St.George Bank

UBS Financial Services Conference
June 2008

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Managing Director & CEO

State of play – key challenges/opportunities

Review of core businesses

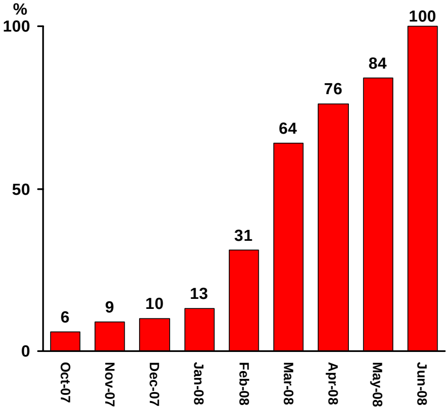
Outlook and management targets

State of play – key challenges/opportunities

- Funding
- Credit quality
- Capital
- Margins
- Investment markets
- Maintaining customer relationships in a challenging environment
- 2H08 earnings drivers

Term funding 100%+ complete for FY08 and already commenced FY09

% term funding issuance complete

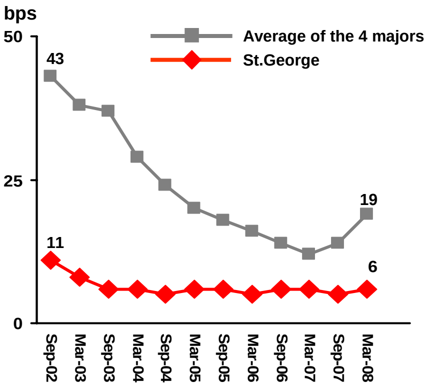


- $8bn FY08 term funding requirement
- $9.2bn committed term funding issued since 1 Oct-07
- Average weighted maturity of committed funding is over two years
- 13% of committed term funding is maturing in next 6 months
- Japanese Samurai and US Rule 144A markets to be established by end Jul-08

10% of estimated $11-12bn FY09 term funding requirement now complete

Credit quality remains excellent, Balance Sheet is conservative

Net impaired assets/net receivables*



- Consumer credit quality and arrears performance remains strong
- Net non accrual loans $70m in Mar-08
- Bad and doubtful debts stable at 0.22% of average total receivables
- Overall credit quality in business banking remains strong, with individual entities closely monitored
- Overall business mix risk remains low

Sentiment slowing; management remains vigilant given volatile environment

*Sep-05 onwards includes securitisation and bill acceptances

Strong capital positioning

Positioning as at 31 May-08

- $360m of excess capital held, sufficient to support $8bn of RWA growth*
- Tier 1 capital 6.75%, minimum 6.25%

Factors impacting 2009 capital requirements

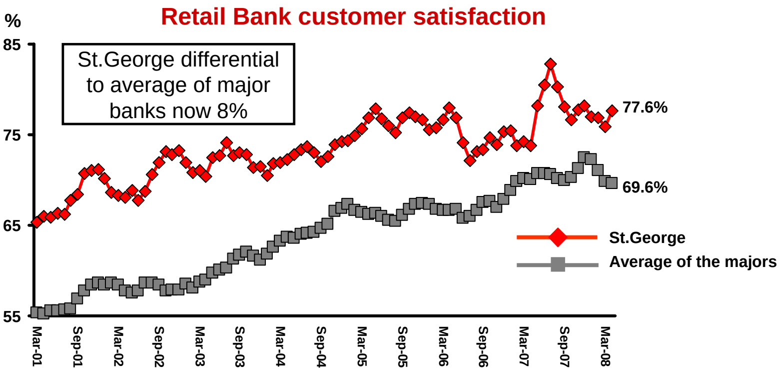
- Basel II accreditation^
- Growth in risk weighted assets
- State of securitisation markets
- Dividend Reinvestment Plans participation rates

*Including internally generated capital over the period.
^Subject to APRA timing and approval

SGIA investment portfolio

- 65% of equity exposure to investment markets hedged during May and June 2008
- Hedges reduces the effective equity exposure within the SGIA investment portfolio to less than 15%, down from 33% as at 31 Mar-08 and 48% as at 30 Sep-07
- SGIA is continuing to reduce its underlying exposure to equities held
- As at 31 May-08 SGIA investment portfolio held $391m total assets
- Underwriting is strong and losses while up, are still modest

Strengthening our differentiated customer experience



Extending service leadership in a challenging environment

Source: Roy Morgan Research Apr-08 rolling 3-mth average respondents (aged14+) with transaction accounts at institution

Factors driving expected 2H08 earnings

	On track
• Full period run rate impact of:	
- product repricing	✓
- Nov-07 capital placement free funds benefit	✓
- costs disciplines initiated in 1H08	✓
• Anticipated stabilisation of earnings from SGIA investment portfolio	✓
• Individual provisioning charge in 2H08 versus 1H08	✓
• Reduced costs related to realignment of mortgage broker commissions	✓

On track for 8-10% EPS growth in FY08*

*Targets exclude impact of hedging and derivatives and assumes a reasonably sound economic environment and no further one-off material credit losses.

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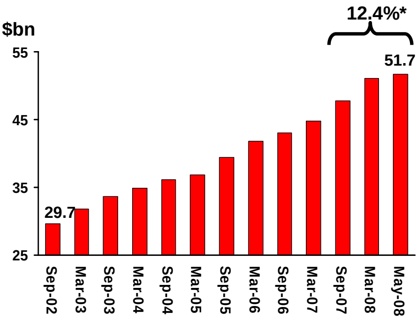
Deposits – strong growth maintained

Retail deposit balances

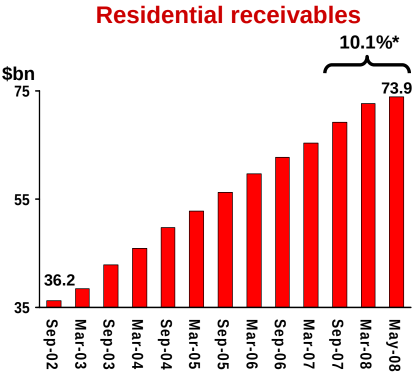


- 12% annualised growth Sep-07 to May-08
- Balance growth benefiting from flight to quality and focus on core offerings
- Margins remain strong

Retail deposit growth broadly matching growth in retail lending

*Annualised percentage Sep-07 to May-08

Home Loans – solid growth



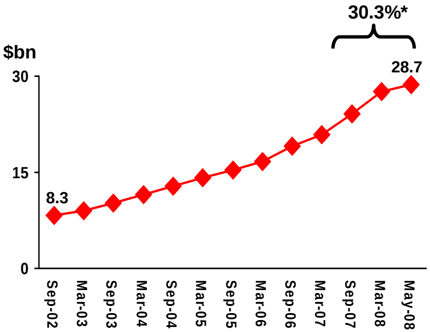
- 10% annualised growth Sep-07 to May-08
- Run-off rate^ stable at 16%
- Houses in possession 79, down from 87 in Apr-07
- <1bps loan loss rate

Credit quality and arrears performance remains excellent

*Annualised percentage Sep-07 to May-08.
^Annualised run-off rate includes contractual repayments, discharges and pre-payments

Middle Market – outstanding performance

Total middle market receivables

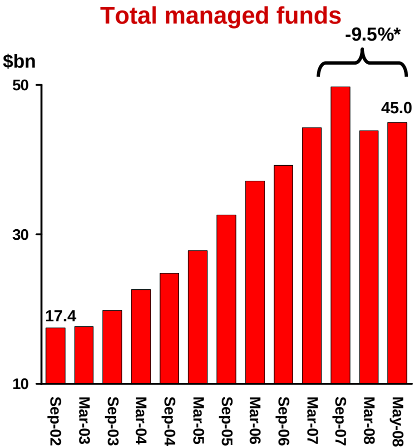


- 30% annualised growth Sep-07 to May-08
- 24% annualised growth Mar-08 to May-08
- c.95% of portfolio is secured
- >80% secured by property
- Impaired assets/total middle market receivables 0.21% in Mar-08

c.70% of total portfolio balances <$50m, average loan size c.$6m

*Annualised percentage Sep-07 to May-08

Wealth Management



- Total managed funds down 9.5% since Sep-07, up 2.5% since Mar-08
- 10.1%** increase in financial adviser numbers
- Asgard top 4 in industry for net flows^

Solid performance notwithstanding volatile markets

*Percentage Sep-07 to May-08, excludes Securitor balances. **Percentage Mar-07 to Mar-08.
^Plan for Life Mar-07 to Mar-08 Quarterly Data System

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St.George FY08 outlook

- Retail deposits growth to remain robust and broadly match growth in retail lending
- Home loan growth to remain solid at around current levels
- Pressure on industry for more rises above RBA cash rate
- Consumer lending to exceed system growth, driven by strong growth in credit cards sold to existing customers
- Middle Market targeting receivables growth >25% for FY08, supported by a strong pipeline
- Wealth management net flows to exceed system growth, though absolute growth will reflect investment markets performance
- Proposed merger having minimal impact on core businesses

Solid momentum maintained across core businesses and product lines with focus on ROEC

FY08 guidance

		On track
EPS growth FY08	**8-10%***	✓
Cost to income	Manage to low end of peer group	✓
Capital	Maintain a prudent buffer above our Tier 1 minimum of 6.25%^	✓
Credit quality	Maintain positive differential to majors	✓
Customer satisfaction	Maintain positive differential to majors**	✓

^Additional APRA review scheduled as part of Basel II transition. *Targets exclude impact of hedging and derivatives and assumes a reasonably sound economic environment and no further one-off material credit losses.

**Roy Morgan Research Apr-08 rolling 3 mth average respondents (aged 14+) with transaction accounts at institution

In conclusion

- Strong positioning from capital and funding perspectives
- Excellent credit quality and complete transparency in relation to our credit positioning
- Earnings volatility in relation to investment markets reduced
- Solid growth across all businesses and core product lines continues
- 1H08 initiatives driving expected 2H08 earnings in accordance with management expectations
- Strong management team in place
- Solely domestically focused, growth orientated franchise

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