Swaptions.
Product Disclosure Statement.

Supplementary document.

Issued by Westpac Banking Corporation
ABN 33 007 457 141
AFSL 233714

Dated: 8 April 2020.

This is a supplementary document to Westpac Banking Corporation’s Swaptions Product Disclosure Statement dated 25 September 2019.

Westpac Banking Corporation acting through its New Zealand branch has prepared this document in accordance with the Financial Markets Conduct Act 2013.
1. **What is this document?**
   
   1.1 This is a supplementary document dated 8 April 2020 prepared by Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 (Westpac) under section 72 of the Financial Markets Conduct Act 2013 (FMCA).
   
   1.2 It supplements Westpac's Product Disclosure Statement dated 25 September 2019 relating to an offer of certain Swaptions to be issued by Westpac (PDS). This supplementary document is to be read together with the PDS.
   
   1.3 This supplementary document has been prepared to update information contained in section 3.2 (Issuer Risks) of the PDS, relating to “Credit Ratings”.

2. **What should you do with this supplementary document?**

   We recommend that you read this supplementary document with the PDS, consider the implications of the updated information and seek independent advice before deciding whether Swaptions (as defined in the PDS) may be suitable for you.

3. **Updated information**

   3.1 The information in the PDS to be updated relates to changes by one rating agency (Fitch Ratings Incorporated) to Westpac’s long-term rating. The changes are:
   
   • a downgrade by one notch to A+ (from AA-)

   3.2 This supplementary document updates the PDS by replacing the table in section 3.2 of the PDS with the table set out below.

   3.3 Except as updated by this supplementary document, the PDS is unchanged.
Credit Ratings

Westpac Banking Corporation has the following credit ratings with respect to its long-term senior unsecured obligations:

**Standard & Poor's Financial Services LLC**
- AA-, Outlook Stable

**Fitch Ratings Incorporated**
- A+, Outlook Negative

**Moody's Investors Service**
- Aa3, Outlook Stable

In addition, Moody's Investors Service provides a local currency and foreign currency long-term counterparty risk rating (CRR). This is an opinion on the ability of Westpac Banking Corporation to honour the uncollateralised portion of non-debt counterparty financial liabilities (such as the uncollateralised portion of financial liabilities arising from derivatives) and also reflects the expected financial losses in the event such liabilities are not honoured.

The CRR is intended to be distinct from the ratings assigned to long-term senior unsecured obligations.

**Westpac Banking Corporation's CRR is Aa2, no Outlook provided**

The following is a summary of the major rating categories available, and Westpac's placement within those rating categories for its long-term senior unsecured obligations and its CRR.

<table>
<thead>
<tr>
<th>Credit Rating</th>
<th>Description of the issuer’s capacity to meet its financial commitments**</th>
<th>Default probability***</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Extremely strong</td>
<td>1 in 600</td>
</tr>
<tr>
<td>AA</td>
<td>Very strong</td>
<td>1 in 300</td>
</tr>
<tr>
<td>A</td>
<td>Strong</td>
<td>1 in 150</td>
</tr>
<tr>
<td>BBB</td>
<td>Adequate</td>
<td>1 in 30</td>
</tr>
<tr>
<td>BB</td>
<td>Less vulnerable</td>
<td>1 in 10</td>
</tr>
<tr>
<td>B</td>
<td>More vulnerable</td>
<td>1 in 5</td>
</tr>
<tr>
<td>CCC</td>
<td>Currently vulnerable</td>
<td>1 in 2</td>
</tr>
<tr>
<td>CC to C</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RD &amp; D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Westpac’s credit ratings are:
- AA- (Standard & Poor’s)
- A+ (Fitch)
- Aa3 (Moody’s)

The Fitch rating is "Outlook Negative"

The Standard & Poor’s and Moody’s ratings are "Outlook Stable"

Westpac’s CRR from Moody’s is Aa2, no "Outlook"

* If a rating of "C" is given by Moody's Investors Service, the issuer is typically in default.

** Summary description of Standard & Poor's ratings.

*** The approximate median likelihood that an investor will not receive repayment on a five-year investment on time and in full based upon historical default rates published by each agency, as at 2008 (source: Reserve Bank of New Zealand publication "Explaining Credit Ratings", dated November 2008).

Standard & Poor’s ratings from "AA" to "CCC" and Fitch ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. Moody’s adds numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" to "Caa". A "1" indicates that the obligation ranks in the higher end of the rating category; a "2" indicates a mid-range ranking; and a "3" indicates a ranking in the lower end of that rating category. Ratings may also be subject to positive, negative or stable outlooks.

A credit rating is an independent opinion of the capability and willingness of an entity to meet its financial obligations (in other words, its creditworthiness). It is not a guarantee that the issuer will be able to meet its obligations under derivatives.