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Converting Preference Shares 4 Offer and CPS Reinvestment Offer

16 October 2017



**Bendigo and
Adelaide Bank**

This presentation has been prepared by Bendigo and Adelaide Bank Limited (ABN 11 068 049 178, AFSL 237879) ("BEN") in relation to the offer of Converting Preference Shares 4 ("CPS4") (the "Offer"). The Offer is made pursuant to a prospectus under Part 6D.2 of the Corporations Act 2001 (Cth) which was lodged with the Australian Securities and Investments Commission ("ASIC") on 16 October 2017 ("Prospectus"). BEN intends to lodge a replacement Prospectus which will include the margin and offer size determined after the bookbuild to be completed on 23 October 2017. Investors may request a Prospectus by calling the CPS4 Information Line on 1300 032 762 (within Australia) or +61 2 8023 5417 (international) or by visiting www.BendigoCPS4offer.com.au. Applicants for CPS4 will need to complete the application form in or accompanying the Prospectus.

CPS4 are not deposit liabilities of BEN and are not protected accounts for the purposes of the Banking Act 1959 (Cth), and are not guaranteed. Investors should carefully read the risks set out in the Prospectus before considering an investment.

The information provided in this presentation is not personal investment advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs (including financial and taxation issues). Investors should read and consider the Prospectus in full and seek advice from their financial adviser or other professional adviser before deciding to invest in the Offer. Any decision by a person to apply for CPS4 should be made on the basis of information contained in the Prospectus and independent assessment as to whether to invest, and not in reliance on any information contained in this presentation.

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All amounts are presented in Australian dollars (A\$) unless otherwise stated. All references starting with "1H" and "2H" refer to the six months ended 31 December and 30 June respectively, being the first and second half of BEN's financial year. For example, "1H17" refers to the six months ended 31 December 2016. All references starting with "FY" refer to the financial year ended 30 June. For example, "FY17" refers to the year ended 30 June 2017.

Unless otherwise defined, capitalised terms in this presentation have the meaning in the Prospectus. References to time are Melbourne time, unless otherwise stated.

CPS4 Offer overview

Offer	<ul style="list-style-type: none">● Offer by Bendigo and Adelaide Bank Limited (“BEN”) of BEN Converting Preference Shares 4 (“CPS4”)
Offer size	<ul style="list-style-type: none">● \$300m (including the Reinvestment Offer), with the ability to raise more or less
Purpose	<ul style="list-style-type: none">● The CPS4 will qualify as Additional Tier 1 Capital and the proceeds may be used to fund the redemption of BEN Convertible Preference Shares (CPS) and will be used for BEN’s general corporate purposes
Term	<ul style="list-style-type: none">● CPS4 are perpetual and have no fixed maturity date● Optional Exchange Date: 13 June 2024● Mandatory Conversion Date: 15 June 2026● If certain conditions are met and with APRA approval, BEN may elect to Convert CPS4 into BEN Ordinary Shares or Redeem or Resell CPS4 on 13 June 2024 or earlier upon a Regulatory Event, Tax Event or Acquisition Event occurring● Unless Exchanged earlier and subject to certain conditions being satisfied, CPS4 will mandatorily Convert into BEN Ordinary Shares on 15 June 2026 or upon a Change of Control Event occurring● CPS4 will Convert upon a Capital Trigger Event or a Non-Viability Trigger Event occurring
Dividends	<ul style="list-style-type: none">● Floating rate, quarterly, discretionary, non-cumulative dividends, expected to be fully franked● Margin to be determined through the Bookbuild and is expected to be between 3.75% and 3.95% p.a.
Ranking	<ul style="list-style-type: none">● CPS4 will rank ahead of BEN Ordinary Shares, equally and without preference among themselves, equally with Equal Ranking Instruments, but behind the claims of all creditors of BEN (other than creditors who are expressed to rank equally with CPS4 in a winding up)
Offer structure	<ul style="list-style-type: none">● Reinvestment Offer, Securityholder Offer, Broker Firm Offer, Institutional Offer
Bookbuild date	<ul style="list-style-type: none">● Expected to be Monday, 23 October 2017
ASX listing	<ul style="list-style-type: none">● BEN will apply for CPS4 to be quoted on the ASX – expected to trade under ASX code BENPG



CPS Reinvestment Offer

Reinvestment Offer

- BEN has given an exchange notice to redeem its existing CPS on 13 December 2017
- CPS trade on the ASX under the code “BENPD”

Key Details

- Eligible holders of CPS may elect to have some or all of their CPS redemption proceeds (i.e. \$100 per CPS) applied to the Application Payment for CPS4
- Eligible holders of CPS who elect to reinvest will:
 - not be required to make a separate Application Payment to the extent that CPS will be reinvested directly in CPS4; and
 - be guaranteed an allocation of 1 CPS4 for every 1 CPS reinvested
- Eligible holders of CPS may also apply for additional CPS4

CPS Dividend

- Holders of CPS as at 28 November 2017 (being the record date for the CPS Dividend) will receive, subject to certain conditions to payment under the CPS Terms being satisfied, a final CPS Dividend of \$2.4041 per CPS on 13 December 2017, irrespective of whether they have elected to participate in the Reinvestment Offer
- The CPS Dividend will be fully franked

CPS Exchange Date









- On 13 December 2017, CPS holders who elect to participate in the Reinvestment Offer will be issued with 1 CPS4 (face value \$100) for every 1 CPS (face value \$100) reinvested
- An exchange notice will be mailed to all CPS holders today (16 October 2017) to redeem any remaining CPS (i.e. those CPS not reinvested in CPS4) for their face value (\$100) on 13 December 2017



Bendigo and Adelaide Bank Overview

A complete portfolio of businesses

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Brand	Segment	Business
 Bendigo Bank  Delphi Bank	Local Connection	Provides a full range of consumer and business banking products and solutions
 Adelaide Bank  Sandhurst Trustees  Leveraged <small>The professional's choice</small>  Alliance Bank	Partner Connection	Third party banking, wealth and protection solutions
 RURAL BANK  RURAL FINANCE	Agribusiness	Solutions for agricultural farm businesses

Bendigo and Adelaide Bank

544 branches

- Australia's fifth-largest retail bank
- More than 90,000 shareholders
- Over 7,000 staff (including Community Bank® staff)
- Market capitalisation of ~\$5.5bn¹
- A multi-brand strategy with three main business segments: Local Connection, Partner Connection and Agribusiness
- Regulated by APRA



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1. As at 11 October 2017

Most customer connected bank

Rated Top
Bank in 6 out
of 8

Categories -
Mozo People's Choice
Awards¹



#1 in Forrester's
**Australian Customer
Experience Index³**

**2017
Victorian
Corporate
Citizen of
the Year²**

**CANSTAR Innovation
Excellence Award for
Rural Bank FMD Offset Account⁴**

Leveraged Equities⁵

- ☑ - Highest Overall Stockbroker Satisfaction Award
- ☑ - Highest Overall Investor Satisfaction Award
- ☑ - Highest Overall Planner Satisfaction Award

**Bendigo SmartStart Super[®] awarded 5 star rating
for outstanding value for the 4th year in a row⁶**



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1. Mozo People's Choice Awards – 2017

2. Victoria Day Council Awards – 2017

3. Forrester's Customer Experience Index Online Survey, Australia consumers, 2015 & 2016

4. CANSTAR awarded Rural Bank an Innovation Excellence Award for Rural Bank FMD Offset Account - April 2017

5. Leveraged Equities Awarded - Investment Trends 2017 Highest Overall Stockbroker Satisfaction Award, Investment Trends 2017 Highest Overall Investor Satisfaction Award and Investment Trends 2017 Highest Overall Planner Satisfaction Award

6. Canstar Star Ratings report (Superannuation 2013-2017)



Our full year 2017 result

Financial performance

- Statutory profit after tax \$429.6m
- Cash earnings of \$418.3m
- Cash earnings per share 88.5¢
- Full year dividend of 68¢, fully franked
- Final dividend of 34¢, fully franked¹
- DRP discount of 1.5%
- Net interest margin down 1bp to 2.22% year on year
- Net interest margin up 8bps to 2.26% half on half
- Cost to income down 2%² to 56.1%
- Total operating expenses up 0.2%²
- Return on average tangible equity 11.61%³
- Return on average ordinary equity 8.10%³

Balance sheet management & capital

- Liquidity coverage ratio of 122%
- Retail deposit funding mix increased to 80.2%
- Indicative NSFR ~110% at June 2017
- CET1 8.27% up 30bps from December 2016
- Total capital of 12.46%

Credit

- BDD charge of \$71.8m for FY17, with \$32m in 2H17
- Residential, Business and Rural arrears remain low
- Payback of Great Southern portfolio continuing

1. Ex-dividend date for final dividend is 5 September 2017, record date is 6 September 2017, and dividend payment date is 29 September 2017

2. Movements on prior comparative period

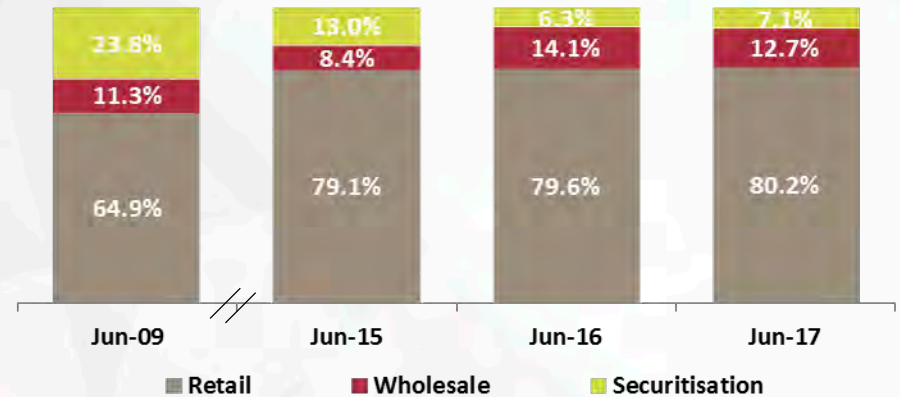
3. Cash basis



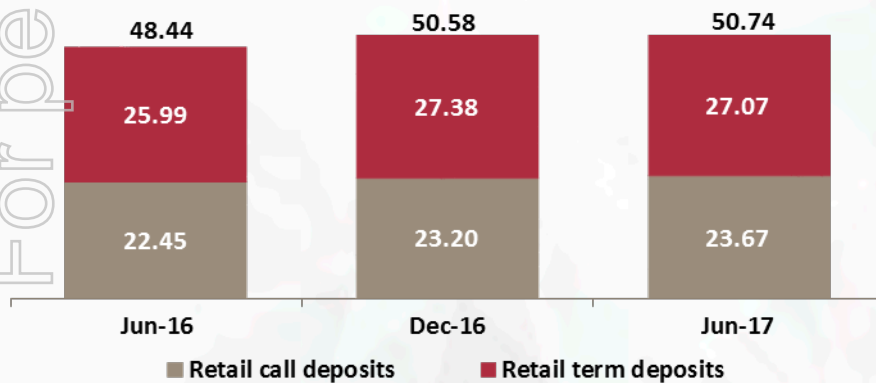
Flexible funding position

- Funding continues to be a strength providing flexibility for organic and inorganic asset growth
- Retail deposits up 4.7% in FY17
- LCR of 122% at 30 June 2017
- Indicative NSFR ~110%
- Increased activity by BEN in RMBS market in 2H17

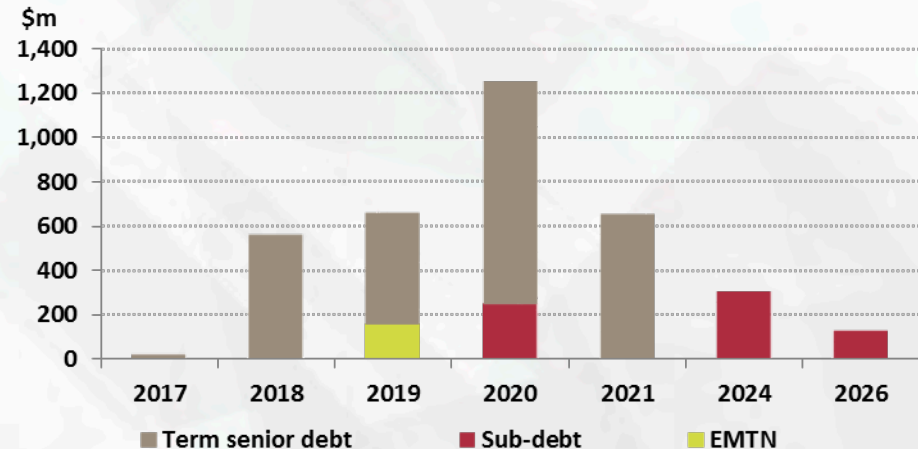
Historical funding mix



Retail deposit balances (\$bn)



Term funding maturity profile

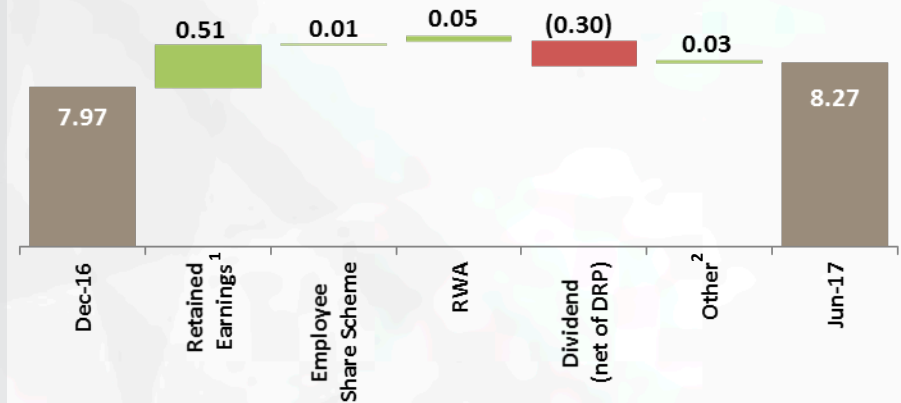


Note - Reclassification of some middle market deposits from Retail to Wholesale has reduced the retail deposit ratios: Dec-16 by 2.7% and June-16 by 2.4%

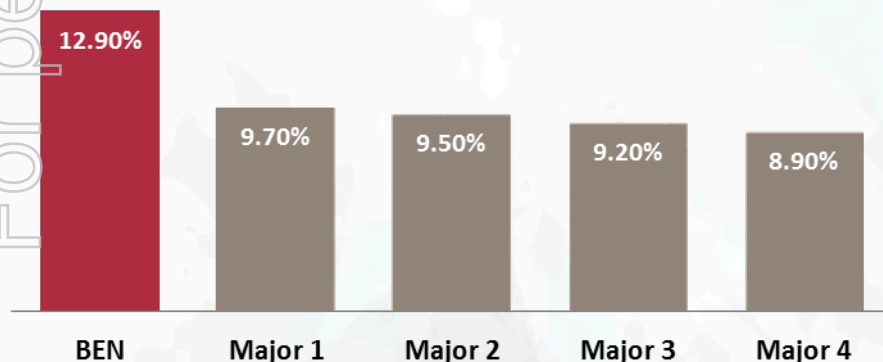
Strong CET1 organic growth in 2H17

- Organic capital growth reflecting slower loan growth and increased RMBS activity in 2H17
- Will achieve unquestionably strong through organic capital generation and DRP participation
- S&P Risk Adjusted Capital (RAC) comparisons are promising

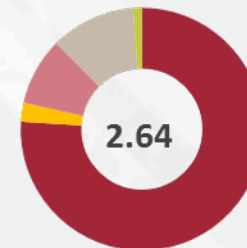
CET1 movement



S&P RAC ratio³

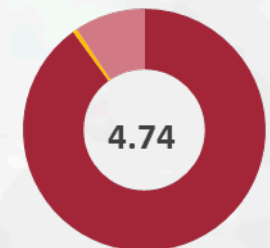


Group Economic Capital⁴ (\$b)



- Credit Risk
- Market Risk
- Op Risk
- Business Risk
- Other

Group Standardised Regulatory Capital (\$b)



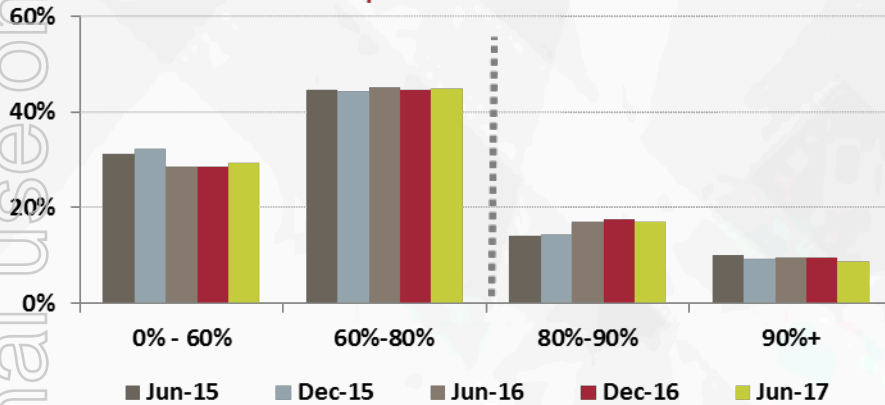
- Credit Risk
- Market Risk
- Op Risk

1. Unrealised Homesafe revaluation revenue excluded from increases in retained earnings was 6bps
 2. Other includes movement in capitalised expenses, deferred tax assets and intangibles
 3. S&P RAC ratio, Major 1, 2, & 4 as at 30 Sept 2016, BEN & Major 3 as at 30 June 2016
 4. Calculated using a combination of internal models and standardised measures

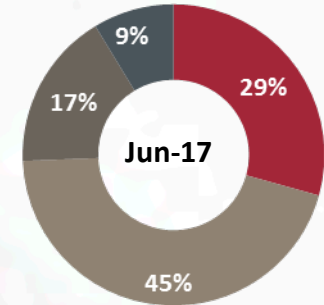
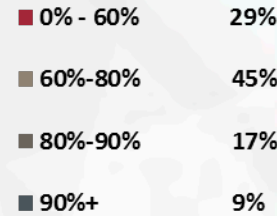
Key capital ratios & residential LVR breakdown

Residential loan-to-value profile

74% of portfolio with LVR ≤ 80%



Residential LVR breakdown



Key regulatory capital ratios (%)¹

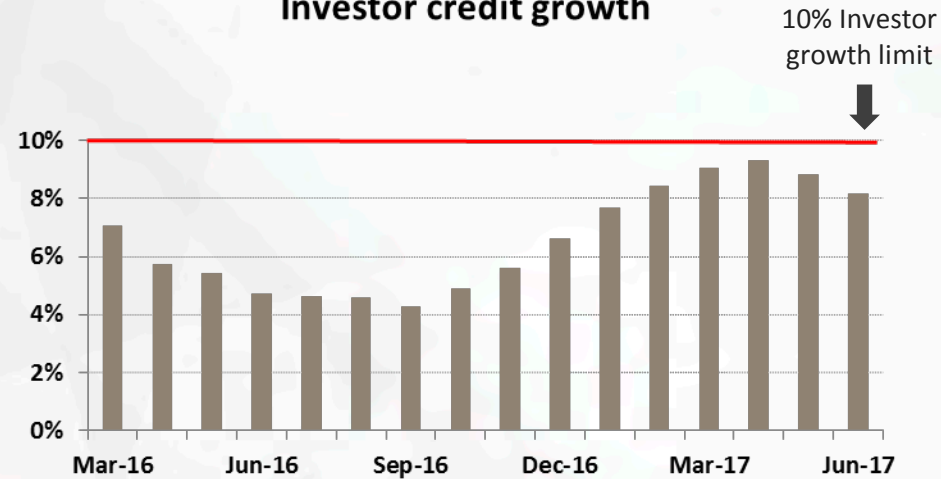
	1H16	2H16	1H17	2H17
Common equity tier 1	8.24	8.09	7.97	8.27
Additional tier 1	2.44	2.31	2.20	2.22
Tier 1 Capital	10.68	10.40	10.17	10.49
Tier 2	1.98	1.81	2.03	1.97
Total regulatory capital	12.66	12.21	12.20	12.46
Risk weighted assets (RWA) (\$bn)	34.5	36.5	38.3	38.1

Note - Breakdown of LVRs for by residential mortgages at 30 June 2017 by origination
1. BEN Level 2 capital ratios on a Basel III basis

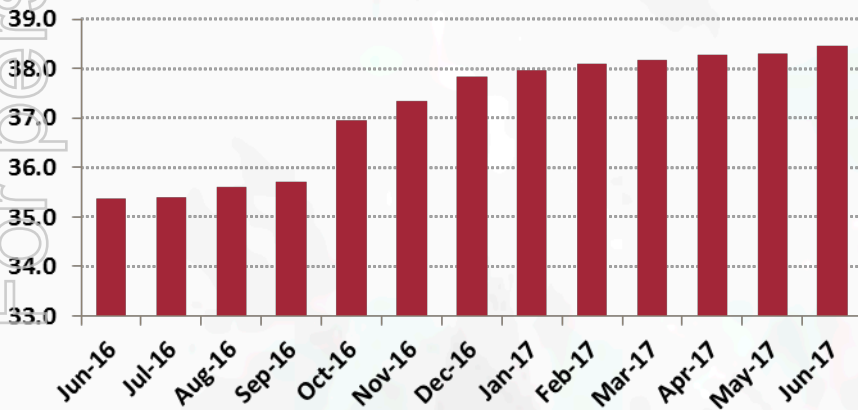
Housing lending growth

- Strong growth across Retail channel
- 2H17 growth has slowed as BEN aligns with new APRA limits
- Investor credit growth sub 10%
- Interest only flows reducing following price changes
- Will achieve sub 30% interest only flows for the September quarter

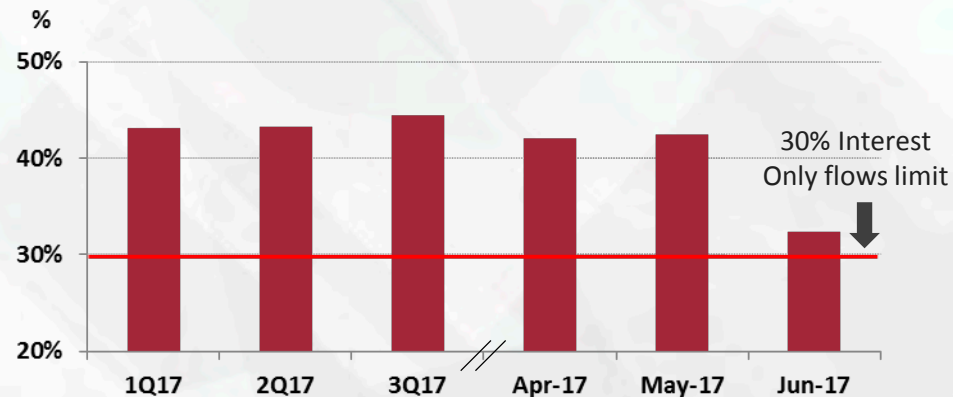
Investor credit growth



Residential portfolio balance¹ (\$b)



Interest only flows



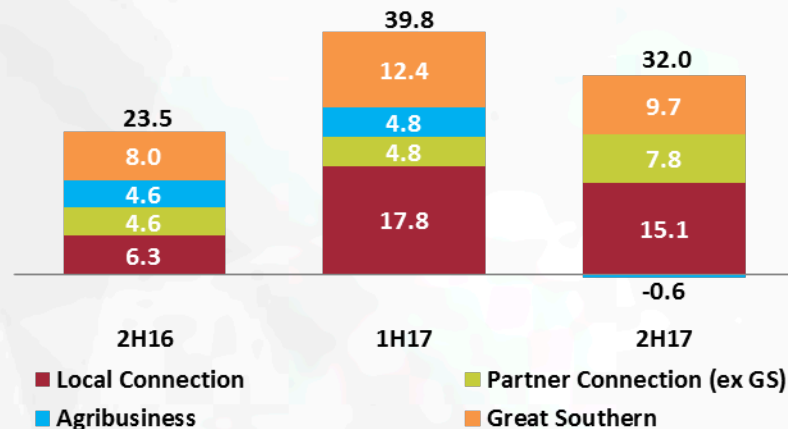
Source: Company data, APRA statistics June 2017

1. Based on APRA statistics (loans to households : owner occupied & investment and housing loans securitised)

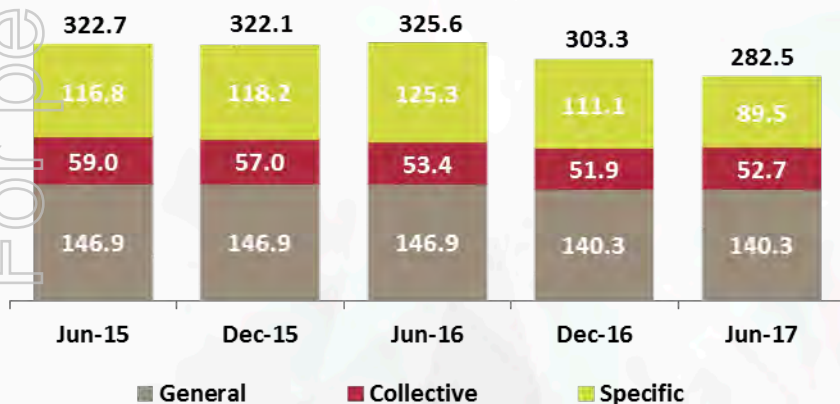
Bad and doubtful debts

- BDD charge 12 basis points of gross loans, 8 basis points excluding Great Southern
- Lower BDD charge in 2H17 driven by Great Southern and business banking improved credit outcome
- Impaired assets reduced by 19% year on year
- Specific provision lower following settlement of various Agri and Great Southern exposures
- Provision coverage 100% of impaired assets
- Reduced Agribusiness provisions reflect strong credit profile
- All portfolios remain well secured, with low LVRs

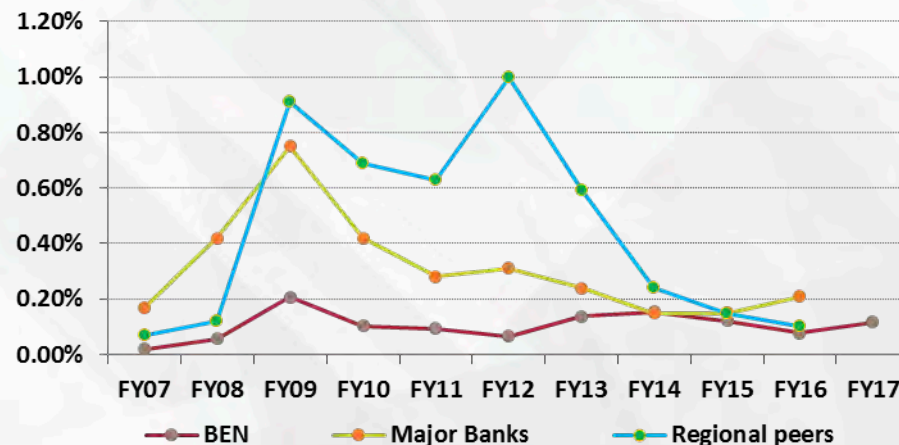
Bad and doubtful debts composition (\$m)



Provisions for doubtful debts (\$m)



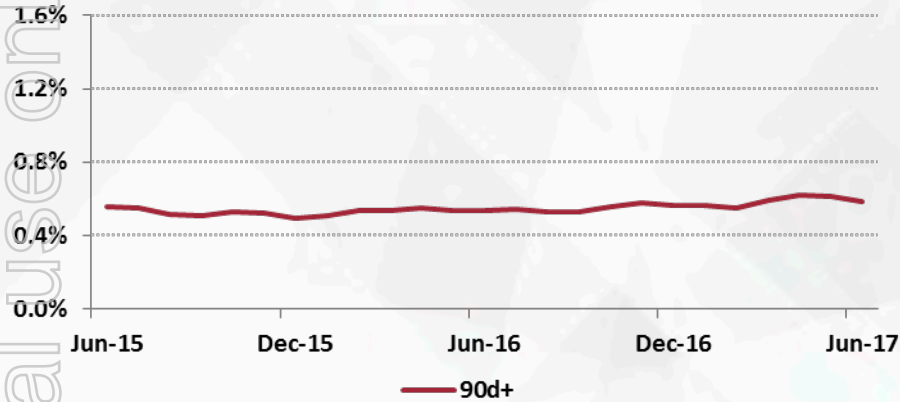
BDD / Loans¹



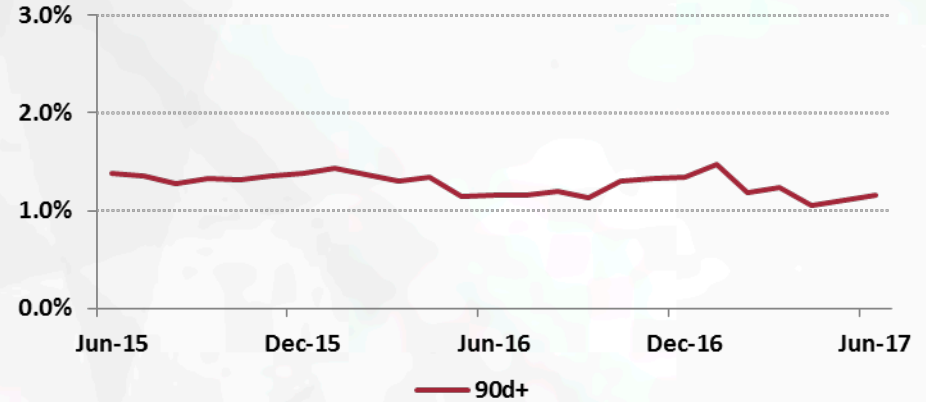
1. Company data

Arrears remain benign

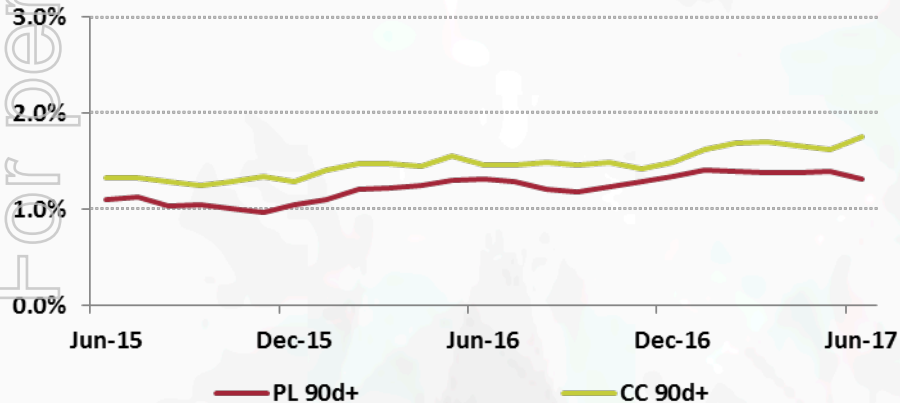
Residential Loan Arrears



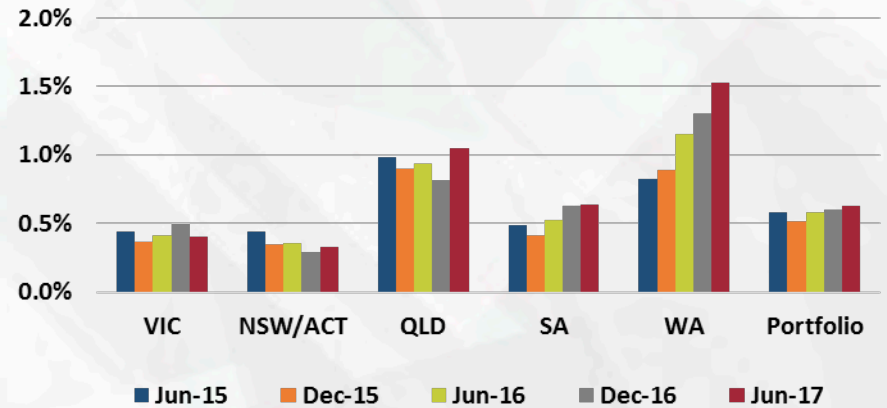
Business Loan Arrears



Consumer Loan Arrears



Home Loans 90+ days past due - by state¹



Note - Data excludes commercial arrangement loans
 1. Keystart included from Jun-17

CPS4 Offer

Key terms - Dividends

Dividends

- Dividends on CPS4 are preferred, discretionary, non-cumulative floating rate payments
- Dividends on CPS4 are scheduled to be paid quarterly in arrears subject to the Dividend Payment Tests
- Dividends are expected to be fully franked

Dividend Rate

- Dividend Rate = (90 day Bank Bill Rate + Margin) x (1 – Tax Rate¹)
- Margin is expected to be in the range of 3.75% to 3.95%, to be determined under the Bookbuild
- As an example, assuming the Bank Bill Rate is 1.705%, the Tax Rate is 30% and the Margin is 3.75%
 - the cash dividend received by a holder would be 3.819% per annum; and
 - if the potential value of the franking credits is taken into account in full, this would be equivalent to an unfranked dividend rate of 5.455%²

Dividend Restriction

- If for any reason a Dividend has not been paid on a Dividend Payment Date, BEN must not, subject to certain exceptions, without the approval of a Special Resolution, until and including the next Dividend Payment Date:
 - declare, determine to pay or pay a dividend on Ordinary Shares; or
 - buy back or reduce capital on Ordinary Shares,unless the Dividend is paid in full within three Business Days of the relevant Dividend Payment Date
- Failure to pay a Dividend when scheduled will not constitute an event of default

Dividend Payment Tests

- The Directors, at their absolute discretion, resolving to pay the Dividend on the Dividend Payment Date
- The payment of the Dividend not resulting in Bendigo and Adelaide Bank (on a Level 1 basis) or the Bank Group (on a Level 2 basis) not complying with APRA's then current Prudential Standards, including its capital adequacy requirements, as they apply to Bendigo and Adelaide Bank and/or the Bank Group at the time of the payment
- Paying the Dividend not resulting in Bendigo and Adelaide Bank becoming, or being likely to become, insolvent for the purposes of the Corporations Act; and
- APRA not otherwise objecting to the Dividend being paid on the Dividend Payment Date.

1. Tax Rate is the Australian corporate tax rate applicable to the relevant franking account for BEN. As at the date of this presentation, the relevant rate is 30%
2. The value and availability of franking credits to a Holder will differ depending on the Holder's particular tax circumstances. Holders should also be aware that the potential value of any franking credits does not accrue at the same time as the receipt of any cash Dividend



Ranking of Converting Preference Shares 4 in a winding-up²

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	Type	Illustrative examples
<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 10px;">Higher ranking</div> <div style="flex-grow: 1; border-left: 2px solid black; border-right: 2px solid black; position: relative;"> <div style="position: absolute; top: -10px; left: 50%; transform: translate(-50%, -50%);">↑</div> <div style="position: absolute; bottom: -10px; left: 50%; transform: translate(-50%, -50%);">↓</div> </div> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-left: 10px;">Lower Ranking</div> </div>	Preferred and secured debt	Liabilities in Australia in relation to protected accounts (generally, savings accounts and term deposits) and other liabilities preferred by law including employee entitlements and secured creditors
	Unsubordinated and unsecured debt	Unsubordinated and unsecured bonds and notes, trade and general creditors
	Subordinated and unsecured debt (unless expressed to rank equally with preference shares)	Subordinated and unsecured debt obligations and Capital Notes
	Preference shares and Equal Ranking Instruments	CPS4, CPS3, CPS2 and any other preference shares or securities expressed to rank equally with CPS4 (assuming CPS have been redeemed)¹
	Ordinary Shares	Ordinary Shares

1. This is the ranking of convertible preference shares or similar ranking securities prior to any Conversion or Write-Off.

2. The ranking of Holders in a winding-up will be adversely affected if a Capital Trigger Event or a Non-Viability Trigger Event occurs. See sections 1.2, 2.9.1 and 6.1.17 of the Prospectus.

Key terms – Optional Exchange

Optional Exchange

- BEN may elect to Exchange all or some CPS4 on issue on the Optional Exchange Date which is 13 June 2024

Exchange

- Subject to APRA's prior written approval and provided certain conditions are satisfied, BEN may Exchange CPS4 via:
 - Conversion¹ into a variable number of Ordinary Shares with a value of approximately \$101.01² based on the VWAP during a period, usually 20 Business Days, before the Exchange Date; or
 - Redemption of CPS4 for \$100 per CPS4; or
 - Resale of CPS4 for \$100 per CPS4

Requirements for Redemption

- The choice of Redemption as the Exchange Method is subject to the condition that APRA is satisfied that either:
 - CPS4 which are the subject of the Exchange are replaced concurrently or beforehand with a Relevant Preference Security of the same or better quality or Ordinary Shares and the replacement of CPS4 is done under conditions that are sustainable for BEN's income capacity; or
 - having regard to the projected capital position of the BEN and the BEN Group, BEN does not have to replace the CPS4 the subject of the Redemption

1. If an Approved NOHC Event has occurred, Conversion will be into Approved NOHC Ordinary Shares. Refer to Section 2.9.6 of the Prospectus

2. Based on the \$100 CPS4 Issue Price and the VWAP of Ordinary Shares during the 20 Business Days before the Optional Exchange Date with the benefit of a 1% discount. However, this VWAP may differ from the Ordinary Share price on or after the Optional Exchange Date. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter



Key terms – Mandatory Conversion

Mandatory Conversion

- The Mandatory Conversion Date is 15 June 2026 provided that all of the Mandatory Conversion Conditions are satisfied on that date
- On the Mandatory Conversion Date, Holders will receive approximately \$101.01¹ per CPS4 worth of Ordinary Shares, unless CPS4 have been otherwise Exchanged earlier
- If any of the Mandatory Conversion Conditions are not satisfied, Conversion will be deferred until the first Dividend Payment Date on which all of the Mandatory Conversion Conditions are satisfied

Mandatory Conversion Conditions

- The Mandatory Conversion Conditions to be satisfied on a possible Mandatory Conversion Date are as follows:
1. the VWAP of Ordinary Shares on the 25th Business Day before (but not including) a possible Mandatory Conversion Date is greater than 55% of the Issue Date VWAP;
 2. the VWAP of Ordinary Shares during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) a possible Mandatory Conversion Date is greater than 50.51% of the Issue Date VWAP; and
 3. no Delisting Event applies (a Delisting Event means BEN is delisted or its Ordinary Shares have been suspended from ASX trading for a certain period or an Inability Event subsists)

Maximum Conversion Number

- The number of Ordinary Shares that Holders receive per CPS4 on Conversion may not be greater than the Maximum Conversion Number. This restriction means that the maximum number of Ordinary Shares issued on Conversion cannot exceed the number that would be issued if the CPS4 were Converted at a conversion price equal to:
 - 50% of the Issue Date VWAP if Conversion is occurring on a Mandatory Conversion Date; or
 - 20% of the Issue Date VWAP in the case of any other Conversion

1. Based on the \$100 CPS4 Issue Price and the VWAP of Ordinary Shares during the 20 Business Days before the Mandatory Conversion Date with the benefit of a 1% conversion discount. However, this VWAP may differ from the Ordinary Share price on or after the Mandatory Conversion Date. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter

Key terms - Capital Trigger Event and Non-Viability Trigger Event

Capital Trigger Event

- A Capital Trigger Event occurs when BEN determines, or APRA notifies BEN in writing that it believes that either or both of BEN's Common Equity Tier 1 Capital Ratio or the BEN Group's Common Equity Tier 1 Capital Ratio is equal to or less than 5.125%

Non-Viability Trigger Event

- A Non-Viability Trigger Event occurs when APRA provides a written determination to BEN that without the conversion or write-off of Relevant Preference Securities or a public sector injection of capital into (or equivalent capital support with respect to) BEN, APRA considers that BEN would become non-viable

Conversion

- Following a Capital Trigger Event or a Non-Viability Trigger Event, some or all CPS4 will Convert into Ordinary Shares (in some cases all CPS4 must Convert)
- Conversion in these circumstances is not subject to the Mandatory Conversion Conditions
- Holders may receive less than \$101.01 worth of Ordinary Shares per CPS4 upon Conversion following a Capital Trigger Event or a Non-Viability Trigger Event due to the Maximum Conversion Number
- If a Capital Trigger Event or a Non-Viability Trigger Event occurs, the Maximum Conversion Number will be based on a share price of 20% of the Issue Date VWAP
- If, following a Capital Trigger Event or a Non-Viability Trigger Event, Conversion of CPS4 has not been effected within 5 Business Days after the Capital Trigger Conversion Date or the Non-Viability Conversion Date (as applicable) for any reason (including an Inability Event), those CPS4 will not be Converted but instead Written Off with effect on and from the Capital Trigger Conversion Date or Non-Viability Conversion Date (as applicable). This means either (a) that certain rights attached to the CPS4 will be amended to approximate the Ordinary Share rights which the Holder would have had if the relevant CPS4 had Converted into BEN Ordinary Shares, or (b) if the law permits, and to the extent required by APRA or any Prudential Standard, CPS4 will never Convert or be Exchanged and all rights (including to payment of Dividends and any amount in a winding-up of BEN) will be terminated with effect on and from the Capital Trigger Conversion Date or Non-Viability Conversion Date (as applicable), in which case the Holder's investment will lose all of its value, they will not have the Issue Price repaid, and they will not receive any compensation

Key terms - Other early Exchange or Conversion

Other early Exchange or Conversion (subject to certain conditions)

- BEN may elect to Exchange all or some CPS4 following the occurrence of a Tax Event or a Regulatory Event
- BEN may elect to Convert all (but not some) CPS4 following the occurrence of an Acquisition Event
- BEN must Convert all (but not some) CPS4 on issue if a Change of Control Event occurs

Exchange

- Subject to APRA's prior written approval and provided certain conditions are satisfied, BEN may Exchange CPS4 following a Tax Event or a Regulatory Event via:
 - Conversion into a variable number of Ordinary Shares with a value of approximately \$101.01¹; or
 - Redemption of CPS4 for \$100 per CPS4; or
 - Resale of CPS4 for \$100 per CPS4

Requirements for Redemption

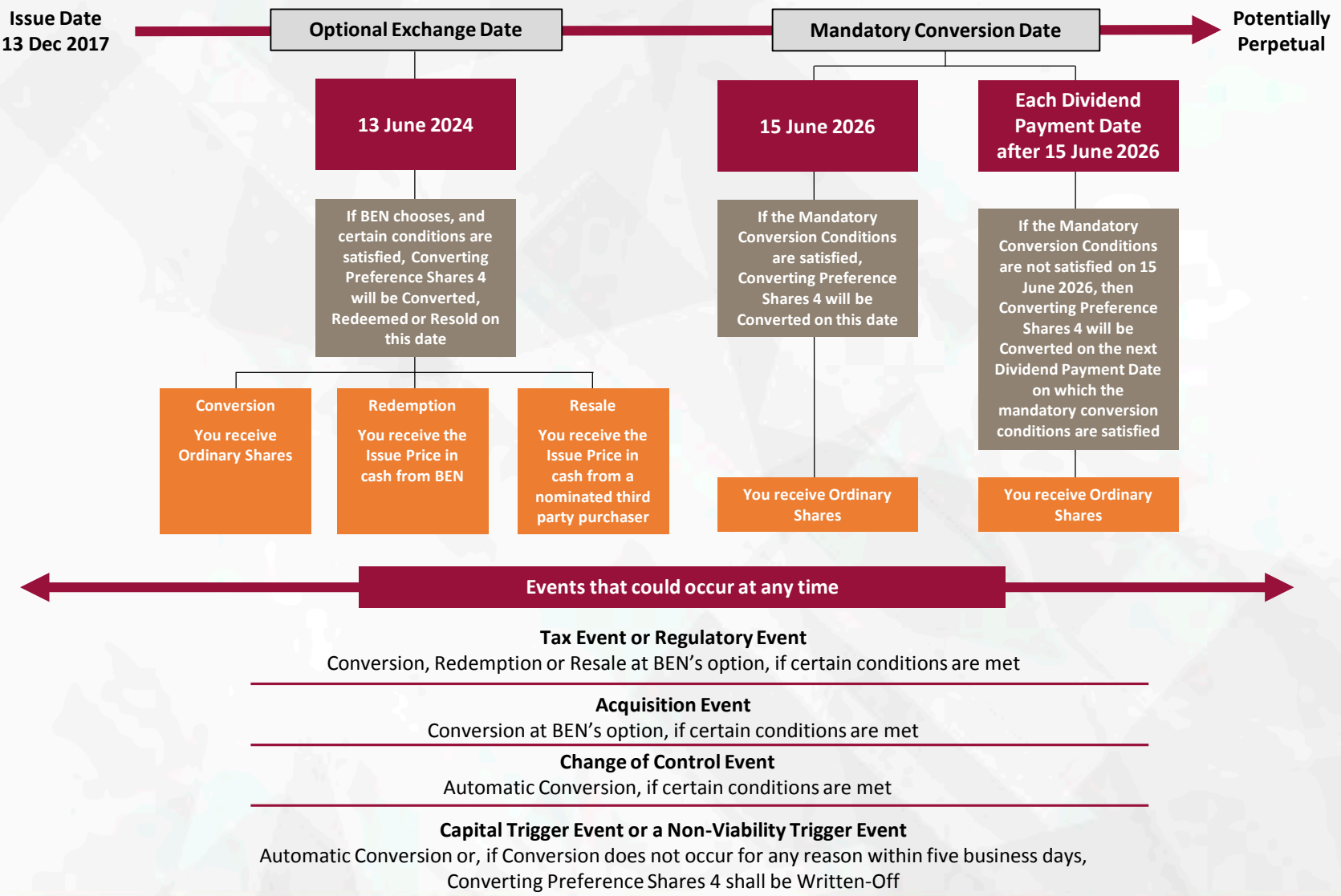
- Where BEN elects to Redeem CPS4 APRA must be satisfied that either:
 - CPS4 which are the subject of the Exchange are replaced concurrently or beforehand with a Relevant Preference Security of the same or better quality or Ordinary Shares and the replacement of CPS4 is done under conditions that are sustainable for BEN's income capacity; or
 - Having regard to the projected capital position of the BEN Group, BEN does not have to replace the CPS4 the subject of the Redemption

1. Based on the \$100 CPS4 Issue Price and the VWAP of Ordinary Shares during the 20 Business Days before the Exchange Date with the benefit of a 1% discount. However, this VWAP may differ from the Ordinary Share price on or after the Mandatory Conversion Date. This means that the value of Ordinary Shares received may be more or less than anticipated when they are issued or thereafter



Summary of events that may affect the Converting Preference Shares 4

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Level 2 Common Equity Tier 1 Capital Ratio

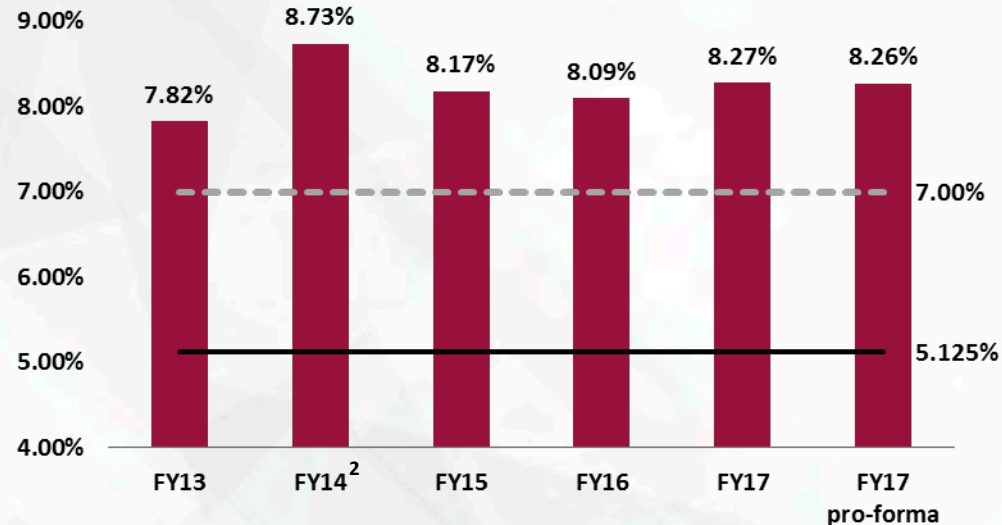
Balance sheet strength

- BEN's Level 2 Common Equity Tier 1 Capital Ratio as at 30 June 2017 on a Basel III basis was 8.27%

Capital buffers

- \$1,198³ million of Common Equity Tier 1 Capital above the Capital Trigger Event Common Equity Tier 1 Capital Ratio level of 5.125%.
- \$484³ million of Common Equity Tier 1 Capital above APRA's minimum plus prescribed buffers, under APRA's current rules this equates to a Common Equity Tier 1 Capital Ratio of 7.00%
- CPS4 dividends may be progressively restricted if BEN allows its Common Equity Tier 1 Capital Ratio to drop below APRA's minimum plus prescribed buffers of 7.00%

Level 2 Common Equity Tier 1 ratio¹



1. BEN's financial year denoted "FY" above, finishes on 30 June of each calendar year.

2. FY14 CET1 was temporarily inflated due to the acquisition of Rural Finance Corporation of Victoria for \$1.78bn which occurred on 1 July 2014. After adjusting for the acquisition, the CET1 ratio was 8.02%

3. As at 30 June 2017 (FY17)



Key risks¹

Key risks associated with investing in CPS4

Not deposit liabilities

- CPS4 are not deposit liabilities of BEN or any member of the BEN Group, are not protected accounts for the purposes of the depositor protection provisions under the Banking Act and are not guaranteed by any government or other person

Market price of CPS4

- The price at which Holders are able to sell CPS4 on the ASX is uncertain and CPS4 may trade at a market price below the Issue Price. There is no guarantee that CPS4 will remain continuously quoted on the ASX.

Liquidity

- There may be no liquid market for CPS4
- Holders who wish to sell their CPS4 may be unable to do so at a price acceptable to them, or at all

Exposure to BEN Group's financial performance

- If the BEN Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in CPS4 could decline in value even if CPS4 have not been Converted

Fluctuation in Ordinary Share price

- The price of Ordinary Shares may fluctuate due to various factors, including investor perceptions, Australian and worldwide economic conditions, the financial performance and position of financial institutions generally in Australia and globally and BEN's financial performance and position

Dividends may not be paid

- There is a risk that Dividends will not be paid, including where the Directors determine not to pay a Dividend or where APRA objects to the Dividend payment
- Dividends are non-cumulative. Accordingly, in the event that BEN does not pay a scheduled Dividend, a Holder has no entitlement to such Dividend

Changes in Dividend Rate

- The Dividend Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Bank Bill Rate

CPS4 are perpetual and Mandatory Conversion may never occur

- There is a risk that Conversion will not occur on any subsequent Mandatory Conversion Date, because the Mandatory Conversion Conditions are not satisfied due to a large fall in the Ordinary Share price relative to the Issue Date VWAP, or where a Delisting Event applies

1. You should read the risk factors set out in Section 6 of the Prospectus before deciding to invest in CPS4

Key risks¹

Key risks associated with investing in CPS4

It is not certain whether and when CPS4 may be Exchanged

- It is uncertain whether and when Exchange may occur and, subject to certain conditions, CPS4 may be Converted, Redeemed or Resold on the Optional Exchange Date or early due to a Regulatory Event or a Tax Event or Converted early due to an Acquisition Event and must, subject to certain conditions, be Converted on a Change of Control Event
- The timing of any Exchange may not suit individual Holder preferences or circumstances

Conversion following a Capital Trigger Event or a Non-Viability Trigger Event

- Conversion on account of a Capital Trigger Event or a Non-Viability Trigger Event may occur on dates not previously contemplated by Holders, which may be disadvantageous
- If Conversion occurs in these cases, Holders are likely to receive Ordinary Shares that are worth significantly less than the Issue Price of CPS4
- In cases where BEN is prevented from Converting CPS4 for any reason, the CPS4 which should have been Converted will be Written Off. This means either (a) that certain rights attached to the CPS4 will be amended to approximate the Ordinary Share rights which the Holder would have had if the relevant CPS4 had Converted into Ordinary Shares on the Capital Trigger Conversion Date or Non-Viability Conversion Date, or (b) if the law permits, and to the extent required by APRA or any Prudential Standard, CPS4 will never Convert or be Exchanged and all rights (including to payment of Dividends and any amount in a winding-up of BEN) will be terminated with effect on and from the Capital Trigger Conversion Date or Non-Viability Conversion Date (as applicable), in which case the Holder's investment will lose all of its value, they will not have the Issue Price repaid, and they will not receive any compensation

Conversion on a Change Of Control

- CPS4 may be affected by M&A activity, including the possibility of being acquired by, or merged with, another company or group of companies, potentially resulting in a change of control
- Where a Change of Control Event occurs, BEN is required, subject to satisfaction of certain conditions, to convert all CPS4. Conversion may therefore occur on dates not previously contemplated by Holders, which may be disadvantageous

1. You should read the risk factors set out in Section 6 of the Prospectus before deciding to invest in CPS4

Key risks¹

Key risks associated with investing in CPS4

Restrictions in a winding-up of BEN

- If there is a shortfall of funds on a winding-up of BEN to pay all amounts ranking senior to and equally with CPS4, Holders will lose all or some of their investment

Implications of an Approved NOHC Event

- There is no equivalent Dividend Restriction on an Approved NOHC if BEN does not pay a Dividend on CPS4
- Holders may receive Approved NOHC ordinary shares rather than BEN ordinary shares on Conversion

Risks associated with BEN generally

- Key risks associated with an investment in BEN and the business of the BEN Group generally are set out at section 6.2 of the Prospectus and should be read in full before investing in CPS4

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1. You should read the risk factors set out in Section 6 of the Prospectus before deciding to invest in CPS4

Key dates

Date for determining Eligible Securityholders	7:00pm, Thursday, 12 October 2017
Lodgement of Prospectus with ASIC	Monday, 16 October 2017
Bookbuild to determine the Margin	Monday, 23 October 2017
Announcement of the Margin	Monday, 23 October 2017
Lodgement of the replacement Prospectus with ASIC	Tuesday, 24 October 2017
Opening date	Tuesday, 24 October 2017
Closing date for Reinvestment and Securityholder Offer	5:00pm, Friday, 1 December 2017
Closing date for Broker Firm Offer (excluding applications in respect of reinvested CPS)	10:00am, Tuesday, 12 December 2017
Issue date	Wednesday, 13 December 2017
CPS4 commence trading on ASX (deferred settlement basis)	Thursday, 14 December 2017
Holding statements despatched	Tuesday, 19 December 2017
CPS4 commence trading on ASX (normal settlement basis)	Wednesday, 20 December 2017
First dividend payment date¹	Tuesday, 13 March 2018
Optional Exchange Date	Thursday, 13 June 2024
Mandatory Conversion Date²	Monday, 15 June 2026

Note: The key dates above are indicative only and may change without notice

1. Dividends are scheduled to be paid at the end of each quarterly Dividend Period (on 13 March, 13 June, 13 September and 13 December) subject to the Dividend Payment Tests. If any of these scheduled dates are not Business Days, then the Dividend Payment Date will occur on the next Business Day.

2. The Mandatory Conversion Date may be later than 15 June 2026, or may not occur at all, if the Mandatory Conversion Conditions are not satisfied – see Section 2.5.



Key dates for CPS holders

Record date for determining Eligible CPS Holders for the Reinvestment Offer	Thursday, 12 October 2017
Last day of trading for CPS on ASX	Friday, 24 November 2017
Record date for CPS Dividend	Tuesday, 28 November 2017
Closing date for the Reinvestment Offer	5:00pm, Friday, 1 December 2017
Closing date for the Broker Firm Offer (applications in respect of reinvested CPS)	5:00pm, Friday, 1 December 2017
Redemption date for CPS and payment date for CPS Dividend	Wednesday, 13 December 2017

Note: The key dates above are indicative only and may change without notice

Contact details

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Further Information: Please call the CPS4 Information Line on 1300 032 762 (within Australia) or +61 2 8023 5417 (International) between 8:15am and 5:30pm (Melbourne time), Monday to Friday or visit www.BendigoCPS4offer.com.au