



October 23, 2002

ADELAIDE BANK STATEMENT

Adelaide Bank today announced details of a client's claim brought against it through its subsidiary Leveraged Equities Limited.

Adelaide Bank Limited Group Managing Director, Mr Barry Fitzpatrick said today: "Privacy requirements do not allow us to fully disclose details associated with this matter.

"While this is not a material matter, Adelaide Bank is making this position clear because its shareholders are currently in the process of voting on changes to the Bank's constitution to enable it to issue Reset Preference Shares (RPS). This vote will be finalised at the Bank's Annual General Meeting next Friday (October 25) and if approval is given a Prospectus* relating to the RPS will be in the public domain next week.

"Currently discussions are under way between Adelaide Bank and other parties in an attempt to resolve this matter.

"If this matter is not settled through discussion, Adelaide Bank will strongly defend its position.

"In no way is this matter expected to have a material impact on the performance targets set by Adelaide Bank for the year ahead, nor on its projected profitability.

"Should this loan be classed as non-accrual at a later date, the Bank's level of non-accrual loans would be increased from the reported \$7.4 million at June 30, 2002, to approximately \$8.5 million.

"At June 30, 2002, current general provisions for the Bank were \$24.1 million."

**Issued on behalf of Adelaide Bank by Greg Reid Marketing Communications Pty. Ltd.
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* The prospectus for the offer of RPS will be made available when the RPS are offered. Anyone who wishes to acquire RPS will need to complete the application form that will be in or will accompany the prospectus.