



st. george

12 June 2003

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Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporation Finance  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Attention: Mr. Michael Coco



03022918

SUPPL

Dear Sir

**St. George Bank Limited: 12g3-2(b) Information - File No.82-3809**

We are furnishing herewith pursuant to Rule 12g3-2(b)(1)(i) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") the following additional documents that St. George Bank Limited (the "Company") has made public, distributed or filed with the Australian Stock Exchange Limited (the "ASX") or the Australian Securities and Investments Commission (the "ASIC") since May 16, 2002, the date of the Company's application for reinstatement of the exemption from Rule 12g3-2(b) of the Exchange Act:

- Presentation by CFO to UBS Financial Service Conference

The attached documents are being furnished with the understanding that they will not be deemed "filed" with the Securities and Exchange Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act, and that neither this letter nor the furnishing of such documents shall constitute an admission for any purpose that the Company is subject to the Exchange Act.

If you have any questions or comments please call the undersigned at 612 9236 1278.

Yours sincerely

Michael Bowan  
General Counsel and Secretary

PROCESSED

JUN 30 2003

THOMSON  
FINANCIAL

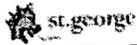
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# St. George Bank Ltd - Delivering Sustainable Growth

Steve McKerihan CFO

UBS Warburg Financial Service Conference June 2003

RETHINK



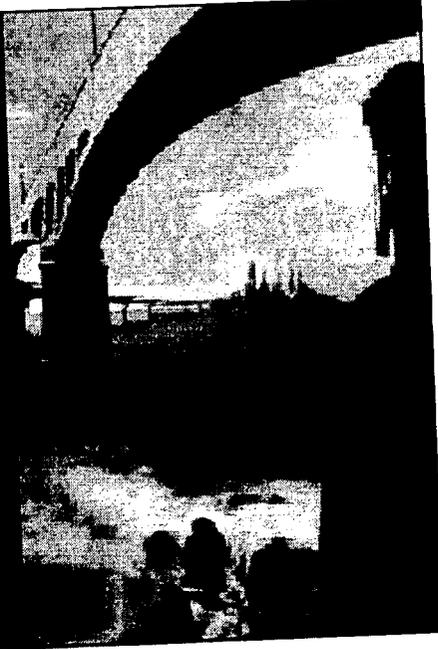
SERVICE

Performance dimensions

Strategic framework

Growth priorities

Targets and summary

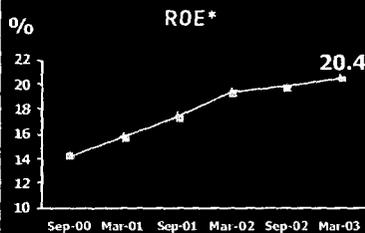
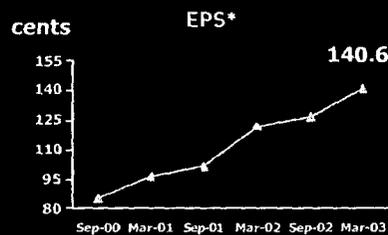
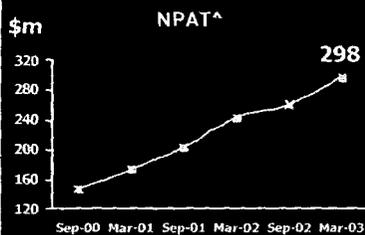


### STRONG 2003 FIRST HALF

	Mar 2003	Mar 2002	% Change
Profit Before Sig. Items	\$298m	\$244m	22
Profit After Sig. Items	\$298m	\$157m	90
Earnings per Share*	140.6¢	122.4¢	15
Return on Equity*	20.4%	19.3%	
Expense to Income*	49.2%	52.7%	
Dividend	45 cents	38 cents	18

\*Calculated before significant items and goodwill amortisation

### SUSTAINED FINANCIAL PERFORMANCE



<sup>^</sup>Before significant items

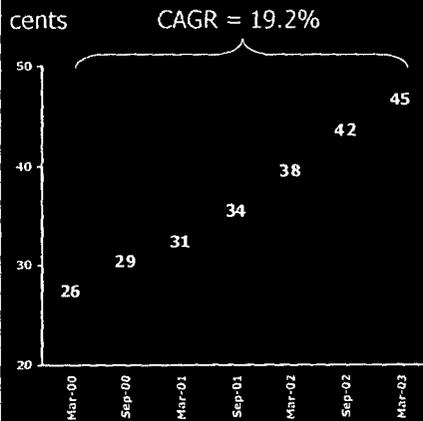
\*Calculated before significant items and goodwill amortisation

**WE HAVE DELIVERED A QUALITY RESULT**

- Strong revenue growth with stable margins
- Superior credit quality maintained
- Effective cost management
- Resilience in wealth management
- Significant improvement in residential lending

**TRACK RECORD OF DIVIDEND GROWTH**

Dividends Mar-00 to Mar-03



- Dividend increase of 18%
- Six consecutive increases in dividend payments
- All dividends fully franked
- Dividend Reinvestment Plan continued

## ST. GEORGE STRATEGIC FRAMEWORK

### Key Business Goals

1. Deepen and strengthen relationships with customers in our chosen markets
2. Leverage specialist capabilities for growth
3. Creatively differentiate on service
4. Accelerate and empower relationship selling
5. Optimise cost structure
6. Build team and performance culture

## PRIORITISING LONG TERM SUSTAINABLE GROWTH

- New Business Model and Integrated Sales and Service
- Middle Market
- Wealth Management
- Home Loans
- Brand and Customer Service
- Productivity Management

## NEW BUSINESS MODEL - KEY CHANGES

### Customer Segments

- Key leaders appointed
- GOLD segment moved into Wealth Management
- Call centre teams aligned

### Integrated Sales and Service

- Regional leaders appointed
- New sales and service system in prototype
- Training support in place
- Change management focus

## INTEGRATED SALES AND SERVICE PROGRAM

### • APPROACH

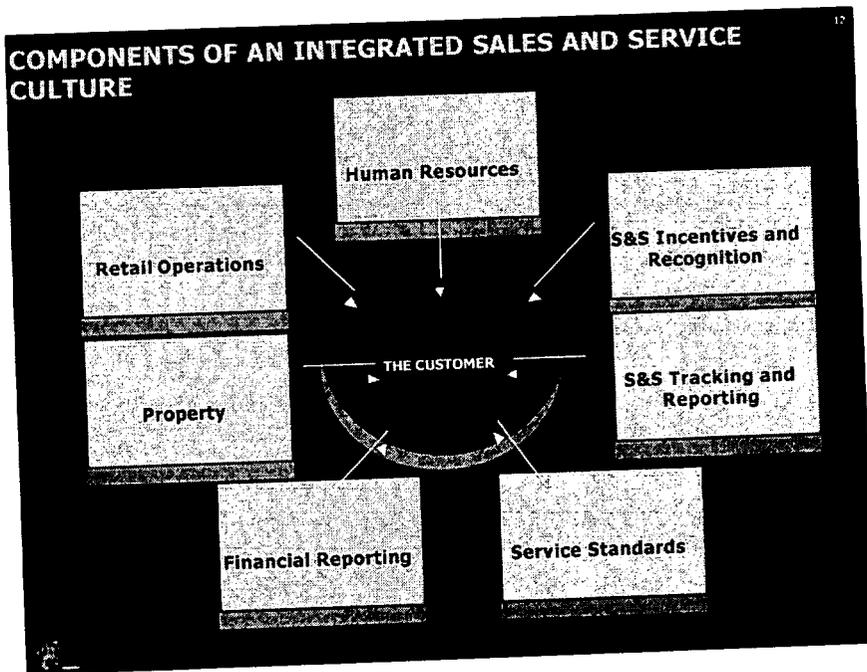
- Simple and consistent framework
- Encompassing targets, outcomes, measurements and rewards
- Supported by training and coaching

### • ROLLOUT

- Prototype active in 20 branches
- Roll out to all branches by September 2003
- Tailored for all proprietary distribution channels

### INTEGRATED SALES AND SERVICE - OBJECTIVES

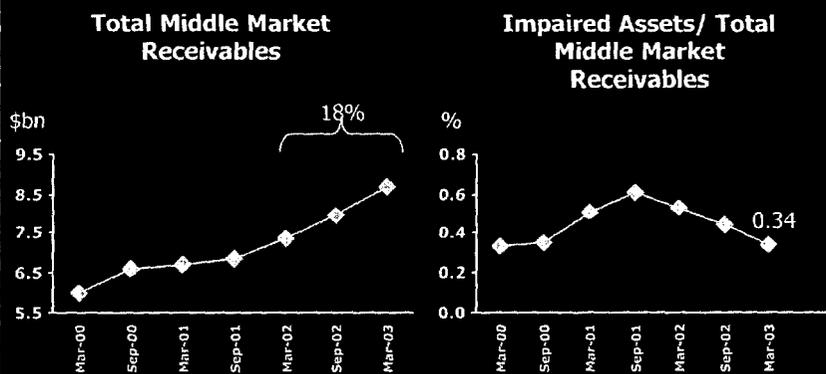
- Install a bank-wide sales and service planning process
- Drive a sales and service performance culture
- Identify and close skills gaps
- Make the customer the focus of everything we do
- Empower our people

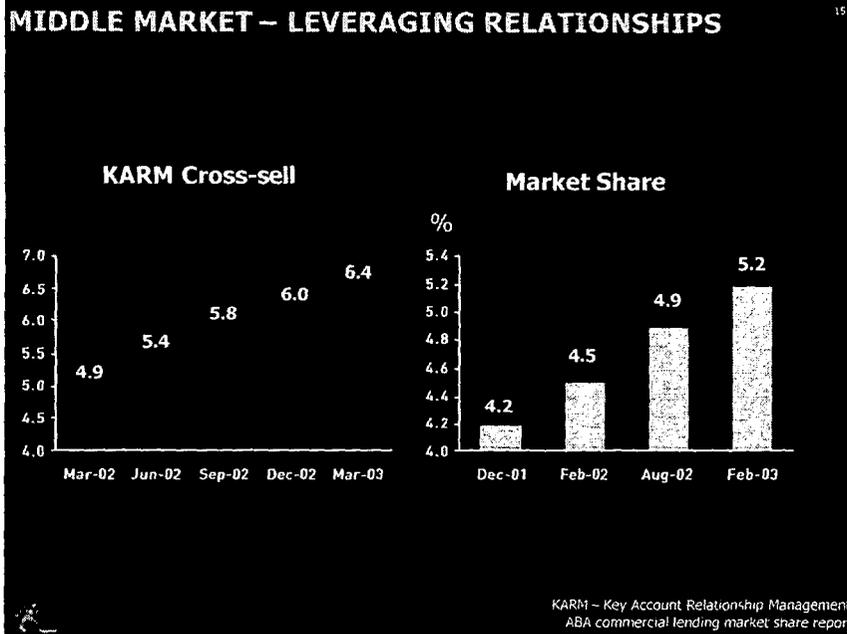


**MIDDLE MARKET – BUILDING ON SUCCESS**

- Extending and refining relationship model
- Raising brand awareness
- Strengthening expertise around 5 key industries
- Streamlining credit processes without relaxation of standards

**MIDDLE MARKET - CREDIT QUALITY REMAINS STRONG**

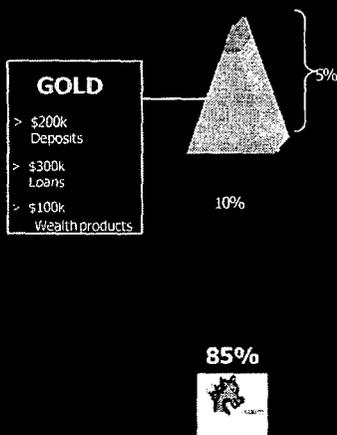




- ### MIDDLE MARKET - DISTINGUISHING CAPABILITIES 16
- Market leading service delivery
  - Complete product and service offering
  - High levels of customer loyalty and retention
  - Focused expertise around 5 key industries
  - Strong retention of highly skilled relationship managers
  - Increasing brand awareness
  - Strong credit disciplines and track record

## GOLD SEGMENT – A STRATEGIC PRIORITY

### Customer Segmentation

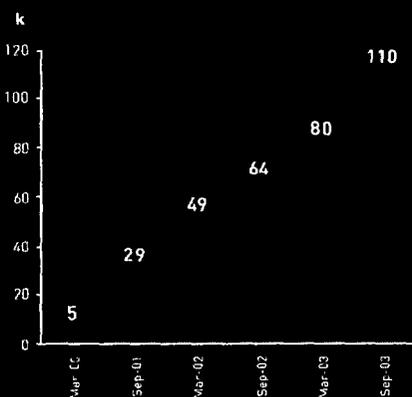


### GOLD segment

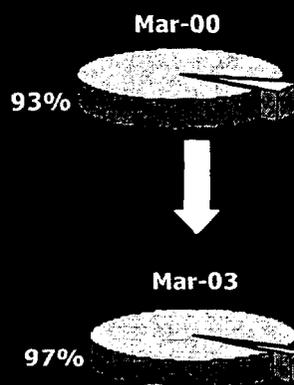
- 80k customers
- Limited dedicated infrastructure
- Collaborative cost model
- Leveraging Group's integrated sales and service program

## GOLD – ENHANCING THE CUSTOMER RELATIONSHIP

### Growth of GOLD customers



### Customers retained



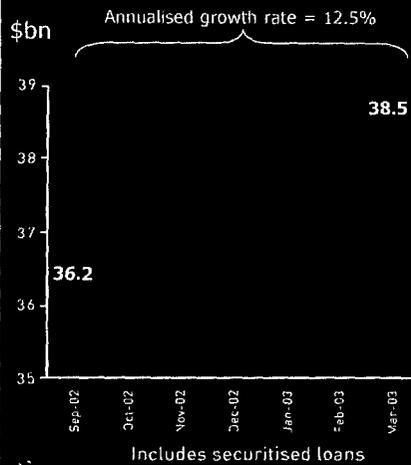
Customer satisfaction up 16% since Mar-00

**GOLD – DISTINGUISHING CAPABILITIES**

- Strong levels of satisfaction and retention
- Preferred service through customer's existing channel of choice
- Rapid escalation of problems
- One stop shop solution driven call centre
- 80k customers, growing to 110k by September 03
- Limited dedicated infrastructure
- Collaborative cost structure
- Leveraging Group's integrated sales and service program

**HOME LOANS – BUILDING MOMENTUM**

**St. George Residential Lending**



**How are we tracking?**

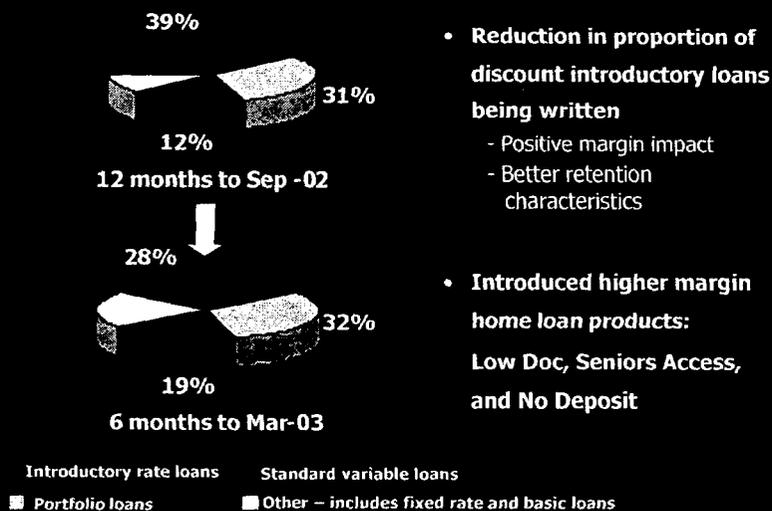
	St. George Growth*	Net Balance Growth
	(%)	(\$m)
Sep-02	6.7	202
Oct-02	9.0	272
Nov-02	9.8	299
Dec-02	11.0	337
Jan-03	12.0	370
Feb-03	12.9	403
Mar-03	18.4	580

- Credit quality maintained
- Margins maintained

\* Annualised growth

## HOME LOANS – IMPROVING PRODUCT MIX

### St. George Group Residential Loan Product Mix



## CREDIT QUALITY ON HOUSING BOOK OUTSTANDING

- LVR of mortgage book is 35%
- LVR of mortgages written YTD is 68%
- LVR of investment loan book is 36%
- LVR for units\* is 35%. For investment units is 37%
- Loans with LVR greater than 80% are mortgage insured
- Investment loans represent less than 30% of mortgage book
- Loan loss rate in mortgage book averages 2bp over last 10 years
- Loan loss ratio of investment loan book averaged less than 1 basis point over last 5 years

\* Secured by strata and company title

**BRAND AND CUSTOMER SERVICE**

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ADVANCE

- **New brand positioning**
- **Focus on our people**
- **Build on our service advantage**

**RETHINK – MORE THAN JUST A TAG LINE**

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ADVANCE

**Shifting perceptions**

- **Existing customers: 'Rethink what else we can do for you'**
- **New customers: 'Rethink St.George for banking, investing, business and insurance'**
- **Staff: 'Rethink. Are we meeting all of our customer's needs?'**

### FREEDOM ACCOUNT - STREAMLINING 29

<b>Current Products</b>	Setoff		<b>After Redesign</b>	<b>Freedom</b>
	Happy Dragon	• products		
	E-Account	• 3 different ASF levels		
	Deluxe	• 3 different OTC charges		
	Staff	• 6 different free monthly transaction counts		
	Student			
	Standard			
	Basic			

<b>Balance Range</b>	\$5k+	<ul style="list-style-type: none"> <li>• No account keeping fee</li> <li>• Unlimited free transactions through any channel</li> </ul>
	\$1k - \$5k	<ul style="list-style-type: none"> <li>• No account keeping fee</li> <li>• 10 free transactions, including 2 branch</li> <li>• Excess transaction fees apply</li> <li>• Unlimited free IVR and Inet transactions</li> </ul>
	\$0k - \$1k	<ul style="list-style-type: none"> <li>• \$6 account keeping fee</li> <li>• 10 free transactions, including 2 branch</li> <li>• Excess transaction fees apply</li> <li>• Unlimited free IVR and Inet transactions</li> </ul>

### FREEDOM – PROMOTING BALANCE GROWTH 29

- **Our customer research indicated**
  - Customers expect to pay for banking services, but they want fees and charges to be fair
  - Customers want their transaction account to have simple features and benefits
  
- **The redesign of the account reflects these findings**
  - All customers can access free over the counter transactions in their monthly count
  - Fee-free phone and internet banking transactions now included
  - Fee-free EFTPOS is available when using the St. George MultiAccess Visa Debit Card
  
- **The new fee structure rewards customers for holdings**
  - The new fee structure waives all fees (excluding non St. George/BankSA ATM fees) for customers holding more than \$5,000 in their transaction account – previously customers required \$20,000 to achieve this

## FREEDOM – LAUNCHING THE PROGRAM <sup>27</sup>

### **"We're mailing customers, not accounts"**

- **Customers**
  - Customers segmented into 3 groups, each group receiving a tailored letter
  - Tone and style of communication designed to remove complexity
  - 'Down to Earth' style
  
- **Staff**
  - Front line communications and training
  - On-line training as well as face-to-face

## PRODUCTIVITY MANAGEMENT <sup>28</sup>

- **On track for \$60m in EBB savings in '03 and \$80m in '04**
  
- **Rigorous financial analysis of investments**
  
- **Cross-divisional investment review committee**
  
- **Group wide project tracking**
  
- **Disciplined planning process with regular forecasting**

**TARGETS – FY2003 AND BEYOND**

<b>EPS Growth 2003</b>	<b>11 – 13%</b>
<b>EPS Growth 2004 &amp; 2005</b>	<b>Maintain double digit</b>
<b>Cost to Income in 2004</b>	<b>&lt;50%</b>
<b>Capital</b>	<b>Tier one 7-7.5%</b>
<b>Credit Quality</b>	<b>Maintain positive differential to the majors</b>
<b>Customer Satisfaction</b>	<b>Maintain positive differential to the majors</b>

**SUMMARY**

- **Maintain momentum in core businesses**
- **Focus on key priorities**
- **Drive change management program**
- **Invest in people**
- **Continue cost disciplines**



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

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