

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS (FIFTH REPORT)

Westpac Banking Corporation

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CHAIR: Let's take the previous financial year of \$380 million. How many people would that encompass?

Mr Hartzler: It's hard to say, because it ranges across a bunch of different issues. We'd have to take the exact numbers on notice.

Answer: The \$380 million reflected in our financial statements for 2018 is a pre-tax provision for future costs associated with customer remediation programs. This includes an estimate of future remediation payments based on information available at the time. It also includes costs associated with implementing the remediation programs along with interest on fees to be refunded.

Each remediation program has its own methodology. These methodologies and estimates may change over time as further facts emerge. For example, on 25 March 2019, we announced that our First Half 2019 Cash earnings (i.e. post tax earnings) will be reduced by an estimated \$260 million arising from further work on our customer remediation programs. The number of customers covered by the remediation programs will not be known until the work to assess individual customer files is complete.