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

Company Name:	ST.GEORGE BANK LIMITED
ABN:	92 055 513 070
Pages (Includes this page):	30
Contact Officer:	Michael Bowan
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Subject:	**FINAL RESULTS PRESENTATION**
Date Sent:	29 October 2008

I attach slides of a presentation to analysts by St.George Bank's Managing Director and CEO, Mr Paul Fegan (commencing 11:00am). The presentation will be web cast live on the St.George Bank website at www.stgeorge.com.au. The slides will also be made available on the website.

Yours sincerely

Michael Bowan
General Counsel and Secretary

2008 Final Results

29 October 2008

Agenda

Result highlights:	**Paul Fegan**
Financial overview:	**Michael Cameron**
Business review, merger proposal and outlook:	**Paul Fegan**

Result Highlights

Paul Fegan
Managing Director and CEO

We have delivered a strong result driven by…

- Solid revenue growth
- Robust business volume growth
- Disciplined cost management
- Sound credit quality
- Focused execution of strategy

Record cash profit up 13.9%

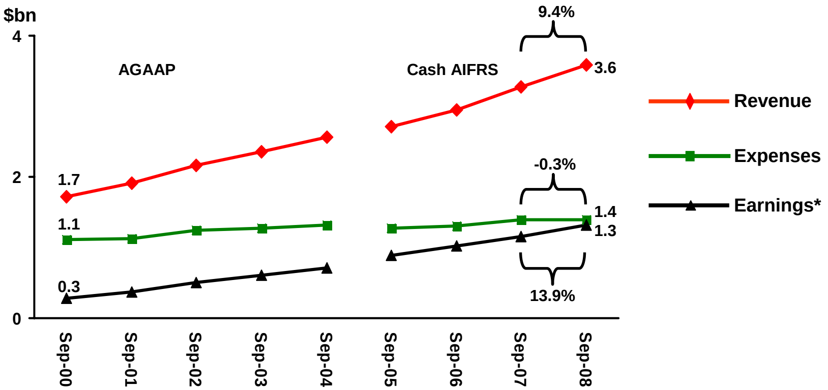
FY08 profit result

	Sep-08	Sep-07	Change %
Cash profit*	$1,321m	$1,160m	13.9
Net profit^	$1,174m	$1,163m	0.9
Earnings per share*	237.0¢	218.9¢	8.3
Return on equity*	21.5%	23.2%	-
Expense to income*	38.7%	42.5%	-
Dividend	213¢	168¢	26.8

^Net profit includes hedging and non-trading derivatives volatility and is after preference dividends and significant items.

*Cash basis excludes significant items and hedging and non-trading derivatives volatility

Earnings performance

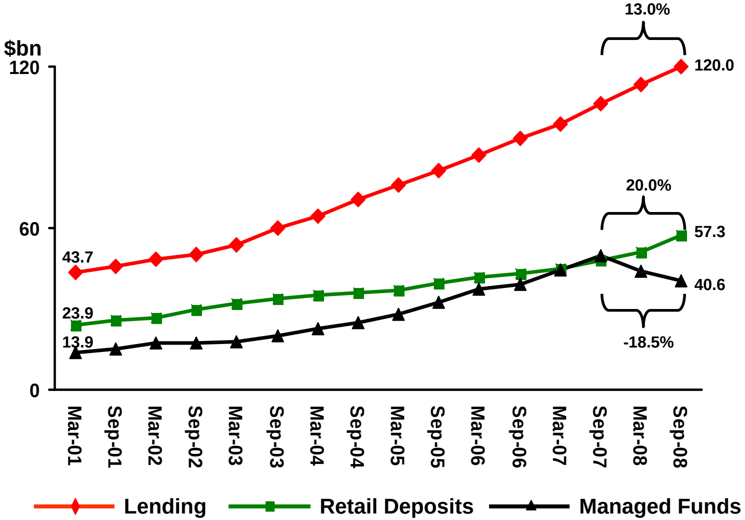


21% earnings CAGR since Sep-00

Percentages Sep-07 to Sep-08.

*Cash basis after preference dividends. AGAAP basis after preference dividends and goodwill, before significant items

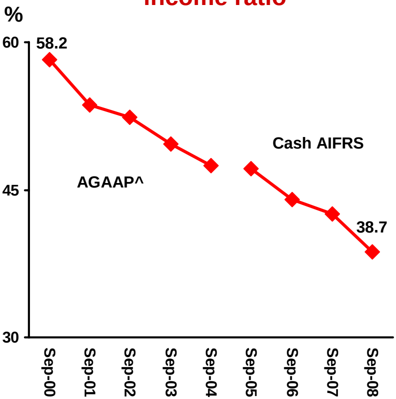
Volume growth



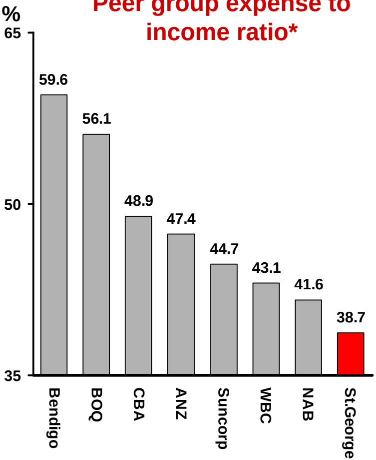
Percentages Sep-07 to Sep-08

Cost management

St.George expense to income ratio^



Peer group expense to income ratio*



St.George is Australia's most efficient bank

^Cash basis, excludes goodwill and before significant items. *Ratios are from the most recent results announcements

Other key information

Notes

‘Single name’ exposures

- Octaviar (formerly known as MFS Group)
  - $25m margin lending exposure fully provisioned
- Allco Finance Group
  - exposure reduced from $60m to $35m as at 30 Sep-08
  - security is $80m
  - this loan is performing
- Centro Property Group
  - total exposure reduced from $458m to $427m as at 30 Sep-08
  - all exposures are fully secured, with average LVRs <70%, by direct first mortgages over portfolio of Australian shopping centres
  - St.George has no unsecured exposure to Centro Property Group entities, including Centro Property Group Ltd
  - these loans are all performing

Credit quality

Net impaired assets/net receivables

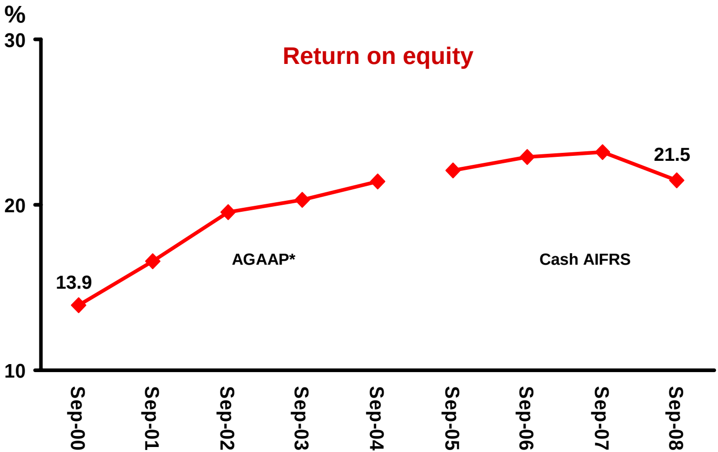
	Sep-08 %	Mar-08 %	Sep-07 %
St.George	0.12	0.12	0.10
Average of majors*		0.19	0.14

- St.George is domestically focused with no offshore operations
- No exposure to CDOs, CLOs or CDS
- No exposure to US or domestic sub prime
- No exposure to stock lending or hedge funds
- 63% of lending assets in residential mortgages
- >90% of commercial lending secured

Overall credit quality remains sound

*Source: market releases by major banks.
Includes securitisation and bill acceptances. Net impaired assets for St.George data presented in accordance with the requirements of Accounting Standard AASB 7, which became effective for the 30 Sep-08 reporting period

Return on equity

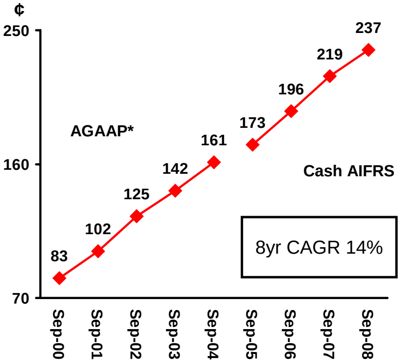


Consistently high return on equity

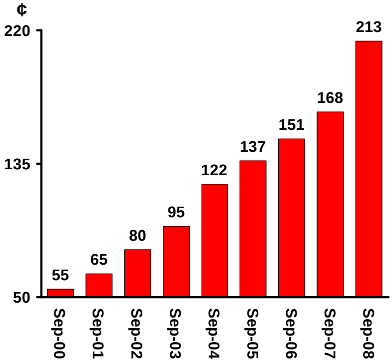
*After preference dividends, income tax, OEI and before goodwill and significant items

Dividend

Earnings per share



Dividend payout



Sep-08 dividend includes 31¢ special dividend

*Before significant items and goodwill

What we said we would deliver in 2H08

	Achieved
• Solid funding profile:	
- 100% FY08 funding complete in Jun-08,	✓
- 40% FY09 pre-funding complete in Aug-08*	✓
• Sound capital position	✓
• Robust liquidity position, up 37.2% to 14.5% of total assets^	✓
• Full period run rate impact of:	
- product repricing	✓
- free funds benefit of Nov-07 capital placement	✓
- costs disciplines initiated in 1H08	✓
• Stabilisation of earnings from SGIA investment portfolio	✓
• No additional large 'one-off' specific provisions in 2H08	✓
• Superior to peer overall credit quality	✓
• 8-10% EPS growth	✓

All data as at 30 Sep-08.

*Pre-funding stopped upon agreement of revised merger terms with Westpac on 8 Sep-08. ^Since Sep-07

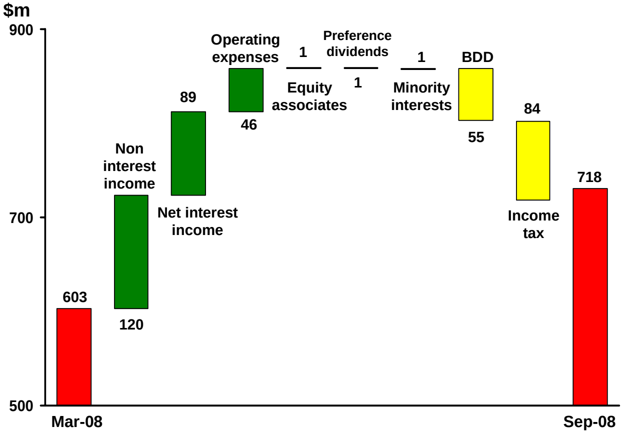
Financial Overview

Michael Cameron
Chief Financial Officer

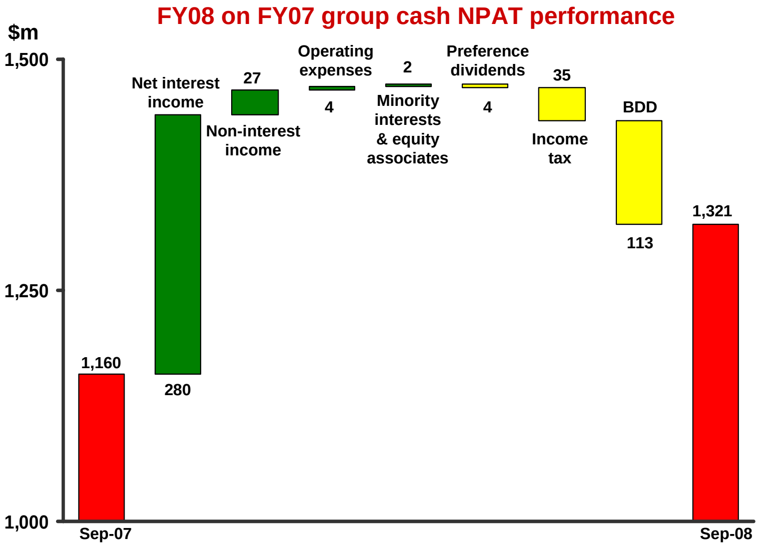
Other key information

Notes

2H08 on 1H08 group cash NPAT performance



Operational result



Other key information

Hedging and non-trading derivatives*

2H08 $m	1H08 $m	2H07 $m	1H07 $m
(41)	4	(1)	4

- Non trading derivatives are those used to hedge the Group's interest rate and exchange rate risk exposures, primarily in relation to lending assets, deposits and other borrowings
- The larger negative impact in FY08 is due to greater volatilitiy arising from fair value movements in derivatives used to hedge interest rate risk in the Bank's lending portfolio and offshore borrowings due to extreme market movements

Notes

*Net of tax

Significant items

	FY08 $m*
1H08	
Gain from Visa Inc. shareholding	54
Recognition of restructure costs	(30)
Recognition of tax expense on DCS^	(117)
2H08	
Merger related costs	(17)
Total after tax	**(110)**

- Gain from Visa Inc. represents 56.19% sold in IPO and the fair value of the remaining shares held
- Restructure costs primarily represent staff redundancy costs relating to restructuring of back office processes and consolidation of sites
- Depositary Capital Securities tax expense relates to interest deductions claimed by St.George on subordinated debentures from 1998-2003
- Merger related costs represent non-recurring expenses relating to the proposed merger with Westpac

*After tax basis. ^Depositary Capital Securities

Drivers of uplift in 2H08 earnings

- Full period run rate impact of:
  - capital free funds benefit
  - cost disciplines initiated in 1H08
  - full run rate benefit of repricing of all lending product categories
- Stabilisation of earnings from SGIA investment portfolio
- Reduced costs related to realignment of mortgage broker commissions
- No additional large ‘one-off’ specific provisions in 2H08
- Superior to peer overall credit quality

Uplift in 2H08 earnings in line with 1H08 management guidance

Other key information

Notes

Retail Bank

- 1% growth in revenue reflects:
  - negative contribution from SGIA investment portfolio
  - 1H07 $6.8m gain on sale of Group's equity investment in MasterCard
  - 2H08 $20m gain on sale of Group's equity investment in Visa Inc.

Institutional and Business Banking

- 28% growth in revenue reflects 29% growth in Middle Market receivables

BankSA

- 12% growth in revenue reflects:
  - continued success of business model and SA economy
  - 2H08 $5m gain on sale of Group's equity investment in Visa Inc.

Wealth Management

- 3% revenue growth reflects flat average managed funds balance growth due to deterioration in investment markets

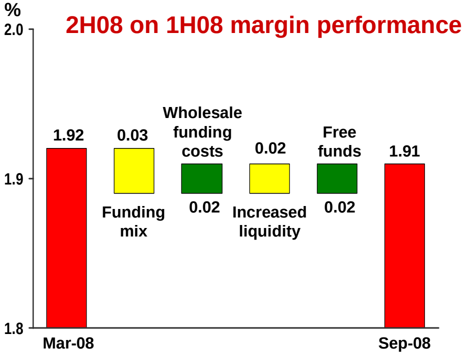
All percentages Sep-07 to Sep-08

Segmental profits

	Profit before tax Sep-08 $m	Change* %	Cost to income ratio Sep-08 %	Contribution to segment profit %
Retail Bank	821	7	42.6	43
Before SGIA^	853	16	41.8	
Institutional and Business Banking	616	27	29.0	32
BankSA	272	13	37.6	15
Before SGIA^	276	16	37.3	
Wealth Management	194	(8)	47.6	10

*Percentages Sep-07 to Sep-08. ^Before SGIA investment portfolio trading result

Other key information

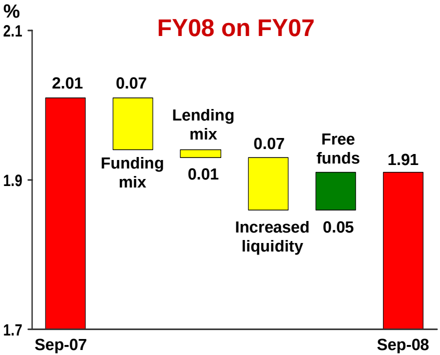


Cash rate movements during FY08

- Up 25bps in Nov-07, 25bps in Feb-08 and 25bps in Mar-08
- Down 25bps in Sep-08 and 100bps in Oct-08

Notes

Margin performance



- Funding mix impacted by the increased proportion of wholesale borrowings
- Higher wholesale borrowing costs due to volatility in global credit markets
- Spread between official cash rates and the 90 day bank bill rate has widened
- Product repricing initiatives have had an increased benefit in 2H08
- Liquidity has been increased in response to the global credit crisis, earnings impact is neutral

Underlying net interest margin compression better than guidance*

*Underlying NIM excludes the impact of increased liquidity held

Other key information

Notes

- Excluding the impact of equity markets volatility from both years, the underlying increase in non-interest income was 9%
- Managed funds fees income was impacted by the 18.5% reduction in managed funds balances
- $70m change in SGIA investment portfolio income reflects mark to market impact of deteriorating investment markets
- Factoring and invoice discounting income reduced due to sale of Scottish Pacific factoring business in Sep-07
- Electronic banking income reduced due to lower merchant transaction volumes and increased interchange fees

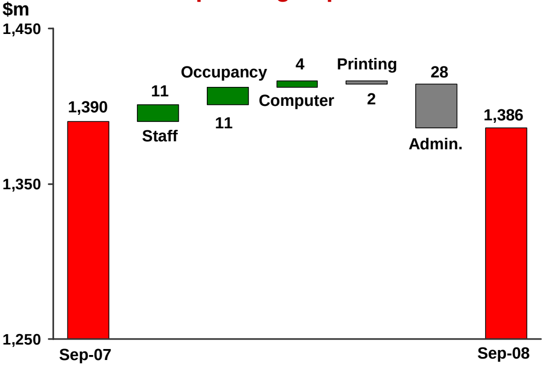
Non-interest income

	Sep-08 $m	Sep-07 $m	Change %
Product fees and commissions:			
- deposits and other accounts	253	227	11
- lending	169	151	12
- electronic banking	211	218	(3)
Managed funds	272	296	(8)
Treasury trading	125	69	81
Mortgage insurance investment portfolio (SGIA)	(36)	34	large
Factoring and invoice discounting*	5	20	(75)
Sale of shares^	25	8	large
Property sales	13	10	30
Other	69	46	50
Total	**1,106**	**1,079**	**2.5**

*Decline in income due to sale of Scottish Pacific factoring business in Sep-07. ^Represents $25m gain on sale of Visa Inc. shares in 2H08 and $8m gain on sale of Group's equity investment in MasterCard in 1H07

Cost management – FY08 on FY07

Operating Expenses

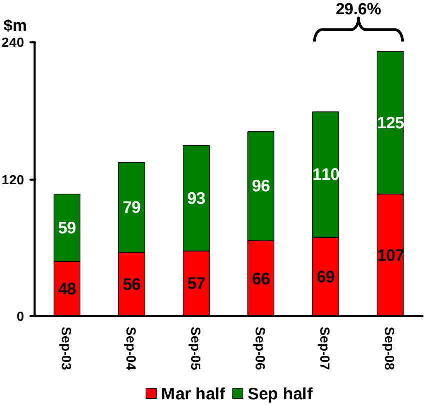


- Costs down 0.3% FY08 on FY07, reflecting benefits realised from the Group's business optimisation and offshoring programs
- Basel II and Anti-Money Laundering compliance projects expenditure $22.9m, compared to $11.7m in FY07

Continued investment in our people and service delivery

Investment program

Project investment expenditure*



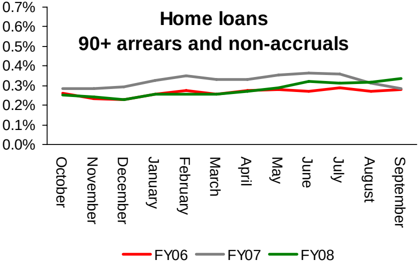
FY08 completed initiatives:

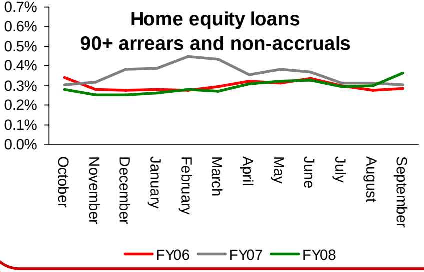
- 44 new ATMs in place
- 6 new retail and 1 business branch opened, Parramatta Contact Centre relocated
- New $11m credit card processing partnership completed in Feb-08
- Second factor authentication 'Secure Code' internet banking transactions introduced
- Website redesigned and enhanced ATM and EFTPOS security
- Back office workflow processes improved
- Continued outsourcing of non-customer facing roles
- $23m spent on AML and Basel II

Continued investment in people, branches, systems and compliance

*Includes capitalised and P&L project expenditure and excludes marketing, people and training

Credit quality - home loans arrears performance

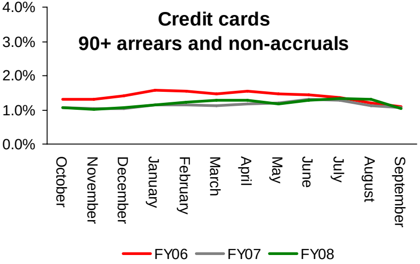


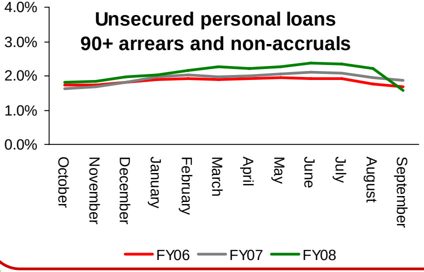


- 89 properties in possession, up from 86 as at Sep-07
- Fewer than 1,000 residential loans in arrears by 90+ days in a portfolio of over 400,000 loans
- 90+ days arrears up from a low base:
  - home loans at 0.33%, up from 0.29% at Sep-07
  - home equity loans at 0.36%, up from 0.30% at Sep-07

Overall arrears remain within expected ranges and manageable

Credit quality - consumer arrears performance





Credit cards

- Credit card arrears stable at 1.04% compared to 1.07% in Sep-07
- Credit cards represent only 1.4% of total lending assets

Unsecured personal loans

- Personal loan arrears lower at 1.58%, down from 1.87% in Sep-07
- Unsecured personal loans only represent 2.2% of total lending assets

Unsecured personal loans have been de-emphasised for 2 years

Other key information

	FY08 $m	FY07 $m
Collective		
'Eligible'	284	229
'Non eligible'	86	62
	370	291
Eligible after tax	199	160
GRCL*	205	153
Eligible provision reserve	404	313
RWA	75,162	63,226
Ratio	0.54%	0.50%
Change in GRCL	**52**	**36**

Notes

*General Reserve for Credit Losses

Bad and doubtful debts expense

	FY08 $m	FY07 $m
Specific provisions		
Residential	11	15
Consumer	116	98
Margin lending	25	-
Commercial	60	42
Total	212	155
Collective provision		
Movement	31	23
Economic cycle adjust.	48	-
Total	79	23
Bad and doubtful debts expense	**291**	**178**

2H08 performance:

Residential

- $7m in Sep-08, up from $4m in Mar-08

Consumer

- $68m in Sep-08, up from $48m in Mar-08

Margin lending

- Specific provision for Octaviar (MFS)
- Average LVR remains conservative at 44.8%, up 1.0% since Mar-08

Commercial

- $36m in Sep-08, up from $24m in Mar-08

Collective provision

- $57m in Sep-08, up from $22m in Mar-08

Collective provision

Collective provision

	2H08 $m	1H08 $m	FY08 $m	FY07 $m
Movement during the period	9	22	31	23
Economic cycle adjust.	48	-	48	-
Total	**57**	**22**	**79**	**23**

- Collective provision charge was $79m in FY08 compared to $23m in FY07
- Increase primarily driven by recognition of an economic cycle adjustment
- This addition to the collective provision is made notwithstanding the Group's collective provision uses more conservative assumptions such as downturn 'loss-given-default' rates rather than average rates which are industry standard
- Collective provision coverage of the lending portfolio increases from 0.27% in FY07 to 0.31% in FY08
- In addition there is a general reserve for credit losses of $205m after tax

The collective provision and GRCL* provide coverage equivalent to 4.1 years of average historical losses

Other key information

SGIA revaluations

	FY08 $m	FY07 $m	2H08 $m	1H08 $m
Revaluations*	(36)	34	(3)	(33)
Tax	11	(11)	1	10
After tax	(25)	23	(2)	(23)

- Current effective asset allocation is cash 55%, bonds 35% and equities 10%

Notes

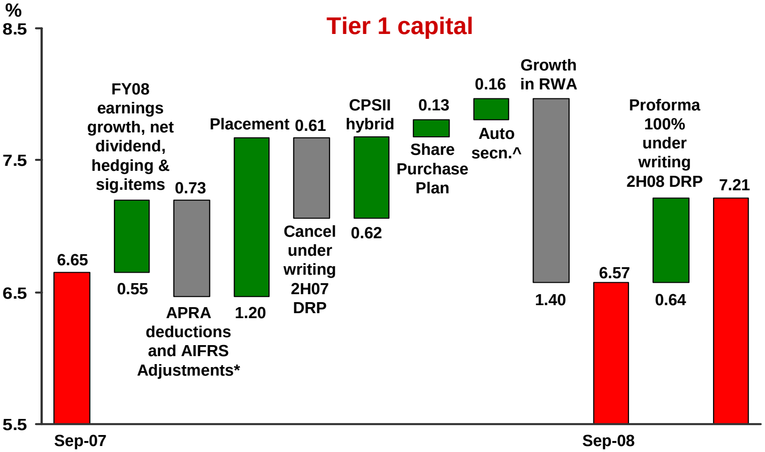
*Before tax

SGIA investment portfolio

- 65% of equity exposure to investment markets hedged during May and Jun-08
- Hedges reduce the effective equity exposure within the SGIA investment portfolio to almost 10%, down from 33% at Mar-08
- Value of the equity exposure did not decline during 2H08, compared to ASX 300 benchmark which declined 14%
- Fixed income bond portfolio returned a 6.5% average annualised return over 2H08
- As at 30 Sep-08 SGIA investment portfolio totalled $393m
- Underwriting is strong and losses remain extremely modest in absolute number and dollar terms

SGIA investment portfolio repositioned for improved capital efficiency and reduced volatility

Capital



Tier 1 capital 6.6%, Tier 1 minimum 6.25%

ACE ratio 4.9%

As at 30 Sep-08. *Expiry of AIFRS transition relief and other Tier 1 adjustments. ^Auto securitisation transactions

Business Review, Merger Proposal and Outlook

Paul Fegan
Managing Director and CEO

Business review

Merger proposal and outlook

Business review

People and customers

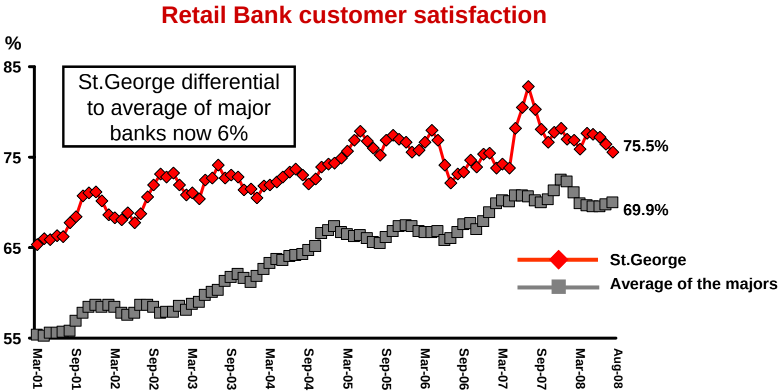
Retail Deposits

Home Loans

Middle Market

Wealth management

Customer satisfaction



Continuing service leadership while still making tough commercial decisions

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

Other key information

Retail funding composition

	Sep-08 $bn	%	Sep-07 $bn	%
Transaction	18.0	31	17.4	36
Savings	0.6	1	0.6	1
Fixed term	23.3	41	14.9	31
directsaver	9.1	16	7.9	17
Investment	6.3	11	7.0	15
Total	57.3	100	47.8	100

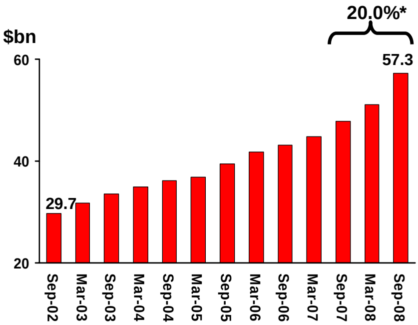
- 56.8%* growth in fixed term account balances
- 85% of term deposits roll over
- Increasing proportion of new flows from QLD, VIC and WA

Notes

*Percentages Sep-07 to Sep-08

Deposits

Retail deposit balances



- 24.2% annualised growth in 2H08, compared to system growth of 14.0%^
- Balance growth benefiting from:
  - flight to quality
  - focus on core offering
  - average duration of deposits extended
  - leverage of wealth and commercial relationships
- 32% growth in Asgard cash investment accounts during FY08
- Margin performance remains strong
- Robust growth levels providing a mitigate to challenging funding markets

Strong retail deposit growth exceeding growth in retail lending

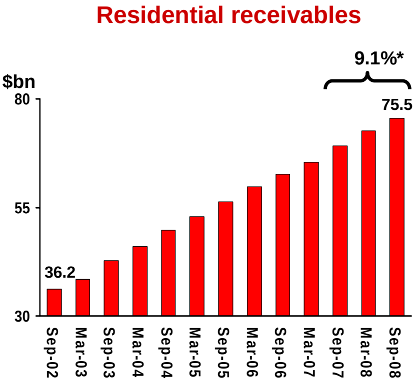
*Percentage Sep-07 to Sep-08, compared to system growth of 14.8% (APRA retail deposits data based on growth from Aug-07 to Aug-08). ^APRA retail deposits data based on growth from Apr-08 to Aug-08 annualised

Other key information - product mix

	Receivables	Settlements				
	Sep-08 %	FY08 %	FY07 %	FY06 %	FY05 %	FY04 %
Introductory	1.0	3.6	3.9	2.8	3.6	8.0
Portfolio	27.7	25.0	27.2	29.2	29.9	34.7
Standard variable and basic	37.7	36.1	29.7	40.2	42.2	37.3
Fixed	20.1	18.6	21.3	13.3	10.4	7.8
Low doc	7.7	11.0	11.5	8.2	8.3	8.5
No deposit	5.1	5.5	6.2	5.8	4.7	2.8
Seniors access	0.7	0.2	0.2	0.5	0.9	0.9
Total	100	100	100	100	100	100

Notes

Home Loans



- 8% annualised 2H08 growth
- Housing volumes impacted by:
  - slower NSW system growth
  - above industry concentration of line of credit loans
  - declining consumer confidence due to higher interest rates, food and petrol prices and slowing economy
- Run-off rate^ 14%, down from 16% in Sep-07
- Broker commission realignment has improved channel profitability without impacting volumes
- <1bps loan loss rate

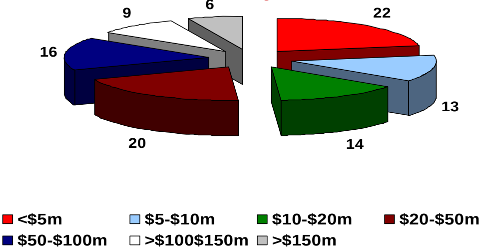
Credit quality and arrears performance remain sound

*Percentages Sep-07 to Sep-08

^Annualised run-off rate includes contractual repayments, discharges and pre-payments

Other key information

Distribution by loan size %



Geographical distribution %

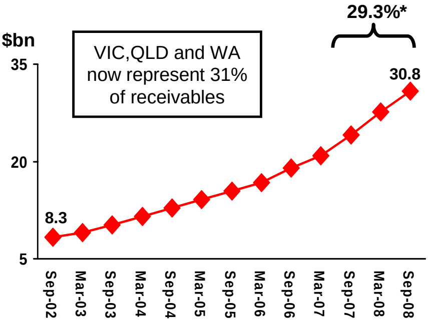
NSW	54.2
SA	14.3
WA	11.4
VIC	11.7
QLD	8.4

Notes

*All data as at 30 Sep-08

Middle Market

Total middle market receivables



- 24% annualised growth 2H08
- 39%* growth in business deposit account balances
- Strong performance driven by:
  - continued investment in people and processes, including 75 additional net front line staff in FY08
  - consistent adherence to proven relationship model
- Awarded 'Best Business Bank' by CFO magazine

Relationship model continuing to deliver strong growth and sound credit outcomes

*Percentages Sep-07 to Sep-08

Other key information

Customer retention

- 94% of customers have maintained their relationship with St.George^

Expected churn*

- 0% of St.George customers are considering changing banks in the next 6 months
- 17% of major bank customers are considering changing

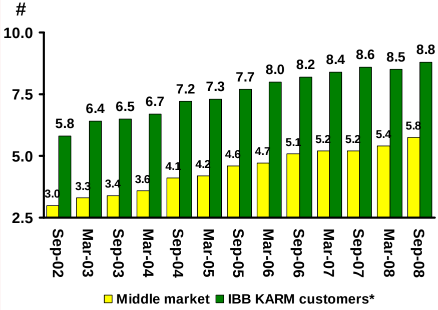
Industry leading levels of staff engagement and customer retention

Notes

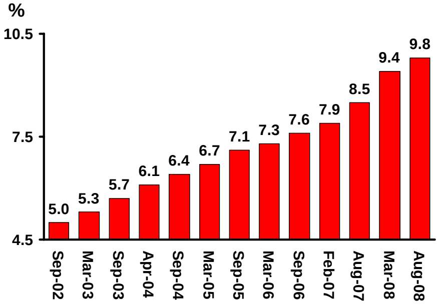
^Sep-06 customers who are still with St.George, 6% attrition rate includes customers who have repaid debt, been acquired or closed their businesses. *East & Partners - Australian Commercial Transaction Banking Markets Survey Aug-07

Middle Market

Products per customer



Market share^



9.8% market share, up from 5% in Sep-02

*KARM – Key account relationship management

^Cannex derived market share. From Mar-06 impact of large leveraged buy out transactions are excluded

Middle Market – credit quality

- >90% of total portfolio secured, >80% of total portfolio secured by property
- 68% of new FY08 business sourced from existing customers, 85% sourced from target industry segments
- Average LVR of total portfolio is 63%
- Average LVR of total property portfolio is c.58%
- Exposure to construction and development <10%
- Impaired assets/total middle market receivables is stable at 0.29%
- 92% of portfolio by exposure and 90% of regions have been reviewed by centralised group credit in last 12 months

Portfolio is well secured with relatively few large exposures

Other key information - Asgard

Notes

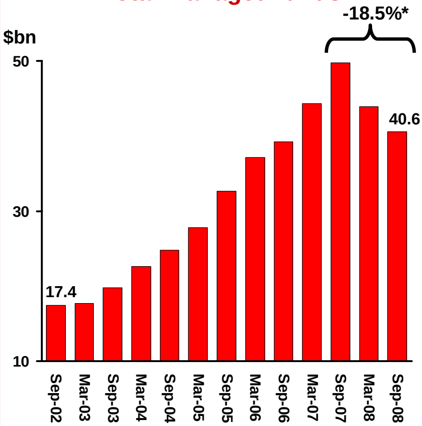
- Funds under administration down 16.8% since Sep-07
- Asgard top 4 in industry for net flows^
- 6.5% growth in Securitor financial adviser numbers despite tight labour market
- Asgard eWRAP awarded Investment Platform of the year*
- AdviserNetgain rated #1 integrated solution for second consecutive year**
- Continue to invest in underlying infrastructure

14.5% of market net flows^

^Plan for Life Jun-07 to Jun-08 Quarterly Data System. *AFR Smart Investor Blue Ribbon Awards 2008. **Rated #1for delivering integrated financial planning and practice management technology. Investment Trends 'hybrid category' Jan-08

Wealth Management

Total managed funds



- Total managed funds down 7.6% since Mar-08
- Managed funds balances impacted by deterioration in investment markets
- Since Sep-07:
  - S+P ASX 200 index down 30.0%
  - MSCI down 24.7%
  - S+P/ASX 200 A-REIT down 54.9%
- Cost to income 47.6%, down from 75.0% in Sep-02
- Continued focus on risk management and compliance culture

Solid performance in extraordinary markets

*Percentages Sep-07 to Sep-08, excludes Securitor balances. ^Accumulation basis 30 Sep-07 to 30 Sep-08

Business review

Merger proposal and outlook

Merger proposal

- St.George and Westpac agreed a revised merger proposal on 8 Sep-08
- St.George Board confirmed its unanimous recommendation of Westpac offer in the absence of a superior proposal
- Merger exchange ratio remains unchanged at 1.31 Westpac shares for each St.George Bank share held
- St.George shareholders to receive a final dividend and special dividend totalling $1.25 per St.George share
- Independent Expert, Grant Samuel, confirmed the Westpac proposal is ‘fair and reasonable and in the best interests of St.George shareholders’
- Break fee of $100m payable by St.George in specified circumstances
- Acceleration of integration and transition planning underway
- Scheme Booklet now in the hands of shareholders and proxy forms being returned
- St.George EGM and Scheme Meeting scheduled for 13 Nov-08*

*Timetable is based on best estimates of the parties and is subject to change

Merger proposal – key benefits

- St.George shareholders achieve an upfront premium
- Proposed operating model retains and incorporates St.George's distribution networks, brands and culture
- Merged entity will have a broader distribution network providing increased revenue opportunities
- Merged entity is expected to be 'AA' rated
- Cost synergies from merged entity, expected to be 25% of St.George cost base, will benefit both Westpac and St.George shareholders
- Independent expert considers the proposal to be 'fair' and 'reasonable' and therefore in the interests of St.George shareholders

Sector outlook

- Global financial crisis worst in living memory
- Repercussions to reverberate through out the economy
- Investment market volatility likely to continue
- FY09 national housing lending growth expected to be in mid-high single digits
- FY09 national business lending growth expected to be in low-mid single digits
- RBA has now adopted an easing bias, cutting official interest rates by 1.25% since Sep-08. Markets are pricing in additional easings
- Australian economy continues to slow but remains resilient supported by solid banking system, robust regulatory regime and strong fiscal and monetary positioning
- Government intervention around the world, including in Australia, is expected to prove a turning point but risks remain

Conclusion

- Result characterised by strong revenue performance, robust business volume growth and disciplined cost management
- FY08 project investment expenditure up 30%, following 6 years of consecutive increases
- Capital, funding and liquidity positioning remain solid
- Credit quality remains sound
- Solid contributions achieved across all business lines

St.George has delivered a record cash profit up 13.9% despite an unprecedented and extremely volatile environment st.george

For further information visit
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