



st.george



THE MARKET

Home ownership is central to the Australian dream, and Australians enjoy an unusually high level of it. Surveys indicate that something like 65% of all homes are either owned by their occupants, or are being purchased by them.

That explains why the total home loan market in Australia is worth over \$173 billion. St. George, now recognised as one of Australia's leading financial services providers, holds 6.5% of that home loan market. Of the total Australian deposits market, estimated at more than \$146 billion at the end of April 1997, St. George has a 6.08% share.

ACHIEVEMENTS

In Australia's turbulent financial sector, St. George stands out for its ability to manage an extraordinary rate of growth - and thus of change - without losing sight of its fundamental values.

Its achievements were already impressive as a building society. Founded in 1937 as an association of suburban societies in southern Sydney, St. George grew rapidly in the years after World War 2 and by 1979 was the biggest building society in Australia. Since becoming a bank in 1992 it has gone on to become the country's largest regional bank and fifth largest national financial services group overall. It has some 2.3 million customers, branches all over Australia, and more than \$45 billion in assets. St. George is an all-round service bank offering business banking, commercial services, treasury centres, life insurance and investment services.

St. George has remained, however, a 'people's bank', and accepts the title with pride. Its primary business is providing retail banking services of which home loans make up the most important part. St. George aims to make banking and general finance less stressful for its customers, to help simplify their financial arrangements, and to reward them for their loyalty.

HISTORY

Building societies originated in England in the wake of the Industrial Revolution. The early ones, formed in the late 18th century and early 19th century, were all 'terminating' building societies. Their members contributed small regular amounts to a fund, and as the fund grew it bought land and built houses for its members. Once a particular society's aims were achieved, it was simply wound up. Later, 'perma-

nent' societies were formed. They performed the same functions but on an ongoing basis, attracting new members as the original members' needs were met, and also attracting funds from investors.

The idea caught on here, and by the mid-1800s there were building societies in every state and territory of Australia. They experienced varying fortunes over the years, but, despite the Depression, played a key role in the interwar years of migration, helping newcomers to Australia bring their own dreams to fruition.

The St. George and Cronulla building societies were formed as groups of terminating societies in the late 1930s, but did not experience their first major growth until legislation after World War 2 made housing more affordable.

St. George converted to a permanent building society in 1955, and during the 1960s began to open branches throughout suburban Sydney. It opened 13 branches between 1967 and 1970 alone. It is worth noting that by this date computers had already been introduced to the organisation, and played a key role in its operations.

By 1979, St. George had 800 staff working in 130 branches to serve some 600,000 members. The society's amalgamated assets of over \$1 billion made St. George the biggest building society in Australia.

The society went on to acquire the State Building Society in 1988, and made its first major interstate leap by buying the Victorian Savings and Loan Society in 1991.

St. George became a bank in 1992 and listed on the Australian Stock Exchange, and two years later bought the retail commercial banking and finance divisions of Barclays Bank Australia, incorporating Barclays' 550 staff and 18 branches into the group.

In January 1997 St. George successfully completed its merger with Advance Bank Australia, giving it a much broader spread of business than ever before and much greater geographic reach.





PRODUCT

St.George Bank is a full service national consumer and business bank, with all the products and services associated with a major financial institution. Business is handled through three divisions.

St.George's Retail Banking Division focuses on residential lending, business banking, private banking and personal financial services. These are delivered through a range of loans, savings, investment, life and general insurance products and services.

Retail banking remains the bank's core business. St.George's 'great Australian home loan' has been designed to be competitive even with the more aggressively priced products of other bank and non-bank lenders. The product has resulted in loan approvals of over \$781 million between April 1996 and May 1997 - its first year on the market.

St.George's Commercial Banking Division offers a full relationship banking service to professional firms and the corporate market. Facilities include working capital finance, commercial and industrial property loans, investment and construction finance, leasing, hire purchase, consumer loans, motor vehicle dealer wholesale finance, and international trade finance.

Group Treasury and Capital Markets delivers a full range of services, notably foreign exchange, structured investments and market related investment support. The division's other responsibilities include the management of St.George's investment portfolios, wholesale funding and balance sheet risk management.

Advance Funds Management is the funds management arm of the St.George Group. Its responsibility is to provide a wide range of investment and retirement products, including a range of share funds, property funds, fixed interest funds and diversified funds. The division manages more than \$2 billion on behalf of 75,000 clients, and its sector strength investment approach to investing aims to provide clients with consistent above average returns without taking too many risks.

RECENT DEVELOPMENTS

In a new move on the insurance front, St.George has established a life insurance company of its

own. A range of new insurance products will be extended to include loan protection, term life, trauma and disability cover.

St.George customers are also enjoying a new way of interacting with the bank, with the establishment of the St.George internet home page. It is already possible for customers to use the home page as a ready reckoner, to compare types of loans. The group also offers PC home banking. St.George software creates an automatic link between a retail customer's home PC and the bank's central mainframe. The software allows the customer to perform budgeting, forecasting, account management and monitoring functions from home. These services will soon be available through the internet.

PROMOTION

St.George recently unveiled a new corporate identity and new branch design, which is intended to reposition the growing financial services group for the new millennium.

The new look, however, retains strong links with the bank's former colourful and lively imagery, and particularly with St.George's two major icons. These two have paired so successfully since their first introduction in the early 1970s that it is now hard to think of them separately - despite the fact that one of them is a large green dragon.

'Happy Dragon', as he has come to be known, conveys an image of fun and friendliness. Though he never speaks, he is always smiling and has done much to soften the image of banking, indicating that banking with St.George is an enjoyable, friendly and open activity. The comparison with the austere, daunting, marble-and-glass images of some other financial institutions could hardly be more marked.

The symbolism behind Happy Dragon is rather more subtle than that, however. In medieval mythology, dragons were traditionally the protectors of wealth, guarding hoards of gold and silver from casual marauders. Happy Dragon may be friendly to St.George customers, but he remains a dragon nonetheless, capable of fiercely protecting the interests of those customers.

His role in advertising and promotions is one of mentor. Though playful, he is never 'silly'. He is

mature, utterly honest, outgoing and confident. In advertisements, he is shown reassuring customers, leading them to the right solutions for their financial needs.

St.George's other icon, and Happy Dragon's partner, is the respected Australian entertainer Julie Anthony. She speaks on behalf of the customer, and appears as an advocate for the customer rather than a representative of the bank.

St.George has traditionally been a strong advertiser, airing its first TV commercial as long ago as 1968. The visual impact and reach of television has always been an excellent vehicle for promoting St.George. The bank also uses newspaper and radio advertising, particularly to promote rate driven products, and places more detailed advertising in business magazines.

It fits St.George's overall philosophy, however, to place more emphasis than other banks on direct relationships with its customers. The friendliness of St.George staff is legendary (and is very actively encouraged). In addition, both Julie Anthony and Happy Dragon are frequently involved with community events of all kinds, carrying the St.George name and brand to the people of Australia, where it belongs.

BRAND VALUES

St.George has always prided itself on its community mindedness. It has always been about helping people, initially as a building society, working closely with customers to help them realise the dream of owning their own home. Today it offers any number of financial solutions to help customers exercise control of their money and reach their goals by the easiest and most direct route.

St.George values its customers, and values their commitment to their own families and friends. Though now a major financial institution in its own right it shares the values that the Australian community has always held dear - honesty, respect, integrity, dignity, and a belief in hard work.

This spirit is at the core of St.George's organisation and continues to set it apart from other banks.

Things you didn't know about St.George

- The St.George Foundation was started in 1989, and is committed to helping Australian children. St.George pledges 10 cents for every \$100 of purchases made by customers on St.George Visa cards. It has approved grants to more than 75 organisations so far.
- St.George started life in 1937 as a 'terminating building society' - designed to be wound up once its members had homes. It began as such a low key operation that not even the address of the first meeting has been preserved.
- As recently as the early 1950s St.George's offices were so small that the Board could not always find enough chairs. They would borrow fruit crates from the nearby fruit shop of Tommy Brabham (father of motor racing Champion Sir Jack Brabham).
- Happy Dragon started with St.George in 1970. He used to travel with his entourage in a red Moke, nicknamed 'The Dragon Wagon'.
- Singer Julie Anthony and Happy Dragon have become inseparable: Julie relates delightedly that a four-year-old once asked her if she was the Dragon's mother!

