

17 October 2008

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AB STREET  
AB SAMPLE TOWN  
AB COUNTRY

**St.George Bank Limited**

ABN 92 055 513 070

**Address all correspondence and enquiries to:**

Computershare Investor Services Pty Limited

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Melbourne VIC 3001

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Dear Securityholder

**How the proposed merger between St.George and Westpac affects you**

I am writing to advise you of important information relating to your investment in one or more of the St.George securities: SPS, CPS, CPS II and SAINTS.

On 29 September 2008, St.George released a scheme booklet containing full details of the proposed merger with Westpac Banking Corporation. The St.George Board has unanimously recommended to St.George ordinary shareholders that they vote in favour of the proposed merger, in the absence of a superior proposal.

**SAINTS holders**

If you hold SAINTS, you should have received a copy of the scheme booklet which sets out information relating to a proposal for Westpac to acquire all SAINTS on issue by way of a scheme of arrangement between St.George and SAINTS holders.

As detailed in the scheme booklet, if the proposed merger and the SAINTS scheme are implemented, you will receive, on the scheme implementation date (1 December 2008), the SAINTS scheme consideration being \$100 per SAINTS that you hold on the scheme record date (24 November 2008), and any accrued but unpaid dividend for the period up to but excluding the scheme implementation date. You should read the scheme booklet for full details of the proposal in relation to your SAINTS.

**SPS, CPS and CPS II holders**

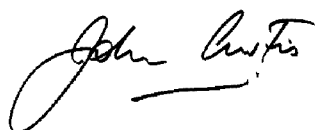
If the proposed merger is approved by St.George ordinary shareholders and the Court, it is intended that St.George will redeem each SPS, CPS and CPS II on issue. If SPS, CPS and CPS II are redeemed, you will receive the face value of \$100 per SPS, CPS or CPS II that you hold on the date of redemption (the exchange date), and any accrued but unpaid dividend for the period up to but excluding the exchange date, in accordance with the relevant terms of issue.

If the St.George ordinary shareholders vote in favour of the proposed merger on 13 November 2008 and Court approval is obtained, it is expected that an exchange date will be determined as soon as practicable thereafter and a notice will be sent to you advising of the exchange date.

Westpac has advised St.George that it is considering various options, including the issue of a new Westpac hybrid instrument in which SPS, CPS, CPS II and SAINTS holders can reinvest the redemption proceeds of their SPS, CPS or CPS II or the scheme proceeds of their SAINTS. If Westpac decides to proceed with a new Westpac hybrid, further details will be sent to you after the proposed merger becomes effective. Any offer by Westpac of a new hybrid instrument will be made under a prospectus issued at the time of the offer.

Further information about the proposed merger and the scheme booklet is available at [www.stgeorgemerge.com.au](http://www.stgeorgemerge.com.au) or you can contact the Shareholder Information Line on 1800 804 457 (within Australia) or +61 3 9415 4024 (outside Australia).

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Curtis". The signature is written in a cursive style with a long horizontal stroke at the end.

John Curtis  
Chairman