



Opening Statement by Westpac CEO Peter King
House of Representatives Standing Committee on Economics
11 September 2020

Thank you Chair. Since I last appeared before the Committee, both Westpac and the country have experienced an extremely challenging period.

I'll touch briefly on a few areas before we take your questions.

First, I'd again like to acknowledge the serious issues raised in AUSTRAC's Statement of Claim from November last year.

Personally, I am deeply sorry for our failings. We are committed to fixing the issues so they don't happen again.

We've completed our investigations into the matter and publicly released the outcomes. This included the causes of the compliance failings, the accountability actions taken, and remediation measures that are complete or in progress. We also released the independent Advisory Panel's report into board oversight.

In terms of the court process, we have admitted to a substantial majority of the breaches. We continue to work with AUSTRAC, and it remains our preference to settle the matter.

Second, we know the huge impact COVID is having on the community and our customers.

Our focus through COVID has been on supporting our customers while ensuring our people are safe. We've been agile and adapted quickly to the rapidly evolving circumstances. This includes redirecting more than 600 employees to work on the highest priority customer service areas.

I'd like to recognise the hard work and commitment of everyone at Westpac who has gone the extra mile to help our customers through this period.

For customers, there's been a range of support offered, with loan deferrals being the most important. We have provided loan deferrals to over 138,000 mortgage customers and over 30,000 small businesses.

In July, we announced, for customers who need it, deferrals will continue beyond the initial six-month period.

At the peak, we provided deferrals on over \$50 billion in mortgages. This is now down to around \$30 billion after customer check-ins saw around 50% of customers indicate they will start repayments again.

For small businesses, total loan deferrals were over \$9 billion. Check-ins with these customers have commenced as they approach the six-month period.

However, we know there are still many customers who are finding it tough. Our message to customers needing more support is contact us early.

There are many support options available and the faster we can work directly with customers on their individual circumstances, the more we can tailor the solution.

Third, we can't forget that many Australians are still recovering from the bushfires which affected large sections of the country over summer.

In January, we announced a major support package for our mortgage and small business customers affected by the fires.

This included covering mortgage repayments for one year for customers who lost their home. Under this measure, we are covering repayments for over 800 customers.

In summary, I'm pleased with how the company has rallied to support customers.

Over time you will see us move away from broad packages to more individual tailored arrangements, as we work with customers who need longer term support.

We recognise the important role Westpac is playing in supporting our customers and the broader economy through this difficult period, and we're up for the task.

Thank you, we would be pleased to take your questions.