



30 November 2022

Dear Investor,

Westpac Instalments Tax Statement for the year ended 30 June 2022

Your Westpac Instalments Tax Statement for the year ended 30 June 2022 is enclosed.

We have also prepared 2022 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.

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.

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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 2022 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 2022 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.

TLS – Special dividend

On 12 August 2021, 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. The total dividend has been applied against your Completion Payment and is shown on your Tax Statement.

TLS – Special dividend

On 17 February 2022, TLS announced a total fully franked final dividend of \$0.0800, comprising a final ordinary dividend of \$0.0600 and a special final dividend of \$0.0200 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. The total dividend has been applied against your Completion Payment and is shown on your Tax Statement.

RIO – Special dividend

On 23 February 2022, RIO announced a total fully franked dividend of \$6.6284, comprising a fully franked ordinary dividend of \$5.7704 and a fully franked special dividend of \$0.8580 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has taken the following steps in relation to your holding of SFIs over securities in RIO:

Applied the total fully franked dividend of \$6.6284 to reduce the Completion Payment per RIOSWA from \$2.0648 to \$0 and paid the surplus cash proceeds of \$4.5636 per SFI to RIOSWA holders

Applied the total fully franked dividend of \$6.6284 to reduce the Completion Payment per RIOSWB from \$33.2974 to \$26.6690

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

RIO – Special dividend

On 28 July 2021, RIO announced a total fully franked dividend of \$7.6006, comprising a fully franked ordinary dividend of \$5.0942 and a fully franked special dividend of \$2.5064 per share.

In accordance with the Terms of Issue of the SFIs, Westpac has applied the total fully franked dividend of \$7.6006 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.

The total dividend has been applied against your Completion Payment and is shown on your Tax Statement.

BHP – In Specie dividend

On 20 May 2022 the Board of BHP Group (“BHP”) announced that it had determined to pay to BHP shareholders an in specie fully franked dividend in the form of one Woodside Energy Group Ltd (“WDS”) share for every 5.5340 BHP share held in connection with the merger of BHP’s oil and gas portfolio with Woodside (“Merger”).

On 25 May 2022, in accordance with the Terms of Issue of the SFIs, Westpac sold the WDS shares at an average price of \$29.00 per share and applied the proceeds to reduce the Completion Payment per SFI by \$5.2403 per SFI.

In accordance with the Terms of Issue of the SFIs, Westpac has taken the following steps in relation to your holding of SFIs over securities in BHP:

1. On 25 May 2022, sold the WDS shares at an average price of \$29.00 per share
2. Applied the sale proceeds to reduce the Completion Payment per BHPSWA by \$5.2403 from \$0.4411 to \$0 and paid the surplus cash amount of \$4.7992 per SFI to BHPSWA holders
3. Applied the sale proceeds to reduce the Completion Payment per BHPSWB from \$12.2965 to \$7.0562

The value of the in specie fully franked dividend for tax purposes was based on the closing price of Woodside shares on 31 May 2022 of \$29.76 being an amount equal to \$5.3777 per SFI. Further details of the taxation consequences of the in specie dividend and the sale of the Woodside shares can be found in ATO Class Ruling CR 2022/60 <https://www.ato.gov.au/law/view/document?DocID=CLR/CR202260/NAT/ATO/00001>.

Details of the in specie dividend are shown on your Tax Statement.

For taxation purposes, the sale of the Woodside shares should be treated as a disposal for CGT purposes.

As the pro-rata capital proceeds from the sale of the Woodside shares by Westpac (being \$5.2403 per SFI) was less than the pro-rata cost base of those shares (being \$5.3777 per SFI), a capital loss should arise on the disposal of the Woodside shares in respect of each BHP SFI of \$0.1374.

WES – Return of Capital

On 21 October, at the Annual General Meeting, WES shareholders voted in favour of a return of capital of \$2.00 per share. In accordance with the Terms of Issue of the SFIs, Westpac has taken the following steps in relation to your holding of SFIs over securities in WES:

Applied the return of capital amount of \$2.00 to reduce the Completion Payment per WESSWA of \$1.3077 to \$0 and paid the surplus cash amount of \$0.6923 per SFI to SFI holders;
Applied the return of capital amount of \$2.00 to reduce the Completion Payment per WESSWB from \$14.8531 to \$12.8531.

Further details of the tax consequences of the return of capital can be found in the ATO Class Ruling CR 2021/87 (https://www.wesfarmers.com.au/docs/default-source/default-document-library/20211208---wesfarmers---class-ruling.pdf?sfvrsn=894617bb_4).

TCL – Renounceable entitlement offer

On 20 September 2021, TCL announced a 1 for 9 accelerated pro rata renounceable entitlement offer to eligible security holders at an offer price of \$13.00 per new security (“Entitlement Offer”).

On 23 September 2021, in accordance with the Terms of Issue of the SFIs, Westpac sold the entitlements at an average price of \$0.9000 per entitlement and applied the proceeds to reduce the Completion Payment per SFI by \$0.1000 being an amount equal to the average sale price \$0.9000 per entitlement divided by 9.

Further details on the taxation consequences of the sale of the entitlements can be found in Section 7 Taxation of the Retail Entitlement Offer Booklet (https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02425138-3A576524?access_token=83ff96335c2d45a094df02a206a39ff4).