



4 November 2020

Dear Investor,

Westpac Instalments Tax Statement for the year ended 30 June 2020

Your Westpac Instalments Tax Statement for the year ended 30 June 2020 is enclosed.

We have also prepared 2020 Guides to Taxation of Westpac Self-Funding Instalments and Westpac Vanilla Instalment Equity Warrants and a Guide to Disclosing Income and Expenses to assist you when preparing your tax return and financial statements.

You can find these guides on our website at www.westpac.com.au/structuredinvestments or you can request paper copies by calling us on 1800 990 107.

We recommend you seek independent tax advice before lodging a tax return. If you require any further information relating to Westpac Instalments please consult your financial adviser or call Westpac directly on 1800 990 107 between 9:00am and 5:00pm (AEST), Monday to Friday.

Yours sincerely,

LK#2

Louisa Kong
Senior Manager, Operations
Investment Product Solutions

Important Information: The Tax Statement enclosed with this letter is provided for information purposes only and does not constitute tax advice. This information has been prepared using Important Tax Statement Assumptions. You should consider whether these assumptions are relevant to your circumstances. Westpac does not provide taxation advice and recommends that you speak to your professional taxation adviser for assistance when preparing your return. We have not considered your particular investment needs, objectives, or your financial or taxation circumstances.

Important Tax Statement Assumptions

1. This information is based on data from the Registry, Computershare Investor Services Pty Limited, and the Issuer, Westpac Banking Corporation. This information should be read in conjunction with the Guide to Taxation of Westpac Instalments (including Westpac Self-Funding Instalments ("SFIs") and Westpac Vanilla Instalment Equity Warrants ("VIEWS")) for the Financial Year ended 30 June 2020 which can be found at westpac.com.au/structuredinvestments or requested by calling Westpac on 1800 990 107.
2. For all Westpac Instalments acquired via a Primary Market Application (Cash, Securityholder or Rollover), the (notional) put option fee reflects the amount actually paid. However, for all Westpac Instalments acquired on the Secondary Market (on ASX), the (notional) put option reflects an estimate, based on the closing price of the Underlying Security on the relevant date.
3. The market value of the Underlying Security is relevant to determining any capital gain or loss as set out in the "Guide to the Taxation of Westpac Instalments".
4. Secondary Market Trades are assumed to have occurred 2 business days prior to registration of those trades, or if they occurred during a Deferred Settlement Period, 2 business days before the Deferred Settlement Date.
5. You are an Australian resident who does not undertake a business of trading or dealing in shares or other marketable securities.
6. Prepaid Interest is generally deductible by the Holder, being incurred in earning assessable income other than capital gains. If you are a holder of VIEWS, the interest may need to be apportioned over the period to which it relates. Please refer to the Tax Section of the VIEWS Product Disclosure Statement.
7. Purchases and sales are assumed to have occurred on a First In First Out (FIFO) basis.
8. Where an off-market transfer (e.g. a sale not through a broker), holding conversion (e.g. from Issuer Sponsored to Broker Sponsored) or holding transfer (e.g. to move holdings in other cases) exists, each are assumed to be purchases and/or sales. An Assessable Interest Refund will appear on the statement from which the Westpac Instalments are removed and Prepaid Interest/Interest on the statement where they are added. The Transaction Type will display as "Transfer". In the case of a transfer you should speak to your adviser as in certain circumstances there will not be a disposal for tax purposes.
9. Brokerage incurred with purchases or sales has not been accounted for in the cost base calculation. This should normally be included in the cost base of the Underlying Securities. Refer to your trade contracts for these amounts.
10. If the Underlying Securities are or include units in a listed trust or an Attribution Managed Investment Trust ("AMIT"), distributions and/or attributions from the trust or the AMIT should have the same character as the amounts derived by the trust or the AMIT. You should refer to the Tax section of the relevant underlying Product Disclosure Statement for further details on the tax treatment of these distributions and/or attributions.
11. If you have disposed of any of your Westpac Instalments during the past financial year, you may have a capital gain or loss. Please refer to the disposal section of the Guide to the Taxation of Westpac Instalments for the Financial Year ended 30 June 2020 and/or consult your professional tax adviser.
12. Joint holders (not in partnership) should only take account of their respective share of the investments.
13. The Total Loan Amount owed by the investor at any time is the balance of Westpac Instalment holdings multiplied by the applicable Completion Payments for those Instalments.
14. The potential deduction for interest and the notional put option is calculated in accordance with capital protected borrowing rules using the benchmark rate from the Reserve Bank of Australia at a particular time. The benchmark rate is the Reserve Bank of Australia's Indicator Lending rates for Housing Loans - Banks Variable Standard Investor plus 1%. You should consult with your tax adviser regarding the potential deductibility of interest and the calculation of the put option.
15. Please note that for Westpac Instalments issued under the Product Disclosure Statement dated on or after 1 July 2013, which do not have an explicit put option, any notional put option expires when the instalment is sold on the ASX. This may result in a capital loss equal to the cost base in the notional put option. However, for those instalments the capital proceeds received for the disposal of the Underlying Securities must be increased by an amount equal to the capital proceeds on the notional put option as shown in your statement. The net amount of capital proceeds received upon the sale of Westpac Instalments on the ASX is therefore the same for instalments regardless of when they were issued.
16. In the event that an acquisition or disposal occurs at a time when the underlying security price is less than the Completion Payment, investors should seek independent taxation advice specific to their circumstances as the taxation consequences set out in this statement may require modification.

Corporate Action Information

Unless otherwise provided, capitalised terms as they appear in this Tax Statement are as defined in the Westpac Self-Funding Instalments (SFIs) and/or Westpac Vanilla Instalment Equity Warrants (VIEWS) Product Disclosure Statements (PDS) and Supplementary Product Disclosure Statements (SPDS).

The summary below is only a general outline of the tax consequences that may arise as a result of the occurrence of the Corporate Actions described below. It covers neither all possible dealings in relation to your investment nor all possible tax implications that may arise from such dealings.

This outline is restricted to investors who are Australian resident individuals (acting in their own capacity or as trustees) whose activities cannot be described as the conduct of a business of trading or dealing in shares, units or other marketable securities. Furthermore, it only applies to investors who hold their SFIs and/or VIEWS on capital account.

Investors should refer to the relevant PDS and/or SPDS for a more complete description of the consequences of the relevant Corporate Action. Furthermore, as taxation law is complex and its application dependent upon an investor's specific circumstances, the outline below can only be considered a general guide. We strongly recommend that you seek independent tax advice in relation to your SFIs and/or VIEWS, having regard to the details contained in your Tax Statement.

MPL – Special dividend

On 22 August 2019, MPL announced a fully franked final ordinary dividend of \$0.0740 and a fully franked special dividend of \$0.0250 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has applied the total fully franked dividend of \$0.0990 to reduce the Completion Payment per SFI.

For taxation purposes, the special dividend should be treated as if it was a fully franked ordinary dividend. This dividend has been applied against your Completion Payment and is shown on your Tax Statement.

TLS – Special dividend

On 15 August 2019, TLS announced a total fully franked final dividend of \$0.0800, comprising a final ordinary dividend of \$0.0500 and a special final dividend of \$0.0300 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has applied the total fully franked final dividend of \$0.0800 to reduce the Completion Payment per SFI.

For taxation purposes, the special dividend should be treated as if it was a fully franked ordinary dividend. This dividend has been applied against your Completion Payment and is shown on your Tax Statement.

TLS – Special dividend

On 13 February 2020, TLS announced a total fully franked interim dividend of \$0.0800, comprising an interim ordinary dividend of \$0.0500 and an interim special dividend of \$0.0300 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has applied the total fully franked interim dividend of \$0.0800 to reduce the Completion Payment per SFI.

For taxation purposes, the special dividend should be treated as if it was a fully franked ordinary dividend. This dividend has been applied against your Completion Payment and is shown on your Tax Statement.

RIO – Special dividend

On 1 August 2019, RIO announced a fully franked interim ordinary dividend of \$2.1908 and a fully franked special dividend of \$0.8850 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has applied the total dividend of \$3.0758 to reduce the Completion Payment per SFI.

For taxation purposes, the special dividend should be treated as if it was a fully franked ordinary dividend. This dividend has been applied against your Completion Payment and is shown on your Tax Statement.

BXB – Special dividend and capital return

On 23 August 2019 BXB announced a pro-rata cash return of \$0.2900 comprising a \$0.1700 special dividend (0% franked) and a \$0.1200 capital return for each share held in BXB.

In accordance with the Terms of Issue of the SFIs Westpac applied the total payment of \$0.2900 per BXB share to reduce the Completion Payment per SFI.

Further details on the tax consequences of the special dividend and capital return can be found in the letter to shareholders dated 9 April 2020 (https://yourir.info/resources/f722a99340213402/announcements/bxb.aspx/2A1219418/BXB_Letter_to_Shareholders_October_2019_Special_Distribution.pdf).

Details of the tax consequences of the capital return is addressed in the ATO Class Ruling CR 2019/68 (https://www.brambles.com/Content/cms/Dividends/Brambles_return_on_capital-ATO_Class_Ruling.pdf).

Details of the special dividend are shown on your Tax Statement.