

# WESTPAC TECHNOLOGY SIMPLIFICATION UPDATE

27 MARCH 2024

WESTPAC BANKING CORPORATION ABN 33 007 457 141

# PETER KING

Chief Executive Officer

# UNITE: ACCELERATING SIMPLIFICATION

## Objectives

Better  
customer experience

Improved  
employee experience

Increased  
shareholder return

**Business led. Technology enabled.**

These objectives are 'forward-looking statements' and are subject to assumptions, risks and other important information in the Disclaimer on page 18.

# A STRATEGY FOR GROWTH AND RETURN

## OUR PURPOSE

Creating better futures together

## AMBITION

To be our customers' #1 bank and partner through life

## PILLARS

Customer care at the heart

Easy to do business with

Expert solutions and tools

Advocate for positive change

## FOUNDATIONS

Strong balance sheet

Proactive risk management and risk culture

Data-informed insights and decisioning

Passionate people who make a difference

## MEASURES

Return on tangible equity

Market position

# READY TO ACCELERATE



## PORTFOLIO SIMPLIFICATION COMPLETE

Focused on banking in  
Australia & New Zealand

10 businesses exited<sup>1</sup>



## CORE PROGRAM WELL PROGRESSED

Integrated plan  
activities complete

Embedding risk  
management practices



## TECHNOLOGY SIMPLIFICATION UNDERWAY

Technology  
foundations  
simple and  
modern

#1 Mobile  
Banking App<sup>2</sup>

EFTPOS Air for  
business  
customers

AI-powered  
Westpac SaferPay  
to stop scams

<sup>1</sup> BT Personal and Corporate Super, Advance Asset Management, General Insurance, Australian Life Insurance, Lenders Mortgage Insurance, Motor Vehicle Dealer Finance and Novated Leasing, Strategic Alliances 'Vendor Finance', New Zealand Life Insurance, New Zealand Wealth Advisory, BT Private Portfolio Management. <sup>2</sup> The Forrester Digital Experience Review: Australian Mobile Banking Apps, Q4 2023.

# UNITE OBJECTIVES



## BETTER CUSTOMER EXPERIENCE

- Simplified customer journeys
- End to end digital experiences
- Faster to market



## IMPROVED EMPLOYEE EXPERIENCE

- More time with customers
- Better insights
- Enables innovation



## INCREASED SHAREHOLDER RETURN

- Operating cost efficiency
- Reduced cost of change
- Improved risk

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# SCOTT COLLARY

Chief Information Officer

# BUILDING CUSTOMER-CENTRED TECHNOLOGY



**Built to change**



**Evergreen**



**Automated**



**Digital to the core**



World class experiences & platforms



**#1**  
mobile banking app<sup>1</sup>



Best engineers & infrastructure



**Achieved top**  
decile productivity for engineers



Intelligent banking with AI & data



**100%**  
data platform on cloud available



Protecting our customers



**Westpac SaferPay**



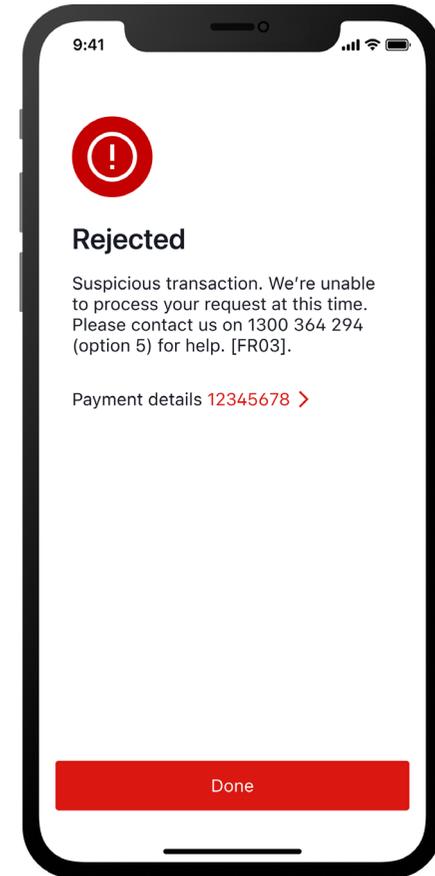
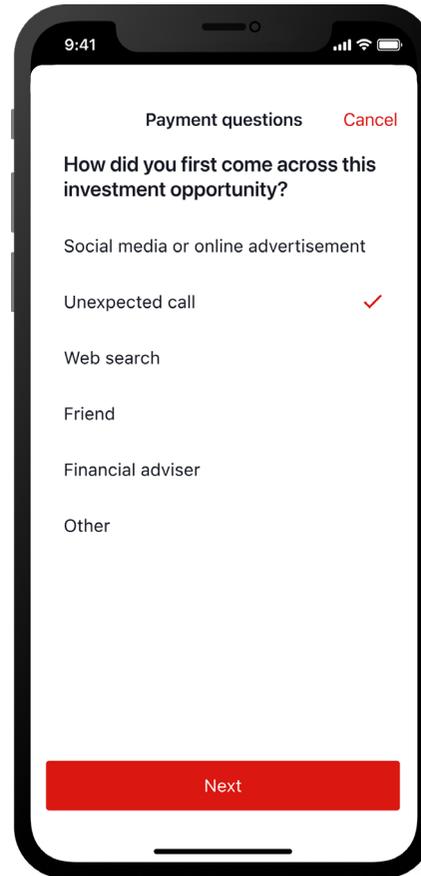
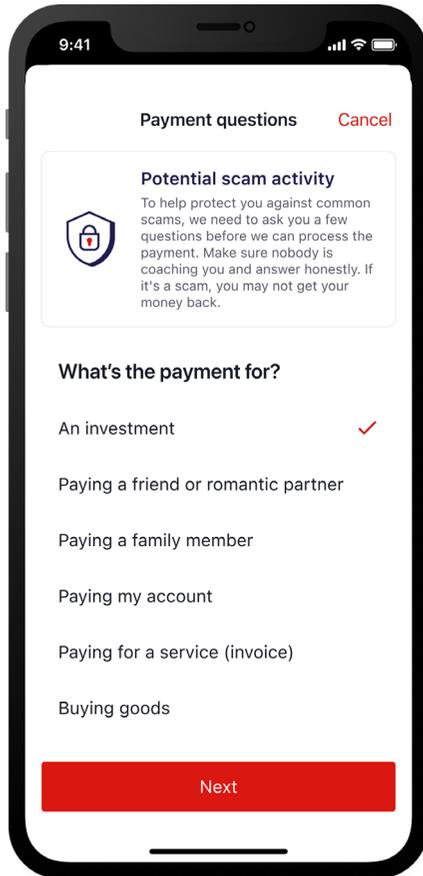
Simplifying & modernising our technology



**9 to 1**  
networks consolidated

This page contains 'forward looking statements'. Please refer to the disclaimer on page 18.  
<sup>1</sup> The Forrester Digital Experience Review: Australian Mobile Banking Apps, Q4 2023.

# WESTPAC SaferPay: PROTECTING AUSTRALIANS FROM SCAMS

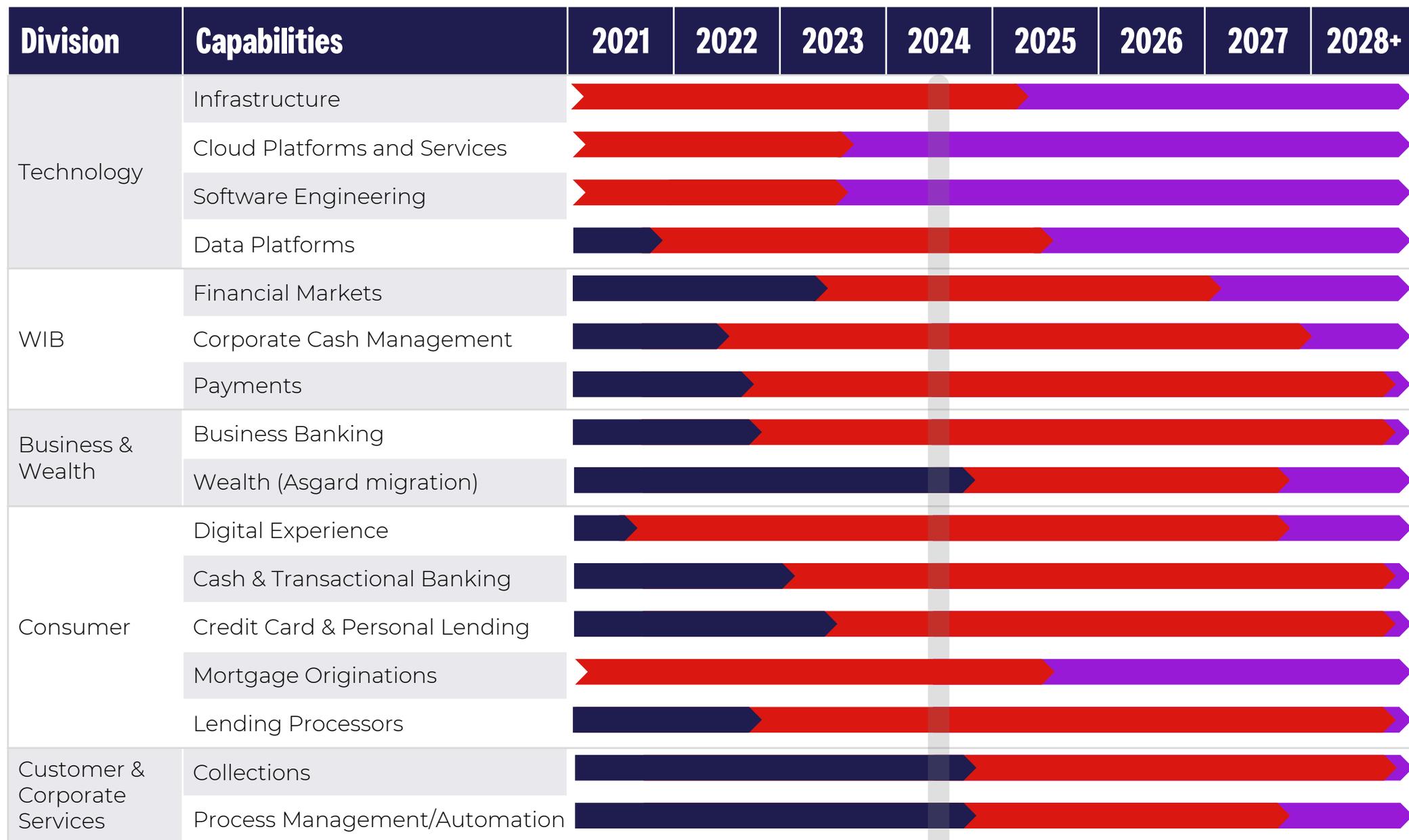


Potential scam identified using AI

Transaction checked with customer

Suspicious transaction blocked

# ENTERPRISE TECHNOLOGY ROADMAP



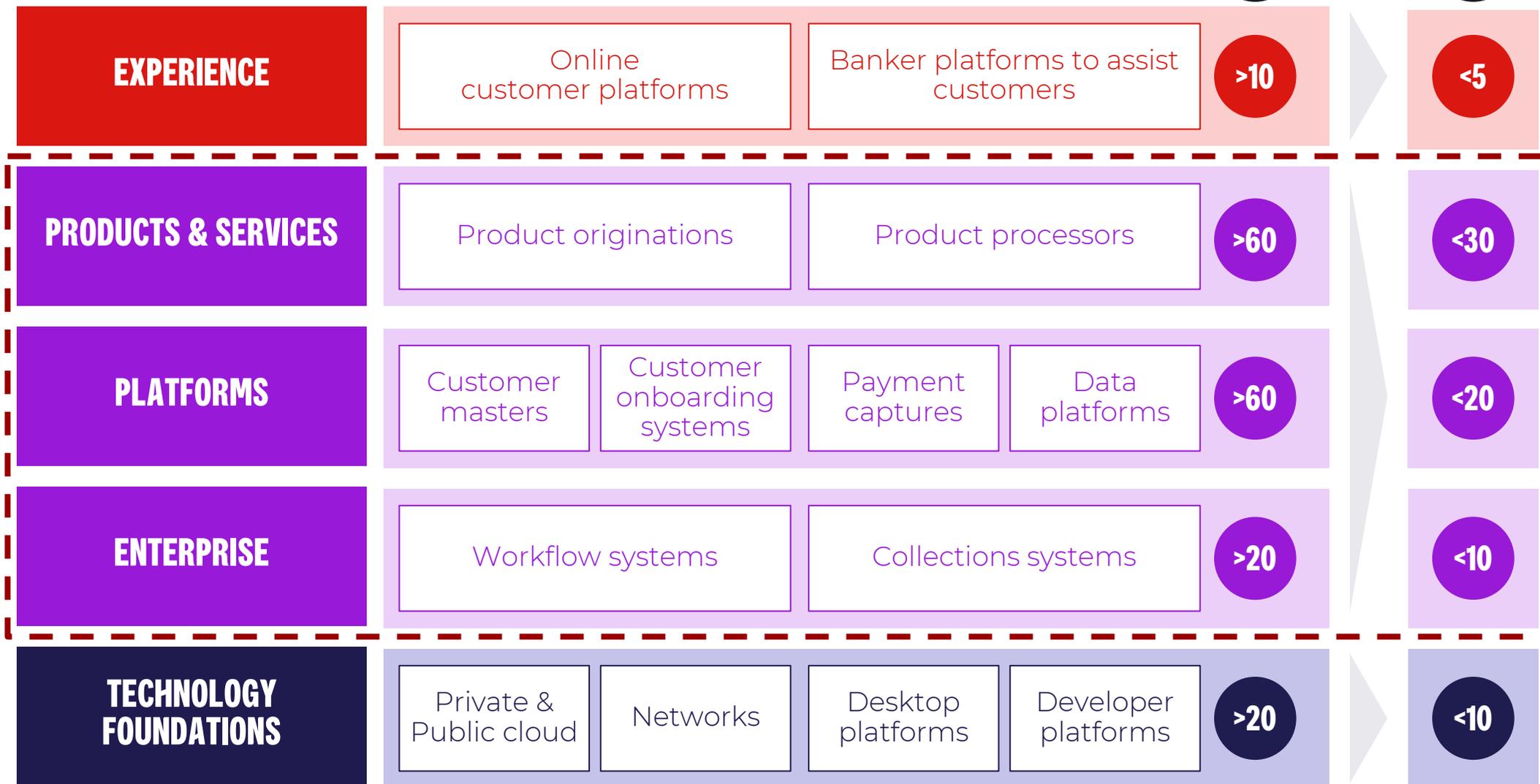
KEY: Preparation Simplification and modernisation Target state (Built for change, Evergreen, Automated, Digital to the core)

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# UNITE: ACCELERATING SIMPLIFICATION<sup>1</sup>

FY24 – FY28<sup>2</sup>

From **>180** To **<60**



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<sup>1</sup> Refers to Australian banking system simplification. <sup>2</sup> Forecast reductions which will be confirmed in detailed planning through FY24.

# UNITE IN PRACTICE: MAKING IT SIMPLE<sup>1</sup>

## Banker platforms to assist customers

From **6** ▶ To **3**

- Improved customer experience
- Easier for employees
- Increased banker productivity

## Customer onboarding systems

From **11** ▶ To **1**

- Seamless verification experience for retail customers
- Safer and faster digital process

## Collections systems

From **7** ▶ To **1**

- Better customer experience and faster response time
- Improved operational efficiency
- Strengthened compliance and risk position

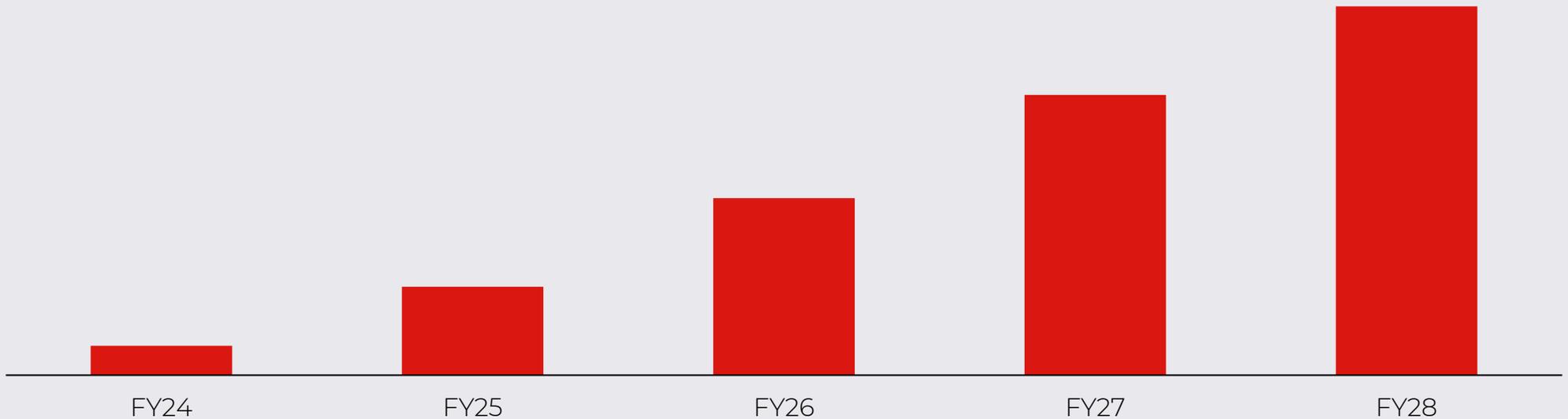
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# UNITE PLAN<sup>1</sup>

## c.85 sequenced individual initiatives

Simplify existing processes. Reduce technology complexity. Decommission of duplicated systems

### CUMULATIVE INITIATIVES COMPLETION TIMELINE



Coordinated centrally for efficiency and control

Business, technology and data teams aligned to deliver

Business ownership and accountability

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<sup>1</sup> Plan will be confirmed in detailed planning through FY24.

# KEY UNITE INITIATIVES COMMENCED IN FY24

## Initiative

## Outcomes

Electronic identity verification

- Consolidating from 22 retail electronic identity verification processes to 1
- Biometric enablement of the eIDV process

Consolidation of Asia WIB platforms

- Integration and migration of 2 Asian platforms to Australia
- Elimination of system duplication
- Leverage Group capability for offshore customers

Australian customer masters consolidated

- Customer masters from 3 to 1
- API enabled
- One common solution for Australian customers

Asgard migration

- Elimination of system duplication
- Consistent adviser and customer experience

Consolidating Australian collections platforms

- 7 to 1 systems
- Starting with Australian consumer finance and mortgages

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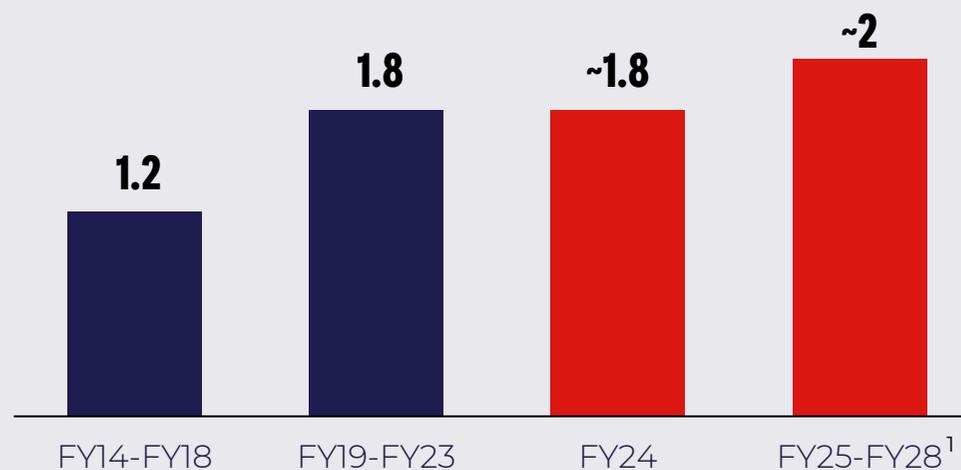
# MICHAEL ROWLAND

Chief Financial Officer

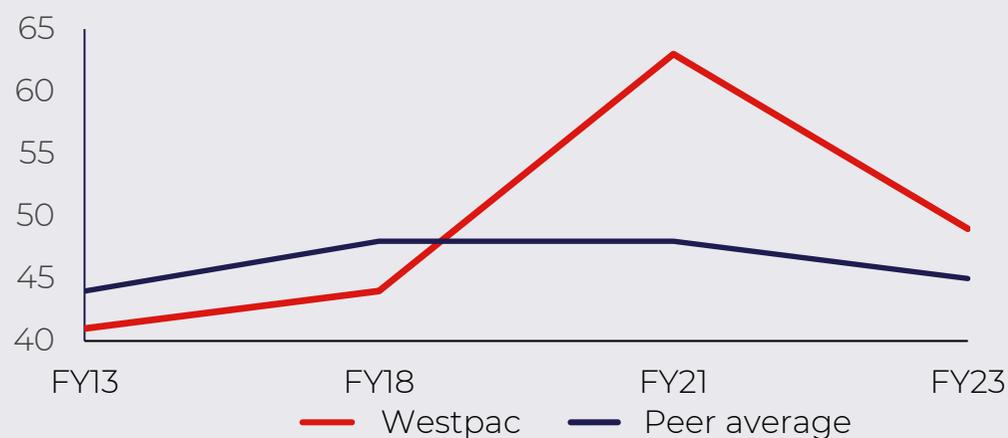
# ANNUAL INVESTMENT SPEND

- UNITE incorporated within total annual investment spend
- Total investment spend expected to be:
  - ~\$1.8bn in FY24<sup>1</sup>
  - ~\$2bn annually from FY25 to FY28<sup>1</sup>
- UNITE
  - ~30% of total spend over FY24 to FY28
  - Significant proportion expensed
- UNITE a major driver to close the cost to income ratio gap to peers
  - Run cost efficiency benefits
  - Reduction in the cost of change

## AVERAGE ANNUAL TOTAL INVESTMENT SPEND (\$BN)



## COST TO INCOME RATIO (%)<sup>2</sup>



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<sup>1</sup> Based on forecast total investment spend. <sup>2</sup> Peer average includes ANZ, CBA and NAB. Cost to income ratio is calculated on cash earning basis. For Westpac for FY23 this is statutory net profit adjusted for economic hedges and ineffective hedges.

# INVESTOR RELATIONS TEAM

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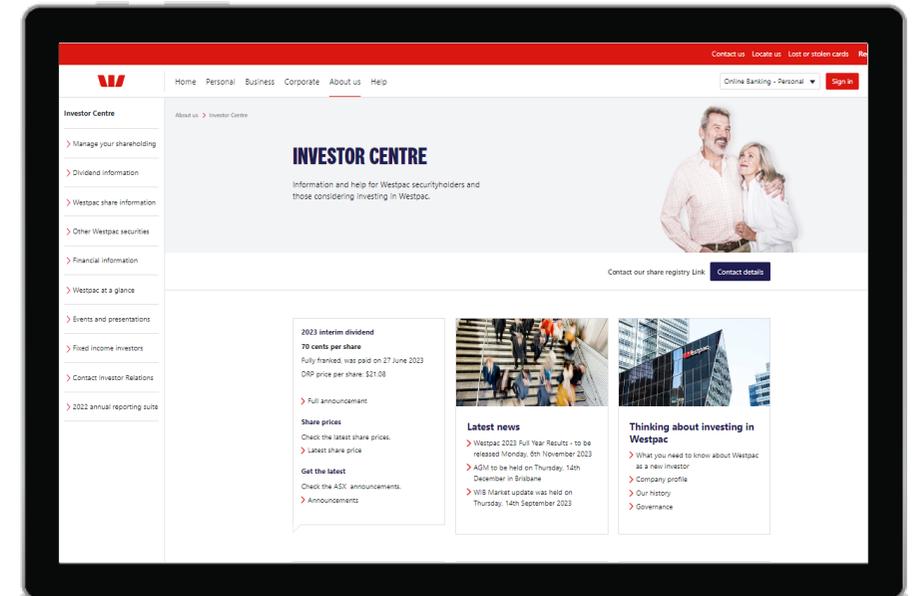
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We use words such as ‘will’, ‘may’, ‘expect’, ‘intend’, ‘seek’, ‘would’, ‘should’, ‘could’, ‘continue’, ‘plan’, ‘estimate’, ‘anticipate’, ‘believe’, ‘probability’, ‘indicative’, ‘risk’, ‘aim’, ‘outlook’, ‘forecast’, ‘f’cast’, ‘f’, ‘assumption’, ‘projection’, ‘target’, ‘goal’, ‘guidance’, ‘ambition’, or other similar words to identify forward-looking statements, or otherwise identify forward-looking statements. These forward-looking statements reflect our current views on future events and are subject to change, certain known and unknown risks, uncertainties and assumptions and other factors which are, in many instances, beyond our control (and the control of our officers, employees, agents and advisors), and have been made based on management’s expectations or beliefs concerning future developments and their potential effect upon us.

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