**Westpac Banking Corporation: Comprehensive Research Report**

**Executive Summary**

Westpac Banking Corporation (ASX: WBC) stands as Australia's oldest and first banking institution, with a rich history spanning over 207 years. Originally established in 1817 as the Bank of New South Wales, Westpac has evolved into one of Australia's "Big Four" banks, serving millions of customers across consumer, business, and institutional banking segments. The company operates as a major financial services provider offering banking, wealth management, and insurance services throughout Australia, New Zealand, and the Pacific region.

**Historical Background**

**Foundation and Early Years (1817-1900)**

Westpac's origins trace back to 1817 when it was established as the Bank of New South Wales under a charter of incorporation signed by Governor Lachlan Macquarie. This makes it not only Australia's first bank but also the country's first public company. The bank was founded during the early colonial period to provide essential banking services to the developing Australian economy.

Key early milestones include:

* 1817: Established as Bank of New South Wales
* 1850: Incorporated as a formal company
* 1817: Created Australia's first disaster relief fund to help victims of natural disasters
* 1931: Granted a coat of arms from the College of Arms

**Evolution and Modern Era (1900-Present)**

The bank underwent significant transformation throughout the 20th century:

* 1981: Acquired the Commercial Bank of Australia (founded in Victoria in 1866)
* 1982: Renamed to Westpac Banking Corporation following the merger
* The name "Westpac" derives from "Western Pacific," reflecting the bank's regional aspirations

**Corporate Structure and Operations**

**Business Segments**

Westpac operates through several key business divisions:

1. **Consumer Banking**

**Retail banking services**: Services for individuals — like checking your balance, depositing money, or using an ATM.

**Home loans and mortgages**: Loans to help people buy houses. You borrow money from the bank and pay it back monthly.

 **Credit cards and personal loans**: Credit cards let you borrow money for purchases, while personal loans are lump sums you pay back over time.

 **Savings and transaction accounts**: Savings accounts help you save money with interest; transaction (or current) accounts are for everyday use (like paying bills or shopping).

1. **Business Banking**

 **Small to medium enterprise (SME) banking**: Services like business accounts, loans, and overdrafts tailored for small businesses.

 **Commercial lending**: Big loans for businesses to expand, buy property, or get equipment.

 **Trade finance**: Helps businesses that import/export goods — providing letters of credit or guarantees.

 **Cash management services**: Helps businesses handle large amounts of money — tracking payments, managing payroll, etc.

1. **Institutional Banking**

 **Corporate banking**: Specialized banking for large companies — bigger loans, project finance, etc.

 **Investment banking**: Helps companies raise money (by selling shares or bonds), and gives advice on big deals like mergers or acquisitions.

 **Capital markets**: A place where companies and governments raise funds from investors (like the stock market).

 **Treasury services**: Manages large amounts of money, foreign currency exchange, and helps reduce financial risks.

1. **Wealth Management**

 **Investment services**: Advice and products for investing in shares, mutual funds, etc.

 **Superannuation**: Retirement savings plans (like a pension or PF in India) — money saved now to use after retirement.

**Insurance products**: Life, health, or property insurance to protect against future risks.

 **Financial planning**: Expert advice on how to manage money — budgeting, saving, investing, and planning for the future.

**Bank Performance Summary (2024 & Early 2025)**

* **Revenue**: AU$21.1 billion (same as last year)
* **Profit**: Decreased due to higher costs
* **Dividend**: 76 cents/share (100% tax paid)
* **Home Loans**: Grew by 2%
* **Business Loans**: Grew by 3%
* **Interest Margin**: Slightly decreased (bank earns less per loan)
* **Loan Delays**: Only 1.03% are 90+ days late (improved)
* **Strong Points**:
  + Regular dividend payments
  + Income from many sources (loans, investments, services)

**Big Four Banking Status**

Westpac is one of Australia's "Big Four" banks, alongside:

* Commonwealth Bank of Australia (CBA)
* Australia and New Zealand Banking Group (ANZ)
* National Australia Bank (NAB)

**1. Competitive Advantages**

* Oldest bank in Australia
* Wide ATM & branch network
* Strong brand & loyal customers
* Offers many financial products
* Large share in home loans market

2.**Strategic Initiatives**

**->Digital Transformation**

* Upgraded mobile & online banking
* Investing in modern tech systems

**->Sustainability & Responsibility**

* Climate action & green programs
* Community support & fair lending
* Support for Indigenous businesses

**->Corporate Actions**

* Share buybacks to reward investors
* Cost-cutting & better risk controls
* Improved regulatory compliance

**2. Regulatory Compliance**

* Regulated by **APRA** & **ASIC**
* Follows Australian Banking Laws
* Meets **Basel III** capital rules
* Fixed past compliance issues
* Better risk & customer protection

3.**Risks & Challenges**

**->Market Risks**

* Sensitive to interest rates & economy
* Risk of loan defaults & property price drops

**->Operational Risks**

* Cyber threats & tech system issues
* High compliance & competition from fintech

**->Strategic Challenges**

* Keeping up with digital trends
* Rising customer expectations
* Managing costs

3. **Future Outlook**

**Opportunities**

* Grow digital banking & wealth services
* Expand in Pacific markets
* Focus on green finance

**Priorities**

* Invest in tech & innovation
* Improve customer service
* Be efficient & sustainable

**4. Investment Snapshot**

**Listed**: ASX (Code: WBC)  
**Shareholders**: Big & small investors  
**Dividends**: Regular, with full tax benefits  
**Buybacks**: To return capital to investors

**Strengths**:

* Top position in banking
* Reliable dividends
* Balanced business model
* Stronger compliance

**Risks**:

* Sensitive to economy
* High regulation costs
* Tech competition
* Big changes needed in digital systems

**Role Requirements (Typical SDET Skills)**

Based on industry standards for SDET roles at major banks like Westpac:

* **Technical Skills**: Test automation frameworks, API testing, CI/CD pipelines
* **Programming**: Java, Python, C#, JavaScript
* **Testing Tools**: Selenium, TestNG, JUnit, REST Assured
* **Banking Domain**: Financial services experience preferred
* **Agile Experience**: Scrum/Kanban methodologies

**Operations In India**

Chennai, Bangalore, Hyderabad

**Cognizant-Westpac Partnership**

**Long-Standing Partnership**

Cognizant has a seven-year partnership with Westpac, drawing on deep global experience in engineering financial transformation

**Primary Focus: Quality Engineering & Assurance (QE&A)**

**Key Services Provided:**

1. **Holistic Customer Experience Testing** Cognizant helps Westpac shift to a holistic end-to-end view of customer experience across branch, ATM, online and digital channels to simplify the delivery of digital programs
2. **Continuous Testing Implementation** Continuous testing increases the cadence of release of new features, applications and systems – helping provide better banking experiences
3. **Quality Engineering Optimization** Cognizant helps engineer quality outcomes on the first attempt, and minimise the cost and time of testing

**Westpac Scandal – Quick Summary**

* **23 million legal breaches** for not reporting money transfers
* Linked to **child exploitation payments**
* Fined **$1.3 billion** – biggest fine in Australian history
* **CEO and top leaders resigned**

**Other Issues**

* Gave loans without proper checks
* Tried to **manipulate interest rates**
* Frequent **app & online banking failures**

**Fixes**

* New leadership team
* Better tech & compliance systems
* Following Royal Commission rules
* Investing in customer trust & security

**Lessons**

* Compliance is critical
* Ethics > Profits
* Strong tech & leadership = must-haves for banks

**Westpac Job Layoffs Summary**

**Recent Layoffs (2025):**

* Over 1,500 jobs to be cut under the "Unite" strategy
* 5% reduction in staff across most teams (approx. 1,700 roles)
* In addition to 900 jobs cut the previous year

**Unite Strategy:**

* Led by new CEO Anthony Miller (appointed Dec 2024)
* Aims to simplify tech systems, modernize infrastructure, reduce costs

**Previous Layoffs (2024):**

* 132 jobs cut in February 2024 (risk, operations, sales)
* Some roles moved offshore (India, Philippines)

**Roles Affected:**

* Mostly head office, support services, middle management
* Risk, operations, and sales divisions hit the hardest
* Customer-facing roles less affected
* Tech roles (especially those in Unite program) less impacted

**Technology Roles Impact:**

* Focus on automation, AI, digital platforms
* Demand for IT specialists rising
* Some roles eliminated, others created