

Media Release

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Westpac re-signs IBM for new five-year IT contract

The Westpac Group today announced it had entered into a new five-year contract with IBM, beginning 1 December 2010, which will deliver substantially improved IT services and capabilities.

Westpac's Group Executive Technology Bob McKinnon said: "I'm proud to say that our relationship with IBM has come a long way over the past couple of years and we've made significant inroads to improve the reliability of our systems.

"In parallel, we've jointly approached commercial negotiations in the right spirit, collectively shaping this new IT services contract which will drive a very different relationship and set us up for the future – aligning our companies to a shared vision, strategy and values.

"Importantly, we have been able to retain IBM's extensive expertise and knowledge of the organisation, while also driving flexibility on key aspects of our partnership. This new relationship will support the significant IT investment programme underway within The Westpac Group to improve our customer touch-points and support our multi-brand model."

Mr McKinnon said the new contract with IBM would deliver a number of benefits to The Westpac Group including:

- Substantially improved IT services and capabilities
- Best of breed technology to support Westpac's customer centric, multi-brand strategy
- Enhanced Service Management, with Westpac taking greater accountability in the design and management of IT services, so that it has the flexibility to use other suppliers or solutions where appropriate
- Risk mitigation at a critical time as Westpac implements its five-year IT transformation programme involving 15 Strategic Investment Priorities (SIPs)
- Rigorous Governance Model supported by a robust vendor management framework
- Clear service requirements and service metrics aligned to Westpac's business requirements
- Granularity, transparency and flexibility in pricing

Peter Campbell, General Manager for IBM Global Technology Services Australia and New Zealand said: "Today's announcement signals IBM's continued commitment to enabling Westpac to become a market leader in technology use. IBM's deep understanding of Westpac's business, coupled with our proven capability in delivering robust and flexible IT infrastructure solutions will enable the bank to maintain its focus on customers, people and productivity."

IBM will hold prime responsibility for the operation of Westpac's key infrastructure services, including services related to The Westpac Group's new data centre, mainframe, midrange, storage, desktop, print and security operations. The contract provides Westpac with extensive flexibility to meet its ongoing business needs.

Initially the contract, including operational and transformation services, involves little change in IT spending for The Westpac Group, allowing for value improvements as the business grows. The flexibility of the contract will assist in delivering improved efficiencies through the implementation of new technologies and the completion of the SIPs programmes.

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For Further Information

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