



STRONG FIRST QUARTER PERFORMANCE BY ADELAIDE BANK

Adelaide Bank has started the 2003-04 financial year in the same way it ended its record breaking 2000-03 financial year.

Today Adelaide Bank reported a strong first quarter performance at its Annual General Meeting held at the Adelaide Festival Theatre in Adelaide.

Details of the first quarter performance were released by Adelaide Bank Group Managing Director and Chief Executive Officer, Mr Barry Fitzpatrick, who detailed increases in loans under management, lending and deposit raising.

Addressing more than 400 shareholders at the Annual General Meeting, Mr Fitzpatrick revealed loan approvals rose by 42 per cent on a year-on-year basis for the first quarter.

At the same time he forecast this trend was expected to continue, with the Bank successfully beginning to target the larger mortgage-broking businesses in Australia as new alliance partners.

“Mortgage brokers service around 30 per cent of the national market, and it is an area in which Adelaide Bank has not been active to date,” Mr Fitzpatrick said.

“Our aim is to develop alliances with the major players in this area, and we have had initial successes.

“We have had an alliance with Aussie Mortgage Market for some time and recently entered an alliance with PLAN Australia.

“Our targets are the top six mortgage brokers in the country and we are gradually developing alliances as we go.

“Even if the home loan market decreases, as many are predicting following the prolonged housing sector boom, Adelaide Bank is confident that it can continue to grow in this area as we take an increasing market share of the business through these sort of alliances.

“It must be remembered the home loan approvals in Australia run at around \$250 billion a year and Adelaide Bank has a market share of around 2.3 per cent. Our aim in the medium term is to grow that to five per cent.”

With the continued growth in loan approvals Adelaide Bank saw loans under management increase by four per cent to \$11.5 billion for the first quarter.

At the same time retail deposits also increased by four per cent to \$6.7 billion.

The first quarter performance is slightly ahead of the Bank’s own budgets,” Mr Fitzpatrick said.

“As a result, we are very confident that we will again deliver on our projections made at the end of 2002-03.

“We are aiming for earnings growth in excess of 10 per cent for the year and this should translate into greater returns for our shareholders with return on equity expected to be greater than 15 per cent.

“At the same time we are continuing to focus on more efficient operations and are on track to further reduce our cost to income ratio for 2003-04 as we head towards a target of 55 per cent by the end of the 2004-05 financial year.”

Further comment can be obtained from Mr Fitzpatrick. Telephone (08) 8300 6818.

Issued on behalf of Adelaide Bank by Greg Reid Marketing Communications Pty. Ltd. Telephone (08) 83006449