



Level 18, 275 Kent Street
Sydney, NSW, 2000

Release

29 JANUARY 2021

Westpac Banking Corporation (“Westpac”) – issue of \$A1,250,000,000 Callable Floating Rate Subordinated Notes due 29 January 2031 (the “Tier 2 Subordinated Notes”)

Cleansing notice under section 708A(12H)(e) of the Corporations Act 2001 (Cth) (“Act”) as inserted by ASIC Corporations (Regulatory Capital Securities) Instrument 2016/71 (“Instrument”)

1. Westpac has issued the Tier 2 Subordinated Notes today. Offers of the Tier 2 Subordinated Notes do not require disclosure to investors under Part 6D.2 of the Act.
2. The terms and conditions of the Tier 2 Subordinated Notes (“**Conditions**”) are set out on pages 47 to 97 of the Information Memorandum relating to Westpac’s Debt Issuance Programme dated 30 September 2020 (“**Information Memorandum**”), as supplemented by the Pricing Supplement dated 27 January 2021, the form of which is attached to this notice as Annexure A (“**Pricing Supplement**”). The Information Memorandum was released to the Australian Securities Exchange (“**ASX**”) on 30 September 2020 and may be viewed at www.asx.com.au.
3. The Tier 2 Subordinated Notes are expected to be treated as Tier 2 regulatory capital under the Basel III capital adequacy framework as implemented in Australia by the Australian Prudential Regulation Authority (“**APRA**”).
4. If APRA determines that Westpac is or would become non-viable, the Tier 2 Subordinated Notes may be:
 - (a) Converted into fully paid ordinary shares in the capital of Westpac; or
 - (b) immediately and irrevocably Written-off (and rights attaching to the Tier 2 Subordinated Notes terminated) if for any reason Conversion does not occur within five ASX Business Days of APRA notifying Westpac of the determination,in accordance with the Conditions.
5. In order to enable ordinary shares in the capital of Westpac issued on Conversion to be sold without disclosure under Chapter 6D of the Act, Westpac has elected to give this notice under section 708A(12H)(e) of the Act as inserted by the Instrument. The Conditions and the information in the attached Schedule are included in, and form part of, this notice.

6. Westpac confirms that:
- (a) the information in this notice remains current as at today's date;
 - (b) this notice complies with section 708A of the Act, as notionally modified by the Instrument; and
 - (c) this notice complies with the content requirements of section 708A(12I) of the Act as inserted by the Instrument.
7. Unless otherwise defined, capitalised expressions used in this notice have the meanings given to them in the Information Memorandum or Pricing Supplement.

This document has been authorised for release by Tim Hartin, General Manager & Company Secretary.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This market announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

SCHEDULE

A. Effect on Westpac of the offer of the Tier 2 Subordinated Notes

The issuance of the Tier 2 Subordinated Notes is expected to raise Tier 2 regulatory capital to satisfy Westpac's regulatory requirements and maintain the diversity of Westpac's sources and types of capital funding.

The proceeds from the issue of the Tier 2 Subordinated Notes will be used for general corporate purposes. Those proceeds, less the costs of the issue, will be classified as loan capital in the financial statements of Westpac. The issue of the Tier 2 Subordinated Notes will not have a material impact on Westpac's financial position.

The proceeds of the issue, less the costs of the issue, are expected to increase Westpac's total capital ratio on a Level 2 basis by less than 0.3%.

B. Rights and liabilities attaching to the Tier 2 Subordinated Notes

The rights and liabilities attaching to the Tier 2 Subordinated Notes are set out in the Conditions as supplemented by the Pricing Supplement.

C. Effect on Westpac of the issue of the ordinary shares if the Tier 2 Subordinated Notes are required to be Converted¹

A key feature of APRA's requirements for Tier 2 regulatory capital instruments is that they absorb losses at the point of non-viability of the issuer. The Conditions include provisions that require the Tier 2 Subordinated Notes to be Converted into ordinary shares in the capital of Westpac or Written-off on the occurrence of a Non-Viability Trigger Event. A Non-Viability Trigger Event will occur when APRA notifies Westpac in writing that it believes that relevant non-viability circumstances (as described in the definition of "Non-Viability Trigger Event" in the Conditions) subsist, which could occur at any time.

If a Non-Viability Trigger Event occurs and Westpac Converts the Tier 2 Subordinated Notes and issues ordinary shares to Holders (as required under the Conditions), the effect of Conversion on Westpac would be to reduce loan capital by the principal amount, less any unamortised costs of the issue, of the Tier 2 Subordinated Notes being Converted and increase Westpac's shareholders' equity (ordinary share capital) by a corresponding amount. APRA has not provided specific guidance as to how it would determine non-viability. Non-viability could be expected to include serious impairment of Westpac's financial position and concerns about its capital, funding or liquidity levels and/or insolvency. APRA has indicated that non-viability is likely to arise prior to insolvency.

The number of ordinary shares issued on Conversion is variable, but is limited to the Maximum Conversion Number. Limiting the number of ordinary shares which may be issued to the Maximum Conversion Number means that it is likely that Holders will receive a number of ordinary shares that have a market value that is significantly less than the Outstanding Principal Amount of the Tier 2 Subordinated Notes.

The Maximum Conversion Number is calculated based on a VWAP set to reflect 20% of the Issue Date VWAP. The Maximum Conversion Number may be adjusted to reflect a

¹ If, in accordance with the Conditions, Westpac is replaced by an Approved Successor as debtor of the Tier 2 Subordinated Notes and the issuer of ordinary shares, Tier 2 Subordinated Notes may be Converted into fully paid ordinary shares in the capital of an Approved Successor in accordance with the Conditions. This notice also enables ordinary shares in the capital of an Approved Successor which is a NOHC for the purposes of the *Banking Act 1959 (Cth)* and the ultimate holding company of Westpac issued on Conversion to be sold without disclosure under Chapter 6D of the Act. Refer to the Conditions and the Instrument for further information.

consolidation, division or reclassification or pro rata bonus issue, of ordinary shares. However, no adjustment will be made to it on account of other transactions which may affect the price of ordinary shares, including for example, rights issues, returns of capital, buy-backs or special dividends.

The Maximum Conversion Number is 24,131.2741 Westpac ordinary shares per Tier 2 Subordinated Note (with a nominal value of A\$100,000), based on the Issue Date VWAP of A\$20.72. If Conversion of any Tier 2 Subordinated Notes does not occur for any reason within five ASX Business Days after the occurrence of the Non-Viability Trigger Event, the Tier 2 Subordinated Notes will be Written-off, and all corresponding rights and claims of Holders under the Conditions (including with respect to payments of interest, the repayment of the Outstanding Principal Amount and upon Conversion, the receipt of ordinary shares) will be immediately and irrevocably written-off and terminated, with effect on and from the Non-Viability Trigger Event Date in accordance with the Conditions, and investors will lose all or some of their investment and will not receive any compensation.

D. Rights and liabilities attaching to the ordinary shares in the capital of Westpac

Westpac was registered on 23 August 2002 as a public company limited by shares under the Act. Westpac's constitution was most recently amended at the general meeting held on 13 December 2012 ("**Constitution**", as amended from time to time). The ordinary shares in the capital of Westpac are admitted to trading on ASX. The rights attaching to the ordinary shares in the capital of Westpac are set out in the Act and the Constitution.

In addition, the rights and liabilities attaching to the ordinary shares in the capital of Westpac are described on pages 333 to 334 of the 2020 Westpac Group Annual Report². The Annual Report was released to ASX on 2 November 2020 and may be viewed at www.asx.com.au, and is also available on the Westpac website at www.westpac.com.au/investorcentre.

E. Additional information

Information about the Tier 2 Subordinated Notes is contained in the Information Memorandum and the Pricing Supplement.

Westpac is a disclosing entity for the purposes of the Act and, as a result, is subject to regular reporting and disclosure obligations under the Act and the ASX Listing Rules. In addition, Westpac must notify ASX immediately (subject to certain exceptions) if it becomes aware of information about Westpac that a reasonable person would expect to have a material effect on the price or value of its listed securities, including ordinary shares in the capital of Westpac.

Copies of documents lodged with the Australian Securities and Investments Commission ("**ASIC**") can be obtained from, or inspected at, an ASIC office and Westpac's ASX announcements may be viewed at www.asx.com.au.

Any person has the right to obtain copies of:

- Westpac's half-yearly and annual financial reports; and
- any continuous disclosure notices given by Westpac after the lodgement of the 2020 Westpac Group Annual Report, but before the date of this notice,

² If, in accordance with the Conditions, Westpac is replaced by an Approved Successor as debtor of the Tier 2 Subordinated Notes and the issuer of ordinary shares, then on Conversion Holders will be issued with fully paid ordinary shares in the capital of the Approved Successor.

from www.westpac.com.au/investorcentre, or by request made in writing to Westpac at:

Westpac Group Secretariat
Level 18
Westpac Place
275 Kent Street
Sydney NSW 2000

ANNEXURE A

Form of Pricing Supplement dated 27 January 2021 in respect of the issue of Callable Floating Rate Subordinated Notes

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, (CHAPTER 289) OF SINGAPORE – The Subordinated Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION ON SALES TO EEA AND UK RETAIL INVESTORS – The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”) or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Series No.: 2021-1

Tranche No.: 1



Westpac Banking Corporation
(ABN 33 007 457 141)

Debt Issuance Programme

Issue of

**A\$1,250,000,000 Floating Rate Callable Subordinated Notes
due 29 January 2031 (“Subordinated Notes”)**

The date of this Supplement is 27 January 2021.

This Supplement (as referred to in the Information Memorandum in relation to the above Programme dated 30 September 2020 (“**Information Memorandum**”)) relates to the Tranche of Subordinated Notes referred to above. It is supplementary to, and should be read in conjunction with the Subordinated Note Deed Poll dated 5 March 2014 made by Westpac Banking Corporation (“**Deed Poll**”) and the Information Memorandum.

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Subordinated Notes or the distribution of this Supplement in any jurisdiction where such action is required.

Terms used but not otherwise defined in this Supplement have the meaning given in the applicable Conditions set forth in the Information Memorandum.

The particulars to be specified in relation to the Tranche of Subordinated Notes referred to above are as follows:

- 1. Issuer** : Westpac Banking Corporation
(ABN 33 007 457 141)
- 2. Lead Manager** : Westpac Banking Corporation
(ABN 33 007 457 141)
- 3. Relevant Dealer** : Westpac Banking Corporation
(ABN 33 007 457 141)
- 4. Registrar and Australian Paying Agent** : BTA Institutional Services Australia Limited (ABN 48 002 916 396)
- 5. Calculation Agent** : BTA Institutional Services Australia Limited
(ABN 48 002 916 396)
- 6. Issuing and Paying Agent (Offshore)** : Not applicable
- 7. If to form a single Series with an existing Series, specify date on which all Subordinated Notes of the Series become fungible, if not the Issue Date** : Not applicable
- 8. Status** : Subordinated. The primary method of loss absorption is Conversion, subject to possible Write-off in accordance with Condition 5.3

For the purposes of:
 - the formula in Condition 6.1(a) to be used for calculating the Conversion Number, P is 0.99; and
 - Condition 6.10(b), the Clearing System Cut-off Date is 10 Business Days prior to the Non-Viability Trigger Event Date.
- 9. Currency** : Australian dollars (“**A\$**”)
- 10. Aggregate Principal Amount of Tranche** : A\$1,250,000,000
- 11. If interchangeable with existing Series, Series No.** : Not applicable
- 12. Issue Date** : 29 January 2021
- 13. Issue Price** : 100 per cent. per Denomination
- 14. Commissions Payable** : As set out in the Subscription Acknowledgement dated 27 January 2021 between the Issuer and the Lead Manager and Dealer
- 15. Selling Concession** : Not applicable
- 16. Purchase Price** : A\$100,000 fully paid per Denomination

17. Denomination	: A\$100,000
	<p>The minimum aggregate consideration for offers or transfers of the Subordinated Notes in Australia must be at least A\$500,000 (disregarding moneys lent by the transferor or its associates to the transferee), unless the offer or invitation resulting in the transfer does not otherwise require</p> <p>disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.</p>
18. Type of Debt Instruments	: Floating Rate Subordinated Notes
19. If interest-bearing, specify which of the relevant Conditions is applicable	: Condition 7.3 is applicable
20. Fixed Rate Debt Instruments (Condition 7.2)	: Not applicable
21. Floating Rate Debt Instruments (Condition 7.3)	: Applicable
Interest Commencement Date, if not Issue Date	: Issue Date
Interest Rate	: BBSW Rate Determination
Interest Payment Dates	: Each 29 January, 29 April, 29 July and 29 October, commencing 29 April 2021 to and including the Maturity Date, subject to adjustment in accordance with the Applicable Business Day Convention
Applicable Business Day Convention	:
- for Interest Payment Dates:	Modified Following Business Day Convention
- for Interest Period End Dates:	Modified Following Business Day Convention
- for Maturity Date:	Modified Following Business Day Convention
- any other date:	Not applicable
Additional Business Centre(s)	: Not applicable
BBSW Rate	: As per Condition 7.3(b)(iii)
Margin	: Plus 1.55 per cent. per annum
Day Count Fraction	: Actual/365 (Fixed)
Fallback Interest Rate	: As per Condition 7.3(b)(iii)
22. Other rates	: Not applicable
23. Accrual of interest	: Not applicable
24. Reference Price	: Not applicable
25. Maturity Date	: 29 January 2031

- 26. Maturity Redemption Amount** : 100 per cent. of the Outstanding Principal Amount
- 27. Early redemption at the option of the Issuer (Call) (Condition 8.3)** : Applicable, but only in respect of the Interest Payment Date scheduled to fall on 29 January 2026 and each Interest Payment Date thereafter
- Specify minimum notice period** : 15 days
- Specify maximum notice period** : 45 days
- Specify any additional conditions to exercise of the call option** : Not applicable
- Specify first date on which the call option may be exercised in the case of Subordinated Notes** : 29 January 2026
- Early Redemption Amount (Call)** : As per Condition 8.3
- Early Redemption Date (Call)** : 29 January 2026 and each Interest Payment Date thereafter
- Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption** : Yes, the Issuer may redeem all or some Subordinated Notes at its discretion under Condition 8.3
- 28. Early redemption for adverse tax events (Condition 8.4)** : Applicable
- Specify minimum notice period** : 15 days
- Specify maximum notice period** : 45 days
- Specify any additional conditions to exercise of option** : Not applicable
- Early Redemption Amount (Adverse Tax Event)** : As per Condition 8.4
- Early Redemption Date (Adverse Tax Event)** : As per Condition 8.4
- Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption** : Not applicable
- 29. Early redemption for regulatory events (Condition 8.5)** : Applicable
- Specify minimum notice period** : 15 days
- Specify maximum notice period** : 45 days
- Specify any additional conditions to exercise of option** : Not applicable

Early Redemption Amount (Regulatory Event)	: As per Condition 8.5
Early Redemption Date (Regulatory Event)	: As per Condition 8.5
Specify whether redemption is permitted in respect of some only of the Subordinated Notes and, if so, any minimum aggregate principal amount and the means by which Subordinated Notes will be selected for redemption	: Not applicable
30. Early Termination Amount	
If Early Termination Amount is not the Outstanding Principal Amount of the Subordinated Notes, insert amount or full calculation provisions	: Not applicable
Specify if Holders are not to receive accrued interest on early redemption on default	: Not applicable
31. Deed Poll	: Subordinated Note Deed Poll dated 5 March 2014
32. Taxation	: Condition 10.8 is applicable
33. Other relevant terms and conditions	: Not applicable
34. ISIN	: AU3FN0058129
35. Common Code	: 229272543
36. Common Depository	: Not applicable
37. Austraclear Number	: WP2250
38. Any Clearing System other than Euroclear / Clearstream, Luxembourg / Austraclear	: Not applicable
39. Settlement procedures	: Customary medium term note settlement and payment procedures apply
40. U.S. selling restrictions	: As set out in the Information Memorandum
41. Distribution of Information Memorandum	: As set out in the Information Memorandum
42. Other selling restrictions	: As set out in the Information Memorandum

43. Australian interest withholding tax : The Issuer intends to issue the Subordinated Notes in a manner consistent with the public offer test set out in section 128F(3) of the Income Tax Assessment Act 1936 of Australia (the "**Tax Act**"). If the requirements of section 128F of the Tax Act are not satisfied, Condition 10.8 will be applicable (subject to Item 32 above), and accordingly the Issuer may, subject to certain exceptions, be obliged to pay Additional Amounts in accordance with Condition 10.8.

See also the section of the Information Memorandum entitled "Australian Taxation".

44. Transaction Documents : Not applicable

45. Listing : Not applicable

46. Events of Default : Condition 9 is applicable

47. Additional or alternate newspapers : Not applicable

48. Stabilisation Manager : Not applicable

49. Other amendments : Not applicable

50. Other disclosure : As set out in the Information Memorandum