



news release

28 July 2008

St.George's credit quality remains excellent with no exposure to CDOs

In response to ongoing volatility in the market, St.George Bank reconfirms that it has no exposure to CDOs or US conduits.

St.George continues to have no exposure to US or domestic sub-prime lending or hedge funds. Overall credit quality remains excellent, reflecting the high quality of the Bank's residential and business lending portfolios and its prudent credit culture and policies.

St.George's balance sheet is conservative, with a low risk mix of businesses. St.George is domestically focused and 70% of all lending is in Australian home mortgages, which over many decades have proved to have much better credit quality than other types of loans.

Credit quality in consumer banking remains excellent, with arrears performance solid. Overall credit quality in business banking remains strong. Circa 95% of the business banking portfolio is secured, with more than 80% secured by property.

Ends...

Media contact:

Jeremy Griffith, Corporate Relations, 02 9236 1328 or 0411 259 432
Lara Daniels, Corporate Relations, 02 9236 1508 or 0419 226 449