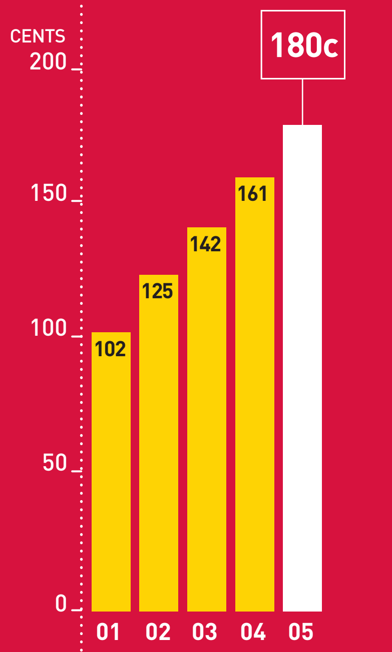
The things that make us different

ST.GEORGE BANK END OF YEAR UPDATE 2005

st.george

... are the quality of our results

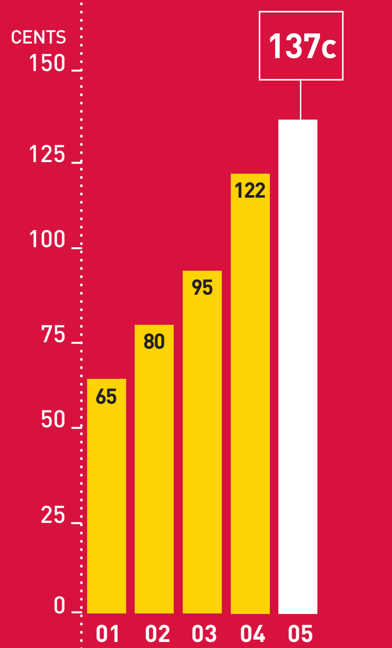
EARNINGS PER SHARE



Year ended 30 September
(Before significant items
and goodwill amortisation)

Our earnings are consistently strong

DIVIDENDS PER SHARE



Year ended 30 September

Our dividends continue to rise – more than doubling since 2001

... and the way we do business.

We are flexible in the way we operate

At St.George, we put our customers first. Each of our branches is managed to suit the needs of our local customers — from opening earlier on pension days, to not closing on Bank Holidays and operating selected branches on Saturdays. We like to do things differently.

Our products keep on getting recognised

A number of our products have been recognised by industry specialists as leading the way for other financial institutions, including being named best Margin Lender of the Year for the third year in a row.

We like to make things quick and simple

Like our "favourite ATM withdrawal" function. Many people perform the same transaction every time they go to the ATM. At St.George, you can program your favourite withdrawal and then withdraw cash by pressing as few as five buttons, including your PIN. Quick and convenient – that's what we like.

More dedicated business relationship managers

To make business banking easier for our customers, we ensure our business relationship managers have more time to service their business customers, by reducing the day-to-day administration activities.

5 YEAR FINANCIAL SUMMARY

		2005	2004	2003	2002	2001
STATEMENT OF FINANCIAL PERFORMANCE						
Interest Income	$M	**4,686**	4,116	3,434	3,064	3,311
Interest Expense	$M	**2,979**	2,504	1,983	1,731	2,076
Net Interest Income	$M	**1,707**	1,612	1,451	1,333	1,235
Other Income	$M	**1,084**	975	910	852	690
Bad and Doubtful Debts Expense	$M	**110**	112	102	87	77
Operating Expenses	$M	**1,384**	1,342	1,278	1,429	1,184
Share of Net Profit/(Loss) of Equity Accounted Associates	$M	**3**	2	(3)	(1)	(3)
Profit before Income Tax	$M	**1,300**	1,135	978	668	661
Income Tax Expense	$M	**414**	372	325	240	255
Profit after Income Tax	$M	**886**	763	653	428	406
Net (Loss)/Profit Attributable to Outside Equity Interests	$M	**(5)**	(4)	(5)	1	1
Net Profit Attributable to Members of the Bank	$M	**891**	767	658	427	405
Preference Dividends	$M	**63**	50	52	58	69
Profit Available to Ordinary Shareholders	$M	**828**	717	606	369	336
Return on Average Assets						
– before goodwill amortisation and significant items	%	**1.32**	1.30	1.31	1.26	1.09
– after goodwill amortisation and significant items	%	**1.18**	1.14	1.13	0.80	0.81
Return on Average Ordinary Equity						
– before goodwill amortisation and significant items	%	**22.62**	21.42	20.30	19.54	16.56
– after goodwill amortisation and significant items	%	**20.07**	18.73	17.23	11.73	11.71
Return on Average Risk Weighted Assets	%	**1.95**	1.92	1.91	1.38	1.42
Operating Expenses as a % of Average Assets[1]	%	**1.68**	1.82	2.00	2.13	2.07
Expense to Income Ratio[1]	%	**45.5**	47.5	49.6	52.4	53.6
(1) Before goodwill amortisation and significant items						
STATEMENT OF FINANCIAL POSITION						
Total Assets	$M	**77,589**	69,960	62,714	55,004	52,056
Liquids and Treasury Securities	$M	**8,026**	7,166	6,523	6,822	5,583
Loans and Other Receivables	$M	**59,687**	54,782	48,904	42,767	39,699
Other Assets	$M	**9,876**	8,012	7,287	5,415	6,774
Total Liabilities	$M	**72,256**	64,931	58,349	51,166	48,430
Deposits and Other Borrowings	$M	**48,149**	46,083	45,291	38,394	35,539
Bonds and Notes and Loan Capital	$M	**15,095**	11,388	6,628	8,305	8,545
Other Liabilities	$M	**9,012**	7,460	6,430	4,467	4,346
Total Shareholders' Equity	$M	**5,333**	5,029	4,365	3,838	3,626
Shareholders' Equity as % of Total Assets	%	**6.87**	7.19	6.96	6.98	6.97
Capital Adequacy						
– Tier 1 Capital	%	**7.3**	7.3	7.2	7.5	8.1
– Tier 2 Capital	%	**3.9**	3.9	3.2	3.4	3.1
– Less: Deductions	%	**(0.1)**	(0.1)	(0.1)	(0.1)	(0.1)
Total	%	**11.1**	11.1	10.3	10.8	11.1
Risk Weighted Assets	$M	**47,864**	42,581	36,903	32,495	29,226
RECEIVABLES						
Residential	$M	**43,067**	39,273	34,991	30,527	28,422
Commercial	$M	**11,931**	11,447	10,202	8,975	8,767
Consumer	$M	**4,719**	4,070	3,610	3,104	2,384
Other	$M	**189**	201	277	313	259
Receivables before General Provision	$M	**59,906**	54,991	49,080	42,919	39,832
General Provision	$M	**219**	209	176	152	133
Net Loans and Other Receivables	$M	**59,687**	54,782	48,904	42,767	39,699
SHARE INFORMATION						
Dividend per Ordinary Share						
– Interim	Cents	**67**	60	45	38	31
– Final	Cents	**70**	62	50	42	34
Total	Cents	**137**	122	95	80	65
Earnings per Ordinary Share						
Basic						
– before goodwill amortisation and significant items	Cents	**180.2**	160.8	142.2	124.7	101.6
– after goodwill amortisation and significant items	Cents	**160.0**	140.6	120.7	74.8	71.9
Diluted						
– before goodwill amortisation and significant items	Cents	**179.8**	160.0	141.7	124.1	101.4
– after goodwill amortisation and significant items	Cents	**160.0**	140.3	120.8	76.0	72.4
Dividend Payout Ratio	%	**85.9**	87.4	79.2	107.6	91.7
Net Tangible Assets per Ordinary Share	$	**6.31**	5.58	4.86	3.68	3.28
OTHER STATISTICS						
Branches		**390**	391	404	406	409
Staff		**7,880**	7,541	7,325	7,342	7,061
Assets per Staff	$M	**9.8**	9.3	8.6	7.5	7.4
Staff per $M Assets		**0.10**	0.11	0.12	0.13	0.14

"In my first year as Chairman, I am very pleased to announce another great year for St.George. I am confident that we will continue to deliver excellent results." JOHN THAME

ST.GEORGE HAS ACHIEVED ANOTHER STRONG RESULT FOR THE FINANCIAL YEAR TO 30 SEPTEMBER 2005. IT IS OUR FIFTH CONSECUTIVE YEAR OF DELIVERING DOUBLE-DIGIT EARNINGS PER SHARE GROWTH.

Net profit after tax, after preference dividends and significant items, was up by a very strong 15.5 per cent to $828 million from $717 million. Earnings per share, before goodwill amortisation and significant items, grew by 12.1 per cent, up from our initial target of 10 per cent.

This year's result was again driven by a continued growth in lending volumes and deposits, underpinned by effective cost management in a highly competitive market. Importantly, the Group's credit quality remains excellent, supported by a well-implemented credit management strategy.

The Directors were pleased to declare a fully-franked final dividend of 70 cents per share. The total dividend for the full year increased by 12.3 per cent to $1.37. This continues the trend of rewarding our shareholders in line with the earnings growth of the Group, with the dividend increasing by over 110 per cent since 2001. The Dividend Reinvestment Plan will operate for the 2005 final dividend.

CAPITAL MANAGEMENT

During the year, the Group undertook various capital management initiatives.

- Completion of three securitisations of residential loan receivables through the *Crusade Securitisation Program* totalling $5.6 billion.
- 5.4 million ordinary shares issued under the Bank's Dividend Reinvestment Plan (DRP) raising $135 million of capital.
- Completion of a €250 million subordinated note issue in March 2005 that qualifies as Tier 2 capital for capital adequacy purposes.

To optimise the level and mix of the Group's capital base to support its growth and to reduce its overall funding costs, St.George intends to exercise its right to convert the $300 million of PRYMES into ordinary shares at the reset date on 21 February 2006 and issue $300 million of a new Tier 1 capital instrument. St.George is still finalising the details associated with the issue of the new Tier 1 capital instrument including form and timing. St.George is also presently considering undertaking a share buy-back in the March 2006 quarter.

TAXATION ISSUES

In 2001, St.George granted Sell Back Rights to effect an off-market buy-back of the Bank's shares. Subsequently, the Australian Taxation Office (ATO) ruled that shareholders who received the rights would be liable for income tax on their market value.

St.George undertook litigation on behalf of shareholders and in April 2004 the Federal Court held that the shareholders should not be taxed on the value of the rights when they were granted. The Full Federal Court in August 2005 upheld the decision. In September 2005, the ATO sought leave to appeal the decision in the High Court of Australia. We will keep shareholders fully informed of developments as they occur.

Separately, the ATO in April 2005 issued amended assessments to the Bank totalling $137 million relating to interest deductions claimed between 1998 and 2003 in respect of the Group's issue of Depositary Capital Securities (DCS).

The Group received advice from independent senior counsel on this matter. The Bank strongly disagrees with the ATO's position and will contest these assessments vigorously. Accordingly, no amounts claimed have been charged to the Bank's Statement of Financial Performance. St.George has discussed and agreed this treatment with its auditors, KPMG. Resolution is likely to take some years and St.George intends to pursue all necessary avenues of objection and appeal.

INTERNATIONAL ACCOUNTING STANDARDS AND BASEL II

The Group is well prepared for the implementation of International Financial Reporting Standards (IFRS) from October 2005.

The new reporting standards will impact reported profits and the statement of financial position. Key changes include ceasing to amortise goodwill, bringing $13.6 billion of securitised loans back on to the Statement of Financial Position and recognising an expense in respect of the Bank's employee share and option plans. Certain hybrid equity instruments will be reclassified from equity to debt. The dividends payable on these instruments will be classified as an interest expense. All derivatives will be carried at fair value, which may result in volatility in the Statement of Financial Performance. Further information on the impact of IFRS on St.George is contained in Note 9 to the Concise Financial Statements.

Enhancement of the Group's risk management framework continues with the implementation of the Basel II advanced approaches for credit and operational risk. The Bank's objective is to implement the advanced approach for credit risk by January 2008 and operational risk by January 2009, subject to the regulator's accreditation.

OUTLOOK

During 2005, there was a continuation of sustained growth in the Australian economy. As expected, the growth in residential lending moderated. Business lending and investment remained strong with interest rates relatively stable. These trends are expected to continue.

Given the continuation of a reasonably robust economic environment, St.George is targeting 10 per cent Earnings per Share (EPS) growth for both 2006 and 2007. These targets have been determined in accordance with existing accounting requirements and do not reflect International Accounting Standards impacts.

BOARD AND THANKS

This year has seen significant changes to the Board, with Mr Frank Conroy leaving after eight years as Chairman. I would like to thank Mr Conroy for his significant contribution.

At the AGM in December 2004, Mr Terry Davis was elected to the Board. Mr Davis is currently CEO and Managing Director of Coca-Cola Amatil, and has previously worked for the Foster's Group in various positions including Managing Director of Beringer Blass Wine Estates.

At the AGM on 16 December 2005, Mr Len Bleasel AM will retire from the Board. Mr Bleasel has been a Director since May 1993 and has served the shareholders conscientiously during this time. His skills and good humour will be missed and the Board wishes him well.

Finally, on behalf of the Directors, I wish to recognise the contribution of Mrs Gail Kelly, her senior management team and all St.George staff for an excellent result. I also extend my thanks to the Bank's shareholders for welcoming me to my role as Chairman this year.

JOHN M THAME
Chairman

"Our on-going focus on providing great customer service through fully engaged people continues to deliver superior shareholder returns – that's what makes us different." GAIL KELLY

IT IS PLEASING TO REPORT ANOTHER EXCELLENT RESULT FOR THE ST.GEORGE GROUP WITH PROFITS INCREASING BY 15.5 PER CENT TO $828 MILLION BEFORE SIGNIFICANT ITEMS.

Since 2001, we have seen our profits more than double from $376 million to this year's $828 million before significant items. At the same time, our dividends have increased by over 110 per cent, from 65 cents to $1.37 per annum which is a very pleasing outcome.

In this financial year, earnings per share (before significant items and goodwill amortisation) increased by 12.1 per cent — a strong result relative to the others in the financial services industry. Our return on equity is a highlight at 22.6 per cent and is well above the average of the four major Australian banks.

As a result of our continued investment, we are well positioned to continue to deliver superior shareholder returns.

KEY HIGHLIGHTS FOR THE YEAR

- Total lending assets — on and off balance sheet — increased by 13.5 per cent to $80 billion.
- Commercial lending (including bill acceptances) increased by 17.4 per cent to $20.4 billion.
- Residential lending (including securitised loans) increased by 13 per cent to $56.3 billion.
- Managed funds increased by 31.5 per cent to $32.6 billion.
- Retail deposits increased by 9 per cent to $39.4 billion.
- Expense to income ratio improved from 47.5 per cent to 45.5 per cent.
- Credit quality remained very positive, with bad and doubtful debts (as a percentage of average assets) improving to 0.15 per cent compared with 0.17 per cent last year.

Underpinning this growth has been the Group's strategic framework, which has been applied consistently since its establishment at the beginning of 2002.

- Deepen and strengthen relationships with customers in our chosen markets.
- Leverage our specialist capabilities for growth.
- Creatively differentiate on service.
- Accelerate and empower relationship selling.
- Build team and performance culture.
- Optimise cost structure.

Importantly, during 2005, we placed a greater focus on our customer service strategy which is founded on a very simple premise:

engaged people + great customer service = superior financial returns

In terms of this strategy, we are working very hard to ensure we bring the right people into the organisation, recruiting for attitude and values alignment, as well as for skill. The warm and friendly culture that characterises St.George remains a strength.

With regard to delivering great customer experience, we are very focused on specific customer segments in the Bank, in particular, our Middle Market business customers, Gold and Private Bank customers, as well as our intermediaries, such as mortgage brokers and independent financial advisers. The objective here is for our customers to not only stay with the Bank and deepen their relationships over time, but also to become advocates of the organisation.

During the 2005 year, we have actively invested in a number of areas in support of our customer service strategy. These include:

- the implementation of a new distribution model aimed at developing a local markets focus
- the implementation of a new customer relationship management system that equips our frontline people with a complete view of our customers' banking relationships with St.George
- significant strengthening of our corporate and business bank through bringing on board 123 new business bankers as part of our *Best Business Bank* program
- continued implementation of our targeted Victorian, Queensland and Western Australian expansion initiatives.

HOME LOANS

Over the year, St.George's performance remained strong, despite a slowing down in the rate of credit growth. The Bank's growth in residential loans (including securitised loans) for the year was a credible 13 per cent.

Product innovation and product mix was again a key focus for us. We continued to target our more profitable products, such as the Bank's "portfolio" loan, which grew by 13.8 per cent for the full year.

Importantly, we actively reduced the level of "discount" loans which are less profitable and have weaker retention prospects. These loans now account for around 1 per cent of total balances.

During the year, we also focused on improving the performance of our branch and lender network. We achieved this through introducing additional coaching and support for our lenders coupled with better aligned incentives and measures.

The Bank's home loan repayment rate continued to improve. It declined from 18.3 per cent in 2004 to 16 per cent in 2005, which is a positive trend and a result of focused effort.

Our credit quality remained excellent, with prudent policies aimed at protecting the Bank and borrowers alike.

RETAIL DEPOSITS

Our retail deposits have performed well in a highly competitive environment. During the year, we adopted a focus to drive deposits through our key branch and internet channels with enhanced product offerings and promotions. In addition, we focused on new markets in wealth and commercial banking, which saw very positive results.

Overall, retail deposits for the year grew by 9 per cent; with very solid growth in the second half of the financial year where deposits grew by 14 per cent, on an annualised basis. This will provide us with strong momentum going into 2006.

MIDDLE MARKET

The Middle Market, which we define as business customers with loans over $1 million, had another very strong year with lending growth increasing by 20 per cent — nearly twice the growth rate of the overall market.

This success has been underpinned by our customer relationship model, the results of which we believe differentiate us from our competitors. Independent research continues to indicate significantly high levels of customer satisfaction amongst St.George customers. This results in stronger customer loyalty, minimal customer churn and a tendency for customers to broaden their relationship with us.

During 2005 we saw further positive movement in our market share which grew from 6.3 per cent to 7.1 per cent from September 2004 to August 2005.

To further drive this growth, we have implemented our *Best Business Bank* program. Its aim is to increase customer numbers and maintain high customer and employee engagement while pursuing at least twice system growth.

WEALTH MANAGEMENT

Our Wealth Management division continues to grow strongly, with profits before tax up by 20 per cent for the year. The division now contributes 11 per cent of the Group's total profits. SEALCORP, which provides an investment administration platform for financial advisers throughout Australia, increased its funds under administration by 28 per cent over the year to $23.4 billion. The Group's funds manager, Advance Asset Management, grew funds under management by 55 per cent. The large rise in funds under management was aided by the mandate to manage a $1.4 billion component of Asgard's funds.

GROWTH AREAS — QUEENSLAND, VICTORIA AND WESTERN AUSTRALIA

As part of our on-going organic growth strategy, the Group continued to expand in Victoria, Queensland and Western Australia, areas in which we traditionally have not had a large presence. These States provide strong growth opportunities for us as a Group.

During the 2005 year we have seen very positive business volume growth. Total lending receivables for these three States increased by 22.7 per cent to $17.9 billion — well above system growth. We continue to invest through hiring customer-facing personnel and selective branch openings.

PEOPLE

Key to the Group's success is investing in our people. Our people are fundamental to our differentiation. Our focus is to create a compelling place to work where our people actively seek to provide customers with a superior service experience.

We have refined our recruitment processes, focusing on attitude as well as skills and aptitude.

We have also increased induction training for all new customer service staff from two weeks to four weeks. In addition, we continue to develop our staff through courses including sales and service leadership programs, customer service accreditation and senior-level management training. We were delighted to be recognised in the Australian 2004 Human Resources Awards as having the "Best Human Resources Team".

OUTLOOK

As a result of significant investment in the Group over the past few years, we have strong momentum going into 2006 and expect to continue our pattern of high single-digit percentage revenue growth and low single-digit percentage cost growth.

Given these factors and on the assumption of a continuation of a reasonably robust economic environment, we are targeting 10 per cent Earnings per Share growth for 2006 and 2007 respectively. These targets are based on existing accounting standards (AGAAP) and will be restated for International Accounting Standards that come into place during 2006.

I'd like to take this opportunity to thank you very much for your continued support. We look forward to the year ahead.

Gail Kelly

GAIL KELLY
Managing Director

ABN

ST.GEORGE BANK LIMITED
ABN 92 055 513 070 AFSL 240997

KEY DATES

Annual General Meeting (Sydney)
16 December 2005

Shareholder Information Meeting (Melbourne)
30 May 2006*

ANNOUNCEMENT OF RESULTS AND ORDINARY DIVIDEND

- Interim (half-year ended 31 March 2006) 2 May 2006*
- Final (year ended 30 September 2006) 30 October 2006*

ORDINARY SHARES

Final Dividend (2005) paid 14 December 2005

- Ex-dividend trading 28 November 2005
- Record date 2 December 2005

Interim Dividend (2006) paid 4 July 2006*

- Ex-dividend trading 14 June 2006*
- Record date 20 June 2006*

PRYMES

Payment date 20 February 2006*

- Ex-dividend trading 31 January 2006*
- Record date 6 February 2006*

Payment date 21 August 2006*

- Ex-dividend trading 31 July 2006*
- Record date 4 August 2006*

SAINTS

Payment date 20 February 2006*

- Ex-dividend trading 31 January 2006*
- Record date 6 February 2006*

Payment date 22 May 2006*

- Ex-dividend trading 2 May 2006*
- Record date 8 May 2006*

Payment date 21 August 2006*

- Ex-dividend trading 31 July 2006*
- Record date 4 August 2006*

Payment date 20 November 2006*

- Ex-dividend trading 31 October 2006*
- Record date 6 November 2006*

* proposed dates only

CONTACT DETAILS

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Facsimile (02) 9952 1000

Secretary: M H S Bowan

ST.GEORGE SHARE REGISTRY

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Postal Address: GPO Box 4519
Melbourne VIC 3001, Australia
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International (613) 9415 4000
Facsimile (613) 9473 2500

BANKSA

97 King William Street
Adelaide SA 5000
Customer Service 131 376

ADVANCE ASSET MANAGEMENT

Level 10, 182 George Street
Sydney NSW 2000
Customer Service 1800 819 935

SEALCORP HOLDINGS LTD

Level 12, 400 George Street
Sydney NSW 2000
Telephone (02) 9947 1255
Facsimile (02) 9511 2366

DEUTSCHE BANK

(American Depository Receipts)
Depository Receipts Department
60 Wall Street
New York, NY 10005, USA
Telephone (1 212) 602 3761

CUSTOMER SERVICES

St.George Customer Service Centre	133 330
New Account Enquiries/Insurance	133 555
dragondirect	1300 301 020
Private Bank	(02) 9236 1882
Business Banking	133 800
Investment Advice	1300 367 240
St.George Margin Lending	1300 304 065
Auto/Commercial Finance	1300 301 315
Group Treasury and Capital Markets	(02) 9320 5555
Advance Funds Management	1800 819 935
ASGARD Master Trust	1800 998 185
Customer Relations	1800 804 728

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AUDITORS

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CREDIT RATINGS

	Short Term	Long Term
Standard and Poor's	A-1	A
Moody's Investors Service	P-1	A2
Fitch Ratings	F1	A+

FULL FINANCIAL REPORT (2005)

St.George's Full Financial Report is available on the St.George Bank website at www.stgeorge.com.au. Shareholders wishing to be mailed a copy of the St.George Full Financial Report should contact the St.George share registry, Computershare Investor Services, on 1800 804 457.

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