



news release

31 October 2008

Independent Expert confirms findings on merger proposal

St.George Bank Limited (**St.George**) welcomed today's confirmation by the Independent Expert, Grant Samuel & Associates Pty Limited, of its findings on the merger proposal (copy attached).

The Independent Expert has reviewed St.George's Full Year Results announcement (made on Wednesday 29 October 2008) and Westpac Banking Corporation's Full Year Results announcement (made on Thursday 30 October 2008) and has confirmed that these results have not affected its conclusion that the merger proposal is in the best interests of St.George shareholders, in the absence of a superior proposal.

In making this confirmation, the Independent Expert has not reviewed any other additional information nor has it updated its report as summarised in the Scheme Booklet released to the market on 29 September 2008 and despatched to shareholders and as set out in full in the Scheme Booklet Supplement.

The St.George Board is pleased that the Independent Expert has confirmed that the merger proposal is in the best interests of St.George shareholders and looks forward to the shareholder vote at the meetings on 13 November 2008.

Ends...

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31 October 2008

The Directors
St.George Bank Limited
4-16 Montgomery Street
Kogarah NSW 2217

Dear Directors

St.George Bank Limited – Confirmation of Opinion

1 Introduction

On 13 May 2008, St. George Bank Limited (“St. George”) and Westpac Banking Corporation (“Westpac”) announced that they had agreed terms on a proposed merger of the two companies (the “Westpac Proposal”). Under the Westpac Proposal, Westpac is offering 1.31 Westpac shares for each share in St. George.

St.George released a Scheme Booklet in relation to the Westpac Proposal on 29 September 2008. The Scheme Booklet contained a summary of an independent expert’s report prepared by Grant Samuel & Associates Pty Limited (“Grant Samuel”) dated 29 September 2008 which concluded that, “in Grant Samuel’s opinion, the Westpac Proposal is in the best interests of St.George shareholders, in the absence of a superior proposal.”

St.George and Westpac released their financial results for the year ended 30 September 2008 on 29 October 2008 and 30 October 2008 respectively.

The Directors of St.George have requested that Grant Samuel & Associates Pty Limited (“Grant Samuel”) review the St.George and Westpac financial results for the year ended 30 September 2008 and, if able to do so, confirm that the results do not change Grant Samuel’s opinion that the Westpac Proposal is in the best interests of St.George shareholders, in the absence of a superior proposal.

The outcome of this review is set out in this letter and will be announced to the Australian Securities Exchange and released on St.George’s website in advance of the Scheme Meeting, which is scheduled to be held on 13 November 2008.

2 Analysis and Limitations

Grant Samuel has reviewed:

- the financial results for St.George for the year ended 30 September 2008; and
- the financial results for Westpac for the year ended 30 September 2008.

This review was based on publicly available data and brief discussions with senior management of St.George. The review was high level and limited to a comparison of the actual financial results for the year ended 30 September 2008 with the expectations of earnings for the same period at the time that Grant Samuel prepared the independent expert’s report (and utilised in the preparation of that report).

All of the statements as to reliance on information, limitations and disclaimers set out in Grant Samuel’s report dated 29 September 2008 apply equally to the opinions set out in this letter.



3 Conclusion

The financial results for St.George and Westpac for the year ended 30 September 2008 are not materially different to the earnings that Grant Samuel used in its analysis of the Westpac Proposal.

Accordingly, based on the review undertaken and subject to the qualifications set out above, Grant Samuel confirms that the financial results of St.George and Westpac do not change its opinion given in its report dated 29 September 2008, that the Westpac Proposal is in the best interests of St.George shareholders, in the absence of a superior proposal.

4 Other Matters

This letter is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual St.George shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by St.George in relation to the Westpac Proposal.

Voting for or against the Westpac Proposal is a matter for individual shareholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Westpac Proposal should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell Westpac shares received under the Westpac Proposal (or, if the Westpac Proposal does not proceed, whether to buy, hold or sell St.George shares). This is an investment decision independent of a decision on whether to vote for or against the Westpac Proposal upon which Grant Samuel does not offer an opinion. Shareholders should consult their own professional adviser in this regard.

The opinion is confirmed as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully

GRANT SAMUEL & ASSOCIATES PTY LIMITED

Grant Samuel & Associates