

Response to the COVID-19 pandemic

Westpac Group update – April 2020

Westpac recognises that we have a critical role to play during the COVID-19 pandemic in Australia. Our priority is to protect our employees while remaining open for business so we can support our customers and the Australian economy through this difficult period.

Support for our customers affected by COVID-19

The outbreak of COVID-19 in Australia is having a profound impact on our customers and we are determined to assist them through this extraordinary period. Information for our customers, including on how to access support, is available on our website at westpac.com.au/covid-19. (similar pages are also available on our other brand websites).

COVID-19 Customer Support Package

Westpac Group has released COVID-19 Customer Support, a range of tailored support measures for personal and business banking customers.

Support for our personal customers

Support measures we have put in place for personal customers include:

- Repayment relief for Home Loan Customers – customers who have lost their job or suffered loss of income as a result of COVID-19 can contact us to defer repayments for three months with an extension for a further three months after review.
- New Fixed Home Loan Rates – 2.29% p.a. Fixed Home Loan rate on one, two and three-year terms for owner occupied customers on principal and interest repayments with a packaged home loan available for new fixed rate loans or existing variable rate customers looking to fix all or part of their loan.
- Nationwide plan to help elderly customers access telephone and internet banking.
- Help for Credit Card and Flexi Loan Customers – three month pause on repayments and interest charges for existing customers who have lost their job or suffered a loss of income as a result of COVID-19.

Since announcing our relief packages on 21 March 2020 we have processed 105,070 home loan repayment deferrals for over 70,000 customers (as at 29 April 2020). To reduce the stress of seeking this relief, there will be no impact on credit scores for these customers if they were up to date when they were granted the relief. We will report these customers as not having missed a payment for credit reporting purposes.

In addition to the measures above we have announced a \$10 billion home lending commitment, supporting the property market, economy and helping more Australians to own their home.



Support for our business customers

Support measures we have put in place for eligible Business customers include:

- Repayment relief to defer principal and interest repayments of eligible business loans for six months (with interest to be capitalised) for businesses with a total lending exposure up to \$10 million.
- A 200 basis point reduction on overdrafts for new and existing customers to support their cashflow needs.
- A 100 basis point reduction to variable interest rates on small business cash-based loans.
- An unsecured short term loan up to \$250,000 for new and existing business customers with turnover of less than \$50 million.
- Zero establishment fees for standard equipment finance loans until the end of June 2020. This will help small and medium businesses take advantage of the increased instant asset write-off and accelerated depreciation provisions in the Federal Government stimulus package.
- Merchant terminal rental fee refunds for up to three months.
- Additional support already available to small business customers who are impacted by recent disasters and are experiencing hardship:
 - Deferred payments for Business Credit Cards for three months
 - Fee free redraws where permitted under the loan and subject to approval
 - Restructuring and consolidating loans; and
 - Access to term deposit funds without reduction in the interest rate

These measures are available to 98% of our Business customers. Our Relationship Managers also remain available to help business customers with their specific needs during this time including via phone and video conference.

As at 29 April 2020, we have approved 31,161 COVID-19 relief packages for Business customers.

Support for the Government's Coronavirus Economic Response Package

We welcome the Federal and state governments' response to the economic impacts of COVID-19. We are actively supporting the implementation and rollout of a number of elements of the Federal Government's Coronavirus Economic Response Package.

Coronavirus SME Guarantee Scheme

On 22 March 2020, the Federal Government announced the Coronavirus SME Guarantee Scheme. Under the Scheme, the Government will provide a guarantee of 50% to lenders to support new short-term unsecured loans to SMEs (up to \$40 billion of new lending). Westpac has entered into an agreement with the Government to offer loans backed by the Scheme.

JobKeeper Payments

On 30 March 2020, the Government announced the JobKeeper payment, a wage subsidy for workers to be paid through their employer. The program commences from 30 March with the first payments to employers to be made in early May. Cash flow is critical for businesses and to support existing customers to keep paying their employees, as they wait to receive the Government payments, we have a number of support measures including temporary overdrafts. We will continue to work with these customers and offer support to help them where we can.

A temporary overdraft of up to \$50,000 for 180 days is available for customers needing short term relief while waiting for their JobKeeper payments. For customers with an existing overdraft, a temporary overdraft can be aligned with the pricing to their existing overdraft. For customers who do not have an existing overdraft, the temporary overdraft is available at pricing of 7.99%.



Commercial leases

On 7 April 2020, National Cabinet agreed to an industry code of practice covering relief that landlords will provide to commercial tenants. We are supporting this measure by making available the small business support package to our commercial property customers, provided the customer provides an undertaking to the bank that for the period of the interest capitalisation it will not terminate leases or evict current tenants based on non-payment of rent due as a result of COVID-19.

Early access to superannuation

On 22 March 2020, the Government announced that it would allow people who meet the eligibility criteria to access up to \$20,000 of their superannuation (up to \$10,000 in the 2019-20 financial year and up to \$10,000 in the 2020-21 financial year).

People wishing to take advantage of this measure are required to apply through mygov. The Australian Tax Office (ATO) will administer the applications and will consider, and approve or decline, applications. If the application is approved the ATO will provide a copy of the determination to the relevant super fund which will make the payment from the customer's super account to their nominated bank account.

To support BT Super customers whose application for early access is approved, we have recruited trained over 100 additional staff in our Australian operations and call centres to assist in processing superannuation transactions, including early release and other transactions, such as switching between investment options.

BT Super has a diversified membership base, with individual members and employer plans sources from across the economy. As a result, BT Super is well placed to maintain a strong liquidity position as the Government implements the early access policy.

Access to banking services

In addition to supporting our customers who have been directly affected by COVID-19, we are committed to remaining open for business to support all our customers with their banking needs at this difficult time, whether it is online, in a branch or via telephone.

As at 29 April 2020, over 90% of our Branch network has remained open over this period whilst customer arrivals and in-branch transactions reduced by approximately 35% during this period.

Where branches are open, the health and safety of our customers and employees is of utmost importance and we have introduced several new measures of protection and prevention of transmission including:

- Installing customised screens nationwide to act as a physical barrier between customers and bankers whilst conducting transactions and conversations;
- Introducing all required social distancing measures and mass gathering protocols, including markings on the floor for queuing, signage, and occupancy limitations; and
- Ensuring adequate supply of Personal Protective Equipment (PPE) for all employees, particularly for extended periods of cash handling or direct customer facing activity.

In some cases, we have needed to close branches because of access restrictions to the area or due to staff being unavailable. In other cases, where we have made the decision to temporarily close branches we have selected the locations where customer arrivals had declined significantly and a viable banking alternative is nearby (e.g. CBD locations). Additionally, we have re-directed many of our employees from these temporary branch closures to work in our contact centres to assist customers who have applied for our relief packages or hardship.



The impact of COVID-19 has required us to adapt how we deliver our services. More of our customers need to do their banking digitally and we are seeing increased logins to internet banking each day. Since COVID-19 started impacting our customers' ability to bank in their normal manner, we have held over 180,000 tailored conversations to educate them on digital banking or to activate digital banking services for them for the first time. This has been particularly valuable for our more vulnerable customers.

Additionally, we have also processed over 6,860 Handycard/Freedom card applications for customers that hold Passbooks to enable them to access their money through the use of EFTPOS, as well as withdraw/deposit cash via any banks ATMs or Australia Post.

Finally, customer assistance provided by 'Red', our Westpac Virtual Assistant, has doubled from mid-March following both the government and our own announcements in response to COVID-19, with over 306,000 customer queries handled and growing daily.

Other customer initiatives

A number of additional steps we have taken in relation to COVID-19 are outlined below. We continue to look for other ways we can support our customers and the broader community during this time.

Contactless payments

The Australian Payments Network has agreed to a temporary increase to the contactless 'tap-and-go' card payment limits, from \$100 to \$200. This has been introduced to help reduce the spread of COVID-19 by reducing the number of transactions that require physical contact with EFTPOS machines (e.g. to enter PINs). We are progressively rolling this out to our EFTPOS terminal fleet and to our cardholders. The new \$200 limit is expected to apply for a three-month period and will be extended if required.

Scams

As with many significant public events, there has been an increase in scams related to COVID-19. For example we have seen scams encouraging people to click links to get to a COVID-19 testing station, when in fact those links are just a way to install malware to enable scammers to gain unauthorised access to that person's network.

To help our customers avoid becoming the victim of COVID-19 scams, we have provided information on precautions they can take.



Support for our employees

The health and safety of our employees during this period is critical. We have put in place a range of measures to reduce the risk of our employees being exposed to COVID-19 and to contribute to reducing the spread of the virus in the community.

These include:

- **Working from home arrangements:** over half of our Australian workforce is now working from home on a daily basis – around 20,000 people;
- **Self-isolation requirements:** we have enforced mandatory self-isolation requirements for our employees, including any of our employees above 65 years old or if they, or a person they care for, has an underlying health condition that puts them at high risk if they contracted COVID-19. Prior to the Government's border restrictions, we also were enforcing mandatory 14 days of working from home for any employee returning from international travel and mandatory 14 days self-isolation if they were returning from a high risk country. We also have our employees self isolating where they are a close contact of a suspected case.
- **Requiring higher at risk employees to work from home:** where they are unable to do their jobs at home, we have assigned other work or put them on special paid leave.
- **Minimising non-essential business travel and meetings:** all international travel and non-essential domestic travel is prohibited, and employees have been asked to limit attendees at meetings and where possible use teleconference and videoconference options.

To ensure we can remain open for business to support our customers, some employees continue to attend Westpac office and branch locations. To protect those employees we have put in place additional measures including:

- **Physical distancing standards:** workplace rules to ensure 1.5 metre separation between employees includes static desks, removal of desks from use, meeting room capacity limits, lift capacity limits, kitchens closed and internal cafes on delivery only.
- **Cleaning:** we have upgraded our cleaning standard to a hospital grade disinfection process in addition to the normal daily cleaning schedules for all Westpac Group locations. We are regularly disinfecting these workplaces throughout the day and overnight, including high touch surfaces such as taps, counters, cupboards, lift buttons, printers, doorhandles and handrails.
- **Temperature checks:** with one of the first signs of COVID-19 being a fever, we are checking the temperature of people entering our centralised work locations. Anyone registering a temperature above 37.5°C, will be asked a series of questions around potential exposure to COVID-19 and employees with an elevated temperature have been asked to work from home and see their GP.
- **A range of protections in our Branch environments:** including PPE for employees, screens to separate customers, strict capacity limits and physical distancing protocols for queuing and meetings.

As well as protecting our employees from the immediate risk of COVID-19, we understand that there may be broader impacts on the mental health and wellbeing of our employees.

We have counselling support available through our Employee Assistance Program, ACCESS, for all our employees and their extended family and close friends. ACCESS is now offering videoconference consultation for employees who would like face to face counselling services.

We have also developed a podcast series by our Chief Mental Health Officer on wellbeing topics related to COVID-19, including on managing stress and coping with isolation.



To further support employees to manage during COVID-19, we have put in place a number of special leave provisions that will apply during the pandemic period, including:

- special paid leave for up to two (2) weeks for employees, casuals and directly engaged contractors who are required to self-isolate.
- Specific arrangements for employees who need to provide care for children affected by the closure of schools or day care centres. This includes special paid leave, if other leave options are not available.
- Uncapped paid leave for the duration for the call out for Army Reservists called to duty to support COVID-19 activity.
- Two weeks paid volunteering leave for any suitably qualified employees who choose to volunteer in a medical field related to COVID-19, with up to two weeks paid volunteering leave.

