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**Westpac**  
**Australia's First Bank**

# **Sales and Distribution**

**Jim L'Estrange**

**Chief Executive Officer**

**Australian Consumer Banking**

**13 August 2001**

STRATEGY BRIEFING, August 2001



# Disclaimer



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**The material contained in the following presentation is intended to be general background information on Westpac Banking Corporation and its activities as at 13 August 2001.**

**The information is supplied in summary form and is therefore not necessarily complete. Also, it is not intended that it be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.**

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# **We have had a consistent strategy for 3 years...**



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- **Focus on segmentation**
- **Developing our people**
- **Developing channels to meet customer needs**
- **High performance culture**
- **Building alternative profitable distribution**

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# ...which has delivered strong performance



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- Increased number of valuable customers
- Improved retention rates (mortgages, investments)
- Improved product penetration (2.24 → 2.51)
- Strong structured product sales - \$750 million
- Mortgage cross sale up 33%
- Improved planner and adviser productivity

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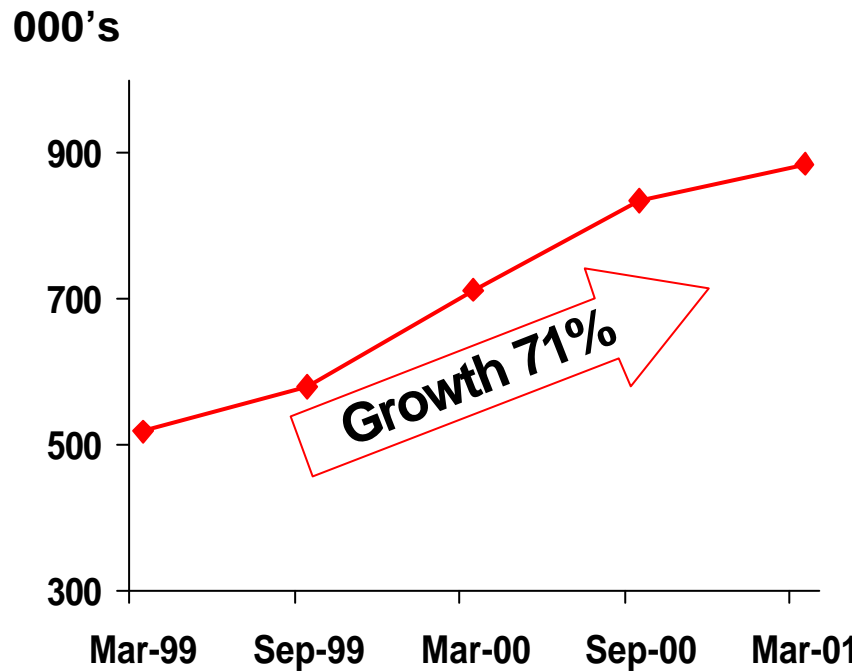
# ...and an increase in valuable customers



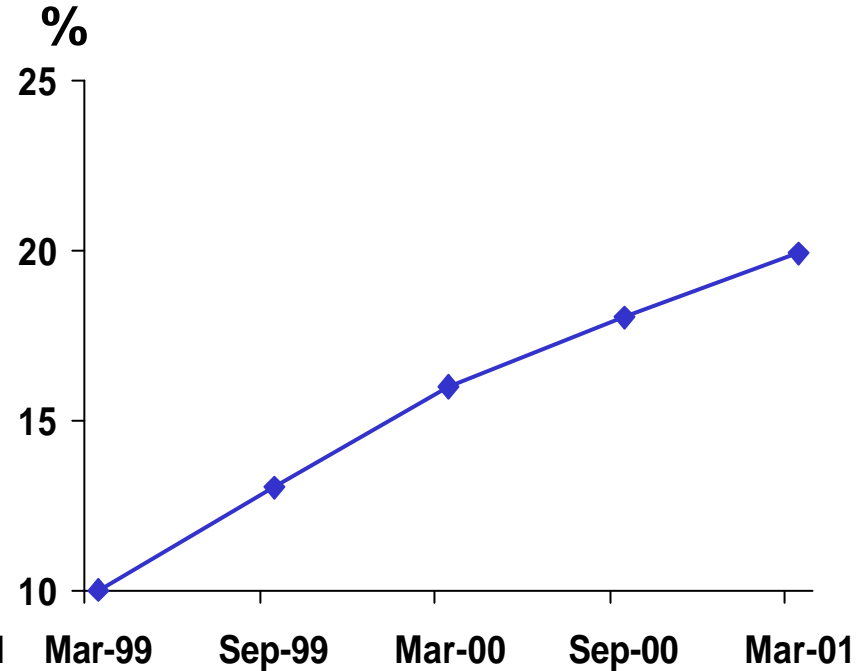
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## Consumer Valuable\* Customers

### Number



### Proportion of Customers



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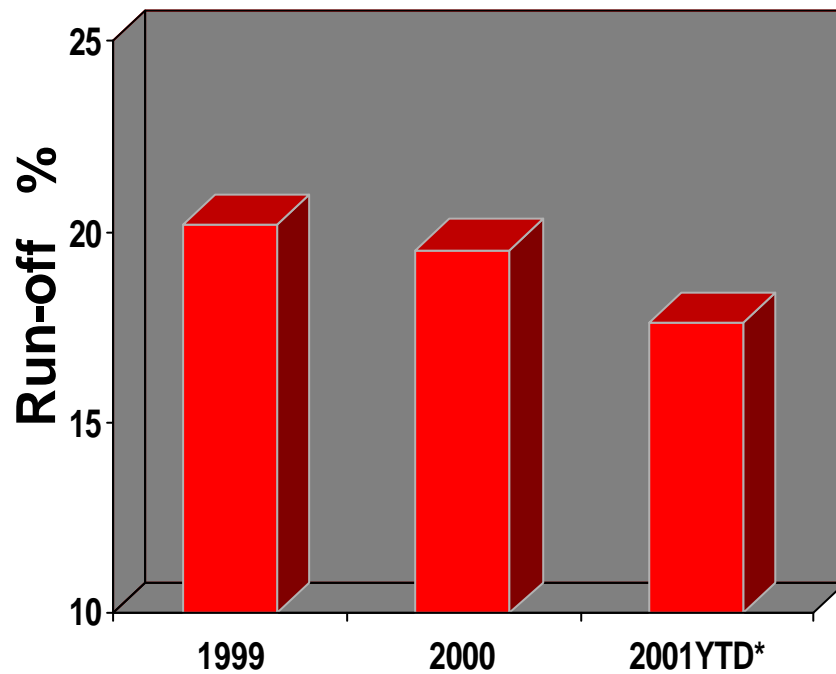
\* Priority or valuable customers are typically those with whom we have a multi-product relationship.

# Customer retention - mortgages & investments

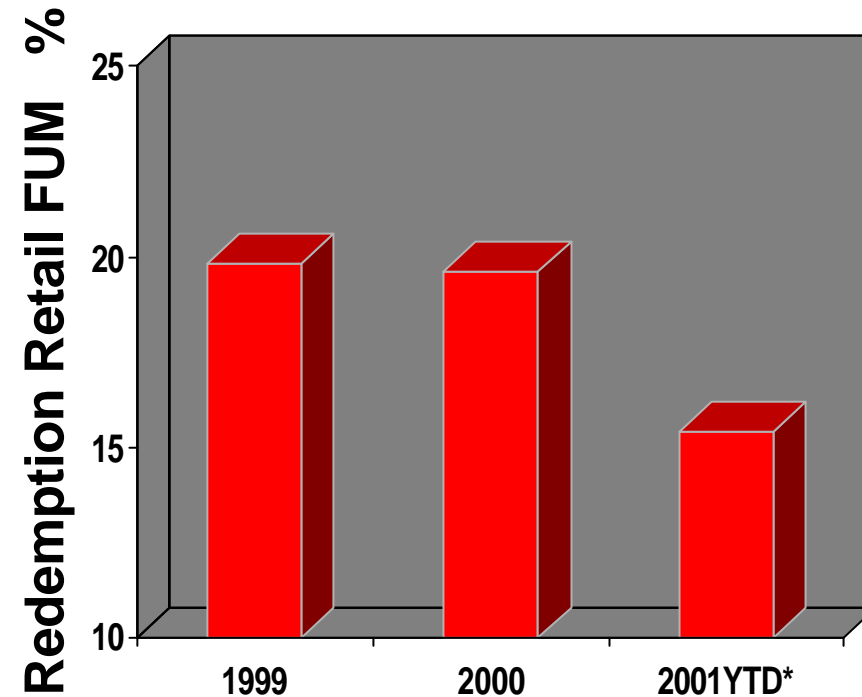


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## Mortgages



## Investments



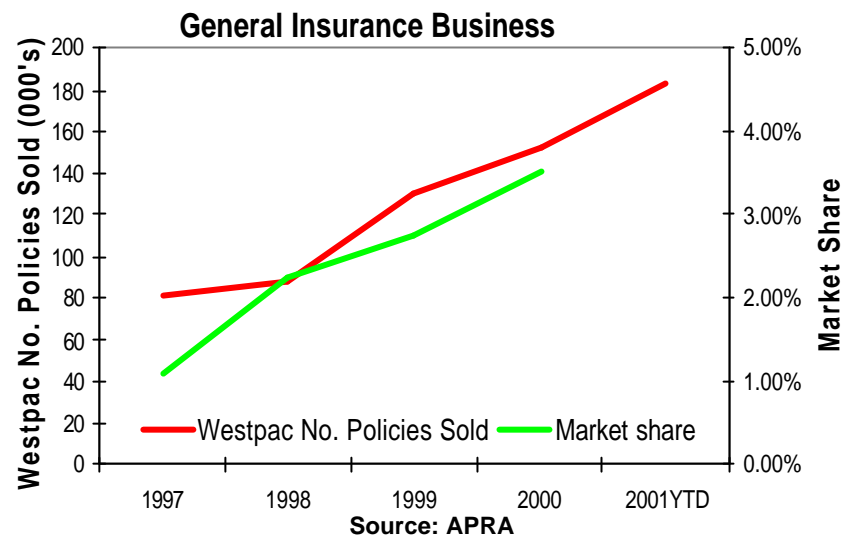
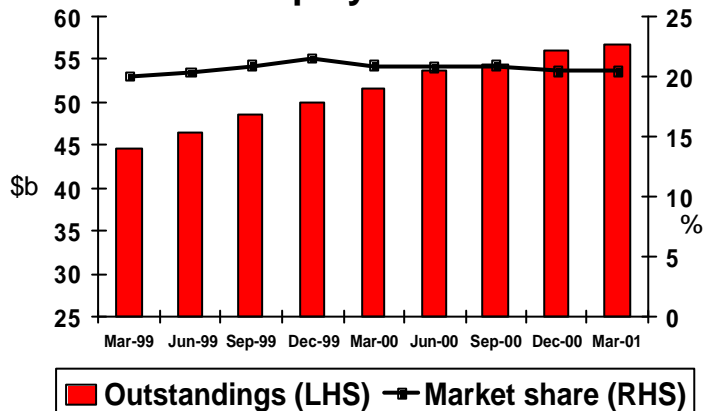
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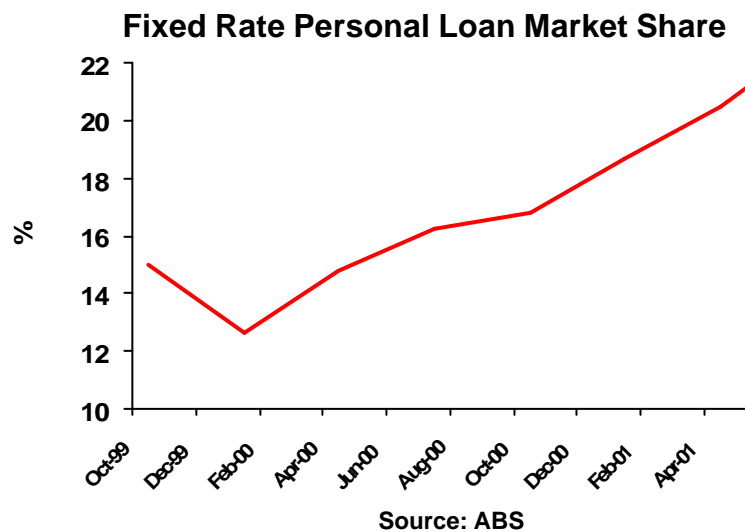
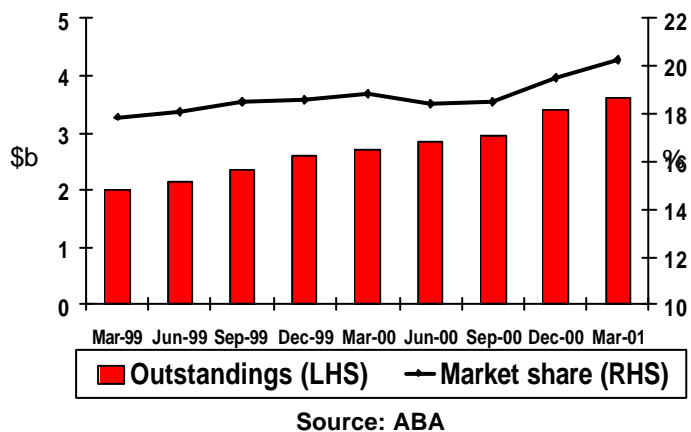
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# Market share

## Home Loans, Investment & Equity Loans



## Credit Card Outstandings



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# Growth opportunities



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- **Grow product penetration through**
  - better identify customer life stage events, and therefore financial needs
  - continue to invest in CRM, training
- **Grow wealth management capability**
  - increase number of planners & advisers
  - double referrals growth over 3 years
  - improve wealth creation capability within branches
  - continue focus on broadening customer relationships
- **Continue to lower cost structures**
- **New referral sources**
- **Leads management program**

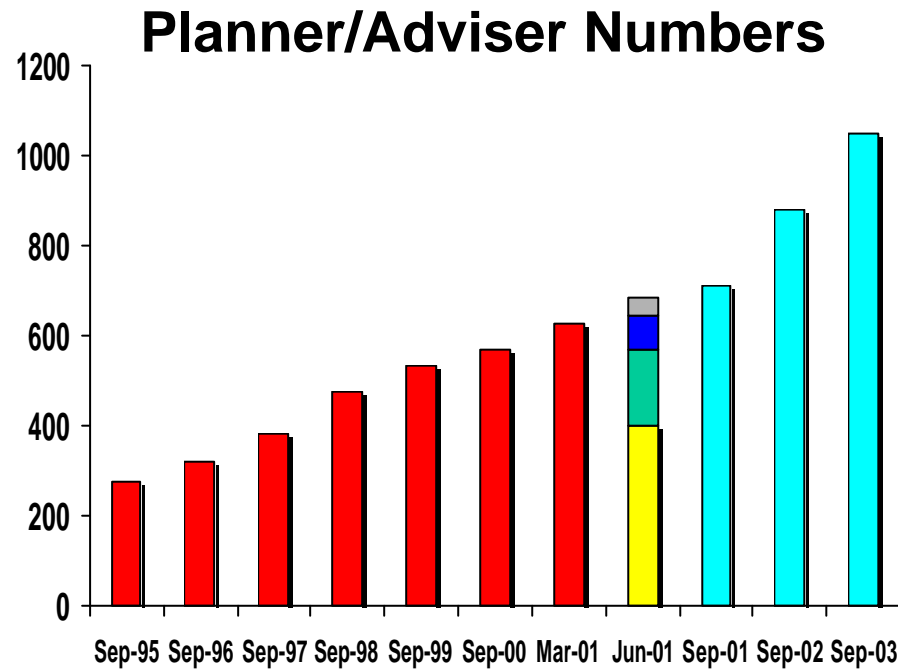
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# Growth of our adviser network is key to our strategy



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- Strong organic growth
- Strong focus on addressing retention
- Continue external recruitment



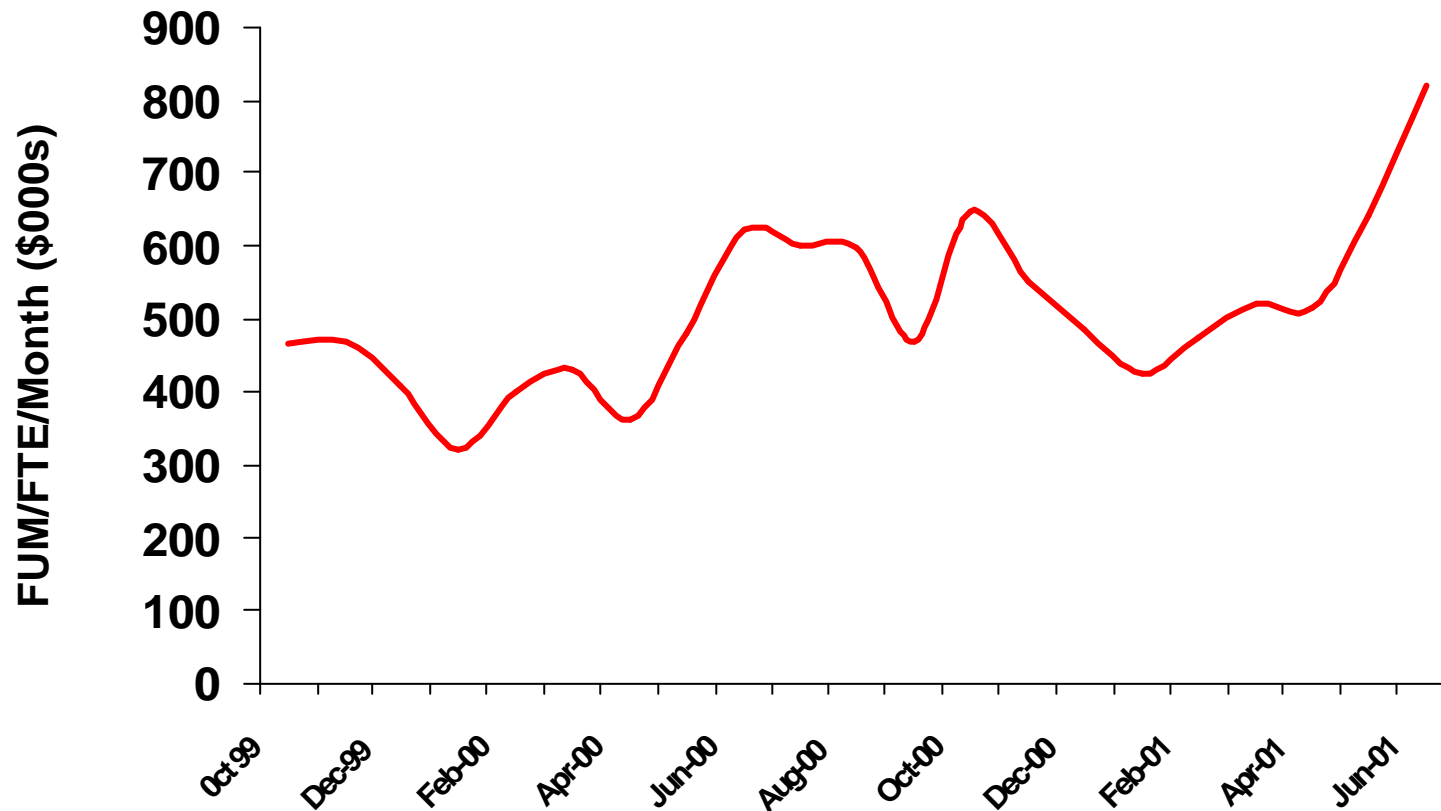
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# Financial planners & advisors productivity



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## Advised Sales per FTE



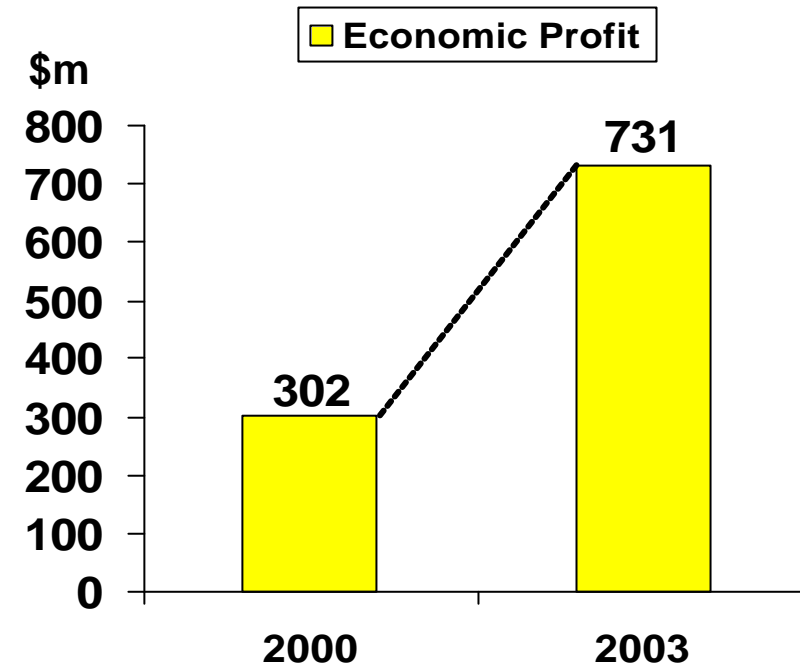
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# Consumer opportunities



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- 40% increase in Priority customers
- 30% improvement in EP of Personal customers
- 40% increase in EP per customer for Private Banking clients



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# Agenda



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- **Business and Consumer Banking in Australia**
  - 3 year history
  - Strategy
  - Progress this financial year
  - Major Opportunities
- **New Zealand and Pacific Banking**

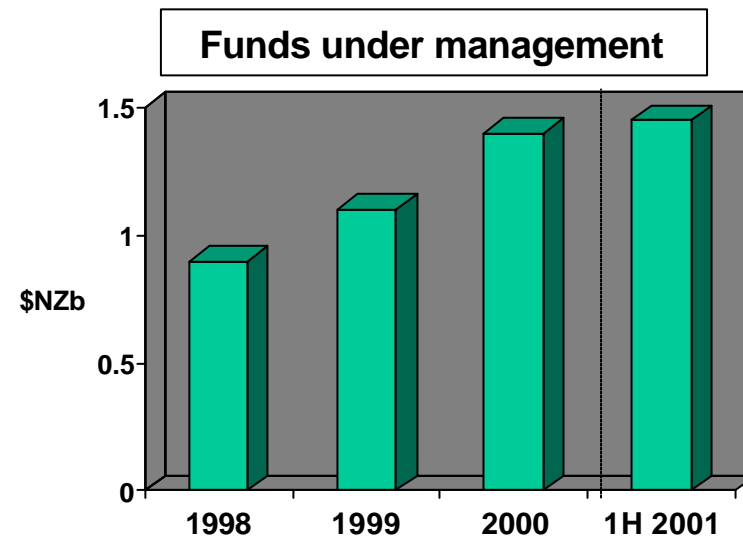
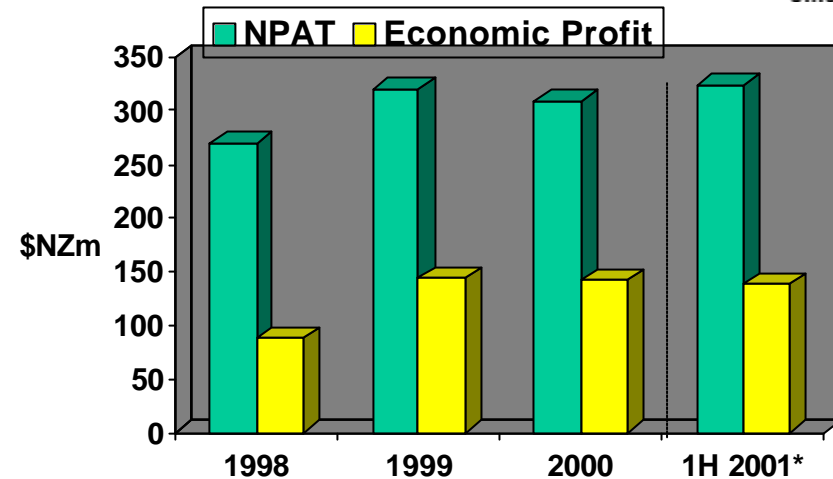
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# New Zealand Business & Consumer



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- Largest customer base
- Opportunity in revenue growth, wealth creation
- Previously distracted by merger integration
- Staff morale improved
- Customer satisfaction stabilised
- Income improving - particularly Business Banking
- NZ Retail ROE 19.7% March 2001



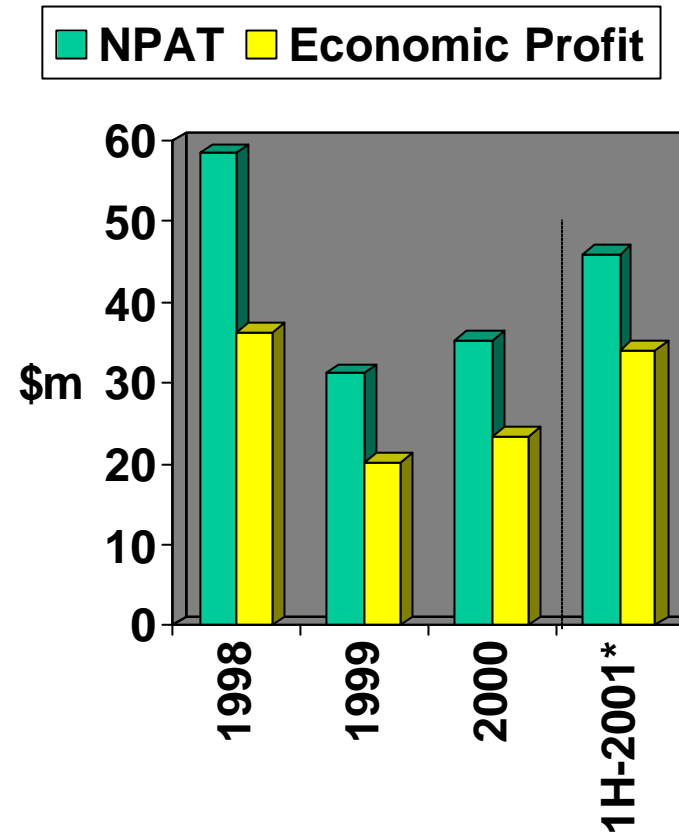
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# Pacific Banking



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- Performing soundly despite economic disruptions
- Increased shareholdings
- Solid earnings
- PRB ROE 45.9% March 2001



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## In summary...



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- On track to double the economic profit of ARFS in Australia in 3 years to 2003
- Focusing on broadening and deepening relationships across our customer base
- Major opportunities in wealth management and business banking
- Delivering both market share and efficiency gains

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