Full Year Results 2005

31 October 2005

Agenda

Result highlights:	**Gail Kelly**
Financial overview:	**Steve McKerihan**
Strategy and business performance:	**Gail Kelly**

Result Highlights

Gail Kelly
Managing Director

2005 - strong result

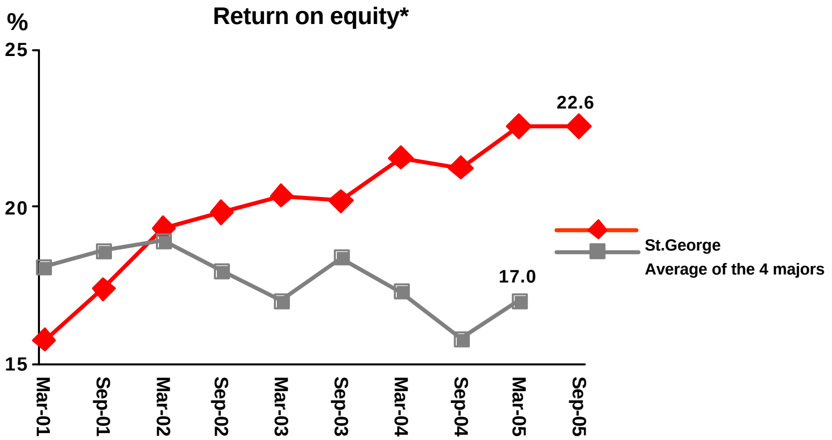
- Excellent track record of delivery
- All business divisions performing strongly
- Quality, experienced team
- In good shape for FY06 and FY07

Profit result

	Sep-05	Sep-04	% Change
Profit before significant items	$828m	$717m	15.5
Profit after significant items	$828m	$717m	15.5
Earnings per share*	180.2¢	160.8¢	12.1
Return on equity*	22.6%	21.4%	
Expense to income*	45.5%	47.5%	
Dividend	137¢	122¢	12.3

*Calculated before goodwill amortisation and significant items

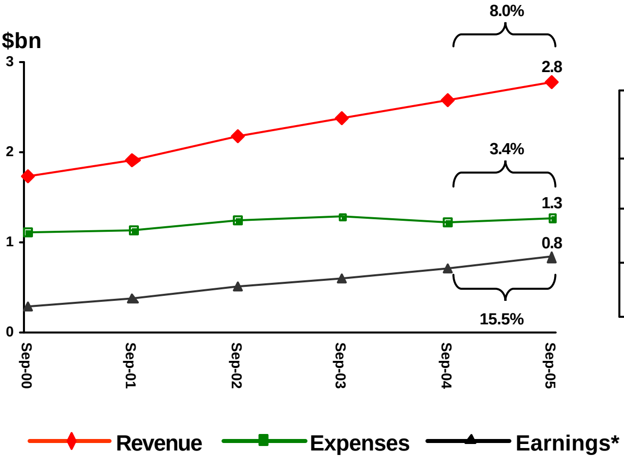
Outstanding return on equity



Focused on sustainable, high quality earnings

*After preference dividends and before significant items and goodwill

Earnings driven by strong revenues

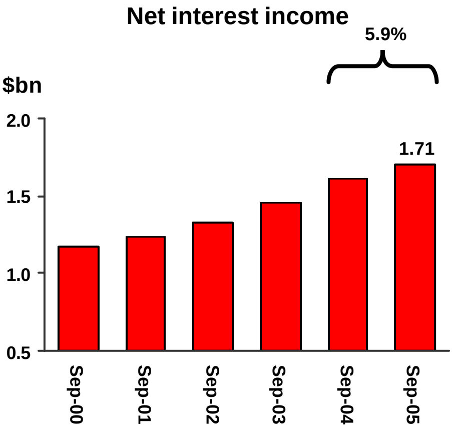


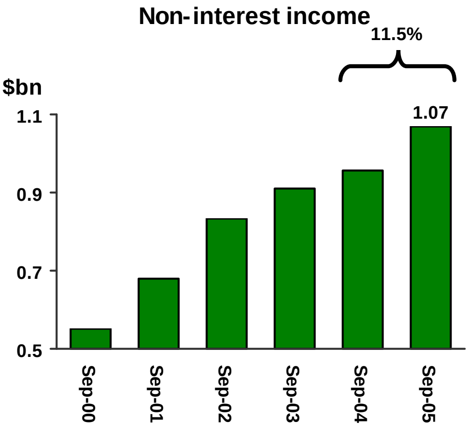
	5 year CAGR^
Revenue	10.0%
Expenses	2.7%
Earnings	23.7%

High single digit revenue growth + low single digit expense growth
= double digit EPS growth

Percentages Sep-04 to Sep-05. Before significant items.
*After tax expense and preference dividends ^Compound Annual Growth Rate

Strong revenue growth

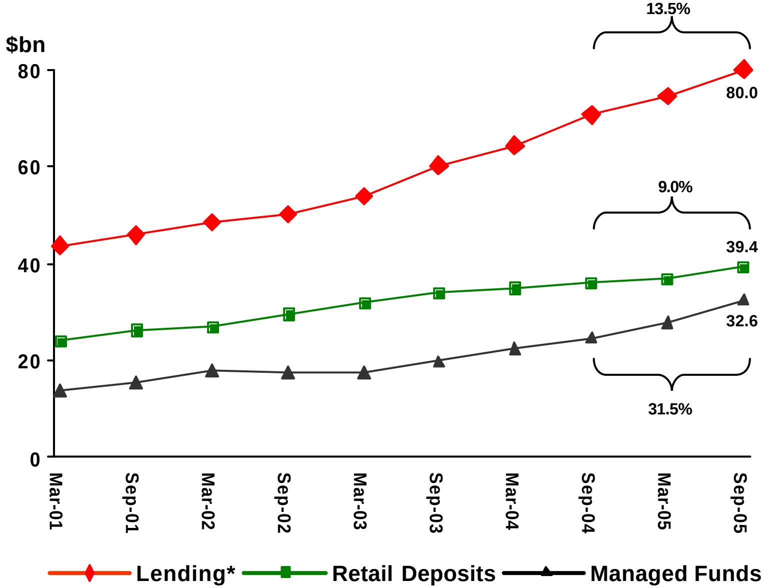




Total revenue growth 8.0%

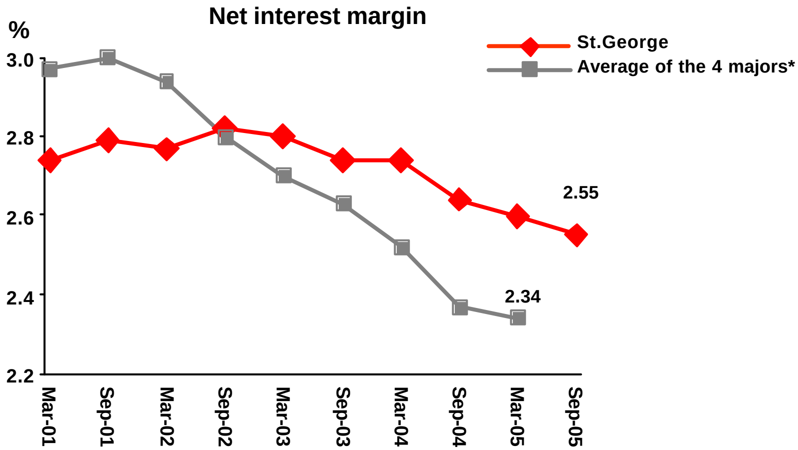
Percentages Sep-04 to Sep-05. Before significant items

Supported by growing business volumes



*Includes securitised loan balances and bill acceptances. Percentages Sep-04 to Sep-05

Group net interest margin remains strong

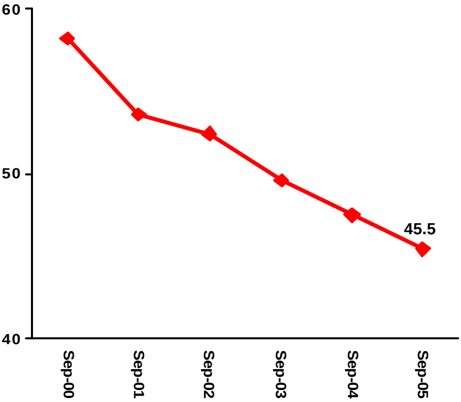


11 basis points reduction FY05 on FY04

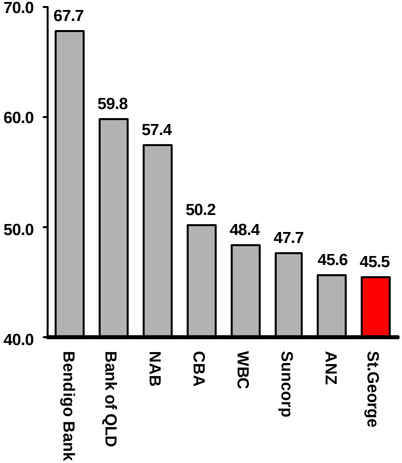
*Domestic margins

Effective cost management

St.George group expense to income ratio^

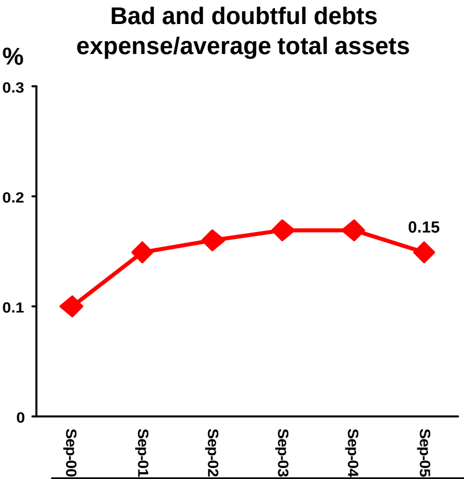


Peer group expense to income ratio*



^Excluding goodwill and before significant items. *Ratios as at the companies last reporting date

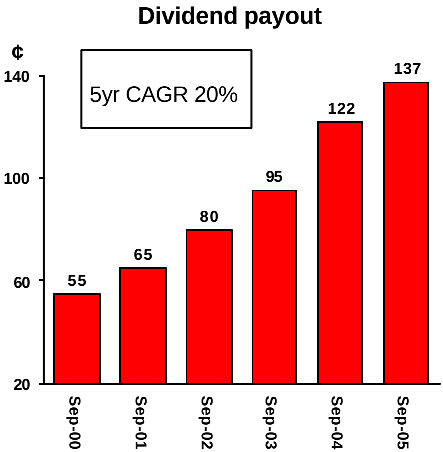
Excellent credit quality

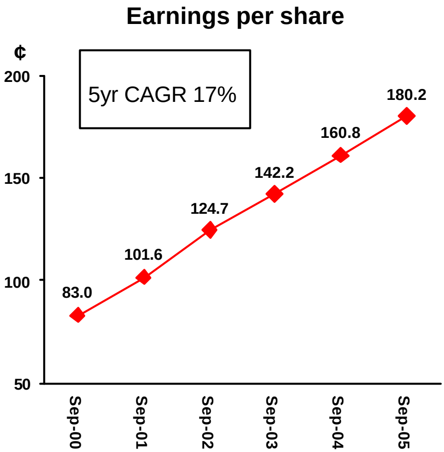


- Proven track record
- Low risk business mix
- Gross non-accrual loans 0.13% of total receivables
- Past due loans $174m compared to $192m in Mar-05 and $148m in Sep-04

Asset quality across the Group continues to be excellent

Strong dividend growth



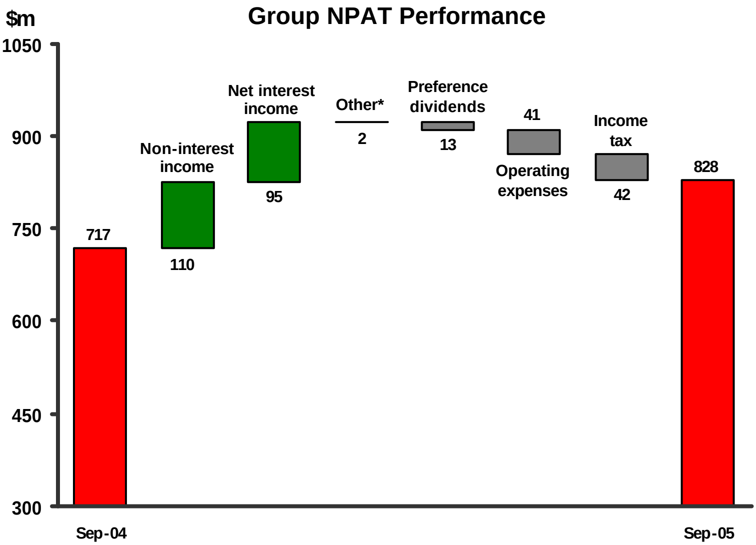


Dividends growing in line with earnings per share

Financial Overview

Steve McKerihan
Chief Financial Officer

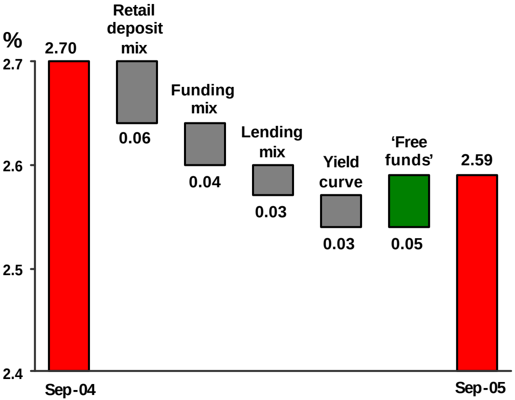
Strong operational result



Before significant items. *Includes equity interest and associates, bad and doubtful debts and goodwill amortisation

Effective management of net interest margin

Net interest margin FY05 on FY04

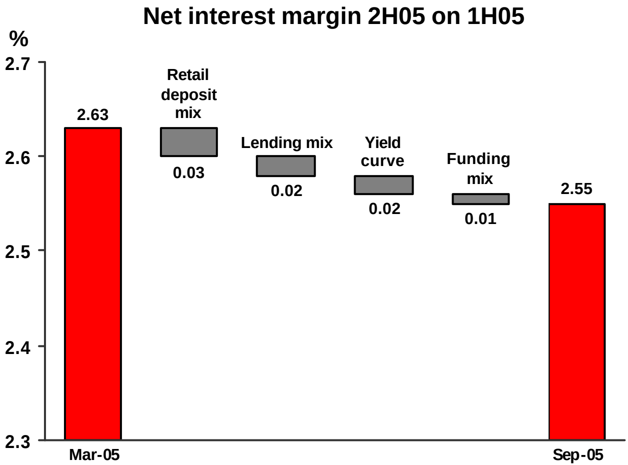


Factors contributing:

- Stronger growth in high yielding deposit accounts
- Lending growing more rapidly than retail deposits
- Commercial loan growth primarily funded by bank bills classified as non-interest income
- Lower contribution from balance sheet management
- 'Free funds' impacted by SAINTS capital raising and increased interest rates in 1H05

Margin compression in line with guidance

Effective management of net interest margin



Drivers of margin compression in 2H05 broadly consistent with full year

Excellent momentum in non-interest income

	Sep-05 $m	Sep-04 $m	Change %
Product fees and commissions			
- Deposits and other accounts	253	218	16.1
- Lending	63	63	-
- Electronic banking	187	187	-
Managed funds	223	197	13.2
Financial markets	72	61	18.0
Securitisation	109	84	29.8
Bill acceptance fees	93	66	40.9
Property sales	3	20	(85.0)
Other	65	62	4.8
Total	**1068**	**958**	**11.5**

Factors impacting non-interest income

Deposits and other accounts

- Transaction account balances up 7%, transaction volumes up 8%
- Mortgage insurance premium income up $13m

Lending

- Net fee income stable despite price competition and increased broker commissions

Electronic banking

- Interchange fees reduced by $11m due to sale of non-branded ATMs in Dec-04

Managed funds

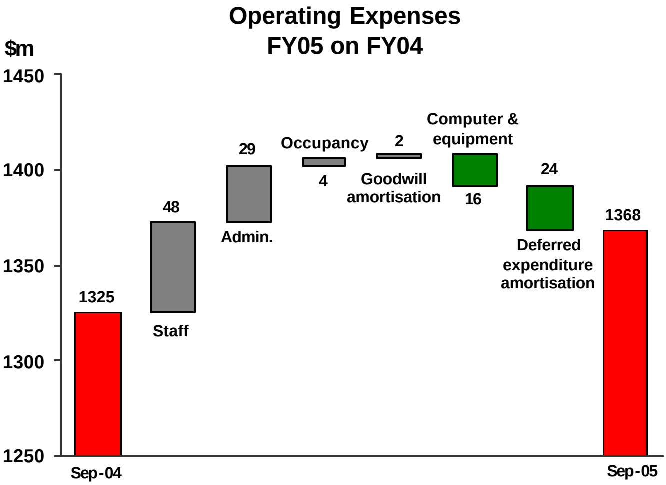
- Fee growth driven by strong net flows into ASGARD platform and Advance Asset Management from retail and institutional channels

Property

- Property sales in FY05 $3m compared to $20m in FY04

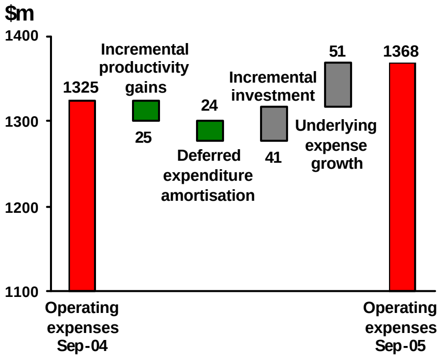
Non-interest income increased to 38% of total income

Effective cost management



Before significant items

Reinvestment driving sustainable growth



Productivity gains

- Retail organisational realignment benefits
- Improved IT sourcing including telecommunications

Incremental investment

- 394 net additional staff including 310 new front-line staff
- Best Business Bank investment of $15m absorbed

Segmental profits - all divisions growing strongly

	Profit before tax Sep-05 $m	Change* %	Cost to income ratio Sep-05 %	Contribution to segment profit %
Retail Bank	645	14	49.6	46
Institutional & Business Banking	420	10	34.5	30
BankSA	189	15	44.2	13
Wealth Management	151	20	52.2	11

*Sep-04 to Sep-05

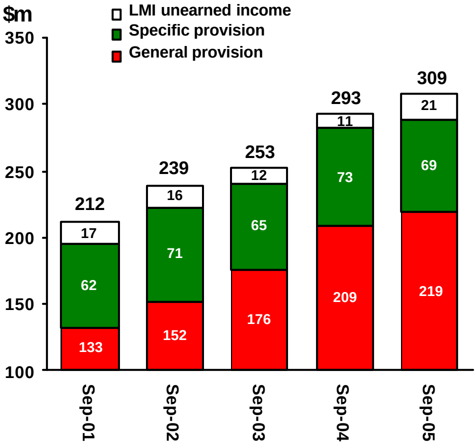
Captive mortgage insurer - quality performance

St.George Insurance Pte Ltd

- Profit after tax of $56.5m, up from $37.9m in Sep-04
- Profit benefited from a combination of:
  - increased business volumes
  - low loss rates
  - effective cost management
  - strong investment returns
- Excess of loss reinsurance in place
- Domicile to move from Singapore to Australia by Sep-07
- Rated A by S&P, A2 by Moody's and AA- by Fitch

Strongly capitalised with $195.6m of shareholder funds

Prudent level of provisioning



- General provision and LMI* unearned income of $21m exceeds 0.5% of RWA
- The general provision charge impacted by ongoing securitisation and $10m increase in LMI unearned income

Provisions in balance sheet likely to decrease under IFRS

*Lenders Mortgage Insurance

Non-accrual loans - tightly managed

- Net non-accrual loans $51m up from $37m in Mar-05
- Largest four exposures total $32m reducing to $16m by Nov-05
- Next largest net exposure $2.7m
- Remaining top 20 non-accrual loans range from $300k to $2.1m
- Exposures well secured and prudently provisioned
- Net non-accrual loans as a percentage of net receivables 0.09%
- Provision coverage for non-accruals 34% down from 54% in Mar-05 as newer impaired assets have high levels of security

Basel II - tracking well

- Estimated total program cost $40m with majority already spent
- Application for Internal Ratings Based Approach to Credit Risk submitted to APRA in Sep-05
- Application to adopt the Advanced Measurement Approach for Operational Risk to be submitted during 2006
- Two year parallel run period for Advanced Credit Risk planned to commence from Jan-06 and for advanced operational risk from Jan-07
- Basel II underpins the Group's risk management processes

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International Financial Reporting Standards

Areas affected are:
Derivatives and hedging
Transaction fees and costs
Loan impairment
Goodwill and asset impairment
Financial instruments
Taxation
Property, plant and equipment
Securitisation
Leveraged leases
Hybrid financial instruments
Share based payments
Employee benefits

- First IFRS accounts 31 Mar-06
- Loan provisioning and derivatives will create some additional volatility in profits
- Balance sheet impacted by consolidation of securitised assets and reclassification of some existing hybrid equity instruments
- Net interest margin impacted by inclusion of securitised loans
- Estimated total project cost $5m

Active capital management

FY05

- Tier one capital 7.3%
- Tier two capital subordinated note issue raised €250m in Mar-05
- $5.6bn of residential loans securitised*

Dividend Reinvestment Plan

Date	Participation rate %	Amount raised $m
Jul-04	28.7	88
Dec-04	22.2	70
Jul-05	18.7	65

FY06

- DRP on final dividend to be underwritten to 35% raising $127m
- St.George to exercise its option to convert $300m PRYMES into ordinary shares at the reset date 21 Feb-06
- A share buy back is also presently under consideration in the Mar-06 quarter
- New tier one instrument of $300m planned to maintain capital adequacy ratio within targeted 7.0-7.5% range

*$2.5bn, $0.9bn and $2.2bn in Mar, Jun and Sep-05 respectively

Consistently delivering on targets

	Target	Outcome
EPS growth FY03	Sep-02: 10% May-03: 11-13% upgrade Aug-03: 13-14% upgrade	14.0%
EPS growth FY04	Nov-03: 10-11% May-04: 11-13% upgrade	13.1%
EPS growth FY05	Nov-04: 10% May-05: 11% upgrade	12.1%
Cost to income	Sep-04: sub 50% Manage to lower end of peers	47.5% in FY04 45.5% in FY05
Capital	Tier one 7.0-7.5%	Consistently in range
Credit quality	Maintain positive differential to the majors	Consistently achieved
Customer satisfaction	Maintain positive differential to the majors	Consistently achieved

Strategy and Business Performance

Gail Kelly
Managing Director

Business priorities update

Differentiating on customer service

Management targets and outlook

Strategic framework

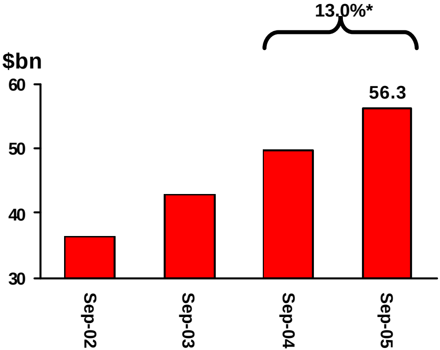
Deepen and strengthen customer relationships in chosen markets
Leverage specialist capabilities for growth
Creatively differentiate on customer service
Accelerate and empower relationship-selling
Optimise cost structure
Build team and performance culture

Business priorities

Home loans	Manage volumes and mix, with objective of achieving profitable growth in line with system
Deposits	Manage volumes and margin, with objective of achieving profitable growth
Middle market	Achieve at least twice system growth
Wealth management	Within top five for net funds inflow
VIC, QLD and WA	Continue targeted growth strategy, capturing market share in key segments
Productivity management	Rolling program of efficiency initiatives, facilitating reinvestment in revenue growth
Team	Maintain high quality and aligned teams at every level

Home Loans – solid growth performance

Residential receivables



- 13.1% annualised growth in 2H05 in line with system
- Stable margin performance supported by mix management
- Run-off rate reduced to 16% from 24% in Sep-02
- 44% of new flows broker introduced
- Proprietary lenders productivity increasing, further improvement expected
- Credit quality remains excellent

LVR of mortgage book is 39.4%

LVR of mortgages written in FY05 is 65.1%^

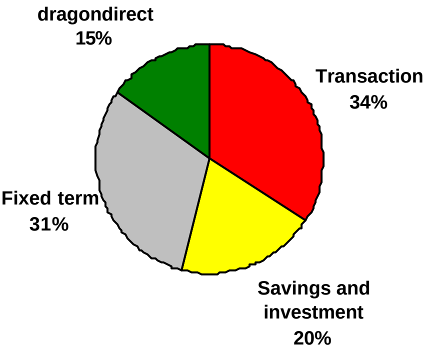
*Percentage Sep-04 to Sep-05. ^LVR as at writing of loan. Includes securitised loans

Home Loans - product mix actively managed

	Receivables	Settlements			
	Sep-05 %	FY05 %	FY04 %	FY03 %	FY02 %
Introductory	1.1	3.6	8.0	20.4	39.9
Portfolio	32.4	30.5	34.7	34.0	30.2
Standard variable and basic	45.4	42.2	37.3	31.1	21.3
Fixed	13.1	10.4	7.8	9.6	8.6
Low doc	4.8	7.7	8.5	2.2	0.0
No deposit	2.5	4.7	2.8	2.1	0.0
Seniors access	0.7	0.9	0.9	0.6	0.0
Total	100.0	100.0	100.0	100.0	100.0

Deposits – targeted strategy in place

Total retail funding mix
$39.4bn*



Group-wide focus

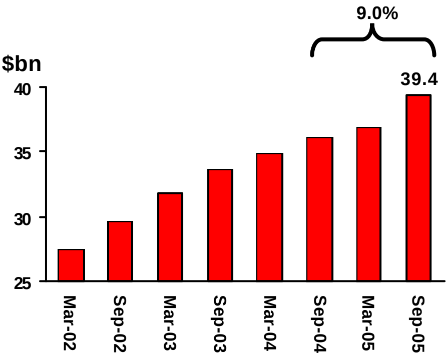
- Branch network targeting transaction account balances
- Direct channel targeting internet account balances
- New products and enhanced focus in wealth and commercial banking
- Utilising differential pricing between core and new geographies

Managing volumes and product mix to achieve profitable growth

*As at Sep-05

Deposits – strong 2H05 performance

Retail deposit balances

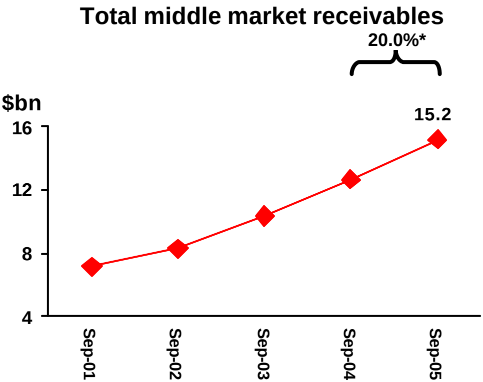


- 2H05 annualised growth in transaction accounts 13%, now $13.2bn
- 2H05 annualised growth in dragondirect 20%, now $6.1bn
- 65% of flow into dragondirect new to the bank

Total deposit growth 2H05 14.0% compared to 3.8% 1H05*

*Annualised

Middle Market - high quality growth



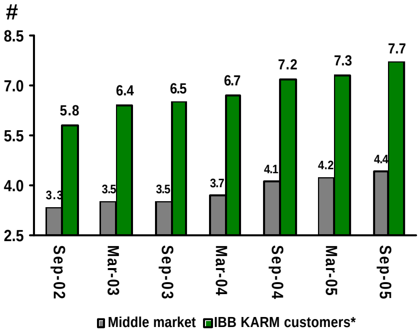
	3 year CAGR	5 year CAGR
Middle market receivables	22.5%	17.1%

- Relationship model delivering
- Strong growth momentum and stable margins despite increasing competition
- Continuing investment in staff development and skills training
- Impaired assets/total middle market receivables stable at 0.22%

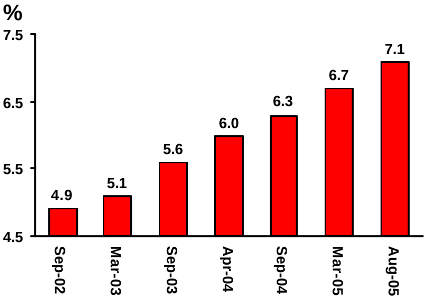
*Percentage Sep-04 to Sep-05

Middle Market - growing customer relationships

Products per customer



Market share^



- 64% of new business sourced from existing customers
- 90% of new business sourced from target industries

*KARM – Key account relationship management. ^Cannex derived middle market market share

Middle Market – Best Business Bank program

Objectives

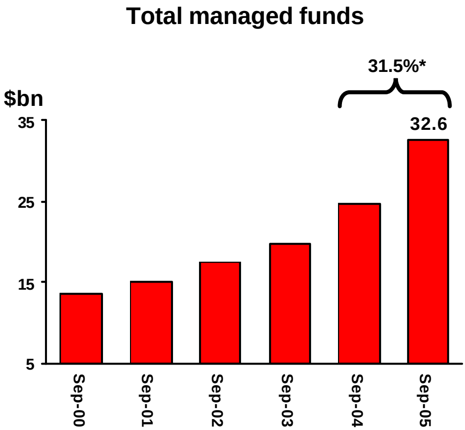
Increase customer numbers	Maintain high customer and employee engagement
Expand capability in selected industries	Maintain at least twice system growth

Delivered to date

- Five new and five expanded business sites by Dec-05
- 123 additional business bankers*
- 60 additional business bankers planned for FY06
- Streamlined credit processes
- New front-line support model rolled-out
- Product specialists deployed in regions
- Further improvement in customer satisfaction and retention

*Sep-04 to Sep-05

Wealth Management – strong momentum



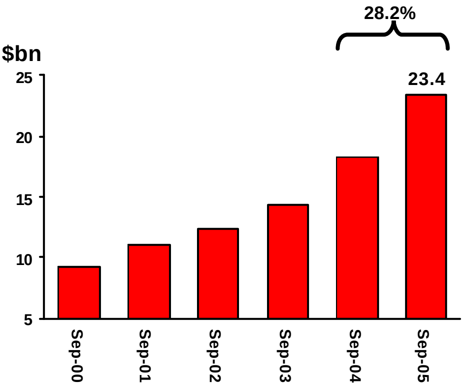
- Wealth now contributing 11% of Group segmental earnings
- Strong performances across all businesses and channels

Clean portfolio of robust businesses delivering above system growth

*Sep-04 to Sep-05

SEALCORP – net inflows driving profitable growth

Funds under administration



- Funds under administration up $5.2bn due to strong net inflows and favourable market conditions
- Industry low 12% redemption rate
- St.George channels contributing 19% of ASGARD net flows
- Continued investment in underlying infrastructure

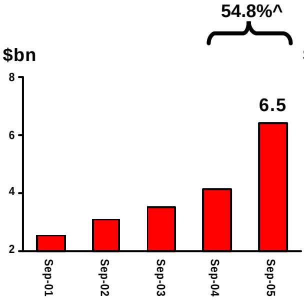
Service excellence affirmed – ASGARD most awarded platform in Australia*

Percentages Sep-04 to Sep-05

*Winner industry awards: ASSIRT/Wealth Insights, Personal Investor, Asset Innovation, Money Magazine, IFA Magazine

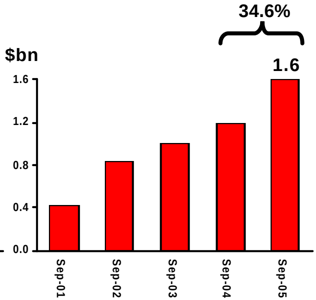
Wealth Management – a growth portfolio

Advance FUM



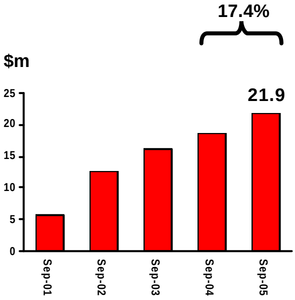
- FUM growth excluding ASGARD internal mandate 22%
- FUM growth 1.3 times system
- Sales up 19.4% to $1.2bn

Margin lending receivables



- Excellent credit quality
- 'Margin Lender of the Year' for 3rd consecutive year*
- 9% market share

Insurance revenue

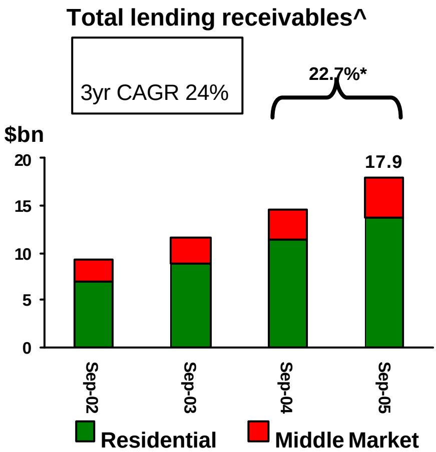


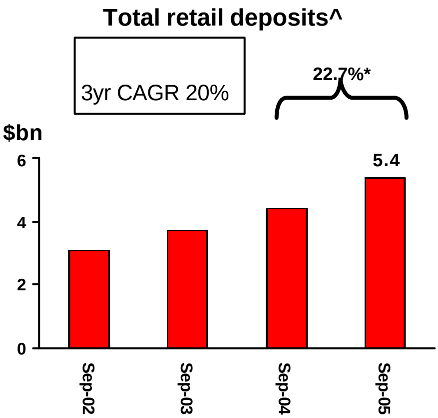
- Life income up 33%
- Consumer Credit Insurance premiums up 38%
- General insurance commissions up 10%

Percentages Sep-04 to Sep-05

^Includes mandate for $1.4bn component of ASGARD funds to Advance in Sep-05. *Personal Investor Magazine Aug-05

VIC, QLD and WA – organic momentum building

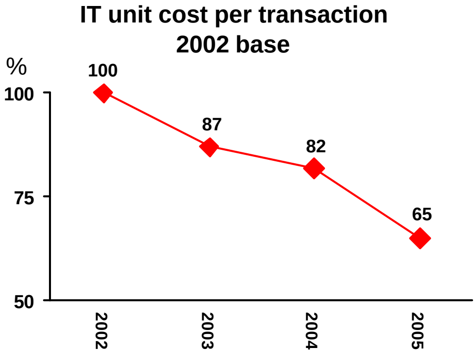




VIC, QLD and WA now contribute 31% of new customers

^Includes VIC, QLD and WA. *Sep-04 to Sep-05

IT delivering groupwide productivity benefits



- IT costs 8.9% of group revenue down from 12.3% in FY02
- Improved telecommunications contract negotiated
- 99.7% availability across all systems
- Robust, up to date infrastructure
- Close, collaborative and aligned support of business units

Investment in IT infrastructure laying the platform for the future

FY06 - groupwide productivity management

- Apply systematic approaches to staffing mix and rosters to match demand and capacity in branches and call centres
- Improve productivity by enabling faster credit decisions through enhanced staff training and increased delegated lending authorities at point of sale
- Reduce unit costs for loan servicing and enhance staff work allocation through the implementation of image work-flow business process management technology
- Review of corporate support functions to eliminate duplication and reduce overhead costs
- Improved operational efficiency and cost reductions to flow from newly negotiated three year $500m outsourced corporate real estate and facilities management contract

Business priorities update

Differentiating on customer service

Management targets and outlook

Our customer service formula

Engaged People + **Great Customer Experience** = **Superior Financial Results**

Compelling place to work

- An inspiring vision
- Right people, right roles
- Empowered workplace
- People who are passionate about the Group's brands
- Clear consistent communication

Compelling place to bank

- Targeted approach
- Compelling propositions
- Customers who stay and do more
- Customers who advocate St.George
- Differentiated positioning

Compelling place to invest

- Superior financial results over time
- Consistent, superior growth profile
- Self sustaining platform

Investing in our customer service differentiation

2002 → **2003** → **2004** →

2002

- New management team
- Customer centric business model introduced
- Organic strategy designed
- Portfolio of businesses reviewed
- 'Even Better Bank' program scoped and initiated
- Business and investment disciplines introduced

2003

- Integrated Sales and Service program launched
- Even Better Bank savings achieved
- Segmentation focus introduced
- GOLD model enhanced
- Victoria strategy launched
- Product range in deposits, lending and wealth broadened

2004

- Integrated Sales and Service rollout completed
- New teller platform rolled out
- New insights into customer service – focus on advocacy
- Recruitment and training for frontline staff refined and extended
- New retail organisation model designed
- Contact centre redesigned

Investing in our customer service differentiation

2005

- New retail distribution model in place
- ‘Local markets’ strategy underway
- New insights into geographic and segment ‘profit pools’
- Lender productivity improvement program underway
- Staged implementation of interstate growth strategies
- New frontline CRM platform rolled out to branches and contact centres
- Best Business Bank program progressing to plan
- ‘Good with people, good with money’ brand campaign established
- Customer segment events based marketing program initiated – 83 campaigns*
- Risk management processes enhanced through Basel II program

*Since Sep-04

CRM platform in place, on time and on budget

Sep-04			Sep-05
Lead Management System	+	'ENACT' frontline ISS software	
Comprehensive data warehouse	+	Integrated Sales and Service program	
Segment marketing		New teller platform	

Sep-05

'One customer view'

- Simple screen display of key customer data ✓
- Cross-channel view of customer interactions ✓
- Events/needs based marketing ✓
- Improved customer service through real time interaction ✓
- Integrated leads management and referral system ✓

- Robust, fast, reliable, easy to use platform
- Delivered under $15m budget to 5,300 users across all divisions
- Creating increased staff engagement and superior service experiences for our customers

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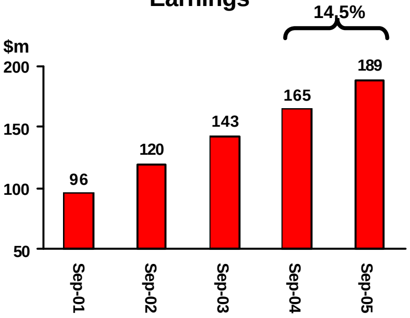
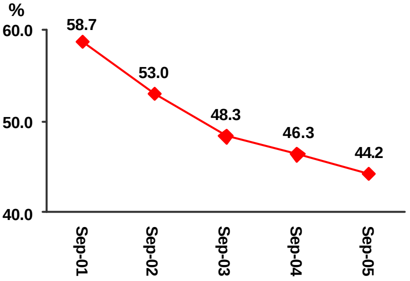
BankSA – case study in sales and service

Earnings



Cost to income



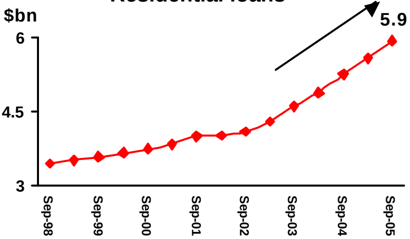
Since Sep-03:

- Customer satisfaction up 11.2 to 79.6%*
- Deposits market share up 2.2 to 24.1%
- Consumer market share up 3.0 to 13.6%
- Commercial market share up 4.6 to 22.4%^
- Mortgage market share stable at 18.4%
- Non-accruals/total lending stable at 0.09%

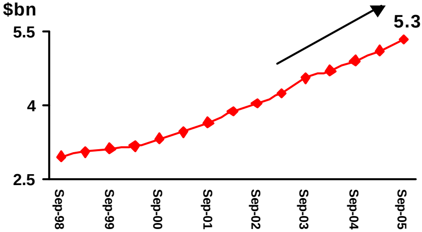
*Source: Roy Morgan Research Sep-05 rolling 3-mth average (preliminary data) ^Includes bank bill funding

BankSA – case study in sales and service

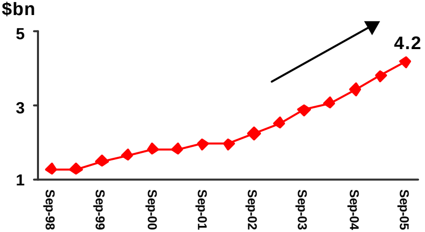
Residential loans*



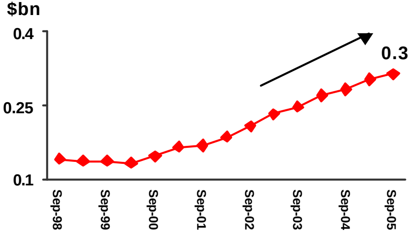
Retail deposits



Commercial loans^



Consumer loans



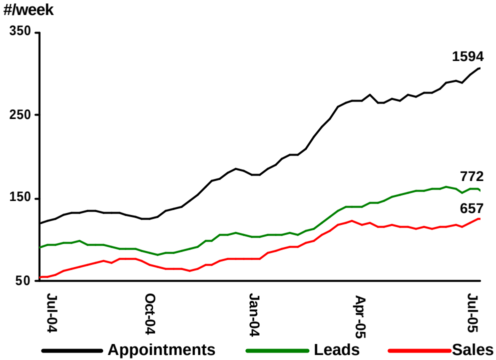
Bad debts/average total assets 0.11%

st.george

Includes *securitised loans and ^bank bills

BankSA – case study in sales and service

ISS performance indicators*

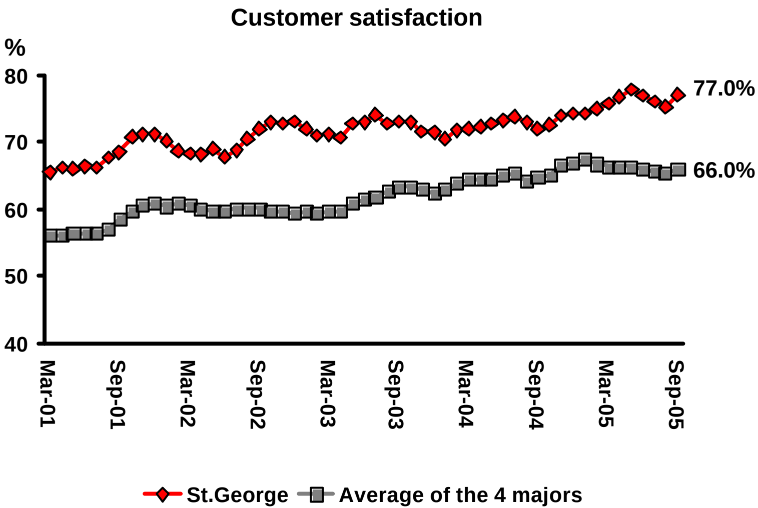


- Integrated Sales and Service key to strong performance
- Rigorous and disciplined approach to sales management
- Only three levels between Managing Director and front-line staff
- Since Apr-04:
  - 92k outbound calls^
  - 13k additional appointments
  - 5.6k additional sales

Growing market share from a leading position in a mature market

*3-month rolling trend of weekly activity. Numbers quoted are for Jul-05.
Data not collected for Aug-05 and Sep-05 due to transition to new CRM platform. ^Actual contact made with customer.

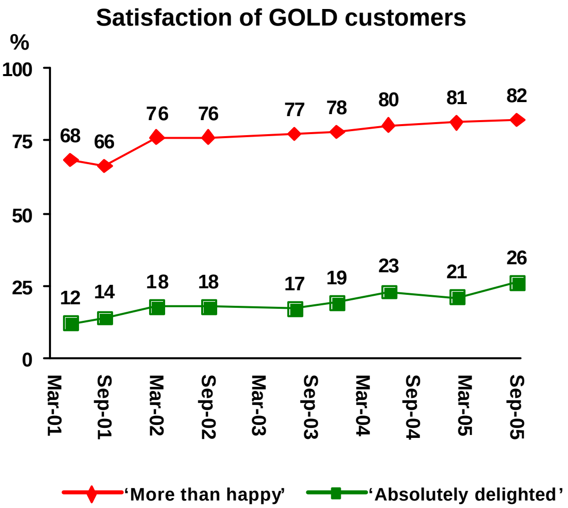
A differentiated customer experience



Respondents (aged14+) with transaction accounts at institution

Source: Roy Morgan Research Sep-05 rolling 3-mth average (preliminary data)

GOLD - a superior customer experience

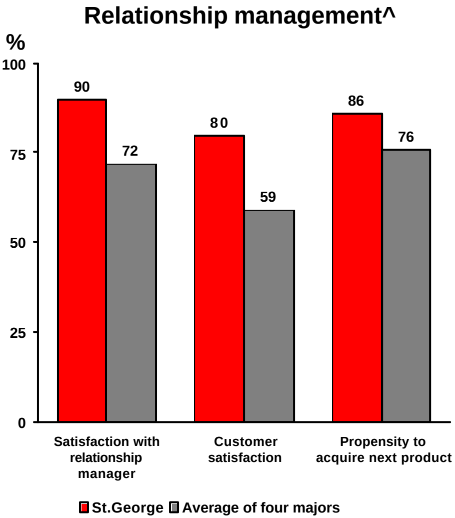


Customer advocacy

- 51% of GOLD customers would 'definitely recommend' St.George up from 36% in Jul-03
- 49% of GOLD customers are net promoters^

Source: Jones Donald Customer Satisfaction Survey Sep-05
^Net Promoters = Customers who would 'definitely recommend'(51%) minus customers who would 'probably not' (1%) and 'definitely not' (1%) recommend

Middle Market: driving customer advocacy



Customer advocacy

- 49% of St.George customers would 'definitely recommend' their bank
  - only 23% of major bank customers would^
- 38% of all St.George customers confirmed they have actually recommended the Bank^

Expected churn

- 0% of St.George customers are considering changing banks in the next 6 months
  - 18% of major bank customers are considering changing*

^Source: Jones Donald Customer Satisfaction Survey Sep-05

*East & Partners - Australian Commercial Transaction Banking Markets Survey Aug-05

Our people are our competitive advantage

Right people in right roles

- Recruit for attitude, values alignment
- Attract the best

Create an environment where people can perform

- Drive collaboration and teamwork
- Reduce bureaucracy
- Make it fun, rewarding

Build, deepen leadership capabilities

- Specific tailored programs
- Talent management

Retain best people

- Culture – the biggest factor

Business priorities update

Differentiating on customer service

Management targets and outlook

Outlook

Sector outlook

- Continued moderation in home loan credit growth
- Solid growth in business lending
- Competitive environment in retail deposits and middle market to remain intense
- Interest rates to be relatively stable

St.George outlook

- Home loan portfolio to grow in line with system
- Manage deposit volumes and mix with continued focus on profitable growth
- Middle market on track to deliver twice system growth
- Wealth management net inflows to exceed system growth
- Strong earnings momentum across the Group

Strongly positioned going into FY06

Targets: FY06 and FY07

EPS growth FY06	10% AGAAP
EPS growth FY07	10% AGAAP*
Cost to income	Manage to lower end of peer group
Capital	Tier one 7.0-7.5%
Credit quality	Maintain positive differential to majors
Customer satisfaction	Maintain positive differential to majors

*To be restated for IFRS during 2006

In conclusion

- Excellent track record of delivery
- All business divisions performing strongly
- Quality, experienced team
- In good shape for FY06 and FY07

Appendix

Significant items

	Sep-05 $m
Profit on sale of non-branded ATM network	27
Write-off of portion of deferred broker commissions*	(11)
Change in deferred expenditure accounting policy	(10)
Write-off of computer applications and equipment	(6)
Total	**0**

*Relates to third party broker commissions on the introductory loan portfolio

Depositary Capital Securities

- Amended assessments total $137m for the period 1998 to 2003 inclusive
- No amounts due under the amended assessments will be charged to the profit and loss account
- Tax benefits not recognised post 2004
- St.George is strongly contesting the ATO's view

International Financial Reporting Standards

Area of impact	Comments
Derivatives and hedging	All derivatives will be on balance sheet at fair value Earnings volatility from ineffectiveness and non-trading derivatives that do not meet hedge accounting requirements. New systems implemented. Externalisation of hedge transactions
Transaction fees and costs	While certain loan origination costs and fees are already deferred, certain additional fees received will also be deferred. Origination fees and costs will be included in net interest margin
Loan provisioning	Current general provision may be reduced due to ‘incurred loss’ model. Provision and associated profit and loss charge will be more volatile. New loan provisioning system developed
Goodwill and asset impairment	No amortisation of goodwill and replacement by impairment testing
Taxation	‘Balance sheet’ approach to tax effect accounting will result in the recognition of additional tax assets and liabilities
Property, plant and equipment	Adopting ‘deemed cost’ on transition to AIFRS. Asset Revaluation Reserve will be transferred to Retained Earnings
Securitisation	‘Residual interests’ in securitisation vehicles to require consolidation with resultant ‘gross-up’ of balance sheet and interest income and expense.
Leveraged leases	Income to be recognised on pre tax effective yield basis rather than a post tax basis.
Hybrid financial instruments	DCS and PRYMES reclassified as debt and distributions as interest expense. SAINTS to continue as equity. Transition to new regulatory guidelines
Share based payments	Need to recognise expense for share based payments over the relevant vesting period
Employee benefits	Recognition of deficit on defined benefit superannuation plan on transition. Ongoing actuarial gains or losses will be reflected directly in retained earnings

The impacts may change if the accounting standards or industry interpretation of these standards change

IFRS - restatement of FY05 result

	Sep-05 $m
Profit after income tax and preference share dividends	828
IFRS adjustments	
• Reversal of goodwill amortisation	101
• Share based payments expense	(13)
• Land and buildings	(1)
Adjusted profit after income tax and preference share dividends*	**915**

*Excludes impact of AASB 132 and 139 for which comparative information is not required

IFRS - impact on shareholders' equity at 1 Oct-05

	$m
Shareholders' equity at 1 Oct-05 under AGAAP	5333
IFRS adjustments	
• Goodwill	101
• Transaction fees and costs	(61)
• Derivatives and hedging	(31)
• Property, plant and equipment	(35)
• Hybrid equity instruments	(625)
• Other	(35)
Shareholders' equity at 1 Oct-05 under IFRS	**4647**

Key IFRS transitional impacts at 1 Oct-05 include:

- Reversal of goodwill amortisation
- Deferral of fee revenue
- Recognition of derivatives and hedge accounting
- Recognition of deferred tax on property
- Reclassification of hybrid equity instruments

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

For further information visit

www.stgeorge.com.au

or contact

Sean O'Sullivan
Head of Investor Relations
Ph: +61 2 9236 3618
Mb: +61 412 139 711
Email: osullivans@stgeorge.com.au