



Adelaide Bank

Half-year Results Briefing 2007

Table of Contents

Results Highlights	1	Adelaide Managed Funds	
Earnings per share	1	Funds under management growth	13
Dividends	2	Opportunities	14
Key Strategic Advantages	2	Funding	
Examples of Synergy	3	Diverse funding base	15
Residential Lending		Results Overview	
Portfolio growth	4	Profitability	16
Credit Quality		Net interest income	16
Arrears	5	Net interest margin	17
Channel breakdown	5	Other income	17
Product breakdown	6	Operating Expenses	18
Potential loss breakdown	6	Provision for doubtful debts	18
Impaired loans	7	Profit by Segment	19
Write-offs	7	Cost to income	19
Initiatives	8	Cash return on equity	20
Margin Lending		Capital	20-21
Portfolio growth	9	Summary	
Write-offs	9	Future focus	22
Opportunities	10	Outlook	23
Business Lending		Appendices	
Portfolio growth	11	Residential Lending	24
Impaired loans	11	Business Banking	24
Write-offs	12	Portfolio Funding	25
Opportunities	12	Margin Lending	25
		Funding base	26

Half-year Results Briefing

February 2007



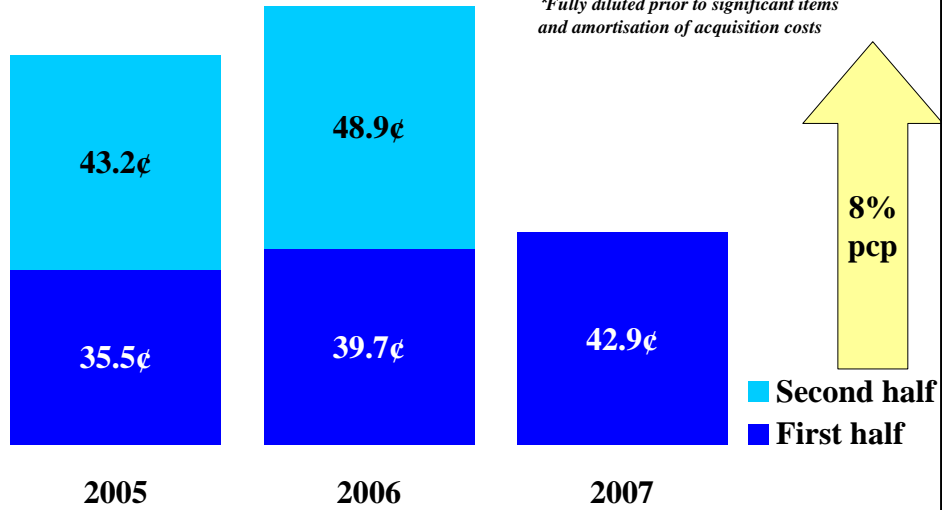
Results Overview

	Dec-05	Dec-06	Change
Profit on a cash basis	\$41.8M	\$46.1M	10%
Cost to income ratio	54.6%	51.7%	(5%)
Earnings per share	39.7¢	42.9¢	8%
Dividends per share	26¢	29¢	12%

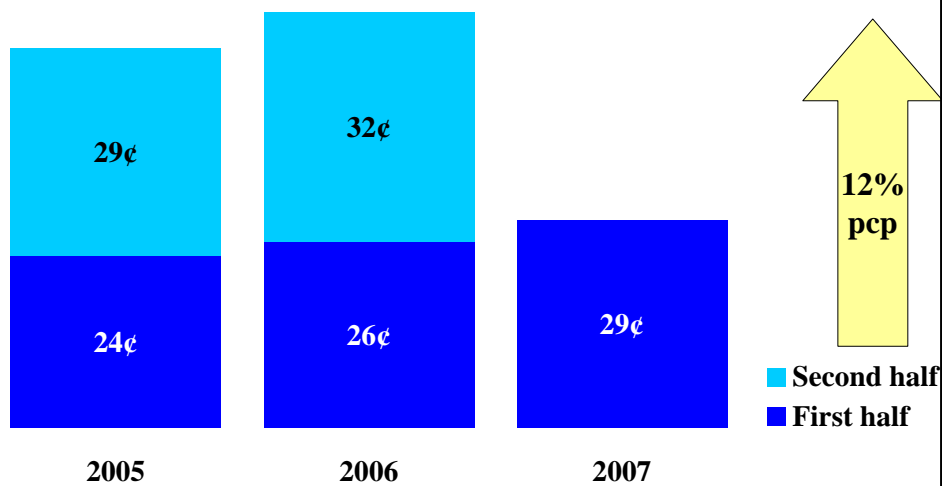


Earnings Per Share

**Fully diluted prior to significant items and amortisation of acquisition costs*



Dividends Per Share

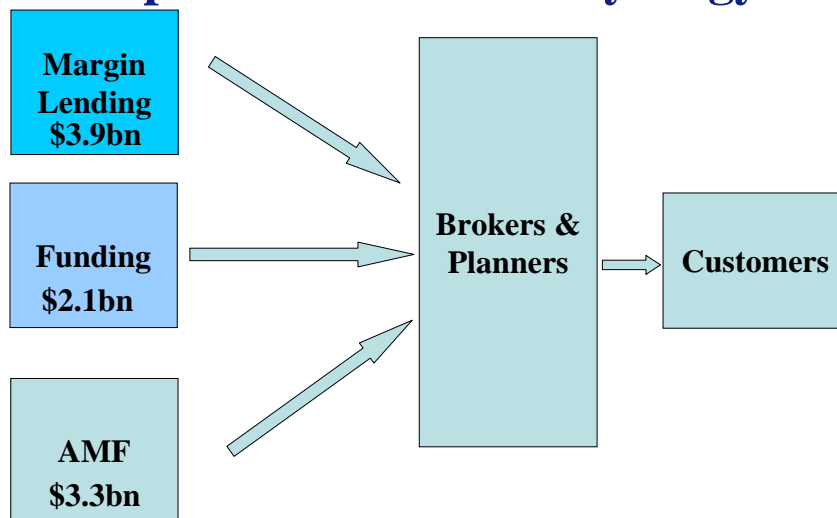


Key Strategic Advantages

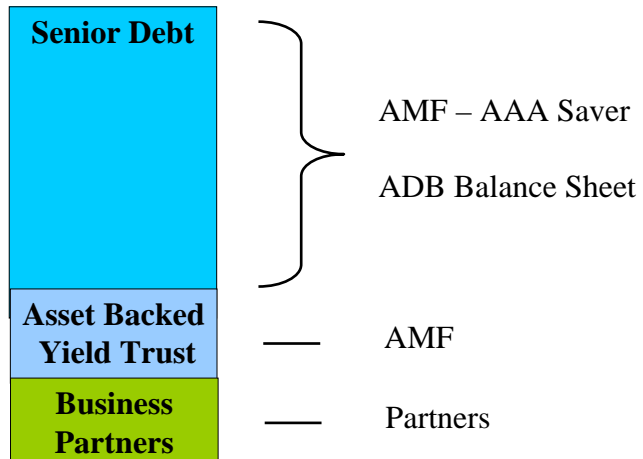
- Flexible business model – low fixed cost
- Independent product provider
- Innovative products – demand pull
- Partner based distribution
- Synergistic businesses



Example of Distribution Synergy

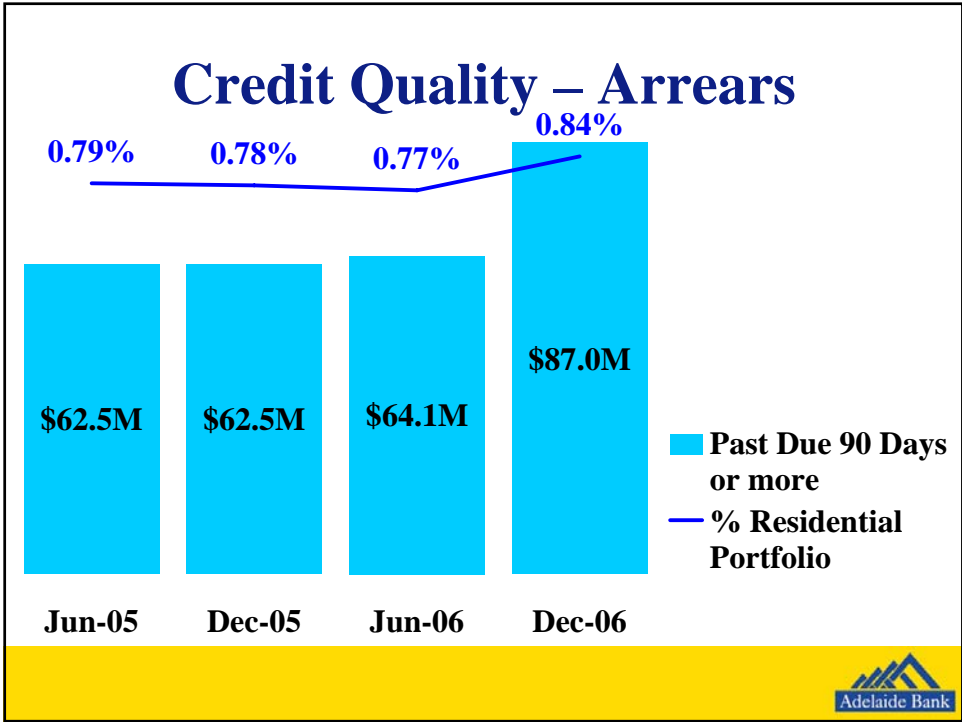
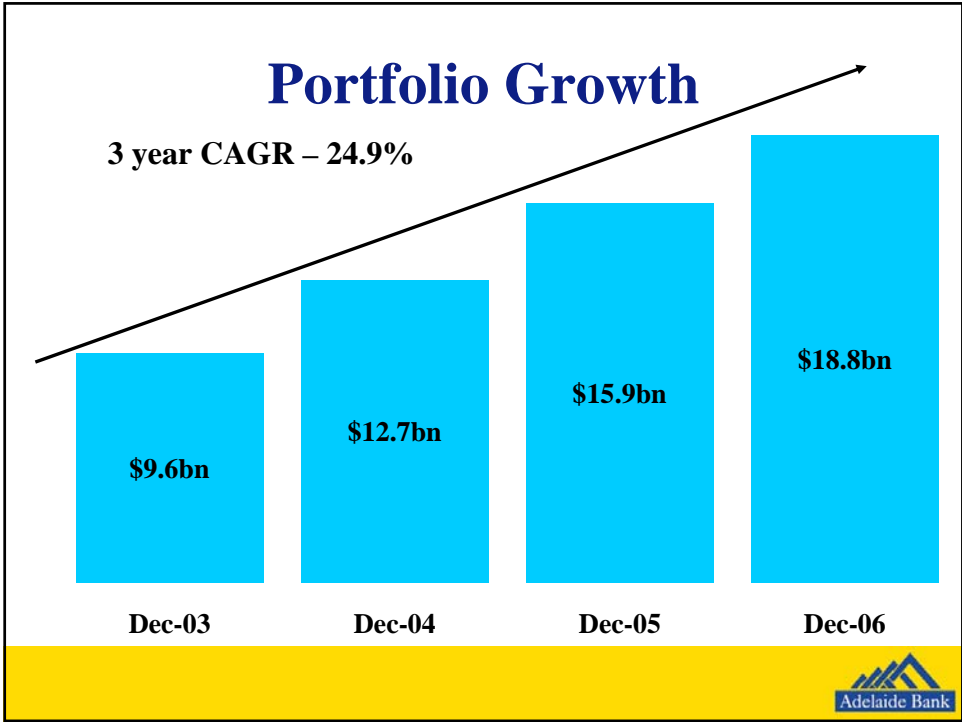


Example of Product Synergy (Portfolio Funding)

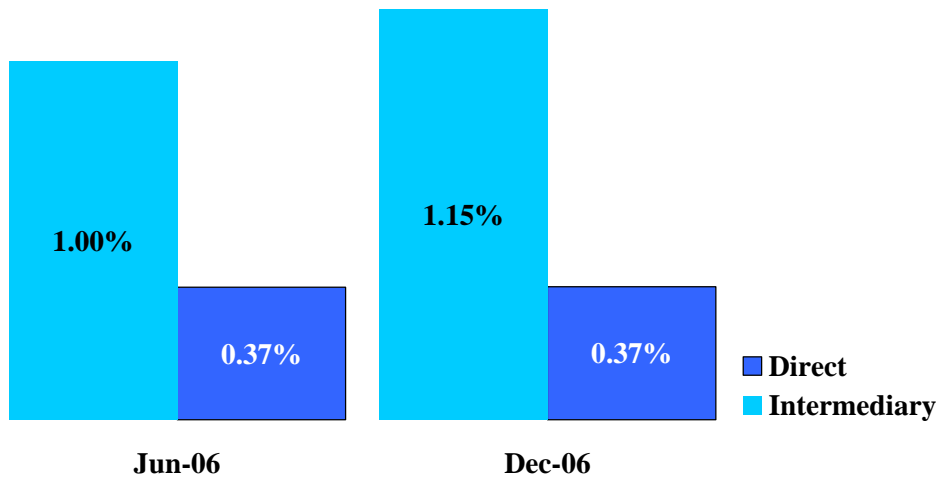


Residential Lending

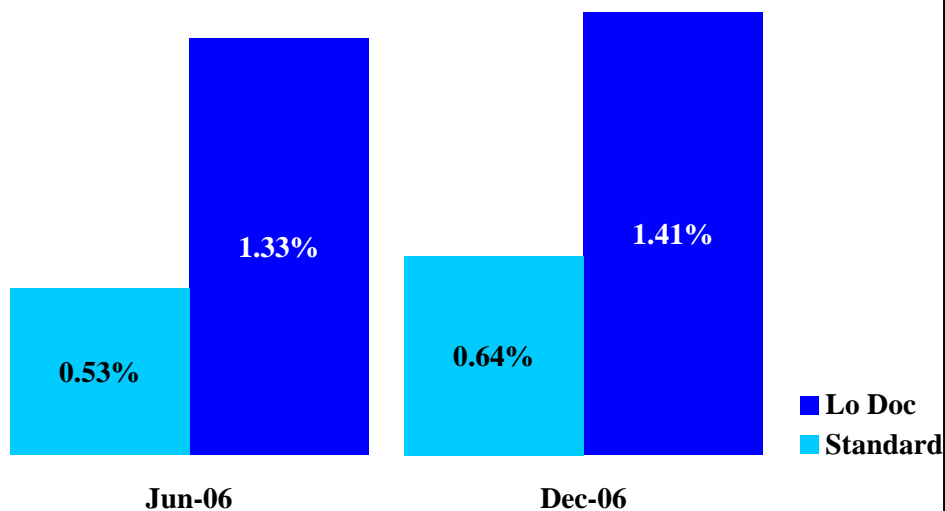




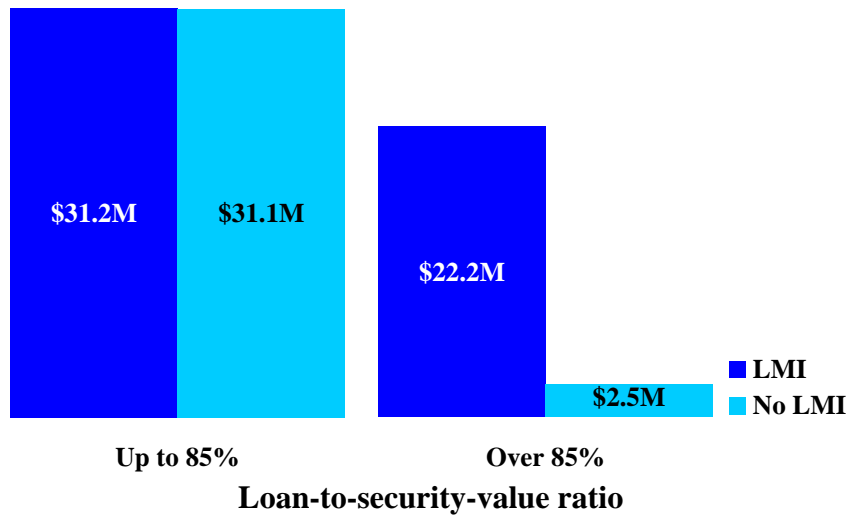
Channel Breakdown – Arrears



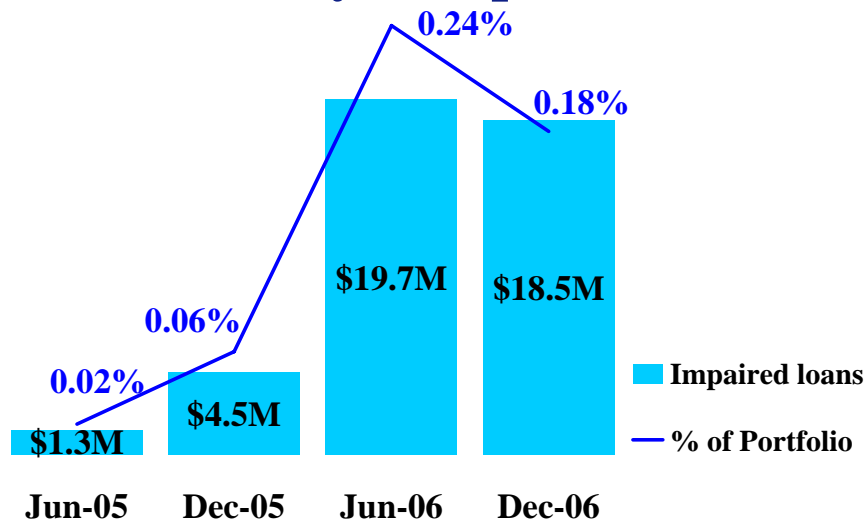
Product Breakdown – Arrears



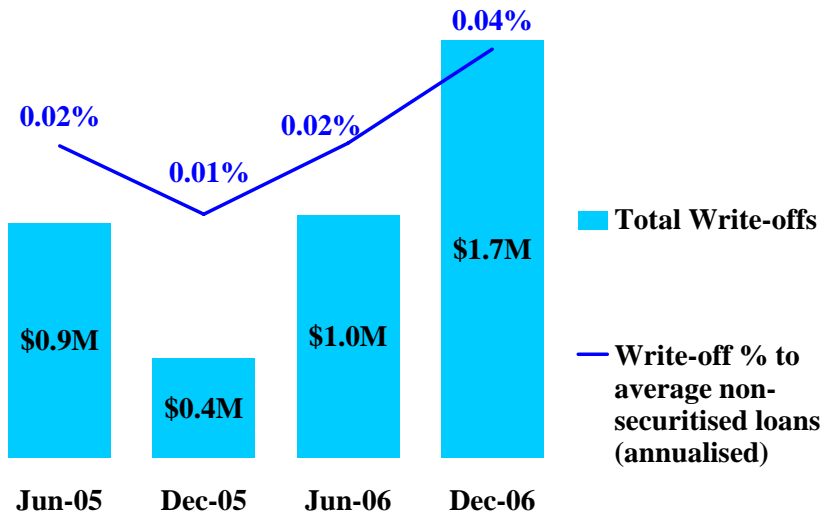
Arrears – Potential Loss Breakdown



Credit Quality – Impaired Loans



Residential Loan Write-offs



Initiatives

- Repricing of Lo Doc portfolio 90% complete
- Equity Finance Mortgage
- **SmartSuite**
- Pricing for profit, not market share
- Lean manufacturing

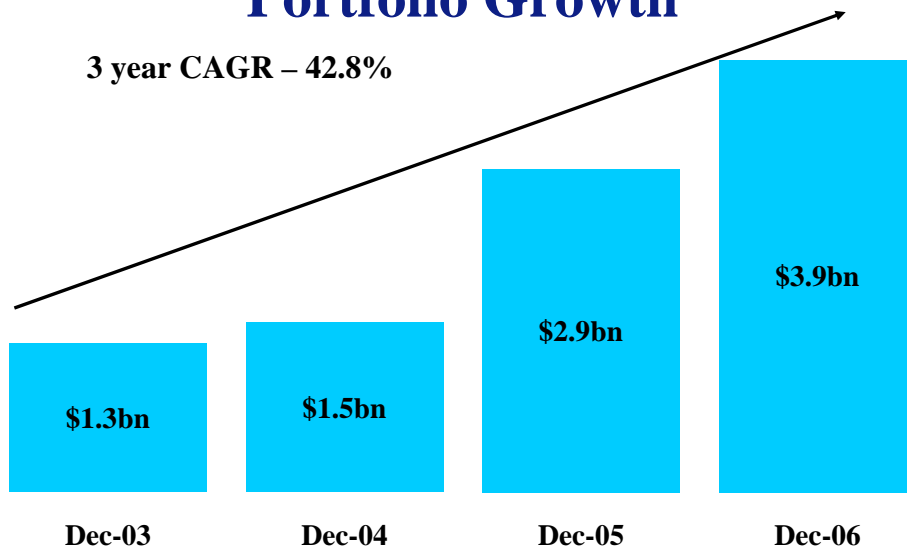


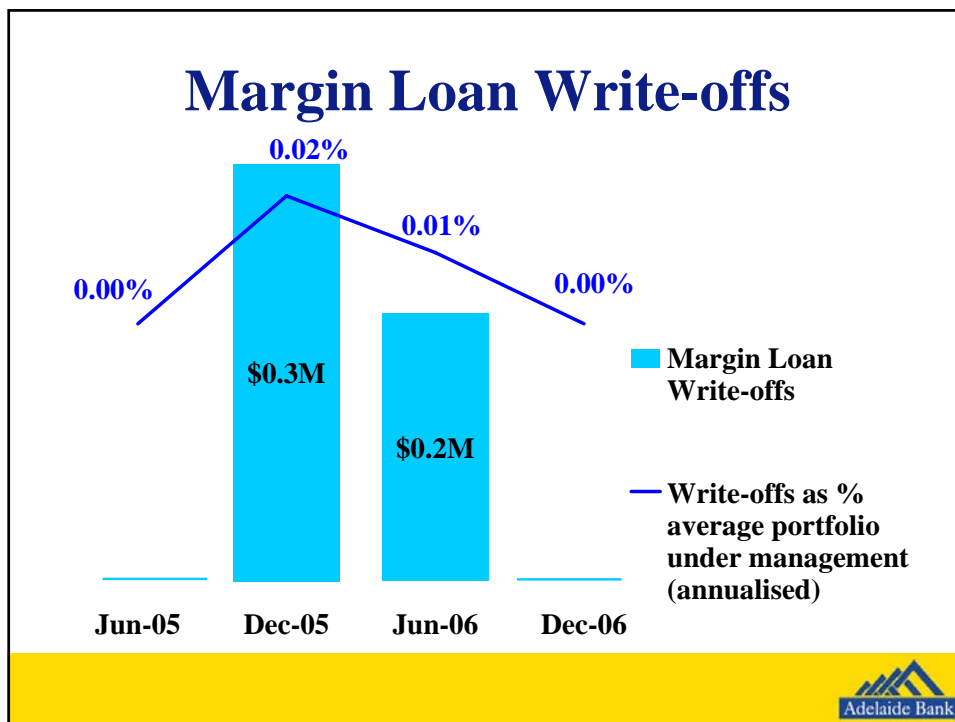
Margin Lending



Portfolio Growth

3 year CAGR – 42.8%





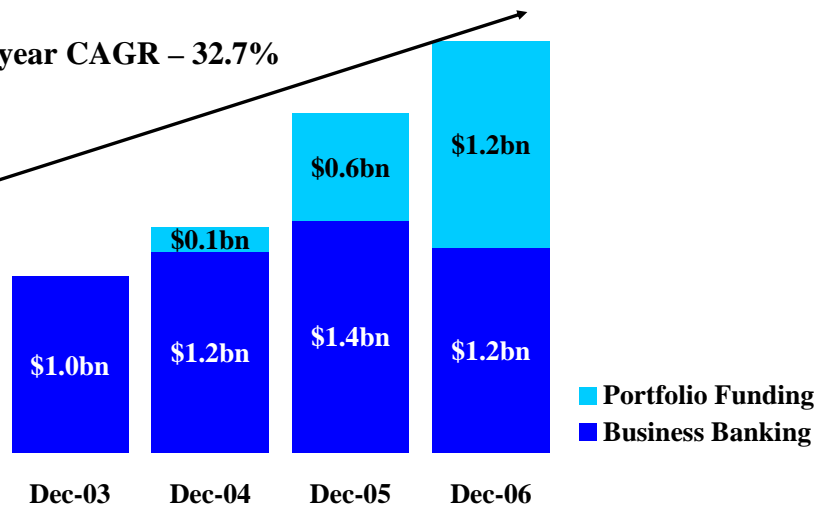
- ## Opportunities
- Fast growing market
 - Geared solutions for wealth creation
 - Demand pull product development
 - Entrenched partnerships
 - Increasing distribution through independent financial advisors
 - Lean manufacturing
- Adelaide Bank

Business Lending

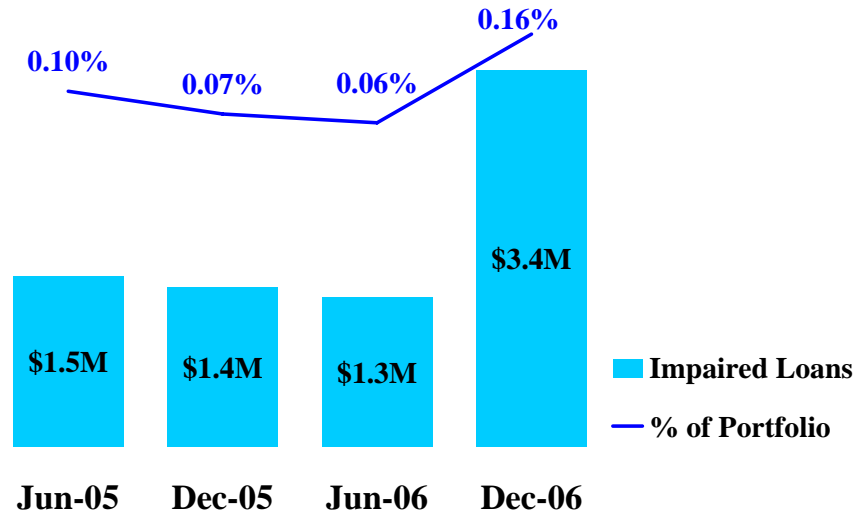


Portfolio Growth

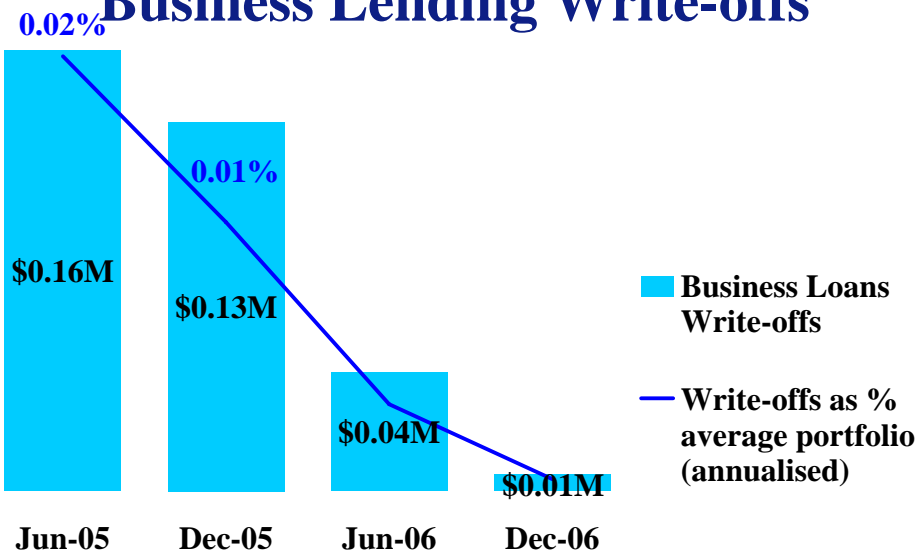
3 year CAGR – 32.7%



Credit Quality – Impaired Loans



Business Lending Write-offs



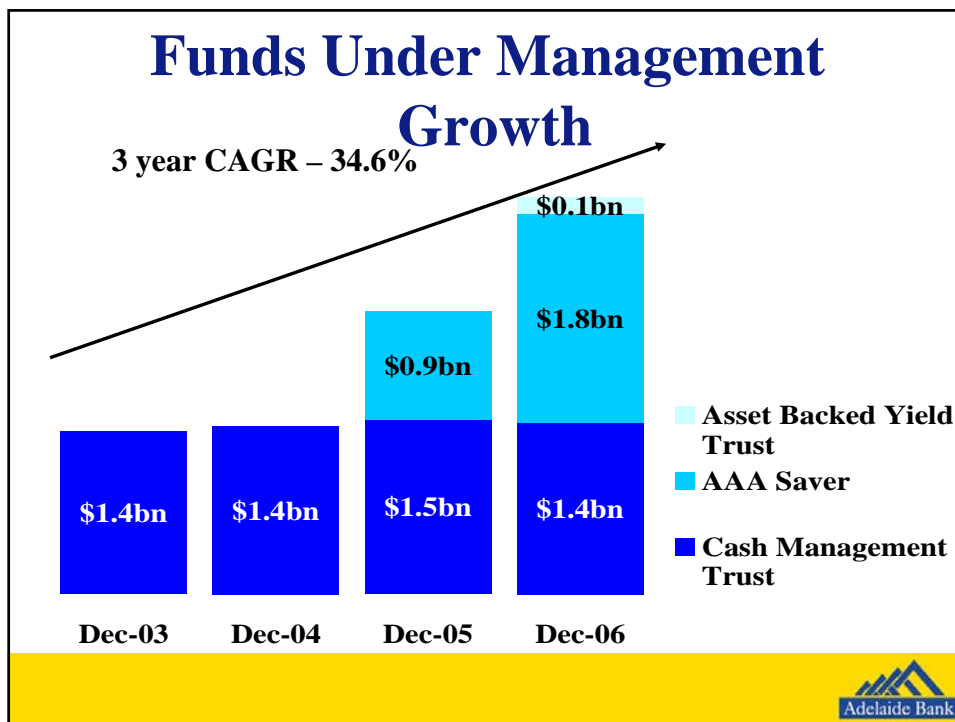
Opportunities

- Portfolio Funding
 - Strong underlying market dynamics
 - Excellent growth potential
 - Solutions based business
 - High level of synergy with AMF (AAA Saver, ABYT)



AMF





- ## Opportunities
- Strong underlying market dynamics
 - Demand pull product development
 - Yield products (AAA Saver, ABYT)
 - Structured products
(Protected Global Opportunities Fund)
 - High level of synergy with Portfolio Funding and Margin Lending
- Adelaide Bank

Funding



A Diverse Funding Base

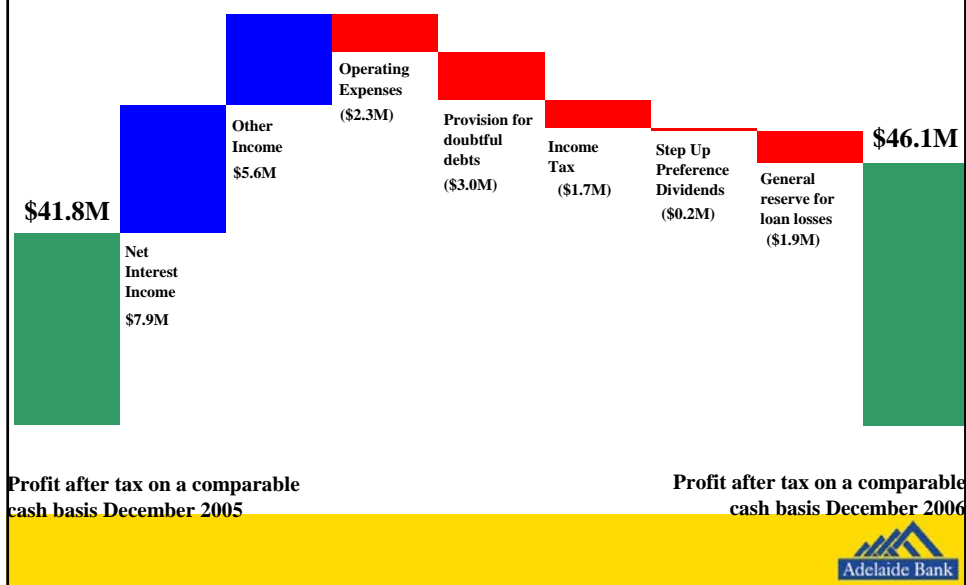
- Flexible funding structure
 - Retail
 - Wealth
 - Money Market
 - Wholesale
 - Securitisation
 - AMF

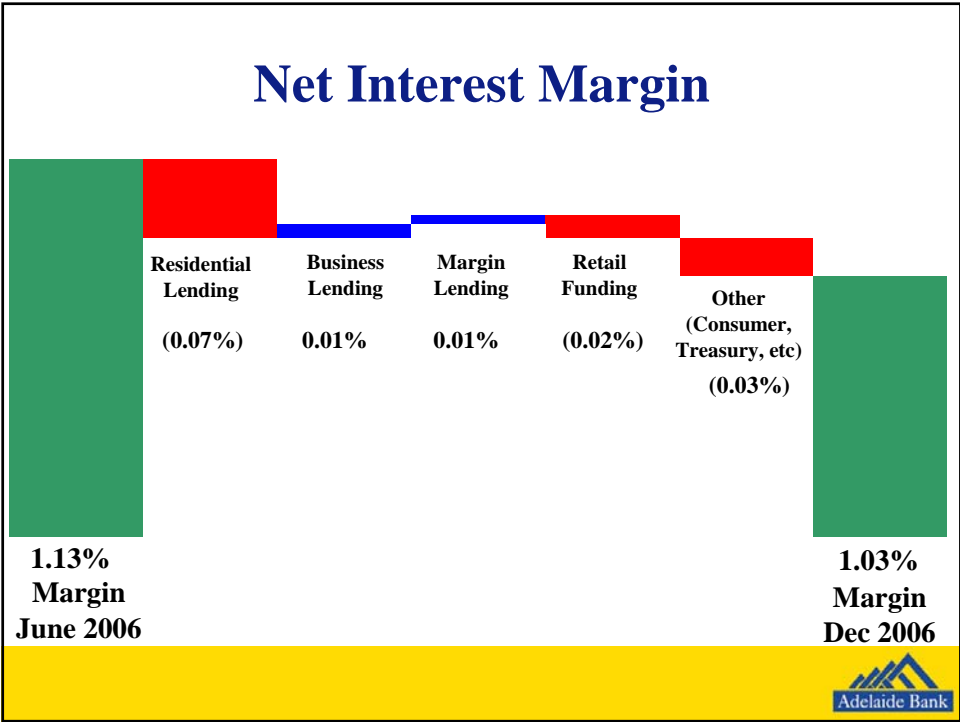
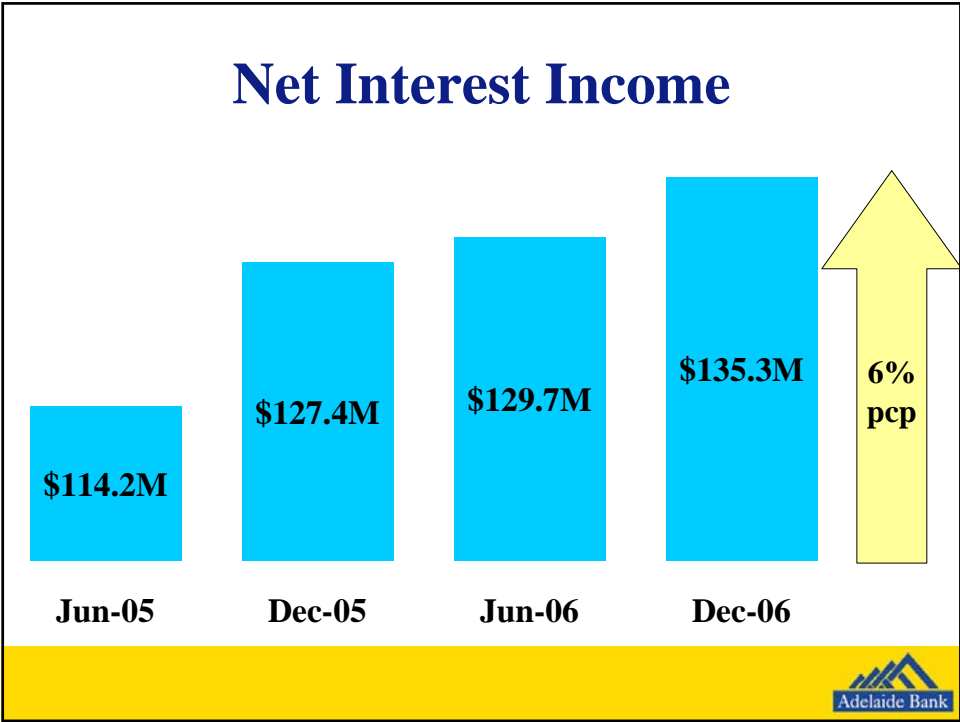


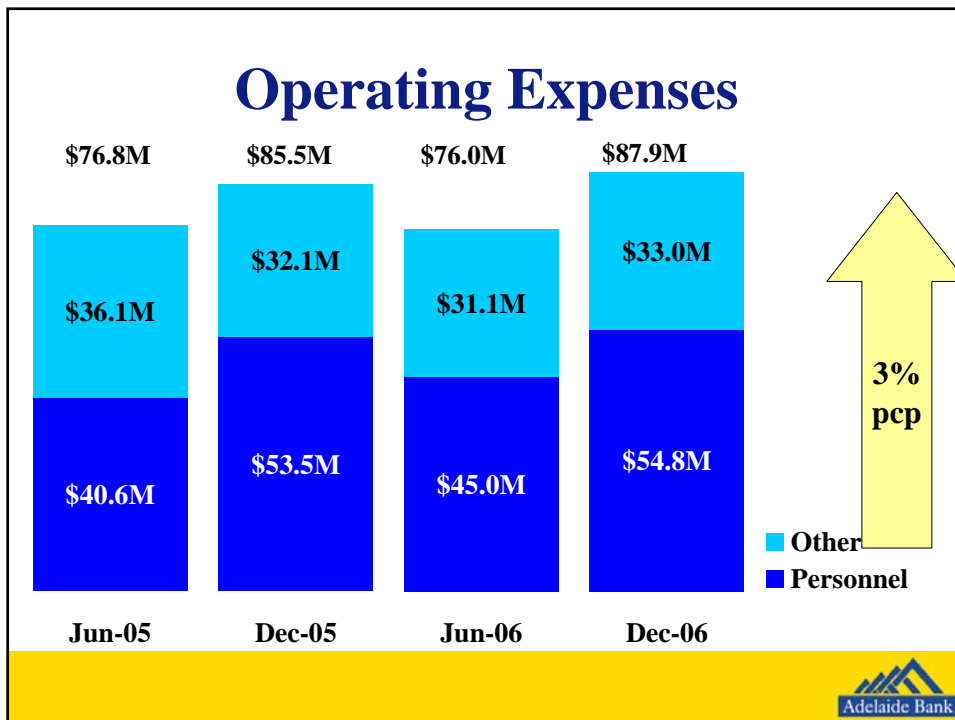
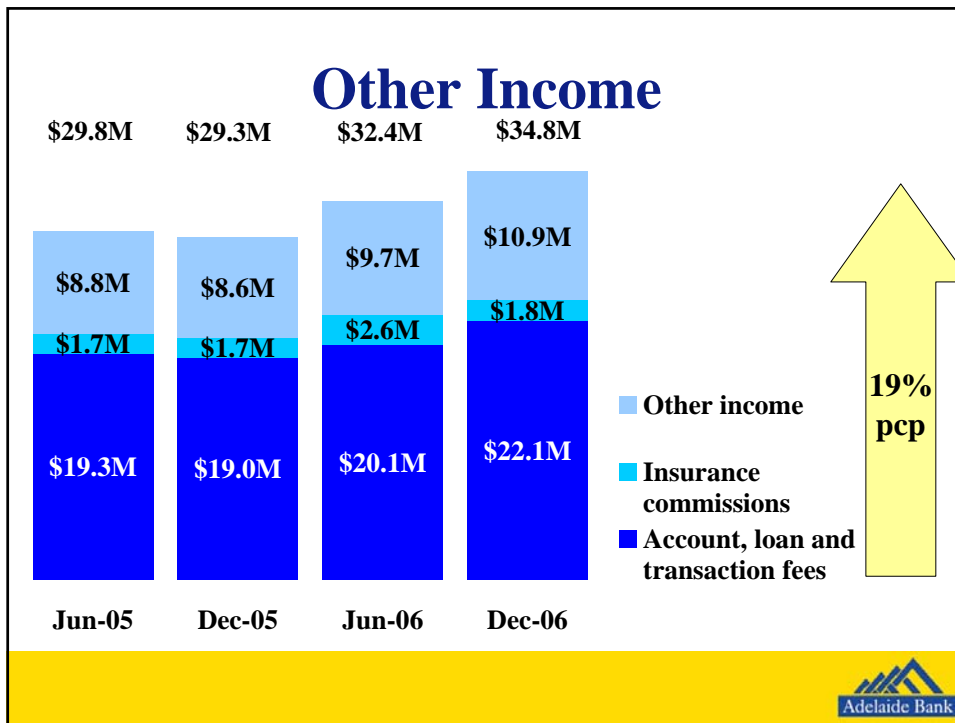
Results Overview



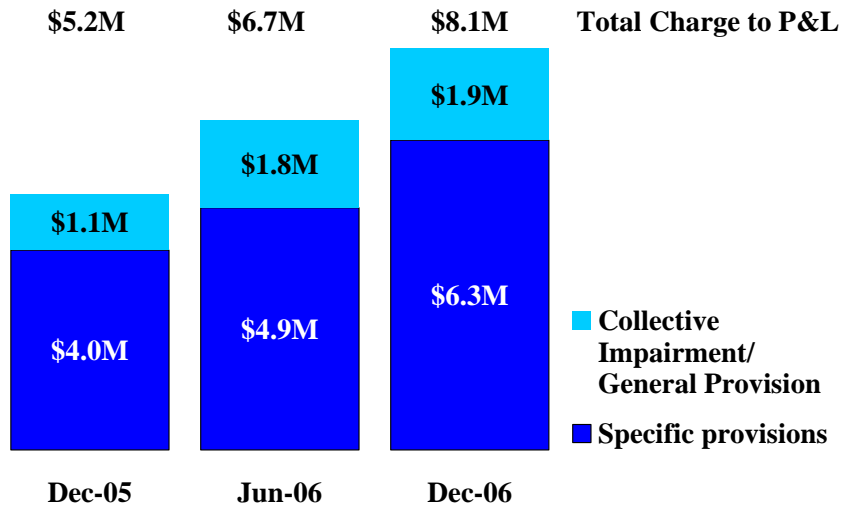
Profitability



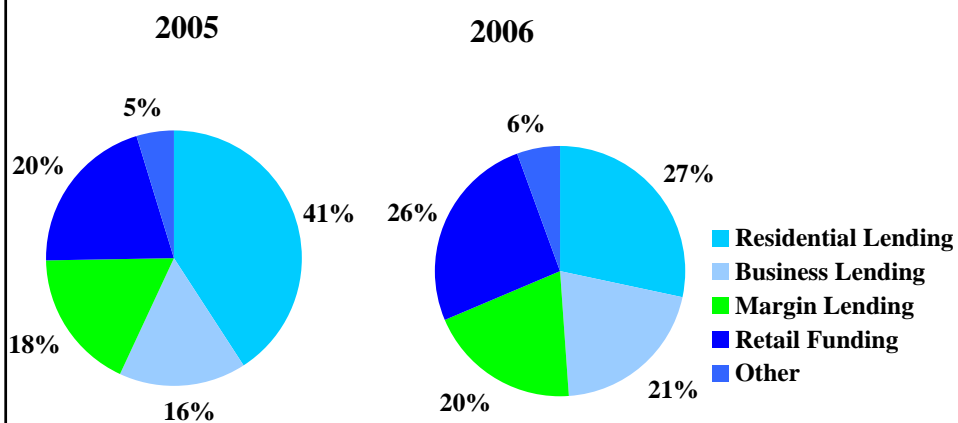


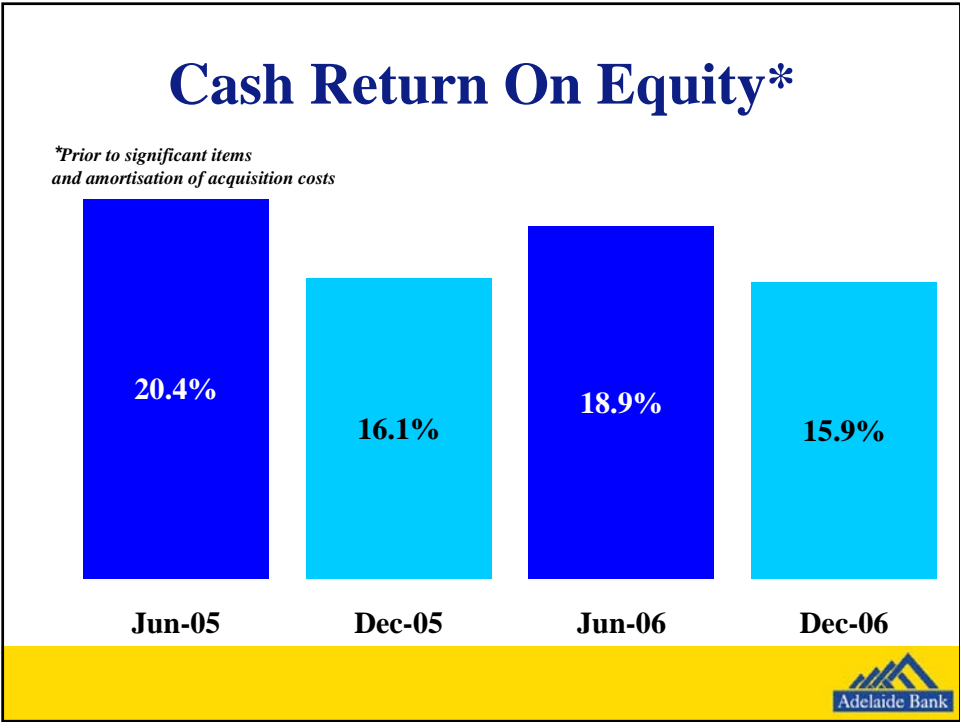
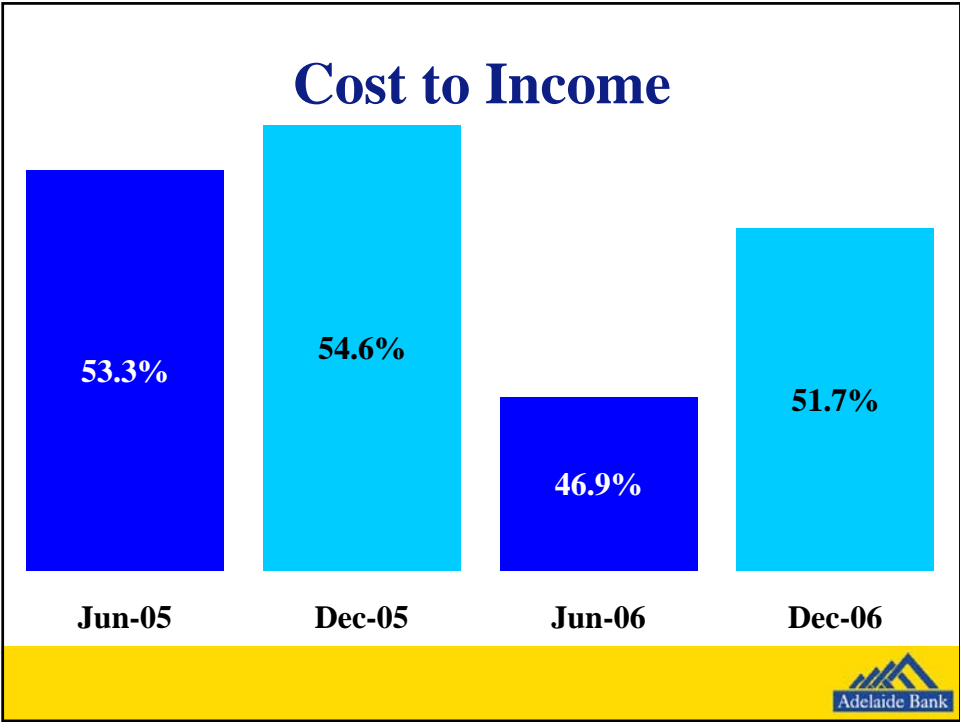


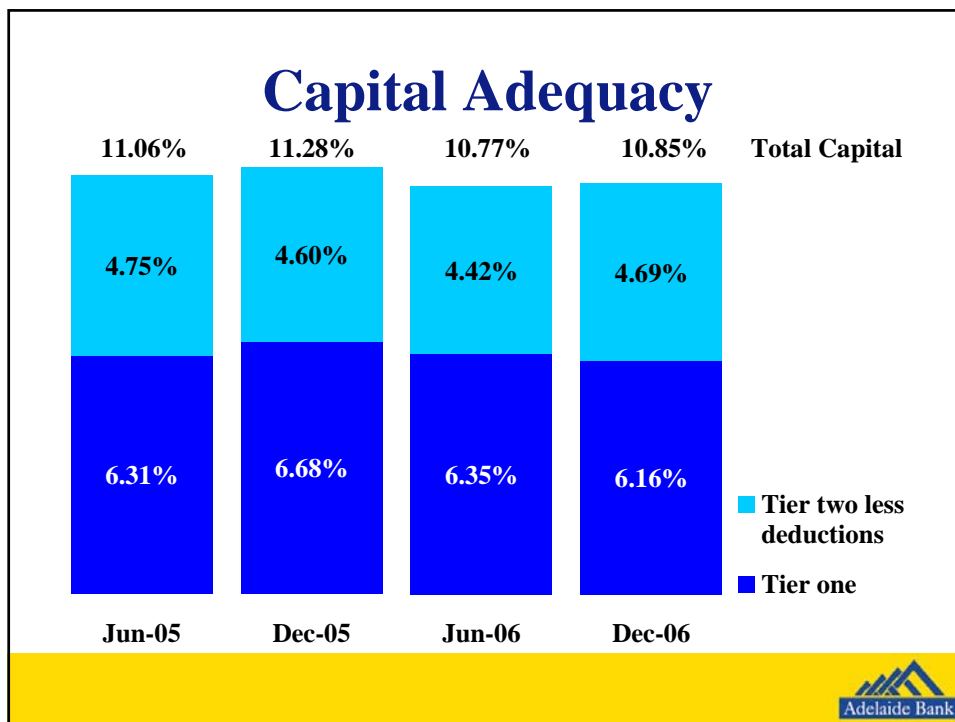
Provision for Doubtful Debts



Profit by Segment







Capital Management

- **FY '07:**

- dividend reinvestment plan
- additional securitisation (including capitalised costs)
- subordinated debt
- AMF/ Asset Backed Yield Trust
- Dividend payout ratio of around 70%

Capital Management

- **APRA/AIFRS transitional relief:**
 - Ends 1 January 2008
 - Total transitional relief \$66M
- **Basle II**
 - Transitional relief for hybrids from 2008 to 2010
 - Standardised Bank



Summary



Future Focus

- Business units on strong profit trajectories (excluding mortgages)
- Extensive innovative product pipeline
- Further leveraging synergies across business units
- Lean manufacturing



Outlook

- 06/07 earnings will be towards the upper end of guidance
- Committed to returning to our previously stated objective of 10% EPS growth from 07/08



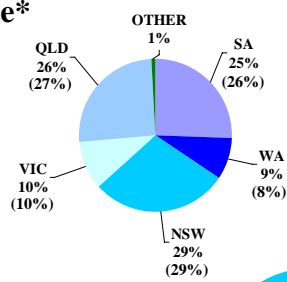
Appendices



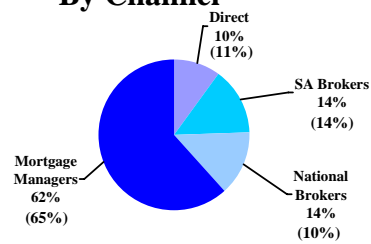
Residential Lending

**Excludes purchased portfolios
June 2005 ratios in parentheses*

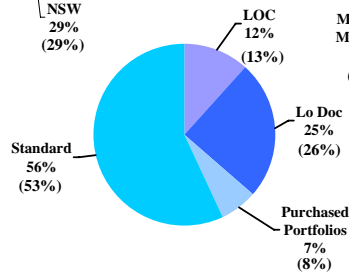
By State*



By Channel*



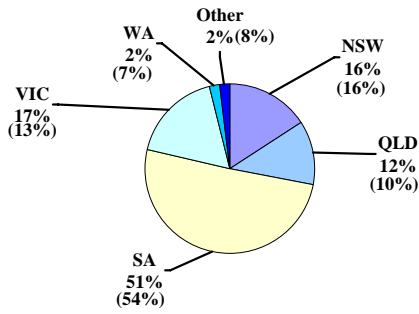
By Product



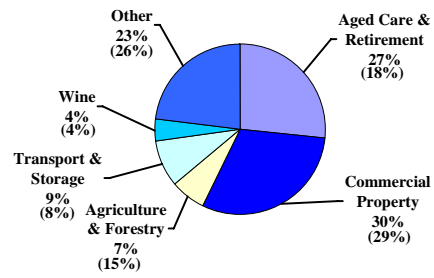
Business Banking

June 2005 ratios in parentheses

By State

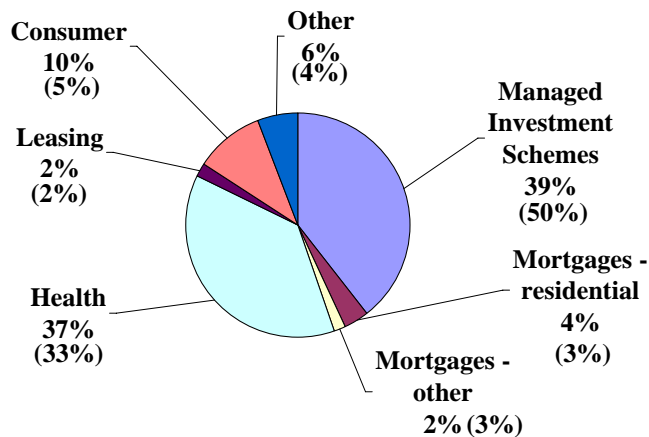


By Industry



Portfolio Funding

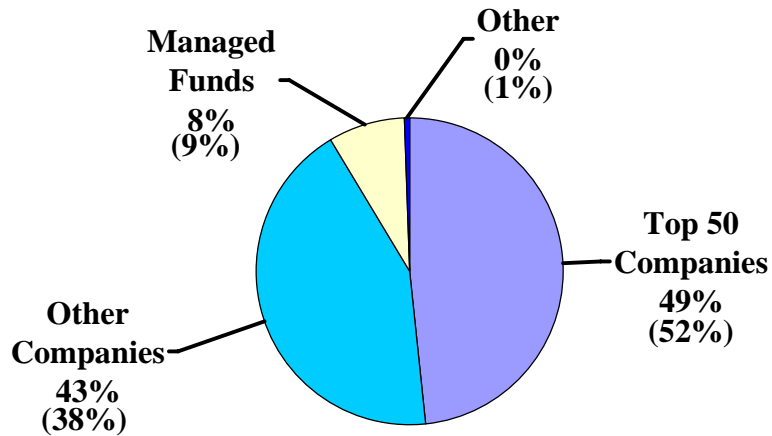
June 2005 ratios in parentheses



Margin Lending

By Security Type

June 2005 ratios in parentheses



Funding Base

June 2005 ratios in parentheses

