

**SUPPLEMENT DATED 26 MARCH 2019 TO THE PROSPECTUS DATED  
8 NOVEMBER 2018**



**Westpac Banking Corporation**

(A.B.N. 33 007 457 141)

(AFSL 233714)

*(incorporated with limited liability in Australia and registered in the State of New South Wales)*

**U.S. \$70,000,000,000 Programme for the Issuance of Debt Instruments**

This supplement (the “**Supplement**”, which definition shall also include all information incorporated by reference herein) to the base prospectus dated 8 November 2018 (the “**Base Prospectus**”, which definition includes the Base Prospectus as supplemented, amended or updated from time to time and includes all information incorporated by reference therein) constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 and is prepared in connection with the Programme for the Issuance of Debt Instruments (the “**Programme**”) established by Westpac Banking Corporation (“**Westpac**” or the “**Issuer**”). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, updates, must be read in conjunction with and forms part of the Base Prospectus and any other supplements to the Base Prospectus issued by Westpac Banking Corporation.

This Supplement has been approved by the United Kingdom Financial Conduct Authority, which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (as amended) (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom, as a supplement to the Base Prospectus. The Base Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Instruments under the Programme.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to supplement the section of the Base Prospectus entitled “Significant Developments” with details of Westpac’s announcement on 25 March 2019 that its net profit attributable to owners of Westpac in the first half of its 2019 financial year will be reduced due to provisions arising from further work on its customer remediation programmes.

**Significant Developments**

The following information shall be included under the heading “Significant Developments” on page 157 of the Base Prospectus:

*“Update on provisions for customer payments and related costs expected to be incurred*

On 25 March 2019, Westpac announced that its net profit attributable to owners of Westpac in the first half of its 2019 financial year will be reduced by an estimated \$260 million due to provisions arising from further work on its customer remediation programmes.<sup>1</sup> The provisions exclude any allowance for refunds to customers of authorised representatives<sup>2</sup> in relation to ongoing advice services fees which are still being determined.

*First half 2019 provision estimates*

Of the estimated \$260 million impact on net profit attributable to owners of Westpac:

- Approximately 90% relate to issues identified in previous financial years.
- Around half of the provisions relate to the financial advice business while the remainder relate to business and consumer banking.
- The \$260 million includes costs associated with implementing the remediation programmes along with interest on fees to be refunded.

The key remediation items include:

- Customer refunds associated with certain ongoing advice service fees charged by the Westpac Group's salaried financial planners. The additional provisions reflect an increase in the estimated proportion of instances where records of financial advice were insufficient for the purposes of the remediation. As a result, the provision for this item has increased, bringing the estimated proportion of fees that will be refunded to around 28%.<sup>3</sup>
- Refunds for certain consumer and business customers that had interest only loans that did not automatically switch, when required, to principal and interest loans.
- Refunds to certain business customers who were provided with business loans where they should have been provided with loans covered by the *National Consumer Credit Protection Act 2009* of Australia.

*Progress on determining refunds for customers of authorised representatives*

In the Issuer's 2018 Annual Report (in the contingent liabilities note (Note 31)), Westpac noted that it was working to estimate potential remediation costs where customers of authorised representatives paid ongoing service fees but no services were provided.

Westpac is focused on identifying and making refunds to customers as soon as possible and will commence remediation in the second half of the Westpac Group's 2019 financial year for customers of authorised representatives still operating under BT Financial Group's (**BTFG**) licences.

Work is also underway to determine the extent of the services provided by authorised representatives who are no longer operating under BTFG's licences, including those who have

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<sup>1</sup> Each remediation programme has its own methodology. These methodologies and estimates may change over time as further facts emerge and may require additional provisions.

<sup>2</sup> Authorised representatives are self-employed financial planners and planner groups operating under BT Financial Group's (BTFG) licences.

<sup>3</sup> The 28% calculation excludes interest costs. Interest costs are estimated to increase the fee refunds by approximately 50%.

left the industry. This remediation programme is more challenging, including because many of the authorised representatives' files have been difficult to access.

The following details provide some background to the authorised representatives issue:

- Total fees received by authorised representatives from their customers in the period 2008 to 2018 were approximately \$966 million.
- Within this total, fees received from customers by authorised representatives still operating under BTFG's licences in the period 2008 to 2018 were approximately \$437 million.
- For customers of authorised representatives, Westpac has not yet been able to finalise a reliable estimate of the proportion of fees that may need to be refunded.
- Interest on refunded fees and additional costs to implement this programme will also need to be considered when determining any remediation provisions.

Westpac will be assessing provisioning requirements for authorised representatives as part of its results for the first half of its 2019 financial year. This will be based on information available at that time."

### **Significant change statements**

There has been no material adverse change in the prospects of the Issuer and its controlled entities taken as a whole since 30 September 2018 and no significant change in the financial or trading position of the Issuer and its controlled entities taken as a whole since 30 September 2018.

#### **General**

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus prior to the date of this Supplement, the statements in (a) above will prevail.

To the extent that any document incorporated by reference in this Supplement incorporates further information by reference, such further information does not form part of this Supplement.

Any information contained in a document incorporated by reference herein which is not incorporated in, and does not form part of, this Supplement is not relevant for investors or is contained elsewhere in this Supplement.

Save as disclosed in this Supplement, any other supplement previously issued by the Issuer and the Base Prospectus, the Issuer is not aware of any other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting an informed assessment by investors of Instruments issued under the Programme since the publication of the Base Prospectus.

Factors which could be material for the purpose of assessing the risks associated with the Instruments issued under the Programme are set out on pages 24 to 60 (inclusive) of the Base Prospectus, as supplemented.

Copies of all documents incorporated by reference in the Base Prospectus are available for viewing at <http://www.morningstar.co.uk/uk/NSM>.