



Westpac
Australia's First Bank

Business & Technology Solutions & Services (BTSS)

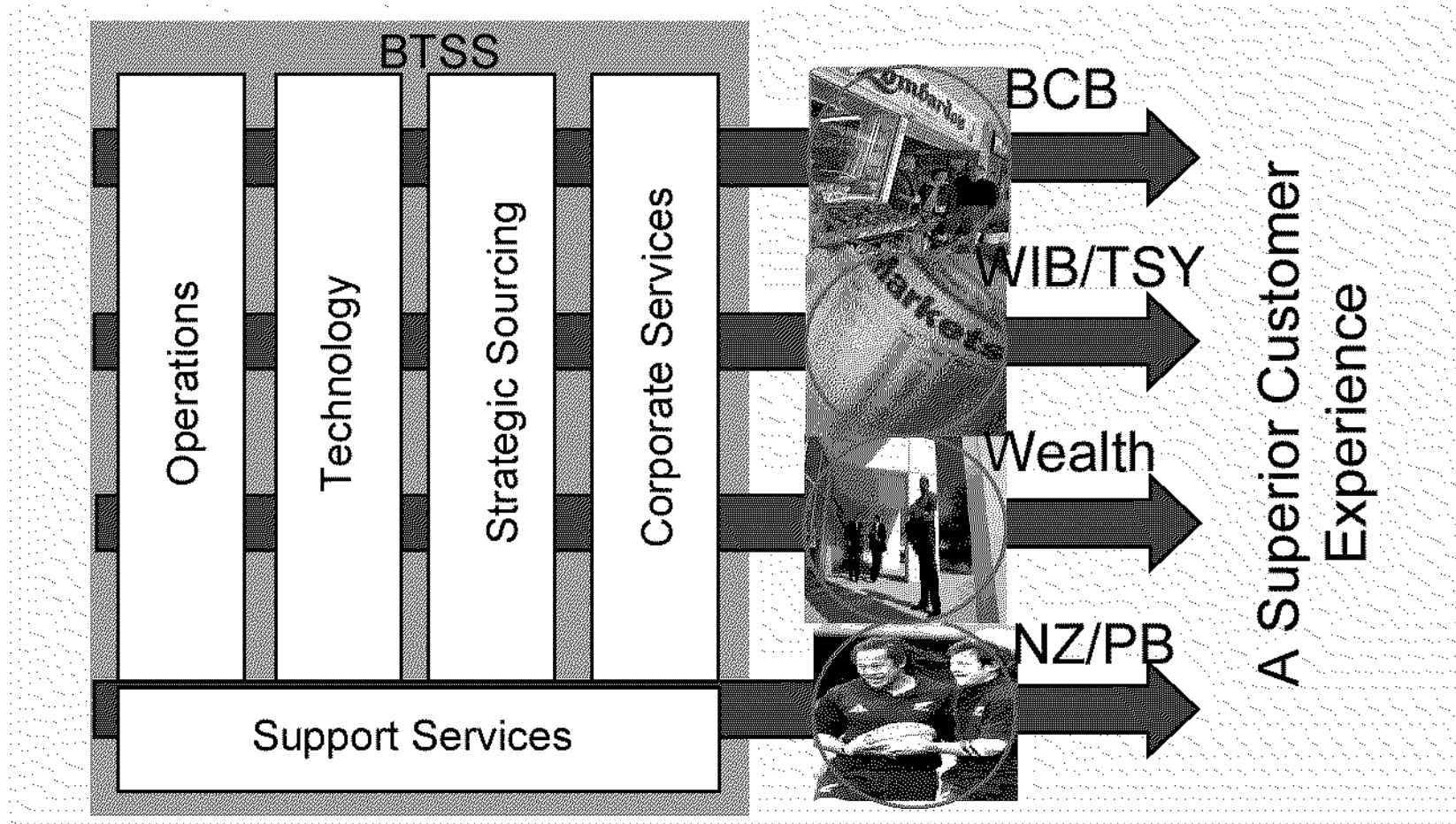
Enabling the vision...

Michael Coomer

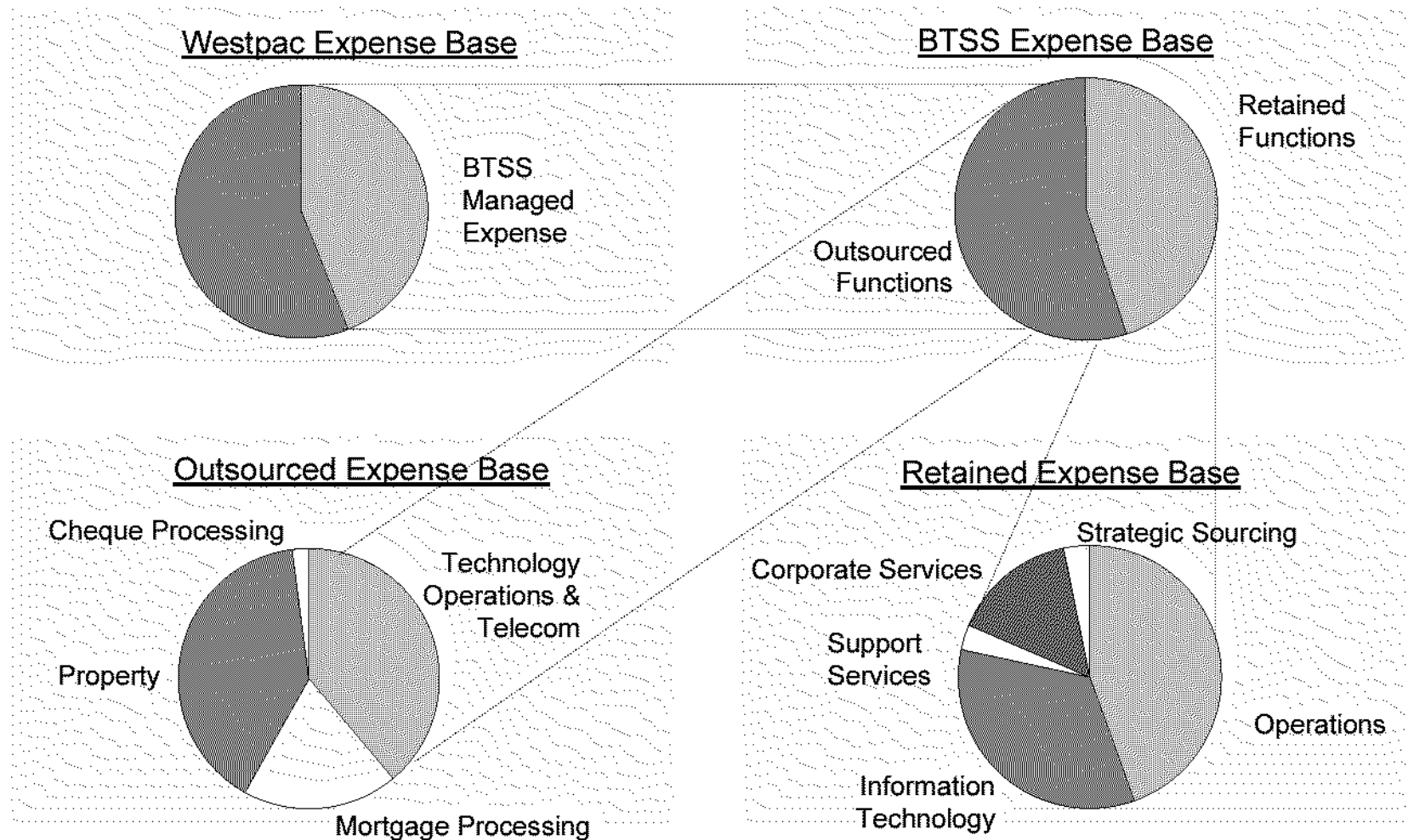
Group Executive,
Business & Technology Solutions
& Services

31 July 2003

BTSS is Westpac's core service provider

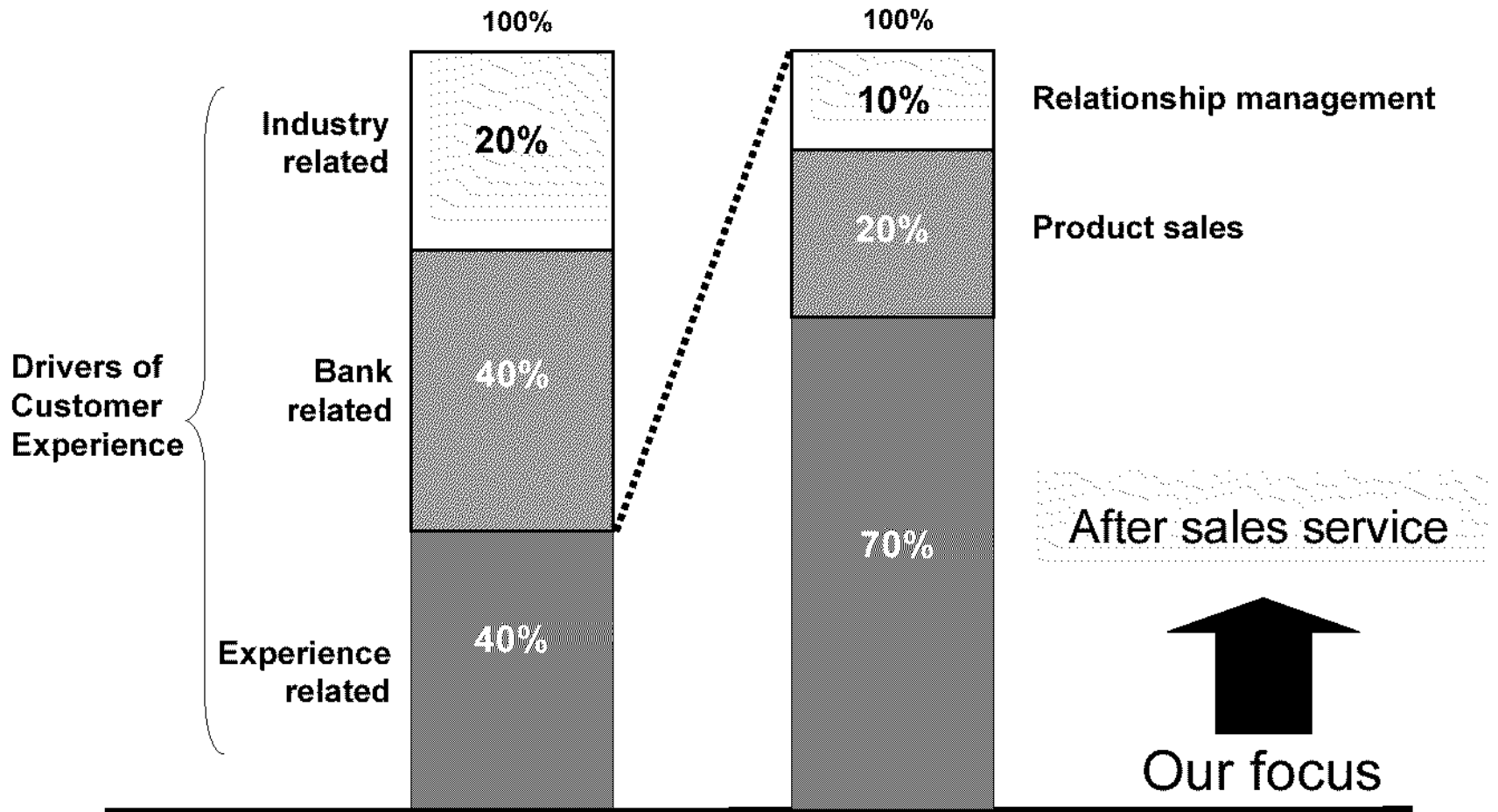


BTSS manages 45% of Westpac's expense base



BTSS is a key contributor to Ask Once

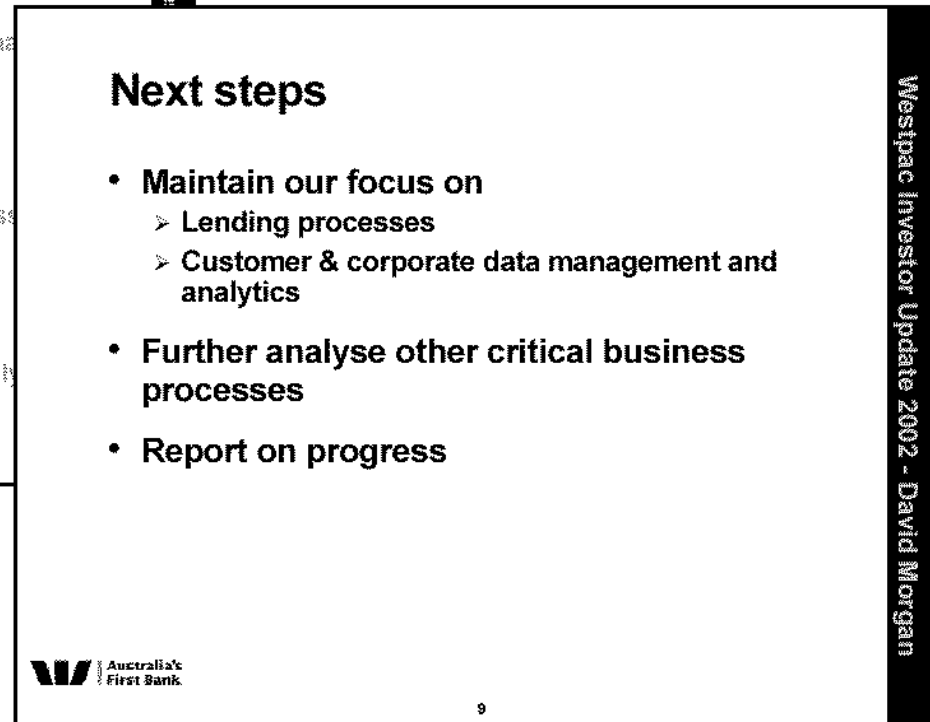
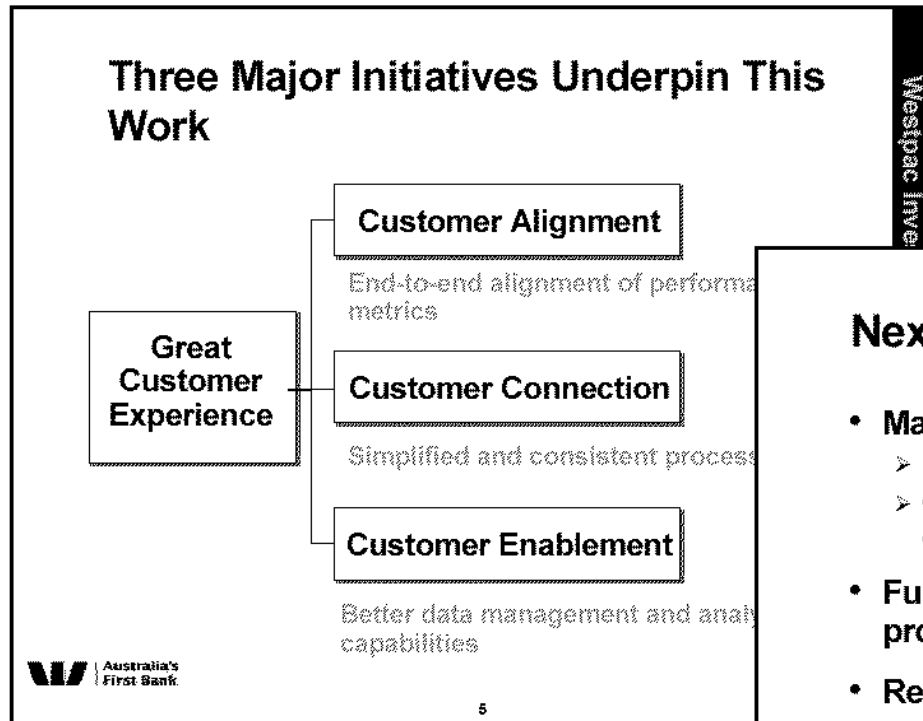
Customer Satisfaction Composition



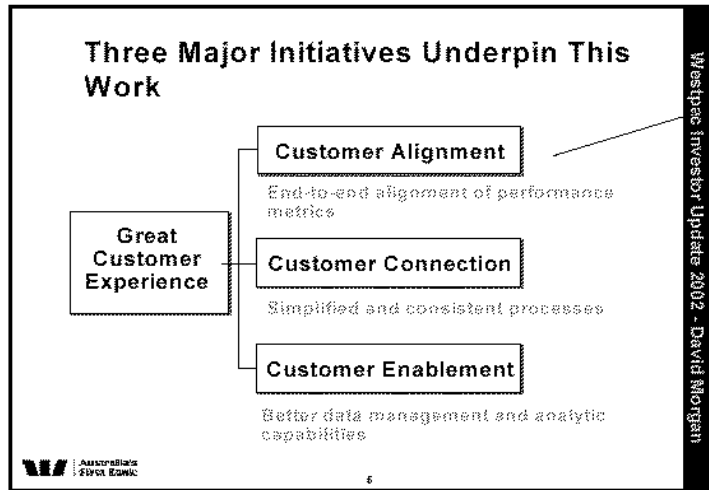
BTSS is focusing on 4 key objectives

- Enhance the customer experience to achieve No.1 ranking by 2005
- Significantly improve our operational efficiency at a unit cost level to achieve an overall expense reduction profile to 2006
- Build a high performance culture focused on Customer Service
- Optimise capital usage by reducing our operating risk & risk leverage profiles

What we said last year



What have we done?



Align Program:

An integrated program to align the people processes and behaviours to the customer experience, further enabling a high performance culture.

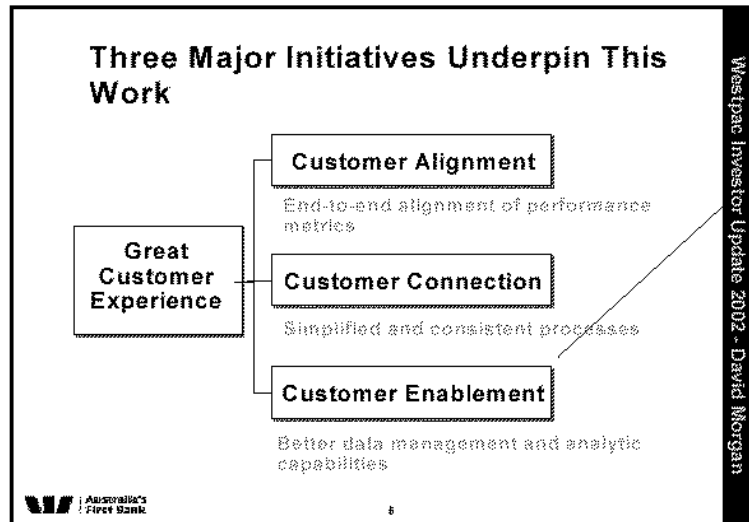
Results

- Redeployment framework delivered
- Training, Learning & Development toolkit delivered
- Standardised change management deployed

Results

- Trained 70 change management practitioners
- Objective setting & management performance (KPIs) delivered and being deployed for 2003 objectives

What have we done?



Reach Program:

A cross product, cross geography, end-to-end Sales & Information Management re-engineering program

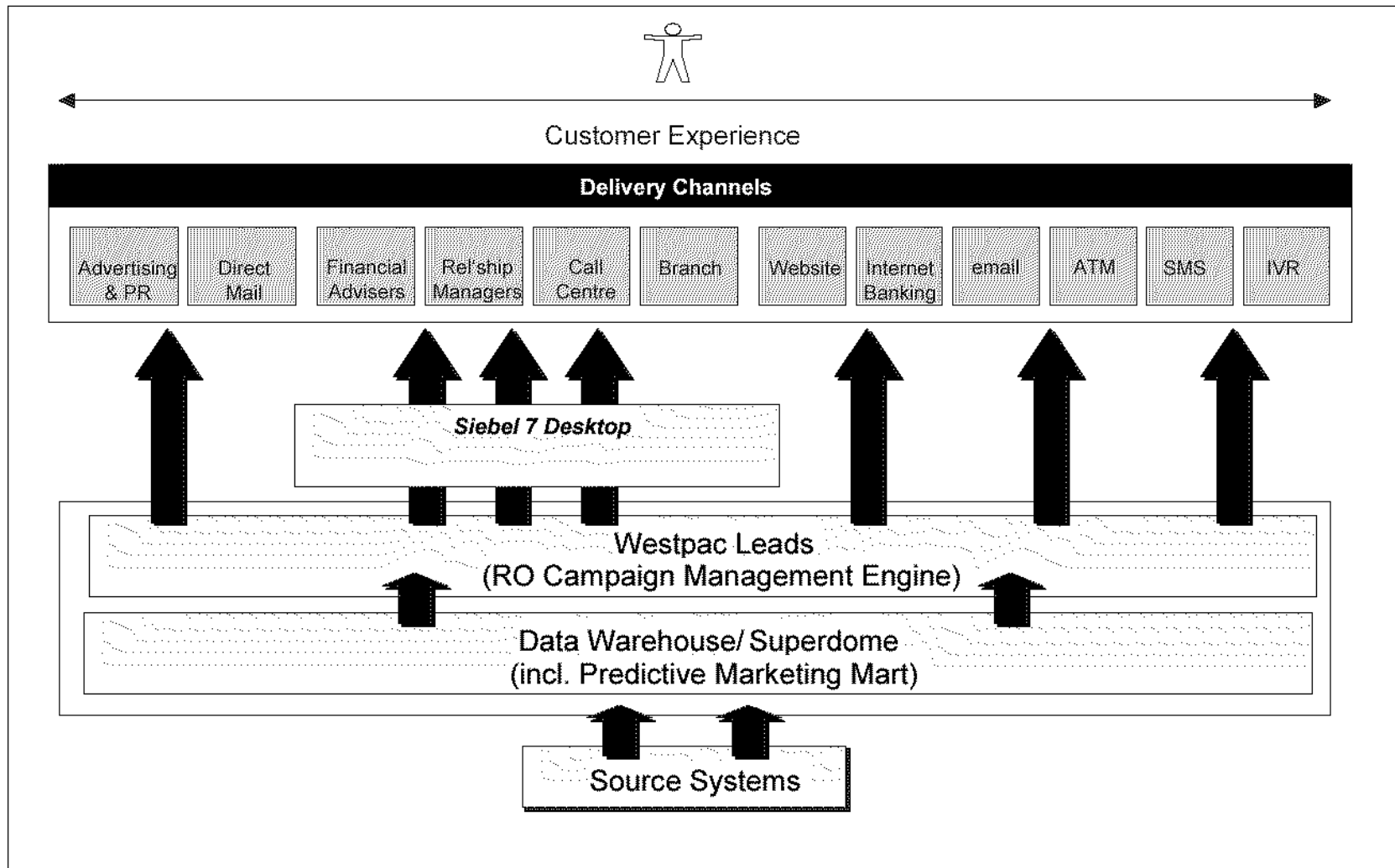
Early Results

- Installation of major infrastructure completed ahead of schedule
- Pilot launched over a month ago in the SME segment
- Encouraging pilot results:
 - Leads converted to opportunity - 78%
 - Cross sell - 23%
 - Contact to sale - 8%
 - Lead actioning rate - 93%

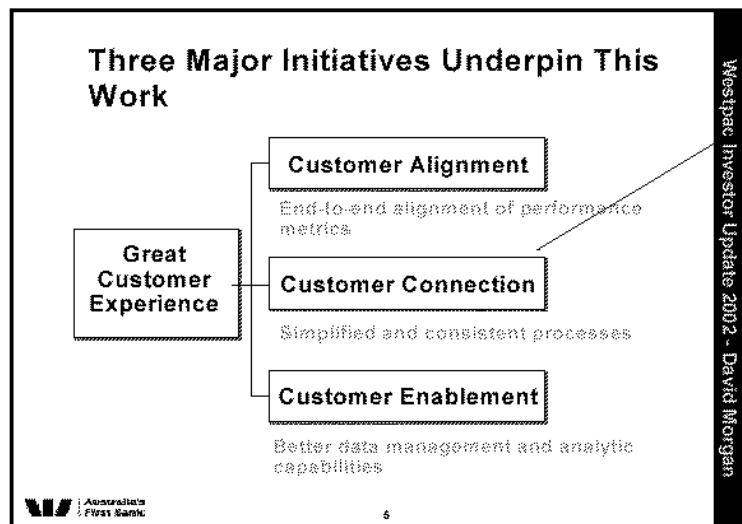
Key Objectives:

- FY2003 to deliver end-end capabilities within SME market segment
- FY2004 to roll-out SME capabilities across all channels and segments
- Key Focus:
 - Improve customer retention rates
 - Provides increased sales opportunities
 - Improves lead and campaign management

Reach - significant enhancement in CRM



What have we done?



Pinnacle Program:

An integrated program to re-engineer lending and credit processes on an end-to-end basis across the bank.

Early Results

- Easier on-line loan application for business customers
- Instant quotes for businesses looking to fund an insurance premium
- On-line application for credit card limit increases, with most approvals within 24 hrs
- Automation of frequently used business loan documentation
- Automation of the overdraft payment decision process considering the customer credit score and full customer relationship
- First release of customer focused collections solutions

Key Objectives:

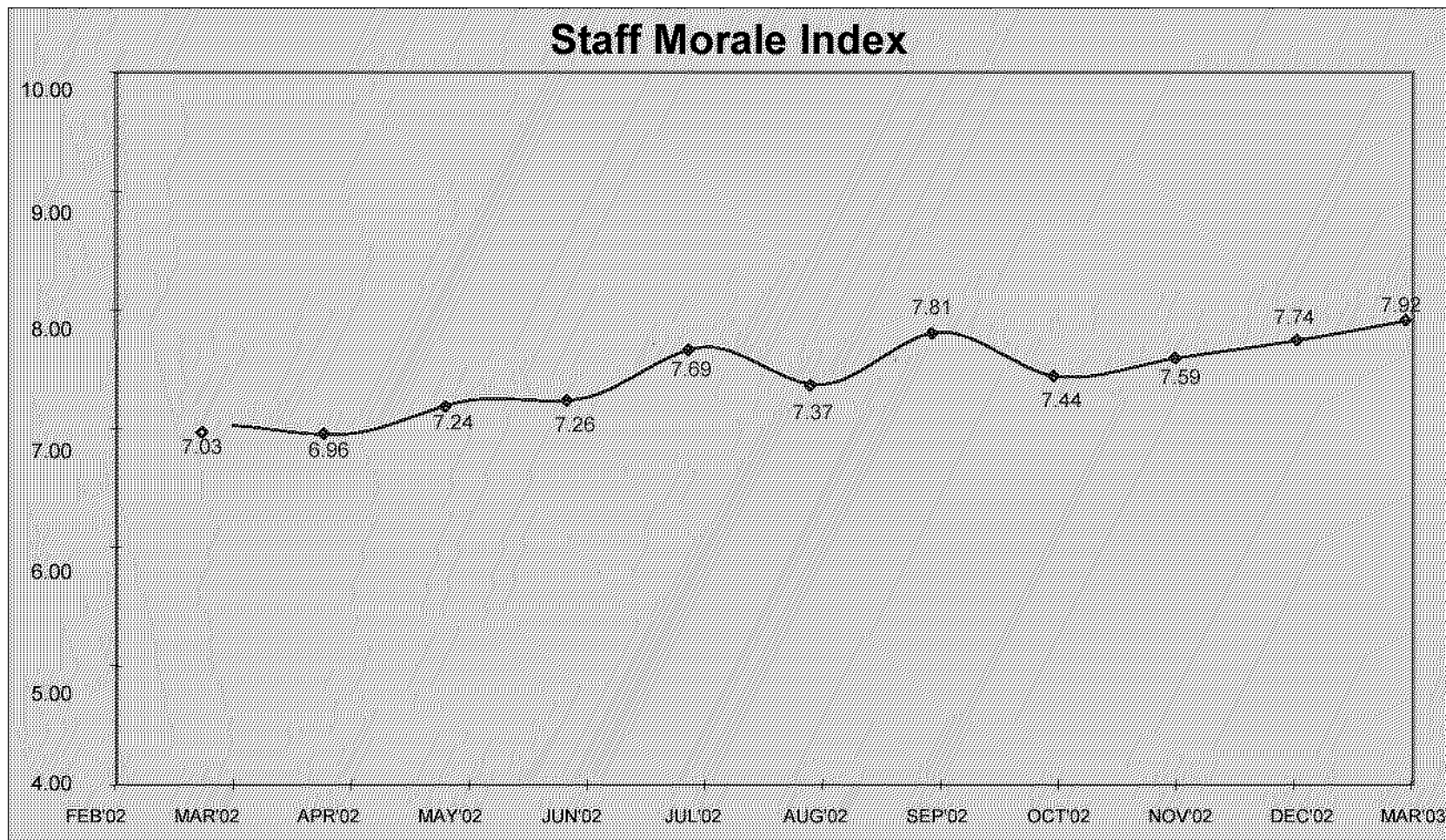
- Improve customer experience to drive growth
- Reduce cost through operational efficiencies
- Improve asset quality via credit decisioning capabilities

What else have we done?

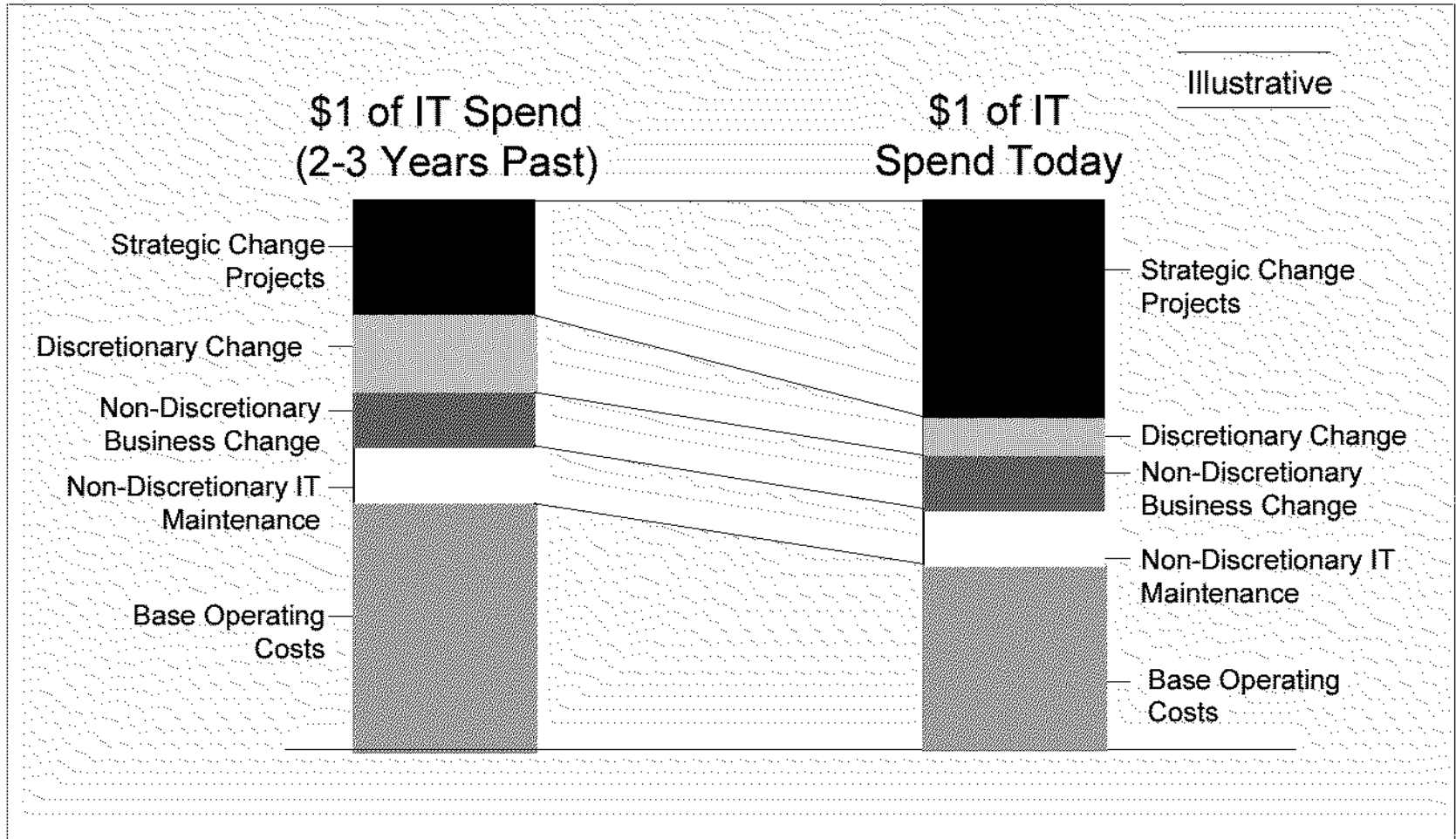
- Completed deployment of Broadband network to Branches in Australia and New Zealand.
- Completed deployment of One Bank Platform (32bit PC) in New Zealand Branches and have rolled out to one third of Australian Branches.
- Supported continued growth in Internet Banking
 - Number of value transactions via Internet now equals Branches
 - Serving 300,000 customers per day and growing
 - Maintaining highest level of Customer satisfaction^[1] of the major Banks and equal to Bendigo Bank

Source: [1] Regular Internet users, ACNielsen.Consult Australian Internet User Survey #13, December 2002 (overall n=24,693) Satisfied & Very Satisfied Customers

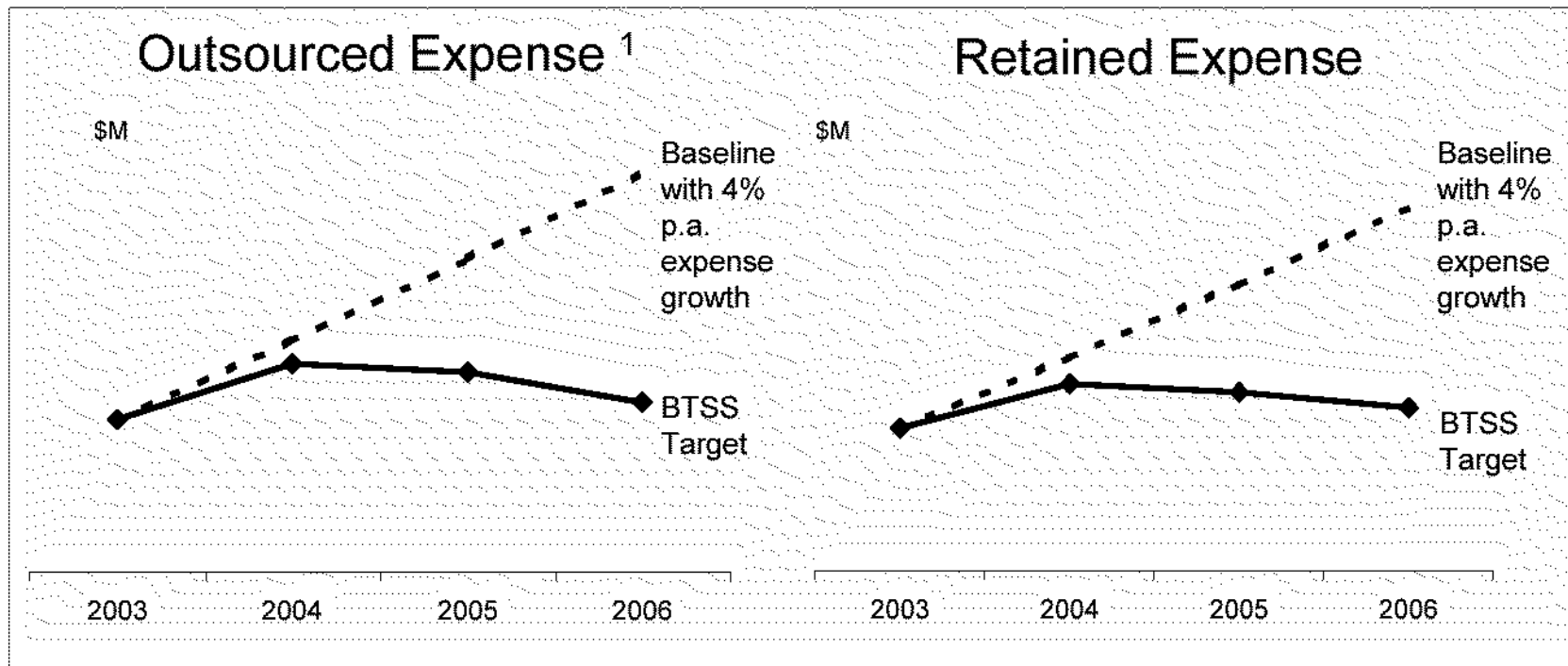
Our staff are committed to change



Shift in Information Technology expenditure



Significant aggregate benefit – flat expenses



- Our productivity initiatives absorb both underlying expense growth and the forecast business volume growth to create headroom for customer facing initiatives

Note:1. Includes IBMGSA (IT), EDS (Mortgage), UPSL(Cheque), Investa (Property)

Going forward

- Strong project alignment to business needs and customer experience strategy
- Operational efficiencies achieved supporting cost shift by:
 - Assisting absorb underlying expense growth, and
 - Enabling targeted project reinvestment
- Set to leverage off standardised PC and Broadband platforms

Questions

Disclaimer

The material contained in this presentation is intended to be general background information on Westpac Banking Corporation and its activities as at 31 July 2003.

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.