

Appendix 4B

Preliminary final report

Introduced 30/6/2002.

Name of entity

ST. GEORGE BANK LIMITED

ABN or equivalent company reference

92 055 513 070

Half yearly (tick)

Preliminary final (tick)

Half year/financial year ended ('current period')

30 September 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'm

Revenues from ordinary activities (<i>item 1.1</i>)	down	2.1%	to	3,916
Profit from ordinary activities after tax attributable to members (<i>item 1.22</i>)	Up	5.4%	to	427
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of	-		-
Net profit for the period attributable to members (<i>item 1.11</i>)	up	5.4%	to	427
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)		42¢		42¢
Interim dividend (<i>Half yearly report only - item 15.6</i>)		38¢		38¢
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)		34¢		34¢
		31¢		31¢
†Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		ORDINARY 29 November 2002 PRYMES 6 February 2003		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period - \$A'm	Previous corresponding period - \$A'm
1.1	Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	3,916	4,001
1.2	Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>) includes amortisation of goodwill	(1,516)	(1,261)
1.3	Borrowing costs – interest expense	(1,731)	(2,076)
1.4	Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	(1)	(3)
1.5	Profit (loss) from ordinary activities before tax	668	661
1.6	Income tax on ordinary activities (<i>see note 4</i>)	240	255
1.7	Profit (loss) from ordinary activities after tax	428	406
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net profit (loss)	428	406
1.10	Net profit (loss) attributable to outside ⁺ equity interests	1	1
1.11	Net profit (loss) for the period attributable to members	427	405
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	17	3
1.13	Net exchange differences recognised in equity	-	-
1.14	Other revenue, expense and initial adjustments recognised directly in equity (transfer to claim equalisation reserve)	3	3
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	20	6
1.17	Total changes in equity not resulting from transactions with owners as owners	447	411

+ See chapter 19 for defined terms.

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS		
- Ordinary	74.8¢	71.9¢
- PRYMES	\$6.36	\$6.36
1.19 Diluted EPS		
- Ordinary	76.0¢	72.4¢
- PRYMES	\$6.36	\$6.36

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'm	Previous corresponding period - \$A'm
1.20 Profit (loss) from ordinary activities after tax <i>(item 1.7)</i>	428	406
1.21 Less (plus) outside ⁺ equity interests	1	1
1.22 Profit (loss) from ordinary activities after tax, attributable to members	427	405

Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'm	Previous corresponding period - \$A'm
1.23 Revenue from sales or services		
1.24 Interest revenue		
1.25 Other relevant revenue		
1.26 Details of relevant expenses		
1.27 Depreciation and amortisation excluding amortisation of intangibles <i>(see item 2.3)</i>		
Capitalised outlays		
1.28 Interest costs capitalised in asset values		
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)		

[REFER ATTACHMENT A]

+ See chapter 19 for defined terms.

Consolidated retained profits

	Current period - \$A'm	Previous corresponding period - \$A'm
1.30 Retained profits (accumulated losses) at the beginning of the financial period	102	77
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	427	405
1.32 Net transfers from (to) reserves (<i>details if material</i>)	(3)	(3)
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(455)	(377)
1.35 Retained profits (accumulated losses) at end of financial period	71	102

Intangible and extraordinary items

<i>Consolidated – current period</i>				
	Before tax \$A'm	Related tax \$A'm	Related outside +equity interests \$A'm (c)	Amount (after tax) attributable to members \$A'm (d)
	(a)	(b)		
2.1 Amortisation of goodwill	110	-	-	110
- goodwill write-off	72	-	-	72
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles and write-off	182	-	-	182
2.4 Extraordinary items	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year - \$A'm	Previous year - \$A'm
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	187	211
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	240	194

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position

	At end of current period \$A'm	As shown in last annual report \$A'm	As in last half yearly report \$A'm
Current assets			
4.1	Cash		
4.2	Receivables		
4.3	Investments		
4.4	Inventories		
4.5	Tax assets		
4.6	Other (provide details if material)		
4.7	Total current assets		
Non-current assets			
4.8	Receivables		
4.9	Investments (equity accounted)		
4.10	Other investments		
4.11	Inventories		
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)		
4.13	Development properties (+mining entities)		
4.14	Other property, plant and equipment (net)		
4.15	Intangibles (net)		
4.16	Tax assets		
4.17	Other (provide details if material)		
4.18	Total non-current assets		
4.19	Total assets		
Current liabilities			
4.20	Payables		
4.21	Interest bearing liabilities		
4.22	Tax liabilities		
4.23	Provisions exc. tax liabilities		
4.24	Other (provide details if material)		
4.25	Total current liabilities		
Non-current liabilities			
4.26	Payables		
4.27	Interest bearing liabilities		
4.28	Tax liabilities		
4.29	Provisions exc. tax liabilities		
4.30	Other (provide details if material)		
4.31	Total non-current liabilities		

[REFER ATTACHMENT B]

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

4.32 Total liabilities			
4.33 Net assets			
Equity	[REFER ATTACHMENT B]		
4.34 Capital/contributed equity			
4.35 Reserves			
4.36 Retained profits (accumulated losses)			
4.37 Equity attributable to members of the parent entity			
4.38 Outside ⁺ equity interests in controlled entities			
4.39 Total equity			
	At end of current period \$A'm	As shown in last annual report \$A'm	As in last half yearly report \$A'm
4.40 Preference capital included as part of 4.37 - PRYMES	291	291	291

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'm	Previous corresponding period - \$A'm
5.1 Opening balance		
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period	N/A	N/A
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)		

+ See chapter 19 for defined terms.

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'm	Previous corresponding period - \$A'm
6.1 Opening balance		
6.2 Expenditure incurred during current period	N/A	N/A
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)		

Condensed consolidated statement of cash flows

	Current period \$A'm	Previous corresponding period - \$A'm
Cash flows related to operating activities		
7.1 Receipts from customers		
7.2 Payments to suppliers and employees		
7.3 Dividends received from associates		
7.4 Other dividends received		
7.5 Interest and other items of similar nature received		
7.6 Interest and other costs of finance paid		
7.7 Income taxes paid		
7.8 Other (provide details if material)		
7.9 Net operating cash flows		
Cash flows related to investing activities		
7.10 Payment for purchases of property, plant and equipment		
7.11 Proceeds from sale of property, plant and equipment		
7.12 Payment for purchases of equity investments		
7.13 Proceeds from sale of equity investments		
7.14 Loans to other entities		
7.15 Loans repaid by other entities		
7.16 Other (provide details if material)		
7.17 Net investing cash flows		
Cash flows related to financing activities		

[REFER ATTACHMENT C]

+ See chapter 19 for defined terms.

7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	[REFER ATTACHMENT C]
7.19	Proceeds from borrowings	
7.20	Repayment of borrowings	
7.21	Dividends paid	
7.22	Other (provide details if material)	
7.23	Net financing cash flows	
7.24	Net increase (decrease) in cash held	
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	
7.26	Exchange rate adjustments to item 7.25.	
7.27	Cash at end of period <i>(see Reconciliation of cash)</i>	

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

NO CURRENT YEAR ACTIVITIES

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'm	Previous corresponding period - \$A'm
8.1 Cash on hand and at bank	[REFER ATTACHMENT C]	
8.2 Deposits at call		
8.3 Bank overdraft		
8.4 Other (provide details)		
8.5 Total cash at end of period (item 7.27)		

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	17.1%	16.5%
9.2 Profit after tax / ⁺equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	12.2%	12.3%

+ See chapter 19 for defined terms.

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

Refer Items 1.18 & 1.19	30/9/2002	30/9/2001
Components of basic earnings per share calculations:		
Weighted average number of basic ordinary shares	493,047,917	467,389,915
Weighted number of basic PRYMES	3,000,000	1,816,438
Earnings used in calculating basic earnings per ordinary share	\$369 million	\$336 million
Earnings used in calculating basic earnings - PRYMES	\$19 million	\$12 million
Components of diluted EPS calculations:		
Weighted average number of diluted ordinary shares	510,723,503	480,286,599
Earnings used in calculating diluted earnings per ordinary share	\$388 million	\$348 million

NTA backing

(see note 7)

- 11.1 Net tangible asset backing per ⁺ordinary security

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	\$3.68	\$3.28

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: *Interim Financial Reporting*, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: *Discontinuing Operations* (see note 17).)

- 12.1 Discontinuing Operations

There were no discontinuing operations during the year
--

+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	WealthPoint Limited
13.2 Consolidated loss from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$23m
13.3 Date from which such profit has been calculated	5 November 2001
13.4 Loss from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$31m (1)

Note (1): Per 30 June 2001 WealthPoint Group Financial Report

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	ORDINARY 13 December 2002 PRYMES 20 February 2003
15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHES approved)	ORDINARY 29 November 2002 PRYMES 6 February 2003
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	YES

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	42¢	42¢ at 30%	N/A
15.5	Previous year	34¢	34¢ at 30%	N/A
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	38¢	38¢ at 30%	N/A
15.7	Previous year	31¢	31¢ at 34%	N/A

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	80¢	65¢
15.9 Preference +securities		
- PRYMES	\$6.36	\$6.36
- CPS	-	112.3¢

**Half yearly report - interim dividend (distribution) on all securities or
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'm	Previous corresponding period - \$A'm
15.10 Ordinary securities	209	165
15.11 Preference securities		
- PRYMES	10	9
- CPS	-	-
15.12 Other equity instruments		
- Series A non-cumulative capital securities	19	21
15.13 Total	238	195

The +dividend or distribution plans shown below are in operation.

[REFER ACCOMPANYING ANNOUNCEMENT]

The last date(s) for receipt of election notices for the +dividend or distribution plans

ORDINARY: 29 November 2002
PRYMES: 6 February 2003

+ See chapter 19 for defined terms.

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

[REFER ACCOMPANYING ANNOUNCEMENT]

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'm	Previous corresponding period - \$A'm
16.1 Profit (loss) from ordinary activities before tax	(1)	(3)
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	(1)	(3)
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	(1)	(3)
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	(1)	(3)

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition (“from dd/mm/yy”) or disposal (“to dd/mm/yy”).)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'm	Previous corresponding period - \$A'm
17.1 Equity accounted associates and joint venture entities				
Cash Card Australia Limited	N/A	49.0%	-	1
St.George Development Capital No.2 Pty Limited	28.7%	31.2%	(1)	(1)
WealthPoint Limited	[Note (1)]	8.8%	-	(3)
Others	Not material	Not material	-	-
17.2 Total			(1)	(3)
17.3 Other material interests				
NIL	-	-	-	-
17.4 Total	-	-	(1)	(3)

Note (1): The Economic Entity obtained control of WealthPoint Limited on 5 November 2001. The results of WealthPoint Limited have been consolidated into the economic entity's financial statements.

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of ⁺ securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference ⁺securities				
Series A non-cumulative capital securities	10,000,000	NIL	USD 25.00	USD 25.00
Borrowers' shares	8,028	NIL	\$1.00	NIL
Depositors' shares	330,233	NIL	\$1.00	NIL
PRYMES	3,000,000	3,000,000	\$100.00	\$100.00
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 ⁺Ordinary securities	498,097,921	498,097,921	\$1.00	\$1.00
18.4 Changes during current period				
(a) Increases through issues				
Dividend reinvestment plan				
- Final dividend 2000/2001	3,334,926	3,334,926	\$16.28	\$16.28
- Final dividend 2000/2001 - underwriting	4,964,412	4,964,412	\$16.28	\$16.28
- Interim dividend 2001/2002	3,598,233	3,598,233	\$19.22	\$19.22
- Executive option plan	1,768,333	1,768,333	\$10.21	\$10.21
- Employee reward share plan	340,312	340,312	-	-
- Employee performance share plan	263,473	263,473	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 ⁺Convertible debt securities (description and conversion factor)	N/A	N/A		
18.6 Changes during current period				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
18.7 Options (description and conversion factor)	[REFER ATTACHMENT D]		<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period				
18.9 Exercised during current period				
18.10 Expired during current period				

+ See chapter 19 for defined terms.

18.11 Debentures <i>(description)</i>		
18.12 Changes during current period		
(a) Increases through issues	-	-
(b) Decreases through securities matured, converted	-	-
18.13 Unsecured notes <i>(description)</i>	392,099 fixed rates notes due 2003 (AUD \$39m)	392,099 fixed rates notes due 2003 (AUD \$39m)
18.14 Changes during current period		
(a) Increases through issues	-	-
(b) Decreases through securities matured, converted	-	-

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

REFER ACCOMPANYING ANNOUNCEMENT

19.2 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

N/A

19.3 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

⁺ See chapter 19 for defined terms.

REFER ACCOMPANYING ANNOUNCEMENT

19.4 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows

N/A

19.5 Changes in contingent liabilities or assets.

N/A

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

N/A

+ See chapter 19 for defined terms.

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Tumbalong Auditorium (Level 2), Sydney Convention and Exhibition Centre (South) Darling Harbour, Sydney
--

Date

13 December 2002

Time

10.00am

Approximate date the +annual report will be available

19 November 2002

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

NONE

- 2 This report, and the +accounts upon which the report is based, use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on +accounts to which one of the following applies.

(Tick one)



The +accounts have been audited.

The +accounts have been subject to review.



The +accounts are in the process of being audited or subject to review.

The +accounts have *not* yet been audited or reviewed.

- 5 Independent Review Report by External Auditors, refer to attachment F.

- 6 The entity has a formally constituted audit committee.



Sign here: Date:6/11/2002.....
(Company Secretary)

Print name:Michael Bowan.....

+ See chapter 19 for defined terms.

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section.
2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
 - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the

⁺ See chapter 19 for defined terms.

presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'm headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'm headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

⁺ See chapter 19 for defined terms.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16 Dollars If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

17. Discontinuing operations

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. Format

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

ST.GEORGE BANK LIMITED ABN 92 055 513 070

ATTACHMENT FOR ASX APPENDIX 4B

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Items 1.23 – 1.27

Details of revenue and expenses from ordinary activities as per explanatory notes, Items 1.23 – 1.27

Refer Attachment A, pages 2 & 3.

ST.GEORGE BANK LIMITED AND ITS CONTROLLED ENTITIES
REVENUE FROM ORDINARY ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Items 1.23 – 1.25	30 Sept 2002	30 Sept 2001
	\$M	\$M
Revenue from Ordinary Activities		
Interest Income	3,064	3,311
Other Income		
Dividends	2	2
Factoring and invoice discounting income	20	14
Financial markets income	45	31
Profit on sale of investment securities	-	6
Managed funds fees	178	152
Profit on sale of shares	22	2
Profit on sale of land and buildings	1	5
Product fees and commissions		
Lending	81	77
Deposit and other accounts	354	310
Rental income	14	13
Securitisation service fees	73	44
Write-back of excess provisions	-	8
Bill acceptance fees	32	18
Brokerage and commission	10	-
Other	20	8
	852	690
Total revenues from ordinary activities	3,916	4,001

**ST. GEORGE BANK LIMITED AND ITS CONTROLLED ENTITIES
EXPENSES FROM ORDINARY ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

Items 1.26 and 1.27	30 Sept 2002 \$M	30 Sept 2001 \$M
Expenses from Ordinary Activities		
Bad and doubtful debts	87	77
Staff expenses		
Salaries and wages	443	397
Contractors' fees	12	17
Superannuation contributions	35	31
Payroll tax	29	26
Fringe benefits tax	10	8
Restructuring	28	-
Other	29	28
Total staff expenses	586	507
Computer and equipment costs		
Depreciation	37	34
Deferred expenditure		
- amortisation	66	46
- write-off	60	-
Rentals on operating leases	17	17
Other	70	67
Total computer and equipment costs	250	164
Occupancy costs		
Depreciation	32	31
Rent	54	48
Restructuring	2	-
Other	40	37
Total occupancy costs	128	116
Administration and other expenses		
Fees and commissions	27	26
Advertising and public relations	53	49
Telephone	14	17
Printing and stationery	35	26
Postage	17	14
Write-down of investment in WealthPoint Limited	-	22
Write-down of investment in SMS Management and Technology Limited	-	6
Write-down of other investments	22	30
Other administration expenses	115	108
Total administration and other expenses	283	298
Total expenses from ordinary activities before goodwill amortisation	1,334	1,162
Goodwill amortisation and write-off		
Goodwill amortisation	110	99
Goodwill write-off	72	-
Total goodwill amortisation and write-off	182	99
Total expenses from ordinary activities	1,516	1,261

ST.GEORGE BANK LIMITED ABN 92 055 513 070

ATTACHMENT FOR ASX APPENDIX 4B

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Items 4.1 to 4.39

Statement of Financial Position as at 30 September 2002.

Refer Attachment B, page 2.

**ST. GEORGE BANK LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2002**

	Consolidated		
	30 Sept 2002 \$M	30 Sept 2001 \$M	31 March 2002 \$M
ASSETS			
Cash and liquid assets	414	1,093	462
Due from other financial institutions	239	458	248
Trading securities	5,778	3,569	4,766
Investment securities	391	463	677
Loans and other receivables	42,767	39,699	40,811
Bank acceptances of customers	1,662	1,170	1,455
Investment in associated companies	10	123	13
Other investments	108	93	111
Property, plant and equipment	546	534	527
Goodwill	1,377	1,409	1,431
Other assets	1,712	3,445	2,076
TOTAL ASSETS	55,004	52,056	52,577
LIABILITIES			
Deposits and other borrowings	38,394	35,539	37,077
Due to other financial institutions	912	790	787
Bank acceptances	1,662	1,170	1,455
Provision for dividends	221	179	200
Income tax liability	272	265	265
Other provisions	115	91	92
Bonds and notes	7,303	7,776	6,578
Loan capital	1,002	769	917
Bills payable and other liabilities	1,285	1,851	1,466
TOTAL LIABILITIES	51,166	48,430	48,837
NET ASSETS	3,838	3,626	3,740
SHAREHOLDERS' EQUITY			
Share capital	3,349	3,127	3,271
Reserves	79	59	60
Retained profits	71	102	70
Shareholders' equity attributable to members of the Bank	3,499	3,288	3,401
Outside equity interests in controlled entities	339	338	339
TOTAL SHAREHOLDERS' EQUITY	3,838	3,626	3,740

ST.GEORGE BANK LIMITED ABN 92 055 513 070

ATTACHMENT FOR ASX APPENDIX 4B

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Items 7.1 to 8.5

The Statement of Cash Flows for the year ended 30 September 2002 is shown at Attachment C, page 2 & 3.

**ST. GEORGE BANK LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Note	30 Sept 2002 \$M	30 Sept 2001 \$M
Cash Flows From Operating Activities			
Interest received		3,074	3,329
Interest paid		(1,762)	(2,136)
Dividends received		2	1
Other income received		926	839
Operating expenses paid		(1,171)	(1,119)
Income taxes paid		(231)	(243)
Net payments from the sale and purchase of trading securities		(2,208)	(442)
Net Cash (Used In)/Provided By Operating Activities	(a)	<u>(1,370)</u>	<u>229</u>
Cash Flows From Investing Activities			
Acquisition of controlled entities		(33)	-
Disposal of controlled entity		(2)	-
Restructuring costs		(18)	(43)
Net proceeds from sale of investment securities		72	769
Net increase in loans and other receivables		(2,764)	(310)
Payments for shares		(24)	(58)
Proceeds from sale of shares		28	18
Proceeds from sale of Advance Property Fund units		-	156
Research and development costs		(11)	(9)
Payments for property, plant and equipment		(74)	(52)
Proceeds from sale of property, plant and equipment		10	24
Net increase in other assets		(232)	(63)
Net Cash (Used In)/Provided By Investing Activities		<u>(3,048)</u>	<u>432</u>
Cash Flows From Financing Activities			
Net increase in deposits		2,542	551
Proceeds from other borrowings		19,758	21,398
Repayment of other borrowings		(19,232)	(21,260)
Proceeds from loan capital		301	-
Repayment of loan capital		-	(198)
Net increase/(decrease) in other liabilities		95	(380)
Share buyback		-	(376)
Proceeds from issue of ordinary shares		99	27
Net proceeds from the issue of PRYMES		-	291
Dividends paid		(290)	(341)
Net Cash Provided By/(Used In) Financing Activities		<u>3,273</u>	<u>(288)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents Held		(1,145)	373
Cash and Cash Equivalent Held at the Beginning of the Year		676	303
Cash and Cash Equivalent Held at the End of the Year	(b)	<u>(469)</u>	<u>676</u>

**ST. GEORGE BANK LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

(a) Reconciliation of net profit after income tax to net cash provided by operating activities

	30 Sept 2002	30 Sept 2001
	\$M	\$M
Profit from ordinary activities after tax	428	406
Depreciation	68	64
Amortisation		
- leasehold	1	1
- goodwill	110	99
- deferred expenditure	66	46
Dividend receivables	-	(2)
Profit on sale of property, plant and equipment	(1)	(5)
(Decrease)/increase in accrued expenses	(6)	9
Increase/(decrease) in income tax liability provisions	7	(8)
Decrease in interest receivable	11	23
(Increase)/decrease in other income receivable	(14)	3
Increase in trading securities	(2,208)	(442)
Bad and doubtful debts expense	87	77
Increase in employee entitlement provisions	7	-
Increase in restructure provision	18	-
Decrease in other provisions	(1)	-
Increase in interest payable	(30)	(59)
Net profit on sale of shares	(22)	(2)
Write-back of excess provisions	-	(8)
Write-down of investments	22	30
Write-down of investment in WealthPoint Limited	-	22
Write-down of investment in SMS Management and Technology Limited	-	6
Write-off of deferred expenditure	60	-
Goodwill write-off	72	-
Profit on trading	(45)	(31)
Net cash (used in)/provided by operating activities	(1,370)	229

(b) Reconciliation of cash

	30 Sept 2002	30 Sept 2001
	\$M	\$M
Cash and liquid assets	414	1,093
Due from other financial institutions - at call	194	451
Due to other financial institutions - at call	(912)	(700)
Bills payable	(165)	(168)
	(469)	676

For the purpose of the Statement of Cash Flows, cash at the end of the financial period is reconciled to the following items in the Statement of Financial Position:

ST.GEORGE BANK LIMITED ABN 92 055 513 070

ATTACHMENT FOR ASX APPENDIX 4B

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Items 18.7 to 18.10

Detail of Option Plan as at 30 September 2002 shown at Attachment D, page 2.

Executive Option Plan

The Managing Director and Executive Officers are eligible to participate in the Option Plan. Exercise is conditional upon the Bank achieving a prescribed performance hurdle. Separate performance hurdles have been established in relation to the exercise of the Managing Director's options. The options do not grant rights to the option holders to participate in a share issue of any other body corporate. Non-executive directors are not eligible to participate in the plan.

Date Options Granted	Exercise Period ⁽¹⁾	Exercise Price ⁽²⁾ (\$)	Options outstanding 1 Oct 2001	Movement during the year			Options outstanding 30 Sep 2002	Senior Executives in Plan ⁽³⁾	
				Number of Options Granted	Number of Options Forfeited	Number of Options Exercised			
23-Feb-98	23-Feb-01 to 23-Feb-03	\$8.58	80,000			80,000	-	-	
30-Nov-98	30-Mar-01 to 30-Nov-03	\$10.30	75,000			75,000	-	1	
30-Nov-98	15-Nov-02 to 30-Nov-03	\$10.30	75,000				75,000		
30-Nov-98	15-Nov-03 to 30-Nov-03	\$10.30	75,000				75,000		
30-Nov-98	30-Nov-01 to 30-Nov-03	\$10.30	120,000				120,000	1	
18-Dec-98	18-Nov-00 to 18-Dec-03	\$9.41	500,000			500,000	-	-	
18-Dec-98	18-Nov-01 to 18-Dec-03	\$9.41	500,000			500,000	-		
18-Dec-98	18-Nov-02 to 18-Dec-03	\$9.41	500,000		500,000		-		
02-Jun-99	08-Dec-01 to 02-Jun-04	\$10.73	30,000			30,000	-	1	
02-Jun-99	08-Dec-02 to 02-Jun-04	\$10.73	30,000				30,000		
02-Jun-99	08-Jun-03 to 02-Jun-04	\$10.73	30,000				30,000		
20-Jul-99	19-Jul-02 to 20-Jul-04	\$10.95	200,000			200,000	-	1	
09-Aug-99	09-Aug-02 to 09-Aug-04	\$10.34	50,000			50,000	-	1	
03-Nov-99	08-Nov-02 to 08-May-03	\$10.34	45,000	(4)			45,000	1	
20-Dec-99	20-Dec-02 to 20-Dec-04	\$10.86	80,000				80,000	1	
17-Mar-00	17-Mar-03 to 17-Mar-05	\$11.39	30,000				30,000	1	
01-Nov-00	15-Nov-02 to 01-Nov-05	\$11.14	133,333			133,333	-	1	
01-Nov-00	15-Nov-03 to 01-Nov-05	\$11.14	66,667				66,667		
15-Dec-00	15-Dec-03 to 15-Dec-05	\$13.38	200,000			200,000	-	-	
15-Dec-00	15-Dec-03 to 15-Dec-05	\$13.38	200,000		200,000		-		
15-Dec-00	15-Dec-03 to 15-Dec-05	\$13.38	200,000		200,000		-		
01-Oct-01	15-Nov-03 to 01-Oct-06	\$14.64	-		66,667		66,667	1	
01-Oct-01	15-Nov-04 to 01-Oct-06	\$14.64	-		133,334		133,334		
12-Dec-01	12-Jun-04 to 12-Dec-06	\$16.91	-		250,000		250,000	1	
12-Dec-01	12-Jun-05 to 12-Dec-06	\$16.91	-		250,000		250,000		
12-Dec-01	12-Jun-06 to 12-Dec-06	\$16.91	-		500,000		500,000		
TOTAL			3,220,000		1,200,001	900,000	1,768,333	1,751,668	11

- The options may be exercisable at an earlier date as prescribed by the Option Plan Rules.
- A premium is added to the exercise price of the options which represents the time value of money component of the value of the options (calculated as the difference between the actual dividend and bond yields for the year from the Grant Date of the options to the earliest exercise date). The exercise price represents the market value of the Bank's ordinary shares at the Grant Date of the options. This market value represents the weighted average trading price during the five trading days prior to the Grant Date, calculated in accordance with the Option Plan Rules.
- Participating executives are required to hold a minimum of 5,000 ordinary shares in the Bank in order to participate in the Option Plan.
- These options were re-instated during the year.

**CONCISE CONSOLIDATED ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

ST.GEORGE BANK LIMITED ABN 92 055 513 070

ATTACHMENT FOR ASX APPENDIX 4B

FOR THE YEAR ENDED

30 SEPTEMBER 2002

Independent Auditors' Report - Page 19

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Statement of Financial Performance

The net profit of the consolidated entity for the financial year after income tax, outside equity interests (OEI), goodwill amortisation, significant items and before preference dividends was \$427 million (30 September 2001: \$405 million). The net profit available to ordinary shareholders was \$369 million (30 September 2001: \$336 million).

Net profit after income tax and preference dividends and before significant items was \$505 million (30 September 2001: \$376 million).

Return on average ordinary equity (before goodwill amortisation and significant items) increased to 19.57% (30 September 2001: 16.56%).

Basic earnings per ordinary share increased to 74.8 cents from 71.9 cents. Alternative basic earnings per ordinary share (before goodwill amortisation and significant items) increased to 124.7 cents (30 September 2001: 101.6 cents).

Net interest income for the year was \$1,333 million (30 September 2001: \$1,235 million) an increase of 7.9%. Interest margin rose from 2.76% for the year ended 30 September 2001 to 2.80% for the year ended 30 September 2002.

Other income before significant items, has grown 22.3% to \$834 million from \$682 million in the prior year. This was due to initiatives introduced through the Group Redesign, increased financial markets income, growth in securitisation and managed funds income.

Total operating expenses (before goodwill and significant items) were \$1,135 million for the year ended 30 September 2002 (30 September 2001: \$1,027 million) an increase of 10.5%. This was partly due to an additional \$28 million of operating expenses attributable to the inclusion of WealthPoint's operations from 5 November 2001.

Deferred expenditure amortisation rose by \$20 million over the previous year mainly due to additional expenditure capitalised as part of the Group Redesign to enhance the Bank's computer systems.

Occupancy expenses (before significant items of \$2 million) increased by \$10 million primarily due to the sale and leaseback of a number of properties.

The expense to income ratio, excluding goodwill amortisation and significant items fell to 52.4 per cent from 53.6 per cent last year.

The charge for bad and doubtful debts increased to \$87 million (30 September 2001: \$77 million). This was due to the increase in the general provision for doubtful debts which reflects the growth in risk weighted assets during the year as well as a \$7 million charge to offset \$9 million of income recognised during the year relating to the consolidated entity's mortgage insurance business.

The effective tax rate for 30 September 2002 was 35.9% (30 September 2001: 38.6%), reflecting a reduction in the company tax rate from 34% to 30%.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Statement of Financial Position

Total assets were \$55.0 billion at 30 September 2002 (30 September 2001: \$52.1 billion), an increase of 5.7%. The following items impacted total assets:

- The securitisation of \$2.6 billion of residential lending receivables through the Crusade Program;
- Strong growth in the utilisation of bank acceptances by commercial banking customers. The focus on this product has resulted in growth of 42.1 per cent; and
- Loans and receivables grew to \$42.8 billion (30 September 2001: \$39.7 billion), an increase of 7.7 %.

Total liabilities increased by 5.6% per cent to \$51.2 billion (30 September 2001: \$48.4 billion). Significantly, retail funding experienced strong growth during the year. The improvement has resulted from a focus on the development of the consolidated entity's retail funding products, specifically the 'directsaver' account from the 'dragondirect' channel and Portfolio Cash Management Account (Portfolio CMA). The directsaver, introduced in August 2000, has approximately \$3.4 billion in deposit funds within 92,000 customer accounts, while balances invested with the Portfolio CMA have grown 66.7% to \$4.0 billion.

Shareholders' equity increased to \$3.8 billion from \$3.6 billion at 30 September 2001, primarily due to the issue of 11.9 million shares under the Bank's dividend reinvestment plan and a \$17 million increase in the asset revaluation reserve.

Statement of Cash Flows

Net cash used in operating activities was \$1,370 million. This was due to cash used to purchase trading securities.

Net cash used in investing activities of \$3,048 million was mainly used to increase loans and receivables.

Net cash provided by financing activities of \$3,273 million reflected an increase in retail funding and \$300 million of subordinated note issues.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Consolidated

	NOTE	2002 \$M	2001 \$M
Interest income		3,064	3,311
Interest expense		1,731	2,076
Net interest income		1,333	1,235
Other income	2	852	690
Total ordinary income (net of interest expense)		2,185	1,925
Charge for bad and doubtful debts		87	77
Operating expenses			
- staff		586	507
- computer and equipment		250	164
- occupancy		128	116
- administration and other		283	298
Total operating expenses	2	1,247	1,085
Share of net loss of associates accounted for using the equity method		1	3
Goodwill amortisation and write-off	2	182	99
Profit from ordinary activities before income tax		668	661
Income tax expense	2	240	255
Profit from ordinary activities after income tax		428	406
Net profit attributable to outside equity interests		1	1
Net profit attributable to members of the Bank		427	405
<u>Non Owner Changes in Equity</u>			
Net increase in asset revaluation and realisation reserve		17	3
Net increase in claims equalisation reserve		3	3
		20	6
Total change in equity other than those resulting from transactions with owners as owners		447	411
Dividends per ordinary share (cents)	3	80	65
Basic earnings per ordinary share (cents)	4	74.8	71.9
Diluted earnings per ordinary share (cents)	4	76.0	72.4
Basic earnings per preferred resetting yield marketable equity security (\$)	4	6.36	6.36

The Statement of Financial Performance should be read in conjunction with the discussion and analysis on pages 1 and 2 and the accompanying notes to the financial statements.

ST. GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2002

Consolidated

	NOTE	2002 \$M	2001 \$M
ASSETS			
Cash and liquid assets		414	1,093
Due from other financial institutions		239	458
Trading securities		5,778	3,569
Investment securities		391	463
Loans and other receivables		42,767	39,699
Bank acceptances of customers		1,662	1,170
Investments in associated companies		10	123
Other investments		108	93
Property, plant and equipment		546	534
Goodwill		1,377	1,409
Other assets		1,712	3,445
TOTAL ASSETS		55,004	52,056
LIABILITIES			
Deposits and other borrowings		38,394	35,539
Due to other financial institutions		912	790
Bank acceptances		1,662	1,170
Provision for dividends		221	179
Income tax liability		272	265
Other provisions		115	91
Bonds and notes		7,303	7,776
Loan capital		1,002	769
Bills payable and other liabilities		1,285	1,851
TOTAL LIABILITIES		51,166	48,430
NET ASSETS		3,838	3,626
SHAREHOLDERS' EQUITY			
Share capital	5	3,349	3,127
Reserves		79	59
Retained profits	6	71	102
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE BANK		3,499	3,288
Outside equity interests in controlled entities		339	338
TOTAL SHAREHOLDERS' EQUITY		3,838	3,626

The Statement of Financial Position should be read in conjunction with the discussion and analysis on pages 1 and 2 and the accompanying notes to the financial statements.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Consolidated

	2002	2001
	\$M	\$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,074	3,329
Interest paid	(1,762)	(2,136)
Dividends received	2	1
Other income received	926	839
Operating expenses paid	(1,171)	(1,119)
Income taxes paid	(231)	(243)
Net payments from the sale and purchase of trading securities	(2,208)	(442)
Net cash (used in)/provided by operating activities	(1,370)	229
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of controlled entities	(33)	-
Disposal of controlled entity	(2)	-
Restructuring costs	(18)	(43)
Net proceeds from sale of investment securities	72	769
Net increase in loans and other receivables	(2,764)	(310)
Payments for shares	(24)	(58)
Proceeds from sale of shares	28	18
Proceeds from sale of Advance Property Fund units	-	156
Research and development costs	(11)	(9)
Payments for property, plant and equipment	(74)	(52)
Proceeds from sale of property, plant and equipment	10	24
Net increase in other assets	(232)	(63)
Net cash (used in)/provided by investing activities	(3,048)	432
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in deposits	2,542	551
Proceeds from other borrowings	19,758	21,398
Repayment of other borrowings	(19,232)	(21,260)
Proceeds from loan capital	301	-
Repayment of loan capital	-	(198)
Net increase/(decrease) in other liabilities	95	(380)
Share buyback	-	(376)
Proceeds from issue of shares	99	27
Net proceeds from the issue of PRYMES	-	291
Dividends paid	(290)	(341)
Net cash provided by/(used in) financing activities	3,273	(288)
Net (decrease)/increase in cash and cash equivalents held	(1,145)	373
Cash and cash equivalents held at the beginning of the financial year	676	303
Cash and cash equivalents held at the end of the financial year	(469)	676

The Statement of Cash Flows should be read in conjunction with the discussion and analysis on pages 1 and 2 and the accompanying notes to the financial statements.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 1 BASIS OF PREPARATION OF CONCISE FINANCIAL REPORT

The Concise Financial Report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1039: Concise Financial Reports and applicable Urgent Issues Group Consensus Views. The financial statements and specific disclosure required by AASB 1039 have been derived from the Full Financial Report of the consolidated entity for the financial year. Other information included in the Concise Financial Report is consistent with the consolidated entity's Full Financial Report. The Concise Report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Full Financial Report.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's Full Financial Report. The accounting policies are consistent with those of the previous year.

Consolidated

2002 2001
\$M \$M

NOTE 2 INDIVIDUALLY SIGNIFICANT ITEMS

Other income

Other income before individually significant items	834	682
Individually Significant Items		
Profit on sale of shares (i)	18	-
Write back of excess provisions	-	8
	18	8
Total other income	852	690

Operating expenses

Operating expenses before individually significant items	1,135	1,027
Individually Significant Items		
Write-down of investments (ii)	22	30
Restructure costs (iii)	30	-
Write off of deferred expenditure balances (iv)	60	-
Write-down of investment in WealthPoint Limited	-	22
Write-down of investment in SMS Management and Technology Limited	-	6
	112	58
Total operating expenses	1,247	1,085

Goodwill

Goodwill charge before significant item	110	99
Individually Significant Items		
Goodwill write-off (v)	72	-
Total goodwill charge	182	99

Income tax expense

Income tax expense before individually significant items	270	265
Individually Significant Items		
Income tax expense on profit on sale of shares (i)	4	-
Income tax benefit on write-down of investments (ii)	(7)	(10)
Income tax benefit on restructure costs (iii)	(9)	-
Income tax benefit on deferred expenditure write-off (iv)	(18)	-
Income tax expense on write-back of excess provisions	-	2
Income tax benefit on write-down of SMS Management and Technology Limited	-	(2)
	(30)	(10)
Total income tax expense	240	255

SUMMARY

Loss before tax from individually significant items	(166)	(50)
Tax benefit attributable to individually significant items	(30)	(10)
Net loss after tax from individually significant items	(136)	(40)

Discussion - September 2002

- (i) In September 2002, the Bank entered into an agreement to sell 16,850,145 shares it held in Cashcard Australia Limited. A profit of \$18 million (\$14 million after tax) was recognised in respect of this transaction.
- (ii) Investments have been written down by \$22 million (\$15 million after related income tax benefit) at 31 March 2002 reflecting a downward revision of their future anticipated revenues.
- (iii) As a result of the Even Better Bank (EBB) project, the consolidated entity recognised a restructuring charge of \$30 million (\$21 million after tax) at 30 September 2002. The restructuring charge includes staff redundancy payments, outplacement services and costs associated with properties no longer required.
- (iv) The deferred expenditure write-off of \$60 million (\$42 million after tax) resulted from a detailed review of both completed projects and projects under development. The write-off comprises the following:
 - \$31 million due to a reduction in expected future benefits, including certain specific elements of the St. George/Advance Bank core computer systems integration, a component of the work done on the Bank's new front end lending platform and certain projects cancelled as a direct result of EBB.
 - \$19 million resulting from the refinement of the consolidated entity's capitalisation policy which now involves expensing all development costs below \$200,000 and all project support costs.
 - \$10 million due to certain system developments having superseded functionality and revisions to their estimated useful life.
- (v) A strategic review of the Wealth Management Division was conducted during the year. As a result of the strategic review and the reassessment of the future benefits associated with ongoing WealthPoint businesses, an additional \$72 million of goodwill has been written-off at 31 March 2002.

Discussion - September 2001

Discussion regarding comparative significant items is included in the Full Financial Report. A full explanation is also included in the prior year Concise Financial Report.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 3 DIVIDENDS PROVIDED FOR OR PAID

Type	Cents Per Share	\$M	Date of Payment	Franking Rate	Percentage Franked
2002					
Interim - ordinary shares	38.0	188	2-Jul-02	30%	100%
Final - ordinary shares	42.0	209	13-Dec-02	30%	100%
Depository capital securities (1) (7)		10	31-Dec-01	-	-
Depository capital securities		19	28-Jun-02	-	-
Depository capital securities (2)		10	31-Dec-02	-	-
Preferred resetting yield marketable equity securities (4)		7	20-Feb-02	30%	100%
Preferred resetting yield marketable equity securities		10	20-Aug-02	30%	100%
Preferred resetting yield marketable equity securities (5)		2	20-Feb-03	30%	100%
		<u>455</u>			
2001					
Interim - ordinary shares	31.0	143	29-Jun-01	34%	100%
Final - ordinary shares	34.0	165	14-Dec-01	30%	100%
Converting preference shares (6)	67.5	5	28-Nov-00	34%	100%
Converting preference shares	44.8	11	29-Mar-01	34%	100%
Depository capital securities (3)		9	31-Dec-00	-	-
Depository capital securities		21	02-Jul-01	-	-
Depository capital securities (1)		11	31-Dec-01	-	-
Preferred resetting yield marketable equity securities		9	20-Aug-01	30%	100%
Preferred resetting yield marketable equity securities (4)		3	20-Feb-02	30%	100%
		<u>377</u>			

- (1) A total dividend of \$21 million was paid of which \$10 million related to the 2002 financial year and \$11 million related to the 2001 financial year.
- (2) A total dividend of approximately \$20 million will be payable on 31 December 2002 of which \$10 million relates to the 2002 financial year.
- (3) A total dividend of \$19 million was paid of which \$9 million related to the 2001 financial year.
- (4) A total dividend of \$10 million was paid on 20 February 2002 of which \$3 million related to the 2001 financial year.
- (5) A total dividend of \$9 million will be payable on 20 February 2003 of which \$2 million relates to the 2002 financial year.
- (6) A total dividend of \$16 million was paid on 28 November 2000 of which \$5 million related to the 2001 financial year.
- (7) Dividends provided for or paid on depository capital securities will be paid by St.George Funding Company LLC to the holders of the securities, out of profits to which no franking credits are attached.

It is anticipated that the balance of the consolidated franking account will be \$131 million (2001: \$17 million) after adjusting for:

- (i) franking credits that will arise from the payment of income tax payable as at the end of the year;
- (ii) franking debits that will arise from the payment of dividends proposed as at the end of the year;
- (iii) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- (iv) franking credits that the consolidated entity may be prevented from distributing in the subsequent financial year.

From 1 July 2002 the New Business Tax System (Imputation) Act 2002 requires measurement of franking credits based on the amount of income tax paid, rather than on after-tax profits. As a result, consolidated "franking credits available" as at 30 September 2002 were \$131 million instead of \$324 million. If the Act had taken effect on 1 July 2001, the anticipated consolidated franking balance converts from \$40 million as disclosed in last year's Concise Financial Report to \$17 million at 30 September 2001.

This change in the basis of measurement does not change the value of franking credits to shareholders who may be entitled to franking credit benefits.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 4 EARNINGS PER SHARE

	Consolidated	
	2002	2001
<u>Earnings per share</u>		
Basic - ordinary (cents)	74.8	71.9
Diluted - ordinary (cents)	76.0	72.4
Basic - preferred resetting yield marketable equity security (PRYMES) (\$)	6.36	6.36
<u>Alternative earnings per share⁽¹⁾</u>		
Basic - ordinary (cents)	124.7	101.6
Diluted - ordinary (cents)	124.1	101.4
<u>Weighted average number of shares</u>		
Basic - ordinary	493,047,917	467,389,915
Diluted - ordinary	510,723,503	480,286,599
Basic - PRYMES	3,000,000	1,816,438

(1) The alternative basic and diluted earnings per ordinary share amounts have been calculated to exclude the impact of goodwill and individually significant items to provide a meaningful analysis of the earnings per ordinary share performance of the underlying business.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

Consolidated		Consolidated	
2002	2001	2002	2001
\$M	\$M	No. of shares	No. of shares

NOTE 5 SHARE CAPITAL

Issued and paid-up capital:

498,097,921 Ordinary shares, fully paid (2001: 483,828,232)	3,043	2,821		
3,000,000 Preferred resetting yield marketable equity securities (2001: 3,000,000)	291	291		
General reserve	15	15		
	3,349	3,127		

Movements in ordinary share capital:

Balance at beginning of financial year	2,821	2,659	483,828,232	455,439,731
Shares bought back	-	(376)	-	(22,790,119)
Conversion of non-redeemable, non-cumulative converting preference shares	-	360	-	28,168,842
Conversion of unissued allotted capital	-	140	-	18,440,000
Dividend Reinvestment Plan				
- Final dividend 2000/2001	54	-	3,334,926	-
- Final dividend 2000/2001 - underwritten	81	-	4,964,412	-
- Interim dividend 2000/2001	-	12	-	732,044
- Interim dividend 2001/2002	69	-	3,598,233	-
Executive Option Plan	18	27	1,768,333	3,110,000
Employee Reward Share Plan	-	-	340,312	479,534
Employee Performance Share Plan	-	-	263,473	248,200
Share issue costs	-	(1)	-	-
Balance at end of financial year	3,043	2,821	498,097,921	483,828,232

Issued and uncalled capital:

8,028 Borrowers' shares unpaid (2001: 10,968)
330,233 Depositors' shares unpaid (2001: 364,930)

NOTE 6 RETAINED PROFITS

Net profit after income tax attributable to members of the Bank	427	405
Retained profits at the beginning of the financial year	102	77
Total available for appropriation	529	482
Dividends	455	377
Transfer to reserve	3	3
Retained profits at the end of the financial year	71	102

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 7 SEGMENTAL RESULTS

(a) Business Segments

Business segments are based on the consolidated entity's organisational structure. The consolidated entity comprises four business segments, namely:

Personal Customers (PC) - formerly Personal and Small Business Banking. This division is responsible for residential and consumer lending, provision of personal financial services including transaction services, call and term deposits, small business banking, general and life insurance. This division also manages retail branches, agency networks and electronic channels such as call centres, EFTPOS terminals, ATMs and Internet banking.

Institutional and Business Banking (IBB) - responsible for liquidity requirements, securitisation, wholesale funding, capital markets, treasury market activities including foreign exchange and money market, corporate and business relationship banking, international banking services, leasing, hire purchase, automotive finance, commercial property lending and cash flow financing including factoring and invoice discounting.

BankSA (BSA) – responsible for providing retail banking and business banking services to customers in South Australia and Northern Territory. These services are now extending into country New South Wales and Victoria as part of the consolidated entity's initiative to expand rural banking. Customers are serviced through branches, electronic agencies, ATMs, call centres, EFTPOS terminals and Internet banking.

Wealth Management (WM) – formerly Investment Services. This division is responsible for providing funds management and administration, margin lending, financial planning, investment advice and private banking services. General and life insurance businesses are not included in WM. These insurance businesses are part of PC's operations.

Effective 1 October 2001 a portfolio of small business banking accounts was transferred from IBB to PC. On that date, total assets of \$444 million and liabilities of \$709 million were transferred. Also on that date, the operations of the Cairns branch, including \$126 million of assets and \$12 million of liabilities were transferred from BSA to PC.

As part of the consolidated entity's new business model developed through the EBB program, effective 1 October 2002, the following changes have occurred:

- Gold Segment (high value retail customers) were transferred from PC to WM.
- Life and general insurance businesses were transferred from PC to WM.
- Small business banking customers with borrowings greater than \$250,000 were transferred from PC to IBB.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 7 SEGMENTAL RESULTS (continued)

<i>For the year ended 30 September 2002</i>	Personal Customers \$M	Institutional & Business Banking \$M	BankSA \$M	Wealth Management \$M	Other \$M	Consolidated \$M
Segment revenue						
Net interest income	786	302	202	43	-	1,333
Non-interest income	325	169	58	205	77	834
Individually significant items	-	-	-	-	18	18
Total segment revenue	1,111	471	260	248	95	2,185
Segment expense						
Bad and doubtful debts	45	32	6	1	3	87
Operating expenses						
- Other provisions	14	12	3	13	9	51
- Depreciation	40	5	8	2	13	68
- Deferred expenditure amortisation	39	5	7	1	14	66
- Other expenses	500	156	124	179	(9)	950
Total operating expenses	593	178	142	195	27	1,135
Individually significant items	-	-	-	-	184	184
Goodwill amortisation	-	-	-	-	110	110
Total segment expense	638	210	148	196	324	1,516
Share of loss of investments in associates	-	-	-	-	1	1
Profit/(loss) before income tax expense	473	261	112	52	(230)	668
Expense to income ratio	53.4%	37.8%	54.6%	78.6%		
Income tax expense						270
Income tax benefit on individually significant items						(30)
Profit after income tax						428
Outside equity interest (OEI)						1
Profit after income tax and OEI						427

<i>As at 30 September 2002</i>	Personal Customers \$M	Institutional & Business Banking \$M	BankSA \$M	Wealth Management \$M	Other \$M	Consolidated \$M
Assets						
- investments in associates	-	-	-	-	10	10
- other assets	26,372	17,016	6,605	2,201	2,800	54,994
Segment Assets	26,372	17,016	6,605	2,201	2,810	55,004
Segment Liabilities	20,048	25,095	4,608	390	1,025	51,166
Other Segment Disclosure						
- Securitised loans	5,694	35	-	-	-	5,729
- Managed funds	-	-	-	17,447	-	17,447

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 7 SEGMENTAL RESULTS (continued)

<i>For the year ended 30 September 2001</i>	Personal Customers \$M	Institutional & Business Banking \$M	BankSA \$M	Wealth Management \$M	Other \$M	Consolidated \$M
Segment revenue						
Net interest income	721	330	187	26	(29)	1,235
Non-interest income	274	143	55	157	53	682
Individually significant items	-	-	-	-	8	8
Total segment revenue	995	473	242	183	32	1,925
Segment expense						
Bad and doubtful debts	36	42	4	-	(5)	77
Operating expenses						
- Other provisions	7	10	1	13	10	41
- Depreciation	40	5	7	1	12	65
- Deferred expenditure amortisation	30	3	4	1	8	46
- Other expenses	500	157	130	130	(42)	875
Total operating expenses	577	175	142	145	(12)	1,027
Individually significant items	-	-	-	-	58	58
Goodwill amortisation	-	-	-	-	99	99
Total segment expense	613	217	146	145	140	1,261
Share of loss of investments in associates	-	1	-	-	2	3
Profit/(loss) before income tax expense	382	255	96	38	(110)	661
Expense to income ratio	58.0%	37.0%	58.7%	79.2%		
Income tax expense						265
Income tax benefit on individually significant items						(10)
Profit after income tax						406
Outside equity interest (OEI)						1
Profit after income tax and OEI						405

<i>As at 30 September 2001</i>	Personal Customers \$M	Institutional & Business Banking \$M	BankSA \$M	Wealth Management \$M	Other \$M	Consolidated \$M
Assets						
- investments in associates	-	-	-	-	123	123
- other assets	23,958	17,697	6,260	1,518	2,500	51,933
Segment Assets	23,958	17,697	6,260	1,518	2,623	52,056
Segment Liabilities	17,639	25,681	4,348	245	517	48,430
Other Segment Disclosure						
- Securitised loans	4,990	80	-	-	-	5,070
- Managed funds	-	-	-	15,391	-	15,391

(b) Geographical Segments

The consolidated entity operates predominantly in Australia.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 8 REMUNERATION OF NON-EXECUTIVE DIRECTORS

Remuneration paid or payable to each director of the Bank, from the Bank and related entities is as follows:

-----Directors' Fee-----

Non-executive directors	Cash	Shares ^(a)	Sub Total	Fixed	Superannuation ^(c)	Retirement	Total
	\$'000	\$'000	\$'000	Remuneration ^(b)	\$'000	Payment	
				\$'000		\$'000	\$'000
F J Conroy	230	20	250	256 ^(d)	7	-	513
J J Mallick	121	25	146	-	9	-	155
L F Bleasel	108	-	108	-	9	-	117
J S Curtis	61	45	106	-	9	-	115
G Ettinger (e)	62	30	92	-	7	283	382
P D R Isherwood	22	84	106	-	9	-	115
L B Nicholls (f)	8	-	8	-	1	-	9
G J Reaney	58	60	118	-	9	-	127
J M Thame	108	-	108	-	9	-	117
	778	264	1,042	256	69	283	1,650

- (a) During the year, 15,185 shares were acquired on market and allocated to 6 non-executive directors under the Non-Executive Directors' Share Purchase Plan. In consideration for the shares acquired on their behalf, non-executive directors forego directors' fees equivalent to the purchase price of the shares less brokerage, stamp duty and a discount equivalent to that available under the Bank's Dividend Reinvestment Plan when operational.
- (b) Fixed remuneration comprises cash salary.
- (c) Superannuation Guarantee Charge (SGC) applicable to non-executive directors under 70 years of age.
- (d) Paid to Mr Conroy in his capacity as Executive Chairman from 1 October 2001 to 13 January 2002.
- (e) Ms G Ettinger retired as a director of St.George Bank Limited on 29 July 2002. Remuneration includes a retirement benefit made in accordance with the Bank's Constitution.
- (f) Mrs L B Nicholls was appointed a director of St.George Bank Limited on 29 July 2002.

NOTE 9 REMUNERATION OF EXECUTIVE OFFICERS (a)

Cash and benefits (current employees)

Name and position	Fixed (b) \$'000	At Risk (c) \$'000	Total \$'000
G. Kelly (d) Chief Executive Officer and Managing Director	692	800	1,492
G. Bartlett Group Executive - Institutional and Business Banking	475	425	900
S. McKerihan Chief Financial Officer	575	245	820
J. Loebenstein Group Executive - Information Technology	450	170	620
B. Wright Chief General Manager - Human Resources	400	160	560
P. Clare (e) Group Executive - Strategy	216	135	351

- (a) The executive officers named above are the Chief Executive Officer and Managing Director and the five highest paid current members of the Executive Committee for the year ended 30 September 2002. The above table excludes individuals who are not direct reports of the Chief Executive Officer and Managing Director, whose remuneration, consistent with market practice in the industry, in any given year exceeds that received by a member of the Executive Committee.
- (b) Fixed remuneration comprises cash salary, available package options grossed-up by related fringe benefits tax where applicable and company superannuation based on the prevailing SGC.
- (c) At risk remuneration relates to performance in the 30 September 2002 year. The amount payable is dependent upon corporate, divisional and individual performance assessed against a balance of financial and non-financial measures.
- (d) Commenced on 14 January 2002 and appointed as Managing Director of St.George Bank Limited on 29 January 2002.
- (e) Commenced on 25 February 2002.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 9 REMUNERATION OF EXECUTIVE OFFICERS (continued)

Performance shares and options (current employees)

Details of awards granted, comprising rights over unissued shares, granted under the Employee Performance Share Plan and options granted under the Executive Option Plan during the year to the Chief Executive Officer and Managing Director and the five highest paid current members of the Executive Committee for the year ended 30 September 2002 are as follows:

Name and position	Performance awards				Options granted				
	No. of awards allotted	Grant date	Vesting date	Fair Value per award \$	Grant date	No. of options granted	Exercise price \$	Date first exercisable	Fair Value per option \$
G. Kelly Chief Executive Officer and Managing Director	25,000 (1)	12-Dec-01	12-Dec-01	16.91	12-Dec-01	250,000	16.91	12-Jun-04	2.50
					12-Dec-01	250,000	16.91	12-Jun-05	2.50
					12-Dec-01	500,000	16.91	12-Jun-06	2.50
G. Bartlett Group Executive - Institutional and Business Banking	9,895 19,790	01-Oct-01	15-Nov-03	14.64		-	-	-	-
			15-Nov-04	14.64					
S. McKerihan Chief Financial Officer	11,924 23,848	01-Oct-01	15-Nov-03	14.64		-	-	-	-
			15-Nov-04	14.64					
J. Loebenstein Group Executive - Information Technology	7,703 15,406	01-Oct-01	15-Nov-03	14.64		-	-	-	-
			15-Nov-04	14.64					
B. Wright Chief General Manager - Human Resources	8,188 16,376	01-Oct-01	15-Nov-03	14.64		-	-	-	-
			15-Nov-04	14.64					
P. Clare Group Executive - Strategy	2,797 (1) 2,797 (1) 2,797 (1) 3,729 7,458	25-Feb-02	25-Feb-03	17.88		-	-	-	-
			25-Feb-04	17.88					
			25-Feb-05	17.88					
			15-Nov-03	17.88					
			15-Nov-04	17.88					

ST.GEORGE BANK LIMITED
 AND ITS CONTROLLED ENTITIES
 CONCISE FINANCIAL REPORT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 9 REMUNERATION OF EXECUTIVE OFFICERS (continued)

Performance Hurdles

Performance Awards

(1) No performance hurdles relate to these awards as they represent compensation for incentives foregone by the respective executive on leaving their former employer.

Performance hurdles in respect of the other awards granted under the Employee Performance Share Plan during the year are as follows:

The awards vest in full for nil consideration subject to tenure and if basic earnings per share (EPS) before goodwill and significant items, equal or exceed 118.1 cents in the 30 September 2002 year, 131.3 cents in the 30 September 2003 year and 145.3 cents in the 30 September 2004 year. Where EPS is less than 113.8 cents, 122.9 cents and 132.7 cents in each of these respective years, then the awards are forfeited. Where EPS falls between these targets in each of these years then entitlement to awards is determined on a pro rata basis. In the event that a takeover offer for the Bank becomes unconditional, the awards vest in full.

Executive Options

Performance hurdles relating to options granted to the Chief Executive Officer and Managing Director, Mrs G. Kelly, during the year are as follows:

No. of options	Performance hurdle
250,000	Basic EPS (before goodwill and significant items) for the two year period ended 30 September 2003 grows at an annual rate of 10 percent compounded annually over the 30 September 2001 basic EPS result of 101.9 cents. This equates to 123.3 cents.
250,000	Basic EPS (before goodwill and significant items) for the year ended 30 September 2004 exceeds EPS for 30 September 2003 by more than 10 percent or reaches at least 135.6 cents.
500,000	Basic EPS (before goodwill and significant items) for the year ended 30 September 2005 exceeds EPS for 30 September 2004 by more than 10 percent or reaches at least 149.2 cents.

In the event that a takeover offer for the Bank becomes unconditional, the options become exercisable.

Valuation of Options

The fair value of options granted during the year has been determined using the Black-Scholes option pricing model. This valuation takes into account the price at the grant date, the exercise price for options, the expected life of the option, expected dividends and volatility in the price of the underlying stock. The fair value has not been discounted for the probability of not meeting performance hurdles (where applicable).

Valuation of Awards

The fair value of awards has been determined based on the volume weighted average share price of the Bank's ordinary shares using the five day trading period before the grant date. The fair value has not been discounted for the probability of not meeting performance hurdles (where applicable).

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002

NOTE 9 REMUNERATION OF EXECUTIVE OFFICERS (continued)

Cash and benefits (former employees)

Name and position	Remuneration			
	Fixed (a) \$'000	At Risk (b) \$'000	Other Benefits \$'000	Total \$'000
W. Ott (c) Former Group Executive Personal Customers	550	450	246 ^(d)	1,246
R. Cawsey (e) Former Group Executive Wealth Management	222	-	480 ^(f)	702

- (a) Fixed remuneration comprises cash salary, available package options grossed-up by related fringe benefits tax where applicable and company superannuation based on the prevailing Superannuation Guarantee Charge (SGC).
- (b) At risk remuneration relates to performance in the 30 September 2002 year. The amount payable is dependent upon corporate performance assessed against a balance of financial and non-financial measures.
- (c) Mr Ott completed his contract term with the Bank on 30 September 2002.
- (d) Comprises contractual payment of relocation costs, travel and accommodation benefits.
- (e) Mr Cawsey resigned on 29 March 2002.
- (f) Contracted termination payment.

Performance shares and options (former employees)

Details of awards, comprising rights over unissued shares, granted under the Employee Performance Share Plan and options granted under the Executive Option Plan during the year are as follows:

Name and position	Performance awards				Options granted				
	No. of awards granted	Grant date	Vesting date	Fair Value Per Award \$	Grant Date	No. of options granted	Exercise price \$	Date first exercisable	Fair Value Per Option \$
W. Ott	15,730 (1)	1-Oct-01	15-Nov-03	14.64	-	-	-	-	-
Former Group Executive Personal Customers	31,460 (2)	1-Oct-01	15-Nov-04	14.64	-	-	-	-	-
R. Cawsey	-	-	-	-	1-Oct-01	66,667 (3)	14.64	15-Nov-03	1.53
Former Group Executive Wealth Management	-	-	-	-	1-Oct-01	133,334 (3)	14.64	15-Nov-04	1.57

- (1) As a result of termination, these awards are exercisable on 15 November 2002 subject to the achievement of pre-determined earnings per share targets in respect of the year ended 30 September 2002. The awards vest in full in the event that a takeover offer for the Bank becomes unconditional before 15 November 2002.
- (2) These awards were forfeited on termination of employment.
- (3) These options lapse twelve months after the termination date of employment. The performance hurdles relating to these options when granted were that the options are exercisable in full if basic earnings per share (EPS) before goodwill and significant items, equal or exceed 118.1 cents in the 30 September 2002 year, 131.3 cents in the 30 September 2003 year and 145.3 cents in the 30 September 2004 year. Where EPS is less than 113.8 cents, 122.9 cents and 132.7 cents in each of these respective years then the options are forfeited. Where EPS falls between these targets in each of these years, then entitlement to options is determined on a pro rata basis.

ST.GEORGE BANK LIMITED
AND ITS CONTROLLED ENTITIES
CONCISE FINANCIAL REPORT
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 SEPTEMBER 2002

In the opinion of the directors of St.George Bank Limited the accompanying Concise Financial Report of the consolidated entity, comprising St.George Bank Limited and its controlled entities for the year ended 30 September 2002, set out on pages 1 to 17:

- (a) has been derived from or is consistent with the Full Financial Report for the financial year; and
- (b) complies with Accounting Standard AASB 1039: Concise Financial Reports.

For and on behalf of the Board of Directors and in accordance with a resolution of the directors.



F J Conroy
Chairman



G P Kelly
Chief Executive Officer and Managing Director

Dated at Sydney, New South Wales
6 November 2002

INDEPENDENT AUDIT REPORT ON CONCISE FINANCIAL REPORT
TO THE SHAREHOLDERS OF
ST.GEORGE BANK LIMITED
FOR THE YEAR ENDED 30 SEPTEMBER 2002

SCOPE

We have audited the Concise Financial Report of St.George Bank Limited and its controlled entities for the year ended 30 September 2002, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 9, and the accompanying discussion and analysis on the statement of financial performance, statement of financial position and statement of cash flows, set out on pages 1 to 17 in order to express an opinion on it to the members of the Company. The Company's directors are responsible for the Concise Financial Report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the Concise Financial Report is free of material misstatement. We have also performed an independent audit of the Full Financial Report of St.George Bank Limited and its controlled entities for the year ended 30 September 2002. Our audit report for the Full Financial Report was signed on 6 November 2002, and was not subject to any qualification.

Our procedures in respect of the audit of the Concise Financial Report included testing that the information in the Concise Financial Report is consistent with the Full Financial Report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the Full Financial Report. These procedures have been undertaken to form an opinion whether, in all material respects, the Concise Financial Report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports issued in Australia.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion the Concise Financial Report of St.George Bank Limited and its controlled entities for the year ended 30 September 2002 complies with AASB 1039: Concise Financial Reports issued in Australia.



KPMG



J F Teer
Partner

45 Clarence Street,
Sydney, New South Wales, 2000
6 November 2002