

GENERAL BENCHMARK REFORM DISCLOSURE

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Global regulators continue to encourage financial markets to transition away from LIBOR and other interest rate benchmarks that are being discontinued or have been declared by regulators to no longer be representative of the underlying market (each of these benchmarks is referred to in this notice as an **Impacted Benchmark**). The specific nature and timing of these developments varies between Impacted Benchmarks and could have material and unpredictable consequences for market participants.

Many market participants, including Westpac, have stopped entering into new transactions that rely on Impacted Benchmarks other than in extremely limited circumstances related to the risk management of existing exposures.

If you do choose to enter into a new transaction referencing an Impacted Benchmark, you should ensure you understand the specific developments relevant to the Impacted Benchmark you are relying upon and the potential risks you could be exposed to.

These risks might include, but are not limited to:

- changes to the methodology of the Impacted Benchmark, such as the adoption of a “synthetic” methodology, that could have a material impact on the value, price or performance of, or market for, your transaction;
- the application of fallback provisions that automatically apply a replacement rate to your transaction when the Impacted Benchmark is discontinued or declared to be no longer representative and where:
 - your counterparty could have sole discretion in selecting the replacement rate and making consequent adjustments to the transaction;
 - the methodology for the replacement rate could be materially different to the methodology for the Impacted Benchmark;
 - the transition of the transaction to the replacement rate could have a material impact on the value, price or performance of, or market for, the transaction; and
 - replacement rates could differ across products resulting in material economic mismatches if the transaction is risk managed using other products;
- the terms of the transaction might not contemplate a replacement rate at all, which may lead to disputes over the ongoing performance or enforceability of the transaction;
- existing or new regulations might restrict the availability of new transactions referencing an Impacted Benchmark that could have a material impact on your ability to enter into a replacement transaction or engage in risk management; and
- transitioning to replacement rates for one or more transactions could give rise to tax, accounting or regulatory impacts.

There may be other risks from continuing to rely on Impacted Benchmarks. Unless expressly agreed with you in writing, Westpac is not providing you with advice on Impacted Benchmarks and we encourage you to seek your own independent advice on these matters.

The above information is not a complete statement of risks and other considerations concerning its subject matter. This information is general and is not intended to be, and should not be relied upon as legal, regulatory, financial, tax, accounting or other advice. Westpac makes no representation as to the accuracy, completeness or timeliness of such information, which may also be subject to change. In particular, it has been prepared without taking account of any particular party's objectives, financial situation or needs. Recipients of this information should consult their own independent professional advisers and/or conduct their own independent investigation and analysis on the potential risks imposed by interest rate reform and the potential resultant impact on their transactions with Westpac, its affiliates or subsidiaries.

