



September 29, 2004

ADELAIDE BANK STEP UP PREFERENCE SHARE ISSUE ALLOTTED

Adelaide Bank shareholders have been slightly limited in their take-up of the Bank's \$100 million Step Up Preference Share (SPS) Issue, with demand outstripping supply, especially for institutional investors.

The Bank reserved \$30 million of the \$100 million SPS issue especially for eligible shareholders and some seeking large parcels have seen their allocations scaled back.

The \$100 million SPS issue closed on September 21, 2004.

Adelaide Bank Group Managing Director and Chief Executive Officer, Mr Barry Fitzpatrick, said today: "The demand for the SPS issue has been above expectations and unfortunately some applications had to be scaled back in accordance with the allocation policy set down by the Bank.

"While eligible shareholders who sought parcels ranging from 50 to 280 SPS will receive their full allocation, those seeking more have been limited.

"Those shareholders who applied for between 281 and 999 SPS have been allocated 280 SPS, while those seeking 1,000 SPS or more have been allocated 286 SPS.

"We believe this is the fairest allocation policy possible, and bearing in mind that no SPS were allotted to general public applicants, we have ensured that all eligible shareholders seeking this form of investment have been able to obtain the maximum allocations possible."

Mr Fitzpatrick said: "The highly successful issue has provided Adelaide Bank with another very cost effective option to fund the Bank's continuing balance sheet growth.

"The \$100 million SPS issue has boosted the Bank's Capital Adequacy to in excess of 11.5 per cent.

"The after tax cost of five per cent is very positive for the Bank and will assist the Bank in meeting our key financial objectives.

"Therefore the SPS issue achieves two major objectives: it enables the Bank to boost its capital base and it lowers the Bank's cost of capital."

ABN AMRO Rothschild and Deutsche Bank acted as Joint Lead Managers and underwriters of the SPS issue.

SPS are expected to commence trading on the Australian Stock Exchange at 10 a.m. tomorrow (Thursday, September 30) on a deferred settlement basis under the code ADBPB, with trading on a normal settlement basis being brought forward two days from the date indicated in the Prospectus, and expected to commence on Wednesday, October 6, 2004.

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

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