

PRINCIPLES FOR RESPONSIBLE LENDING

At Westpac, we are committed to responsible lending practice. We acknowledge our obligation to market our products responsibly and stay in touch with the expectations of customers and the community. Our Principles for Doing Business form the bedrock of our commitment to corporate responsibility and sustainable business practice. The following Principles provide additional details of our approach to responsible lending.

PRINCIPLE ONE

- **We seek to lend only what our customers can afford to repay:**

We are therefore committed to:

- Ensuring compliance with the Uniform Consumer Credit Code, Code of Banking Practice, relevant guidelines published by the Banking & Financial Services Ombudsman, our own credit assessment policies and Our Principles for Doing Business;
- Following a strict, detailed and sensible loan criteria process, including the use of credit scoring, credit reference agency checking and affordability verification to make a full assessment of a person's capacity to repay;
- Allocating credit authority based on skills and experience. We segregate key responsibilities ensuring our people are trained and able to carry out their responsibilities;
- Helping our customers stay fully informed, providing them with the information they need to be confident when making a financial decision.

PRINCIPLE TWO

- **We market our products and services responsibly:**

We are therefore committed to:

- Acting with integrity, following ethical and legal selling practices and giving our customers information that helps them make informed decisions about our products and services;
- Offering credit card limit increases to existing customers only on the basis of strict eligibility criteria, including but not limited to past repayment history;
- Ensuring all credit increase offers come with an affordability statement, clarity on the new minimum payment required, options to lower existing or new credit limits;
- As a matter of policy, excluding customers either identified as receiving government benefits and therefore on a fixed income and/or customers with poor repayment history, and customers who have opted out from unsolicited contact;
- Carefully and continually monitoring our credit assessment processes.

PRINCIPLE THREE

- **We support customers facing financial difficulty:**

We are therefore committed to:

- Encouraging customers facing financial difficulty to talk to us directly, treating every case individually and providing access to local, fee-free and independent financial counselling services where required;
- Encouraging open discussion of issues and accepting responsibility for managing issues that arise, including personal accountability for resolving issues that are brought to our attention;
- Proactively contacting credit card customers who may be experiencing financial difficulty in managing their credit;
- Providing specific relief to customers in difficulty due to natural disaster including deferred payments, discounted refinancing and interest penalty waivers;
- Offering deferred payment options (repayment holidays) for customers to help them deal with changing circumstances.

PRINCIPLE FOUR

- **We help to improve our stakeholders' financial literacy and capability:**

We are therefore committed to:

- Providing public access to our money management, budgeting, saving, risk and spending educational materials, including to schools, business and community groups;
- Delivering 'Financial First Steps', a program to enable consumers, particularly young people to gain basic money management training; as of Sept 2007, we trained almost 1000 Westpac employees to deliver more than 1300 workshops since 2002;
- Ensuring our products and services are accessible to all, including people with disabilities, those living in remote locations and those from non-English speaking backgrounds;
- Supporting improved financial literacy and access to finance for the Indigenous community with programs such as the Indigenous Capital Assistance Scheme and Family Income Management program, and through our membership of the Indigenous Banking Reference Group and the Australian Microfinance network;
- Supporting the Australian Government's 'Understanding Money' campaign which aims to help all Australians better manage their money.