

**SUPPLEMENT DATED 8 JANUARY 2020 TO THE PROSPECTUS DATED
11 NOVEMBER 2019**

 Westpac Banking Corporation
(ABN 33 007 457 141)

**U.S.\$40 billion
Global Covered Bond Programme**
unconditionally and irrevocably guaranteed as to payments of interest and principal by
BNY Trust Company of Australia Limited (ABN 49 050 294 052) as trustee of the

 Westpac Covered Bond Trust
(ABN 41 372 138 093)

This supplement (the “**Supplement**”, which definition shall also include all information incorporated by reference herein) to the base prospectus dated 11 November 2019 (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 Global Covered Bond Programme (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 (“**FCA**”), which is the United Kingdom competent authority for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) as a supplement to the Base Prospectus. The Base Prospectus constitutes a base prospectus prepared in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Covered Bonds under the Programme.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer, 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 incorporate the additional developments “*Update on AUSTRAC civil proceedings*”, “*AUSTRAC Response Plan*”, “*ASIC investigation*”, “*APRA Investigation and Capital Overlay*” and “*Class Action against WBC*” described below, into the “*Significant Developments*” commencing on page 237 of the Base Prospectus.

Update on AUSTRAC civil proceedings

On 9 December 2019, WBC and AUSTRAC appeared in the Federal Court for a case management hearing in relation to the civil proceedings commenced by AUSTRAC against WBC on 20 November 2019 (see the section titled “Westpac Banking Corporation – Significant Developments – Westpac responds to AUSTRAC’s Statement of Claim”). The parties jointly told

the Court that discussions regarding a Statement of Agreed Facts had commenced, and the Court adjourned the matter to be listed for a case management hearing on 2 March 2020. WBC is determined to resolve this matter with AUSTRAC and urgently fix its issues around financial crime compliance.

AUSTRAC Response Plan

On 24 November 2019, WBC released a Response Plan in relation to the issues raised by AUSTRAC in its Statement of Claim (see the section titled “Westpac Banking Corporation – Significant Developments – Westpac responds to AUSTRAC’s Statement of Claim”). The Response Plan included a comprehensive set of actions across three areas:

- Immediate fixes, including closing the LitePay product, which was a technology platform that facilitated low value international payments, and the closing of the relevant Westpac Australasian Cash Management Product which was the technology platform at the core of WBC’s failing to identify and report on IFTIs to AUSTRAC;
- Lifting WBC’s standards, including priority screening and improving cross-industry data sharing; and
- Protecting people, including investments to reduce the human impact of financial crime.

WBC stated that it was committed to implementing its Response Plan as a matter of urgency and that it would work constructively with AUSTRAC throughout this process. WBC estimates that the commitments in its Response Plan will increase expenses by A\$80 million (pre-tax) in its financial year 2020 when the majority will be incurred or paid for.

On 28 November 2019 and 20 December 2019, WBC released details of the newly appointed Westpac Board Financial Crime Committee and the appointment of Promontory and an Accountability Review advisory panel. Promontory will provide its assurance over WBC’s assessment of management accountability and the adequacy of WBC’s Financial Crime Program, and the Accountability Review advisory panel will provide recommendations on Board risk governance and Board accountability as part of WBC’s broader response plan. WBC will make the recommendations of the Accountability Review advisory panel’s review public.

On 9 December 2019, WBC also released a further update and advised that it had made a number of changes to its transaction monitoring and is continuing to review its processes and report to AUSTRAC suspicious matters that are identified.

ASIC investigation

ASIC has also recently commenced an investigation concerning possible breaches of legislation it administers arising from AUSTRAC’s actions in relation to WBC. Given it is in its early stages, it is unclear on the nature of any enforcement action that may be taken by ASIC, if any. For a description of ASIC’s powers, see the section titled “Risk Factors relating to the Issuer, including the ability of the Issuer to fulfil its obligations under the Covered Bonds – Risks relating to WBC’s business — Risks relating to WBC’s business - WBC’s businesses are highly regulated and WBC has been or could be adversely affected by failing to comply with laws, regulations or regulatory policy”.

APRA Investigation and Capital Overlay

On 17 December 2019, APRA announced that it had formally commenced an investigation into possible breaches of the Banking Act by WBC. APRA stated that it would focus on conduct that

led to matters alleged in the AUSTRAC Statement of Claim (see the section titled “Westpac Banking Corporation – Significant Developments – Westpac responds to AUSTRAC’s Statement of Claim”) and the actions taken to rectify and remediate issues after they were identified, and examine whether WBC, its directors and/or senior managers breached the Banking Act (including the Banking Executive Accountability regime), or contravened prudential standards.

In addition, APRA announced that it would (i) impose a A\$500 million increase in WBC’s capital requirements to reflect the heightened operational risk profile of WBC and (ii) commence an extensive review program focused on WBC’s risk governance, including risk management, accountability, remuneration, and culture. For a description of APRA’s powers, see the section “Risk Factors relating to the Issuer, including the ability of the Issuer to fulfil its obligations under the Covered Bonds – Risks relating to WBC’s business — Risks relating to WBC’s business - WBC’s businesses are highly regulated and WBC has been or could be adversely affected by failing to comply with laws, regulations or regulatory policy”.

WBC is committed to cooperating with APRA in all aspects of its investigation and review. The additional A\$500 million operational risk capital requirement, which was implemented through an increase in risk-weighted assets, applies from 31 December 2019 and will bring the total operational risk capital add-ons that WBC is required to hold to A\$1 billion. This change is expected to reduce WBC’s Level 2 common equity tier 1 (CET1) capital ratio by approximately 16 basis points, based on the Westpac Group’s balance sheet as at 30 September 2019.

Class Action against WBC

On 17 December 2019, WBC was served with a class action filed by Phi Finney McDonald on behalf of certain shareholders who acquired an interest in WBC’s securities between 16 December 2013 and 19 November 2019 (inclusive). The claim relates to market disclosure issues connected to WBC’s monitoring of financial crime over the relevant period and matters which are the subject of the AUSTRAC civil proceedings described in the section titled “Westpac Banking Corporation – Significant Developments – Westpac responds to AUSTRAC’s Statement of Claim”. The claim does not identify the amount of any damages sought. WBC will be defending the claims.

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 2019 and no significant change in the financial position or financial performance of the Issuer and its controlled entities taken as a whole since 30 September 2019.

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 Covered Bonds 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 Covered Bonds issued under the Programme are set out on pages 25 to 75 (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>.