



**To: Companies Announcements
Australian Stock Exchange Limited**

Company Name:	ST.GEORGE BANK LIMITED
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Pages (Includes this page):	8
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Subject:	Announcement of proposed St.George and Westpac merger
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I attach the agenda for a conference call to investors by the St.George Bank Chairman, Mr John Curtis, at 12.00 noon today.

Yours sincerely

Michael Bowan
General Counsel and Secretary



Announcement of proposed St.George and Westpac merger

Agenda

- Introduction John Curtis
Chairman

- Summary of proposal Paul Fegan
Managing Director and CEO

- Q&A



Introduction

John Curtis Chairman



Introduction

- St.George Board has indicated their intention to recommend the Westpac merger proposal, subject to no superior proposal emerging and confirmation by an Independent Expert that the merger is in the best interests of St.George shareholders
- Merger creates Australia's leading financial services company
- Commitment to preserving St.George's operating model to maximise the value of the merged group
 - Preserve existing distribution and customer relationships
 - St.George brands retained and strengthened
 - Maintaining St.George's customer focus and delivery standards
- A strong entity with a solid capital position and broad based funding base
- St.George Board undertaking process to put proposal to St.George shareholders

St.George Board and management recommend merger proposal



Key considerations for the Board's recommendation

- In an all-scrip deal, as opposed to a pure cash deal, our Board felt strongly that it had to take into account a number of important factors, including
 - Price
 - How the two prospective partners will be able to fit together and the operating model that will apply to the combined entity
 - What additional value you can create for your shareholders in the new entity
- There is no agreed formula for weighting each of these elements, but in an all-scrip deal where an overwhelming majority of our shareholders will have shares in the merged entity, the second of these items has obviously a much higher relevance than in an all-cash deal



Summary of the proposal

Paul Fegan Managing Director and CEO



Summary of the proposal

- Proposal to merge St.George and Westpac via a St.George scheme of arrangement
- Proposal involves a number of critical elements
 - St.George shareholders to receive 1.31 Westpac shares for each St.George ordinary share
 - Operating model that would apply and a comprehensive recognition of the absolute need to maintain the unique St.George brand and culture
 - Recognition that a merger would be a partnership, with St.George providing great value to the combined group
- Values St.George's ordinary shares at \$18.6 billion or \$33.10 per ordinary share (excluding the declared interim dividend)



Summary of the proposal

- St.George shareholders retain entitlement to declared interim dividend of \$0.88 per share and to a St.George final dividend consistent with what St.George would otherwise expect to pay
- Subject to key conditions
 - Regulatory approvals (including Federal Treasurer, APRA and ACCC)
 - Satisfactory completion of due diligence and documentation
 - St.George shareholder approval
- Expect to obtain capital gains tax roll-over relief for St.George ordinary shareholders

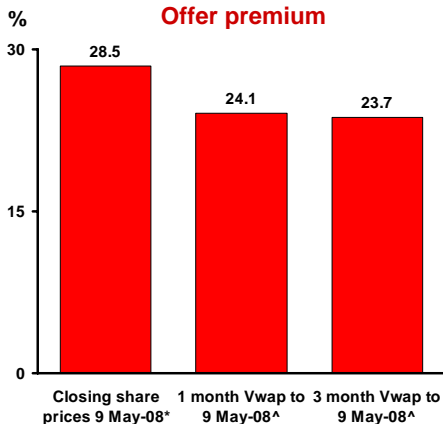
Proposed operating model

- Merger preserves St.George's culture and strong community focus
 - No net reduction in branch or ATM numbers
 - Corporate presence to be retained in Kogarah
- Combined 10 million customers benefit from enhanced product range, expanded distribution and financial strength and preservation of existing relationships with each bank
- Creates premier financial institution in Australia with leading market positions across key business lines
 - Leading provider of home lending
 - Largest wealth platform provider with funds under administration of \$108 billion
 - Australia's largest bank by market capitalisation

The proposed operating model supports and builds on St.George's strengths



Attractive premium for St.George shareholders



The merger proposal offers an attractive premium

*Based on the last closing price of Westpac ordinary shares as at 9 May 2008, adjusted to remove the value of Westpac's 2008 interim dividend of \$0.70 per ordinary share (which Westpac shareholders separately retain). Excluding the value of St.George's 2008 interim dividend of \$0.88 per ordinary share (which St.George shareholders separately retain). ^Based on trading data for both the Westpac and St.George shares for the specified periods up to and including the last trade on 9 May 2008. Prices are adjusted to remove the aforementioned interim dividends. Source: IRESS



Next steps

- 13 May 2008
 - Executed Merger Process Agreement
- Next 2 weeks
 - Finalise Merger Implementation Agreement
 - Complete reciprocal due diligence
- Seek regulatory approvals
- Usual scheme of arrangement timetable including shareholder meeting



Questions





The material in this presentation is general background information about the Bank's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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