

FINAL TERMS

Series No.: 036

Tranche No.: 1

WESTPAC SECURITIES NZ LIMITED
acting through its London branch

Programme for the Issuance of Debt Instruments

Issue of

***NZD100,000,000 in aggregate principal amount of 3.875 per cent. Fixed Rate Instruments
due 11 July 2022***

by Westpac Securities NZ Limited
acting through its London branch

Guaranteed by Westpac New Zealand Limited ("WNZL")

The Base Prospectus dated 13 December 2016 (as supplemented) referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Instruments in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC, as amended, including by Directive 2010/73/EU) (each a "**Relevant Member State**") will only be made to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from the requirement to publish a prospectus for offers of the Instruments. Accordingly, any person making or intending to make an offer of those Instruments may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do any of them authorise, the making of any offer of Instruments in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Base Prospectus dated 13 December 2016 and the supplements to the Base Prospectus dated 28 February 2017, 26 May 2017 and 21 June 2017, which together constitute a base prospectus for the purposes of *Directive 2003/71/EC*, as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms for the purposes of Article 5.4 of the Prospectus Directive relating to the issue of Instruments described herein and must be read in conjunction with such Base Prospectus dated 13 December 2016 as so supplemented (the "**Base Prospectus**").

Full information on the Issuer, WNZL and the Instruments described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus dated 13 December 2016 as so supplemented. However, a summary of the issue of the Instruments (which comprises the summary in the Base Prospectus dated 13 December 2016 as amended to

reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus dated 13 December 2016 is available for viewing at WSNZL's office at Camomile Court, 23 Camomile Street, London EC3A 7LL, United Kingdom, and at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> and copies may be obtained from the Specified Offices of the Paying Agents.

PART A – Contractual Terms

- | | | |
|----|---|---|
| 1. | Issuer: | Westpac Securities NZ Limited, acting through its London branch |
| 2. | Guaranteed by Westpac New Zealand Limited: | Yes |
| 3. | Syndicated: | Applicable |
| | (i) If syndicated, names and addresses of Dealers and underwriting commitments; | <p>HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom</p> <p>With underwriting commitment of
NZD50,000,000</p> <p>Westpac Banking Corporation
(ABN 33 007 457 141)
Camomile Court
23 Camomile Street
London EC3A 7LL
United Kingdom</p> <p>With underwriting commitment of
NZD50,000,000</p> |
| | (ii) Date of Subscription Agreement | 7 July 2017 |
| 4. | If not syndicated, Relevant Dealer/Lead Manager: | Not Applicable |
| 5. | Date of Board Approval of: | |
| | (i) Issuer: | Not applicable, save as discussed in paragraph 2 of the section entitled "General Information" in the Base Prospectus |
| | (ii) WNZL: | Not applicable, save as discussed in paragraph 2 of the section entitled "General Information" in the Base Prospectus |
| 6. | Specified Currency: | |
| | (i) of denomination: | New Zealand Dollars ("NZD") |

(ii)	of payment:	NZD
7.	Aggregate Principal Amount of Tranche:	NZD 100,000,000
8.	If interchangeable with existing Series, Series No:	Not applicable
9.	(i) Issue Date:	11 July 2017
	(ii) Interest Commencement Date:	Issue Date
10.	Issue Price:	99.640 per cent. of the Aggregate Principal Amount of Tranche
11.	Maturity Date:	11 July 2022, subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv)
12.	Expenses:	Not applicable
13.	(i) Form of Instruments:	Bearer
	(ii) Bearer Instruments exchangeable for Registered Instruments:	No
14.	If issued in Bearer form:	Temporary Global Instrument
	(i) Initially represented by a Temporary Global Instrument or Permanent Global Instrument:	
	(ii) Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments:	Yes The Exchange Date shall be a date no earlier than 40 days after the Issue Date
	(iii) Specify date (if any) from which exchanges for Registered Instruments will be made:	Not applicable
	(iv) Permanent Global Instrument exchangeable at the option of the	No. Permanent Global Instruments are only exchangeable for Definitive Instruments in the


	bearer for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments:	limited circumstances set out in Conditions 2.5(a) and (b).
(v)	Talons for future Coupons to be attached to Definitive Instruments:	No
(vi)	Receipts to be attached to Instalment Instruments which are Definitive Instruments:	No
15.	If issued in Registered form:	Not applicable
16.	Denomination(s):	NZD2,000
17.	Calculation Amount:	NZD2,000
18.	Partly Paid Instruments:	No
19.	If issued in Registered Form:	No
	Registrar:	Not applicable
20.	Interest:	3.875 per cent. Fixed Rate
21.	Fixed Rate Instrument Provisions:	Applicable
(i)	Interest Rate:	3.875 per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	11 July in each year commencing on and including 11 July 2018 to and including 11 July 2022, subject to adjustment in accordance with the Business Day Convention specified in paragraph 21(iv)
(iii)	Interest Period End Date(s):	Interest Payment Date
(iv)	Business Day Convention:	

– for Interest Payment Dates:	Following Business Day Convention
– for Interest Period End Dates:	No adjustment
– for Maturity Date:	Following Business Day Convention
– any other date:	No adjustment
(v) Fixed Coupon Amount:	NZD 77.50 per Calculation Amount
(vi) Day Count Fraction:	Actual/Actual (ICMA)
(vii) Broken Amount(s):	Not applicable
(viii) Accrual Feature:	Not Applicable
(ix) Additional Business Centre(s):	London, Auckland, Wellington and Sydney
22. Floating Rate Instrument Provisions:	Not applicable
23. Zero Coupon Instrument Provisions:	Not applicable
24. Dual Currency Instrument Provisions:	Not applicable
25. Default Interest Rate:	Not applicable
26. Dates for payment of Instalment Amounts (Instalment Instruments):	Not applicable
27. Final Redemption Amount of each Instrument:	NZD2,000 per Calculation Amount
28. Instalment Amounts:	Not applicable
29. Early Redemption for Tax Reasons: (Condition 6.2)	Applicable
(i) Early Redemption Amount of each Instrument (Tax):	NZD2,000 per Calculation Amount
(ii) Date after which changes in law, etc. entitle Issuer to redeem:	Issue Date

- | | | |
|-----|--|---|
| 30. | Coupon Switch Option: | Not applicable |
| 31. | Coupon Switch Option Date: | Not applicable |
| 32. | Redemption at the option of the Issuer (Call): | Not applicable |
| 33. | Partial redemption (Call): | Not applicable |
| 34. | Redemption at the option of the Holders (Put): | Not applicable |
| 35. | Events of Default: | |
| | Early Termination Amount: | NZD2,000 per Calculation Amount |
| 36. | Payments: | |
| | Unmatured Coupons missing upon Early Redemption: | Condition 7A.6(i) applies |
| 37. | Replacement of Instruments: | Fiscal Agent |
| 38. | Calculation Agent: | Fiscal Agent |
| 39. | Notices: | Condition 14 applies |
| 40. | Selling Restrictions: | |
| | United States of America: | Regulation S Category 2 restrictions apply to the Instruments |
| | | TEFRA D Rules apply to the Instruments |
| | | Instruments are not Rule 144A eligible |

WESTPAC SECURITIES NZ LIMITED

acting through its London branch
(as Issuer)

By:  _____

Authorised officer: **WSNZL Dealer**

Name: **Linh Phan**

Date: 7 July 2017


By:  _____

Authorised officer:

Name: **LEISHA MARASINGHE**

Date: 7 July 2017

WESTPAC NEW ZEALAND LIMITED
(as WNZL)

By:  _____

Authorised officer:

Name: *Linh Phan*

Date: 7 July 2017

PART B – Other information

1. Listing

- | | | |
|------|-----------------------|---|
| (i) | Listing: | Yes, to be admitted to the Official List of the UK Financial Conduct Authority |
| (ii) | Admission to trading: | Application has been made for the Instruments to be admitted to trading on the London Stock Exchange's regulated market with effect from the Issue Date |

2. Ratings

- | | |
|-----------------------------|--|
| Ratings of the Instruments: | Standard & Poor's (Australia) Pty Limited: AA- |
| | Moody's Investors Service Pty Limited: A1 |
| | Neither Standard & Poor's (Australia) Pty Limited nor Moody's Investors Service Pty Limited is established in the European Union or has applied for registration under Regulation (EU) No. 1060/2009, as amended (the "CRA Regulation"). However, Standard & Poor's (Australia) Pty Limited is endorsed by Standard & Poor's Credit Market Services Europe Limited and Moody's Investors Service Pty Limited is endorsed by Moody's Investor Services Limited, each of which is established in the European Union and registered under the CRA Regulation. |

3. Interests of natural and legal persons involved in the issue

Save as discussed in "Subscription and Sale" of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

4. Reasons for the offer, estimated net proceeds and total expenses

- | | | |
|-------|--|---|
| (i) | Reasons for the offer and use of proceeds: | The net proceeds of the issue of these Instruments will be used by the Issuer to on-lend to WNZL, which will use the proceeds for general funding purposes. |
| (ii) | Estimated net proceeds: | NZD 99,415,000 |
| (iii) | Estimated total expenses: | NZD4,800 in respect of the admission to trading |

NZD9,000 in respect of legal expenses

NZD225,000 in respect of a combined
management and underwriting fee

5. Yield

Indication of yield: 3.956 per cent. per annum

6. Historical interest rates, FX and other rates

Not applicable

7. Description of the Underlying

Not applicable

8. Operational information

ISIN: XS1644957950

Common Code: 164495795

Common Depositary/Lodging Agent: The Bank of New York Mellon

Any clearing system(s) other than
Euroclear Bank SA/NV, Clearstream
Banking S.A. and the Central
Moneymarkets Unit Service operated
by the Hong Kong Monetary
Authority: Not applicable

CMU Service Instrument Number: Not applicable

Settlement Procedures: Customary medium term note settlement and
payment procedures apply

Delivery: Delivery against payment

Names and addresses of additional
Paying Agent(s) (if any): Not applicable

ANNEX –ISSUE SPECIFIC SUMMARY

Words and expressions defined in "Terms and Conditions of the Instruments" shall have the same meaning in this Summary.

Section A – Introduction and Warnings:		
A.1	Warning:	This summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Instruments should be based on consideration of the Base Prospectus as a whole by the investor, including any information incorporated by reference. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Instruments.
A.2	Consent to use of this Base Prospectus:	Not applicable. The Instruments are issued in denominations of less than €100,000 (or its equivalent in any other currency) but will only be offered to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from an obligation under the Prospective Directive to publish a prospectus.

Section B – Issuer:		
B.1	Legal and commercial name:	Westpac Securities NZ Limited ("WSNZL")
B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Issuer operates:	The Issuer is domiciled and incorporated in New Zealand. The Issuer was incorporated on 29 August 2006 as a limited liability company under the laws of New Zealand with registration number 1859984.
B.4b	Known trends affecting the Issuer and its Industry:	As a wholly-owned indirect subsidiary of Westpac New Zealand Limited ("WNZL"), the same trends affect the Issuer as WNZL.
B.5	Group Position:	The Issuer is a wholly-owned subsidiary of Westpac NZ Operations Limited, which is a wholly-owned subsidiary of WNZL. The ultimate parent of the Westpac group of companies is Westpac Banking Corporation ("WBC").
B.9	Profit Forecasts or Estimates:	Not applicable. No profit forecasts or estimates made.
B.10	Description of any Qualifications in	Not applicable. The audit reports on the historical financial information are not qualified.

	the Audit Report on the Historical Financial Information:																																																																																								
B.12	Key Historical Financial Information:	<p>Statement of comprehensive income for the year ended 30 September</p> <table> <tr> <th></th><th>2016 NZ \$'000</th><th>2015 NZ \$'000</th></tr> <tr> <td>Interest income</td><td>195,743</td><td>176,113</td></tr> <tr> <td>Interest expense</td><td>(191,403)</td><td>(172,627)</td></tr> <tr> <td>Net interest income</td><td>4,340</td><td>3,486</td></tr> <tr> <td>Non-interest income</td><td>1,065</td><td>1,105</td></tr> <tr> <td>Net operating income</td><td>5,405</td><td>4,591</td></tr> <tr> <td>Operating expenses</td><td>(968)</td><td>(1,004)</td></tr> <tr> <td>Profit before income tax expense</td><td>4,437</td><td>3,587</td></tr> <tr> <td>Income tax (expense)/credit</td><td>(1,282)</td><td>2,832</td></tr> <tr> <td>Profit after income tax expense</td><td>3,155</td><td>6,419</td></tr> <tr> <td>Other comprehensive income</td><td>-</td><td>-</td></tr> <tr> <td>Total comprehensive income, net of tax</td><td>3,155</td><td>6,419</td></tr> <tr> <td>Profit after income tax expense and total comprehensive income, net of tax, attributable to:</td><td>3,155</td><td>6,419</td></tr> <tr> <td>Owners of the Company:</td><td>3,155</td><td>6,419</td></tr> </table> <p>Balance sheet as at 30 September</p> <table> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Cash and cash equivalents</td><td>8,981</td><td>12,865</td></tr> <tr> <td>Due from related entities</td><td>11,381,073</td><td>11,687,566</td></tr> <tr> <td>Current tax asset</td><td>2,303</td><td>1,464</td></tr> <tr> <td>Total assets</td><td>11,392,357</td><td>11,701,895</td></tr> <tr> <td>Liabilities</td><td></td><td></td></tr> <tr> <td>Due to related entities</td><td>1,260</td><td>1,521</td></tr> <tr> <td>Debt issues</td><td>11,329,259</td><td>11,625,002</td></tr> <tr> <td>Other liabilities</td><td>51,539</td><td>61,628</td></tr> <tr> <td>Total liabilities</td><td>11,382,058</td><td>11,688,151</td></tr> <tr> <td>Net assets</td><td>10,299</td><td>13,744</td></tr> <tr> <td>Equity</td><td></td><td></td></tr> <tr> <td>Share capital</td><td>651</td><td>651</td></tr> <tr> <td>Retained profits</td><td>9,648</td><td>13,093</td></tr> <tr> <td>Total equity attributable to owners of the Company</td><td>10,299</td><td>13,744</td></tr> </table>		2016 NZ \$'000	2015 NZ \$'000	Interest income	195,743	176,113	Interest expense	(191,403)	(172,627)	Net interest income	4,340	3,486	Non-interest income	1,065	1,105	Net operating income	5,405	4,591	Operating expenses	(968)	(1,004)	Profit before income tax expense	4,437	3,587	Income tax (expense)/credit	(1,282)	2,832	Profit after income tax expense	3,155	6,419	Other comprehensive income	-	-	Total comprehensive income, net of tax	3,155	6,419	Profit after income tax expense and total comprehensive income, net of tax, attributable to:	3,155	6,419	Owners of the Company:	3,155	6,419	Assets			Cash and cash equivalents	8,981	12,865	Due from related entities	11,381,073	11,687,566	Current tax asset	2,303	1,464	Total assets	11,392,357	11,701,895	Liabilities			Due to related entities	1,260	1,521	Debt issues	11,329,259	11,625,002	Other liabilities	51,539	61,628	Total liabilities	11,382,058	11,688,151	Net assets	10,299	13,744	Equity			Share capital	651	651	Retained profits	9,648	13,093	Total equity attributable to owners of the Company	10,299	13,744
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	Statement of no Material Adverse Change since	Since 30 September 2016, the last day of the financial period in respect of which the most recent published audited non-consolidated financial statements of the Issuer have been																																																																																							

	<p>Last Audited Financial Statements:</p> <p>Description of Significant Changes in Financial or Trading Position:</p>	<p>prepared, there has been no material adverse change in the prospects of the Issuer.</p> <p>Since 30 September 2016, the last day of the financial period in respect of which the most recent published audited non-consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial or trading position of the Issuer.</p>
B.13	Description of Recent Events Material to the Issuer's Solvency:	Not applicable. There have been no recent events material to the Issuer's solvency.
B.14	If the Issuer is Dependent upon other Entities Within the Group, this must be Clearly Stated:	As a wholly-owned indirect subsidiary of WNZL, the Issuer is dependent upon WNZL for the guarantee of due and punctual payment of all amounts due under the Instruments issued from time to time by the Issuer.
B.15	Issuer Principal Activities:	The principal activity of the Issuer is to raise and manage offshore wholesale funding for WNZL.
B.16	Control of the Issuer:	The Issuer is a wholly-owned subsidiary of Westpac NZ Operations Limited. The Issuer is also an indirect, wholly-owned subsidiary of WNZL.
B.17	Credit Ratings Assigned to the Issuer or its Debt Securities at the Request of or in Co-operation with the Issuer:	<p>Standard & Poor's (Australia) Pty Limited has assigned the Issuer a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by Standard & Poor's (Australia) Pty Limited to the Issuer is A-1+.</p> <p>Moody's Investors Service Pty Limited has assigned the Issuer a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody's Investors Service Pty Limited to the Issuer is P-1.</p> <p>The Instruments to be issued are expected to be rated:</p> <p>Standard & Poor's (Australia) Pty Limited: AA-</p> <p>Moody's Investors Service Pty Limited: A1</p>
B.18	Guarantee:	WNZL has executed an amended and restated deed of guarantee dated 11 December 2015 (the " WNZL Deed of Guarantee ") pursuant to which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts falling due from time to time in respect of Instruments issued by the Issuer.
B.19/ B.1	Legal and Commercial name:	Westpac New Zealand Limited
B.19/ B.2	Domicile, Legal Form, Country of Incorporation and Legislation under which the Guarantor	<p>WNZL is domiciled and incorporated in New Zealand.</p> <p>WNZL was incorporated on 14 February 2006 as a limited liability company under the laws of New Zealand registration number 1763882.</p>

	Operates:	
B.19/ B.4b	Known trends affecting the Guarantor and its Industry:	<p>WNZL operates in the New Zealand financial services sector providing services to consumers, small to medium size businesses and institutional customers.</p> <p>The New Zealand market is dominated by the locally incorporated subsidiaries of the four major Australian banks: WNZL, ANZ Bank New Zealand Limited (a subsidiary of Australia and New Zealand Banking Group Limited), ASB Bank Limited (a subsidiary of the Commonwealth Bank of Australia) and Bank of New Zealand (a subsidiary of National Australia Bank). All these major banks offer comprehensive financial services products to consumers and business customers throughout the country. In addition, there is competition from a number of smaller market participants that focus on niche opportunities within the retail and business sectors. Kiwibank Limited, ultimately owned by the New Zealand Government, is also a significant competitor principally operating in the consumer segment across both lending and deposits.</p> <p>Low interest rates, high population growth, a buoyant housing market and a strong upturn in the construction sector have supported a solid expansion in the New Zealand economy over the last few years. National house price growth has been strong, and is increasingly led by regions outside Auckland. This has driven a rise in mortgage lending (up 9.2 per cent. in the year to September 2016, compared to 6.8 per cent. growth in the year to September 2015).</p> <p>The economy is expected to maintain a solid pace of growth over 2017. Business confidence is elevated, with firms indicating a willingness to increase hiring and investment. A further lift in building activity is needed to address the growing shortfall of dwellings in Auckland in particular, and the outlook for the dairy sector has improved on the back of a lift in international dairy prices in recent months.</p> <p>However, growth is expected to slow from 2018 onward. The level of earthquake rebuild activity in Canterbury will steadily decline over the coming years, net inward migration is expected to slow as prospects in the Australian jobs market become relatively more attractive, and slower house price inflation will cool growth in consumer spending and household credit.</p> <p>In response to lacklustre global growth and very low inflation, the Reserve Bank of New Zealand ("RBNZ") began a series of interest rate cuts in June 2015. This took the Official Cash Rate ("OCR") to a record low of 1.75 per cent in November 2016. The OCR is now expected to remain at its current level for an extended period.</p>
B.19/ B.5	Group Position:	<p>WNZL is a wholly owned subsidiary of Westpac New Zealand Group Limited ("WNZGL"), a New Zealand company, which in turn is a wholly-owned subsidiary of Westpac Overseas Holdings No.2 Pty Limited ("WOHL"), an Australian company. WOHL is, in turn, a wholly-owned subsidiary of WBC, an Australian company. WBC is incorporated in Australia under the Corporations Act 2001 of Australia and its address for service of process is Level 20, Westpac Place, 275 Kent Street, Sydney, New South Wales 2000, Australia.</p> <p>As at 30 September 2016, WNZGL had a direct qualifying interest</p>

		in 100 per cent. of the voting securities of WNZL. WBC has an indirect qualifying interest in 100 per cent. of the voting securities of WNZL.																																																																																							
B.19/ B.9	Profit Forecasts:	Not applicable. No profit forecasts or estimates made.																																																																																							
B.19/ B.10	Description of any Qualification in the Audit Report on the Historical Financial Information:	Not applicable. The audit reports on the historical financial information are not qualified.																																																																																							
B.19/ B.12	Key Historical Financial Information:	<p>Income statement for the year ended 30 September</p> <table> <tr> <th></th><th>2016 NZ \$m</th><th>2015 NZ \$m</th></tr> <tr> <td>Interest income</td><td>4,113</td><td>4,397</td></tr> <tr> <td>Interest expense</td><td>(2,369)</td><td>(2,607)</td></tr> <tr> <td>Net interest income</td><td>1,744</td><td>1,790</td></tr> <tr> <td>Non-interest income</td><td>400</td><td>399</td></tr> <tr> <td>Net operating income</td><td>2,144</td><td>2,189</td></tr> <tr> <td>Operating expenses</td><td>(907)</td><td>(888)</td></tr> <tr> <td>Impairment charges on loans</td><td>(59)</td><td>(47)</td></tr> <tr> <td>Profit before income tax expense</td><td>1,178</td><td>1,254</td></tr> <tr> <td>Income tax expense</td><td>(327)</td><td>(343)</td></tr> <tr> <td>Profit after income tax expense</td><td>851</td><td>911</td></tr> <tr> <td>Profit after income tax expense attributable to:</td><td></td><td></td></tr> <tr> <td>Owners of the Banking Group</td><td>851</td><td>908</td></tr> <tr> <td>Non-controlling interests</td><td>-</td><td>3</td></tr> <tr> <td></td><td>851</td><td>911</td></tr> </table> <table> <tr> <th>Balance sheet as at 30 September</th><th>2016 NZ \$m</th><th>2015 NZ \$m</th></tr> <tr> <td>Assets</td><td></td><td></td></tr> <tr> <td>Cash and balances with central banks</td><td>1,418</td><td>857</td></tr> <tr> <td>Due from other financial institutions</td><td>720</td><td>18</td></tr> <tr> <td>Trading securities and other financial assets designated at fair value</td><td>2,128</td><td>2,085</td></tr> <tr> <td>Derivative financial instruments</td><td>130</td><td>618</td></tr> <tr> <td>Available-for-sale securities</td><td>3,790</td><td>3,421</td></tr> <tr> <td>Loans</td><td>75,172</td><td>69,155</td></tr> <tr> <td>Due from related entities</td><td>1,760</td><td>2,587</td></tr> <tr> <td>Investment in associate</td><td>9</td><td>-</td></tr> <tr> <td>Property and equipment</td><td>161</td><td>164</td></tr> <tr> <td>Deferred tax assets</td><td>191</td><td>183</td></tr> <tr> <td>Intangible assets</td><td>590</td><td>607</td></tr> <tr> <td>Other assets</td><td>238</td><td>230</td></tr> </table>		2016 NZ \$m	2015 NZ \$m	Interest income	4,113	4,397	Interest expense	(2,369)	(2,607)	Net interest income	1,744	1,790	Non-interest income	400	399	Net operating income	2,144	2,189	Operating expenses	(907)	(888)	Impairment charges on loans	(59)	(47)	Profit before income tax expense	1,178	1,254	Income tax expense	(327)	(343)	Profit after income tax expense	851	911	Profit after income tax expense attributable to:			Owners of the Banking Group	851	908	Non-controlling interests	-	3		851	911	Balance sheet as at 30 September	2016 NZ \$m	2015 NZ \$m	Assets			Cash and balances with central banks	1,418	857	Due from other financial institutions	720	18	Trading securities and other financial assets designated at fair value	2,128	2,085	Derivative financial instruments	130	618	Available-for-sale securities	3,790	3,421	Loans	75,172	69,155	Due from related entities	1,760	2,587	Investment in associate	9	-	Property and equipment	161	164	Deferred tax assets	191	183	Intangible assets	590	607	Other assets	238	230
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		Total assets	86,307	79,925
		Liabilities		
		Due to other financial institutions	15	490
		Deposits and other borrowings	58,791	52,986
		Other financial liabilities at fair value through income statement	400	-
		Derivative financial instruments	884	203
		Debt issues	14,727	14,685
		Current tax liabilities	71	25
		Provisions	90	83
		Other liabilities	508	514
		Total liabilities excluding related entities liabilities	75,486	68,986
		Due to related entities	3,170	3,405
		Subordinated notes	1,091	1,143
		Total related entities liabilities	4,261	4,548
		Total liabilities	79,747	73,534
		Net assets	6,560	6,391
		Equity		
		Share capital	3,750	3,750
		Retained profits	2,886	2,700
		Available-for-sale securities reserve	1	16
		Cash flow hedge reserve	(77)	(75)
		Total equity attributable to owners of the Banking Group	6,560	6,391
		Interest earning and discount bearing assets	85,088	77,961
		Interest and discount bearing liabilities	72,569	68,088
	Statement of No Material Adverse Change since Last Audited Financial Statements:	Since 30 September 2016, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of WNZL have been prepared, there has been no material adverse change in the prospects of WNZL and its controlled entities taken as a whole.		
	Description of Significant Changes in Financial or Trading Position:	Since 30 September 2016, the last day of the financial period in respect of which the most recent published audited consolidated financial statements of WNZL have been prepared, there has been no significant change in the financial or trading position of WNZL and its controlled entities taken as a whole.		
B.19/ B.13	Description of Recent Events Material to the Guarantor's Solvency:	Not applicable. There have been no recent events material to WNZL's solvency.		
B.19/ B.14	If the Guarantor is Dependent upon other Entities	As an intermediate holding company, WNZL is dependent on WBC for the provision of funding and upon the business performance of		

	Within the Group, this must be Clearly Stated:	its operating subsidiaries.
B.19/ B.15	Guarantor Principal Activities:	WNZL is one of New Zealand's largest banking organisations and provides a wide range of consumer, business and institutional banking, wealth and insurance products and services to consumers, businesses, government and institutional customers in New Zealand.
B.19/ B.16	Control of the Guarantor:	WNZL is wholly-owned and controlled by WBC.
B.19/ B.17	Credit Ratings:	<p>Standard & Poor's (Australia) Pty Limited has assigned WNZL a senior unsecured credit rating of AA-. The outlook for the rating is negative. The short term credit rating assigned by Standard & Poor's (Australia) Pty Limited to WNZL is A-1+.</p> <p>Moody's Investors Service Pty Limited has assigned WNZL a senior unsecured credit rating of A1. The outlook for the rating is stable. The short term credit rating assigned by Moody's Investors Service Pty Limited to the Issuer is P-1.</p>
B.19/ B.18	Guarantee:	WNZL has executed the WNZL Deed of Guarantee pursuant to which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts falling due from time to time in respect of Instruments issued by the Issuer.

Section C – Instruments:

C.1	Description of the Type and Class of Securities:	<p>Instruments will be issued in series (each a "Series"). Each Series may comprise one or more tranches ("Tranches") issued on different issue dates. The Instruments of each Series will all be subject to identical terms except that the issue date and/or the amount of the first payment of interest and/or the issue price may be different in respect of different Tranches and a Series may comprise Instruments in more than one denomination. The Instruments of each Tranche will all be subject to identical terms save that a Tranche may comprise Instruments of different denominations.</p> <p>Instruments may be issued in bearer or registered form. In respect of each Tranche of Instruments issued in bearer form, the Issuer will deliver a temporary global Instrument or, in respect of Instruments to which U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the "TEFRA C Rules") applies, a permanent global Instrument. Such global Instrument will be either (i) deposited on or before the relevant issue date therefor with a depositary or a common depositary for Euroclear Bank SA/NV ("Euroclear") and/or Clearstream Banking, S.A. ("Clearstream, Luxembourg") and/or any other relevant clearing system or (ii) lodged on or before the relevant issue date thereof with a sub-custodian in Hong Kong for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority ("CMU Service"). Each temporary global Instrument will be exchangeable either for a permanent global Instrument or, in certain cases, for Instruments in definitive bearer form and/or (in the case of certain Series comprising both bearer Instruments and registered Instruments) registered form in accordance with its terms. Each permanent global Instrument will be exchangeable for Instruments in</p>
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		<p>definitive bearer form and/or (in the case of certain Series comprising both bearer Instruments and registered Instruments) registered form in accordance with its terms. Instruments in definitive bearer form will, if interest-bearing, either have interest coupons ("Coupons") attached and, if appropriate, a talon ("Talon") for further Coupons and will, if the principal thereof is repayable by instalments, have a grid for recording the payment of principal endorsed thereon or, in certain cases, have payment receipts ("Receipts") attached. Instruments in bearer form are exchangeable in accordance with the terms thereof for Instruments in registered form. Instruments in registered form may not be exchanged for Instruments in bearer form.</p> <p>Series Number: 036</p> <p>Tranche Number: 1</p> <p>Bearer Instruments:</p> <p>Initially represented by a Temporary Global Instrument or Permanent Global Instrument</p> <p>Temporary Global Instrument exchangeable for a Permanent Global Instrument or for Definitive Instruments and/or (if the relevant Series comprises both Bearer Instruments and Registered Instruments) Registered Instruments</p> <p>Form of Instruments: Bearer</p> <p>Aggregate Nominal Amount: NZD100,000,000</p> <p>ISIN: XS1644957950</p> <p>Common Code: 164495795</p>
C.2	Currency:	<p>Instruments may be denominated in any currency or currencies subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Instruments may, subject to compliance as aforesaid, be made in and/or linked to a currency or currencies other than the currency in which such Instruments are denominated.</p> <p>The Specified Currency of the Instruments is NZD.</p>
C.5	Description of any Restriction on the Free Transferability of Securities:	<p>There is no such restriction on free transferability of the Instruments.</p> <p>The offering of the Instruments by the Dealers is subject to the selling restrictions with respect to the applicable laws of the jurisdiction in or from which the offering of the Instruments takes place, including the United States of America, the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan, France, Italy, The Netherlands, New Zealand, Taiwan and Singapore.</p>
C.8	Description of the Rights Attaching to the Securities, Including Ranking and any Limitation on	<p>Payments</p> <p>Except for the Zero Coupon Instruments, all other Instruments confer the entitlement to receive interest in respect of the Instruments in respect of each period for which the Instruments remain outstanding, and to be repaid the principal amount of the Instruments on maturity.</p> <p>Withholding Tax</p> <p>Payments in respect of Instruments, Receipts or Coupons, or the WNZL</p>

	those Rights:	<p>Deed of Guarantee (if applicable), will be made without withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of New Zealand and/or the United Kingdom or, in either case, any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer or (as the case may be) WNZL will (subject to certain exceptions) pay such additional amounts as will result in the Holders of Instruments, Receipts or Coupons receiving such amounts as they would have received in respect of such Instruments, Receipts or Coupons had no such withholding or deduction been required.</p> <p>Limitation on rights</p> <p>The Issuer may be entitled to redeem the Instruments prior to their stated Maturity Date, or to make repayment in a currency other than the currency in which the Instruments are denominated.</p> <p>Tax redemption</p> <p>Early redemption of the Instruments for tax reasons is permitted.</p> <p>Events of Default</p> <p>The Terms and Conditions contain Events of Default including those relating to (a) non-payment, (b) breach of other obligations, (c) winding-up, (d) cessation of business, (e) appointment of receiver, encumbrancer or official manager or execution of enforcement over assets, (f) inability to pay debts as they fall due and (g) the WNZL Deed of Guarantee ceasing to be in force other than in connection with a Solvent Reconstruction. The provisions include minimum thresholds, provisos and grace periods.</p> <p>Meetings of Holders of Instruments</p> <p>Meetings of Holders of Instruments may be called to consider matters affecting their interests generally. These provisions governing such meetings permit defined majorities to bind all Holders of Instruments including Holders who did not vote on the relevant resolution and Holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>English law.</p> <p>Ranking</p> <p>The Instruments are issued on an unsubordinated basis and rank at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer (other than those mandatorily preferred by law).</p> <p>The obligations of WNZL under the WNZL Deed of Guarantee constitute its unsubordinated obligations and rank at least <i>pari passu</i> with all other unsecured and unsubordinated obligations of WNZL (other than those mandatorily preferred by law).</p>
C.9	Description of Rights Attaching to the Securities,	<p>Interest periods and interest rates:</p> <p>Except for the Zero Coupon Instruments, the length of all other interest periods for all other Instruments and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Except for the Zero Coupon Instruments, all Instruments may have</p>

<p>including Nominal Interest Rate, Interest Payment Date, Maturity Date/Repayment Procedures, Indication of Yield, Name of Representative of Debt Security Holders and where the Rate is not Fixed, Description of the Underlying on which it is Based:</p>	<p>a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Instruments to bear interest at different rates in the same interest period.</p> <p><i>Fixed Rate Instruments:</i></p> <p>Fixed interest will be payable in arrear on the specified date or dates in each year.</p> <p>Rate of Interest: 3.875 per cent. per annum payable annually in arrear on each Interest Payment Date</p> <p>Interest Payment Date(s): 11 July in each year, from and including 11 July 2018 to and including the Maturity Date subject to adjustment in accordance with the Business Day Convention set out below</p> <p>Fixed Coupon Amount: NZD 77.50 per Calculation Amount</p> <p>Business Day Convention: Following Business Day Convention</p> <p>Accrual Feature: Not Applicable</p> <p><i>Yield in respect of Fixed Rate Instruments:</i></p> <p>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.</p> <p>Indication of yield: 3.956 per cent. per annum</p> <p><i>Floating Rate Instruments:</i></p> <p>Floating Rate Instruments will bear interest determined separately for each Series.</p> <p>Floating Rate Instruments are not being issued.</p> <p><i>Zero Coupon Instruments:</i></p> <p>Zero Coupon Instruments may be issued at their nominal amount or at a discount to it and will not bear interest.</p> <p>Zero Coupon Instruments are not being issued.</p> <p><i>Partly Paid Instruments:</i></p> <p>Partly Paid Instruments may be issued where the subscription money is payable in more than one instalment.</p> <p>Partly Paid Instruments are not being issued.</p> <p><i>Dual Currency Instruments:</i></p> <p>Dual Currency Instruments will bear interest determined separately for each Series, and interest may be payable in one or more currencies other than the currency of Denomination of the Instruments.</p> <p>Dual Currency Instruments are not being issued.</p> <p>Maturity Date and arrangements for amortisation, including repayment procedures</p> <p>The Maturity Date is 11 July 2022, subject to adjustment in accordance</p>
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		with the Business Day convention specified above.
C.10	Derivative Component in Interest Payments:	Not applicable. There is not a derivative component in the interest payment.
C.11	Whether Securities are or will be Object of Application for Admission to Trading:	<p>Each Series of Instruments (other than PD Exempt Instruments) may be admitted to the Official List of the UK Listing Authority ("UKLA") and admitted to trading by the London Stock Exchange's Regulated Market.</p> <p>PD Exempt Instruments will be unlisted or admitted to listing and/or trading on another market or stock exchange, as set out in the applicable Pricing Supplement.</p>

Section D – Risks:

D.2	Key Information on the Key Risks specific to the Issuer:	<p>The Issuer is a wholly-owned subsidiary of WNZL and, as such, is affected solely by those same risk factors which affect WNZL. The following is a summary of the key risks relating to WNZL:</p> <p>Regulatory risk</p> <p>WNZL is subject to detailed laws and regulations as a financial institution. As it operates and obtains funding in multiple jurisdictions, WNZL is subject to several different legal, regulatory and supervisory frameworks. Should WNZL fail to comply with all applicable laws and regulations, this could adversely affect WNZL's business. WNZL faces increasing supervision and regulation, and it is likely that the investment and management time which WNZL will be required to commit to compliance will increase as a consequence. This trend also creates regulatory uncertainty for WNZL. In particular, prudential requirements requiring WNZL to maintain higher levels of liquidity and capital adequacy may restrict the development of WNZL's business and operations.</p> <p>Funding risk</p> <p>WNZL relies on deposits and credit and capital markets to fund its business and for liquidity. Adverse credit and capital market conditions may significantly affect WNZL's ability to meet funding and liquidity needs and may increase its cost of funding.</p> <p>Credit rating risk</p> <p>A failure to maintain credit ratings could adversely affect WNZL's cost of funds, liquidity, competitive position and access to capital markets.</p> <p>Economic risk</p> <p>There can be no assurance that market disruptions caused by international sovereign and/or bank concerns would not have an impact on WNZL. Such a shock could reduce consumer and business spending and the demand for WNZL's products and services, reduce the ability of WNZL's borrowers to repay their loans and reduce the ability of WNZL's counterparties to fulfil their obligations. These events may adversely affect, among other things, WNZL's financial performance or financial</p>
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		<p>position.</p> <p>Reputational risk</p> <p>As part of a larger business group, WNZL is vulnerable to financial and reputational damage by virtue of its association with other members of the WBC Group, any of which may suffer the occurrence of a risk event, including financial stress or failure.</p> <p>Asset market risk</p> <p>A decline in asset markets and/or asset prices could negatively impact the earnings of WNZL's wealth management business and could also impact customers and counterparties and the value of security WNZL holds. This would impact WNZL's ability to recover amounts owing to it in the event of a customer or counterparty default. It may also affect WNZL's level of provisioning which in turn impacts profitability.</p> <p>New Zealand real estate risk</p> <p>Loans secured by New Zealand residential mortgages are important to WNZL's business. A sustained decrease in property valuations in New Zealand could increase the losses WNZL may experience from its existing mortgages and decrease the amount of new mortgages WNZL is able to originate, which could materially and adversely affect WNZL's financial condition, results of operations and future performance.</p> <p>Customer and counterparty default risk</p> <p>Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligations to WNZL. It is a significant risk and arises primarily from WNZL's lending and derivatives activities.</p>
D.3	Key Information on the Key Risks specific to the Securities:	<p>The following is a summary of the key risks relating to the Instruments:</p> <p>Change of law</p> <p>The Terms and Conditions of the Instruments are governed by the laws of England which shall be in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Base Prospectus.</p> <p>The secondary market</p> <p>Instruments may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Instruments easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Instruments that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Instruments would generally have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Instruments.</p> <p>Exchange rate risks and exchange controls</p> <p>The Issuer will pay principal and interest on the Instruments in the Specified Currency (as defined in the Terms and Conditions). This</p>

		<p>presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Instruments, (ii) the Investor's Currency-equivalent value of the principal payable on the Instruments and (iii) the Investor's Currency-equivalent market value of the Instruments.</p> <p>Instruments subject to redemption for tax reasons</p> <p>The Issuer may, subject to certain conditions, redeem outstanding affected Instruments where the Issuer or, as the case may be, WNZL has or will become obliged (or would have become or would become so obliged if demand was made under the WNZL Deed of Guarantee) to pay additional amounts in respect of any withholding or deduction for tax.</p>
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Section E – Offer:		
E.2b	Reasons for the Offer and Use of Proceeds:	The net proceeds of the issue of the Instruments will be used by the Issuer to on-lend to WNZL which will use the proceeds for general funding purposes.
E.3	A Description of the Terms and Conditions of the Offer:	Not Applicable. The Instruments will only be offered to any legal entity which is a qualified investor as defined in the Prospectus Directive, as implemented in that Relevant Member State, pursuant to an exemption from an obligation under the Prospectus Directive to publish a prospectus.
E.4	A Description of any Interest that is Material to the Issue/Offer, including Conflicting Interests:	Save for the "Subscription and Sale" of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer, including conflicting interests.
E.7	Expenses Charged to the investor by the Issuer:	No expenses will be charged by the Issuer to Investors in the Instruments.