



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 10/01/14 AND ENDING 09/30/15  
MM / DD / YY MM / DD / YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Westpac Capital Markets LLC

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

575 Fifth Avenue, Floor 39

(No. and Street)

New York

(City)

NY

(State)

10017

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Michael Glynn

(212) 751-4422

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

PricewaterhouseCoopers LLP

(Name -- if individual, state last, first, middle name)

300 Madison Avenue

(Address)

New York

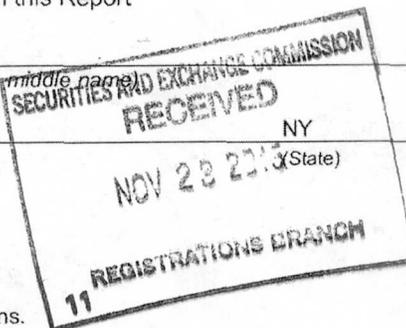
(City)

NY

(State)

10017

(Zip Code)



**CHECK ONE:**

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2).

SEC 1410 (06-02)

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AS  
AS  
12/11

OATH OR AFFIRMATION

I, Mark Van Der Griend, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westpac Capital Markets LLC, as of September 30, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

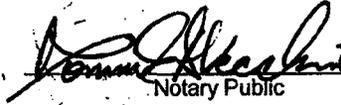


Signature  
Mark van der Griend  
Chief Executive Officer  
Westpac Capital Markets, LLC

11/15

**DOMINICK A. VECCHIONE**  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 7/20/2018

Title

 ID# 2047198 11/15/15  
Notary Public

This report\*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\* For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**Westpac Capital Markets LLC**  
**Index**  
**September 30, 2015**

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Management of Westpac Capital Markets LLC:

In our opinion, the accompanying statement of financial condition presents fairly, in all material respects, the financial position of Westpac Capital Markets LLC (the "Company") at September 30, 2015 in conformity with accounting principles generally accepted in the United States of America. The statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit of this statement in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition, assessing the accounting principles used and significant estimates made by management, and evaluating the overall statement of financial condition presentation. We believe that our audit of the statement of financial condition provides a reasonable basis for our opinion.

*PricewaterhouseCoopers LLP*

November 19, 2015

**Westpac Capital Markets LLC**  
**Statement of Financial Condition**  
**September 30, 2015**

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*September 30, 2015*

	\$
<b>Assets</b>	
Cash	1,814,408
Accounts receivable customer	422,518
Due from affiliate	246,555
Deferred tax asset	156,172
Prepaid expenses	7,297
<b>Total assets</b>	<b>2,646,950</b>
<b>Liabilities and Member's Equity</b>	
<b>Liabilities</b>	
Discretionary bonus payable	240,000
Fail to receive	422,518
Income taxes payable	30,298
Due to others	65,437
<b>Total liabilities</b>	<b>758,253</b>
<b>Commitments and Contingencies (Notes 6)</b>	
<b>Member's Equity</b>	<b>1,888,697</b>
<b>Total liabilities and member's equity</b>	<b>2,646,950</b>

The accompanying notes are an integral part of this Statement of Financial Condition.

**Westpac Capital Markets LLC**  
**Notes to Statement of Financial Condition**  
**September 30, 2015**

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**1. Business**

Westpac Capital Markets LLC ("the Company"), a Delaware limited liability company, was incorporated on June 7, 2012. The Company is a registered broker-dealer under the Securities Exchange Act of 1934 and became a member of the Financial Industry Regulatory Authority ("FINRA") on January 15, 2013. The Company is an agency broker-dealer primarily involved in the brokerage of Australian and New Zealand interest rate and credit fixed income products to institutional clients. The Company executes, clears and settles all securities transactions through Westpac Banking Corporation and its subsidiaries ("The Parent Bank"), as permitted by SEC Rule 15a-6.

The Company is a wholly owned subsidiary of Westpac Capital Markets Holding Corporation ("the Parent"), a Corporation registered in Delaware. The Parent is wholly owned by Westpac Overseas Holding Pty Limited, a company organized in Australia (the "Indirect Owner"), which is wholly owned by the Parent Bank, also organized in Australia. Westpac Banking Corporation's New York Branch ("the Branch") is a branch office of the Parent Bank and is located in New York City.

**2. Significant Accounting Policies**

***Basis of Presentation***

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash***

The Company considers demand deposits accounts to be cash. Cash consist of cash deposits held in an account at a major financial institution and therefore are subject to the credit risk at the financial institution. The amount on deposit at this institution exceeds the maximum balance insured by the Federal Deposit Insurance Corporation ("FDIC"). However, the Company has not experienced any losses in such account and does not believe there to be any significant credit risk with respect to this deposit.

***Income Taxes***

The Company is a single member limited liability company and a disregarded entity. The results of the Company's operations are included in the Federal, state and local income tax returns of the Parent that settles its income tax liabilities with respective taxing authorities. Pursuant to the Tax Sharing Agreement with the Parent, the Company's income taxes are an allocated share of the U.S. taxes of the Parent and are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**Westpac Capital Markets LLC**  
**Notes to Statement of Financial Condition**  
**September 30, 2015**

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**3. Related Party Transactions**

Cost plus revenue entitles the Company to receive revenue pursuant to a cost-plus contractual agreement with the Branch, which is an affiliate, of which \$168,876 was a receivable and is included in due from affiliate on the statement of financial condition as of September 30, 2015. The remaining amount due from affiliates is \$77,679 relates to income taxes.

Under a service agreement with Parent Bank and pursuant to SEC Rule 15a-6 (referred to as the "Form of Rule 15a-6 Agreement"), the Parent Bank executes, clears and settles all securities transactions on behalf of the Company. Through the agreement, the Company fulfills its requirements under Rule 15a-6(a)(3) to issue required confirmation statements to U.S. investors and maintain appropriate books and records with respect to transactions entered into by the Company under the Agreement.

A failure to receive or failure to deliver is the outcome in a transaction where one of the counterparties in the transaction fails to meet their respective obligations on the settlement date of a transaction. When failure to receive or failure to deliver occurs, one of the parties to the transaction has either not delivered the cash to pay for the transaction or not delivered the underlying assets that are to be delivered under the transaction. As the Company is effecting transactions on behalf of its Parent Bank, failures to receive or failures to deliver are reported on the Company's balance sheet as a receivable or payable from the third party customer with an offsetting payable to or receivable from the Parent Bank. At September 30, 2015, the Company reported a failure to receive obligation of \$422,518.

The Company is provided office space, payroll support and administrative support from the Branch under an Expense Sharing Agreement ("the ESA"). Under the ESA, the Company is responsible for recording on its books and records the direct expenses of its broker-dealer activities.

The Company is charged for these services based upon (a) actual costs incurred, where they are separately identifiable; (b) resources directly supporting the Company based on Full Time Employee (FTE) allocation, (c) allocation of other general and administrative costs incurred by the Parent Bank including the usage of office space, fixed asset depreciation, cleaning, telephone, repairs and maintenance based on FTE allocation. Intercompany transactions are settled with the Branch at September 30, 2015.

**4. Stock Based Compensation**

The Restricted Share Plan (RSP) provides the Company with an instrument for attracting and rewarding key employees. Under the RSP, shares in the Parent Bank, Westpac Banking Corporation have been allocated to eligible employees with vesting subject to remaining employed with the Company for a period determined by the Board of the Branch. Shares in the RSP are held in the name of the employee and are restricted until satisfaction of the vesting conditions. The vesting period of these awards range from one to three years.

The Company separately recognizes compensation expense for each tranche of each award as if it were a separate award with its own vesting date. For each tranche, compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche. Compensation expense for shares under the RSP is measured based on the number of shares granted multiplied by the stock price at the grant. The Company is allocated a percentage of compensation expense for each eligible employee based upon its expense sharing agreement between the Company and the Branch.

**Westpac Capital Markets LLC**  
**Notes to Statement of Financial Condition**  
**September 30, 2015**

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For income tax purposes, the Company's tax deduction is based upon intrinsic value of the awards at vesting. For certain awards which have vested at October 1, 2014, the Company has realized tax benefits relating to the Company's eligible employees who were granted awards prior to the Company beginning its operations.

**5. Income Taxes**

The components that make up the deferred tax asset are as follows:

Deferred Tax Assets

Bonus expenses not deductible for tax purpose	110,472
Deferred compensation	45,700
Gross deferred tax assets	\$ <u>156,172</u>
Deferred tax liabilities	\$ <u>-</u>
Gross deferred tax liabilities	\$ <u>-</u>

The Company has not provided a valuation allowance for the deferred tax asset as of September 30, 2015, as management believes that it is more likely than not there will be sufficient taxable income recognized in future years to utilize the existing benefit of the deferred tax asset.

The Company is a single member limited liability company and is a disregarded entity for U.S. tax purposes within the Parent's Federal, New York State and New York City tax returns and considered a division within the Parent's tax return filing. The Company settles its taxes payable/receivables with the Parent. There are no tax years currently under examination at a federal, state or local jurisdiction. The Company's tax returns for fiscal years ended 2012, 2013, and 2014 can be subject to tax exams for federal, state and local jurisdictions.

The Company has no unrecognized tax benefits at September 30, 2015. In addition, the Company has concluded that it does not have any uncertain tax positions.

To the extent that there are penalties and/or interest incurred with respect to any tax liability in the future, these will be recognized in the respective penalties account and/or interest line in the accompanying statement of operations.

**Westpac Capital Markets LLC**  
**Notes to Statement of Financial Condition**  
**September 30, 2015**

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**6. Commitments and Contingencies**

The Company leases office space under the ESA with the Branch. There are no quantifiable future minimum commitments under this lease. The Company will continue to be allocated expenses based on future ESA's.

In the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and which provide general indemnifications. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company or that have not yet occurred.

**7. Regulatory Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule 15c3-1, and has elected to use the Alternative Net Capital Method as defined equal to the greater of \$250,000 or 2% of the aggregate debit balances arising from customer transactions as defined. At September 30, 2015, the Company had net capital of \$1,478,674, which was \$1,228,674 in excess of its minimum requirement of \$250,000.

**8. Subsequent Events**

Management has evaluated the possibility of subsequent events existing in the Company's financial statements through November 19, 2015, the date the financial statements were available to be issued. Management has determined that there are no material events that would require adjustment to or disclosure in the Company's financial statements.