

WESTPAC BANKING CORPORATION

GREEN TAILORED DEPOSIT PRODUCT

DNV GL PRE ISSUANCE VERIFICATION ASSURANCE OPINION

Scope and objectives

Westpac Banking Corporation (“WESTPAC” or “Issuer”) is considering the issuance of a Green Tailored Deposit product in AUD (henceforth referred to as “Deposit Product” and each deposit taken thereunder a “Deposit”) and has submitted the proposed Deposit Product for verification and certification against the Climate Bonds Standard (“CBS”).

WESTPAC intends to allocate the principal amounts (or proceeds) of the Deposits to nominated projects and assets which as the date of this opinion will initially fall under the following categories:

- Low Carbon Buildings – Commercial Buildings
- Renewable Energy – Wind

DNV GL Business Assurance Australia Pty Ltd (henceforth referred to as “DNV GL”) has been commissioned by WESTPAC to provide verification of the Deposit Product as an independent and approved verifier under the Climate Bonds Standard. Our criteria and information covered to achieve this is described under ‘Work Undertaken’ below.

No assurance is provided regarding the financial performance of the Deposit Product, the value of any investments in the Deposit Product, or the long term environmental benefits of the Deposit Product. Our objective has been to provide an assessment that the Deposit Product has met the criteria of the Climate Bonds Standard and the associated Technical Criteria on the basis set out below.

The scope of this DNV GL opinion is limited to the Climate Bonds Standard Version 2.1 and the following associated Sector Technical Criteria:

- Low Carbon Buildings (Commercial Buildings)
- Wind Energy

DNV GL acknowledges that WESTPAC may expand the range of Sector Technical Criteria used for the Deposit Product in the future. The inclusion of additional Sector Technical Criteria under the Deposit Product would be subject to a future Verification event under the Climate Bonds Standard.

Responsibilities of the Management of WESTPAC and DNV GL

The management of WESTPAC has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform WESTPAC management and other interested stakeholders in the Deposit Product as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by WESTPAC. DNV GL is not responsible for any aspect

of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by WESTPAC's management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

DNV GL has conducted the verification against the CBS v2.1 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirements of the CBS v2.1 and the Low Carbon Buildings (Commercial Buildings) and Wind Power Technical Criteria. The detail of areas covered in the DNV GL verification is summarised in Schedule 2 below.

Work undertaken

Our work constituted a high level review of the available information, based on the understanding that this information was provided to us by WESTPAC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard verification protocol, adapted to include the relevant Sector Technical Criteria for the Deposit Product nominated projects and assets, as described above and in Schedule 2 to this Assessment;
 - Assessment of documentary evidence provided by WESTPAC on the Deposit Product and supplemented by a high-level desktop research, onsite visit for documentation review and interviews with key personnel from the issuer WESTPAC. These checks refer to current assessment best practices and standards methodology;
 - Discussions with WESTPAC management, and review of relevant documentation;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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Findings and DNV GL's opinion

DNV GL has performed the Pre Issuance Verification of the WESTPAC Green Tailored Deposit Product. It is DNV GL's responsibility to provide an independent verification statement on the compliance of the WESTPAC Green Tailored Deposit Product with the Climate Bonds Standard.

DNV GL conducted the verification in accordance with the Climate Bonds Standard Version 2.1 and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Climate Bonds Standard were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV GL's verification approach draws on an understanding of the risks associated with conforming to the Climate Bonds Standard and the controls in place to mitigate these. DNV GL planned and performed the verification by obtaining evidence and other information and explanations that DNV GL considers necessary to give limited assurance that the WESTPAC Green Tailored Deposit Product meets the requirements of the Climate Bonds Standard.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the WESTPAC Green Tailored Deposit Product is not, in all material respects, in accordance with the Pre Issuance requirements of the Climate Bonds Standard Version 2.1 and Associated Low Carbon Buildings (Commercial Buildings) and Wind Power Technical Criteria.

for DNV GL Business Assurance Australia Pty Ltd

Sydney, 13 November 2018



Mark Robinson

Manager, Sustainability Services
DNV GL – Business Assurance

About DNV GL

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

Portfolio of NOMINATED assets ^{1.}

Schedule data as of 6 November 2018.

Asset Type/s	Country	State	Category	Eligible Asset Pool
Low Carbon Buildings	Australia	NSW, VIC, QLD, WA, ACT	Commercial Buildings	AUD 751.93m
Renewable Energy - Wind	Australia	VIC, WA, SA	Renewable Energy Generation and Transmission Assets	

TOTAL ELIGIBLE ASSET PORTFOLIO:

[AUD 751.93m] ^{2.}

1. Eligible Assets ("Nominated Projects") are defined within the Climate Bonds Standard (v2.1) – Part A: General Requirements (4: Nominated Projects & Assets) and Part B: Eligible Projects & Assets (9: Climate Bonds Taxonomy and 10: Technical Criteria)

SCHEDULE 2: VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard v2.1

The criteria against which WESTPAC and its nominated projects and assets have been reviewed prior to inclusion in the Deposit Product are grouped under the requirements as detailed within the Climate Bonds Standard Version 2.1 including:

Part A: General Requirements

Area	Requirement
Project Nomination	The issuance issued must specify the project collateral or physical assets with which it is associated
Use of Proceeds	Proceeds must be allocated to Nominated Project(s)
Non-Contamination	Issuers are permitted a grace period to allocate or re-allocate funds to Nominated Project(s)
Confidentiality	The information disclosed to the Verifier and the Climate Bonds Standards Board may be subject to confidentiality arrangements
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Low Carbon Contribution - Eligible projects and physical assets

Nominated projects and assets include financing of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Appendix B.

Area	Requirement
Wind Energy Generation	Wind electricity generation facilities
	Transmission infrastructure wholly dedicated to electricity generated by wind turbines

Area	Requirement
Low Carbon Buildings (Commercial Buildings)	Meets performance target set by low carbon trajectory for asset in that location
	Will achieve equivalent performance over the Deposit Product term
	Achieves a CBI-approved proxy

Part C: Deposit Product structures

Area	Requirement
Project Holding	The issuer of a Product with Nominated Projects linked to a portfolio of assets must continue to hold eligible assets at least equal to the Fair Market Value at the time of issuance of the original principal
Settlement Period	Issuing entities must demonstrate that the proceeds of a Product have been allocated to the Nominated Project(s) within 24 months after the bond is issued
Earmarking	The issuer of the Product shall maintain the earmarking process to manage and account for funding to the nominated projects and assets.