

Westpac announcement

19 August 2016

Moody's revises the four major Australian Banks' Outlook to Negative

Moody's Investors Service (Moody's) affirmed Westpac Banking Corporation's current issuer credit rating of Aa2 long term and P-1 short term but revised the outlook from "stable" to "negative". The revision in outlook follows Moody's revision of the Australian Macro Profile to "Very Strong -" from "Very Strong".

In revising its outlook for Westpac's credit ratings, Moody's highlighted the strengths of the banking sector in Australia, including ".....Australian banks maintain strong buffers in terms of capital, improved liquidity profiles and structurally high profitability."

Notwithstanding these strengths, Moody's noted: "The outlook change for Australia's four major banks reflects Moody's expectation of a more challenging operating environment for banks in Australia for the remainder of 2016 and beyond, which could lead to deterioration in their profit growth and asset quality, as well as an increase in their sensitivity to external shocks."

This rating action has impacted other rated Westpac subsidiaries, including Westpac Lenders Mortgage Insurance Limited, Westpac New Zealand Limited and Westpac Securities NZ Limited. Moody's affirmed the current issuer credit ratings of these subsidiaries but the outlook has been revised to "negative".

Westpac Banking Corporation remains one of the highest rated banks in the world.

For further enquiries, please contact:

David Lording
Westpac Media Relations
Ph: 02 8219 8512
Mob: 0419 683 411

Louise Coughlan
Westpac Investor Relations
Ph: 02 8254 0549
Mob: 0425 213 504