class Ruling to confirm the Australian tax consequences for certain Holders of Westpac Capital Notes 3. The Australian Tax Office (ATO) issued the Class Ruling on 19 August 2015 (CR 2015/64). A copy of the Class Ruling is available at www.westpac.com.au/westpaccapnotes3 and on the ATO website at www.ato.gov.au.

¹ Distributions are within the absolute discretion of Westpac and only payable subject to satisfaction of the Distribution Payment Conditions. Distributions may not be paid.

² The Tax Rate is 30% (or 0.30 expressed as a decimal) as at the date of this announcement but that rate may change.

³ The potential value of the franking credits does not accrue to Holders at the same time as Holders receive the cash Distribution and a Holder's ability to use the franking credits will depend on that Holder's individual tax position.

PARTICIPATION IN THE OFFER BY WESTPAC DIRECTORS AND THEIR ASSOCIATES

850 Notes were Allocated to Westpac directors and their associates in aggregate.

HOLDERS OF NOTES

A list of the twenty largest Holders and a distribution schedule of the number of Holders of Notes are attached to this announcement.

NEWSPAPER ADVERTISEMENTS

Tomorrow, Westpac will advertise the basis of Allocation of the Notes in The Australian and The Australian Financial Review.

FURTHER INFORMATION

For more information on the Offer:

- Visit the Offer website at www.westpac.com.au/westpaccapnotes3; or
- Call the Westpac Capital Notes 3 Information Line (Monday to Friday, 8.30am to 5.30pm, Sydney time) on **1300 206 701** (local call cost within Australia).

The Offer of Notes was made under a Prospectus dated 6 August 2015. Capitalised terms used in this announcement have the meanings given to them in the Prospectus.

FURTHER ENQUIRIES

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Westpac Capital Notes 3 have not been and will not be registered under the US Securities Act or the securities law of any state 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 US Person.

WESTPAC CAPITAL NOTES 3 – 20 LARGEST SECURITYHOLDER LIST AS AT 8 SEPTEMBER 2015

Rank	Investor	Number of Notes	% of total Notes issued
1	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	779,279	5.88%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	349,950	2.64%
3	JDB SERVICES PTY LTD <RAC & JD BRICE INVEST A/C>	272,000	2.05%
4	NAVIGATOR AUSTRALIA LTD <MLC INVESTMENT SETT A/C>	208,470	1.57%
5	CITICORP NOMINEES PTY LIMITED	158,720	1.20%
6	NATIONAL NOMINEES LIMITED	151,400	1.14%
7	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	109,540	0.83%
8	BALANCED PROPERTY PTY LTD <BALANCED PROPERTY A/C>	100,000	0.76%
9	PERSHING AUSTRALIA NOMINEES PTY LTD <ACCUM A/C>	79,190	0.60%
10	J P MORGAN NOMINEES AUSTRALIA LIMITED	74,720	0.56%
11	BOW LANE NOMINEES PTY LTD	73,500	0.55%
12	V S ACCESS PTY LTD <V S ACCESS A/C>	60,000	0.45%
13	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <MULTIPOINT A/C>	54,970	0.42%
14	BOB SPARGO INVESTMENTS PTY LTD	51,670	0.39%
15	ACCBELL NOMINEES PTY LTD	51,610	0.39%
16	BAROB PTY LIMITED	50,000	0.38%
17	DIMBULU PTY LTD	50,000	0.38%
18	JMB PTY LTD	50,000	0.38%
19	KMJ PTY LTD	50,000	0.38%
20	RANDAZZO C & G DEVELOPMENTS PTY LTD	50,000	0.38%
Total		2,825,019	21.33%
Total number of Westpac Capital Notes 3 on issue		13,244,280	

WESTPAC CAPITAL NOTES 3 – DISTRIBUTION OF SECURITYHOLDERS AS AT 8 SEPTEMBER 2015

Range (Notes)	Number of Holders	Number of Notes issued	% of total Notes issued
1 to 1,000	11,596	4,186,353	31.61
1,001 to 5,000	1,385	3,303,778	24.95
5,001 to 10,000	121	1,053,259	7.95
10,001 to 100,000	94	2,671,531	20.17
100,001 and over	7	2,029,359	15.32
Total	13,203	13,244,280	100.00