

ASX

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# Release

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**21 OCTOBER 2020**

## **Westpac Group announces underwritten sale of stake in Zip Co Limited**

Westpac has today announced it will be selling its 10.7% stake in Zip Co Limited (ASX: Z1P) (Zip) by way of a fully underwritten book build to institutional investors domiciled in Australia and other relevant jurisdictions<sup>1</sup>.

The offer price for the shares is \$6.65 per share, which equates to a discount of 6.07% to Zip's last closing price of \$7.08 on 21 October 2020.

The decision reflects Westpac's approach to simplifying its business and ensuring the efficient use of capital. The sale will add around 8 basis points to Westpac's common equity tier 1 capital ratio.

Westpac Chief Information Officer, Gary Thursby, said: "Larry Diamond, Peter Gray and the management team of Zip have done a tremendous job growing the company, including expanding globally. We look forward to seeing them continue to grow a global customer franchise.

"We are continuing to explore opportunities with Zip, including working to integrate their buy now pay later functionality into our mobile banking apps across Westpac and our Regional bank brands. This would expand our offering to customers and broaden the customers Zip can reach.

"We are also working with Zip on other opportunities for consumer, business, and corporate customers that we believe could be mutually beneficial, while continuing to develop our banking relationship with Zip."

UBS is acting as Sole Lead Manager, Underwriter and Bookrunner of the offer.

Settlement of the transaction is expected to occur on 26 October 2020.

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<sup>1</sup> See the Annexure for the applicable selling restrictions

**Background**

In 2017, Westpac made an initial \$40 million equity investment in Zip, with a subsequent \$8.9m invested in 2019.

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

**Disclaimer**

This announcement does not constitute financial product or investment advice and has not been prepared to take into account the investment objectives, financial circumstances or particular needs of any investor. Potential investors in either Westpac or Zip should seek professional independent advice from their financial advisor or other professional advisor. This announcement contains forward-looking statements, which can usually be identified by the use of words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Westpac, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Westpac as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), Westpac undertakes no obligation to update these forward-looking statements.

This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any Zip shares in the United States. The Zip shares may not be offered or sold, directly or indirectly, in the United States or to, or for the benefit of, any person in the United States unless they have been registered under the U.S. Securities Act of 1933 (the U.S. Securities Act), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and any other applicable U.S. state securities laws.

## **ANNEXURE: SELLING RESTRICTIONS**

This document does not constitute an offer of ordinary shares (Shares) of Zip in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

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