

## TRANSCRIPTION

**Company:** Westpac Banking Corporation

**Date:** 13 December 2024

**Time:** 10:00 (Sydney time)

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### [START OF TRANSCRIPT]

Tim Hartin: Good morning ladies and gentlemen, welcome to the 2024 Annual General Meeting of Westpac Banking Corporation. My name is Tim Hartin, and I am Westpac's Company Secretary. We're delighted to introduce Yvonne Weldon to officially welcome us to Country.

Yvonne Weldon: Good morning, ladies, gentlemen, sisters, brothers, all genders and identities. Before I start and provide a Welcome to Country, I was only reflecting to the side of stage around the fact that I've held a Westpac account since Year 9 in high school. I joined in my Commerce class. The continuation as a young child to today continues. It's profound being here for your AGM. Thank you for continuing the difference that Westpac can make in all our lives.

My name is Yvonne Weldon, I am a Wiradjuri woman from Cowra, here in New South Wales. From the waters of the Kalari, which later became known as the Lachlan and from the Murrumbidgee rivers. Unfortunately, where we're gathered, there aren't any people that have met legal requirements to be regarded as traditional owners of these lands and so I am a representative of the Metropolitan Local Aboriginal Land Council, who are caretakers with cultural authority under the *Aboriginal Land Rights Act*.

I would like to pay my respects to all Elders past and present. To all First Nations, to you and the ancestors of the lands that you've travelled from or are from. There is so much across this continent that is unknown, our practices of generations and generations. There are some of 160 different culturally distinct groups in Europe, but across this continent, where Australia is the only country to be its own continent as well, here there are over 250 different cultures, just of the First Nations. When our practices aren't included and sometimes not respected, this further disposes the First Nations.

I thank you for including me, the First Nations and all of us. We can achieve so much more when we do so together. A Welcome to Country is an age old tradition, it is more than just words, it is a spiritual process. By honouring the ancestors' footsteps we are all walking in, continuing the practice of the many generations before us, to the many generations to come.

Our boundaries are written into the Earth's natural landscapes. The boundaries of the Eora are the Hawkesbury in the north, the Nepean in the west and the Georges River in the south. On behalf of the

Metropolitan Local Aboriginal Land Council, the Elders and the members, I welcome everyone to the Lands of the Gadigal. I acknowledge Gadigal people, whose spirits and ancestors will always remain with this land, our mother Earth.

Across this beautiful continent we represent hundreds of Nations, Tribes and Clans, existing here for over 65,000 years. My People are the oldest continuous living culture of the world. As we're joined here today, let us all reflect upon the many People of this ancient Earth. The ones from the First Nations and also from the Nations that have joined us. Creating our fusion together into all that we do, to be shared and to be honoured with kindness. Creating that connection of my People, your People and all our People together.

The difference that you are making, can shape and change the direction of many generations through your sharing and your giving, is an investment. An investment in a better society, a better Australia, for the world we will one day leave behind, hopefully in a better state. You can make a sustainable, innovative change and activate inspiration.

My greatest inspiration is from my grandchildren. Thinking of my grandchildren, has me reflecting about the themes for the National Day for Aboriginal and Torres Strait Islander children which is held in August every year. Some of those themes are: We are the Elders of tomorrow, hear our voice; My dreaming, my future; Little voices, loud futures. Know that in the footprints of our ancestors we walk, leave the prints as they stand, make sure they stand for something positive and stand long after us. Think about the difference that you are making today and tomorrow, that will become the milestones of our future, an all-inclusive future. Continue to create a better future for all.

Let us all draw upon my People's spirits, as we continue on our journey. May my People's spirits walk with you and guide you as we strive forward for us all. Again, on behalf of the Metropolitan Local Aboriginal Land Council, Ngyini Ngala Wangun Mari Budjari Gadi Nurda; welcome to Gadigal Country. No matter what people believe, this always was and always will be Aboriginal land. Thank you and have a wonderful day.

Tim Hartin: Thank you Yvonne. We're of course, very pleased to be meeting here on Gadigal land and thank you for joining us today.

At today's AGM shareholders may participate in person, through the AGM online platform, or by telephone. Before I introduce your Chairman, I'll run through a few procedural matters, which are intended to provide shareholders as a whole, an opportunity to participate in today's meeting. For each item of business, we'll handle questions in this order. In person, then from the telephone and finally from the online platform, before moving to the vote on each item.

If you're here in person, you should have received a coloured card at registration. A red voting card allows you to speak and to vote, blue card holders can speak but cannot vote and yellow cards are for visitors, who

can observe today's meeting but cannot speak or vote. If you do wish to ask a question, please approach a microphone attendant and show them your blue or red card. If you have a mobility restriction, please raise your hand and a microphone attendant will come to you. All resolutions today will be decided by a poll. If you are here in person, please mark your voting card to cast your vote for each resolution.

Link Market Services is the returning officer responsible for overseeing the voting process for this meeting and can assist you with any questions. Completed voting cards must be placed in one of the ballot boxes and you can do this at any time after the Chairman opens the polls. Voting will close 15 minutes after the meeting has concluded and the results of the polls will be advised to the ASX and available on Westpac's website.

For shareholders participating online or via the telephone, our online AGM guide provides you with all the information you need to vote and to ask questions. This guide is located on our website and on our online platform. I do ask that you please submit one online question at a time. Please also note that you cannot vote over the phone. For shareholders on the telephone, please press star one when the Chairman calls for the questions on the relevant item of business. If you have any issues using the online platform, please check the online AGM guide or call Link Market Services on 1800 990 363. For telephone participants, press star zero on your keypad for assistance. I'll now hand over to your Chairman, Steven Gregg.

Steven Gregg: Thank you, Tim. I've been advised that a quorum is present, I therefore declare the 2024 Annual General Meeting of the Westpac Banking Corporation open. I also declare the polls open.

I would like to extend a warm welcome to everybody joining today, in person, online and on the telephone. I would now like to introduce my fellow directors. On my left is Margie Seale, Peter Nash, Michael Ullmer and Andy Maguire. On my right is Tim Hartin, Westpac's Company Secretary. Next to Tim is Peter King, our Chief Executive, then Nerida Caesar and Tim Burroughs. Westpac's auditor, Colin Heath of PricewaterhouseCoopers, is also seated in the front row with our executive team, together with our incoming CEO, Anthony Miller. If you have any questions in relation to the conduct of the audit, I will ask Colin to respond.

Before we move to the matters in the notice of the meeting, both the CEO and I would like to address the meeting. This will include responding to the most common themes shareholders have asked about us, prior to the AGM.

Today marks my first year as Chairman, a year in which I've had the privilege of immersing myself in every aspect of the organisation, its people, strategy, operations and a history that has shaped it into a leading financial services provider. Westpac has made significant progress this year, as we continue to unlock the immense opportunities and potential before us. The team remained focused on executing our strategy for

sustainable growth and improved returns. We made strides in digital innovation to deliver better customer experiences.

Household and business deposits and loans grew across our target segments. The financial performance was solid, given the backdrop of heightened competition in a challenging economic environment. The operating and financial performance was recognised by investors, with a peer-leading, total shareholder return of over 58% for 2024. With the four year total shareholder return also improving, long term variable rewards vested for the management for the first time in nine years. As your Chairman, I'm focused on building on these strong foundations to create a sustainable value proposition for all our shareholders.

Reflecting on the past year, the Australian and New Zealand economies experienced below trend growth. We know that households have continued to feel the pressures of high living costs and elevated interest rates, while businesses faced cost pressures and subdued demand. Westpac was well prepared for these challenges, prioritising a strong financial and capital position throughout this year. Our purpose, creating better futures together, continued to guide our decisions as we supported our 13 million customers.

When households and small businesses asked us for help this year, we provided solutions. We took decisive action to protect customers from scams through additional preventative tools, along with banker training and increased awareness. CEO Peter King will elaborate on this during his talk. We continue to deliver personalised banking experiences, blending digital innovation with a human touch. This focus on our customers helped us maintain momentum and achieve steady growth in a very competitive market.

The Board is closely engaged with our people and culture, ensuring we continue to support and invest in all our teams, to drive the success of our businesses. I've been impressed by the dedication of our people and their unwavering commitment to understanding and anticipating the needs of our customers and community. Pleasingly we achieved a top quartile Organisational Health Index score this year. We are investing in the development of our people, while attracting and retaining the best talent. We believe a commitment to diversity does exactly that. It also ensures our people reflect the mix of our customers and have opportunities to reach their full potential.

A little over 12 months ago we announced UNITE, our business-led, tech-enabled simplification program. Completing the UNITE program is crucial for Westpac to achieve its long term growth aspirations. By improving systems and processes, our people can spend more time focused on what matters most, helping our customers. It will also improve our cost structure which will support sustainable shareholder returns.

The Customer Outcomes and Risk Excellence program, known as CORE, has driven significant changes in the management of the risk, governance and accountability at Westpac. This program stemmed from APRA's Enforceable Undertaking at the end of 2020. CORE has been essential in restoring trust in Westpac on many

levels. It has supported us in fostering an improved risk culture with clear accountabilities, underpinned by the three lines of defence. APRA has acknowledged the progress we've made, through its decision to reduce our operational risk capital overlay from \$1 billion to \$500 million in July of this year.

In the coming years we will remain absolutely focused on delivering the outcomes of the CORE program. It is vital that all the learnings are embedded within the Westpac culture and operations. The Board remains committed to maintaining an open and constructive dialogue with our regulators, supporting our shared goal of ensuring the resilience and stability of the Australian financial system.

Turning now to the financial results. The bank delivered a solid performance in 2024. We grew the business and our balance sheet, and it remains strong. Profit after tax was \$7 billion, a decline of 3% on a statutory basis. The performance was slightly above the target set for management in the context of a very competitive environment. Importantly, our strong balance sheet provided flexibility for further capital management. Following the completion of last year's \$1.5 billion buyback, we announced an additional \$2 billion in share buybacks, along with the payment of a \$500 million special dividend in the first half.

This was in addition to a 6% growth in total ordinary dividends to \$1.51 per share, fully franked, including a second half dividend of \$0.76 per share. The combination of dividends, both ordinary and special, and a 50% increase in the share price this year, generated a total shareholder return of 58% for 2024.

We've received several questions from shareholders in the form of capital management announced at the full year results. At the year end, the Board decided an additional buyback was more appropriate than a special dividend, given ongoing geopolitical tensions and global uncertainty. Buybacks support dividend sustainability and have added a cumulative \$0.22 to dividends per share since 2021. The capital management framework is assessed by the Board each reporting period. Overall, I'm pleased with the performance and Peter King will speak more to this shortly.

Today's AGM marks a significant milestone for Peter. After 30 years at Westpac, he will make his final address as CEO, before retiring this Sunday. On behalf of the Board, I sincerely thank him for his immense contribution. Peter began his career at Westpac as a young man in his 20s, rising through the organisation to become the CFO and ultimately the CEO of this great organisation. Few people achieve such progression within the same organisation, which I believe speaks highly for Westpac's ability in identifying and promoting talent from within.

Peter was appointed CEO in 2019 at a critical point for Westpac. He faced numerous challenges and delivered a major overhaul of the bank's risk culture and values. He also led the organisation through an unprecedented disruption of COVID-19 and the divestment of non-core businesses, which realigned the direction of the organisation. Under Peter's leadership, Westpac made significant strides in digital innovation,

scams and customer advocacy. The commencement of the UNITE program is designed to provide a platform for continued growth, and we are undoubtedly in a better position than we were five years ago.

Our business is simpler, we've reset our risk culture, and our operations are now more closely aligned with our core banking strengths in Australia and New Zealand. On behalf of the Board, we would like to thank you Peter and offer our heartfelt congratulations on an outstanding career. Ladies and gentlemen, if you can please join me in a round of applause for Peter. Truly well deserved, congratulations Pete.

I was also very delighted this year to announce in September, on behalf of the Board, that we had appointed Anthony Miller, Westpac's Chief Executive in Business and Wealth, to succeed Peter. Anthony can you just stand up for a second mate and just introduce yourself to the shareholders. Thank you.

The Board undertook an extensive search to find the best talent to lead Westpac. The process determined that the most qualified candidate was from the internal talent pool. Anthony is an outstanding leader, and the Board has full confidence in his ability, his drive and importantly his ambition to lead Westpac into the future. Since joining Westpac four years ago, he has led and restored two of our operating segments to growth. He has a clear vision to return Westpac to a leadership position and to build on the strategy and momentum of the past few years.

Anthony has been working closely with Peter over the last few months to ensure a smooth transition. He will formally assume the role of CEO on Monday. The Board and I look forward to working closely with Anthony and the executive team to drive strategy and in doing so, grow the business and create long term value for all shareholders.

Some of the questions you've touched on, sustainability and the issue of climate change today. I recognise that our shareholders hold differing views on this issue. To deliver a sustainable value to shareholders, Westpac must balance the interests of a wide range of stakeholders. Tackling climate change and supporting the transition to a low-carbon future is one such expectation. We are committed to taking action towards a net zero by 2050, reducing our greenhouse emissions and building resilience against the impacts of climate change, for a cleaner, more sustainable future.

Since joining the Net-Zero Banking Alliance, we have set 13 interim targets for 2030 across all nine of the NZBA carbon-intensive sectors. Our exposure to fossil fuels has been declining in recent years and was down by an additional 11% this year. Importantly, 87% of our lending to electricity generation, is now directed towards renewable energy sources, such as wind, solar and hydro power. Our Climate Action Plan, which received 92% of shareholder votes last year at the AGM, also focuses on helping both our customers and the nation navigate this transition.

We are committed to partnering with institutional customers to help them reduce their emissions intensity. As part of this, we engaged with more than 150 customers in the high-emitting sectors this year, of which, 84% have a public climate transition plan. We will continue to support the remaining 16%, who are primarily private companies, in developing their plans as we go forward. In our 2024 Climate Report, we provided detail on our progress, along with some insights from engagement from our customers.

The Board has undergone renewal in the past 12 months. We welcomed Andy Maguire in July, with his global banking experience and expertise in digital transformation and technology infrastructure. We are very pleased to have Andy on the Board, particularly as we progress the UNITE program. He will stand for election today, with the Board's unanimous support.

We've had two directors, Nora Scheinkestel and Audette Exel, decide to retire from the Board this year, to pursue other interests. Nora helped to steer the bank through critical regulatory changes and oversaw significant changes to our remuneration structure and reporting. Ensuring it was aligned with our evolving standards of public expectations for transparency, fairness and responsible risk management.

Audette also made a significant contribution, drawing on her expertise in risk, governance and a passion for social impact. She played a major role in transforming our risk management and governance, overseeing the successful implementation of the CORE program. I sincerely thank both Nora and Audette for their invaluable contributions during these critical years and wish them every success in the future.

With their retirements, we are considering candidates for the Board who complement the collective existing skills and experience of our current directors. We will be seeking candidates with a strong financial services background and preferably with public company experience. We are also very mindful of our gender representation responsibilities and goals and will be making new appointments in due course.

Current directors Margie Seale and Nerida Caesar, both of whom have made significant contributions since joining the Board, will stand for re-election today, with again, the Board's unanimous support. I am pleased Margie was appointed to the role of Chair of the Remuneration Committee and that Michael Ullmer will take over the role of the Chair of the Risk Committee. These appointments highlight the strong calibre of the directors on your Board and will ensure continuity and leadership in key areas of governance.

Looking ahead, we expect Australia and New Zealand to see modest economic recovery, in the foreseeable 12 months. Westpac's ambition to be our customers' number one bank and partner through life, will be pursued through deepening relationships and providing outstanding customer service. For generations we have been at the heart of Australia's banking system, and our history is deeply entwined with the fabric of this country. We take immense pride in being the trusted partner to millions of Australians and New Zealanders.

Thank you to our people for their hard work and commitment, our customers for their loyalty and our valued shareholders for your continued support. It's an honour to serve as your Chairman and I look forward to the next year ahead. Now, I am very pleased to welcome our CEO, Peter King. Thank you.

Peter King: Thank you, Chairman. Good morning and a warm welcome to all our shareholders. It's great to be back in Sydney. Sydney's a special place for Westpac. We started here in 1817 as the Bank of New South Wales and 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.

Turning to the business, it's been a good year for Westpac. I'm 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 or bad debts, reduced to 7 basis points of loans, reflecting both customers' resilience and prudent lending standards. I'm also pleased the balance sheet and capital position remains strong. The Common Equity Tier 1 ratio ended at 12.5%, one of the strongest ratios globally.

This year we had a specific goal to improve service across the company, with all employees having a net promoter score objective. In the Consumer Division, we focused on improving product offerings, service and technology. We are pleased Westpac's banking app was again rated the 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 reward 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 service is important for many customers. We now have 111 co-located branches, which support multiple brands enabling us to stay in more communities. We are 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. However, 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 mobile 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 bank.

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. As the Chair said, 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.

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.

Becoming a more sustainable bank makes good business sense. We recognise climate change poses a risk 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. This year 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. We also met 150 customers in high emitting sectors this year. We were encouraged to find that 84% have already published climate transition plans. Of course, there's much to do and supporting customers to transition remains a priority for the team.

Moving to communities, we provide support through our scams initiative, 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 and SaferPay has prevented \$150 million 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% 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 has since reduced to 17,500 at the end of November.

We also contribute to the community through the Foundations. We're immensely proud of the Westpac and St George Foundations, as well as the Scholars Trust. In the past decade, they've contributed over \$90 million towards supporting job creation, emerging leaders and education for young people.

Over my three decades, Westpac has evolved in ways that make me incredibly proud. We've adapted to a challenging economy, higher expectations from the community, 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 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 be handing the reins to Anthony Miller, whose leadership through the next phase, continuing to support customers and delivering 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 support. It's been a privilege to serve you as the 26th CEO. Thank you.

Steven Gregg: Well done. Thank you, Peter, and I'm glad it only feels like three years. We'll now wait a few moments, if it's okay, while the photographers and those with recording devices leave the room. If you can just bear with us please.

Moving now to today's meeting. We request that questions asked today are relevant to shareholders and to the items of business of management of Westpac. Questions on customer or personal matters will not be addressed during the meeting. Where you have a banking issue or a question, one of our customer representatives will contact you separately. Senior management and Adrian Ahern, Westpac's Customer Advocate, are also available to meet shareholders outside the foyer after the AGM.

If you are attending in person and wish to ask a question, please respect we want to allow as many shareholders as possible, the opportunity to participate today. I'll accept up to two consecutive questions or comments from each shareholder before moving to a question from the next shareholder. To ensure the orderly running of the meeting, I will take all questions and discussions regarding Westpac's climate change approach and commitments when we get to Item 6.

We will now move to the matters in the notice of meeting. The first item of business concerns the receipt and consideration of the Financial Report, and the Director's Report, and the Auditor's Report of Westpac's Banking Corporation for the year ended 30 September 2024.

If you would like to ask a question in the room, please move to one of the microphones or request a roving microphone. If you are online, please submit your questions now. If you are on the phone, please press star one on your keypad. We'll now move to questions on the financial reports, can I please take the first question.

Moderator: Mr Chairman, I'd like to introduce Michael Sanderson.

Steven Gregg: Thank you. Welcome Mr Sanderson.

Michael Sanderson: (Shareholder) Thank you very much. Just a bit of housekeeping to start with. I'd like to draw your attention to 250S of *the Corporations Act*. It relates to questions and comments by members on company management at an AGM. The Chair of the AGM must allow reasonable opportunity for members as a whole at the meeting, to ask questions about or make comments on management of the Company. Not to do so is an offence of strict liability. To find the definition of strict liability, one must go to *the Criminal Code*, Section 6.1. Obviously it's a serious issue. Anyway, moving right along.

First question relates to scams. Scams are mentioned 29 times in the Annual Report however nowhere can I find a differentiation between digital scams and non-digital scams. Can the Board advise shareholders and customers, what percentage of scams are digital and what percentage are non-digital? How many Westpac customers have been scammed in a face to face transaction in a branch?

Steven Gregg: Thanks Mr Sanderson and thank you for your prompt on Section 250S of the *Corporations Act*. I'm going to defer this to Peter, but I would imagine the majority of the scams are on a digital basis, but Pete.

Peter King: Thank you, Mr Sanderson. We actually see customers creating transactions both in branches and on digital platforms, as well as using phones. I'm not sure that we actually track each channel, so I can't provide that exact number to you. But I can point to examples where the wonderful people in our branches have assisted using the technology that I referred to, to help customers avoid scams, as well as online.

Michael Sanderson: (Shareholder) Might I suggest that scams in branches are a very rare event.

Peter King: We stop them. People come in to make transfers regularly and we stop them.

Michael Sanderson: (Shareholder) If there is a branch. Talking about branches. Because the four major banks are deemed to be too big to fail, they enjoy a borrowing advantage over smaller banks, due to government guarantees. The RBA has calculated this advantage to be worth \$3.6 billion per year. At a bank branch closure enquiry in 2004 - I'm not talking about the recent one, I'm talking about 2004 - the banks gave assurances they would close no more branches.

\$72 billion later, the bank's strategy is to continue to close banks, to lie and to play the long game. If the Federal Government put people first and replaced too-big-to-fail with not-too-big-to-nationalise policy and at the same time re-established a public bank using Australia Post network to restore services, how would this affect Westpac's business model?

Steven Gregg: Thank you for the question and we take the whole ownership of branches very seriously. You'll have noted that we have committed to keeping all our regional branches open until at least 2027 before review. We do take a very thoughtful approach to which branches stay, and which may go. As the world changes and it becomes more digital in its assessment if you like of services, the economics of branches do become more difficult. But we are very, very conscious that they do perform a very special place in society. Thank you.

Michael Sanderson: (Shareholder) I've got some other questions later on, but I'll let somebody else have a go.

Steven Gregg: That would be fine. Thank you, Mr Sanderson. Next question please.

Moderator: Mr Chairman, I'd like to introduce Robert Caterson.

Steven Gregg: Thank you. Welcome Mr Caterson.

Robert Caterson: (Shareholder) Thank you very much. I'm this confused about the bank's ethics, in its sponsorship of the NRL at the present time. I look at their website and I see Westpac as being the principal sponsor. Then underneath that we see Star Casino and we see a brand of alcohol. In this modern day, we've got things like domestic violence, and we've got financial abuse and a whole range of social issues that have been sort of contributed to by gambling and alcohol. Why should we be putting good money into something that's very harmful.

Because the NRL doesn't really need Westpac's money, when they're so supported by sports gambling organisations. To me it is not a really good look on the bank. I thought this bank had a lot of ethics and I'm a shareholder of other banks where say, one of the other banks doesn't support the NRL. It used to support the NRL but now it supports a lot of female sports, like the Matildas and the female cricketers. But our bank wants to support a sport that is always in the news for the wrong reasons. It's not a very good look.

I know the bank has done a lot of good work in other areas and I'm glad that St George is not now backing the St George Illawarra rugby league team. Basically, I'd like to know if this bank also puts the same amount of money into domestic violence support, gambling support and alcohol support please.

Steven Gregg: Thanks for your question.

Robert Caterson: I have one more question after that.

Steven Gregg: Okay, not a problem. I appreciate your observations and comments there. We take those areas of concern that you raised very seriously, be it domestic violence, or alcoholism or gambling. However, we believe the NRL is an Australia-wide sport in many respects, and it does include importantly, the diversity of female sport, which we are very strong on. We think it's a wonderful sport. It has its issues, like a lot of sports but they are on to the issues that they've got to deal with.

I think rather than us not be part of them and not support them while they are dealing with those issues, would not be right. I for one, think it's the right thing to do. We are not oblivious to the issues you raise, and they are very fair issues. But I think Westpac needs to lean into sports like this, where they are making a difference. But I do respect your views, so thank you.

Robert Caterson: (Shareholder) Thank you. The second issue is with, you talked about the share buybacks and also your performance. I go back to the year 2020 when the bank announced its profit in an interim sense, and it declared an interim dividend. But we don't know how much that interim dividend was, and you deferred that dividend. I've not seen anything in writing or announcements from the bank in terms of what that dividend was and when that dividend will be paid. Another bank at the same time did the same thing, that was ANZ, and they paid that interim dividend in October of that year.

If you've been very generous with these share buybacks, a lot of us mum and dad shareholders would like to keep all our shares, not sell them back to the bank. We would like special dividends. When I look at the dividend that you've paid out this year, it has been far under our peer banks. They've been sort of battling with the same issues that you've raised, in competition and the way the economy is. I think this bank should pay its shareholders a lot better than what it is at the present time. Thank you.

Steven Gregg: Thank you, Mr Caterson. I'm going to ask Peter to talk about this in a second. But just as a general observation, we look at our capital management strategy incredibly carefully every six months on the reporting period. Getting a balance between how we spend our capital to develop the company, how we return the capital to you, the shareholders, be it either a dividend or a buyback or a special dividend, is thought about very carefully. This year, I'd just like to suggest that the dividends have gone up. We have paid a 6.8% franked dividend yield this year.

Of course you will have noted in the first half, we did pay out a \$500 million special dividend as well. We are also fully conscious that Westpac has a very substantial franking credit balance which ultimately is worth more in the hands of shareholders than it is to us, so we take that into account very seriously. It's not without thought and as we go forward, this takes up a lot of our time. Thank you for your thoughts and I do appreciate it.

Robert Caterson: (Shareholder) I still haven't got an answer to the 2020 interim dividend.

Peter King: Thank you. We had to work with the regulator during COVID, obviously and there were directions on dividends. In terms of that dividend, it wasn't paid, and we have excess capital now. I wouldn't be thinking about where we'll pay a dividend from back then. We will look forward, as we did at the first half, and pay a special dividend. So, look out for what we do in the future.

Robert Caterson: (Shareholder) So you will pay it.

Peter King: No, we will pay dividends based on the future and the outlook for the Group.

Robert Caterson: (Shareholder) Okay, thank you.

Steven Gregg: Next question please.

Moderator: Mr Chairman, I'd like to introduce you to Mr David Tennyson.

Steven Gregg: Mr Tennyson, welcome.

David Tennyson: (Shareholder) Yes, thank you Mr Chairman. My question was inspired by page 22 in your Annual Report - so people can follow what I'm talking about - entitled 'Listening to Customers'. I think it's very on theme to this meeting. At the top of the page it says, we actively gather feedback - that's a very important

introduction - from customers and employees, to improve our services, insights from net promoter scores - which is what the question's about - and complaints, help us to create better solutions, measure improvements and promote a customer first culture. Which is all very good to read, and I appreciate all of that.

But my question is, the net promoter score is basically a numerical score, as I understand it. There's actually no need to actively gather feedback to get that. But I'm very pleased you do actively gather feedback because gathering feedback is how you improve your customer services, which is good.

My question is, you take the trouble to collect these net promoter scores, but what feedback have you actually gathered? That's the question, perhaps a simple question but perhaps I should also explain why I am asking the question. Because as well as your Annual Report, you put out another document which is called the *Presentation and Investor Discussion Pack*, and I've been reading that, and that's got information on net promoter scores. You may have noticed, because of my accent, I'm actually a New Zealander. I'm not from Australia. There's a particular reference in that document to New Zealand net promoter scores. What has concerned me is that – this is actually on slide 87 of this presentation. I don't know whether it's possible to bring that up or whether your Directors can look at it.

Basically, what it shows is it lines up the net promoter scores of Westpac with four comparable banks over a period of time and, I'm sorry to say, we're at the bottom. It's not pretty reading. The latest reading is we're at a score of 12, whereas the other comparable banks are between 17 and 31, which is not great news. Really, what I'm wondering is what information have you gathered to possibly improve this situation? Thank you.

Steven Gregg: Thanks for your question there. I've got to be honest, we have got a way to go to get our net promoter scores up – that's very clear – both in Australia and New Zealand. I'm going to ask Pete also his observations on NPS and where we're standing on that. Thank you.

Peter King: We listen to customers in a number of ways. Just to answer the specifics on NPS, I think the trend is the most important piece of information in NPS because it gives you a sense of whether you're improving or not. So that's one data point that we use. We also get direct suggestions from customers. Our bankers are talking to customers every day. We get complaints, so are reviewing complaints.

So you put together the complaints, what you're monitoring in the business, and if we take the case in New Zealand, the key piece in New Zealand is service, making it easier for customers to do the routine banking activities. That's what Catherine and the team is getting after in New Zealand.

David Tennyson: (Shareholder) Thank you very much for your answer. That's good to hear. I guess the only other comment I want to make with regard to the situation is that I did take the opportunity to look back on

previous reports. In fairness, it's a question of how far you look back, because you don't want to look back beyond the current management because, really, that's ancient history.

So I sort of picked five years ago, and I picked up the same report. While I appreciate the net promoter score has gone up – because we're looking at 12 now, and it's down to eight, back five years ago – it's still the same position. You're still below your peers. While, as I said, it's good to see the net promoter score up, I think 12 is still a fairly dismal number.

The only way I can – perhaps a reference for that, I'm also a shareholder in Telstra, and I think they're talking about a net promoter score of – I think it's 46, something like that. They're another utility type industry. Okay, it's a bit different to banking. But I think we can do a lot better, sirs.

Steven Gregg: I tend to agree with you. We've got opportunity there, so we'll be working towards that. Thank you.

David Tennyson: (Shareholder) Thank you very much.

Steven Gregg: Thank you. Next question, please. Thank you.

Moderator: Mr Chairman, I'd like to introduce you to Spiro Arkouzis.

Steven Gregg: Thank you. Welcome, Mr Arkouzis.

Spiro Arkouzis: (Shareholder) Good morning, Mr Chairman. Good morning, Peter. Thank you for your opening address, and thank you to your opening address, Peter. It was excellent. I'd like to thank you, Peter, and all the Board. As we've seen over the last five years, the customer service in Westpac, I believe, from speaking to customers, has been excellent, and so well done on that uplift. Well done on the uplift on our shares over the last 12 months. Well done to get to that point where we are at \$31.93 or thereabouts.

I think the idea of putting our customers first is, first and foremost, equally with our staff and our teams. Our customers are the marketing to keep bringing more customers into the branches. Our shareholders – God bless us all – institutional and retail, we're in direct proportion to our customers walking in and also depositing money. So I'd like to thank Peter for your great management over the last five years.

I'd also like to highlight, I reached out to Peter earlier this year because I'm on a mission to make 'Qantas Great Again', and looking at how to improve on the hedging systems so that I can be of great service to the CEO, Vanessa Hudson, and the Chairman, John Mullen.

So I'd like to thank Peter for taking the time out of his busy schedule to introduce me to Max Bulloch, who is the Head of the markets Australia, the financial markets; and Kosta Katheklakis, who is Head of the Westpac



Commodities globally. I was able to have some very good discussions with those gentlemen, to come up with some great strategies. But they are at the moment quite busy.

But I thank them and I thank Peter for your input with my drive and my personal goal to make 'Qantas Great Again', and making that introduction to Qantas. That was my main reason to come down to say, personally, thank you for your help and your input. So thank you, Peter. If everybody would join me in a round of applause for Peter King, please.

Steven Gregg: Thank you.

Spiro Arkouzis: (Shareholder) Thank you, Mr Chairman.

Steven Gregg: Thank you. Thank you, Mr Arkouzis. Very nicely spoken, and the points are taken to heart. Yes, Peter has done a great job, no question. Next question, please. Yes, ma'am.

Moderator: I'd like to introduce you to Ms Natasha Lee.

Steven Gregg: Thank you. Welcome, Natasha, and lovely to see you again.

Natasha Lee: (Shareholder) Yes, I was going to say the same. Thank you, Mr Chairman, and congratulations on becoming Chair.

Steven Gregg: Thank you.

Natasha Lee: (Shareholder) We look forward to that. I thank the Board for their performance, although I realise that you're hitting a few headwinds, and things like earnings per share is down. I appreciate that the share price is somewhat supported by actions such as the buyback. But overall, I'm not too dissatisfied with things.

The first question actually concerns the Clean Energy Finance Corporation's fund of \$1 billion to households for upgrades where there's reduced interest. I was just wanting some detail about how that actually works and, if you're taking reduced interest, is the Energy Finance Corporation sort of compensating you for that loss? What's the mechanisms?

Steven Gregg: Thanks for that, Natasha. I am going to ask Pete to have a look at that one. I'm not too familiar with that.

Peter King: We've reached an agreement with the Clean Energy Finance Corporation to help customers change their homes and the way they use energy. In relation to the details, I don't think I can actually talk about them. I think they're confidential. But I'll check that. It is an arrangement where they will help us with the funding of what people do to improve energy usage in their house.

Natasha Lee: Is there a timeframe? Is that, you know, whatever, three year, five year to...

Peter King: The initiative has just started, and I think it'll be one where if it's successful, it could be extended, as an example.

Natasha Lee (Shareholder): Probably another tricky question is, I know that there was a partnership with Legal Aid and Our Watch concerning financial abuse, which is one of the other great scourges of our time, along with scams. I have done some work in the domestic violence area in the past. I was just wanting a bit of information about that partnership. I understand it's just started, but what is the roll out? Is there an agreement over a period of time, and what sort of support...

Peter King: Maybe I'll talk about what we're doing to assist with domestic violence. More broadly, when we identify that people need help – mostly women – we create banking profiles for them which are separate to the perpetrator. That's a big effort for us, and we're very cautious in keeping the banking separate.

Unfortunately, things like payments messages are used to send messages. We monitor – I think it's about 140,000 messages or block 140,000 messages. We write to people when it's being used inappropriately, and 95% of people stop using banking to send messages. It's a very broad issue. We do have partnerships. I'm not around the specifics of the one that you've referred to, but we do take this area very seriously. We have a dedicated team, and we actually train all our people that speak to customers in what to look out for to identify it.

Natasha Lee: It is on page 24 of your report. It's mentioned there. I've got a couple of others. I can come back.

Steven Gregg: Can you come back for that, please? Thank you. Thanks, Natasha. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Petra Godfrey.

Steven Gregg: Thank you. Welcome, Ms Godfrey.

Petra Godfrey: (Westpac Employee; FSU) Hi. I'm an employee of Westpac and a member of the Finance Sector Union. In recent years, Westpac's undergone a widespread transformation process, impacting jobs across the Group. This includes offshoring some Australian-based roles in 2024.

All of this has raised concerns about the erosion of local job opportunities, and its impact on employees' financial wellbeing and job security. These practices have a ripple effect, contributing to stress and uncertainty for our members and their families, as well as broader impacts on the Australian economy.

Can you confirm what Westpac's commitment is to local jobs? Is there an actual percentage of how many jobs will remain onshore? If so, how is Westpac addressing current challenges by investing in its Australian

workforce to ensure employees have the necessary skills and training to adapt to evolving job requirements, thereby safeguarding their long employability?

Steven Gregg: Peter, if you could please take it?

Peter King: In terms of the Australian workforce, we have around 30,000 people onshore, just to size it for you. Do we have specific targets for the proportion of the workforce here versus offshore? No, we don't. It is looked at business by business. But we're always going to have changes in our workforce.

At the moment, one of the areas that's actually increasing in demand is scams. As I spoke about in my speech, we're putting more people on the scams phones. We're always going to have changes. I think technology will change the workforce as well, and so there will be change.

We need to help all our employees, including your members, through that. Where possible, re-deploy and re-train would be our aspiration where we can. I think that'll be the state of the workforce over the foreseeable future. I just don't think there'll be one – it won't be static. It will continue to move, the demands will continue to move, and we'll work as well as we can with people to take them through those processes.

Petra Godfrey: Thank you.

Steven Gregg: Thank you. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Carol Limmer.

Steven Gregg: Thank you. Ms Limmer, welcome.

Carol Limmer: (Australian Shareholders' Association, Representative) Good morning, Mr Chairman. I represent the Australian Shareholders' Association, and have 977 proxies, which represents 5.7 million votes. A few comments to start.

I'd like to say that I found the annual report very comprehensive and well set out, and I compliment Westpac on that. Also, the recent market update on Westpac's sustainability strategy, which included climate change, was well done. The executives who have responsibility across the organisation presented, and there was an opportunity for people to ask questions. The meeting was hybrid, so it was held live and online. Again, that was all well done.

Now, a question. There is a shareholder here today who has given her proxy to the Australian Shareholders' Association, and she received a yellow card, not a red card, of course. But the yellow card, she's been told, indicates that she cannot ask questions. I'd like you to comment on that particular point. Is that correct?

Steven Gregg: I'm going to ask our Company Secretary that. But I would think if she's a shareholder, she should be allowed to ask a question, unless she's given that right away to you as a proxy.

Tim Hartin: That's correct.

Steven Gregg: Apologies for that. She should be allowed to ask a question. If she would like to ask one today, we're happy to accommodate that. Thank you, Carol.

Carol Limmer: (Australian Shareholders' Association, Representative) Thank you. I'd also like to compliment you on having signing for people with hearing impairment. That's very good to see. Now, a question. I note in recent media that there seemed to be a number of movements looming in the senior management ranks, including the filling, of course, of the incoming CEO's previous role as Head of Business and Wealth; the possible departure of the Chief Financial Officer Michael Rowland; Christine Parker, the head of HR, who's going to depart after 13 years with Westpac; whether the retail boss Jason Yetton could leave; and possible changes in the treasury division. Could you comment on these possibilities and action being taken?

Steven Gregg: Thanks, Carol. We don't really comment on media speculation, and a lot of what you're reading out has been in the media, and that's not for us to comment on. I'm very proud and pleased of our senior team, with Pete running it, and going forward with Anthony running it. What Anthony decides to do in the future will be his business along with the Board's. I'd just like to leave it there, if I could, please, rather than comment on what's being gossiped in the market. Thank you.

Carol Limmer: (Australian Shareholders' Association, Representative) Thank you. For some years now, Westpac seems to have had difficulties with accountability within the organisation, even though the culture overall, I acknowledge, has been improving. What is being done to rectify the accountability?

Steven Gregg: That's a very broad question, and I sense, having been here for a year now, that it is actually quite an accountable organisation. It can always be better, I guess, but there's a lot of accountability at all levels for performance, certainly for culture and the ethics of the place. All things can be improved, but I don't see it as a problem at this stage.

Peter King: I might just add, two aspects of the CORE program were directly focused on accountability, so the three lines of defence: first line owns the risk, and manages the business; the second line oversees the first line; and then audit as third line. That's been sharpened up materially over the last couple of years.

Then our line of business model and making sure that our executives that run all our businesses have clear accountability statements was another part of the CORE program. So we feel the three lines, with much sharper accountability in the first line, has made great strides in improving accountability.

Carol Limmer: (Australian Shareholders' Association, Representative) Thank you.

Steven Gregg: Thank you, Carol. Next question, please. Thank you.

Moderator: Mr Chairman, I would like to introduce you to Peter Starr.

Steven Gregg: Thank you. Welcome, Mr Starr.

Peter Starr: (Shareholder) Good morning, Mr Chairman, and congratulations on your chairmanship of the Board.

Steven Gregg: Thank you.

Peter Starr: (Shareholder) Welcome, ladies and gentlemen. I'm here representing a number of shareholders and also myself. I'm a private equity advisor to my clients. I'd like to say a few things. For those of you who'd remember the 2018 AGM, there were a lot of things happening. We had to move some people from the Board. The CEO had to go. Poor Mr Peter King had put in his papers. His family were looking forward to a nice retirement.

When the Board asked him – and it's important, ladies and gentlemen, that you know this – he put his hand up, and took back his papers, and stayed to fix the problems. Boy, there were some problems to fix, and he didn't put his head in the sand.

I've been privileged and honoured to meet you in your office on a number of occasions, and you've been frank, forthright, and totally honest. I think that's the absolute mark of your 30 years – not three years, not five – five is definitely your CEO – but it's to your credit.

You've met other people. I think, having attended the Royal Commission, I noticed one of my other colleagues here Mr Caulfield had a lot to do with the Royal Commission into banking. But you, Peter, let me wish you the absolute best on your retirement. I'm sure your family's very happy.

It's ironic that you happen to be retiring the same day that Ray Hadley's retiring, so I just thought I – given that I was speaking this morning on that. But I must say that I'm very proud to wear this. I was presented with this on the Tuesday at the headquarters before you flew up to Brisbane. Let me say this, that I made mention to Mr Adrian Ahern, who presented the jersey in your foyer, and I did text him. I even know that – I believe it was because of the presentation of the jersey, we did beat them up there in Queensland, so well done.

Seriously, ladies and gentlemen, we had a lot of issues to work through and fix up. To your credit, Peter, and it is to your credit, you said to – when the Board asked you – and a lot of people don't know this – the Board asked you to, please, would you stay, you stayed, unequivocally. In that five years, you've turned the place around.

We received a record fine. The APRA penalty now has been lowered under you. I'm pleased to say that we don't have those scandals. You met it head on, and it's to your credit. I've said this too often to CEOs that I think the best CEOs of companies are people-person CEOs. I think, absolutely, you're up there with Matt Comyn, you're up there with Brad Banducci. So, absolutely, thank you, Peter.

Peter King: Thank you.

Moderator: Mr Chairman, I'd like to introduce...

Steven Gregg: One sec. Sorry, Mr Starr.

Peter Starr: (Shareholder) Thank you, Steven. I have two questions, and they'll come through you to Peter, and these are important questions around the Bank. A famous QC told me, before I ask the question, I'll know the answer that's coming, so I'm pretty confident here. Through you, Steven to Peter, can I confirm that the Westpac Bank has what they call – for those who aren't initiated – a dealing room or a settlement room, where we settle trades and things? Is that right?

Peter King: We do have a dealing room.

Peter Starr: (Shareholder) Thank you. Could I have some assurance from you that in our dealing room, we do not have sex, drugs, and rock and roll going on?

Peter King: I think how I'd answer that would be the CORE program, which was about risk culture, applied to the whole Company, including our dealing room. We have had a good look at behaviours across the Company, including in the dealing room.

Peter Starr: (Shareholder) I'm very pleased to hear that answer. Just one final thing, can you confirm we've had no police raids, lately?

Peter King: Not that I'm aware of, I'll say that.

Peter Starr: (Shareholder) God bless you, Peter. I'll come back later. I have some questions for when Margaret's up for re-election, who I know.

Steven Gregg: Thank you, Peter. I appreciate your words. I couldn't agree more on Peter's loyalty and his contribution over some very difficult times. It's not lost on anybody. Thank you. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Ms Rita Mazalevskis.

Steven Gregg: Thank you. Welcome, Ms Mazalevskis. Nice to have you here.

Rita Mazalevskis: (Representative) Good morning, Board. Thank you. Can I just start by saying thank you to Peter. We had a meeting last Friday, and also Adrian Ahern, over Teams, which was longstanding for six years, since the Brian Hartzler days. I'm glad we finally got to have a chat. Thanks for that, Peter.

My question is in regards to ESG. ESG has a peer analysis and market rating provision for companies. Of the top four major banks, CBA ESG is 90.96, and they are globally ranked fourth, with an overall 'A' ESG score. NAB is 86.33, ranked 13th, with an overall 'A' ESG score. ANZ is 84.23, ranked 25th, with an overall ESG score of 'A'.

Unfortunately, Westpac is fourth, with an ESG score of 71.5, ranked 93rd, with an overall 'B+' ESG score rating. Now, the ESG is made up of three pillars, being environment, social, and governance. Westpac's environment was 86, social 65, and governance 75.

I've come across some information. Within the governance ESG of 75, this comprises three elements, for management, shareholders, and CSR strategy. Alarming for shareholders, the ESG score is 2, with five of the shareholders 12 subcategories showing as red. Management, on the other hand, has a glowing ESG score of 94, and CSR strategy 91.

The other concerning one is within social. It's four elements are workforce, human rights, community, and product responsibility, shows that product responsibility's ESG score is 26, with three elements of quality management systems at a zero, product access low price at a zero, customer satisfaction not recording anything at all. These are all in the red, while the fourth for product data privacy is green, scoring 52.

Then, ironically, under environment, three elements of resource use with a score of 86, emissions 85, and environmental innovation 86 are all green. Westpac's climate report 2024 on page 6 provides a diagram, showing the Board's oversight and management of sustainability and climate-related issues, and, under the executive team, highlights an ESG and reputational committee and an ESG council.

Page 46 highlights your appetite for climate-related risk as defined in your Board risk appetite statement. Page 32, under customer engagement, says, our ambition is to be the transition partner of choice, and engage with customers on the ESG topics that matter most to them.

My question is, why are the people components of community, customers, and shareholders, within the pillars of social and governance, some of the worst ESG scores across Westpac's ESG makeup, when, in the annual report on page 41, it says, dedicated ESG specialists are integrated within our business and wealth, WIB, and Westpac New Zealand operating segments?

Would it be fair to say that these people components are sacrificed for the sake of glowing environmental ESG scores for the benefit of institutional investors and also green bonds, because it appears that we have a continued case of profits over people?

Steven Gregg: Thank you for the question. A very detailed question.

Peter King: Can I just ask, what is that survey from?

Rita Mazalevskis: (Representative) That's from the LSEG, London Stock Exchange, site that provides data for the market, and shows peer analysis.

Peter King: I'm not familiar with that, but a lot of those...

Rita Mazalevskis: (Representative) I wasn't either, it's all new, but, yes, it's very interesting.

Peter King: Indeed. For me, no, I don't accept the proposition of profit over people. We work very hard on all aspects of ESG, but we're still dealing with issues such as AUSTRAC, such as capital overlays. The APRA EU still exists, so they mark us down – rightly – in those type of surveys. But I will have a good look at that one, I'm not familiar with it, and make sure that there's nothing else that we can – or ensure there's nothing else we can learn – or maybe Anthony will, anyway. Sorry, mate.

Rita Mazalevskis: (Representative) I'll be happy to direct you there. It's just in regards to the previous shareholder about net promoter score being low, and then this data showing that shareholders and customers and community scores are very low. It's very alarming.

Peter King: I don't know what the source of the data is, I don't know whether we contribute to it, because a lot of these surveys, if you don't contribute, you don't score. So I'll have to take a look at it.

Rita Mazalevskis: (Representative) It does say, Company contribution to the data.

Peter King: I'll have a look.

Rita Mazalevskis: (Representative) To what level, I don't know.

Peter King: I don't either.

Steven Gregg: Thanks for the question. I also wasn't aware of that survey either. So why don't we do a bit of work on that, and come back to you on that if we could, please?

Rita Mazalevskis: (Representative) It's not a survey; it's actually data analysis, where people go in and actually do valuation of companies.

Steven Gregg: It's a survey based on data contribution. Thank you. Next question, please. Thank you.



Moderator: Mr Chairman, I'd like to introduce Mr Michael Stratosh.

Steven Gregg: Thank you.

Michael Stratosh: (Representative) This concerns the annual report, and I was wondering why only three years of past numbers are being published as opposed to five, which is standard. Seven is nice, and 10 is really good.

Steven Gregg: Why don't I refer that to our CFO, who's sitting on the front bench here? I'm sure he'd love to answer that one, Michael. Thank you.

Michael Rowland: Thank you for the question. The disclosures we put in the financial statements for the year are in accordance with accounting standards, and so they only require generally two years. In some cases, we provide three.

Michael Stratosh: (Representative) That isn't a very good answer.

Michael Rowland: That is the answer.

Steven Gregg: Why don't we take that on notice, and we'll have a ponder on that one. Thank you.

Michael Stratosh: (Shareholder) Other banks give more than the bare minimum, may I point out.

Steven Gregg: Thank you. Thanks for your question.

Michael Stratosh: (Representative) The third little detail, it was raised by the current CEO about the third line of defence against not good things happening, is that the auditors review the third line, the third line of defence. However, from the bleachers, where I come from, the auditors aren't a respectable company anymore.

Peter King: I might just make a point of clarification there that the third line is our internal audit function. Of course, the external audit function does the audit of the financial accounts. You've made a comment about that firm. You'll see, at a later point, we are changing auditors this year, if the meeting agrees to it.

Michael Stratosh: (Representative) I was not aware of that. I had missed that bit.

Steven Gregg: Thank you. By the way, I will respond to that in the context of the change of auditors a little bit later on, because we have received excellent service from Pricewaterhouse, and that's not under question. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Isobel Fish.

Steven Gregg: Thank you very much. Welcome, Ms Fish.

Isobel Fish: (Westpac Employee; FSU) Thank you for having me again. I'm a proud Westpac employee of 12 years, and an even prouder Finance Sector Union member. It gives me great pleasure to once again be at the AGM to represent the voices of thousands of workers.

At last year's AGM, I spoke about the work that this organisation has done towards progressing gender equality in our company. In February of this year, all companies with over 100 employees were required to publicise their gender pay data with the Workplace Gender Equality Agency.

This was a hard day to be a Westpac employee. As a woman, I live gender inequality every single day, but it hit different on this day. To see the company that my colleagues and I are so proud to be a part of publicly share that we have a 28.5% gender pay gap, it just hit home, and it was shameful.

So we did the, Should We? test, and we shouldn't. We have some deep-rooted cultural issues in this organisation, where primary caregivers are missing out on their bonuses because we won't pro rata their metrics when they take parental leave.

The term 'Mr Mum' is casually thrown around in meetings because leaders in this organisation see parenting as a woman's role. Secondary caregivers, predominantly men, are often coerced into not taking their full entitlement when it comes to parental leave. When they want to change their work to part time, to support their partners returning to the workforce, they are held accountable to their full-time equivalent expectations.

There are women who work in your corporate sites who sit on towels because they don't want to bleed on your chairs. Yet in this year's EBA negotiations, we were told that giving people who menstruate access to additional leave entitlements creates stigma in the workplace.

We know that simply putting women into leadership is not enough because, if it was, we would not have a 28.5% gender pay gap. The Workplace Gender Equality Agency tells us that 54% of Westpac employees are women, 73% of women work in part-time roles, and at Westpac 90% of our part-time roles are filled by women.

Yet we don't quarantine senior leadership roles to include part-time, we don't have targets to increase men accessing paid parental leave, we don't have targets to increase men in female-dominated roles, and we don't have targets to increase female in male-dominated roles. Should we? Yes, we should.

We're often told that it's about the most qualified person for the role. But how do women in this organisation become the most qualified for the role when our company structures won't let them? So my question is, what will our gender pay gap be at Westpac in 2030?

Steven Gregg: Thank you, Isobel, for that very broad range of comments there. We do take this seriously, and I'll let Peter get to the detail of that in a second. But the gap is predominantly down to where the female

and male cohort within Westpac sit. At the tellers and the branches, it is predominantly female. At other levels in the Bank, it's predominantly male. The balance is probably different there, which accounts for a lot of that difference. Like-for-like job, the difference is extremely small in terms of pay equity. Pete, have you got some comments there?

Isobel Fish: (Westpac Employee, FSU) But, on that, if we're not increasing opportunities for women to move out of the part-time teller role, then we'll always have that, won't we?

Peter King: I'd agree, we've got more work to do, so I don't think that's – that's a very fair comment in terms of we have more work to do, and we have more work to do in a number of areas. As the Chairman said, there's the structure of our workforce. Our lowest paid roles, branches, those helping customers on the phones tend to be dominated by women, and they're more flexible so they allow part-time. So we need to recognise that.

Some of our functional roles, technology, risk, and in the institutional bank are male-dominated. So we need more senior women in those roles. We probably could have a little bit more balance with men in some of our other teams. We recognise that. We thank you for your feedback, and I've written down a couple of other points.

Anthony's actually setting targets for next year for the team, not 2030 targets. I think that's something that he will need to reflect on. He will have targets for the team next year for WGEA. I would say that our focus for the last five years has been on pay equity, pay the same for the – pay men and women the same for that job, and we've done a pretty good job there. I'm confident that the company can do a good job on the representation in the workforce.

Isobel Fish: (Westpac Employee, FSU) Thank you. I look forward to that work you've done falling into my job stream. I look forward to seeing the targets that we are going to put in place in regards to that. Thank you.

Steven Gregg: Thank you, Peter, and thank you as well for your questions there. Well noted. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Mr Ram Matta.

Steven Gregg: Thank you. Mr Matta, welcome.

Ram Matta: (Shareholder) Good morning, Mr Chairman and Board and everybody else here. My question is regarding the department of technology. As per the report, we have got about 1,000 strong engineers working for the technology department, which is very good.

What I understand, talking to various people in the department of technology, most of the staff are contractors employed by overseas companies working in Westpac. That is maybe whatever is the reason Westpac thinks that that is the best way to go ahead. In the social setting, I talked to a number of people, and the consensus is that the technology department is a bit of a mess, and most of the projects are going beyond the budget, and they are mostly delayed, even with the reduced scope of work.

I can give my own reasons why this is happening. But my thing is, it's not a criticism, because we are working as a business, and we are trying to reduce the cost to give better outcomes to the investors. Because here all the investors are sitting here, I would like to remind you that it is to be vigilant, because we are cutting branches, we are reducing, removing ATMs to reduce the cost, and to increase the dividend for the investors, whereas we are spending hundreds of millions of dollars in the technology projects where the outcomes are not very favourable.

What I'm asking is, my question is, how many technology projects are completed in time and within the budget? How many are over the budget and over the time? Sorry, this is not a criticism, as I told you. Thank you.

Steven Gregg: Thanks for the question, Mr Matta. I am going to defer to Peter. I must say I'm not over the detail of that question.

Peter King: When we looked at our performance in projects last year, it was around high 80%, early 90% that delivered what they needed to – and I referred to some of the deliveries this year in my speech – if you think about for customers, EFTPOS Air, EFTPOS Flex, the work on scams. I'm not sure who you've been talking to in the technology team, but I would be more than welcome to have a chat with you after the meeting about your specific observations.

Ram Matta: (Shareholder) Thank you for that. I can tell a couple of things, the reasons. The first thing is, most of the staff are employed by overseas companies, and they keep moving from project to project. Their accountability is questionable, though their cost per hour may be quite competitive to the local staff. My suggestion is we should employ more Australians from the local university graduates who are living here, who are going to be within the Bank, and they'll be loyal to our Company. That is my only observation. Thank you.

Steven Gregg: Thank you, Mr Matta. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Mr Craig Caulfield.

Steven Gregg: Thank you. Welcome, Mr Caulfield.

Craig Caulfield: (Shareholder) Thank you, and welcome to you, and congratulations on your new role as Chairman to this very important Company.

Steven Gregg: Thank you.

Craig Caulfield: (Shareholder) Thank you. Peter King was called up five years ago. At the time, there was a lot of deep and disturbing failures inside of Westpac. Whilst there is more to do, Peter's steady, calm, inclusive management was something to watch. I acknowledge the important contribution that Peter King has made to uplifting culture, governance, and accountability. A side thank you to the customer advocate, Adrian Ahern, who has also supported Peter King's changes there.

Personally, I've appreciated being able to meet with you, Peter, and advocate for customers. So I really wish you and your family, who had to take a five-year hiatus, all the very best. Thank you. That's on the back of we've heard Mr Starr, Ms Mazalevskis, Mr Arkouzis, a lot of people thanking you. It's a really nice message coming through. Thank you on that. I'd also like to welcome Anthony Miller as the new CEO, and I would be hopeful that I can meet with Anthony to continue advocacy on customer issues.

To reference a couple of shareholders' questions – that gentleman over here was talking about dividends – my observation of dividends in the four major banks is that three of the four majors have increased their dividends, and Westpac's increased approximately 6%. ANZ's the only one that has actually decreased their dividend. Westpac has a fully franked dividend, I think, and not all the banks have. I know ANZ is not fully franked.

If I can get to key issues around customer service, the annual report talks about core values: passionately providing great customer service, page 10; trusted and accountable, accountability, page 44; and transparency, page 48. We aspire to the highest standards of corporate governance. Corporate governance is a system of policies and procedures based on our values and behaviours that underpin our activities.

These comments through the annual report are positive, they're aspirational, and they're generic. I find that the annual reports are a little bit too glowing and not really even-handed enough. Let me give you an example. Scams are reported, and we've seen some very good reportings and some wonderful stories where scams have been stopped. So what's reported is \$150 million worth of scams have been stopped. What's not reported is what value of scams has gone through?

We see that hardship complaints, there are 47,500 hardship complaints that Westpac, thankfully, is handling. But how many hardship complaints are put up that are rejected? Further to the person that was talking – there was a gentleman here before – about net promoter score, and that's one of my particular topics, page 22, and actively gathering feedback, the net promoter score is just too generic. As Mr King said, it gives an indication, it gives a direction, so net promoter score is useful.

But when I see the annual reports, including Westpac's, net promoter score features a prominent position without other metrics. What I propose – I've talked about before, but I really want to cement this in – is that other metrics are required. For the Board, you have a single page in the annual report on skills matrix, and it's what we're strong on, and acknowledge we're missing a bit, and where you'll be seeking skills for more Directors.

Can we have a single-page report in the annual report that gives a more granular detail of customer experiences? You might have 20 items listed. If all the banks could do this, and put them in their annual report, we're going to be able to get much better insights. Those first words I read out are all glowing, they're all generic, but they really give us no insights.

You might have, for example, the number of customers we have; the number of loans that we have, housing loans versus investment versus business versus agriculture; the number of complaints we get in different areas; how long those complaints take; the number that goes to the customer advocate; how many complaints go on to AFCA.

We know that AFCA has received a record number of 100,000 complaints this year. Despite a lot of the good work that's happened in Westpac and other places, a lot of complaints are still occurring, in fact, they're getting higher.

Court cases, how many times does Westpac take someone to court? How many times does someone else take Westpac to court? The hardship cases, breach reporting, we know that at the Royal Commission, breach reporting was a big issue where Banks sometimes take up to six years to actually identify the breach report, have it lodged, and addressed.

If we have some sunshine and some sunlight over these figures that we can see, it helps you to hold yourself accountable. They're the words we hear is accountability, whistleblowers, speak-up reports. Then they all come back to, ultimately, the Should We? test that the lady mentioned before.

My question is, will you seriously consider a single-page report that the shareholders can see that provides these metrics – I'm happy to work with you through those. I'm sure there's a lot of things that you know – and work with the ABA so that other banks are doing the same, so there are peer standards and peer reviews there? Thank you.

Steven Gregg: Thank you, Mr Caulfield. Appreciate your comments and your observations on both Peter but also the annual report. Personally, I also find NPS scores just one measure, and they are often open for discussion as to how they were raised. Let us take on board your thoughts and your comments.

Peter King: Craig, probably half of the metrics that you spoke about are actually in the sustainability data sheet – so there is some sunlight on those already – that’s available on our website. But I take the point about make it easy, and whether it’s in the annual report or not, I think, is always the debate. It’s getting pretty long as it is. We’ll work out how we simply communicate some of those statistics.

Craig Caulfield: (Shareholder) Thank you. I haven’t read the sustainability report, and I guess that a lot of shareholders don’t read that that do have access to the annual report, so thank you that that’s there. Yes, we want the annual report to be shorter, not longer.

The business of Westpac is lending. We’ve had 70 parliamentary inquiries in 15 years. These won’t go away while outstanding customer issues are there. I’m talking all banks; not just Westpac. So having one page in an annual report that talks of customer issues, holds yourself accountable, compares yourself to peers, to me, that’s not a hard ask.

Steven Gregg: Let’s take that on board, and let’s have a look at it in the context of all the reports we produce. Thank you.

Craig Caulfield: (Shareholder) Thank you.

Steven Gregg: Next question, please.

Moderator: Mr Chairman, I’d like to introduce you to Ms Natasha Lee.

Steven Gregg: Thank you. Welcome back, Natasha.

Natasha Lee: (Shareholder) Thank you. You’ve mentioned a lot about scams and, as I said earlier, that’s one of the scourges of our society. Now, you talk about the use of biometrics for ID purposes. I’m not specifically against that. I just ask that the rollout or the specifics of that be carefully looked at.

There have been instances – not with Westpac or others – where I’ve been unidentified, like, I put my passport into the machine, and it says, does not recognise. I don’t know exactly why. Some platforms work well, others don’t, so I just ask that there’s very careful testing to make sure that there’s sufficient levels of testing and sufficient diversity within the samples to ensure those things don’t happen.

Peter King: Natasha, are you right if I just make a quick comment? Mule accounts, so-called mule accounts, which are actually inappropriate use of accounts, is a big issue. So when they’re opened, we would like to check against your licence. We don’t want to keep the data. But we’ve got to get after mule accounts as a big part of scams. That’s one of the reasons biometrics is important.

Natasha Lee: (Shareholder) I understand that, and I’m supportive of it. Part of it, I did see a report where one of the other banks is asking people to take a photograph of themselves as a selfie to verify. That’s sort of my

point that some platforms, it doesn't recognise my image. Some do and some don't. Like I said, I don't know whether that's an ethnicity thing or something else, or it might just be their software. They see me as an alien or something.

But, anyway, moving on, just talking about your EV rollout, I suppose I was a little bit disappointed that you're just beginning to change over to EVs in Australia, whereas New Zealand is – whatever – 98%. It's great that you've got some EV charging stations at Kent Street and Barangaroo. I suppose I just wanted a bit of detail about the proposed rollout of the fleet, and expanding the EV charging for your fleet.

Peter King: The first thing is just having the charging stations, so you've got to convince the people that own the building to put them in. That doesn't happen overnight. We've got them in Kent Street now. For the bankers that are out in regional Australia, it's probably more likely to be hybrids, given the unique distances that they have to have. But we'll generally get EVs out where we can in the city, and we'll have a different strategy in the country.

Natasha Lee: (Shareholder) What sort of percentage of EVs and hybrids do you have...

Peter King: I'm looking to my team.

Natasha Lee: (Shareholder) ...on your Australian fleet?

Peter King: I'm not sure.

Natasha Lee: (Shareholder) Do you have a timeframe?

Peter King: The reason I'm not sure is, we don't have a lot of cars. We're not in the business of running a big fleet, so it's not something that I typically look at.

Natasha Lee: (Shareholder) Okay.

Steven Gregg: Thanks, Natasha. I've got to say, I know someone else who can probably help him, so I'll speak to them, and we'll come back on fleets and EVs, Peter.

Natasha Lee: (Shareholder) Thank you very much.

Steven Gregg: Thank you. Next question, please.

Moderator: Mr Chairman, I'd like to welcome back Mr Michael Sanderson.

Steven Gregg: Thank you.



Michael Sanderson: (Shareholder) Last two for this section. I'm going to ad lib this one a bit, and I'm not very good at ad-libbing, but it relates to ATMs and cash. There are only four mentions of ATMs in the annual report. With the branches disappearing, it's a frontline cash distributor, I suppose.

As mentioned in one of my previous questions, the Bank enjoy a – and I'm talking collectively here – a \$3.6 billion per annum advantage because of government guarantees. Therefore, I would suggest there is a social licence in supplying banking services, which includes cash. I think Pete had a bit of a sook – or it might have been Gregg, Steven – about the cost of cash. It seems to be, I suppose, a collective sook across the banks. I think Matt went fairly hard at one of the parliamentary meetings.

The current government has publicly said that a public bank is back on the table. The creation of a public bank that uses Australia Post as its network would solve the cash issue, and would enable the big four and other banks, if they choose to, to go fully digital. Might I suggest that the bank, the ABA, lobby the government on the formation of a public bank, so you can get on and do what you do best?

Peter King: That's the question?

Michael Sanderson: (Shareholder) That's the question.

Peter King: Thanks. We already have a 10-year arrangement with Australia Post to provide cash access at their 3,500 points of presence today. We signed that 10-year agreement two years ago. That exists so all Westpac customers can deposit and withdraw at Australia Post.

In relation to your point, your question, or your observation about whether the government starts a government bank, that's for them to decide, obviously. But that will be seen by us as another competitor. 96% of transactions for us are done digitally now. By far, the majority of customers are dealing with the bank digitally, and we would find a way to compete in the digital world and the physical delivery of services where we need to.

Just on your point about the guarantee point, I would also highlight that we pay a bank levy as a major bank. I think that's about \$230 million a year-ish in terms of the size of the bank levy that Westpac shareholders pay the government. There's a number of puts and takes, I would say, with the government in terms of profitability.

Michael Sanderson: (Shareholder) A public bank would, obviously, you'd be able to say, well, the levy shouldn't apply anymore, so it'd be a positive for shareholders, surely.

Peter King: Who knows?

Michael Sanderson: (Shareholder) Who knows, yes, who knows? My second one – and this one is a bit long, I'm sorry – relates to corporatism and culture. I'm going to concentrate on the financial sector, but the following comments are just as relevant to the mining, energy, health, education, utilities, et cetera. The players are different, but the issue is the same, and it relates to the revolving door.

Many bankers have moved from banking to politics, for example, Malcolm Turnbull, former prime minister; Josh Frydenberg, former Treasurer; and there's Kelly O'Dwyer, former NAB operative that was instrumental in creating the abomination called AFCA.

Then there's the movement from politics to banking, for example, Joe Hockey and John Dawkins, both treasurers; Lindsay Tanner, Anna Bligh – not truly banking, but she's the official banking lobbyist. Then there's Andrew Robb, who's served Westpac. Acting with impunity, Simon Birmingham, who's still in parliament, and has accepted a position with the ANZ.

Let's not forget the public service to banking. Examples are Ken Henry from Treasury; Glenn Stevens from the RBA; Wayne Byres from APRA. Then there's David Morgan and Ted Evans, both served Westpac, both came from the public service.

A high-profile practising expert in his field stated, fascism should rightly be called corporatism, as it is the merger of corporate and government power. That expert was Benito Mussolini. Would the Board agree that the above examples demonstrate fascism is alive and well in Australian banking, the market generally, and has not and is not serving the good public purpose?

Steven Gregg: Let me have a go at that one, if I could, please. Interesting observations. I'd just like to state very clearly that both Ted Evans, and David Morgan, who you rightly said did serve Westpac, did so with distinction, and were great contributors to the wellbeing of this organisation. Clearly, I'm not going to comment on others in the market, but I know many of them, and they're all fine individuals.

I'm not sure I'd agree with the premise that moving from government to banking, or vice versa, is necessarily a problem. It's a small country. We have talent everywhere, and the best talent should find its place in various times of their career. I will take it as a comment, thank you.

Michael Sanderson: Just one final – Ken Henry, on the subject, commented on a question, a similar question I asked some seven or eight years ago at a NAB AGM, when he was still in favour. He said that there is a limited pool from which the corporate sector can draw that sort of expertise. Perhaps you should lift the limit, and maybe have some poor people on a Board, or some homeless people, people with diverse experience that don't just come from politics to banking, or the corporate sector. I'll leave it at that. Thank you.

Steven Gregg: Thanks for the observation. Next question, please. Thank you.

Moderator: Mr Chairman, I would like to introduce you to Jane Marks.

Steven Gregg: Thank you. Thanks, Ms Marks.

Jane Marks: (Shareholder) Hello. My question's very short. In the next 30 years, we're going to have a great transfer of wealth. Have you ever thought of setting up workshops, one-day workshops? Suddenly you inherit from your parents, or Aunt Blossie a sizeable amount of money, and deal with it. I'm a big advocate for financial literacy, because there's a lot of people that will inherit money, and they won't know what to do with it. I thought this could be a market you could tap into.

Steven Gregg: Yeah. It's a really, really good question, Jane, and as you know, we are, as a bank, we are somewhat restricted in how we provide financial advice on various things. But I, like you, am a big fan of financial literacy from all stages of life, so it's something that we, and government, need to look into. Pete, have you got any thoughts on that?

Peter King: I think it's a great thought, but you might recall, we exited financial planning after the Royal Commission, but I think it's created a real issue in the country. It's one of the reasons we're getting so many investment scams, and I'm encouraged that the government's looking at policy in this area. If we get some policy that we think makes sense, we would love to do those type of events that you're speaking about.

Jane Marks: Thank you.

Steven Gregg: I agree with that entirely. Thank you. Next question, please?

Moderator: Mr Chairman, I'd like to introduce Mr Michael Jackson.

Steven Gregg: Thank you.

Michael Jackson: (Australian Shareholders' Association) Good morning, Chair.

Steven Gregg: Mr Jackson, good morning.

Michael Jackson: (Australian Shareholders' Association) I also represent the Australian Shareholders' Association. Firstly, the annual report provides some explanation of the modest contraction of net interest margin. How does Westpac plan to improve its net interest margin, especially if we are entering into a reducing interest rate environment?

Steven Gregg: Thanks for the question there. I'm going to hand this over to Peter, but before I do, I just want to say it's all about efficiency for us, as we move forward over the next period, getting the cost base down, and getting our returns up is part of that strategy, but Pete?

Peter King: One of the most important value drivers for us. The big change this year was mortgage competition, so that was an industry dynamic that mortgage competition has driven spreads down for us, and so I think that moderated in the second half, is what we saw. So for us, a focus on growing in business, which is a better returning business, is a high priority for us, and then how we provide good service on deposits, but at what cost in a lower rate environment, will be a critical thing for us.

We're also getting a bit of benefit, still, from the way that we invest our capital. We average into a hedge, and that's going to continue to benefit, but a lot of it will depend on competition. We've got, I think, the second highest net interest margin in the sector, and we're very focussed on how we can manage that going forward.

Michael Jackson: (Australian Shareholders' Association) Thank you.

Steven Gregg: Thank you.

Michael Jackson: (Australian Shareholders' Association) Secondly, referring to anti-money laundering systems, are you confident that current systems are embedded, and operating well enough to ensure that there will be no further breaches?

Peter King: Yeah, well, we've done a lot of work over that, but I cannot guarantee you 100%, and the reason I say that is, the threat actors keep moving. Financial crime is not a risk that is static. It moves, and we need to move with it. What we are doing is, we've improved all our reporting. If we need to change something, we're open with the regulators, but it's a risk that we're very focussed on, and we know it's going to transform and move every day, because that's the nature of criminal activity. We are doing the best we can. We're open with regulators, but I can never have a system that's 100% foolproof, unfortunately.

Michael Jackson: (Australian Shareholders' Association) Thank you.

Steven Gregg: Thank you. Next question, please. Sir?

Moderator: Mr Chairman, I'd like to welcome back Ms Rita Mazalevskis.

Steven Gregg: Thank you. Welcome back. Rita.

Rita Mazalevskis: (Representative) Shorter one, I promise.

Steven Gregg: Thank you.

Rita Mazalevskis: (Representative) This one's just in regards to what Mr Caulfield briefly touched on, being the Board skills matrix which is on page 50 of the annual report. It shows technology, digital, and data continues to have a low number of director representation, with only three out of 10 with experience in this

area. Next is environment and social, with four out of 10 directors, and in contrast, strategy and risk each have nine out of 10, closely followed by governance and executive leadership, both with eight out of 10.

Given the explosion of cybercrimes and digital issues worldwide, and banks forcing customers to do their banking and transactions electronically, do you think the Westpac Board has the right experience in the area of technology, digital and data, which has been an ongoing, significant weak area of the bank, which has caused significant issues, meaning the AML issues from a few years ago?

Steven Gregg: Sure. Yeah, Rita, my view is, it can always get better. At this stage we have, with Andy and Nerida, and I'd say Peter Nash, to a very large degree as well, three very experienced technologists, who've been through and see an awful lot. All of us, including myself, have touched on this over our careers. For me, getting the Board's skills up in this area is a priority, but also, it's how we use consultants, and those who have got true expertise that is current, is almost as important.

At the moment, we're going to through the UNITE program that I've referenced to, and Peter's referenced in his address. We're putting a lot of governance around that, which takes into account not just Board expertise, but importantly, external expertise as well. It's a bit of a blend, is what you need in these situations.

Rita Mazalevskis: (Representative) Yeah. Just the other thing on the back of that, if I can. On page 23, just regarding faster lending decisions for loans, and additionally, we are piloting a new AI-driven method to further streamline assessments. AI doesn't always get it right. It's a known fact. We already have issues with serviceability assessments in loan applications, having issues without AI, so how will AI factor in the shortfalls in the – what am I trying to say – the serviceability stage of a loan, and also taking into effect AML/CTF, know your customer components?

Steven Gregg: Right. Again, I'm going to get Peter to talk about this in some detail, but AI is simply a tool. It is a tool we use. We use a number of tools. It helps with efficiency. At the moment, we're using it in home lending, you're quite right, using it to verify information, to make the process more efficient. Our everyday banking processes, and our 24/7 support uses AI, but AI, like a lot of technology, is a moving feast. We've got to stay on top of that, and we've got to refine it, without being slavish to it. It's just part of the tools we use.

Peter King: I think that in the specific case you're referring to there, where a mortgage is referred to a person to make a decision, generative AI is being used to highlight some of the areas of the application to focus on. It's still the human making the decision, but it's helping them make a better decision.

Rita Mazalevskis: (Representative) Yeah, it's just concerning, because some loans, I mean, over the decades, some loans have been approved where people clearly can't service them, and they've been approved. Is AI going to be harmful in that effect for loan approvals, given that it's not 100%?

Peter King: I think the biggest issue there is having access to payroll information digitally, which the ATO has, so I think, for the system, we would be better. Rather than relying on paper and estimates, we can actually get access to payroll data, which the ATO has. That would take the industry a big step forward.

Rita Mazalevskis: (Representative) So no more inflated income figures on online applications.

Peter King: That would be good.

Rita Mazalevskis: (Representative) Yes, that would be very good, thank you.

Steven Gregg: Thank you, Rita.

Rita Mazalevskis: (Representative) Thank you.

Steven Gregg: Thank you. Next question, please.

Moderator: Mr Chairman, I'd like to introduce you to Ms Trisha Forrest.

Steven Gregg: Thank you. Ms Forrest?

Trisha Forrest: (Shareholder) Good morning. I have two questions. You told us that 30,000 people are employed by Westpac in Australia. How many people do Westpac employ overseas, please?

Steven Gregg: Approximately 6,000 people.

Trisha Forrest: (Shareholder) Do you intend to increase that number in the next five years?

Steven Gregg: I'm not sure at this stage. It's going to be up to management.

Peter King: Well, we may, because a lot of those people are in New Zealand.

Trisha Forrest: (Shareholder) Well, that's a good answer, and where else are they?

Peter King: London, New York, Frankfurt, Singapore are our major offices, and then we do have, obviously, the – I shouldn't forget about the Pacific, Fiji and PNG as well.

Trisha Forrest: (Shareholder) How many people work in New Zealand for Westpac?

Peter King: Oh, I think ten - 5,000, is it? 5,000.

Trisha Forrest: (Shareholder) Five thousand. My other question is that you gave a very jolly, positive reason for supporting NRL. Now, have you got a jolly, positive reason for supporting a casino and an alcohol concern?

Steven Gregg: I'm not sure we support them. We may have lent money to them at various stages as part of just a normal business operation, but otherwise, we don't...

Trisha Forrest: (Shareholder) How much money have you lent to them, please?

Steven Gregg: I haven't got that number on hand. How about we get back to you on that one, if we could, please?

Trisha Forrest: (Shareholder) It would be nice to have a full answer when there's a list like that, and not just be picky.

Steven Gregg: Okay. All right.

Trisha Forrest: (Shareholder) Thank you.

Steven Gregg: Thank you. Next question, thank you.

Moderator: Mr Chairman, I'd like to welcome back Peter Starr.

Steven Gregg: Thank you.

Peter Starr: (Shareholder) Thank you, Steven. I'd just like to ask you, and too, Peter, I just wonder if the bank needs to be congratulated following the Royal Commission, the Hayne Royal Commission. Mr Craig Caulfield put up a thing called Model Litigant Principles, which has been adopted by Westpac, so you're to be congratulated for that. The other thing I'd like to ask you, Steven, and too, Peter, I'm just wondering if the Group customer advocate, Mr Adrian Ahern could just stand up, for those who don't know him, please?

Peter King: I think he's out of the room.

Steven Gregg: He may well be outside.

Peter King: Oh, no, he's up the back. He's hiding in the corner. Hello, Adrian.

Peter Starr: (Shareholder) Right, thank you. He's right down the back. He should've been at the front, but anyway. I just want to direct some comments here that Peter's probably aware of, but it goes to highlight about the customer theme. A customer of 70 years with Westpac was scammed, and was done exactly how Peter said, and was done – well, guess what, thank you, Shayne Elliott, for setting up that mule account that my client, who's a Westpac 70-year customer, got rorted.

But let me tell you, you need to pick up the phone, Mr Elliott, to either Peter before he goes, or to Adrian Ahern, and repay the \$8,000, okay? Now, it's to your credit, and to Adrian Ahern's credit that the bank reimbursed the client who was scammed, and it was a mule account, confirmed by the AFP, and confirmed

by New South Wales Police, set up in ANZ, and do you think they could bother to pick up the phone to yourself or to Adrian? No.

But, when it's on their receiving end and they ring Adrian, he's more than happy to comply. So, ANZ, you've got some serious issues to answer to in relation to that client of mine. I, again, appreciated the advocacy I made on behalf of that client, and you fixed the problem, between the two of you. The other thing, in relation to that, Adrian Ahern's fixed up another matter to do with an LMI, and also the insurance that he put me through to the CEO there, that Westpac had sold, and that issue had got fixed up.

Look, I think it's really important, if you look at the four major banks, as far as the Group customer advocacy role where complaints are addressed, I think this is the outstanding model, and I know that the other banks want to get to that level. Certainly ANZ is at the bottom of that level, but I think that's to your credit, Peter, and to having somebody like Adrian Ahern, so I want to give full credit to Adrian.

I do acknowledge, though, I have a really good relationship, and working relationship when it comes – and if it needs be, you would know this very well, Peter, we're watching – you're watching your Current Affair. I got sent the thing. I got on to Adrian at 8:00, you got on to him about two minutes past. You know the matter we talked about, the shop at Paramatta Road, which is now getting addressed.

Steven Gregg: Thank you, Peter. Next question, please.

Moderator: Mr Chairman, I'd like to introduce Ron Gawthorne.

Ron Gawthorne: (Shareholder) Mr Chairman, I'm concerned about – I know the bank's profit dropped a little bit, but I'm concerned about how we're going to grow the business, because we're in the business of making a profit. Not at the expense of the individuals or the staff, but that's our main task, and if we don't make profits, big profits, then we don't employ people. I noticed Mr Sanderson mentioned that he seemed to feel that Australia Post might be part of the answer.

Well, I can tell you that if you want to go and deposit something into someone else's account at Australia Post, you can't. You can only do that through an ANZ or a Westpac account. You can't even do it through a National Bank Expert Centre. They don't have the facility of depositing money through their machines into another bank account. I know banking seems to be like walking on hot coals, when you get into the Indigenous, and sporting, and climate control, but my concern is that we've still got to address the problems of how to grow the bank.

Closing branches, and trying to rely on a shopping centre, where all the other banks are, is not going to attract people in preference – everybody is offering the same service. I've come from Brisbane, and I go to Carindale branch. Now, Bulimba is totally ignored by the banks. Morningside branch has been closed. Cannon Hill,



which is a major shopping centre, only has the Bank of Queensland and Suncorp. There are about 300,000 people in that area, covered by one branch of Westpac, which is in competition with everybody else.

We have to find a way in which to grow the business, and stand out from everybody else, where we're not the same. So, I'm asking you what your vision is for the bank, and how we're going to grow our client base in this market?

Steven Gregg: Thanks, Mr Gawthorne. Appreciate the question there, and you're absolutely right. We do need to grow the business, and businesses that don't grow go backwards, so we're very onto that. What I'm going to do, if you don't mind is, it's unfair to ask Pete this question because he's retiring this weekend, and Anthony's taking over on Monday. Why don't we come back to you when he's had his chance to get his feet under the desk, with the strategy of how we're going to grow the bank?

But, I think it's fair to say that your points are a good one. A lot of what we'll be doing is improving the efficiency of what we do, and improving the quality of the product we offer. That sounds very basic, but we can do a lot more there.

Ron Gawthorne: (Shareholder) Yeah, I'd also like to talk to someone afterwards, if I can, about a possible scheme to help young people get their first home.

Steven Gregg: Yeah.

Ron Gawthorne: (Shareholder) A pilot scheme, if you don't mind.

Steven Gregg: Happy to do that. We have Jason Yetton here, who's the head of our consumer business, and he'd be delighted to sit down with you. Thank you.

Ron Gawthorne: (Shareholder) Thank you.

Steven Gregg: Great. Thank you. Next question, please.

Moderator: Mr Chairman, I'd like to welcome back Mr Spiro Arkouzis.

Steven Gregg: Thank you. Spiro, welcome back.

Spiro Arkouzis: (Shareholder) Thank you, Kayla. Thank you, Mr Chairman. I've been doing a bit of listening, while we've been in the auditorium with all the shareholders. Firstly, I'd like to say that the annual report is excellent, comprehensive, and if we have any issues in any form of understanding, I encourage any of the shareholders to send in an email, and you can get a complex answer, and hopefully, that may satisfy you.

The next point is, is agreeing with the gentleman, that we are a business. We're about growing the business. We're not about judging different companies. If I can highlight, Star Entertainment Group have three

wonderful casinos, Sydney, Gold Coast, and Brisbane. They don't just have gambling. They've got hotel rooms, they've got restaurants, cafés, halls for dancing, and ballrooms. It's not just a casino, in itself.

To the people that have concerns on that, we as Westpac will do business with multiple companies nationally and globally, and as the gentleman said earlier, we are about making profits, and that is what employs people. That is what keeps our business and our doors open. The next question I had, Mr Chairman, we hear about the bank closures of branches. Are there any branches that we are opening in the future?

Steven Gregg: It's a good question, and I'm going to hand it over to Peter to talk to, because there is actually answer to that one.

Peter King: Well, we always will co-locate, move, and invest in branches. That's definitely been the case, but I don't want to steal any of Anthony's thunder. I'm sure he will look at the network, and decide what he will do.

Spiro Arkouzis: (Shareholder) Should we hand Anthony a mic just in case he wants to say something?

Peter King: No, because he's not the CEO. He's CEO on Monday. There you go.

Spiro Arkouzis: (Shareholder) No worries. That was just in jest, Peter.

Spiro Arkouzis: (Shareholder) Look, another point I hear about, the net promotor score, that's only just one view. I think we've also got to look far afield, and getting back to the basics, is face-to-face interviews with people. That gives a much complete feedback on how we are moving forward, and if we've seen it, our net deposits, and also our share price uplift, I think is a reflection of that. Any feedback, either Steven or Peter?

Peter King: Oh, I mean, the bank is face-to-face with customers every day, so that's a rich source of feedback. We also do structured meetings, so I tend – after we close a branch, we'll get 20 customers into the branch, and talk about the experience with the bank manager. They're great opportunities. We occasionally get suggestions written to us as well, so all of those are really good opportunities, and I agree with you, face-to-face is important. I think face-to-face video will be crucial, if we think about five, 10 years, as well.

Spiro Arkouzis: (Shareholder) Thank you, Peter. Thank you, Steven.

Steven Gregg: Next question, please.

Moderator: Mr Chairman, I'd like to reintroduce Mr Craig Sanderson (sic).

Steven Gregg: Thank you.

Craig Caulfield: (Shareholder) There's no family blending there. It's Craig Caulfield. I believe Michael Sanderson's on that side.

Steven Gregg: Oh, I thought it was you. Don't worry.

Craig Caulfield: (Shareholder) No worries. All good. My question's possibly for the auditor. I'm aware we're in transition, moving from PwC across to KPMG, but I'm interested to know – you direct it where required, but I'm interested to find out about the loan application files, how they are assessed by the auditors. I think the big picture view that I have is, there are hundreds of billions of dollars of loans out there. They come from various sources, internally from Westpac and branches, but a lot coming from brokers.

There's a topic called liar loans, which talks about the errors, whether that's deliberate or accidental, that come from, either the customer might've put it in or the broker might've put it in, or a banker might've put it in. This is a big issue, because UBS reports that there are up to \$200 billion worth of liar loans sitting on the books. So I think of a big company like Westpac, I think of all these parliamentary inquiries and problems continuing.

Surely the auditors are looking, and doing a forensic, granular insight into a sample of the loans. That's what I wanted to find out, how many loan application files are granularly looked at? When I read the auditor's reports, the way they introduce things, there's limitations and conditions, and carve-outs, so I'll hand to you.

Steven Gregg: Thank you, Craig. Appreciate that. Colin Heath's our lead auditor at Pricewaterhouse. I'll ask him just to comment briefly, but I might add, it's a big discussion to go through, so go on.

Colin Heath: (PwC) Thank you very much for the question. Our auditor's report that you can see in the accounts there covers all of the accounts, which includes the lending balances, and therefore, the loans within those. When we look at the accounts as a whole, we're looking for material misstatement, so we're looking for an amount that is roughly \$500 million, is the materiality we have in our audit.

In order to get comfortable with each of the line items in the context of the accounts, we do look at a combination of controls work. That's looking at how the bank itself assesses loans, approves loans, ensures that the information is accurate and complete. We perform various analytical procedures, various inquiries, and then we also perform quite extensive sample testing, which varies according to the type of loan.

But everything from mortgages and cards, through to the institutional business, where we will sample test interest calculations, and we also confirm loans with individual borrowers. I couldn't give you a specific number, but it's quite an extensive sample that we perform. It's a different percentage, depending on which loan balance we're talking about.

Craig Caulfield: (Shareholder) Yeah, that's quite broad across the Board, and I understand that you have to deal with a lot of broad issues. What I picked up on was, you do look at mortgages, but given that liar loans

is such a big issue, I'm not sure where it comes from. Is it the auditor that should be doing this, or is it the Board that should be directing the auditor?

Well, if it's both, then I would like to hear confirmation, that the Board will say, yes, we're going to have, perhaps, 100 loans. You might have a million loans, but 100 loans, we will do an in-depth, granular audit, and we will track back to look at income. Did that match the income that was really there, assets, was that correct there?

Steven Gregg: Yeah. Craig, if I may just suggest, why don't we take this offline, if that's okay? Rather than get into the detail here, let's just do that offline, and I'd be, again, delighted to introduce you to Jason, who's our head of consumer, and speak to Colin as well, to get a bit more granularity around that, if that's okay.

Craig Caulfield: (Shareholder) I have raised it at various AGMs, and I usually get an answer. For example, at the CBA AGM, Matt Comyn said very clearly – I said, could you do a minimum of 10, and he said, I can assure you, we do at least 100 on a granular basis. I asked at the NAB AGM, and I got an assurance that, we do none.

Peter King: Craig, we do do quality assurance. We do look at file reviews, particularly if we run a lot of algorithms off the back of loan applications to highlight things that don't make sense, and then we do do file reviews. Unfortunately, I can't give you the number, but our quality assurance processes get down into file reviews. We also expect all our bankers to be following our procedures when they write a loan, and that's our key control.

Craig Caulfield: (Shareholder) If following up with the bankers is the key control, then what we know is that the bankers have, in some instances, told the customers to fudge the figures, so we can't rely on the bankers. There needs to be – trust them, but verify. I'm happy for you to take it offline, take it later. I'd like to get some more feedback, but I'd like to know a number of how many loan applications are done each year by the auditor, and how granular they are.

Steven Gregg: Yeah, let's move forward, if we can, and let's take it offline, but I'm not sure the bankers are telling the customers to fudge their loan application, but nevertheless, we'll take that as we go. But thanks for that, Craig. We'll take that offline.

Craig Caulfield: (Shareholder) Thank you. Just one more thing, is just to confirm, when Peter Starr talked of, have you had police raids, I just wanted to add some context. That was around the Australian Office of Financial Management. ANZ overstated their amounts by \$50 billion, APRA did, and ASIC did requests for information. We can pin together that the only reason they would raid four different premises is because ANZ is not likely to have provided the information, so that adds some context to what Mr Starr was saying.

Peter King: I understood what he was asking...

Craig Caulfield: (Shareholder) Oh, okay. I'm not sure that everyone in the room would have.

Peter King: ...and we don't comment on other competitors.

Craig Caulfield: (Shareholder) No, it was really just confirming that you didn't, that you haven't got any anomalies there.

Peter King: No, we don't.

Craig Caulfield: (Shareholder) Yeah. Thank you.

Steven Gregg: Folks, two more questions from the room, and then we're going to go and do online and phone, if we can, please. If we can restrict it to that so we can move forward, that'd be terrific. Please?

Moderator: Mr Chairman, I would like to introduce to you Mr Stefan Mazurkiewicz.

Steven Gregg: Thank you. Afternoon.

Stefan Mazurkiewicz: (Shareholder) Morning, Chair. Morning, Board – a bit better that way – and ladies and gentlemen. Look, we all know that online banking has been a drive for the last 10 years, and look, it is a fantastic convenience. I suppose what I'd like to know is, we had a four-day outage in October, which I know we all painfully suffered through. Can you inform us as to (a) what was the cause, and (2) what have you done, and why can you guarantee you will have it not occur again, because it really is a killer out there?

Steven Gregg: Yeah, Pete.

Peter King: Thank you. Yes, we did have a service outage. It was a couple of hours per day over a few days. In relation to what caused it, we understand what caused it was customers not being able to get into the bank. It wasn't the bank was down. Data was protected and safe, and probably the major learning out of it was for customers offshore, it was hard to have alternate arrangements. We apologise for that. We understand what went wrong, and we are sorting that out.

Stefan Mazurkiewicz: (Shareholder) Well, I suppose, Peter, because I use online banking quite regularly to pay things, every time I seemed to get on to try and use the online banking services, it was always down, which is annoying, but anyway, be that as it may. Look, I understand, technology's technology. The only other comment I have is on the co-location of branches, from a customer satisfaction and performance point of view, it is terrible. It is a terrible experience, is all I can say. Can't do anything about it. It's a terrible experience.

Peter King: Well, maybe if you're around after the meeting, we'll have a chat outside.

Stefan Mazurkiewicz: (Shareholder) Ah, happy to. Look, I've sent complaints in. I've done all those things, and look, the branch managers have been very helpful. They've been apologetic. They've been everything. But when you're standing there in a queue for 30 minutes to do a simple – something simple that you can't do online, because I do everything else online, it becomes very, very annoying. Anyway, yeah, happy to.

Steven Gregg: Sorry for that. Let's take that offline. I'd like to know why. Thank you. Okay. Last question in the room, and it's, I believe, Rita. Careful.

Rita Mazalevskis: (Representative) Is the bank going to charge us fees to access our own money, unlike another bank a week ago?

Steven Gregg: Well, as Peter said, we don't really comment on what other banks do.

Rita Mazalevskis: (Representative) No, but I'm asking, are we going to be – are you going to be charging us?

Peter King: We don't charge fees to get – for consumers to get their money out.

Rita Mazalevskis: (Representative) So when we're totally digital, will that still apply?

Peter King: I won't be here!

Steven Gregg: Rita, I think the basic concept is, it's your money. We don't want to charge you for taking your own money out, so thank you.

Rita Mazalevskis: (Representative) Awesome. Thank you.

Steven Gregg: Thank you. All right. Great, let's move forward, if we could. Now, there's no more questions in the room. Have we got questions online, please?

Moderator: Mr Chairman, we have an online question from Olivia Caulfield. Can the Board elaborate on the talent strategy initiatives outlined on page 27 of the annual report, particularly the efforts under Data and Digital Capability program, to upskill employees in areas of data, digital, and AI? Specifically, could the Board provide more detail on the learning modules for generative AI, and share specific examples of how this aspect of the talent strategy has positively impacted operations?

Steven Gregg: Thank you very much for that. I'm going to pass this to Pete to have a quick go at.

Peter King: Yeah, well, I think the answer's actually in the question. We have a lot of learning modules for all, that can be accessed by all our employees, and that gives a certain base level of capability and knowledge that we want to get people up to. Then, for specific areas, if I think about the use cases for AI, information retrieval is a good one, helping people do processes. We spoke about mortgages before. In technology, helping people code technology is another one.

For those specific areas, we'll have deep knowledge and expertise training, for them to use the technology. So, it's across the Company, and then specific expertise, and that includes for us up here on this table, as well as for the executive team.

Steven Gregg: Good. Thanks, Pete. Next question, please.

Moderator: Mr Chairman, we have an online question from Stephen Mayne. Under our constitution, external nominations for the Board must be lodged at least 35 business days before the AGM. With this rushed, pre-Christmas AGM, the latest nomination date was October 25, however Westpac didn't release its full year results until November 6, the same day it released the Notice of Meeting. New Chair, Steven Gregg, dismissed this concern last year. Could he please defend this clear governance breach of closing Board nominations before even telling shareholders how the directors performed for the year?

Steven Gregg: Thank you, Steven, for the question. I'm not sure it's a breach of governance, but just a few facts. Westpac's AGM day is set by the requirements of the *Corporations Act*. Timing for director nominations is set by the listing rules, plus the Westpac Banking Corporation constitution, and for Westpac, 35 business days before the AGM. Other companies require longer notice. I'm very comfortable that any individual who wishes to nominate for the Board has sufficient time to do so, so thank you for the question there.

Moderator: Mr Chairman, we have an online question from Belinda Ramirez. Westpac has done incredible work through its Safer Children program, to combat the use of Westpac payment platforms for exploitation of children by investing upstream into organisations like International Justice Mission in the Philippines. Now, with such a large local focus on scams prevention, do you foresee any future investments in also combatting scams upstream, i.e. where four scamming centres are located?

Steven Gregg: Thanks for the question. I might get Pete to have a go at this one.

Peter King: Well, we did make commitments in the response plan post-AUSTRAC, and I believe those commitments have been met, including some very important work by International Justice Mission in the Philippines, so we're pleased with that work. In relation to the specific question about investment for upstream, I think that is actually better left to the government. That is an international matter. It's pretty disappointing that they do have scam centres in other locations overseas, but I think that is a government requirement, not so much for this bank.

Steven Gregg: I agree with that. Thank you.

Moderator: Mr Chairman, we have an online question from Steven Hart. For context, a smaller bank still has a significant proportion of fixed rate mortgages, lent when interest rates were very low, two to three years ago. This adversely affected their net interest margin. Approximately what portion of Westpac's fixed rate

mortgages are still at the very low rates of two to three years ago? Is this affecting Westpac's net interest margin, or have most of these fixed rate mortgages rolled over to current interest rates?

Steven Gregg: Thank you for the question. Our fixed rate loans are approximately 10% of our total portfolio, and as low as 1% of new mortgages. Consequently, the impact on the margin has largely already flowed through. The mortgage competition, however, is the most significant driver of our net interest margin, so thank you.

Moderator: Mr Chairman, we have an online question from Paul Wiebusch. We have referred to the actions taken by the bank against fraud. A fraudulent transaction on a Westpac credit card was reported online, but nothing happened. Westpac did not acknowledge the fraud reported. Westpac did not answer when the specified phone number was called, and five months later, the fraudulent transactions have not been reversed. By contrast, a competitor bank immediately sent an acknowledgement and reference number. How are the Board's comments consistent with its actual practices?

Steven Gregg: Thank you for the question. Look, I'm not sure this is the right forum to go into such a specific issue. If I just may suggest that the caller meets with Adrian Ahern, just to discuss what could be done there, but thank you.

Moderator: Mr Chairman, we have an online question from Olivia Caulfield. Can the Board provide specific examples of how AI is being used to identify and mitigate financial and operational risks, particularly in the context of the CORE program, and the broader risk management framework discussed on pages 40 to 42 of the annual report?

Steven Gregg: Thanks for the question. Again, Pete, I might ask you to have a look at that, given that it's got CORE implications.

Peter King: Yeah, I think, by far, the biggest area that we use AI today is fraud and scams, so to monitor the amount of data that we need to look at, which I think is 30 million events every day, we need to use analytical techniques, including AI. That is where we use it. We also use those type of techniques, today and in the future, in our operational processes, to look for anomalies. But AI's been around for a long time. There's a big focus on the generative AI piece, and we use it. We couldn't do what we do in scams and frauds without AI.

Steven Gregg: Right.

Moderator: Mr Chairman, there are no further questions for this item of business.

Steven Gregg: Thank you very much and that concludes a very far-reaching discussion on this item of business and I thank everybody for their questions.



The next item of business is to appoint KPMG as the auditor of Westpac Banking Corporation. If you would like to ask a question about this item, if you could please do so now.

As previously disclosed, following a competitive tender process, the Board resolved to appoint KPMG as the new auditor of Westpac, from the conclusion of today's AGM. Subject to receiving shareholder approval and ASIC has consented to the resignation of Pricewaterhouse as the auditor of Westpac. I can confirm that ASIC has given that consent.

I'll now take questions on this item of business please, so any questions from the room please?

Moderator: Mr Chairman, I'd like to introduce Mr Daniel Chan.

Steven Gregg: Thank you. Welcome, Mr Chan.

Daniel Chan: (Shareholder) Hello, Mr Gregg and Mr King. I'm freezing, okay?

Steven Gregg: You're freezing?

Daniel Chan: (Shareholder) No, no. I'm not nervous. I'm just freezing. I wonder whether you do a similar process as I have my plumber. I usually go through a different quote when I have my plumber to do a job. When you appoint internal/external auditors, do you follow the similar process?

Steven Gregg: Sorry, I didn't quite hear. I didn't quite hear that. Can you just say...

Peter King: What's the process for appointing the auditor?

Steven Gregg: The process for appointing the auditor? Sure. What we did was we put a sub-committee of the Board in place and we had a senior director chair that committee and we looked at all the alternative qualified audit firms that we felt could provide the service that Westpac needs. I was part of that as an observer of that process. It was extensive. I've got to compliment that committee for doing a very fine job. After interviews and a full process, KPMG was chosen as being the most appropriate party there.

Daniel Chan: (Shareholder) Do you normally sign a contract for many years with KPMG?

Steven Gregg: The contract is signed for a period of time and then it gets rolled over at the end of that time, provided there are no issues, and amidst that time there is a limit on the signing partner's tenure and that signing partner can often turn over quicker than the actual audit firm turns over.

Daniel Chan: (Shareholder) Thank you.

Steven Gregg: Thank you very much. Next question, please.

Moderator: Mr Chairman, I would like to introduce to you Ms Jade Hsueh.

Steven Gregg: Thank you.

Jade Hsueh: (Shareholder) Good afternoon and thank you for the opportunity for the question to the Board. First of all, this probably will be more general question in terms of this question, but I would like the view of the Board in terms of their approach of management strategy and also business strategy in terms of a subsidiary such as St. George Bank.

Steven Gregg: Right, thank you. Again, I didn't hear that.

Peter King: I didn't hear that either...

Steven Gregg: Sorry, would you be kind enough just to repeat that? I'm struggling to hear that. Thank you.

Jade Hsueh: (Shareholder) All right. Yes. My question is actually I would like some – I would like some answers in terms of the Board's approach to business as well as management strategy to your subsidiary, such as St. George Bank.

Steven Gregg: Thank you. The Board and the management, the whole strategy session is at least twice a year formally but it's an ongoing discussion. As part of that discussion, everything that we do is on the table, be it the main company, our subsidiaries, our line of businesses, growth, cost, and the like. So the Board is very involved in those sort of discussions and I must say, they're very extensive here at Westpac.

Jade Hsueh: (Shareholder) Yes, certainly I'm aware of it. What I was interested in, in fact, is your strategy planning in terms of management of your subsidiary, and also, the management strategy. Does Westpac have the subsidiary, such as St. George, to operate more of its own brand, of its own culture, or it's pretty much in line with – or the similarity with the Westpac culture?

Steven Gregg: How about we have a chat about this afterwards? I'd be happy to go through that in some detail with you if you like.

Jade Hsueh: (Shareholder) Uh-huh.

Steven Gregg: Suffice to say, the culture through Westpac is common, even at the subsidiary level and the main level. It's common. Thank you.

Jade Hsueh: (Shareholder) Yes.

Steven Gregg: Okay?

Jade Hsueh: (Shareholder) All right. The next question is probably – is more broader question and I would like to get a view of – get a view of the Board, how the interest rate the Board is consider it heading to.

Steven Gregg: Sorry, the interest rate?

Jade Hsueh: (Shareholder) The interest rate in general, yes.

Steven Gregg: Well, as you know, we don't set the interest rates in general; it's a Reserved Bank of Australia discussion.

Jade Hsueh: (Shareholder) Yes.

Steven Gregg: We can't foresee what they're going to do.

Jade Hsueh: (Shareholder) Mm-hm.

Steven Gregg: We have views on that. And how we deal with that at the time we'll come back to. But again, let's take that offline if we could because we've got to discuss the auditor at this stage, if that's okay. Thank you. Right, one last question, please, from Mr Caulfield. Thank you.

Craig Caulfield: (Shareholder) Thank you, Chairman. A couple of questions first. Could you tell me how long PwC was auditor for, how many years, and who was the head of your internal audit committee? You know, in charge of finding the new auditor.

Steven Gregg: Yes. They were roughly about 50 years, Craig.

Craig Caulfield: (Shareholder) Fifty years, okay.

Steven Gregg: So it's quite a long time and it's obviously a bit of a needed refresh, and Michael Ullmer was the chair of that committee reviewing all the audit propositions.

Craig Caulfield: (Shareholder) Okay.

Steven Gregg: Thank you.

Craig Caulfield: (Shareholder) Well, look, I needed that for my question, so I would like to thank Mr Ullmer and the committee for changing the auditor. Fifty years, I think, was overdue, but you had the committee and you made the decision, so that's a good thing. I've forgotten my next question.

Steven Gregg: We can always take it offline, if you like.

Craig Caulfield: (Shareholder) We'll have to take it offline.

Steven Gregg: Okay.

Craig Caulfield: (Shareholder) Like my brain.

Steven Gregg: That's all right. Let's do that.

Craig Caulfield: (Shareholder) Thank you.

Steven Gregg: Okay, any more questions, please, either online or on the phone?

Moderator: Mr Chairman, there are no further questions for this item of business.

Steven Gregg: Okay. Thank you very much, and that concludes the discussion on this item of business. The direct votes cast on the decision – on the position, sorry, of the proxy votes received on Item 2 prior to this meeting are now on the screen. I now formally propose Resolution 2, I see it's at 99%. If you have not completed your voting card for this resolution or voted on the online platform, if you could please do so now.

The next items of business, Items 3 and 4, are to adopt the remuneration report for the year ended 30 September '24 and approve the grant of equity to the incoming CEO, Anthony Miller, for the 2025 financial year. We will deal with questions on these two items together, if that's okay. If you'd like to ask a question on either of these two items, please do so now. While voting on the resolution in Item 3 is purely advisory, we do take shareholder feedback seriously and will continue to engage with shareholders.

Our remuneration strategy is to attract and retain talented employees and we reward them for achieving high performance, delivering superior long-term results for our customers and shareholders. Regarding Item 4, approval of the incoming CEO equity grant, summary of the incoming CEO's long-term variable reward is provided in the Notice of Meeting.

The Board strongly believes that the CEO should have a high proportion of remuneration paid in equity to align his interests with those of the shareholders and the Board, and the Board clearly recommends this resolution to you. Mr King, as outgoing CEO, will not be receiving a '25 long-term variable reward. So if I can please take questions on the '24 Remuneration Report and on the grant of equity to the incoming CEO. First question, please.

Moderator: Mr Chairman, I'd like to welcome Peter Starr again.

Steven Gregg: Thank you.

Peter Starr: (Shareholder) Thank you, Steven. Just two quick questions. Welcome to Anthony. I'm sure you're going to do a good job and an equally good job. Just on the remuneration there, I note that Mr King's not going to receive – was there a reason for that?

Steven Gregg: So Mr King's not receiving the '25 long-term variable because he's not going to be here.

Peter Starr: (Shareholder) Right.

Steven Gregg: Okay.

Peter Starr: (Shareholder) Okay. No, that's fine. In relation to those incoming – for Anthony, we'd certainly be supporting and voting for it. Thank you.

Steven Gregg: Thank you, Peter. Appreciate that. Mr Caulfield, I believe you've got one more question.

Craig Caulfield: (Shareholder) Thank you. Just in relation to – I realise you can't talk about other banks, but there's a factor here that causes some comparison within peers. So I'm disturbed that I've seen at ANZ Bank the CEO be prepared to be given a very large proportion of the variable REM in a year when the regulator APRA said not only have you failed for five years to introduce the governance and culture reforms, but we're applying an additional penalty of \$250 million to give you a kick up the A, basically.

Then we see these very large bonuses still being applied, albeit that the Board says we've made some decisions. My thoughts, and I'm interested to hear what you think here, is some of these issues when things are so bad like that should be like a gatekeeper. I think there should be no variable reward if the company actually breaches widespread, major regulatory governance issues. What's your opinion to that, please?

Steven Gregg: Well, a couple of observations, if I could. One is we're not really in a position and nor should we comment on other banks'...

Craig Caulfield: (Shareholder) No.

Steven Gregg: ...policies or their outcomes, so we might just park that, if that's okay. I think it is really specific to the situation and I take your point. I understand where you're coming from, but it's hard to answer it without the context of what the issue is, but I do take your point.

Peter King: I'll just add, knowing the history, that in 2020, there was no bonuses in this company for the executive, Craig, so I think the different incarnation of Boards but – and not commenting on ANZ, but certainly the Board – my experience with the Board is it does exercise discretion when it needs to.

Craig Caulfield: (Shareholder) Yes, thank you. Thank you for that clarification. I think back to zero at that time was appropriate, as it would be elsewhere, but thank you.

Steven Gregg: Thanks, Craig. Appreciate that. All right, no more questions in the room, I believe. Are there any questions online or by phone?

Moderator: Mr Chairman, we have an online question from Stephen Mayne. When disclosing the outcome of voting on all resolutions today, including this remuneration item, please advise the ASX how many shareholders voted for and against each item, similar to with a scheme of arrangement? This will provide a better gauge of retail shareholder sentiment and insight into the chronically low retail voting rate. The likes of

Qantas, ASX, Suncorp, Tabcorp, and Computershare have all voluntarily provided this data during the current AGM season. You've got the data, so why not let the sun shine in?

Steven Gregg: Steven, thanks for the question. We get this question regularly. Westpac does disclose total votes cast on each resolution in line with listing rules and the Corporation Act. There is no requirement to disclose the number of shareholders who have voted and we don't think it's that relevant to disclose it, so we'll be just keeping it as it is, if that's all right. Thank you.

Moderator: Mr Chairman, there are no further questions for these items of business.

Steven Gregg: Thank you very much. Appreciate the questions there. Thank you. That concludes discussion on these items of business. The direct votes cast and the position of the proxy votes received on Item 3 prior to this meeting are now on the screen. I will now formally propose Resolution 3. If you've not completed your voting card for this resolution or voted on the online platform, if you could please do so now.

The direct votes cast and the position of the proxy votes received on Item 4 prior to this meeting are now on the screen, and likewise, I will now formally propose Resolution 4. Again, if you've not completed your voting card for this resolution or voted on the online platform, if you could please do so now.

The fifth item of business is the re-election and election of directors in accordance with Westpac's constitution. Nerida Caesar and Margie Seale are retiring by rotation at this meeting and, being eligible, are offering themselves for re-election. Andy Maguire was appointed on 15 July this year and is seeking election at this meeting.

The Board, other than the director concerned in each case, has considered the performance of each of the directors standing for re-election on this item, and following this review the Board recommends that Nerida, Margie, and Andy be submitted for election and re-election to the Board. Each director will address the meeting before we take up the questions on Item 5. First, it gives me a lot of pleasure to invite Nerida to address this meeting, please.

Nerida Caesar: Thank you, Chairman. Good afternoon, shareholders. It has been an honour to serve as a non-executive director of Westpac over the last seven years and during the more recent significant period of transformation. Today, I seek your support for re-election. Westpac has a proud legacy of supporting customers, communities, and businesses achieve their financial goals and it has been a real privilege to be – to play an important part in that mission.

During my time on the Board, I've been called upon to contribute across many areas of the Company, and I look forward to extending that contribution over the coming period. This includes as a member of the Board Risk Committee and the Board Audit Committee ensuring the integrity of our financial statements and

corporate reporting at a critical time as we change external auditor. As you've heard, this year the company reached a milestone with the completion of our Customer Outcomes and Risk Excellence program.

This has been a major focus during my time on the Board and I've been pleased to take part in regular engagement and director oversight sessions. Our improvement in risk management has been substantial and I recognise the work of Peter and the executive team. We must now ensure those changes are embedded and this remains a key priority for me as a director. During my time on the Board, I've also served across a range of Board committees, including the Legal Regulatory Compliance and Financial Crime Committee and the Technology Committee.

Looking ahead, Westpac now stands at a critical juncture. After our work on risk and simplification, we're embarking on our UNITE Program to simplify our technology which will enable us to serve our customers better across all of our segments. It's a bold business-led technology simplification program of significant scale and impact. I intend to draw on my three decades of technology and transformation experience to ensure this transformation work is a success.

Along with my fellow directors, Peter Nash and Andy Maguire, I've been appointed to the UNITE Oversight Group and we are all involved with the CEO and management team on this vitally important program of work. UNITE will provide a better experience for our customers, make life easier for our people, improve our cost to income ratio, and deliver stronger return for you, our shareholders.

As you may recall, I came to Westpac after an executive career of 31 years in the technology sector, including leadership positions at large corporate listed and unlisted businesses in Australia and Asia, including IBM, Telstra, and most recently as the CEO of Australia's largest credit reporting bureau, Equifax. These roles in my prior firms included involvement in many transformational – at varying levels of complexity. As a result, I have a deep understanding of the customers, products, data and analytics, and technology, all critical skills in banking today but especially important in the context of UNITE.

I currently serve on a range of other boards as well as providing advisory services to technology companies and Fintechs. I have the capacity to dedicate the time to Westpac during this next term. Once again, I would like to thank you for your support and it would be a privilege to have your continued trust and support as we work to shape the future for Westpac. Thank you.

Steven Gregg: Thank you, Nerida. Nicely spoken. Ladies and gentlemen, it gives me equal pleasure to ask Margie to say a few words too, please.

Margie Seale: Thank you, Chairman, and good afternoon, everybody. I joined the Westpac Board in April 2019 and stand for re-election today. The company has seen significant transformation over the past almost six years. Together with my fellow board members and management, we've worked hard to make this

organisation a simpler, stronger, and more resilient bank. We've focused on strengthening risk management practices, divesting non-core assets, refining our leadership structure, and improving our performance and reputation.

For part of my time on the Board, I had the responsibility of chairing the Board's Legal Regulatory and Compliance Committee, a committee that was formed in 2020 to address critical areas in those – critical issues in those areas. The efforts of that committee, alongside those of the wider board and management, help lay the foundation for the positive changes we are now seeing across Westpac. With a stronger risk culture, operating structure, and balance sheet, we are positioning ourselves for the future while not forgetting the important lessons of the past.

Our continued focus on risk management and embedding change means the organisation has to keep investing in becoming more customer centric, digital and efficient so we're both a better place to work and a better place to do business. With more than 15 years now of experience as a non-executive director across a variety of public, private, and not-for-profit boards, along with extensive executive leadership experience, I bring a variety of skills to this position.

My executive background includes roles as a CEO and leader in customer, marketing, digital, people, and strategy. These roles span a range of geographies, complex operating environments, and technological challenges. I believe these experiences, along with the time I've spent with our customers during my tenure at Westpac, has equipped me to make a continued contribution.

Should I be re-elected today, I look forward to supporting the implementation of the UNITE Program and striving for excellence in risk management and customer care. These efforts will help us build a better future for both our customers and ultimately for you, our shareholders. In addition to my role as director, I was recently appointed to the Chair of the Board Remuneration Committee and I also serve on the Board Nomination and Governance Committee.

I'd like to take an opportunity to express my gratitude to Peter King for his steadfast leadership over the last five years. His role is one he did not anticipate yet he's performed it with skill and care, guiding us through difficult times to become the better bank we are today. Thank you, Peter. I look forward to working with Anthony Miller as he steps into the leadership role and begins to shape the next phase of Westpac's history.

I have a long family connection with Westpac. My grandfather was actually Bank of New South Wales manager in the country town of Casino many, many decades ago. Like him, I take great pride in serving this organisation. I ask for your support in my re-election today. Thank you very much.

Steven Gregg: Thank you, Margie. Very nicely spoken and again, great pleasure to ask Andy Maguire also to address the crowd. Thank you.



Andy Maguire: Good afternoon, everybody, and thank you, Steve. It really was an honour for me to be invited to join the Board of Westpac in July, so today, I'm seeking your support for my election to the Board. Reflecting on the last six months where I've been an attendee and then a member of the various boards and committees, I see Westpac really emerging as a much stronger, more customer-focused bank, but what most excites me is the opportunity that I see that lies ahead.

I'm genuinely excited about the prospect of working alongside my colleagues, both on the executive and non-executive side. There's plenty of room for growth, as one of our shareholders said. Collectively, our focus has got to be building that momentum to deliver stronger returns for our shareholders, but most importantly, a much enhanced experience for our customers, and from my perspective, for our colleagues who work in our branches, contact centres, and operation centres front to back within the organisation.

On a personal level, I have 35 years of experience in financial services. I began my career in the UK at Lloyds Banking Group before moving to the Boston Consulting Group where I had the privilege of working with and advising some of the largest banks' insurance and asset managers around the world, including all of the big four in Australia over the last 25 years. My 14 years at the Boston Consulting Group included serving as the managing partner for the UK and Ireland.

I was a member of the Global Executive Committee of that institution and I also led the Boston Consulting Group's Global Retail Banking Practice where I got a chance to see and observe best practices in our industry across the world. Then I got a real job. So my last executive role was as the Group chief operation's officer at HSBC Holdings where I was responsible for the critical areas of operations, technology, procurement, change management, and operational resilience. All obviously very relevant to the things we need to get done at Westpac today and its continued success in the future.

I also co-led, for my sins, the recovery that HSBC had to go through with its own issues in financial crime and then after that, the overhaul of non-financial risk within the firm. In addition to my Westpac directorship, I'm the chairman of a company called Thought Machine who are a UK-based banking software fintech, and I'm an independent non-executive director of Allied Irish Bank Group PLC, a major European financial services provider. I've also been a non-executive director of several companies in the RegTech and IT service management sectors serving financial services.

Throughout my career, my focus has always been on operational excellence in strategic transformation. I like to think about the four Cs in this order: customers, colleagues, costs, and controls. That's the way you get sustainable growth. If elected to the Board, I will bring – or I hope to bring my extensive global experience in banking, technology, and transformation alongside compliance, risk management, and strong governance to help Westpac as we navigate the opportunities and challenges which will lie ahead.

Along with my fellow directors, Nerida and Peter, I've been appointed to the UNITE Oversight Group. I'm super keen to add additional responsibilities if I can help out in other ways to the Board. If elected, I'm committed to working with my fellow directors on the executive leadership team you see in front of you to support Westpac's continued growth, sustainability, and value creation. Thank you very much.

Steven Gregg: Thank you, Andy. Again, very well spoken. I'll now take questions for the re-election of Nerida, Margie, and the election of Andy. I'll take questions from the room, please.

Moderator: Mr Chairman, I'd like to introduce Mr Michael Stratosh.

Steven Gregg: Thank you.

Michael Stratosh: (Shareholder) I'm standing to talk about the – Mr Maguire's directorship. Prior to this year, apparently, you've lost two female directors and you've replaced it with a male director who hopefully is not wearing a tie from his Northern Irish pedigree, and I find that the Board now only has 25% female representation, whereas I suspect the customer base of the company is more like 50%, which goes to point towards a lack of gender diversity, is the nice way of putting it, on the Board and within the Company's hierarchy.

Steven Gregg: Thank you for the question. If I can take that one. It's worth noting that Andy was appointed in July of this year and the two directors who have retired, retired later in the year. It's very clear to me that we have gender responsibilities that we need to meet and so when we look for new directors that will be coming on the Board in the coming year, that will be top of my mind. So thank you, and I'm not sure about his tie. Okay, next question, please.

Moderator: Mr Chairman, I would like to welcome back Natasha Lee.

Steven Gregg: Thank you. Peter, you can come second. Thank you. Natasha.

Natasha Lee: (Shareholder) Hi. Thank you very much, Mr Chair. Much has been made of the issue of gender diversity. I'd also like to emphasise that there are other forms of diversity which the Board should be mindful and look towards appointing appropriate people to meet those other diversity requirements, and that does not include homeless people, as previously suggested, but I'm sure there's plenty of people who could meet that criteria.

Steven Gregg: Yes, thank you. Thank you.

Natasha Lee: (Shareholder) Meet the diversity criteria. Thank you very much.

Steven Gregg: It's a very good observation and the way I look at it is diversity of thought is the most important thing and have people who are willing to think and be willing to listen to other peoples' thoughts are very important as well. But I take your point, that diversity's actually broader than just gender. Thank you.

Natasha Lee: (Shareholder) Yes, and part of that is life experiences...

Steven Gregg: That's right.

Natasha Lee: (Shareholder) ...which comes into thought which you need to be mindful of. Thank you.

Steven Gregg: Thank you for that, Natasha. Peter?

Peter Starr: (Shareholder) Thank you, Steven. I'd just like to speak to all three. Nerida, you probably remember me. I've been coming to Telstra shareholders since we got rid of Sol Trujillo and David Thodey and then Andy Penn and now Vicki, and I'm in regular contact with Vicki Brady. So we welcome you and we'll be voting for you. I think the roles that you did at Telstra will no doubt help here. As I mentioned to Vicki, we need to get on and fix these scam issues and text messages and everything else.

Hi, Margie, how are you? Certainly, we'll be supporting you. I know you well from your time on the Telstra Board and certainly I think that you bring a good deal of experience to the Westpac Board. Andy Maguire, don't know you, but I do note that you were at HSBC. Nice that you recognise that they made a lot of mistakes and there's an issue currently that Mr King's aware of and Adrian Ahern's aware of that involved HSBC and a customer of Westpac's. But I'll leave that with that. We will support you.

Steven Gregg: Thank you, Peter. Nicely spoken. Any other questions in the room or online?

Moderator: Mr Chairman, we have an online question from Stephen Mayne. Could new chair Steven Gregg please comment on the biggest changes in Board process, delegations, reporting lines, and governance that he has implemented since taking over as chair after last year's AGM? Could the CEO Peter King also comment as to whether Steven Gregg is more or less hands-on than John McFarlane as a chair? Also, could Steven please provide more details on why both Nora Scheinkestel and Audette Exel resigned from the Board on the day the Notice of Meeting was released when both were up for re-election today?

Steven Gregg: I'll take a go at that before Peter chooses to comment on John and myself. There's no real changes to the Board process, delegations, or reporting lines. The delegations, reporting lines, and processes at Westpac are very well known and they are very well regarded, so there's no changes there. With regard to Nora and Audette, both very fine directors who made a very solid contribution to the organisation, and I must say during difficult times.

But it must be recognised that it's been – it's a heavy workload, being on a bank board, and I believe they just decided that they have other things they want to do in life and other pursuits and decided they'd like to retire, so we respect that, we wish them all the best, and then we move onto seeing who we can replace them with and what qualities we need there, so no problems there. Pete, any thoughts on John?

Peter King: Well, I've been lucky to have two good chairmen and I think both of them are very clear on the role of the Board versus the role of management and really a focus on that. Of course, a chair can provide feedback on matters in management and I get feedback from all directions on that, including both the chairs, so I might leave it at that, Steve.

Steven Gregg: I think it's highly appropriate, Peter.

[Laughter]

Steven Gregg: Okay. Well spoken. If there are no further questions online or in the room, that concludes discussion on this item of business, so thank you, ladies and gentlemen. The direct votes cast and the position of the proxy votes received in Items 5a), b), and c) prior to the meeting are now on the screen. I will now formally propose each of the resolutions 5a), b), and c) as separate resolutions. If you have not completed your voting card for these resolutions or voted on the online platform, if you could please do so now.

The next item of business is Item 6 which has been requisitioned by a group of shareholders. Under the Corporations Act, shareholders can propose to move a resolution at a general meeting. In this instance, a group of shareholders with at least 100 signatories put forward the resolution in Item 6. The Notice of Meeting contains explanation on why the resolutions are being put forward, along with the Board's view.

Last year, Westpac put forward a non-binary – non-binding, sorry, advisory resolution on our climate change position and plans, which received shareholder support. We recommend shareholders vote against the resolutions in Item 6 for the reasons set out in the Notice of Meeting. Resolution 6a) is required to be passed as a special resolution and Item 6b) is conditional on Item 6a) being passed.

Resolution 6b) requests that Westpac further disclose further Westpac – disclose whether Westpac will require all fossil fuel companies to have credible transition plans in place by 30 September 2025 to receive new financing and how Westpac will assess those plans. I now invite Mr Kyle Robertson from Market Forces to speak to the meeting on the resolutions in Item 6. Kyle? Thank you.

Kyle Robertson: (Market Forces) Thank you, Chairman. Before I get started, I just want to congratulate Peter King on his career at Westpac. Thank you, Chairman, and the Board, and greetings to shareholders present in this room and online. I'm speaking on the resolution at Item 6, transition plan assessments.

Last year, along with hundreds of shareholders, both retail and institutional, Market Forces filed the same resolution at Westpac. That resolution received a vote in favour of 21.6%, representing over one in five of Westpac's shareholders. Twelve months have now elapsed and Westpac has not taken meaningful steps to change its policy or framework on fossil fuel clients transition plans. For the bank to ignore a significant portion of its shareholders' views over the past 12 months should be a serious point of concern for all investors. A failure to address the well-founded concerns of Westpac's shareholders on its fossil fuel financing is a failure to manage the severe risks from climate change that our business faces.

The reason for this resolution is simple: dating back to at least July 2022, Westpac has clarified its expectations for upstream oil and gas customers to have a credible 1.5 degree aligned transition plan by October 2025. By October 2025, the bank will have given those customers almost three and a half years to present clear and credible transition plans, and also given itself three years to drive improvements at those companies.

Market Forces has repeatedly asked Westpac throughout the year whether it will continue to offer finance to companies that are not only not transitioning but are expanding fossil fuels and therefore, based on the latest available science, don't have a credible transition plan. We are yet to receive a clear answer to that question. This calls into question the purpose of this cornerstone climate policy. Westpac has given itself and its clients plenty of time to improve their transition plans, and past the October 2025 deadline, if Westpac is committed to the goals of the Paris Agreement, it should be withdrawing financial support to clients in the fossil fuels sector that aren't aligned with the Paris Agreement.

For Westpac's existing fossil fuel customers, the reality is that many are doing everything they can to delay the transition by seeking to lock in fossil fuel expansion projects that will emit for decades to come. Take a recent example: one of Westpac's oil and gas clients is Santos. Santos is seeking to sanction three new oil and gas projects in the coming years. Westpac has continued to loan or arrange bonds for Santos, including a recent \$1.24 billion syndicated loan where Westpac doubled its original contribution and extended the loan's life for four and a half years.

Based on Westpac's current policy, investors have no clarity as to whether it will continue financing companies like Santos and their oil and gas expansion strategy beyond next year. Last year, Westpac loaned or arranged over \$750 million to companies expanding fossil fuels. That includes some of the largest – companies with some of the largest gas expansion plans in the Asia Pacific: APA Group, JERA, and GE Vernova. The plans of these companies would delay the renewable transition and risk locking countries in emerging Asia, such as Bangladesh and Vietnam, into dependency on gas for future decades to come.

If we're not ensuring our fossil fuels clients are Paris aligned and have a viable pathway towards a sustainable business model, we risk financially enabling them to trigger catastrophic and irreversible climate collapse.

The UN has stated that we are currently on track to warm by about 3.1 degrees and it's worth dwelling on what a 3-degree global temperature increase would mean for Australia.

As just one example, the Great Barrier Reef would be so devastated that it would not recover. We would see more extreme climate events, like bushfires, floods, droughts, heatwaves, and longer-term chronic issues, like coastal erosion and sea level rise. Australians would be all too familiar with events like Black Summer bushfires and the 2022 flooding events on the eastern seaboard, which will become more common and more severe if the world warms to the levels it's projected to.

It's not clear why our bank continues to jump through hoops for a minuscule portion of customers who represent less than 1% of our overall lending portfolio. The expansion plans of these clients seriously jeopardise the stability and security of the other 99% of our customers. This waiting on support for irresponsible and reckless fossil fuel clients is certainly not in shareholders' best interests. With the evidence concretely pointing to what needs to be done, this resolution offers Westpac the chance to be a global leader on climate in the finance sector during this critical decade. The possibility is there.

Westpac proudly claimed this year that it was the largest financier to renewables projects in Australia, but the transition is two-fold. It involves a rapid and just transition to a net zero economy powered by renewables and clean energy and a winding down of fossil fuel production in line with global climate goals. Westpac continues to undermine its positive actions by continuing to finance the problem which is companies expanding fossil fuels. We strongly urge all shareholders to vote in favour of Resolution 6, not only for a better planet but for a better future for our bank. Thank you.

Steven Gregg: Thank you, Mr Robertson. Now, I'd like to invite other questions from the floor, if I could, with regard to the Resolution 6a) and b). Any questions from the room, please?

Moderator: Mr Chairman, I'd like to introduce Ms Cari Lin.

Steven Gregg: Thank you.

Cari Lin: (Market Forces) Good afternoon.

Steven Gregg: Good afternoon.

Cari Lin: (Market Forces) I am a Westpac shareholder, a customer for over 20 years, and my whole family banks with Westpac. My question is about Westpac's commitment to its stated climate goals. Commonwealth Bank, your peer among the big four, recently announced that it will no longer provide finance to oil and gas producing companies that don't have a Paris aligned climate transition plan.

This is a position that Westpac has not taken, even though both banks are committed to the same global climate goals. Both banks are committed to the Paris Agreement, net zero emissions by 2050, and both banks are members of the Net Zero Banking Alliance. Westpac has not committed to no longer provide finance to oil and gas companies that don't have a Paris aligned strategy after the bank's supposed deadline of October 2025. Why does Westpac remain open to backing oil and gas companies that are expanding production, despite showing the same commitments to global climate goals as your peer, the Commonwealth Bank?

Steven Gregg: I'm going to get Peter to comment on that, if I can, please, but we strongly believe we have a very well thought out transition plan program for all our clients and we aren't, by the way, going to be talking about individual clients here. It's not our role to do that. But we're very comfortable with the plans we are putting in place. As mentioned earlier before, we have over 150 clients being contacted this year with transition plans. 84% of them have actually publicly announced plans. The 16% that haven't – we'll be working with them.

We have made enormous strides as a bank this year in reducing our own commitment to or own financing of oil and gas in this country, so we feel comfortable with where we're at and we're on a pathway to moving forward there, so we don't see that as an issue. Peter, your thoughts?

Peter King: I think just stepping back a bit, we want all customers to have an ambition on transition plans. That's how we're thinking about the business. As the Chair said, we engaged with 150 highest emitting customers this year to help them and 84% of them had public transition plans. On oil and gas, we have a requirement that oil and gas – upstream oil and gas customers have a plan in place by 2025. Kyle, I know you want that earlier, and you want us to take action earlier, but we believe we've set the policy and we need to give clients the time to respond.

Now, if they don't get there by that date, then I think we will need to reassess our relationship. It is important that we have customers that are transitioning. Just a couple of – and that's a lot on the policy of – how we word it. If I look at what we've achieved this year – just a few stats for you – upstream emissions – we had a target of 2030 to be down by 23%. We're down by 45% so we've achieved the 2030 target already. Our oil and gas extraction exposure is \$1.8 billion. As Kyle said, it's out of a \$1.25 trillion exposure book. Again, that was down 28%. Our fossil fuel exposure to the value chain is \$6.8 billion. That was down 11%.

I understand the request for more specificity on the policy. We will reflect that in future versions of the policy. We had a pretty major refresh of our policies last year with the climate change. They'll be refreshed in the future, but I think based on our outcomes, we are part of this transition and working with customers on this area.

Cari Lin: (Shareholder) I mentioned Comm Bank's announcement just previously. About one month after that announcement, Westpac participated in a refinancing of a Santos loan, increasing that loan by \$880 million and extending its life for 4.5 years. Comm Bank was a lender in that original lending syndicate but chose not to refinance that loan to Santos showing its commitment to only finance oil and gas companies that actually have a credible transition plan. In contrast, Westpac more than doubled its original contribution in that refinancing.

Now, I know you've mentioned that you won't comment on individual clients, but I put this to you. Is being on a path consistent with the Paris goals actually a determining factor for whether or not Westpac will provide finance, or is this a factor that our company is willing to completely overlook?

Peter King: Well, I think we can't comment on customers. I don't think any bank can comment on customers, given privacy, but as I said in my previous answer, we've outlined the trajectory that our portfolio achieved this year. We have a policy that requires them to have a plan by the end of next year – September 2025, and we will be working with customers over that period.

Cari Lin: (Shareholder) Thank you.

Steven Gregg: Thank you very much, Cari. Next question, please.

Moderator: Mr Chairman, I would like to introduce Mr Anthony Hull.

Steven Gregg: Thank you. Welcome, Anthony.

Anthony Hull: (Proxyholder) Thanks, Mr Chairman. I'm Dr Anthony Hull, I'm an anaesthetist in Sydney. I'm also the Deputy Chair of Doctors for the Environment Australia in New South Wales. A short preamble, if I could? I draw attention to Westpac Group's position statement on tobacco. We seek to not provide lending with respect to the growing and manufacturing of tobacco based products. I'll now turn my attention to fossil fuels. We actually have well documented and increasingly concerning evidence regarding the direct human health impacts of fossil fuels – physical and psychological.

This is quite aside to any effects of pollution driven climate change. Air pollution from the burning of fossil fuels causes between eight million to 10 million deaths per annum. This makes it, globally, the second largest risk factor for health. More people die, in fact, from air pollution exposure than they do from smoking. Air pollution causes and worsens asthma, heart disease, cancer, learning delays, poor pregnancy outcomes, and leads to miscarriages.

Gas use in homes, even, used for cooking and heating can cause undetected carbon monoxide poisoning, causes 30 to 40% increased risk of children being either diagnosed as asthmatic or having asthma attacks or severe asthma. It also is related with unacceptable levels of airborne potent carcinogens within the home.



Regarding oil specifically and motor vehicle associated pollution – in Australia, in particular – the latest evidence suggests that this causes 11,000 deaths per annum, 19,000 hospitalisations, 66,000 asthma cases annually. Children and pregnant mothers are especially vulnerable to these effects.

With regard to gas and oil extraction and processing, these are strongly associated with serious harms such as leukemia, chronic kidney disease, asthma, low birth weight. In particular, with regard to fracking, this causes water depletion and health impacts related to water contamination and air pollution. The list of impacts include heart failure, asthma hospitalisations, a bloodborne cancer called acute lymphocytic leukemia, and birth defects. This is particularly relevant, I might add, to the proposed Beetaloo Basin fracking projects. Plastics closely related and reliant on gas and oil, related to their environmental contamination, and particularly with the food chain, are strongly associated with heart attack, stroke, cancers, insulin resistance, weight gain, poor reproductive health and early death from any cause.

If we add to this, additionally, climate change itself due to the burning of fossil fuels – which is projected to be the biggest threat to human health this century, causing disease and death more than anything else – and if we add, also, the increasing and obvious economic costs of climate change across the board to businesses and to people in the community and the financial stress and strain placed upon our community, I do have to ask, is it justified that Westpac continue, in any way shape or form, to continue funding the fossil fuel industry? Are you able to commit to, in the short term, providing to all of us a firm and committed timeline over which you will withdraw all allocation of funds to lending for the fossil fuel industry?

Steven Gregg: Thank you.

Peter King: Sure. I might unpack a few things for the benefit of the meeting. Firstly, on thermal coal mining, we've already committed to have zero lending by the end of next year – end of 2025. On metallurgical coal, we will not provide project finance for new or expansion of metallurgical coal sector, but we are continuing to support existing mines because that is required for steel production. On oil and gas, I think in my previous answer, I've set out the path to 2025. These are all judgements.

I should say thank you for the work you're doing, hearing what your background is. We've got to chart a path of transition which is what we are seeking to do. We are trying to balance all stakeholders, as the Chairman said in his speech. We have taken concrete steps, which I just outlined. The exposure is coming down, but obviously there's a lot of work to do on transition so that we can truly get fossil fuels out of electricity generation.

Anthony Hull: (Shareholder) Thank you very much. Given the significant health impacts I've just outlined, however, I would like to ask whether it's possible that the Bank could commit, in due course, to actually accelerating their attempts to reduce funding to zero to the fossil fuel sector? I say this as a health practitioner

who works in a system that is chronically underfunded and it's becoming more and more under pressure. The impacts are very, very substantial. I think it's with a matter of urgency, we need to be approaching this.

Peter King: We're doing everything we can to create renewable energy sources – transmission lines. That is the prerequisite to wind down electricity from fossil fuel. I think you can't look at one side of the equation without the other. We've got to do both. I agree with the intent of your comment – that we've got to do it quickly. We will do what we can to do it quickly.

Anthony Hull: (Shareholder) Thanks very much.

Steven Gregg: Thank you for your question there. Further questions, please, from the floor?

Moderator: Mr Chairman, I would like to welcome back Peter Starr.

Steven Gregg: Thank you.

Peter Starr: (Shareholder) Thank you, Steven. I'll be brief. Just on the diversity. For men and women on the boards, a policy should be the best person, the best candidate gets the job. I don't care if they're LGBT, Aboriginal – whatever. The best person for the job – that's on behalf of my shareholders. Secondly, in relation to this, thank God we haven't got Casanova Bowen on the Board, because it'd be in a mess. I think how the Board's handling this – you've got our support. We trust you and leave it to you.

Steven Gregg: Thanks for your comments there, Peter. Any further questions from the floor, please?

Moderator: Mr Chairman, I would like to introduce Mr Hugh Vaughan.

Hugh Vaughan: (Shareholder) Thanks. Thank you. Good afternoon. My name's Hugh Vaughan. I'm a longstanding, long-time climate-concerned citizen and activist and deeply distressed that I still need to be after all of these years. In particular, that 10 years after the Paris Agreement, we're only now talking about climate transition plans aligned with it. That's not aimed at Westpac. That's aimed at the community as a whole. Thank you.

My question. Your bank finance of Santos, which is part of the Papua LNG project – that project will affect an estimated 12,000 people and 48 newly discovered species. It will take place near communities displaced by climate chaos and face serious human rights concerns, including on free prior and informed consent. Some landowners impacted by another Santos LNG project in PNG still haven't been paid 10 years later. Under the UN guiding principles on business and human rights, the bank is accountable for what you finance via corporate loans, so my question is, have you calculated how much the bank could be liable for if required to pay redress and remedy for human rights abuses linked in future to Papua LNG and the bank's corporate loans to Santos?

Steven Gregg: Thanks for the question. I'm not sure we have actually done that calculation on that particular lending and that particular country. Of course, as we've said a few times already, we aren't really in a position to discuss companies' and clients' specific situations.

Hugh Vaughan: (Shareholder) Okay.

Steven Gregg: Thank you.

Hugh Vaughan: (Shareholder) Okay. Thanks. That's a no. So I might approach it from another angle. Understanding your comment about particular customers. I guess we can frame the question as pertaining to oil and gas companies pursuing new exploration projects in general, and particularly in communities that are disadvantaged by it. I'll put it this way. Rather than the liability, let's consider another angle. Given that Westpac received a well-publicised human rights complaint relating to another one of its corporate loans to Santos just last year, is the Board not worried that this ongoing relationship or relationships like this will do immense damage to Westpac's reputation on human rights?

Steven Gregg: Do you want to get that?

Peter King: I think just speaking in general, with any customer, we will need to assess their business and whether we are comfortable with it. That is an ongoing assessment – not a point in time assessment. That's generally how we would think about that piece. The company would have the liability for issues from their activities that would need to be taken into assessment in those type of relations.

Hugh Vaughan: (Shareholder) Okay. We're talking about reputation rather than liabilities.

Steven Gregg: Reputation is part of it.

Hugh Vaughan: (Shareholder) I'm talking about Westpac's reputation and being associated with a project such as this.

Steven Gregg: Yes. We understand. We were saying we do look at all things when we're looking at the investment in this going forward. You're right. We do.

Hugh Vaughan: (Shareholder) Okay. Thank you.

Steven Gregg: Thank you. Okay. I believe we have two more questions from the floor, please? Thank you.

Moderator: Mr Chairman, I'd like to welcome back Mr Michael Sanderson.

Michael Sanderson: (Shareholder) Okay. Perhaps I should have asked this earlier. This relates to the climate report, but prior to that, there's a cartoon that's got a caption that's got a chap addressing an – I assume an AGM. The caption says, and so while the end of the world scenario will be rife with unimaginable horrors, we

believe that the pre-end period will be filled with unprecedented opportunities for profit. I think that really – it's concise. My question. Your climate report – Westpac climate report is headlined, our purpose is creating better futures together. One way we are doing this is through our ambition to become a net zero climate resilient bank.

Now, in the 22-23 climate active report, the Bank makes a big thing about reducing carbon footprint when they close branches. I won't go into the figures. Has Westpac declared the road and their travel emissions generated by customers that are forced to travel 1,000km from Coober Pedy to the next closest Westpac branch at Port Augusta in their climate active report this year? For those that are not aware of it, Westpac closed their branch in Coober Pedy which was the last branch in the town. How is the closing of Coober Pedy branch created better futures together with Westpac customers in Coober Pedy?

With the transition to a digital economy and utilising artificial intelligence, does Westpac's climate report take onboard the massive amount of energy required to run those facilities? To give you some context, I believe Microsoft is firing up a nuclear powerplant just to supply energy to their data processing facility, so effectively what Westpac is doing by closing branches is shifting their response or shifting their carbon footprint and increasing it because of the nature of what their past customers or existing customers have to do in order to fill the void of not having a branch to go to? I hope that makes sense.

Peter King: In terms of emissions, 1% of the Group's emissions comes from our activities. 99% comes from our financing, so by far the biggest issue in this area is the financing of the economy. Our operations are fairly small, and I set out the statistics of the declines we've seen in our emissions. To your specific question of, do we pick up customers' emissions for travelling to any branch, the answer is no. They're not part of our footprint. No matter how they get to the branch, how they travel, that's not something that we pick up.

Michael Sanderson: (Shareholder) But perhaps it would be honest when claiming a reduction in your carbon footprint when you close a branch to also add on the additional cost or the additional carbon footprint of those customers that have to travel further. Cooper Pedy is probably an extreme example, but it's relevant. As I said, you give yourself a tick there.

Peter King: Well, there's going to be a lot of – there's a whole heap of new accounting standards coming out. We will follow them in our disclosures.

Michael Sanderson: (Shareholder) Okay. Excellent. I have another question, but I was going to leave it till the end, so I'll sit down and let you get this one out of the way and perhaps...

Peter King: On climate?

Michael Sanderson: (Shareholder) No.

Steven Gregg: Okay.

Peter King: Okay.

Michael Sanderson: (Shareholder) Thanks very much. Thank you.

Steven Gregg: Next question, please?... No. I know. I'm just waiting.

Moderator: I do apologise.

Steven Gregg: That's all right.

Moderator: Mr Chairman, Professor Roy Tasker.

Steven Gregg: Thank you.

Moderator: Thank you.

Roy Tasker: (Proxyholder) Thank you. My name is Roy Tasker. I'm a Professor of Chemistry at Western Sydney University. I ask the patience of all the shareholders here and the Board to yet again have a climate question, but this is such an important issue. In your 2023 climate report, Westpac made a commitment to not directly finance gas pipelines for new gas fields. Rightfully so. It also acknowledged that there's no room for those projects in the International Energy Agency's Net Zero Scenario, yet in the last year, Westpac was a lender to and helped arrange multiple billion dollar bonds to Australia's biggest gas pipeline company, APA Group.

APA is proposing to construct several large scale pipelines that would unlock Australia's biggest proposed shale gas development. That's the Beetaloo sub-basin in the Northern Territory. This is horrific, ladies and gentlemen. Genuinely horrific. If developed to full scale, it is estimated that burning the gas from the Beetaloo would produce 1.1 billion tonnes of carbon dioxide equivalent over its lifetime. That is over 2.5 times the emissions that Australia produced this year. APA's willingness to construct these pipelines could be the difference between whether this project goes ahead or not.

If APA was an upstream company, Westpac's policy would require it to produce a 1.5 degree aligned transition plan but because it is a midstream company, that doesn't apply. Now, I know you can't comment on specific clients and so I'll ask the more general question. Why shouldn't this policy apply to pipeline developers? They are also playing a key role in developing new gas fields and have just as much responsibility for the transition as upstream oil and gas companies.

Steven Gregg: Well, I thank you very much for your question. I mean, at this stage, as you know, our policy is for upstream oil and gas. That's where we're concentrating our efforts because that's where we think we

can make the biggest difference. In times to come, we will review our downstream policy as well, so we hear what you're saying, and we'll be reviewing that in the coming years. Yes.

Roy Tasker: (Shareholder) Okay. Thank you. Because I want you to have a good statement to give to your children and grandchildren when you're defending this policy. Thank you.

Steven Gregg: Very good. Thank you very much. I appreciate the question. Kyle, would you like one last question or am I misreading this?

Kyle Robertson: (Market Forces) Yes, please.

Steven Gregg: You're okay. Okay. Fantastic.

Kyle Robertson: (Market Forces) Oh. No. Sorry.

Steven Gregg: Oh. You do. All right.

Kyle Robertson: (Market Forces) I'll try and make this quick...

Steven Gregg: Thank you.

Kyle Robertson: (Market Forces) ...because you've been sitting for 3.5 hours, and I appreciate that it's dragging on. My question is for Peter King. Knowing that you're only going to be in the job for a couple of more days – but you gave an answer earlier to Cari's question that I thought was interesting. I kind of feel like it captures the essence of this resolution and this policy, which is that you said that by 30 September next year, if a client doesn't have a 1.5 degree aligned transition plan, you're going to reassess that relationship. That is, in essence, what the resolution is asking for – is for Westpac to reassess.

Because allocating capital towards companies who are still pursuing the expansion of fossil fuels, which is very capital intensive – last year, John McFarlane actually said, when Westpac gives corporate loans out, it has no control over what the company decides to do with it. So when it goes towards a company that's expanding coal, oil and gas, then Westpac seemingly has no control over whether that company is actually using it to finance its expansion. So, I suppose my question kind of gets to – if a company approaches you next year and is wildly off from 1.5 degrees in its transition plan and says, we would like some more finance, please, what is Westpac's response going to be?

Peter King: I don't know because I won't be here.

[Laughter]

Peter King: I'm sorry. That was a bit trite. No. I think I've said – you quoted back accurately, what I said. I think Westpac will think about the transition plans through the new framework that we put out in the climate plan, and as the relationship. I won't be here so I'm not going to be any more specific than that.

Steven Gregg: Just on that, Kyle, just to be clear – he's not going to be here – he's quite right – we will reassess it. We will sit down, and we will reassess exactly the level of commitment we've got and what that may look like or not look like, but we're going to just give them the time to get that done and not try and pre-empt that as it stands.

Kyle Robertson: (Market Forces) I just kind of want to understand what the point of the 30 September 2025 deadline is, then. Because it's a stated requirement, right? A requirement should naturally say, well, if you're unable to achieve this, then what is the consequence from the bank? That's essentially what the resolution is asking for. Because as I said in my opening statement, that's 3.5 years that the clients have known that you are going to have this requirement so if it continues on past September 2025 as a non-requirement, it kind of calls into question what the purpose of the policy is in the first place.

Steven Gregg: Well, I think one has to understand what we're looking for in that transition plan – and that is a credible pathway to that. We're not going to pre-judge that. Every company is different. It's not just us, but there are a whole range of other stakeholders they've got to weigh up, and people like us – they've got to weigh up, and how they put that together. I don't want to be evasive here, but we also can't be too prescriptive, either. Let's give the time. We work with them. We're getting an overwhelmingly positive response from just about everybody to try and get there, so let's just work through it.

Kyle Robertson: (Market Forces) Just to be clear, we're not asking you to pre-judge their plans.

Steven Gregg: Right.

Kyle Robertson: (Market Forces) We're talking specifically about after the deadline, what's going to happen then? So, we're not asking you to pre-judge.

Steven Gregg: Okay.

Kyle Robertson: (Market Forces) We're asking you what's going to happen if the determination is that it's not Paris aligned?

Steven Gregg: Well, again, it depends on the relationship we have with those clients and what that means, so let's work it through this year.

Kyle Robertson: (Market Forces) Thank you.

Steven Gregg: Thank you. Appreciate that. I believe we have a few questions online, if there are no other questions in the room?

Moderator: Mr Chairman, we have an online question from Stephen Mayne. Did any of the proxy advisors recommend a vote against the Board's recommendations on any of today's resolutions, including this transition plan item? If so, what reasons did they give? Also, please get with the transparency program next year and release the proxies to the ASX along with the formal addresses. Will Steven Gregg commit to doing this next year, moving on from this old school, hold back the proxies approach, that we've seen today which leaves shareholders debating in the dark? If NAB can do it, why not Westpac?

Steven Gregg: Thanks, Stephen. Again, we've heard the question before and respect that. With regard to the first part of your question, the proxy advisor recommendations are for their clients and shareholders can subscribe freely to that. We're not obviously a shareholder of the proxy firms and we don't subscribe to it. We don't have that information so it's a bit hard for us to comment, so we're not in a position to discuss this publicly. You should really go to them directly.

With regard to Westpac sharing proxy results at the AGM before each resolution is put, we do show it before the AGM and before everyone can vote on it and publish it on the ASX after the AGM, so we do that. We provide extensive information in the Notice of Annual General Meeting and other reporting areas to assist shareholders in raising questions on voting, so we believe we give enough information out. We allow shareholders to vote according to how they wish to, and we don't believe we need to make any changes. We do thank you for the question.

Moderator: Mr Chairman, we have an online question from Stephen Mayne. I'm puzzled why this Board and so many other boards are opposed to shareholders being allowed to put up opinion based resolutions which are common in the US? What are you afraid of? A vote for this is not to endorse the contingent resolution on your carbon transition plan, but to support a constitutional amendment that gives a voice to shareholders. If we're allowed to have a non-binding opinion on rem policies, why should the Board have a monopoly on deciding whether shareholder opinions on other matters should be tested?

Steven Gregg: Thank you, Stephen. Appreciate that question. I guess we've heard that before as well. We believe we provide numerous and various opportunities for everybody – companies, shareholders and the like to engage with the company. People can ask the questions. They can make comments at the AGM, like they have the last several hours here. We welcome that. That's the role of AGMs.

You can also propose resolutions. Such has been done by Market Forces today with resolution 6a) and resolution 6b. The Board considers those proposed resolutions on their merits and from our perspective. At



this stage, we do not believe the amendment of the 6a) is in the best interest of shareholders, but that's our view on this one. We believe we're doing it the right way, but we do thank you for the question.

Moderator: Mr Chairman, we have an online question from Lachlan Wells. What does Westpac intend to do on 30 September 2025 if fossil fuel customers have not provided credible transition plans? Does the Board intend to sell the loan to another institution, assuming an interested buyer can be found, or does the Board intend to keep the servicing existing loans and risk violating its commitment to the Net Zero Banking Alliance?

Steven Gregg: Thank you for the question. I believe I've pretty much answered that with regard to the discussion we've had with Kyle. That is that we'll review it with them, September '25. We will work with them on their transition plans and hope they come up with the right answer. Thank you.

Moderator: Mr Chairman, there are no further questions for this item of business.

Steven Gregg: Thank you very much. Thank you, everybody, for opening up and being very good with the questions there. That concludes the discussion on this item of business. The direct votes cast, and the position of the proxy votes received on Item 6a) and Item 6b) – sorry – Item 6a) prior to this meeting are now on the screen. I'll now formally propose resolution 6a) as a special resolution. If you've not completed your voting card for this resolution or voted on the online platform, please do so now.

The direct and proxy votes received show an against vote for Item 6a), which will not be materially impacted by votes received today. As resolution 6a) will not be passed by the special majority, resolution 6b) will not be put to the meeting. This completes the business of the meeting. The polls will close in 15 minutes on all resolutions and the results will be available later today and can be obtained by visiting the ASX or Westpac websites.

Steven Gregg: Sorry. Is there another question, is there?

Moderator: Mr Chairman, I would like to introduce to you Dr Angela Frimberger.

Steven Gregg: Okay. Thank you.

Angela Frimberger: (Proxyholder) Good day. Thank you for taking my question. I'm with Bushfire Survivors for Climate Action. In your 2024 climate report, Westpac's analysis concluded that under our best case warming scenario, RCP 2.6, 4.1% of Westpac's Australian mortgage portfolio would be exposed to higher risks from the impact of climate change. Westpac's Australian mortgage portfolio represents about 62% of its total loan book. That's about \$20.6 billion of Westpac's loan book at higher risk from climate change. That might not be a lot to a big bank like Westpac, but for most Australians, a house is the biggest purchase they'll ever make.

A house is so much more than just a place to live. For most Australians, it's fundamental to the aspirations of them and their families. That \$20.6 billion represents a lot of everyday Australians whose homes might be lost due to climate disasters. I should know. My own home was threatened by bushfire in November 2019. My family and I live on a bush block outside of Port Macquarie, adjacent to the Lake Innes Nature Reserve. Outside of our living area and asset protection zones, we maintain wildlife habitat on the property.

Early in Black Summer, the Crestwood fire jumped the lake and landed on the edge of our property. We spent the following weeks fighting fire around the property daily, but it was managed, but then everything changed when the fire conditions changed from severe to extreme. Then the fire raged up the hill and threatened our home, coming within metres of the house and forcing us to escape to a neighbour's. This change in conditions is exactly what we can expect more of with climate change. Much more aggressive fires. Fortunately, emergency crews were able to save our house, but many were not so lucky.

Many of our Bushfire Survivors for Climate Action members are among those people – people who have lost everything, people whose stories paint a picture of being personally harmed by climate change, people who know from lived experience that climate change is not a future problem. It's already hurting everyday Australians, now. Westpac says it's working hard to support its customers with the immediate short term effects of climate disasters. Surely that should involve doing everything Westpac can to not make climate change worse.

Then why, despite the climate change position statement and action plan, does Westpac continue to support companies pursuing fossil fuel expansion plans when it knows what the impacts of those plans will be? With respect, transition takes time but pointing to transition plans and ambitions while at the same time funding expansion does seem inconsistent. Why are those companies that have no interest in transitioning and preserving a safe climate prioritised over those customers who just want to live safely and securely in their own homes?

Steven Gregg: Thank you very much for your question. I do understand where you're coming from. I also grew up in the country and am familiar with the issues that you face, so I'm not unaware of that. I believe we've probably covered most of what you were referring to already. On the transition plans, we are working – and this year, we've worked with 150 of them – to come up with plans which they are going to transition away from this to solve the issues we're talking about.

In this year alone, 11% of our exposures are down to almost less than 0.5% of our total portfolio. This year alone, 87% of all our funding on electricity generation is going to renewables. Our upstream oil and gas financed emissions are down 45% in the last 3.5 years. We're a big bank. We're making huge efforts here. I understand where you're coming from, but I do believe we're making a big difference here, and we will continue doing so. Thank you.

Angela Frimberger: (Proxyholder) Thank you, and congratulations on your progress that was reported in the climate report. That's very good progress. Given that climate change is already hurting everyday Australians now, should we rest on those laurels? Should we take the opportunity to perhaps do more and pull back from funding the expansion of fossil fuels? Thank you.

Steven Gregg: Well, we are doing more. This is a continually evolving situation and we are doing a lot more. We understand where you're coming from.

Angela Frimberger: (Proxyholder) Thank you.

Steven Gregg: Thank you. Appreciate that. Sorry for that. Just so we're clear, are there any other questions that people would like to raise? At the back there, I believe we have one more. Last one.

Peter King: Last one. Maybe go straight to the questions.

Unidentified Male 1: (Shareholder) Look, I don't want to take anything away from Mr King's departure. I'd like to congratulate him. He's had good days and bad days while he's been here, but this is a question that transcends the corporate culture, and I was very deeply disturbed. From what I understood, the cultural issues were being addressed and held. Everything was hunky dory, but it appears not because I read in the *Fin Review* relatively recently – that Westpac allegedly bullied a troublemaker staffer who raised RAMS fraud. Now, can you tell us precisely what is happening? What investigations are being carried out by APRA or other regulatory bodies? Where does Westpac stand on that matter?

Steven Gregg: Let me go for that one, if I could, please? We don't comment on what's in the papers. We can't comment on the veracity of anything like that, as we've said earlier on. With respect, I think we might move on from that, if that's okay?

Unidentified Male 1: (Shareholder) No, but this was surely a – it couldn't have just come out of nowhere. If this was an issue, then why is it not being addressed?

Peter King: It's before the courts, as the Chairman said. We're defending it, and our defence will soon be in. Yes, it was written up in the paper, but you've only got one side of the story at the moment, so I'd suggest you wait till you see that.

Steven Gregg: Yes. We can't talk about this. Yes.

Unidentified Male 1: (Shareholder) Okay.

Steven Gregg: Thank you. If you don't mind, folks, we might just continue on a bit. The polls will close in 15 minutes on all resolutions. The results will be available later today and can be obtained by visiting the ASX or Westpac websites. For your convenience, please remain seated until directed to vacate your seats. Link

Market Services staff will collect completed voting forms, which should be placed in one of the ballot boxes. If you've not completed and submitted your voting card on the online platform, if you could please do so, now.

I now declare the meeting closed, subject to finalisation of the polls. Before we move on, I'd just like to thank everybody who's turned up today. It's a show of commitment from you to our firm. It's been a very good year for Westpac and we're looking forward to the future and for your continued support. Thank you. If you'd like to stay for refreshments with Directors and Senior Executives, please follow our directions outside. Thank you for attending. We wish you a very safe and happy holiday period. Thank you.

**[END OF TRANSCRIPT]**