

R E T H I N K



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October, 2004

**ST.GEORGE MARGIN LENDING ANNOUNCES NEW FEATURE –
ST.GEORGE ASSET ACCESS™**

Andrew Black, Head of St.George Margin Lending, this week announced a new feature exclusive to St.George Margin Lending that will assist investors in diversifying their investments.

Using a St.George Portfolio Loan (a line of credit home loan from St.George), investors can now allocate a portion of home equity to be used as security for a margin loan.

“A St.George Margin Loan now allows investors to invest far more into shares or managed fund investments than would be possible using just the equity in a residential or investment property,” said Black.

“The most important aspect of this new feature is that as the home equity is not actually drawn down, it attracts no interest payment on the Portfolio Loan. And in the event of a margin call, the only amount claimed as security is the equity amount that has been nominated to be used for the St.George Asset Access feature. That means less risk for the property,” continued Black.

An example of how St.George Asset Access works, using home equity to invest in shares* (These examples do not include the dividends earned on the shares or the tax deduction that may be available when using loan funds for investment purposes):

Equity drawn from portfolio loan and invested in St.George shares @ \$21.60 a share	\$30 000	Equity pledged from portfolio loan to margin lending as security	\$30 000
		Margin Loan taken against the pledge and loan funds invested in St.George shares @ \$21.60 a share	\$60 000
Value of share portfolio after 5 years, now \$43.32 a share*	\$60 168	Value of share portfolio after 5 years, now \$43.32 a share*	\$120 332
Interest paid on portfolio loan at 7.2%pa for 5 years*	-\$12 954	No interest to pay on \$30 000 pledged from portfolio loan	\$0
		Interest paid on margin loan at 8%pa for 5 years*	-\$29 391
Loan repaid to portfolio loans after 5 years	-\$30 000	Loan repaid to margin lending after 5 years	-\$60 000
Total returns	\$17 215	Total returns	\$30 046

*Assumes 14% pa based on growth of St.George Bank shares over the past 5 years. These examples do not include the dividends earned on the shares, or the tax deduction that may be available when using loan funds for investment purposes. For the purposes of the examples it is assumed that interest remains fixed for the period of the loan. The examples are intended to act as a guide only and should not be relied on as the sole basis for making an investment decision.

St.George Margin Lending is an investment industry leader, awarded a 5-Star rating from independent ratings agency Cannex. St.George Margin Lending is also holder of the Personal Investor Magazine 'Margin Lender of the Year 2003' title. St.George Margin Lending services in excess of 10,000 Australian clients and over \$1.1bn in loans.

St.George Margin Lending is part of the Wealth Management division of the St.George Bank Ltd, Australia's fifth-largest banking group with over \$52 billion in assets and 2.6 million customers Australia wide.

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**St.George Margin Lending is a member
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