

Adelaide Bank - looking forward

Jamie McPhee



Agenda

Topic	Speaker
Group overview	Jamie McPhee
Presentations	
1) Wholesale Mortgages	1) Tim Piper
2) Retail Banking	2) Stephen Small
3) Wealth Management	3) Anthony Baum
4) Business Lending	4) Philip Riquier
Questions	All



Why today?

- New Organisational Design
- Business Unit overview
- Management team



Organisational Design

- Clearer, simpler
- Aligned with partner and customer
- Management focus
- Management accountability



Organisational Design

Wholesale Mortgages

- Product manufacture
- Third-party mortgage distribution

Retail Banking

- Branch network
- Business Banking (SA)
- Direct

Wealth Management

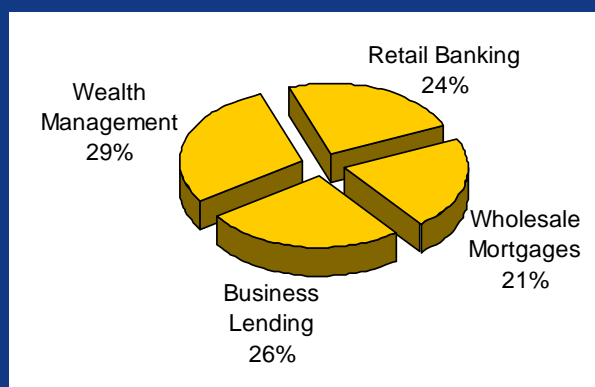
- Margin Lending
- Adelaide Managed Funds (AMF)

Business Lending

- Portfolio funding
- Specialised lending



Organisational Design



NPBT – December half-year 2006

*Indicative profit contribution, after restatement for staff share costs, bonus payments and funds transfer pricing



Organisational Design



Common themes

- Large markets – growth opportunities
- Partner and customer focus
- Innovation
- Simplicity
- Wholesale banking model
- Flexibility



Wholesale Mortgages

Tim Piper
Chief General Manager



Organisational Design

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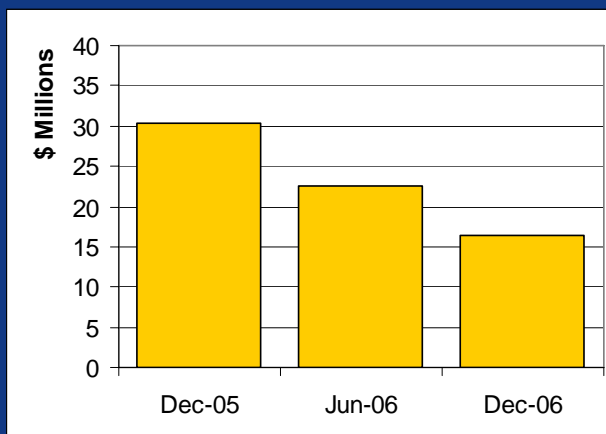
Business Lending

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Group contribution

NPBT



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What have we done?

- Comprehensive strategic review
 - Internal steering committee
 - Partners
 - External expertise
- Immediate business changes



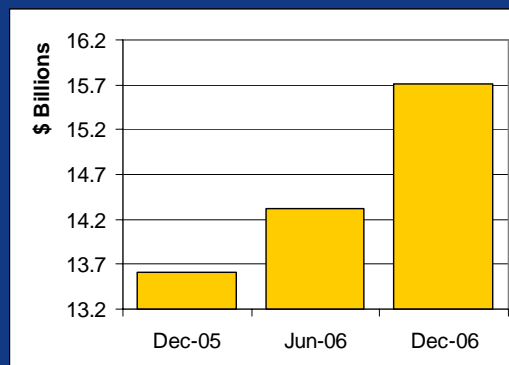
What did we find?

- Strong underlying industry drivers
- Many opportunities to improve profitability



Group contribution

Assets under management



What are the opportunities?

1. Segmentation
 - Yield focus
 - Pricing for risk
 - Fee structure



What are the opportunities?

2. Operating cost
 - Simplicity
 - Fixed v variable
 - Approvals
 - SmartSuite



What are the opportunities?

3. Risk

- Fraud protection
- Amended credit policy



The future

Cost

- Down 20% per unit
- Fee collection
- Yield focus
- Simplicity



The future

Growth

- At or above system
- Segmentation
- Profit v market share



Summary

- The business is profitable
- Innovative market leader
- Growth market
- Proven distribution model
- Simplicity



Retail

Stephen Small
Chief General Manager



Organisational Design

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What is the business?

Branch network

- 180,000 customers
- 14% market share
- Staff engagement



Customer satisfaction

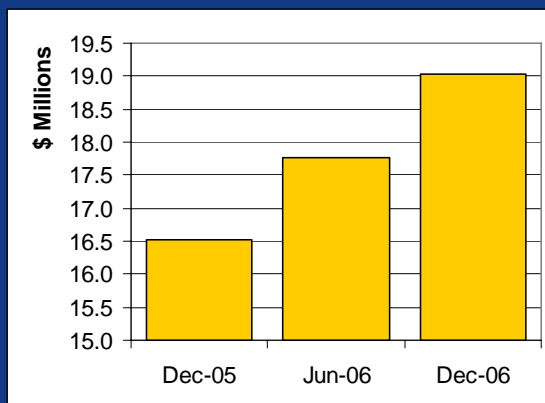
• ADB	83.7%
• ANZ	75.9%
• NAB	71.7%
• Bank SA	71.2%
• CBA	68.8%
• WESTPAC	63.7%

(Roy Morgan research, April 2007, six-month average)



Group contribution

NPBT



*Indicative profit contribution, after restatement for staff share costs, bonus payments and funds transfer pricing



Business fundamentals

- Strong SA economy
 - \$30b + investment in mining alone
 - Housing growth
- Loyal customer base
- Leveraging opportunities



Wealth Management

Anthony Baum
Chief General Manager



Organisational Design

Wholesale Mortgages	Retail Banking	Wealth Management	Business Lending
<ul style="list-style-type: none">•Product manufacture•Third-party mortgage distribution	<ul style="list-style-type: none">•Branch network•Business banking (SA)•Direct	<ul style="list-style-type: none">•Margin Lending•Adelaide Managed Funds (AMF)	<ul style="list-style-type: none">•Portfolio funding•Specialised lending



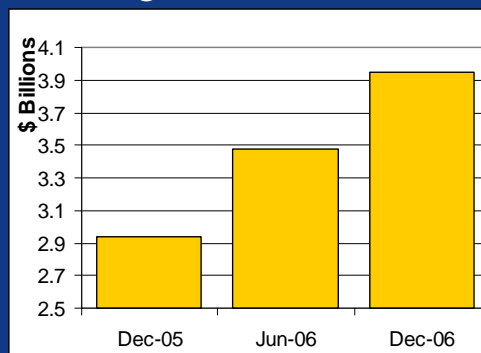
Margin Lending

- One business – multiple brands
- 14.2% market share
- Market growth 40% p.a.



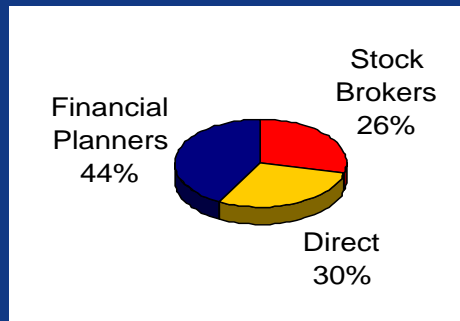
Margin Lending

Assets Under Management



Margin Lending

Distribution



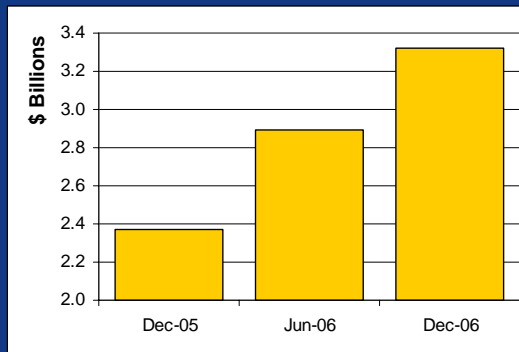
Adelaide Managed Funds

- Formed in 2006
- \$3.3b FUM
- Innovator (particularly fixed income)
 - ABYT
 - AAA Saver
 - CMT
- Already a 'meaningful' business



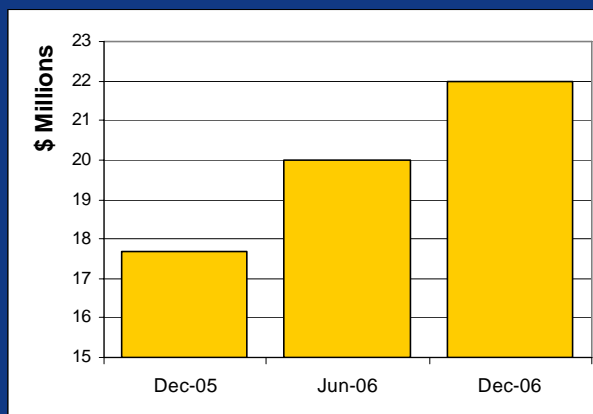
Adelaide Managed Funds

Funds Under Management



Group contribution

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*Indicative profit contribution, after restatement for staff share costs, bonus payments and funds transfer pricing



Business fundamentals

- Favourable business conditions
- Growth in yield products
- Opportunity – financial planning
- Competition



Business fundamentals

- Product provider of choice
- Known for...
 - Independence
 - Innovation
 - Integrity



Business Lending

Philip Riquier
Chief General Manager

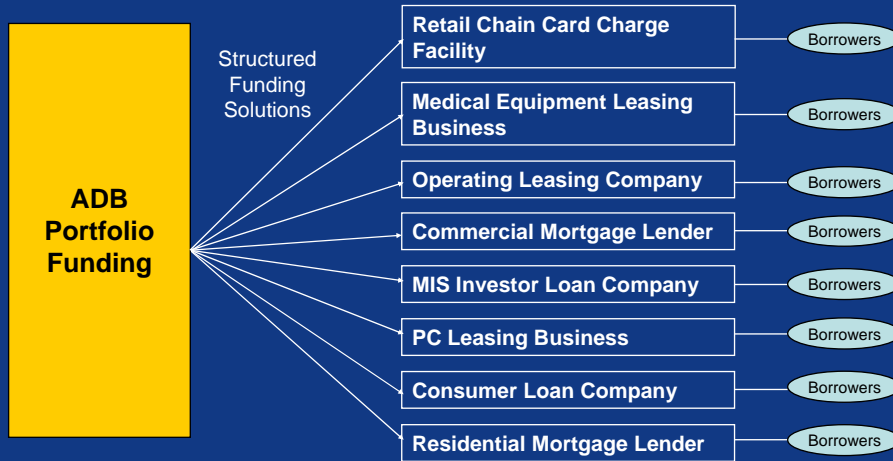


Organisational Design

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Portfolio Funding



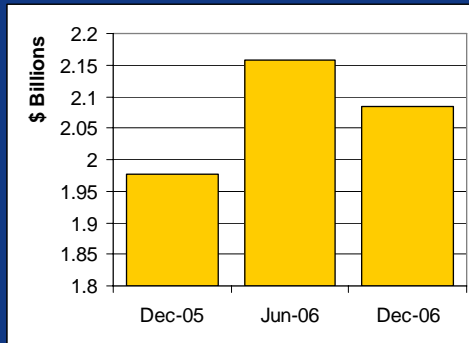
Specialised lending

- Aged Care
- Leasing
- Corporate



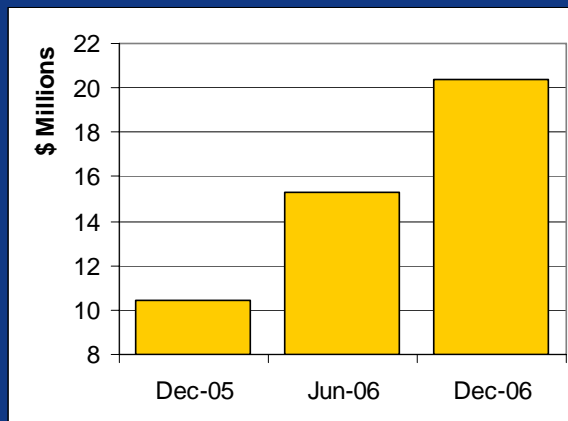
Group contribution

Assets Under Management



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Business fundamentals

Changing face of banking

- Manufacture
- Processing
- Distribution



Business fundamentals

- Sector focus and knowledge
- Pricing for risk
- Innovative funding solutions



Business fundamentals

- Market growth remains strong
- Solution based business



A growth story

Jamie McPhee



Summary

- We are committed to growth
- We are committed to profitability
- Have established the frameworks to deliver



Questions

