

ASX

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# Release

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17 JUNE 2020

## WESTPAC GROUP ANNOUNCES PENDAL GROUP LIMITED INSTITUTIONAL OFFER

Westpac Banking Corporation announces a fully-underwritten offer of approximately 31 million Pental Group Limited (ASX:PDL) (Pental) shares (which is circa 9.5% of Pental's shares on issue) (the Offer) to institutional investors domiciled in Australia and other relevant jurisdictions<sup>1</sup>. This announcement is consistent with Westpac's disclosures since the time of its previous sell-down of Pental shares in 2017 in which Westpac has indicated that it would sell its remaining stake in Pental at some future date.

The Offer price for the shares has been set at \$5.98 per share, which is a discount of 4% to Pental's last closing price of \$6.23 on 17 June 2020 and a 5.1% discount to the 30-day VWAP of \$6.30.

Finalisation of the Offer will complete the divestment of Westpac's proprietary shareholding in Pental, following earlier share sales in 2007, 2015, and 2017.

Acting Chief Financial Officer, Westpac Banking Corporation, Gary Thursby said: "Pental is a highly regarded, independent business, and given Westpac's commitment to simplify its operations and focus on banking in Australia and New Zealand, now is the right time to complete our divestment".

Completion of the Offer is expected to add approximately 2 basis points to Westpac's Common Equity Tier 1 capital ratio and will result in a post-tax accounting gain for Second Half 2020 of \$32m that will be included in Westpac's Full Year 2020 statutory result. Consistent with past practice, the gain will be excluded from the calculation of Westpac's cash earnings<sup>2</sup>.

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

Settlement of the transaction is expected to occur on 22 June 2020.

### Westpac funds managed by Pental

Post the sell-down of its shares in Pental in 2007, 2015 and 2017, Westpac has had an ongoing business relationship with Pental, including Pental managing some assets within Westpac's superannuation business. Following a program of consolidating superannuation

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

<sup>2</sup> For a definition of cash earnings see Westpac's First Half 2020 Result Announcement.

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products, approximately \$1.5 billion in funds under management (FUM) was withdrawn from Pandal in April 2019 and approximately \$1.0 billion was withdrawn in February 2020. A further withdrawal is expected to occur in two tranches, with the first tranche of approximately \$1.0 billion to occur later this calendar year (2020) and an anticipated further tranche (amount to be determined) of up to \$0.08 billion to occur later in the calendar year 2021.

### Strategic review of BT Wealth

Westpac's strategic review of its wealth businesses (including superannuation, platforms and investments) will occur as part of the newly formed Specialist Businesses division announced with the Group's First Half 2020 results on 4 May 2020. Following this review, there may be a loss of some or all of the funds that Pandal manages on behalf of the Westpac Group. As these businesses are currently undergoing a strategic review, it is too early to determine if there will be any impact on the Westpac Group funds managed by Pandal. Excluding the expected FUM which is the subject of the FUM withdrawals referred to above and FUM originating from BT platforms, Pandal currently manages approximately \$14 billion (as at 31 March 2020) for the Westpac Group.

ENDS

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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 Pandal 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 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

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## ANNEXURE: SELLING RESTRICTIONS

This document does not constitute an offer of ordinary shares (Shares) of Pandal 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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This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMC Act). The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- 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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This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

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The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

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No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

### United Kingdom

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.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA). This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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