

ASX Release

Level 18, 275 Kent Street
Sydney, NSW, 2000

13 December 2024

2024 Annual General Meeting – CEO’s Address

In accordance with ASX Listing Rule 3.13.3, Westpac Banking Corporation (“Westpac”) attaches the Chief Executive Officer’s address to be delivered at Westpac’s 2024 Annual General Meeting.

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This document has been authorised for release by Tim Hartin, Company Secretary.

Westpac Banking Corporation 2024 Annual General Meeting

13 December 2024

Chief Executive Officer's address

Thank you Chairman

Good morning, and a warm welcome to all our shareholders.

It's great to be back in Sydney.

Sydney is a special place for Westpac.

We started here in 1817 as the Bank of New South Wales.

As Australia's first bank, we played a key role in shaping the nation's economy.

New South Wales remains our heartland.

It's home to head office, more than 4 million customers and over 200,000 shareholders.

Performance

Turning to the business, it's been a good year for Westpac.

I am very happy with the progress we've made.

We delivered a solid financial result in a competitive market, while improving service and strengthening risk management.

Net profit was \$7 billion, which represents a return on tangible equity of 11%.

The 3% fall in profit was mainly due to competition in mortgages and higher technology costs.

Revenue was flat, with margins well managed and good loan and deposit growth across all key segments.

Impairment charges reduced to 7 basis points of loans, reflecting both customers' resilience and prudent lending practices.

I'm also pleased the balance sheet and capital position remain strong.

The Common Equity Tier 1 ratio ended at 12.5%, one of the strongest ratios globally.

Strategy and service

This year we had a specific goal to improve service across the company with all employees having a net promoter score objective.

In Consumer, we focused on improving product offerings, service and technology.

We are pleased Westpac's banking app was again rated best in Australia by Forrester.

The app contributed to strong growth in household deposits, which also strengthens the balance sheet.

We responded to customer feedback on credit cards and launched Pay with Points.

This is an Australian-first where customers use rewards points for purchases.

Mortgage competition put pressure on Consumer division returns, although this trend moderated in the second half of 2024.

On branches, we know face to face banking is important for many customers.

We now have 111 co-located branches which support multiple brands enabling us to stay in more communities.

We also committed to keeping regional branches open until at least 2027.

Cash remains an important part of the Australian financial system and our view is cash is here to stay.

We have one of the largest ATM networks, with more than 3000 fee free ATMS.

The economics of supplying cash are challenged and we're working with government and industry to find a long term solution for cash services.

Our Business and Wealth division delivered a strong performance.

Growth was driven by process improvements and innovation in payments.

This included EFTPOS Air, which turns a phone into a merchant terminal. This continued to grow strongly benefitting from our first mover advantage.

We also launched EFTPOS Flex, a cost-effective terminal that integrates with over 500 Point of Sale systems.

In Institutional, a focus on client service has repositioned WIB as a leading domestic institutional bank.

In particular, the build out of Westpac One, our digital transaction banking platform is making good progress. We expect the customer pilot to commence in late 2025.

Turning to a key asset, our people.

We are pleased to see a lift in our Organisational Health Index from 75 to 80, and this places us in the top quartile of workplaces globally.

An engaged workforce is crucial for the long-term success of our business.

Risk Management

Another critical capability is managing risk well.

Over the past four years we have strengthened risk culture and risk management through the Customer Outcomes and Risk Excellence program.

We achieved a major milestone last December, completing the Integrated Plan agreed with APRA.

Our progress was recognised by APRA through the partial release of the \$1 billion capital overlay to \$500 million.

We are now focusing on embedding the changes made across the organisation for the long term.

UNITE

In recent years, we've made good progress on simplifying the bank.

This year we commenced UNITE, our business-led, tech enabled simplification program.

UNITE seeks to improve customer service, processes and address our high cost structure relative to peers.

I'm pleased we've made progress in the project's first year, with 39 out of an estimated 61 initiatives underway.

Sustainability

Becoming a more sustainable bank makes good business sense.

We recognise climate change poses risks to the economy and Westpac's customers, making it a challenge we must actively manage.

A significant part of the sustainability strategy relates to climate change. We are committed to being part of the solution.

We have more than halved Westpac's scope 1 and 2 emissions since 2021 and that's seen us achieve the 2030 target six years ahead of schedule.

We also play an important role in supporting customers with their transitions.

We provided an additional \$10 billion in sustainable finance and a further \$5 billion in bond issuance.

This highlights the opportunity that taking action on climate change presents.

This year, we also met 150 customers in high emitting sectors. We were encouraged to find that 84% have already published climate transition plans.

Of course, there is much to do and supporting customers to transition remains a priority for the team.

Community support

Moving to communities, we provide support through our scams initiatives, hardship packages and the contribution of the charitable foundations.

On scams, we're doing everything we can to help customers avoid them.

We've been a leading advocate with government, regulators, telcos and social media for an eco-system approach to stopping them.

During the past two years we've invested more than \$100 million in protecting

customers, through industry-leading services such as Westpac Saferpay, Verify and Safecall.

We launched SaferPay in March which alerts customers through the app to likely scams.

SaferPay has prevented \$150m in high risk payments being made to potential scammers.

Westpac Verify is another feature we added this year. We're finding approximately 5% of payee details are incorrect and the number of reported business email compromise scams has reduced by 19%.

In an Australian-first, we will launch Westpac SafeCall in collaboration with Optus early next year.

It will provide customers with verified Westpac branded in-app calls. We're currently in pilot and expect the rollout to commence in the next few months.

In aggregate, this year we prevented customers losing \$237 million to scammers, while reported customer losses are down 30 per cent year on year.

On hardship, we know some are doing it tough with cost of living pressures.

This year we provided more than 47,000 tailored support packages, with around three quarters of these customers needing three months support.

The number of packages outstanding reached a peak of just below 20,000 in June and have since reduced to 17,500 at the end of November.

We also contribute to the community through the Foundations.

We are immensely proud of the Westpac and St. George Foundations, as well as the Scholars Trust.

In the past decade, they have contributed over \$90 million towards supporting job creation, emerging leaders and education for young people.

Closing remarks

Over my three decades, Westpac has evolved in ways that make me incredibly proud.

We've adapted to a changing economy, higher expectations from communities,

more regulation and the digitisation of the bank and the economy.

Most importantly, we've supported customers through good and bad times to help them achieve their financial goals.

We've also faced two financial crises, Basel reforms, a Royal Commission, a pandemic and natural disasters.

More recently our approach to risk culture and risk management has been dramatically improved, noting there is more work to do.

Our bank is much simpler following the exit of 10 businesses.

The next step in simplifying the bank for customers and bankers is completing the UNITE program, which we started this year and will set us up for future success.

In closing, I see Westpac as well-positioned to navigate a modest economic recovery.

I am delighted to hand the reins to Anthony Miller, whose leadership will guide Westpac through the next phase, continuing to support customers and deliver our strategy.

As this is my last opportunity, I want to thank our people for making us a simpler and stronger bank.

I also thank our 13 million customers for their loyalty and shareholders for your continued support.

It has been a privilege to serve you as the 26th CEO of this great company.

Thank you.