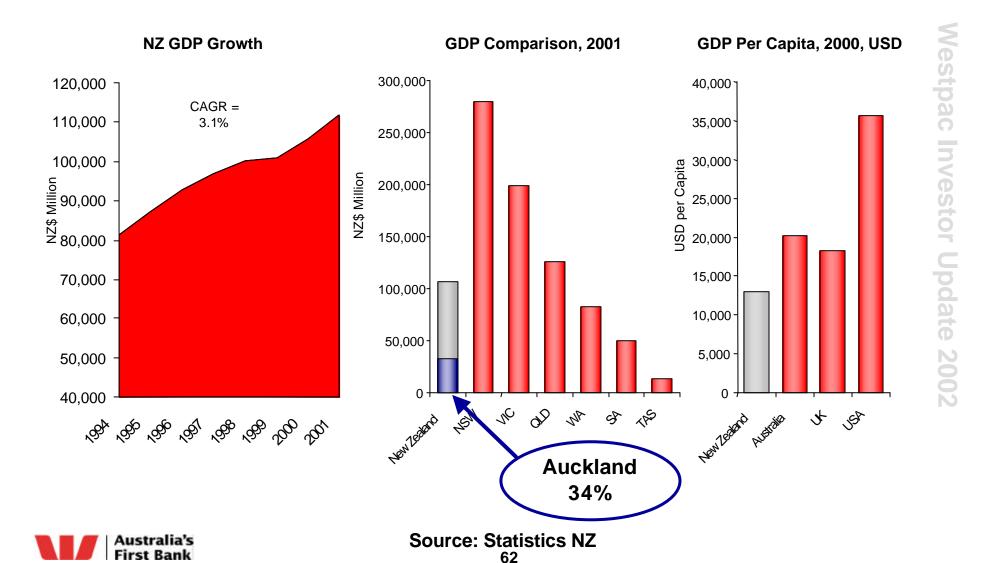


# WestpacTrust

Mike Pratt
Group Executive

1 August 2002

## Introduction to New Zealand



# Our biggest opportunities...

1 Improve sales effectiveness and productivity

2 Increase Auckland market share

3 Build Australasian operating model with local feel



# **Agenda**

- Situation analysis
- What are we doing?
- What does success look like?



# Situation analysis



# We have a strong position, with significant opportunities remaining

### **Success**

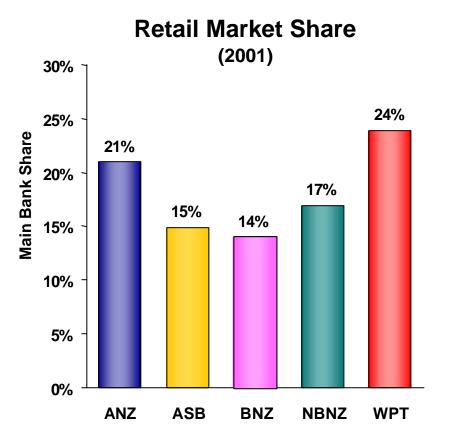
- Largest bank
- Dominant in the South Island
- Highest brand recognition
- Banker to the Government
- Leading retail funds inflow

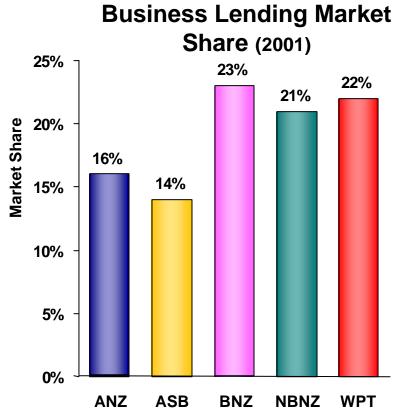
### **Key Improvement Areas**

- Low share of wallet
- Weak share of Consumer and SME in Auckland
- Low sales force specialisation
- Little leverage of the Australian business



# Leading retail, second highest business share

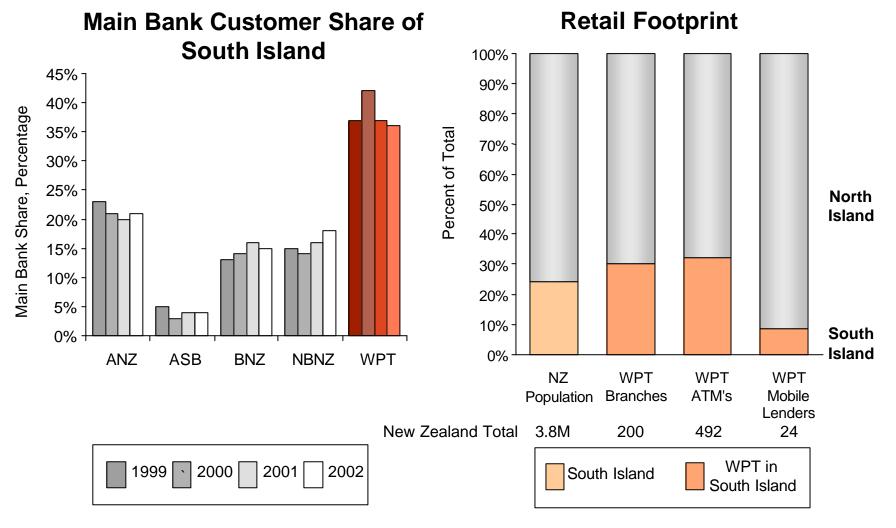






Source: KPMG FIPS NZ 2002, WPT, AC Neilsen, Greenwich

# Dominant in the South Island retail market

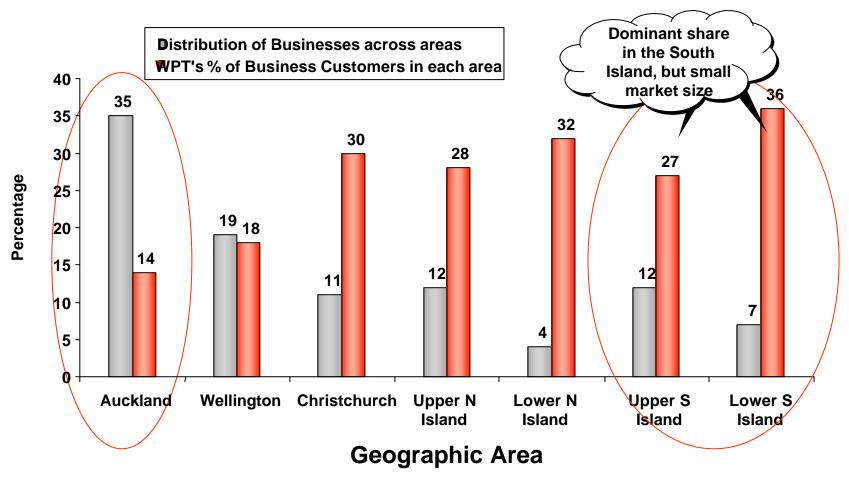




Source: NZ Business Demographics Stats 2001, WPT 68

# In business, strong in the South Island, weak in Auckland

Distribution of Businesses and WPT Customer Share By Geography

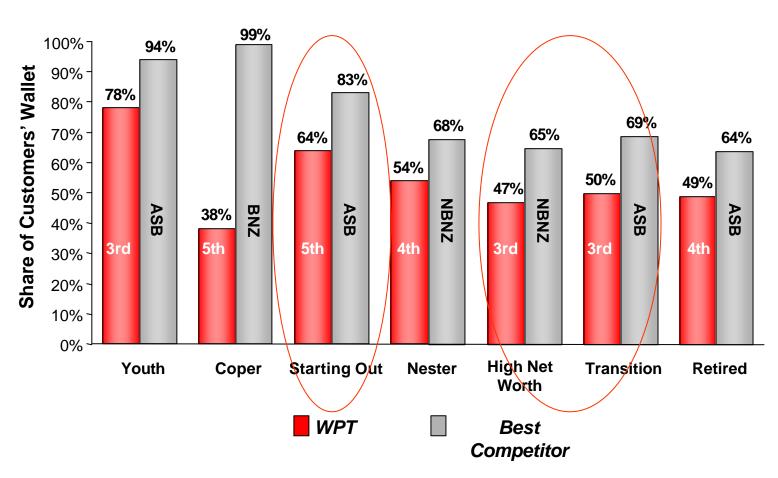




Source: NZ Business Demographics Stats 2001, WPT

# Share of customers' wallet lags

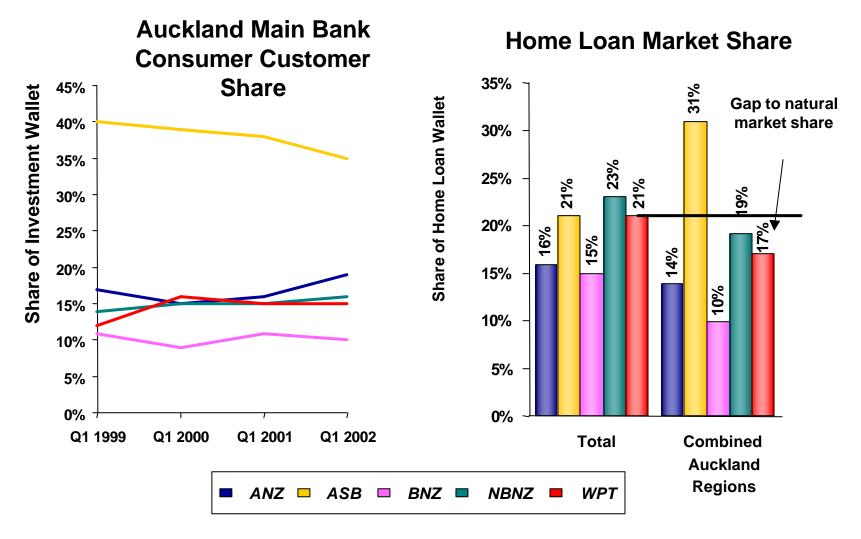
### **Share of Customers' Wallet By Segment**





Source: A C Neilsen

## Consumer share in Auckland is low

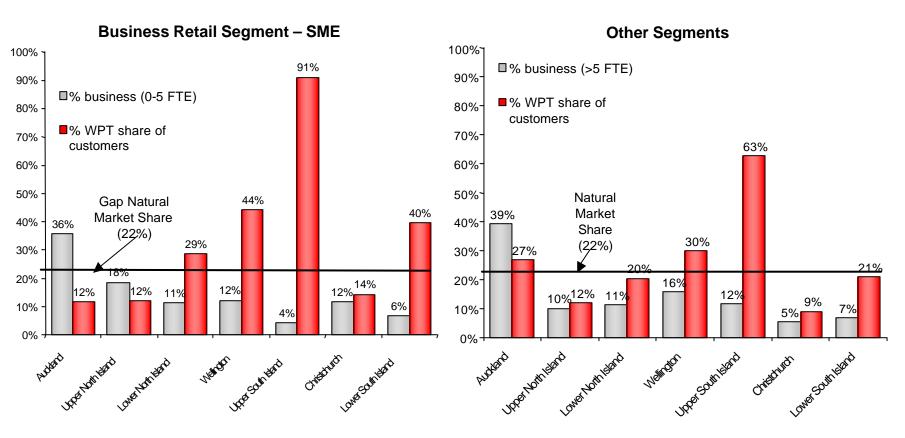




Sources: A C Neilsen, Statistics NZ

# A significant gap in SME in Auckland

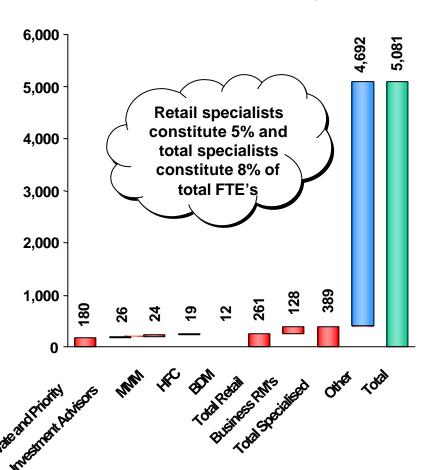
### **Distribution of Businesses and WPT Market Share**



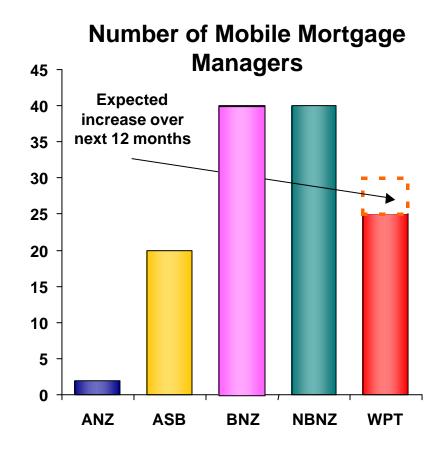


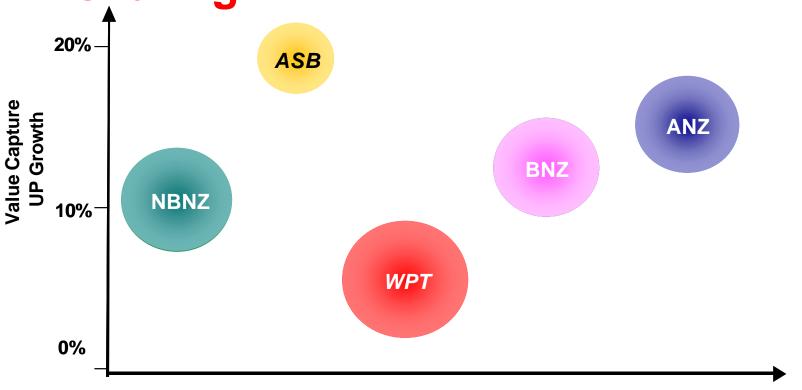
# We have low sales force specialisation

### WestpacTrust FTE's (May 2002)



First Bank





### **Autonomous**

Local independently managed

- Nimble decision-making
- Empowerment of local managers

### **Level of Integration**

### Integrated **TransTasman**

- Parent company heavily influences
- Standardised business model, products, systems
- Shared services provided Trans-Tasman

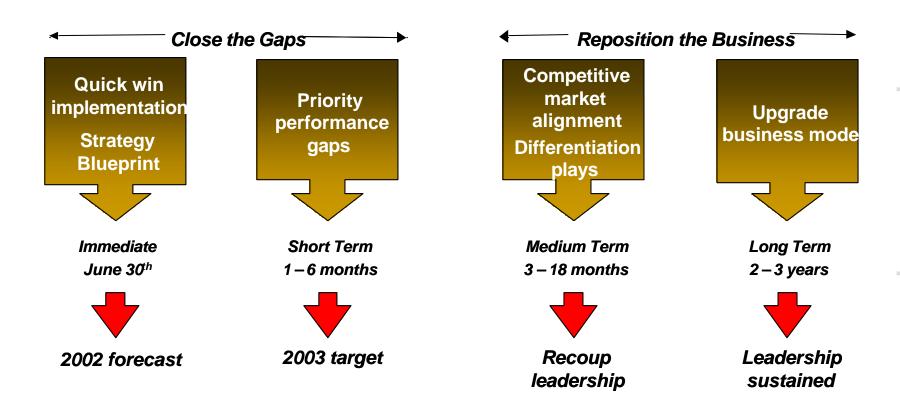


Westpac Investor Update

# What are we doing?



## We have an integrated program



## ...and we are in implementation mode



# ...using a disciplined framework which incorporates current & future profit pools

### **Business Strategy**

- Executive Summary
- Industry Trends
- Competitive Positioning
- Channel/Product/Customer Economics
- End Game Outlook
- Implications
- 3 Key Strategic Thrusts
  - Improve Sales effectiveness and productivity
  - Increase Auckland market share
  - Develop efficient operating model

**Business Plans** 

### **Program Plan** ▶ Key Thrusts ▶ Impact ▶ Timing ▶ Key Issues Work Program ▶ Risks Structure Dependencies **Improve Sales Effectiveness Increase Auckland Market Share Develop Efficient Operating Model** Key Initiatives Phasing of deliverables Priority performance gaps Competitive market alignment / differentiation plans Business cases

# Aggregated Business Case Integrated Business Case Relevant Scenario Explanations Implications Scenario 4 Scenario 3 Scenario 2 1. Market Growth and Competitor Growth Financial Analysis Key Sensitivities Implications

Recommended Path Forward

Vestpac

Investor Update

Australia's First Bank

77

**Business Cases** 

# Our biggest opportunities...

- 1 Improve sales effectiveness and productivity
- **2** Increase Auckland market share
- 3 Build Australasian operating model with local feel



# Initiatives .....

	Improve Sales Effectiveness & Productivity	Increase Auckland Market Share	Build Aust Operating Model With Local Feel
<ul> <li>Implementation of retail to business / business to retail segment formal referral mechanisms.</li> </ul>	<b>✓</b>	<b>√</b>	
<ul> <li>Splitting and rebalancing sales and service roles, particularly in braches and call centres.</li> </ul>	<b>✓</b>	<b>√</b>	<b>✓</b>
Creating specialist sales roles	<b>√</b>	✓	
<ul> <li>Leveraging the more sophisticated product capabilities resident in our institutional bank for our private and business customers.</li> </ul>	<b>✓</b>	<b>√</b>	
Ramp up mobile mortgage manager presence		<b>√</b>	
<ul> <li>Develop a comprehensive model to serve the growing affluent migrant population in Auckland</li> </ul>		✓	
<ul> <li>Map out activities, capabilities and costs cross-Tasman to identify opportunities and benefits</li> </ul>			✓



## What does success look like?



# We will measure success across a number of dimensions

	2003	2005	
Financial	Maintain number one status	Maintain number one status	
Market	Stem loss of mortgage share	Outright leader in mortgage flo Number one flow in retail FUM	
Customer	Lift our customer satisfaction by 5%	Number 1 or 2 for customer satisfaction	
Community	Implemented WBC best practices in corporate social responsibility	Recognised leader in corporate social responsibility	
Employee	5% improvement in employee commitment	Highest employee commitment in the Westpac Group	



# | Westpac | Australia's First Bank

westpac.com.au

