St.George Bank Limited

ABN 92 055 513 070

GROUP FINANCIAL RESULTS

AND

DIVIDEND ANNOUNCEMENT

for the half-year ended

31 March 2002

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1 Financial Summary

1.1 Results at a Glance

Financial Performance

- Profit after tax and before significant items was $244 million (31 March 2001: $173 million), an increase of 41.0%.
- Profit available to ordinary shareholders was $157 million (31 March 2001: $173 million), a decrease of 9.2%.
- Net-interest income was $648 million (31 March 2001: $612 million), an increase of 5.9%.
- Non-interest income was $411 million (31 March 2001: $314 million), an increase of 30.9%.
- Operating expenses before goodwill and significant items increased to $558 million (31 March 2001: $515 million), an increase of 8.3%.
- Basic earnings per ordinary share (annualised) before significant items and goodwill amortisation increased to 122.5 cents (31 March 2001: 96.4 cents).
- Return on average ordinary equity (annualised) before significant items and goodwill amortisation increased to 19.33% (31 March 2001: 15.78%).

Financial Position

- Total assets were $52.6 billion (31 March 2001: $49.3 billion), an increase of 6.7%.
- Lending assets (both on and off-balance sheet) were $48.3 billion (31 March 2001: $43.7 billion), an increase of 10.5%.
- Home equity receivables were $9.1 billion (31 March 2001: $7.9 billion) an increase of 15.2%.
- Consumer receivables were $2.9 billion (31 March 2001: $2.3 billion), an increase of 29.1%.
- Retail funding was $26.8 billion (31 March 2001: $23.9 billion), an increase of 11.9%.

Dividends

- A higher interim ordinary dividend of 38 cents per ordinary share, fully franked (31 March 2001: 31 cents) has been declared by the Board.
- The Dividend Reinvestment Plan will operate for the interim dividend.

Other

- Managed funds stood at $17.5 billion (31 March 2001: $13.9 billion), an increase of 26.0%. SEALCORP grew 26.3% to $12.8 billion.
- Net non-accrual loans as a percentage of net receivables remained steady at 0.10% .

1.2 Group Highlights

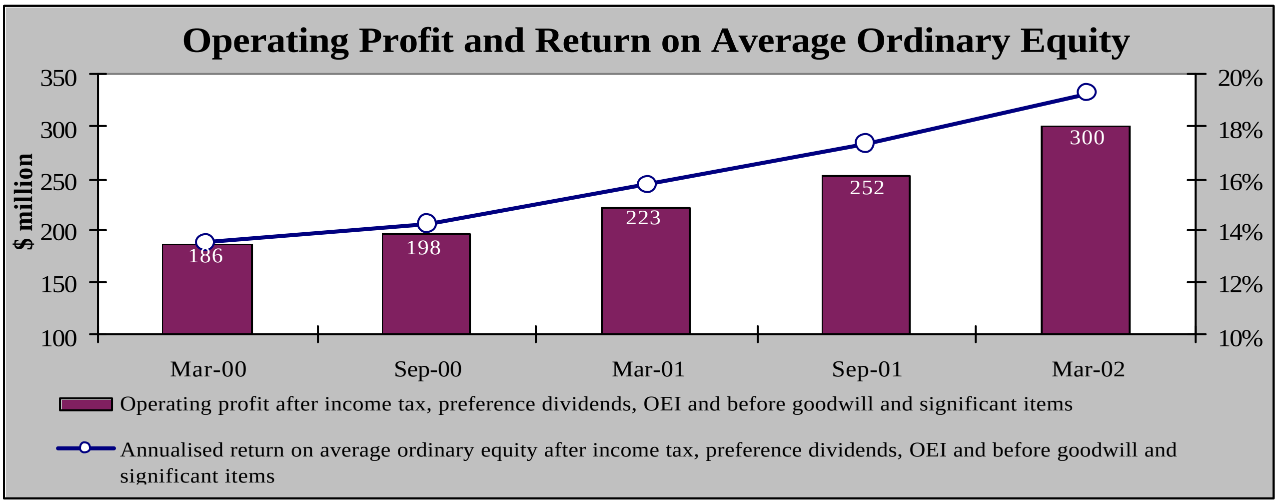
The financial information provided in this statement of financial results and dividend announcement relates to the operations of St.George Bank Limited and its controlled entities (the Group) for the half-year ended 31 March 2002. The Group's financial results have been subject to an independent review by the Group's external auditors, KPMG. Comparative information has been reclassified where necessary to enhance comparability. The financial results of WealthPoint Limited and its controlled entities have been consolidated from 5 November 2001.

The term "previous corresponding period" refers to the half-year ended 31 March 2001.

Half-Year Ended		**March 2002**	Sept 2001	March 2001
TOTAL ON BALANCE SHEET ASSETS	$m	**52,577**	52,056	49,278
SECURITISED RECEIVABLES	$m	**6,065**	5,070	4,190
OPERATING PROFIT				
Before preference dividends and:				
- after income tax, OEI [(1)] and before goodwill and significant items	$m	**330**	283	261
- after income tax, OEI, goodwill and before significant items	$m	**274**	234	211
- after income tax, OEI, goodwill and significant items	$m	**187**	194	211
After preference dividends and:				
- after income tax, OEI and before goodwill and significant items	$m	**300**	252	223
- after income tax, OEI, goodwill and before significant items	$m	**244**	203	173
- after income tax, OEI, goodwill and significant items (available to ordinary shareholders)	$m	**157**	163	173
UNDERLYING PROFIT	$m	**500**	476	411
RETURN ON AVERAGE ASSETS (Annualised)				
- after income tax, OEI and before goodwill, significant items and preference dividends		**1.25%**	1.14%	1.06%
- after income tax, OEI, goodwill, significant items and before preference dividends		**0.71%**	0.78%	0.85%
RETURN ON AVERAGE RISK WEIGHTED ASSETS (Annualised)				
- after income tax, OEI and before goodwill, significant items and preference dividends		**2.18%**	1.95%	1.86%
- after income tax, OEI, goodwill, significant items and before preference dividends		**1.23%**	1.34%	1.50%
RETURN ON AVERAGE ORDINARY EQUITY (Annualised)				
- after income tax, OEI, preference dividends and before goodwill and significant items		**19.33%**	17.36%	15.78%
- after income tax, OEI, preference dividends, goodwill and before significant items		**15.73%**	13.98%	12.24%
- after income tax, OEI, preference dividends, goodwill and significant items		**10.12%**	11.23%	12.24%
EXPENSES AS % AVERAGE ASSETS - (excluding goodwill and significant items)		**2.12%**	2.06%	2.08%
EXPENSE / INCOME RATIO - (excluding goodwill and significant items)		**52.7%**	51.7%	55.6%
INTEREST MARGIN		**2.77%**	2.79%	2.74%
ORDINARY DIVIDEND (Fully franked)	Cents	**38.0**	34.0	31.0
EARNINGS PER ORDINARY SHARE (Annualised)				
Basic				
- before goodwill and significant items	Cents	**122.5**	106.9	96.4
- after goodwill and significant items (statutory)	Cents	**64.1**	69.3	74.7
Diluted				
- before goodwill and significant items	Cents	**122.1**	108.2	92.6
- after goodwill and significant items (statutory)	Cents	**65.8**	71.3	71.7
NET TANGIBLE ASSETS PER ORDINARY SHARE	$	**3.40**	3.28	2.93
CAPITAL ADEQUACY RATIO		**10.8%**	11.1%	10.8%

(1) OEI refers to Outside Equity Interests in controlled entities.

1.2 Group Highlights (cont…)



Net Interest Income

- Net interest income for the half-year was $648 million (31 March 2001: $612 million), an increase of 5.9%. The increase is due to growth in average interest earning assets by 4.8% since March 2001 and the improvement in the net interest margin to 2.77% from 2.74% in the previous corresponding period.

Diversification of Income Streams

- Non-interest income was $411 million (31 March 2001: $314 million), an increase of 30.9%. Non-interest income now accounts for 38.8% of total income (31 March 2001: 33.9%). Non-interest income growth was achieved from fee initiatives introduced through the Best Bank Redesign and increased financial markets income.

- Managed funds have continued their rapid growth to $17.5 billion at 31 March 2002 (31 March 2001: $13.9 billion), an increase of 26.0%.

Operating Expenses

- The expense to income ratio, before goodwill amortisation and significant items, decreased to 52.7% (31 March 2001: 55.6%) partly as a result of efficiency gains and non-interest income initiatives introduced through the Best Bank Redesign.

- Operating expenses before goodwill and significant items were $558 million for the current half-year (31 March 2001: $515 million), an increase of 8.3%. The increase is due to the acquisition of WealthPoint in November 2001, with five months of WealthPoint's operating expenses totalling $15 million included in the current half-year result. Further factors contributing to the increase were business volume growth in electronic banking transactions, additional deferred expenditure amortisation arising from Best Bank Redesign computer enhancements and an increase in staff expenses due to salary and wage rises granted on 1 October 2001.

Income Tax

- Income tax expense (before significant items) increased by $15 million compared to the previous corresponding period. Effective 1 October 2001, the corporate income tax rate reduced to 30% from 34%. The benefit arising from the reduced tax rate was offset by the increase in operating profit before income tax and significant items of $79 million over the previous corresponding period.

1.2 Group Highlights (cont…)

Shareholder Returns

- Return on average ordinary equity (annualised) before goodwill and significant items increased to 19.33% (31 March 2001: 15.78%).
- Basic earnings per ordinary share (annualised) before goodwill and significant items increased to 122.5 cents (31 March 2001: 96.4 cents).
- The Board has declared an interim ordinary dividend of 38 cents per ordinary share, payable on 2 July 2002. This dividend will be fully franked at 30%.

Capital Management

- Completion of $1.8 billion securitisation of residential loan receivables through the Crusade Programme in March 2002.
- The Dividend Reinvestment Plan will operate for the interim dividend with a 2.5% discount.

Assets and Asset Quality

- Lending assets (on and off-balance sheet) were $48.3 billion (31 March 2001: $43.7 billion), an increase of 10.5%.
- Bad and doubtful debts expense for the half-year ended 31 March 2002 was $34 million (31 March 2001: $30 million).
- The general provision associated with the $1.8 billion of securitised loans was written-back during the half-year. The combination of the tax effected balance of unearned income on mortgage insurance premium of $20 million with the general provision of $139 million is $7 million above the accepted industry level of 0.50% of risk-weighted assets.

Market Share

- Market share for the Group's owner-occupied home loan outstanding balances remained relatively stable during the half-year due to competitive pricing, effective sales and marketing activities.

  Despite some downward pressure on market share, primarily due to competitor reclassifications of home loans and strong overall growth in the housing market, industry analyst, J.B.Were in its monthly Market Share Analysis report, has consistently reported St.George as having "generated the strongest absolute growth amongst the regional banks".
- On and off balance sheet residential loans grew 4.8% over the six months to 31 March 2002, from $33.3 billion to $34.9 billion.
- St.George through its Portfolio loan maintains a leading market position for home equity loan approvals. Over the last twelve months St.George's market share for home equity loan approvals averaged 27%.
- At 31 March 2002 retail deposits were $26.8 billion, an increase of 11.9% from 31 March 2001, reflecting strong growth in the dragondirect internet channel and Portfolio Cash Management Account. St.George's market share of retail deposits is 9.0% compared to 8.9% at 31 March 2001.

2 Business Summary

2.1 Executive Leadership

On 12 December 2001, the Board announced the appointment of Mrs Gail Kelly as St.George's Chief Executive Officer. Mrs Kelly took up her duties on 14 January 2002 and was appointed Managing Director on 29 January 2002. Formerly with the Commonwealth Bank of Australia, Mrs Kelly brings with her significant experience and knowledge of the financial services industry.

Mr Peter Clare was appointed to the role of Group Executive, Strategy and Office of the Managing Director in February 2002.

In April 2002, the appointment of Mr Andrew Thorburn as Group Executive, Personal and Small Business Banking was announced. Mr Thorburn will commence his duties in June 2002 replacing Mr Bill Ott who returns to the United States on the completion of his contract.

The role of Group Executive Investment Services became vacant in March 2002 following the departure of Mr Richard Cawsey. Mr Ian Knox, the Chief Executive Officer of Sealcorp is currently Acting Group Executive Investment Services.

2.2 Strategic Overview

The Bank's strategic vision is that:

**"Customers value St.George as the best partner
to manage their finances and build wealth"**

Building upon its vision St.George's six business goals are:

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

Following upon the success of the "Best Bank" initiative, the next stage of St.George's business strategy will be under the banner of "Even Better Bank". St.George expects early benefits from the "Even Better Bank" programme to flow to the bottom line during the second half of FY2002 but the major focus will be on earnings improvement for FY2003 and FY2004. Two project teams have been formed to focus on customer segmentation and cost efficiency-based performance improvements. The projects, titled "Customer Led Growth" and "Business Productivity", will assist in achieving the Bank's six business goals.

2.2 Strategic Overview (cont…)

Deepen and Strengthen Customer Relationships in Our Chosen Markets

St.George has a customer base of approximately 2.6 million with a high level of customer satisfaction and a strong propensity to consider positively St.George product offers[1]. St.George also has a well developed data warehouse, and customer information system. Notwithstanding the above, current product penetration per customer stands at 2.0, lower than each of the four major banks.

Under the "Customer Led Growth" project, St.George will focus on those customer segments for which it can provide superior customer service and obtain higher returns. For example, the establishment of St.George's "Gold", and "Key Account Relationship Management" (Middle Market) segments have led to significant improvements in customer retention and new sales. St.George will use learnings from these initiatives to link appropriate financial services products to relevant segments of its banking customer base.

Leverage Specialist Capabilities for Business Growth

St.George has significant specialised capabilities in a number of business areas where specific expertise and/or scale benefits exist. These include residential lending (including home equity), payment products and services, asset based finance, dragondirect, the Asgard Master Trust and relationships with independent financial advisors. These capabilities provide the opportunity to attract new customers, achieve additional cross-sell and achieve greater than system growth rates.

The recent expansion of the national Agribusiness network, with twelve additional points of representation in NSW and Victoria, is an example of this strategy.

Creatively Differentiate on Customer Service

St.George has a differentiated and excellent reputation for customer service and satisfaction. St.George's personal banking customers are significantly more satisfied than those of its major competitors (having a satisfaction rating of 72% in comparison to an average rating of 60% for the four major banks[2]). This reputation is also reflected in customer surveys of St.George's Institutional & Business Banking Division where St.George ranks higher in terms of customer satisfaction than most major and foreign banks across a wide range of financial services for corporate customers[3].

St.George will work specifically to ensure the appropriate alignment of customer service with its key customer segment approach and will continue to invest in convenient and easy-to-use customer sales and service facilities using electronic channels. These include the Internet, St.George Direct and a range of self-service terminals. The combination of friendly staff and convenient self-service in St.George's innovative Automatic Banking Centres has also proved popular with customers.

[1] Dangar Research, September 2001
[2] Roy Morgan Research, December 2001
[3] East & Partners, Top 500 Corporate Banking in Australia, June 2001; Jones Donald, IBB Wave 3, December 2001

2.2 Strategic Overview (cont…)

Accelerate and Empower a Relationship-Based Selling Culture

St.George has been an industry leader in data warehousing and campaign management. The advertising campaign "… it's OK, I'm with St.George." has achieved very high recall rates of 90%. As a result of the "Best Bank" programme, St.George has excellent sales support infrastructure in terms of customer data mining, lead management and campaign management systems. St.George will use these tools to develop the appropriate skills, measurement and incentive systems to support St.George's relationship-based sales strategy.

Optimise Cost Structure

St.George has reduced its group cost income ratio from 59.0% in FY97 to 52.7% in 1H02. In order to fund the required investment for growth and to further improve this ratio, St.George to pursue further cost efficiencies. Areas to be reviewed by the "Business Productivity" project include:

- Support and administration processes and cost structures.
- Back office product manufacturing processes – this review will include possible changes to business models, joint ventures/alliance and selective outsourcing options.
- Transitioning customers to more convenient and cost effective service channels.

Build Team and Performance Culture

While St.George has a committed and willing workforce, continued investment and focus is required to grow skills to enhance St.George's team culture and drive performance. Group, divisional and individual goals, measurements and rewards will be aligned through St.George's integrated strategic planning system.

St.George occupies a unique niche in the financial services industry between the four major competitors and a number of smaller regional banks. Differentiation between the majors is blurring over time and reducing levels of service and representation increasingly disenfranchise their customers. Conversely, St.George's regional competitors offer customers a service-based alternative, but cannot offer the broadest range of products. St.George has strong organic growth potential by taking advantage of this market dynamic. There is significant inherent value in St.George's customer base that will be unlocked through the higher levels of customer service that St.George can provide and by improving its rate of cross-sell. Specific targets are being established for each of the six business goals noted above. The market will be updated on progress in September of this year.

2.3 Best Bank Redesign

The Best Bank programme involving the implementation of 1,000 ideas was substantially completed in October 2001 with a small number of remaining residual ideas implemented during the half-year.

The efficiencies and substantial revenues realised from the programme have delivered a pre-tax contribution of $73 million for the half-year. This result is in accordance with the revised annual target of $145 million announced in November 2001.

Revenue initiatives have delivered $28 million of the half-year result, while cost efficiency initiatives account for the balance of $45 million.

The programme has improved functional processes across the Group and better-aligned resources with the financial needs of specific customers and market opportunities. Best Bank has provided the foundation for effective customer segmentation where products and services are tailored for different segments. The pricing of products and services has been revised in accordance with the value customers derive from these offerings. This has been a key factor in the strong growth in the Group's non-interest income which now represents 38.8% of total income.

Through the Best Bank Redesign, staff have been provided with the platform to improve their capability to deepen relationships within selected customer segments and therefore lift the level of cross sales.

2.4 Investment Services Division (ISD) Strategic Review

Over the past two months, St.George has undertaken a detailed review of its wealth management businesses.

This review has affirmed the Group's priorities as follows:

- Leveraging the St.George customer base by providing "whole of wealth" value propositions through identified selected target markets.

- Continuing to expand the profitable growth of core businesses through the internal and external distribution channels.

- Restructuring the ISD portfolio to focus on businesses that are the key sources of future profitability.

2.5 Investments

Over the last several years, St.George has made a number of other investments with the aim of complementing its financial services activities. While the Group continues to pursue a range of business opportunities with these companies, it is recognised that they are at different stages of development, and have a range of risk profiles. It has therefore been decided to take a conservative view of the investment valuations attributed to them. The investments that have been subject to this review include Ctel Technologies Pty Limited, Autobytel Australia Pty Limited, thechamber.com.au, marketboomer Pty Limited, Netxsurance Pty Limited, Stockford Limited and Virtual Communities Limited.

This portfolio of investments has been written down by $22 million ($15 million after tax) to a carrying value of $4 million.

2.6 Acquisitions

During the half-year the Group acquired the following entities.

2.6.1 WealthPoint Group

On 5 November 2001, WealthPoint Limited became a wholly owned subsidiary. The consideration paid for 52 million shares and 10 million options that the Group did not already hold was $34 million after including related acquisition costs.

Goodwill on acquisition totalled $139 million. This amount included $85 million of profit relating to the sale of the Assirt companies and Quicktrade business to WealthPoint in September 2000.

A restructure provision of $6 million was established at the date of acquisition to cover the costs of rationalising and integrating WealthPoint operations into the Group and discontinuing certain non-core WealthPoint businesses. At 31 March 2002, $3 million of the restructure provision remains unutilised.

As part of the restructure of WealthPoint, non-core businesses were disposed of during the half-year for nominal or nil consideration. These businesses were Falkiners Stockbroking, Bourse Education and Hotcopper.

The strategic review of the Investment Services Division conducted during the half-year has impacted WealthPoint. WealthPoint is a portfolio of businesses providing a range of software platforms and research resources to financial planners. While there are a number of valuable businesses in the portfolio, they are at different stages of maturity, have different profitability outlooks and risks attached. In the light of the strategic review, the valuation of WealthPoint has been reassessed and $72 million (nil tax effect) of goodwill has been written-off at 31 March 2002. The remaining balance of unamortised goodwill relating to WealthPoint is $63 million at 31 March 2002.

There are no regulatory capital implications in relation to this write-off as goodwill is a Tier 1 capital deduction for capital adequacy purposes.

2.6.2 St.George Equity Finance Lending Limited

On 22 October 2001, the Group acquired 100% of Deutsche Equity Lending Australia Limited (now St.George Equity Finance Lending Limited) and Deutsche ML Nominees Limited (now Target Nominees Limited). Goodwill on acquisition totalled $9 million and is being amortised over a ten year period.

The growth in St.George’s margin lending portfolio from $412 million at 30 September 2001 to $802 million at 31 March 2002 was primarily due to the acquisition.

2.7 Electronic Banking and Phone Banking

Demonstrating St.George's commitment to improving the level of service and accessibility to its customers, St.George announced a new programme designed to increase the number of ATMs available to the public. As part of this programme, 100 new ATMs will be added to the network and 250 existing ATMs will be refurbished to improve accessibility for disabled customers. The programme will also involve the improvement of the ATMs' signage to increase recognition of the St.George Brand.

This programme will enhance the Group's network which in the last two years has grown by 20%, positioning St.George as the second largest ATM network in NSW, ACT and SA.

St.George has also increased its presence in other electronic channels such as EFTPOS and internet access. Registered internet customers have increased by 66.7% to 1.5 million at 31 March 2002 from 0.9 million at 31 March 2001. The number of EFTPOS terminals has also increased by 29.1% to 41,722 from 32,328 at 31 March 2001.

The use of phone banking services continues to grow with more than 11 million calls received and 16 million transactions conducted during the half-year. The percentage of branch transactions to total transactions has fallen from 23.5% at 31 March 2001 to 18.2% at 31 March 2002.

Electronic and phone banking channels have the dual purpose of improving accessibility for St.George's customers and providing greater efficiency to the Group. St.George remains committed to expanding these channels.

2.8 Credit Quality

Annualised bad debts as a percentage of average assets is 0.13%. Net non-accrual loans as a percentage of net loans and receivables is 0.10%. Past due loans have fallen to $129 million at 31 March 2002 from $195 million at 31 March 2001. These results for the half-year ended 31 March 2002 reflect St.George's excellent asset quality.

Fitch Ratings upgraded St.George Insurance Pte Limited (SGI – a wholly owned captive lender's mortgage insurer of St.George) from A+ to AA-. The ratings upgrade reflects the financial health of St.George and prudent reinsurance arrangements of SGI.

2.9 Capital Management

The Group actively manages its capital requirements through a number of measures, including securitisation and the Dividend Reinvestment Plan (DRP).

In March 2002, the Group successfully securitised a total of $1.8 billion of housing loans through the Crusade Programme issue. The total value of securitised receivables outstanding at 31 March 2002 was $6,065 million. The Group is committed to utilising securitisation as an effective capital management tool and alternative funding source.

The Group's DRP will operate for the interim ordinary dividend with a discount of 2.5%.

2.10 Future Prospects

Economic data has generally remained solid over the past six months. Data for December and January indicate a better than expected recovery from September 11, with consumer and business confidence quickly regaining momentum. Recent surveys indicate that businesses are beginning to increase investment spending while consumer confidence is holding up well. At the same time, the global situation is better than it was a year ago and in the Bank's view economic conditions will begin to improve as 2002 progresses.

Over the last two years, the housing sector has been a sizeable boost to growth. At the same time the rural sector has had its best year in two decades and, similarly to housing, this has had a significant flow-through effect to other areas of the economy. Prospects for the manufacturing sector are improving.

The housing sector growth has weakened over the last couple of months and may ease further as the government grants wind back. There is some prospect that the effect of any slowdown in the housing sector on domestic demand over the course of the next six months will be counterbalanced by a pick-up in business investment.

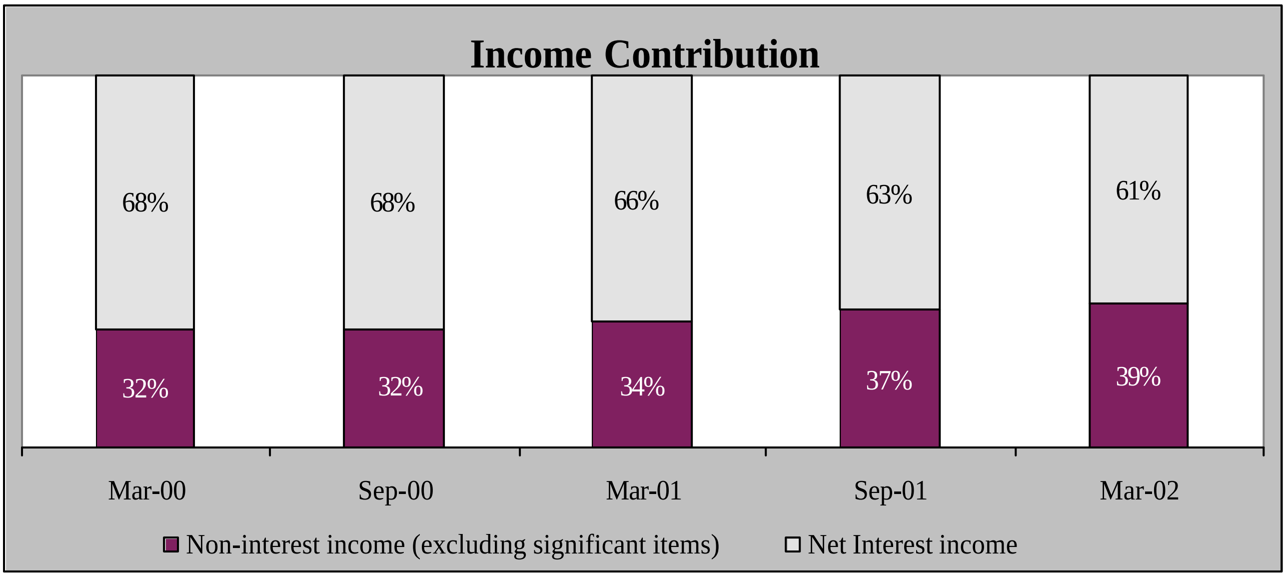
The Bank's first half performance has benefited from the contributions of the Best Bank Redesign. While the current level of profitability is expected to be maintained in the second half of 2002, the steepening of the short term yield curve will place some pressure on the Group's interest margin. If the current level of performance is sustained, it is expected that the final dividend will exceed the interim dividend.

The Bank's strategic intent is to build a solid foundation for its performance in 2003 and beyond. The "Even Better Bank" programme described in the Strategic Overview (Section 2.2 of this document), will focus on customer segmentation and cost efficiency-based performance improvements. St.George will also be leveraging its specialist capabilities to generate business growth. Successful execution will underpin the Bank's earnings momentum in 2003 and 2004.

3 Financial Analysis

3.1 Statement of Financial Performance

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Interest income	**1,493**	1,570	1,741
Interest expense	**845**	947	1,129
Net interest income	**648**	623	612
Non-interest income	**411**	368	314
Significant items	**-**	8	-
Total non-interest income	**411**	376	314
Bad and doubtful debts expense	**34**	47	30
Operating expenses	**614**	561	565
Significant items	**94**	58	-
Total operating expenses	**708**	619	565
Share of net loss of equity accounted associates	**1**	3	-
OPERATING PROFIT BEFORE INCOME TAX	**316**	330	331
Income tax expense	**135**	145	120
Income tax benefit on significant items	**(7)**	(10)	-
Total income tax expense	**128**	135	120
OPERATING PROFIT AFTER INCOME TAX	**188**	195	211
Outside equity interests (OEI)	**1**	1	-
OPERATING PROFIT AFTER INCOME TAX AND OEI	**187**	194	211
Preference dividends:			
- Converting Preference Shares (CPS)	**-**	-	16
- Depositary Capital Securities (DCS)	**20**	21	20
- Preferred Resetting Yield Marketable Equity Securities (PRYMES)	**10**	10	2
	30	31	38
PROFIT AVAILABLE TO ORDINARY SHAREHOLDERS	**157**	163	173



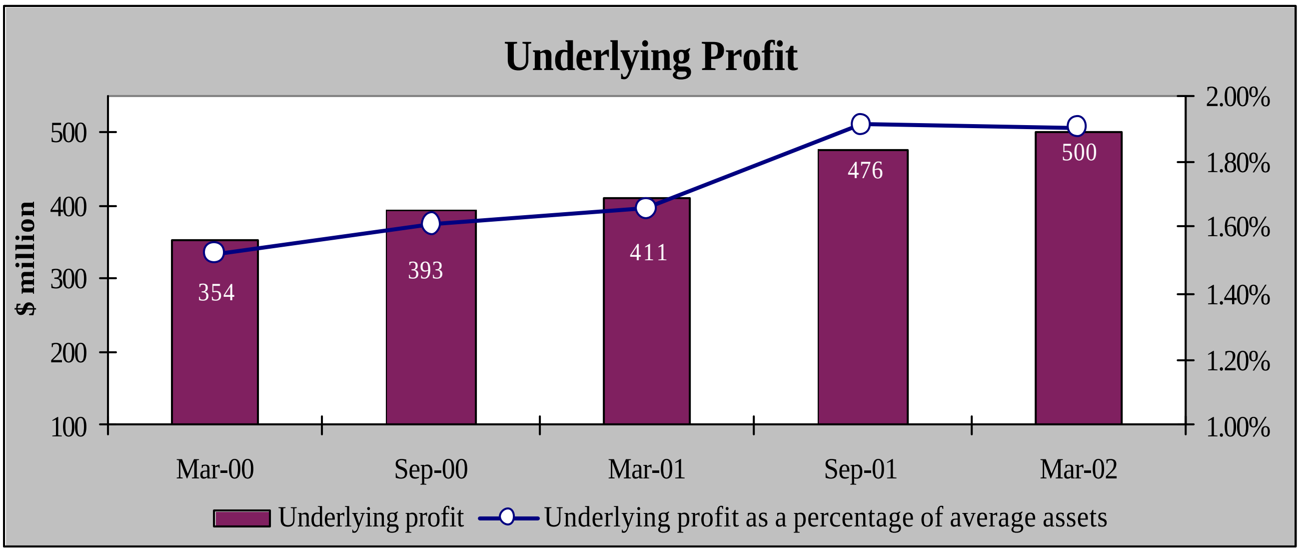
3.1.1 Underlying Profit

The underlying profit for the Group increased 21.7% to $500 million compared to 31 March 2001.

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Operating profit after income tax and outside equity interests	**187**	194	211
Add: Outside equity interests	**1**	1	-
Operating profit after income tax	**188**	195	211
Add:			
Income tax expense	**135**	145	120
Net impact of significant items	**87**	40	-
Charge for bad and doubtful debts	**34**	47	30
Goodwill amortisation	**56**	49	50
Underlying Profit	**500**	476	411
Underlying Profit as a percentage of average assets (annualised)	**1.90%**	1.91%	1.66%

Factors driving the growth in underlying profit during the half-year were:

- full financial benefit of Best Bank non-interest income and cost efficiency initiatives;
- strong financial markets income result;
- growth in business volumes; and
- improved net interest margin.



3.1.2 Significant items

Individually significant items according to AASB 1018 are revenues and expenses of such a size, nature or incidence that their disclosure is relevant in explaining the financial performance of the Group.

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Non-interest income			
Non-interest income before significant items	**411**	368	314
Significant items			
- Write back of excess provisions	**-**	8	-
Total non-interest income	**411**	376	314
Operating expenses			
Operating expenses after goodwill and before significant items	**614**	561	565
Significant items			
- Write down of investments(i)	**22**	30	-
- Goodwill written-off(ii)	**72**	-	-
- Write down of investment in WealthPoint	**-**	22	-
- Write down of investment in SMS Management and Technology	**-**	6	-
	94	58	-
Total operating expenses	**708**	619	565
Income tax expense			
Income tax expense before significant items:	**135**	145	120
Significant items			
- Income tax expense on write back of excess provisions	**-**	2	-
- Income tax benefit on write down of investments(i)	**(7)**	(10)	-
- Income tax benefit on write down of SMS Management and Technology	**-**	(2)	-
	(7)	(10)	-
Total income tax expense	**128**	135	120
Summary of significant items			
Total pre-tax impact of significant items	**(94)**	(50)	-
Less: Total tax benefit attributable to significant items	**(7)**	(10)	-
Net impact of significant items	**(87)**	(40)	-

(i) Write-down of Investments

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.

(ii) WealthPoint Goodwill Written-Off

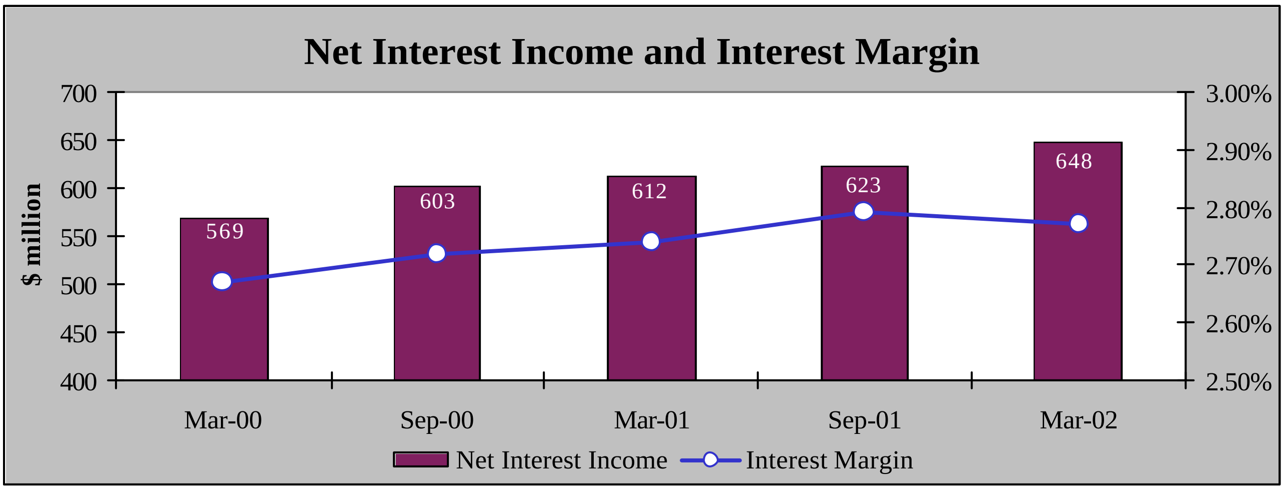
A strategic review of the Investment Services Division was conducted during the half-year. As a result of the strategic review and the reassessment of the future benefits associated with ongoing WealthPoint businesses, an additional $72 million of goodwill has been written-off at 31 March 2002. The remaining balance of unamortised goodwill relating to the WealthPoint acquisition is $63 million at 31 March 2002.

3.1.3 Net Interest Income

Net interest income is derived from the Group's business activities of lending, investments, deposits and borrowings. The net interest income for the half-year ended 31 March 2002 was $648 million (31 March 2001: $612 million), an increase of 5.9%.

Half-Year Ended	March 2002 Balance $'m	March 2002 Rate	September 2001 Balance $'m	September 2001 Rate	March 2001 Balance $'m	March 2001 Rate
Actuals						
Net Interest Income	**648**		623		612	
Averages						
Interest Earning Assets	**46,755**	**6.39%**	44,709	7.02%	44,610	7.81%
Interest Bearing Liabilities	**45,979**	**3.68%**	44,222	4.28%	44,045	5.13%
Interest Spread		**2.71%**		2.74%		2.68%
Interest Margin		**2.77%**		2.79%		2.74%

The increase in net interest income was due to a 4.8% growth in average interest earning assets since 31 March 2001. Other factors were the stability in the interest margin which increased to 2.77% from 2.74% in the previous corresponding period as a result of careful management together with the benefit gained from the ongoing securitisation of residential loans.



3.1.4 Non-Interest Income

Non-interest income comprises those items outlined below and has grown 30.9% to $411 million from $314 million in the previous corresponding period. WealthPoint's operations contributed $11 million to non-interest income for the period 5 November 2001 to 31 March 2002.

Half-Year Ended	March 2002 $'m	Sept 2001 $'m	March 2001 $'m
Non-interest income			
Financial markets income	**31**	17	14
Profit on sale of investment securities	**-**	-	6
Product fees and commissions			
- Lending	**39**	42	35
- Deposit and other accounts	**172**	168	142
Securitisation service fees	**36**	28	16
Managed funds fees	**86**	79	73
Dividend income	**2**	1	1
Net profit on disposal of land and buildings	**-**	5	-
Profit on sale of shares	**-**	1	1
Factoring and invoice discounting income	**10**	7	7
Bill acceptance fees	**14**	10	8
Rental income	**7**	6	7
Brokerage and clearing fees	**6**	-	-
Other	**8**	4	4
Non-interest income before significant items	**411**	368	314
Significant items			
Write back of excess provisions	-	8	-
TOTAL NON-INTEREST INCOME	**411**	376	314
Non-Interest Income as a % of Average Assets (annualised)			
- before significant items	**1.56%**	1.48%	1.27%
- after significant items	**1.56%**	1.51%	1.27%
Non-Interest Income as a % of Total Income			
- before significant items	**38.8%**	37.1%	33.9%
- after significant items	**38.8%**	37.6%	33.9%

Financial markets generates net interest income and non-interest income. Net interest income earned on the financial markets trading portfolio was $2 million (31 March 2001: $12 million). Therefore total financial markets income was $33 million (31 March 2001: $26 million).

Financial markets non-interest income primarily represents gains and losses made on foreign exchange and derivative transactions, realised gains and losses on disposal of trading securities and unrealised market value adjustments on trading securities.

3.1.4 Non-Interest Income (cont…)

The following factors have driven the growth in non-interest income:

- Lending income grew by 11.4% over the previous corresponding period due to strong growth in residential loan approvals and the full impact of Best Bank Redesign lending fee initiatives.
- Deposits and other accounts income increased by 21.1% over the previous corresponding period as a result of new and revised fees introduced during the course of the Best Bank Redesign. Other factors contributing to the increase were growth in electronic banking service fee income (driven by higher business volumes), expanded ATM and EFTPOS terminals and the full impact of Best Bank Redesign pricing initiatives.
- Growth in securitisation service fees is driven by the Bank's ongoing securitisation programmes with the balance of the securitised loans increasing by 44.7% to $6,065 million at 31 March 2002 compared to 31 March 2001.
- Managed funds fee income grew by 17.8% to $86 million over the previous corresponding period. The increase of 26.0% in managed funds over 31 March 2001 was driven by solid growth across all managed funds businesses.
- The increase in bill acceptance fee income to $14 million compared to $8 million for the 31 March 2001 half-year is attributable to the strong growth in this product of $529 million to $1,455 million at 31 March 2002.
- Brokerage and clearing fees of $6 million for the half-year are attributable to WealthPoint's controlled entities, Falkiners Stockbroking and Australian Clearing Services.
- Other non-interest income grew to $8 million in the half-year (31 March 2001: $4 million) due to the inclusion of revenues from WealthPoint's software and research businesses.

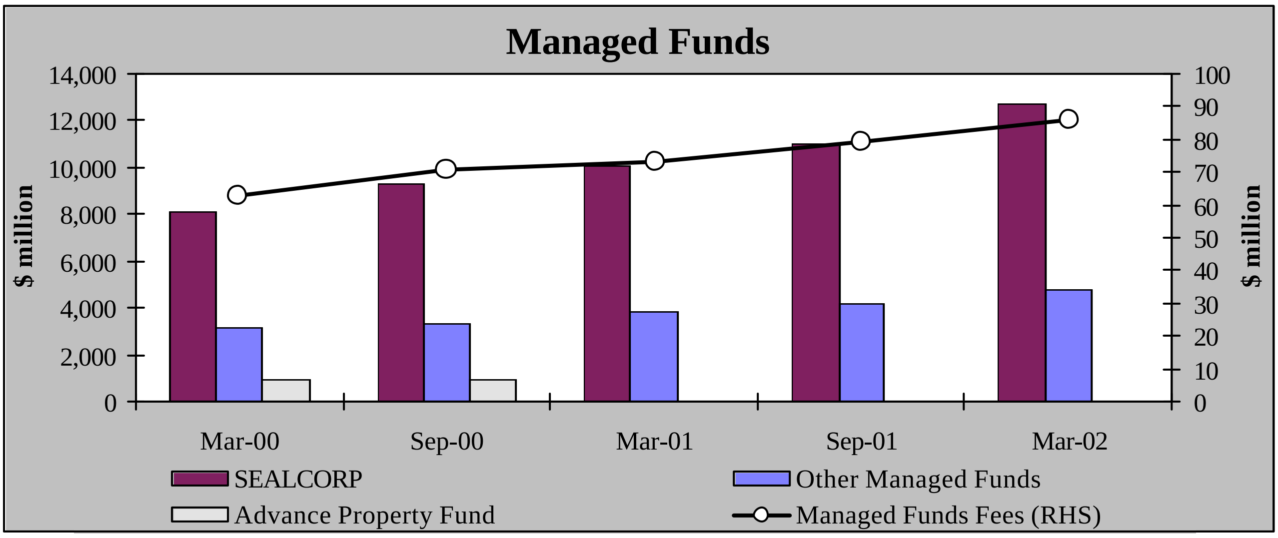
3.1.5 Managed Funds

The Group's managed funds comprise funds under management, funds under administration and funds under advice.

	March 2002 $'m	Sept 2001 $'m	March 2001 $'m
Income			
Managed funds fees for the half-year	**86**	79	73
Managed funds			
Funds under management	**3,004**	2,567	2,358
Funds under administration (SEALCORP)	**12,755**	11,040	10,097
Funds under advice	**1,774**	1,590	1,460
Total Managed Funds	**17,533**	15,197	13,915

Managed funds have grown 26.0% compared to 31 March 2001. SEALCORP grew 26.3% over the same period.

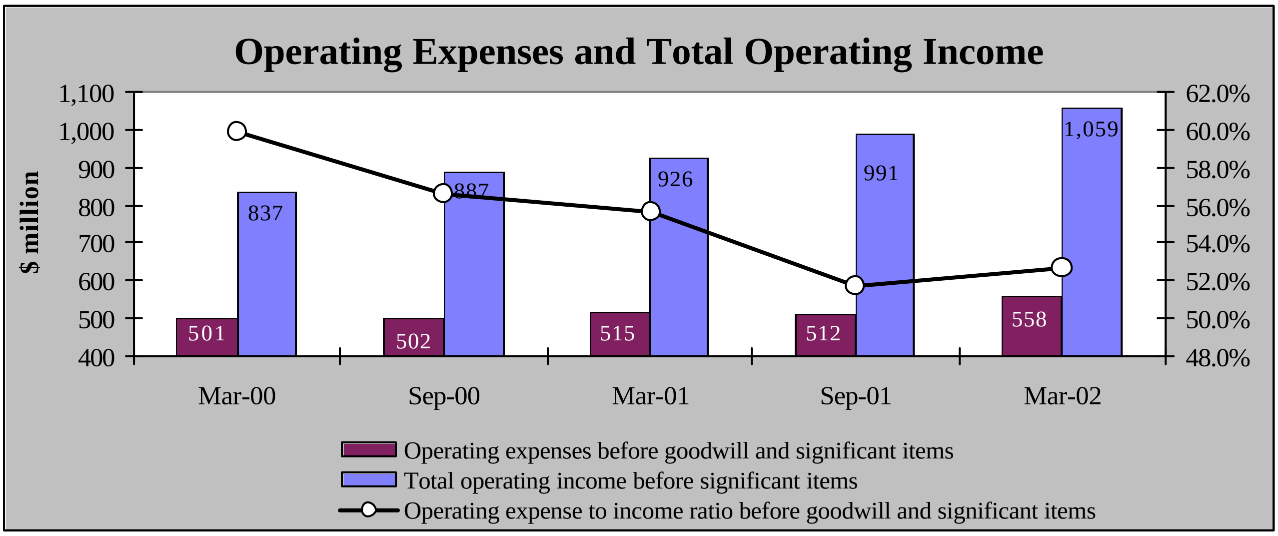
Funds management continues to provide income diversification and growth, with fee income reaching $86 million for the half-year, an increase of 17.8% on the previous corresponding period. SEALCORP contributed $64 million to managed funds fees for the half-year ended 31 March 2002 (31 March 2001: $56 million).



3.1.6 Operating Expenses

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Staff expenses			
Salaries	**214**	199	198
Contractors' fees	**7**	8	9
Superannuation	**17**	16	15
Payroll tax	**14**	13	13
Fringe benefits tax	**4**	4	4
Other	**16**	12	16
Total staff expenses	**272**	252	255
Computer and equipment costs			
Depreciation	**18**	17	17
Deferred expenditure amortisation	**31**	24	22
Rental on operating leases	**8**	8	9
Other	**37**	33	34
Total computer and equipment costs	**94**	82	82
Occupancy costs			
Depreciation	**16**	16	15
Rental on operating leases	**27**	24	24
Other	**20**	20	17
Total occupancy costs	**63**	60	56
Other administration expenses			
Fees and commissions	**14**	12	14
Advertising and public relations	**27**	20	29
Telephones	**8**	9	8
Printing and stationery	**15**	13	13
Postage	**8**	7	7
Other	**57**	57	51
Total other administration expenses	**129**	118	122
Operating expenses before goodwill and significant items	**558**	512	515
Goodwill	**56**	49	50
Operating expenses after goodwill and before significant items	**614**	561	565
Significant items			
Write down of investment in WealthPoint	**-**	22	-
Write down of investment in SMS Management and Technology	**-**	6	-
Write down of investments	**22**	30	-
Goodwill written-off	**72**	-	-
	94	58	-
TOTAL OPERATING EXPENSES	**708**	619	565
Ratios (before goodwill and significant items)			
Operating Expenses (annualised) as a % of Average Assets	**2.12%**	2.06%	2.08%
Expense to Income ratio	**52.7%**	51.7%	55.6%

3.1.6 Operating Expenses (cont…)



Total Operating Expenses

Operating expenses are classified in the broad categories of staff, computer and equipment, occupancy and other administration. Total operating expenses (before goodwill and significant items) were $558 million for the half-year ended 31 March 2002 (31 March 2001: $515 million) an increase of 8.3%.

This result includes the impact of additional operating expenses of $15 million arising from the acquisition of WealthPoint Limited for the period 5 November 2001 to 31 March 2002.

Staff Expenses

The $17 million increase in staff expenses to $272 million from $255 million in the previous corresponding period is due to the following factors:

- Inclusion of five months of staff costs for WealthPoint in the half-year result following the acquisition in November 2001. At acquisition, WealthPoint had 250 full time equivalent staff. WealthPoint's staff numbers have fallen to 168 full time equivalent staff at 31 March 2002 as a result of realising synergy benefits and divesting non-core businesses.
- An enterprise agreement average wage increase of 6.4% (including performance pay component) was granted on 1 October 2001. Other staff received an average salary increase of 4.5% effective 1 October 2001.

Computer and Equipment Costs

The increase of $12 million or 14.6% to $94 million from $82 million in the previous corresponding period is due to the following:

- An increase of 40.9% or $9 million in deferred expenditure amortisation reflects the $73 million deferral in respect to the enhancement of the Bank's computer systems as part of the Best Bank Redesign.
- Higher levels of EFTPOS transactions in combination with increased ATM installations and business has resulted in growth in line rental and data communication costs reflected in 'other'.

3.1.6 Operating Expenses (cont…)

Occupancy Costs

Occupancy costs increased to $63 million for the half-year, up 12.5% on the previous corresponding half–year expense of $56 million. The increase in occupancy costs is due to the sale and lease back of a number of properties since 31 March 2001 and rising energy costs.

Other Administration Expenses

Other administration expenses for the half-year ended 31 March 2002 were $129 million (31 March 2001: $122 million), an increase of 5.7%.

The increase is primarily due to the inclusion of WealthPoint's expenses for the five months to 31 March 2002 and increased insurance costs.

Goodwill Amortisation

Goodwill amortisation for the half-year ended 31 March 2002 was $56 million (31 March 2001: $50 million), an increase of 12.0%. The increase is due to the acquisition of WealthPoint Limited and Deutsche Equity Lending Australia Limited (now St.George Equity Finance Lending Limited), which resulted in additional goodwill amortisation.

3.1.7 Bad and Doubtful Debts Expense

Bad and doubtful debts expense (net of recoveries) for the half-year ended 31 March 2002 was $34 million (31 March 2001: $30 million). The Group's bad debt charge increased only slightly when compared to the previous corresponding period, reflecting the Bank's excellent asset quality and conservative lending mix relative to other market participants.

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Bad and doubtful debts expense (net of recoveries)			
Residential loans	**1**	2	3
Commercial loans	**15**	33	12
Consumer loans	**12**	12	9
Other	**2**	3	2
	30	50	26
Net general provision impact during the period	**4**	(3)	4
Bad and doubtful debt expense per statement of financial performance	**34**	47	30
As a percentage of average risk weighted assets (annualised)	**0.22%**	0.32%	0.21%
As a percentage of average assets (annualised)	**0.13%**	0.19%	0.12%

The Bank's securitisation of $1.8 billion of residential loans during the period impacted the general provision charge.

3.1.8 Income Tax Expense

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Income tax expense shown in the statement of financial performance differs from prima facie income tax payable on pre-tax operating profit for the following reasons:			
Operating Profit before income tax	**316**	330	331
Prima facie income tax payable calculated at 30% of operating profit (September and March 2001: 34%)	**95**	112	113
Add: tax effect of permanent differences which increase tax payable			
* Amortisation of goodwill	**17**	17	17
* Depreciation on buildings	**1**	1	1
* General provision for doubtful debts	**1**	(1)	1
* Write down of investment in WealthPoint	**-**	7	-
* Goodwill written-off	**22**	-	-
* Restatement of net deferred tax balances	**-**	5	-
* Other items	1	2	(2)
Less: tax effect of permanent differences which reduce tax payable			
* Deduction allowable on depositary capital securities	**6**	7	7
* Deduction allowable on shares issued to employees	**2**	-	2
* Deduction allowable on buildings	**1**	1	1
Total income tax expense	**128**	135	120
Effective tax rate %	**40.5**	40.9	36.3

The effective tax rate for 31 March 2002 was 40.5%, notwithstanding a reduction in the corporate tax rate to 30% from 1 October 2001. The higher tax rate was due to the goodwill written-off in respect to WealthPoint.

3.1.9 Segmental Results

(a) Business Segments

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

- Personal and Small Business Banking (PSBB) - 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, treasury market activities including foreign exchange, money market and equities, commercial relationship banking, international banking services, leasing, hire purchase, dealer finance and commercial property lending.

- 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 Group's initiative to expand rural banking. Customers are serviced through branches, electronic agencies, ATMs, call centres, EFTPOS terminals and Internet banking.

- Investment Services (ISD) – 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 ISD. These insurance businesses are part of PSBB's operations.

Effective 1 October 2001 a portfolio of small business banking accounts was transferred from IBB to PSBB. 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 PSBB.

3.1.9 Segmental Results (cont…)

Personal and Small Business Banking

PSBB's contribution to profit before tax was $236 million for the half-year (31 March 2001: $184 million), an increase of 28.3%, reflecting:

- Net interest income growth of $28 million or 7.7% reflecting the 8.0% increase in total assets to $24.9 billion (31 March 2001: $23.0 billion). This growth in assets is partly due to the transfer of $570 million of small business banking loans and residential loans from IBB and BSA to PSBB in October 2001.

- Non-interest income growth of $44 million or 35.5%. The growth was primarily driven by new and revised fees introduced during the Best Bank Redesign, higher business volumes in electronic banking services, transfer of the small business banking portfolio from IBB and securitisation activities.

- An increase in operating expenses of $14 million or 4.8% with the expense to income ratio falling to 54.2% for the half-year (31 March 2001: 59.3%).

- An increase in bad debts of $6 million to $20 million compared to the previous corresponding period, reflecting increased provisioning for consumer loans and the impact of transferring the small business banking loan portfolio from IBB to PSBB in October 2001.

Institutional and Business Banking

IBB's contribution to profit before tax was $133 million for the half-year.

The following factors have impacted on the trend in IBB's divisional profit:

- The half-year ended 30 September 2001 was reduced by $15 million due to a one-off loan provision.

- The half-year ended 31 March 2002 was reduced by $15 million due to the transfer of the small business banking portfolio to PSBB effective 1 October 2001.

Once these factors have been allowed for, IBB shows a steady improvement in underlying performance.

3.1.9 Segmental Results (cont…)

BankSA

BSA's contribution to profit before tax was $54 million for the half-year (31 March 2001: $44 million), an increase of 22.7%, reflecting:

- Growth in net interest income of $7 million or 7.6% to $99 million, due to the 7.5% increase in BSA's total assets to $6.3 billion (31 March 2001: $5.8 billion).
- Growth in non-interest income of $3 million or 11.5% to $29 million. This increase was achieved despite the transfer of BSA's financial planning business to ISD and the operations of the Cairns branch to PSBB.
- A decrease of $2 million or 2.7% in operating expenses with the expense to income ratio falling to 55.5% for the half-year from 61.9% in the previous corresponding period.

Investment Services Division

ISD's contribution to profit before tax increased to $20 million for the half-year compared to $17 million in the previous corresponding period. This division does not include general insurance, life insurance or mortgage insurance.

The result reflects the following:

- Net interest income grew by $10 million or 83.3%, primarily as a result of acquiring Deutsche's $329 million margin lending portfolio in October 2001.
- Non-interest income increased by $25 million to $100 million due to growth in managed funds which increased by 26.0% to $17.5 billion, resulting in a $13 million increase in managed funds fees.
- Operating expenses increased by $31 million or 44.3% to $101 million (31 March 2001: $70 million). The inclusion of WealthPoint's results from 5 November 2001 increased operating expenses by $15 million for the half-year. Another factor contributing to the rise in operating expenses was increased staffing levels. ISD's staff numbers increased by 112 full time equivalents (excluding WealthPoint) due to the following:
  - the need to manage and support strong growth in managed funds;
  - the transfer of BSA's financial planners and investment advisers to ISD;
  - the development of the investment adviser channel; and
  - the acquisition of Deutsche's margin lending portfolio.

ISD's profit contribution would have continued to grow in the 31 March 2002 half over the 30 September 2001 half if the result had not been impacted by WealthPoint's underperformance. SEALCORP has continued to perform well, contributing more than 100% of ISD's pre-tax result in each of the half-years under review. While other ISD businesses are growing, staff and infrastructure costs presently exceed revenues. Changes resulting from the strategic review of ISD will provide a more focussed approach to these businesses which is expected to deliver a considerable improvement in their future results.

3.1.9 Segmental Results (cont…)

These tables set out segmental results in accordance with Accounting Standard AASB 1005.

For the half-year ended 31 March 2002	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'m	Other $'m	Consolidated $'m
Segment revenue						
Net interest income	391	140	99	22	(4)	648
Non-interest income	168	91	29	100	23	411
Individually significant items	-	-	-	-	-	-
Total segment revenue	559	231	128	122	19	1,059
Segment expense						
Bad and doubtful debts	20	10	3	1	-	34
Other provisions	5	5	1	8	-	19
Depreciation	20	3	4	1	6	34
Deferred expenditure amortisation	18	2	3	1	7	31
Other expenses	260	78	63	91	(18)	474
Individually significant items	-	-	-	-	94	94
Goodwill amortisation	-	-	-	-	56	56
Total segment expense	323	98	74	102	145	742
Share of loss of investments in associates	-	-	-	-	1	1
Profit before income tax expense	236	133	54	20	(127)	316
Expense to income ratio (1)	54.2%	38.1%	55.5%	82.8%		
Income tax expense						135
Income tax benefit on individually significant items						(7)
Profit after income tax						188
Outside equity interest (OEI)						1
Profit after income tax and OEI						187

As at 31 March 2002	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'m	Other $'m	Consolidated $'m
Assets						
- investments in associates	-	-	-	-	13	13
- other assets	24,860	16,831	6,269	2,022	2,582	52,564
Segment Assets	24,860	16,831	6,269	2,022	2,595	52,577
Segment Liabilities	19,125	24,427	4,368	257	660	48,837
Other Segment Disclosure						
- Securitised loans	6,009	56	-	-	-	6,065
- Managed Funds (2)	-	-	-	17,533	-	17,533

(1) Excludes bad and doubtful debts expense

(2) St.George's managed funds activities are principally through SEALCORP, Advance Asset Management and St.George Wealth Management. The Group's managed funds comprise funds under management, funds under administration and funds under advice.

3.1.9 Segmental Results (cont…)

For the half-year ended 30 September 2001	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'m	Other $'m	Consolidated $'m
Segment revenue						
Net interest income	358	167	95	14	(11)	623
Non-interest income	150	72	29	82	35	368
Individually significant items	-	-	-	-	8	8
Total segment revenue	508	239	124	96	32	999
Segment expense						
Bad and doubtful debts	22	31	3	-	(9)	47
Other provisions	3	5	-	7	5	20
Depreciation	20	3	3	1	6	33
Deferred expenditure amortisation	16	1	2	1	4	24
Other expenses	249	75	64	66	(19)	435
Individually significant items	-	-	-	-	58	58
Goodwill amortisation	-	-	-	-	49	49
Total segment expense	310	115	72	75	94	666
Share of loss of investments in associates	-	1	-	-	2	3
Profit before income tax expense	198	123	52	21	(64)	330
Expense to income ratio	56.7%	35.1%	55.6%	78.1%		
Income tax expense						145
Income tax benefit on individually significant items						(10)
Profit after income tax						195
Outside equity interest (OEI)						1
Profit after income tax and OEI						194

As at 30 September 2001	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'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	-	-	-	15,197	-	15,197

3.1.9 Segmental Results (cont…)

For the half-year ended 31 March 2001	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'m	Other $'m	Consolidated $'m
Segment revenue						
Net interest income	363	163	92	12	(18)	612
Non-interest income	124	71	26	75	18	314
Individually significant items	-	-	-	-	-	-
Total segment revenue	487	234	118	87	-	926
Segment expense						
Bad and doubtful debts	14	11	1	-	4	30
Other provisions	4	5	1	6	5	21
Depreciation	20	2	4	-	6	32
Deferred expenditure amortisation	14	2	2	-	4	22
Other expenses	251	82	66	64	(23)	440
Individually significant items	-	-	-	-	-	-
Goodwill amortisation	-	-	-	-	50	50
Total segment expense	303	102	74	70	46	595
Share of loss of investments in associates	-	-	-	-	-	-
Profit before income tax expense	184	132	44	17	(46)	331
Expense to income ratio	59.3%	38.9%	61.9%	80.5%		
Income tax expense						120
Income tax benefit on individually significant items						-
Profit after income tax						211
Outside equity interest (OEI)						-
Profit after income tax and OEI						211

As at 31 March 2001	Personal & Small Business Banking $'m	Institutional & Business Banking $'m	BankSA $'m	Investment Services $'m	Other $'m	Consolidated $'m
Assets						
- investments in associates	-	-	-	-	164	164
- other assets	23,015	16,452	5,829	1,545	2,273	49,114
Segment Assets	23,015	16,452	5,829	1,545	2,437	49,278
Segment Liabilities	16,376	24,515	3,984	368	446	45,689
Other Segment Disclosure						
- Securitised loans	4,079	111	-	-	-	4,190
- Managed Funds	-	-	-	13,915	-	13,915

(b) Geographical Segments

The Group operates predominantly in Australia.

3.2 Statement of Financial Position

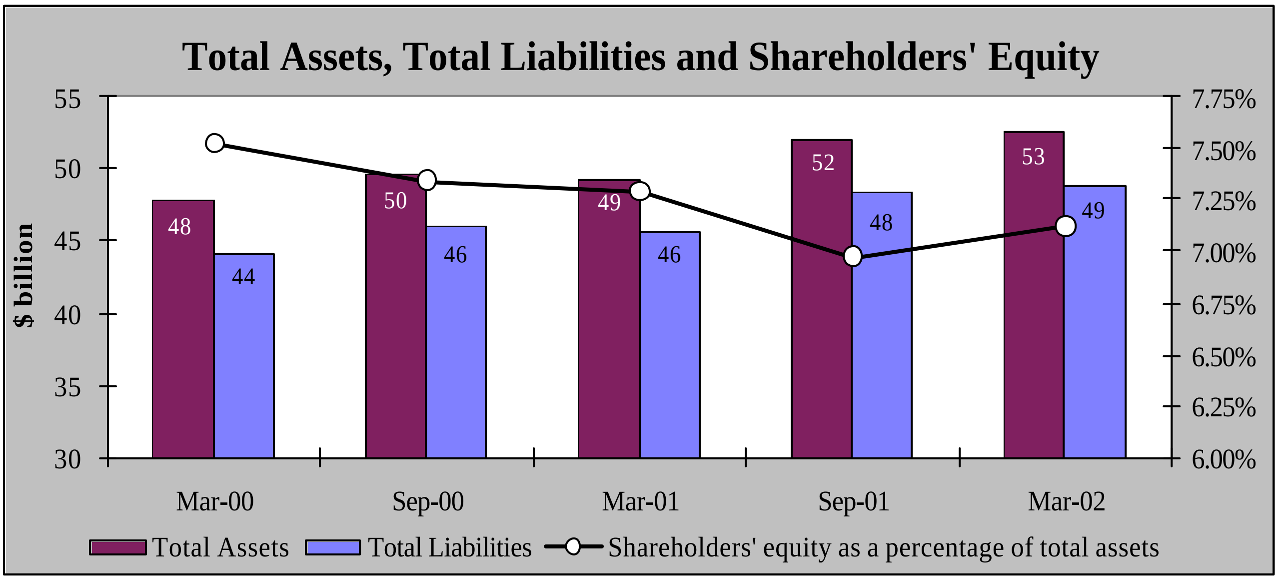
As at	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Assets			
Cash and liquid assets[(1)]	**290**	438	344
Due from other financial institutions	**248**	458	106
Trading securities	**4,938**	4,224	3,267
Investment securities	**677**	463	698
Loans and other receivables	**40,811**	39,699	38,632
Bank acceptances of customers	**1,455**	1,170	926
Property, plant and equipment	**527**	534	552
Goodwill	**1,431**	1,409	1,459
Other assets	**2,200**	3,661	3,294
Total Assets	**52,577**	52,056	49,278
Liabilities			
Retail funding and other borrowings	**44,572**	44,084	41,846
Due to other financial institutions	**787**	790	812
Bank acceptances	**1,455**	1,170	926
Bills payable	**157**	168	156
Other liabilities	**1,866**	2,218	1,949
Total Liabilities	**48,837**	48,430	45,689
Net Assets	**3,740**	3,626	3,589
Shareholders' Equity			
Share capital	**3,271**	3,127	3,093
Reserves	**60**	59	53
Retained profits	**70**	102	106
Outside equity interests	**339**	338	337
Total Shareholders' Equity	**3,740**	3,626	3,589
Shareholders' equity as a percentage of total assets	**7.11%**	6.97%	7.28%
Net tangible assets per ordinary share issued	**$3.40**	$3.28	$2.93
Number of ordinary shares issued (000's)	**493,385**	483,828	461,726

(1) The Bank defines liquids to also include amounts due from other financial institutions, trading securities and investment securities.

3.2.1 Total Assets

Total assets were $52.6 billion at 31 March 2002 (31 March 2001: $49.3 billion), an increase of 6.7%. The following items impacted total assets:

- lending assets (including bank acceptances) grew by 6.8% compared to 31 March 2001;
- the securitisation of $3.3 billion of residential lending receivables through the Crusade Programme since 31 March 2001; and
- an increase of 51.1% in trading securities compared to 31 March 2001 as a result of retail funding growth and increased liquidity following the March 2002 securitisation .



3.2.2 Lending Assets

Lending assets (on and off-balance sheet) increased to $48.3 billion (31 March 2001: $43.7 billion) an increase of 10.5%.

Residential loans (including securitisation) increased by 11.5% to $34.9 billion from $31.3 billion at 31 March 2001. The strong market conditions for housing driven by the low interest rate environment together with effective marketing campaigns were contributing factors to the solid result. Within residential loans, home equity loans also performed well, increasing by 15.2% to $9.1 billion.

Consumer loans increased by 29.1% to $2.9 billion from $2.3 billion at 31 March 2001. The acquisition of Deutsche's $329 million margin lending portfolio in October 2001 was a contributing factor to this strong portfolio growth.

Commercial loans (including bill acceptances and securitisation) grew by 4.4% to $10.2 billion from $9.8 billion at 31 March 2001. This result was achieved in a highly competitive and subdued market by particularly focussing on the existing customer base.

As at	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
RESIDENTIAL			
Housing [(1)]	**19,908**	19,824	19,497
Home equity loans	**9,066**	8,598	7,867
TOTAL RESIDENTIAL	**28,974**	28,422	27,364
CONSUMER			
Personal loans [(2)]	**1,577**	1,501	1,436
Line of credit	**565**	471	452
Margin lending	**802**	412	393
TOTAL CONSUMER	**2,944**	2,384	2,281
COMMERCIAL			
Commercial loans	**6,994**	7,070	7,077
Hire purchase [(3)]	**1,386**	1,325	1,240
Leasing	**333**	372	437
TOTAL COMMERCIAL	**8,713**	8,767	8,754
FOREIGN EXCHANGE CASH ADVANCES	**123**	55	127
STRUCTURED INVESTMENTS	**196**	204	242
GROSS RECEIVABLES	**40,950**	39,832	38,768
GENERAL PROVISION	**139**	133	136
NET RECEIVABLES	**40,811**	39,699	38,632
SECURITISED LOANS (balance not included above)	**6,065**	5,070	4,190
BANK BILL ACCEPTANCES (balance not included above)	**1,455**	1,170	926
ON AND OFF BALANCE SHEET RECEIVABLES	**48,331**	45,939	43,748

(1) March 2002 - net of $5,962 million of securitised loans (September 2001: $4,912 million; March 2001: $3,959 million).
(2) March 2002 - net of $47 million of securitised loans (September 2001: $78 million; March 2001: $120 million)
(3) March 2002 - net of $56 million of securitised loans (September 2001: $80 million; March 2001 $111 million)

3.2.3 Impaired Assets

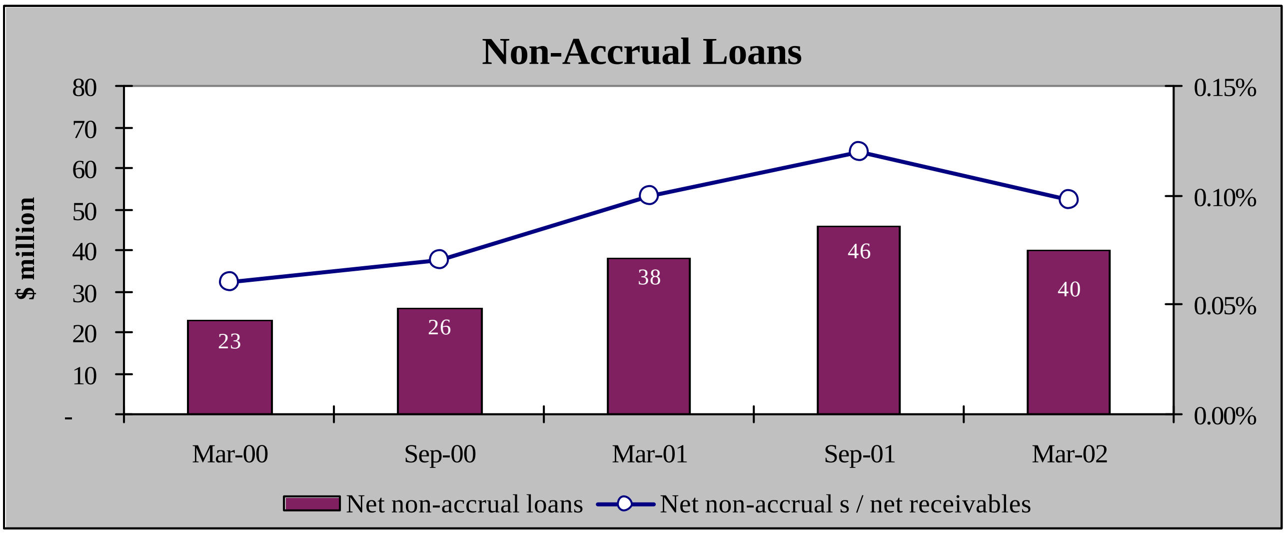
Total impaired assets (net of specific provisions) increased to $46 million at 31 March 2002 (31 March 2001: $44 million).

As at	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Section 1 - Non-Accrual Loans			
With provisions:			
Gross Loan Balances	**67**	50	37
Specific Provisions	**34**	30	16
Net Loan Balances	**33**	20	21
Without provisions:			
Gross Loan Balances	**7**	26	17
Total Non-accrual Loans:			
Gross Loan Balances	**74**	76	54
Specific Provisions	**34**	30	16
Net Loan Balances	**40**	46	38
Section 2 - Restructured Loans			
Loans where the original contractual terms have been amended to provide concessions of interest or principal as a result of customers' financial or other difficulties in complying with the original facility terms.			
With provisions:			
Gross Loan Balances	-	-	-
Specific Provisions	-	-	-
Net Loan Balances	-	-	-
Without provisions:			
Gross Loan Balances	-	-	-
Total Restructured Loans:			
Gross Loan Balances	-	-	-
Specific Provisions	-	-	-
Net Loan Balances	-	-	-
Section 3 - Assets acquired through security enforcement			
Other Real Estate Owned	**6**	6	6
TOTAL IMPAIRED ASSETS	**46**	52	44
Section 4 - Past Due Loans (1)			
Residential loans	**80**	76	114
Other	**49**	55	81
Total	**129**	131	195

(1) This category includes loans which are in arrears for 90 or more consecutive days but which are less than $100,000 and well secured. They are not classified as impair assets.

* Balances contained in sections 1, 2 and 3 consist primarily of commercial loans. Unsecured lines of credit, consumer loans, credit cards and other loans with balances less than $100,000 are provided on a portfolio basis. Past due items relates to the Group's entire lending portfolio, but do not include those items already classified as being impaired.

3.2.3 Impaired Assets (cont…)



Past due items were $129 million compared to $195 million at 31 March 2001.

There were two loans totalling $16 million that were previously non-accrual without provision that were transferred to non-accrual with provision during the half-year.

As at	**March 2002**	Sept 2001	March 2001
Specific provision coverage for non-accruals	**45.95%**	39.47%	29.63%
Gross non-accruals / Net receivables	**0.18%**	0.19%	0.14%
Net non-accruals / Net receivables	**0.10%**	0.12%	0.10%

3.2.4 Provisioning

Half-Year Ended	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
GENERAL PROVISION			
Balance at beginning of period	**133**	136	132
Provision acquired	**2**	-	-
Net provision raised during the period	**4**	(3)	4
Balance at end of period	**139**	133	136
SPECIFIC PROVISION			
Balance at beginning of period	**62**	46	45
Net provision raised during the period	**30**	50	26
Bad debt write offs	**(27)**	(34)	(25)
Balance at end of period	**65**	62	46
TOTAL PROVISION	**204**	195	182

The Bank's general provision for doubtful debts when combined with the tax effected balance of the unearned income on mortgage insurance premium of $20 million represents 0.52% of risk-weighted assets. The general provision for doubtful debts is not tax effected as it is not determined by reference to statistical techniques.

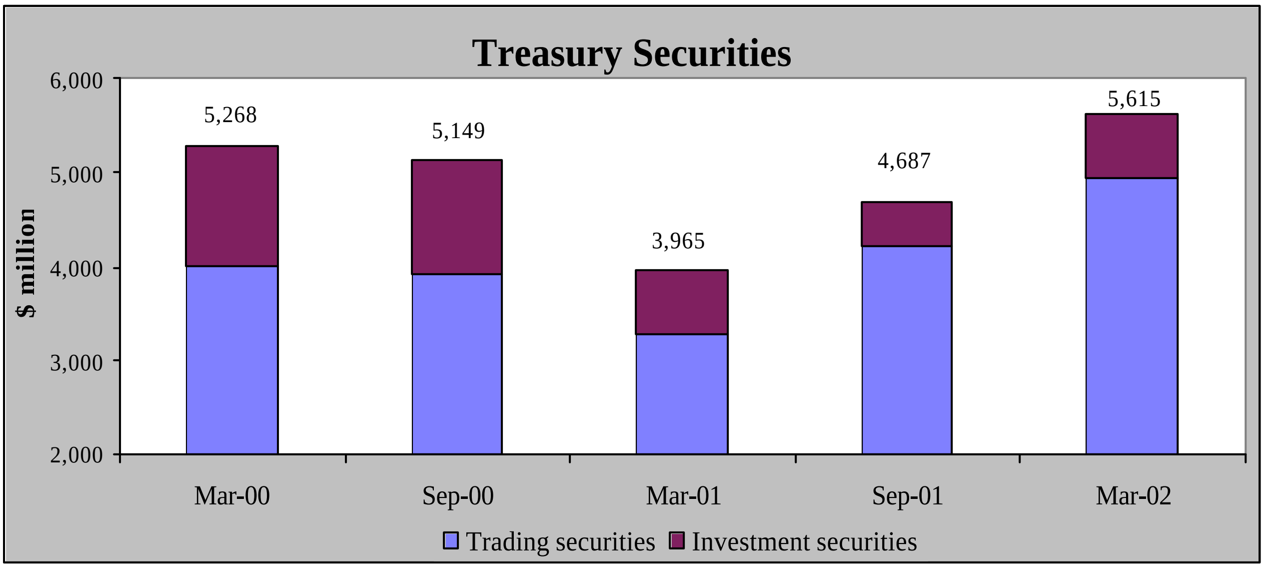
3.2.5 Treasury Securities

The Group's dealing in Treasury securities comprises holdings of 'Trading' and 'Investment' securities. As at 31 March 2002, total Treasury Securities were $5,615 million (31 March 2001: $3,965 million), an increase of 41.6% as a result of retail funding growth and increased liquidity following the March 2002 securitisation.

Trading securities are those securities intended for regular trade (*ie:* there is no specific intention to hold the securities to maturity). Trading securities are valued on a mark-to-market basis with unrealised gains and losses recorded in the statement of financial performance.

Investment securities are purchased by the Group with the intention of being held to maturity. They are not identified for regular trade and as such are carried at lower of cost or recoverable amount and reviewed at each reporting date to determine whether they are in excess of their recoverable amount. The book value of investment securities at 31 March 2002 was $677 million and the market value $666 million.

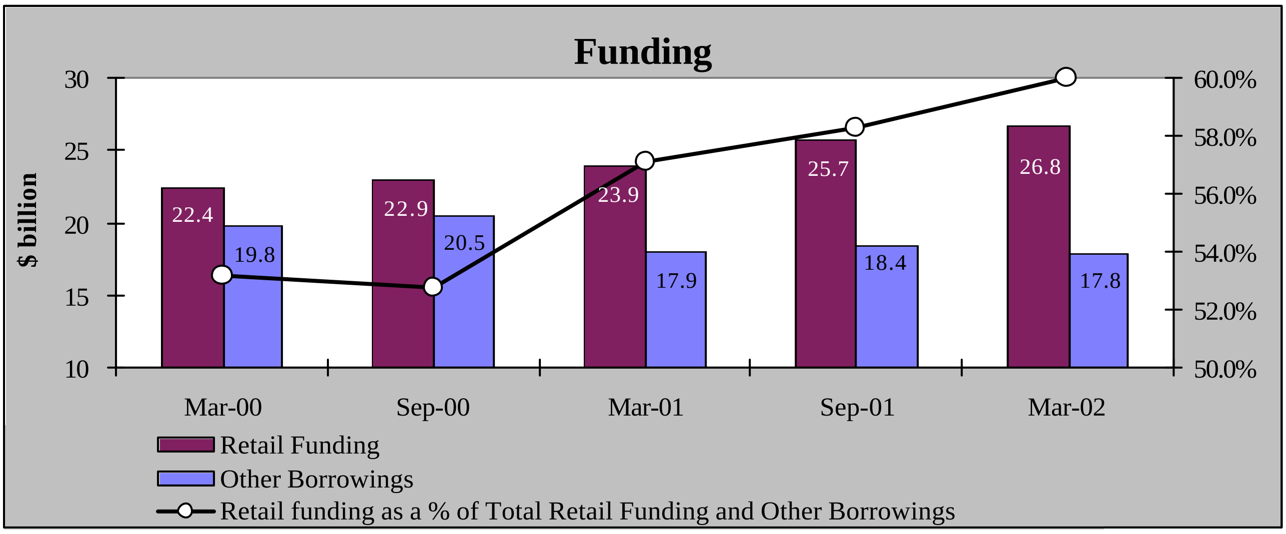
The following graph outlines the changes in the composition of the Group's holdings of Treasury Securities.



3.2.6 Retail Funding and Other Borrowings

Total retail funding and other borrowings have increased to $44.6 billion at 31 March 2002, an increase of 6.5% over March 2001.

As at	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Retail funding	**26,755**	25,681	23,906
Other deposits	**8,413**	7,045	6,589
Offshore borrowings	**6,578**	7,776	7,878
Domestic borrowings	**1,909**	2,813	2,699
Subordinated debts	**917**	769	774
Total	**44,572**	44,084	41,846
Retail funding as a % of Total Retail Funding and Other Borrowings	**60.0%**	58.3%	57.1%



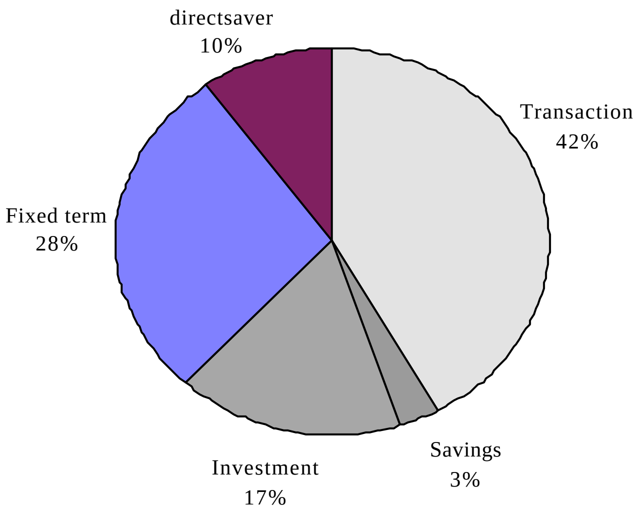
3.2.6 Retail Funding and Other Borrowings (cont…)

Retail funding

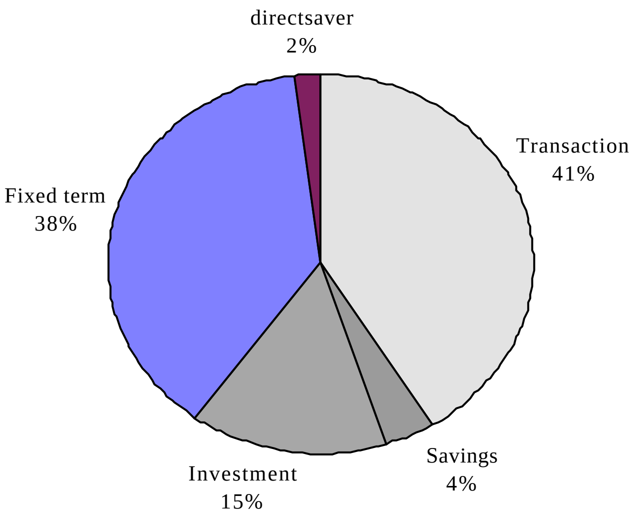
Retail funding has grown 11.9% since March 2001 and accounts for 60.0% of total funding and other borrowings (31 March 2001: 57.1%).

The improvement resulted from a focus on the development of the Group's retail funding products, specifically the directsaver account from the dragondirect internet channel and the Portfolio Cash Management Account (Portfolio CMA). The balance of directsaver accounts at 31 March 2002 is $2.7 billion up from $0.5 billion at 31 March 2001. The balance of Portfolio CMA at 31 March 2002 is $3.4 billion up from $2.1 billion at 31 March 2001.

March 2002: $26.8 bn



March 2001: $23.9 bn



The dragondirect business has continued to perform strongly, and is now a major player in the online direct distribution banking business. Two products are currently offered under the dragondirect brand - directsaver and directfunds, with a range of new products under development. These products are available exclusively via electronic channels, using the Internet and/or telephone banking.

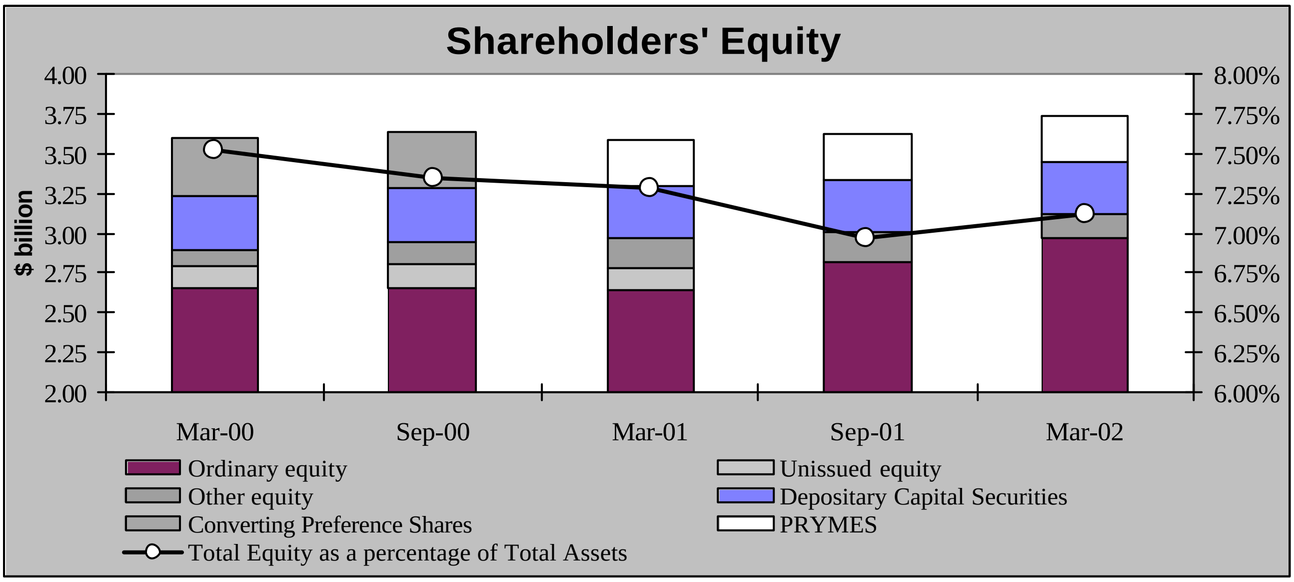
The directsaver portfolio has continued to grow steadily in the face of significant competitive pressure. The number of accounts has risen to 68,000 from 22,000 at 31 March 2001.

Other borrowings

Other borrowings remained stable at $17.8 billion compared to $17.9 billon at 31 March 2001. This includes the $200 million subordinated note issued in February 2002. The note matures in February 2012 and qualifies as Tier 2 capital for Capital Adequacy purposes.

3.2.7 Shareholders' Equity

Shareholders' equity of $3,740 million represents 7.11% of total assets as at 31 March 2002.



Shareholders' equity comprises ordinary equity of $2,965 million, preferred resetting yield marketable securities of $291 million, depositary capital securities of $334 million, and retained profits and other equity of $150 million.

Below is a table detailing the movements in ordinary equity during the current year.

	$M	Number of Shares
Balance as at 1 October 2001	2,821	483,828,232
Shares issued under various plans:		
Dividend Reinvestment Plan – 2001 final ordinary dividend		
Ordinary shares issued	54	3,334,926
Ordinary shares underwritten	81	4,964,412
Employee Reward Share Plan	-	340,312
Employee Performance Share Plan	-	62,532
Executive Option Plan	9	855,000
Balance as at 31 March 2002	2,965	493,385,414

3.2.8 Sell Back Rights

In March 2001, the Bank completed an off-market buy-back of 22.8 million ordinary shares for $376 million. The buy-back was implemented through a 1 for 20 issue of Sell Back Rights. The Australian Taxation Office (ATO) informed the Bank in August 2001 that the Sell Back Rights would be liable to income tax.

The Bank disagrees with the ATO's position and is facilitating and funding litigation action on this matter on behalf of shareholders with resolution expected by the first half of 2003.

3.3 Other Financial Analysis

3.3.1 Dividends

Ordinary Shares

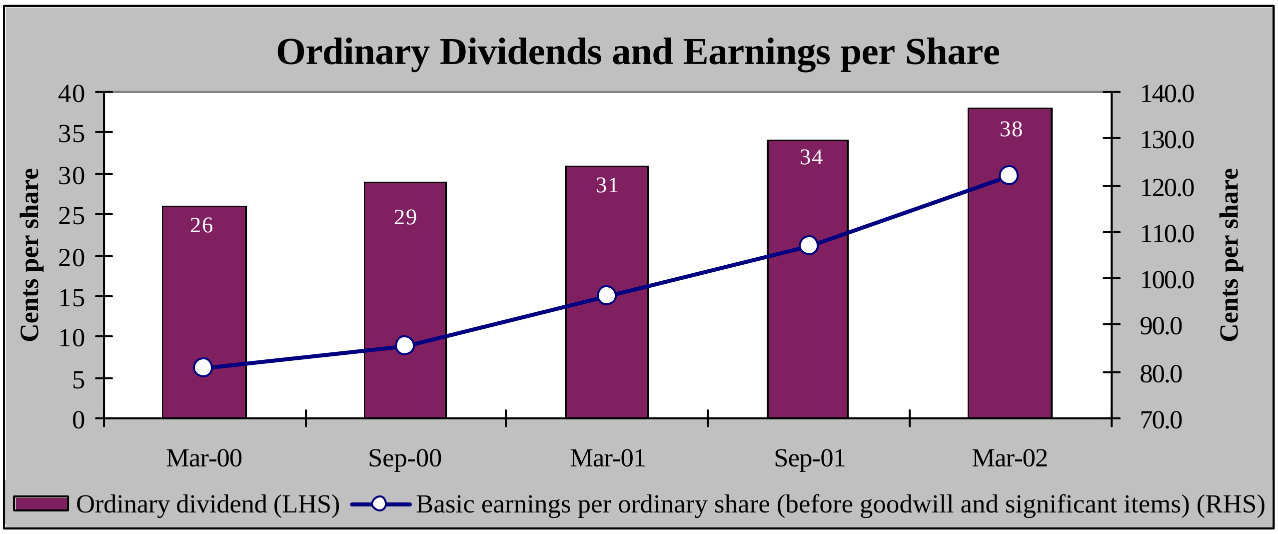
The Board has declared an interim dividend of 38 cents per ordinary share.

The dividend will be fully franked at 30% and will be paid on 2 July 2002. Ordinary shares will trade ex-dividend on 12 June 2002.

Registrable transfers received by St.George at its share registry[1] by 5.00 pm Sydney time on 18 June 2002 if paper based, or by end of the day on that date if transmitted electronically via CHESS, will be registered before entitlements to the dividend are determined.

Dividend Reinvestment Plan (DRP)

The DRP will operate for the interim ordinary dividend. There will be a discount of 2.5% and participation will be from a minimum of 100 ordinary shares with no cap. For applications under the DRP to be effective, they must be received at the Bank's Share Registry[1] by 5:00pm on 18 June 2002. DRP application forms are available from the Share Registry.



Preference Shares

The following tables outline the dividend entitlements relating to each class of Preference Share.

Depositary Capital Securities			
Period	Payment date	Amount ($'m)	Franked
1 October 2001 - 31 December 2001	31 Dec 2001	10	No
1 January 2002 – 31 March 2002	1 July 2002	10	No

The dividend payable on 1 July 2002 is based on AUD/USD exchange rates as at 31 March 2002.

Preferred Resetting Yield Marketable Equity Securities			
Period	Payment date	Amount ($'m)	Franked
1 October 2001 – 20 February 2002	20 February 2002	8	100% franked at 30%
21 February 2002 – 31 March 2002	20 August 2002	2	100% franked at 30%

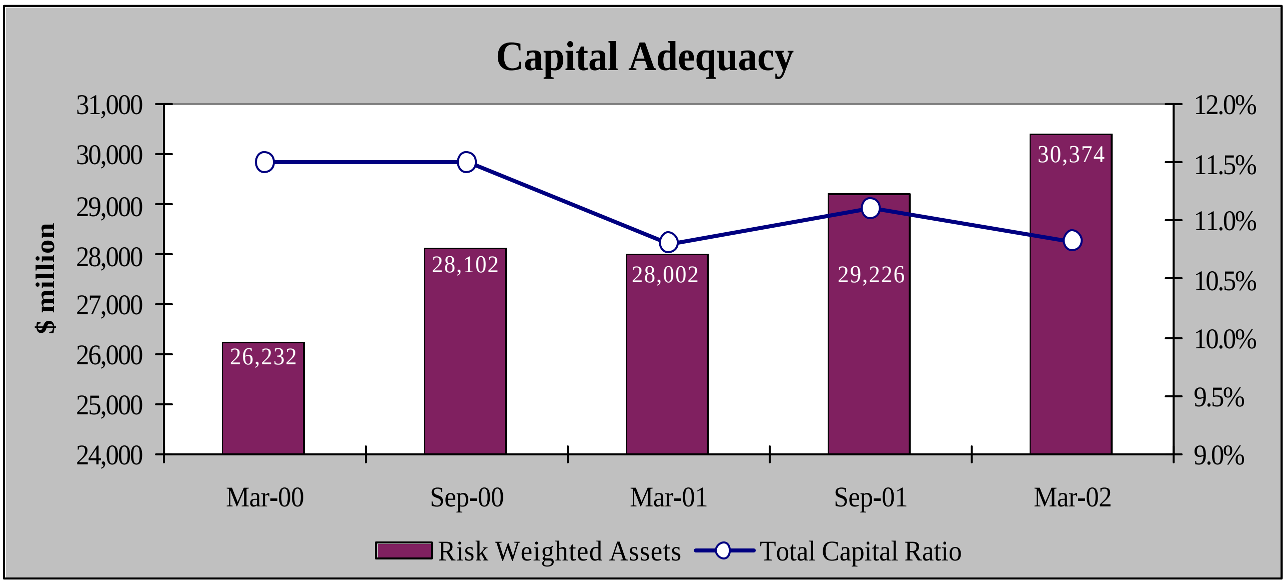
[1]Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street, Sydney. Tel: 1800 804 457

3.3.2 Capital Adequacy

The Group has a Tier 1 ratio of 7.7% and a total capital ratio of 10.8%.

As at	**March 2002 $'m**	Sept 2001 $'m	March 2001 $'m
Qualifying Capital:			
Tier 1			
Share capital	**3,271**	3,127	3,093
Reserves	**571**	665	544
Retained profits	**70**	102	106
Less: Goodwill and other APRA deductions (1)	**(1,571)**	(1,515)	(1,574)
Total Tier 1 capital	**2,341**	2,379	2,169
Tier 2			
Asset Revaluations	**27**	34	28
Subordinated Debt	**821**	734	739
General provision for doubtful debts (not tax effected)	**139**	133	136
Total Tier 2 capital	**987**	901	903
Less: Deductions from capital (2)	**40**	40	40
Total Qualifying Capital	**3,288**	3,240	3,032
Risk Weighted Assets	**30,374**	29,226	28,002
Risk Weighted Capital Adequacy Ratio:			
Tier 1	**7.7%**	8.1%	7.7%
Tier 2	**3.2%**	3.1%	3.2%
Less: Deductions	**-0.1%**	-0.1%	-0.1%
Total Capital Ratio	**10.8%**	11.1%	10.8%

(1) Investments (pre-acquisition retained earnings) in funds management and administration companies and the investment in mortgage insurance company (St.George Insurance Pte. Ltd.) are deducted from Tier 1 Capital.
(2) Holdings of other banks' capital instruments and investments (excluding pre-acquisition retained earnings) in funds management and administration companies and life insurance companies are deducted from the total of Tier 1 and Tier 2 capital.



3.3.3 Average Balances and Related Interest

Average Balances and Related Interest
For the Half-Year Ended 31 March 2002

	Average Balance $m	Interest $m	Average Rate (1)
INTEREST EARNING ASSETS :			
Cash and liquid assets	108	2	3.70%
Due from other financial institutions	213	3	2.82%
Investment / trading securities	5,273	119	4.51%
Loans and other receivables	41,161	1,369	6.65%
Total interest earning assets	46,755	1,493	6.39%
NON-INTEREST EARNING ASSETS :			
Bills receivable	9		
Property, plant and equipment	534		
Other assets	5,508		
Provision for doubtful debts	(199)		
Total non-interest earning assets	5,852		
TOTAL ASSETS	52,607		
INTEREST BEARING LIABILITIES :			
Retail funding	26,390	398	3.02%
Other deposits	8,314	191	4.59%
Due to other financial institutions	363	4	2.20%
Short term borrowings - Domestic	2,483	67	5.40%
- Offshore	4,425	97	4.38%
Long term borrowings - Offshore	4,004	88	4.40%
Total interest bearing liabilities	45,979	845	3.68%
NON-INTEREST BEARING LIABILITIES :			
Bills payable	160		
Other non-interest bearing liabilities	2,730		
Total non-interest bearing liabilities	2,890		
TOTAL LIABILITIES	48,869		
SHAREHOLDERS' EQUITY (2)	3,738		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	52,607		
Interest Spread (3)			2.71%
Interest Margin (4)			2.77%

(1) Annualised.
(2) Weighted average number of ordinary shares outstanding for the half-year were 489.8 million.
(3) Interest spread represents the difference between the average interest rate earned on assets and the average interest rate paid on funds.
(4) Interest margin represents net interest income as a percentage of average interest earning assets.

3.3.3 Average Balances and Related Interest (cont…)

Average Balances and Related Interest
For the Half-Year Ended 30 September 2001

	Average Balance $m	Interest $m	Average Rate (1)
INTEREST EARNING ASSETS :			
Cash and liquid assets	109	2	3.67%
Due from other financial institutions	175	2	2.29%
Investment / trading securities	4,498	124	5.51%
Loans and other receivables	39,927	1,442	7.22%
Total interest earning assets	44,709	1,570	7.02%
NON-INTEREST EARNING ASSETS :			
Bills receivable	33		
Property, plant and equipment	549		
Other assets	4,654		
Provision for doubtful debts	(188)		
Total non-interest earning assets	5,048		
TOTAL ASSETS	49,757		
INTEREST BEARING LIABILITIES :			
Retail funding	24,621	429	3.48%
Other deposits	8,140	217	5.33%
Due to other financial institutions	408	4	1.96%
Short term borrowings - Domestic	2,869	77	5.37%
- Offshore	3,591	95	5.29%
Long term borrowings - Offshore	4,593	125	5.44%
Total interest bearing liabilities	44,222	947	4.28%
NON-INTEREST BEARING LIABILITIES :			
Bills payable	170		
Other non-interest bearing liabilities	1,732		
Total non-interest bearing liabilities	1,902		
TOTAL LIABILITIES	46,124		
SHAREHOLDERS' EQUITY (2)	3,633		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	49,757		
Interest Spread (3)			2.74%
Interest Margin (4)			2.79%

(1) Annualised.
(2) Weighted average number of ordinary shares outstanding for the half-year were 470.1 million.
(3) Interest spread represents the difference between the average interest rate earned on assets and the average interest rate paid on funds.
(4) Interest margin represents net interest income as a percentage of average interest earning assets.

3.3.3 Average Balances and Related Interest (cont…)

Average Balances and Related Interest
For the Half-Year Ended 31 March 2001

	Average Balance $m	Interest $m	Average Rate (1)
INTEREST EARNING ASSETS :			
Cash and liquid assets	134	2	2.99%
Due from other financial institutions	130	2	3.08%
Investment / trading securities	4,786	160	6.69%
Loans and other receivables	39,560	1,577	7.97%
Total interest earning assets	44,610	1,741	7.81%
NON-INTEREST EARNING ASSETS :			
Bills receivable	64		
Property, plant and equipment	558		
Other assets	4,349		
Provision for doubtful debts	(180)		
Total non-interest earning assets	4,791		
TOTAL ASSETS	49,401		
INTEREST BEARING LIABILITIES :			
Retail funding	23,436	490	4.18%
Other deposits	8,526	274	6.43%
Due to other financial institutions	602	9	2.99%
Short term borrowings - Domestic	2,771	85	6.13%
- Offshore	3,557	117	6.58%
Long term borrowings - Offshore	5,153	154	5.98%
Total interest bearing liabilities	44,045	1,129	5.13%
NON-INTEREST BEARING LIABILITIES :			
Bills payable	155		
Other non-interest bearing liabilities	1,504		
Total non-interest bearing liabilities	1,659		
TOTAL LIABILITIES	45,704		
SHAREHOLDERS' EQUITY (2)	3,697		
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	49,401		
Interest Spread (3)			2.68%
Interest Margin (4)			2.74%

(1) Annualised.
(2) Weighted average number of ordinary shares outstanding for the half-year were 461.4 million.
(3) Interest spread represents the difference between the average interest rate earned on assets and the average interest rate paid on funds.
(4) Interest margin represents net interest income as a percentage of average interest earning assets.

3.3.4 Volume and Rate Analysis

The table below allocates changes in interest income and interest expense between changes in volume and rate for the half-years ended 31 March 2002 and 30 September 2001. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities.

	March 2002 over September 2001			September 2001 over March 2001		
	-----------Change Due to------------			-------------Change Due to-----------		
	Volume	**Rate**	**Total**	Volume	Rate	Total
	$ m	**$ m**	**$ m**	$ m	$ m	$ m
INTEREST EARNING ASSETS :						
Cash and liquid assets	**-**	**-**	**-**	-	-	-
Due from other financial institutions	**1**	**-**	**1**	1	(1)	-
Investment / trading securities	**17**	**(22)**	**(5)**	(8)	(28)	(36)
Loans and other receivables	**41**	**(114)**	**(73)**	13	(148)	(135)
CHANGE IN INTEREST INCOME	**59**	**(136)**	**(77)**	6	(177)	(171)
INTEREST BEARING LIABILITIES :						
Retail funding	**26**	**(57)**	**(31)**	21	(82)	(61)
Other funding	**4**	**(30)**	**(26)**	(10)	(47)	(57)
Due to other financial institutions	**-**	**-**	**-**	(2)	(3)	(5)
Short term borrowings						
- Domestic	**(10)**	**-**	**(10)**	3	(11)	(8)
- Offshore	**18**	**(16)**	**2**	1	(23)	(22)
Long term borrowings						
- Offshore	**(13)**	**(24)**	**(37)**	(15)	(14)	(29)
CHANGE IN INTEREST EXPENSE	**25**	**(127)**	**(102)**	(2)	(180)	(182)
CHANGE IN NET INTEREST INCOME	**34**	**(9)**	**25**	8	3	11

3.3.5 Derivatives

The major categories of risk managed by the Group are credit risk, market risk, liquidity risk and operational risk. The Group uses derivatives as a cost effective way of managing market risk. Derivatives incur extremely low transaction costs in comparison to the face value of the contract. Prudent management of market risk involves the use of derivatives to transfer all or part of the risk to counterparties who are willing to accept it. Derivatives therefore provide protection to income streams from volatile interest rates in the financial markets.

The following table provides an overview of the Group's exchange rate and interest rate derivatives. It includes all trading and non-trading contracts.

As at	**31 March 2002**		30 September 2001		31 March 2001	
	Notional Amount	**Credit Equivalent***	Notional Amount	Credit Equivalent*	Notional Amount	Credit Equivalent*
	$m	**$m**	$m	$m	$m	$m
Foreign Exchange						
Futures	-	-	-	-	13	-
Spot, Forwards	**13,576**	**302**	17,390	508	16,104	724
Swaps	**4,864**	**787**	5,528	1,647	5,321	1,604
Options	**956**	**11**	1,563	23	1,007	20
Total	**19,396**	**1,100**	24,481	2,178	22,445	2,348
Interest Rate						
Futures	**17,117**	-	10,739	-	11,445	-
Forward Rate Agreements	**11,321**	**9**	12,430	9	15,700	5
Swaps	**67,687**	**391**	49,256	440	41,820	451
Options	**66**	-	61	-	58	-
Total	**96,191**	**400**	72,486	449	69,023	456
Grand Total	**115,587**	**1,500**	96,967	2,627	91,468	2,804

* Credit Equivalent - represents a measure of the potential loss to the Group as a result of non-performance by counterparties.

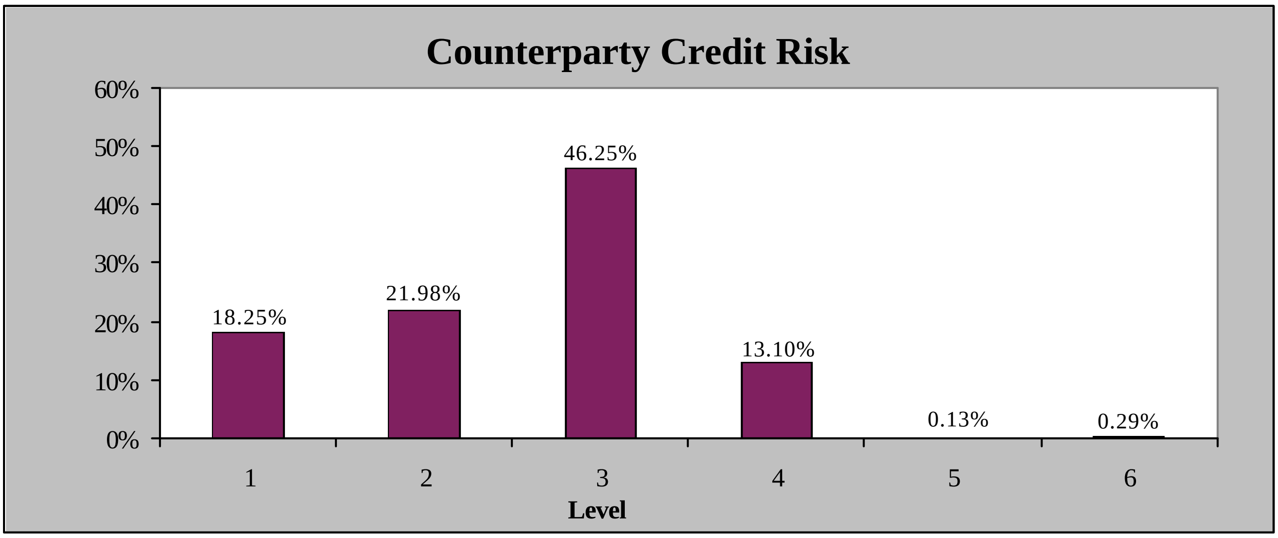
The Group's major use of derivatives is as a hedge for balance sheet assets, the primary exposure to derivative transactions is with counterparties that are rated investment grade quality.

3.3.5 Derivatives (cont…)

The St.George risk rating system has six levels of classification based upon Standard and Poor's International Rating system. The levels are:

Level	International Rating
1	AAA
2	AA or better
3	A or better
4	BBB or better
5	BBB-
6	BB+

The graph below shows the percentage counterparty risk exposure on derivatives on a notional contract basis totalling $115.6 billion as at 31 March 2002 (31 March 2001: $91.5 billion).



3.3.6 Employee Share Plans

Three employee share plans and one executive option plan were approved by shareholders at the Annual General Meeting of the Bank held on 3 February 1998. The Non-Executive Directors' Share Purchase Plan was approved by shareholders at the Annual General Meeting held on 17 December 1999.

Employee Reward Share Plan

The Employee Reward Share Plan provides eligible employees with up to $1,000 value in ordinary shares per annum at no cost. Allocations under the Plan are subject to the achievement of predetermined performance targets as set by the Board and communicated to staff and Board discretion.

Details of issues under this plan are as follows:

Allocation date	Number of Shares allocated	Issue Price ($)	Participating Employees	Shares/Employee
11 January 2002	340,312	17.79	6,077	56

Employee Share Purchase Plan

All permanent salary packaged employees with continuous service of at least one year as at any relevant share acquisition date, are eligible to participate in the Employee Share Purchase Plan.

Details of shares acquired under this plan are as follows:

Allocation date	Number of Shares acquired	Average Purchase Price ($)	Participating Employees
23 November 2001	45,558	17.37	173
11 January 2002	190,250	18.29	269

Shares are acquired on market or issued. In consideration for the shares allocated, employees forego remuneration equivalent to the market value of the shares on the date of issue, less brokerage and at a discount equivalent to that available under the Bank's Dividend Reinvestment Plan, when operational.

Employee Performance Share Plan (Performance Share Plan)

In accordance with the Rules of the Performance Share Plan and as approved by shareholders, share allocations can occur by allotment or by purchase on market. The Board will assess the most appropriate basis of allocation at the time each award is exercised. The outstanding awards have a market value of $38.1 million as at 31 March 2002.

3.3.6 Employee Share Plans (cont…)

Details of awards, comprising rights over unissued ordinary shares, granted under the Performance Share Plan are as follows:

			Movement during the period					
Date Awards Granted	**Vesting Date**	**Awards outstanding 1 Oct 2001**	**Number of Awards Granted**	**Number of Awards Forfeited**	**Number of Shares Allotted**	**Market Value ($)**	**Awards outstanding 31 Mar 2002**	**Senior Executives in Plan**
31-Aug-98	23-Feb-01	9,000					9,000	1
30-Nov-98	20-Sep-02	50,000					50,000	1
22-Feb-99	23-Feb-01	4,000			4,000	69,360	-	-
02-Jun-99	08-Dec-01	3,000					3,000	
02-Jun-99	08-Dec-02	3,000					3,000	1
02-Jun-99	08-Jun-03	3,000					3,000	
20-Jul-99	19-Jul-01	16,667			16,667	281,672	-	1
20-Jul-99	19-Jul-02	16,666					16,666	
20-Dec-99	20-Dec-01	3,000			3,000	53,520	-	1
20-Dec-99	20-Dec-02	3,000					3,000	
28-Feb-00	31-Aug-00	2,500			2,500	43,525	-	-
28-Feb-00	31-Aug-01	2,500			2,500	43,525	-	
01-Nov-00	15-Nov-02	667,694		4,096	32,065	566,026	631,533	98
01-Nov-00	15-Nov-03	329,000		1,500			327,500	104
06-Nov-00	06-Nov-01	-	1,800		1,800	31,212	-	
06-Nov-00	06-Nov-02	-	1,800				1,800	1
06-Nov-00	06-Nov-03	-	1,800				1,800	
29-Jan-01	15-Nov-02	4,000					4,000	1
29-Jan-01	15-Nov-03	2,000					2,000	
05-Feb-01	15-Nov-02	22,711					22,711	1
05-Feb-01	15-Nov-03	12,700					12,700	
05-Mar-01	15-Nov-02	3,000					3,000	1
05-Mar-01	15-Nov-03	1,500					1,500	
14-Mar-01	15-Nov-02	1,047					1,047	1
14-Mar-01	15-Nov-03	897					897	
19-Mar-01	15-Nov-02	2,571					2,571	1
19-Mar-01	15-Nov-03	1,929					1,929	
12-Apr-01	15-Nov-02	4,706					4,706	1
12-Apr-01	15-Nov-03	4,033					4,033	
01-Jul-01	15-Nov-02	750					750	1
01-Jul-01	15-Nov-03	1,500					1,500	
12-Dec-01	12-Dec-01	-	25,000				25,000	1
01-Oct-01	15-Nov-03	-	291,770				291,770	
01-Oct-01	15-Nov-04	-	291,770				291,770	122
01-Oct-01	15-Nov-04	-	291,770				291,770	
02-Jan-02	15-Nov-03	-	2,278				2,278	
02-Jan-02	15-Nov-04	-	2,278				2,278	1
02-Jan-02	15-Nov-04	-	2,278				2,278	
24-Jan-02	15-Nov-03	-	1,344				1,344	
24-Jan-02	15-Nov-04	-	1,344				1,344	1
24-Jan-02	15-Nov-04	-	1,344				1,344	
24-Jan-02	15-Nov-02	-	12,482				12,482	1
24-Jan-02	15-Nov-03	-	12,482				12,482	
31-Jan-02	15-Nov-03	-	3,872				3,872	
31-Jan-02	15-Nov-04	-	3,872				3,872	1
31-Jan-02	15-Nov-04	-	3,872				3,872	
01-Feb-02	15-Nov-03	-	911				911	
01-Feb-02	15-Nov-04	-	911				911	1
01-Feb-02	15-Nov-04	-	911				911	
25-Feb-02	15-Nov-03	-	3,729				3,729	
25-Feb-02	15-Nov-04	-	3,729				3,729	1
25-Feb-02	15-Nov-04	-	3,729				3,729	
25-Feb-02	25-Feb-03	-	2,797				2,797	
25-Feb-02	25-Feb-04	-	2,797				2,797	1
25-Feb-02	25-Feb-05	-	2,797				2,797	
TOTAL		**1,176,371**	**975,467**	**5,596**	**62,532**	**1,088,840**	**2,083,710**	**345**

3.3.7 Executive Option Plan and Non-Executive Directors' Share Purchase Plan

Executive Option Plan (Option Plan)

Executive officers are eligible to participate in the Option Plan. Exercise is conditional upon the Group achieving a prescribed performance hurdle. 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 ineligible to participate in the Option Plan.

Details of options granted under the Option Plan are as follows:

				Movement during the period				
Date Options Granted	Exercise Period (1)	Exercise Price (2) ($)	Options outstanding 30 Sep 2001	Number of Options Granted	Number of Options Forfeited	Number of Options Exercised	Options outstanding 31 Mar 2002	Senior Executives in Plan (3)
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	-	
30-Nov-98	15-Nov-02 to 30-Nov-03	$10.30	75,000				75,000	1
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	1
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	
02-Jun-99	08-Dec-02 to 02-Jun-04	$10.73	30,000				30,000	1
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
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	$14.63	-	66,667			66,667	
01-Oct-01	15-Nov-04 to 01-Oct-06	$14.63	-	66,667			66,667	1
01-Oct-01	15-Nov-05 to 01-Oct-06	$14.63	-	66,667			66,667	
12-Dec-01	12-Jun-04 to 12-Dec-06	$16.91	-	250,000			250,000	
12-Dec-01	12-Jun-05 to 12-Dec-06	$16.91	-	250,000			250,000	1
12-Dec-01	12-Jun-06 to 12-Dec-06	$16.91	-	500,000			500,000	
		TOTAL	3,175,000	1,200,001	900,000	855,000	2,620,001	11

1. The options may be exercisable at an earlier date as prescribed by the Option Plan rules.
2. A premium is added to the exercise price of the options that 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 period 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.
3. Participating executives are required to hold a minimum of 5,000 ordinary shares in the Bank in order to participate in the Option Plan.

3.3.7 Executive Option Plan and Non-Executive Directors' Share Purchase Plan (cont…)

Non-Executive Directors' Share Purchase Plan ('Directors' Plan')

All non-executive directors are eligible to participate in the Directors' Plan. Ordinary shares are acquired on market. 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 and a discount equivalent to that available under the Bank's Dividend Reinvestment Plan when operational.

Details of shares allocated under the Directors' Plan are as follows:

Allocation date	Shares acquired	Average Purchase Price ($)	Participating Non-Executive Directors
23 November 2001	15,185	17.37	6

4 Further Information

4.1 Branches

As at	**March 2002**	Sept 2001	March 2001
New South Wales	**222**	224	226
Australian Capital Territory	**14**	14	13
Queensland	**22**	22	23
Victoria	**30**	30	30
South Australia	**111**	113	111
Western Australia	**2**	2	2
Northern Territory	**4**	4	4
Total (1)	**405**	409	409
Assets per branch - $m	**130**	127	120
Net Profit (2) per branch (annualised)			
- after income tax, OEI and before goodwill and significant items - $'000	**1,630**	1,384	1,276
- after income tax, OEI, goodwill and before significant items - $'000	**1,353**	1,144	1,032

(1) There were 40 Automated Banking Centres at 31 March 2002 (31 March 2001:16).
(2) Before Preference Dividends.

4.2 Staffing (full time equivalents)

As at	**March 2002**	Sept 2001	March 2001
New South Wales	**4,588**	4,411	4,377
Australian Capital Territory	**148**	154	164
Queensland	**228**	232	247
Victoria	**266**	263	274
South Australia	**1,216**	1,157	1,247
Western Australia	**82**	76	81
Northern Territory	**32**	31	33
	6,560	6,324	6,423
SEALCORP	**594**	583	558
Scottish Pacific	**141**	154	144
WealthPoint	**168**	-	-
Total Permanent and Casual Staff	**7,463**	7,061	7,125
Assets per staff - $m	**7.0**	7.4	6.9
Staff per $m assets - No.	**0.14**	0.14	0.14
Net Profit (1) per average staff (annualised)			
- after income tax, OEI and before goodwill and significant items - $'000	**90.5**	78.2	71.3
- after income tax, OEI, goodwill and before significant items - $'000	**75.1**	64.7	57.7
Total Group Workforce(2)	**8,164**	7,704	8,131

(1) Before Preference Dividends.
(2) The total Group workforce comprises permanent, casual and temporary staff and contractors.

4.3 Dates and Credit Ratings

Financial Calendar

Date	Event
27 May 2002	Melbourne Shareholder Information Meeting
12 June 2002	Ex-dividend trading for interim ordinary share dividend
18 June 2002	Record date for interim ordinary share dividend
2 July 2002	Payment of interim ordinary dividend
30 September 2002	Financial year end

Proposed Dates

Date	Event
31 July 2002	Ex-dividend trading for PRYMES
6 August 2002	Record date for PRYMES
20 August 2002	Payment date for PRYMES
6 November 2002	Announcement of financial profit and final ordinary dividend
25 November 2002	Ex-dividend trading for final ordinary share dividend
29 November 2002	Record date for final ordinary share dividend
13 December 2002	Payment of final ordinary dividend
13 December 2002	Annual General Meeting

Credit Ratings

	Short term	Long term
Standard & Poor's	A-1	A
Moody's Investors Service	P-2	A3
Fitch Ratings	F1	A+

Further Information

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