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# Bendigo and Adelaide Bank

## Convertible Preference Shares 3 Offer and BPS Reinvestment Offer

27 April 2015



incorporating



The professional's choice

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 Convertible Preference Shares 3 ("CPS3") in Australia (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 27 April 2015 ("Prospectus"). BEN intends to lodge a replacement Prospectus which will include the margin and offer size determined after the bookbuild to be held on or about 1 May 2015. Investors may request a Prospectus by calling the CPS3 Information Line on 1300 721 730 (within Australia) or +61 3 9415 4340 (international) or by visiting [www.BendigoCPS3offer.com.au](http://www.BendigoCPS3offer.com.au). Applicants for CPS3 will need to complete the application form in or accompanying the Prospectus.

CPS3 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.

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 CPS3 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, "1H15" refers to the six months ended 31 December 2014. All references starting with "FY" refer to the financial year ended 30 June. For example, "FY14" refers to the year ended 30 June 2014.

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

# Disclaimer

# CPS3 Offer

<b>CPS3</b>	<ul style="list-style-type: none"><li>• Bendigo and Adelaide Bank (“BEN”) Convertible Preference Shares 3 (“CPS3”)</li></ul>
<b>Offer size</b>	<ul style="list-style-type: none"><li>• \$200m, with the ability to raise more or less</li></ul>
<b>Use of proceeds</b>	<ul style="list-style-type: none"><li>• The CPS3 will qualify as Additional Tier 1 Capital and the proceeds may be used to fund the redemption of BPS and will be used for Bendigo and Adelaide Bank’s general corporate purposes</li></ul>
<b>Term</b>	<ul style="list-style-type: none"><li>• CPS3 are perpetual and have no fixed maturity date</li><li>• Optional Exchange Date: 15 June 2021</li><li>• Mandatory Conversion Date: 15 June 2023</li><li>• If certain conditions are met and with APRA approval BEN may elect to Redeem, Resell or Convert CPS3 into BEN Ordinary Shares on 15 June 2021 or upon a Regulatory Event or Tax Event</li><li>• Unless Exchanged earlier and subject to certain conditions being satisfied CPS3 will mandatorily Convert into BEN Ordinary Shares on 15 June 2023 or upon a Change of Control Event</li><li>• CPS3 will Convert upon a Capital Trigger Event or a Non-Viability Trigger Event occurring</li></ul>
<b>Dividends</b>	<ul style="list-style-type: none"><li>• Floating rate, semi-annual, discretionary, non-cumulative dividends, expected to be fully franked</li><li>• Margin to be determined through the Bookbuild and is expected to be between 4.00% and 4.20% p.a.</li></ul>
<b>Ranking</b>	<ul style="list-style-type: none"><li>• CPS3 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 Bendigo and Adelaide Bank (other than creditors who are expressed to rank equally with CPS3 in a winding up)</li></ul>
<b>Offer Structure</b>	<ul style="list-style-type: none"><li>• Reinvestment Offer, Securityholder Offer, Broker Firm Offer, Institutional Offer, General Offer</li></ul>
<b>Bookbuild Date</b>	<ul style="list-style-type: none"><li>• Expected to be Friday 1 May 2015</li></ul>
<b>ASX quotation</b>	<ul style="list-style-type: none"><li>• BEN will apply for CPS3 to be quoted on the ASX – expected to trade under ASX code BENPF</li></ul>

## CPS3 Offer overview

# BPS Reinvestment Offer

<b>Reinvestment Offer</b>	<ul style="list-style-type: none"><li>• BEN intends to redeem its existing Bendigo Preference Shares (“BPS”) on 15 June 2015</li><li>• BPS trade on the ASX under the code “BENPB”</li></ul>
<b>Key details</b>	<ul style="list-style-type: none"><li>• Eligible holders of BPS may elect to have some or all of their BPS redemption proceeds (i.e. \$100 per BPS) applied to the Application Payment for CPS3</li><li>• Eligible holders of BPS who elect to reinvest will<ul style="list-style-type: none"><li>• not be required to make a separate Application Payment to the extent that BPS will be reinvested directly in CPS3</li><li>• be guaranteed an allocation of 1 CPS3 for every 1 BPS reinvested</li></ul></li><li>• Eligible holders of BPS may also apply for additional CPS3</li></ul>
<b>BPS Dividend</b>	<ul style="list-style-type: none"><li>• Holders of BPS as at 22 May 2015 (being the record date for the BPS Dividend) will receive, subject to certain conditions to payment under the BPS Terms being satisfied, a final BPS Dividend, which is expected to be fully franked, of \$0.6667 per BPS on 15 June 2015, irrespective of whether they have elected to participate in the Reinvestment Offer</li><li>• The BPS dividend is based on the 90 day bank bill rate plus a margin of 1.50% p.a.</li></ul>
<b>BPS Exchange Date</b>	<ul style="list-style-type: none"><li>• On 15 June 2015 BPS holders who elect to participate in the Reinvestment Offer will be issued with 1 CPS3 (face value \$100) for every 1 BPS (face value \$100) reinvested</li><li>• An Exchange Notice will be mailed to all BPS holders today (27 April 2015) to Redeem any remaining BPS (i.e. those BPS not reinvested in CPS3) for their face value (\$100) on 15 June 2015</li></ul>

## BPS Reinvestment Offer overview

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## Bendigo and Adelaide Bank overview

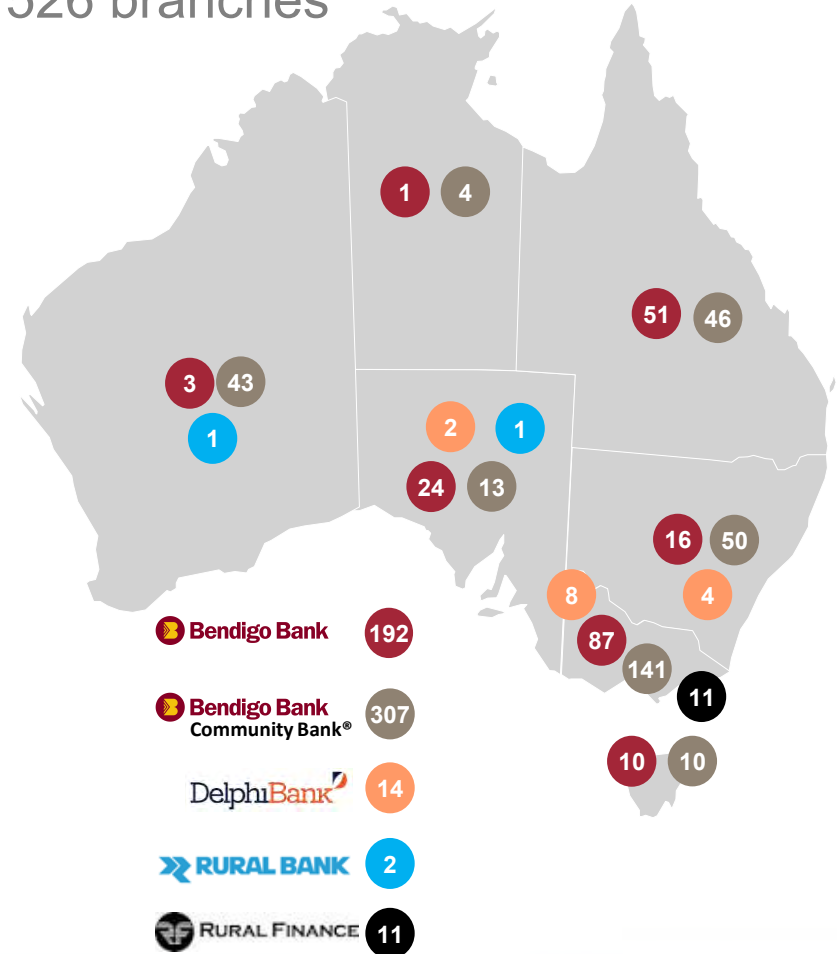
# Bendigo and Adelaide Bank overview

# Bendigo and Adelaide Bank

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- Australia's fifth-largest bank
- More than 90,000 shareholders
- Over 5,000 staff
- Market capitalisation of \$5.5bn<sup>1</sup>
- A multi-brand strategy with four main business segments: Retail Banking, Third Party Banking, Bendigo Wealth, and Rural Banking
- Regulated by APRA

526 branches



## Overview

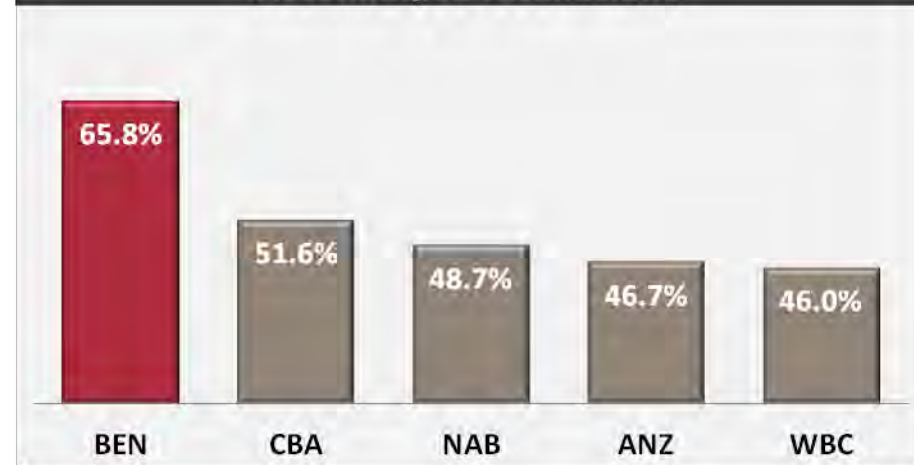
1. As at 22 April 2015



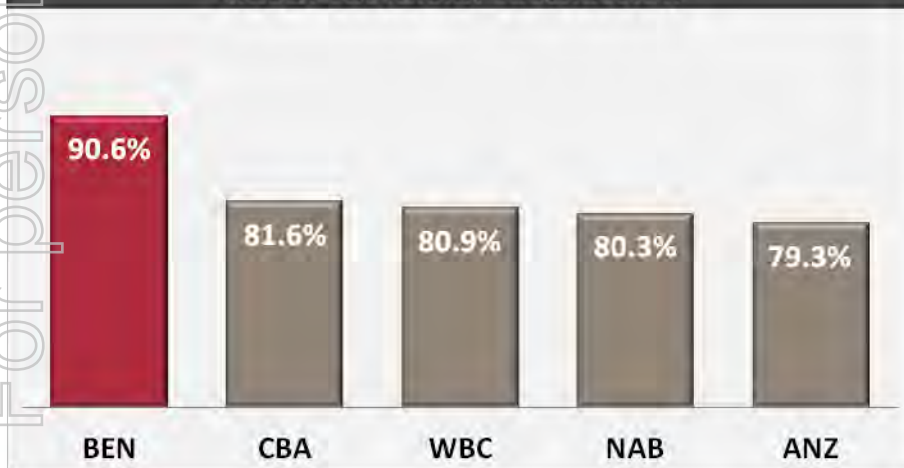
# Unique and valued customer proposition

- ★ Ranked number one ASX listed Bank for Retail and Business customer satisfaction<sup>1,2</sup>
- ★ Business bank of the year<sup>3</sup> for 2011, 2012, 2013 and 2014
- ★ Voted one of Australia's most trusted brands<sup>4</sup>
- ★ Listed in BRW's Top 50 Innovative Companies for 2014
- ★ Bendigo SmartStart Super<sup>®</sup> awarded 5 star rating for outstanding value for 2 consecutive years<sup>5</sup>

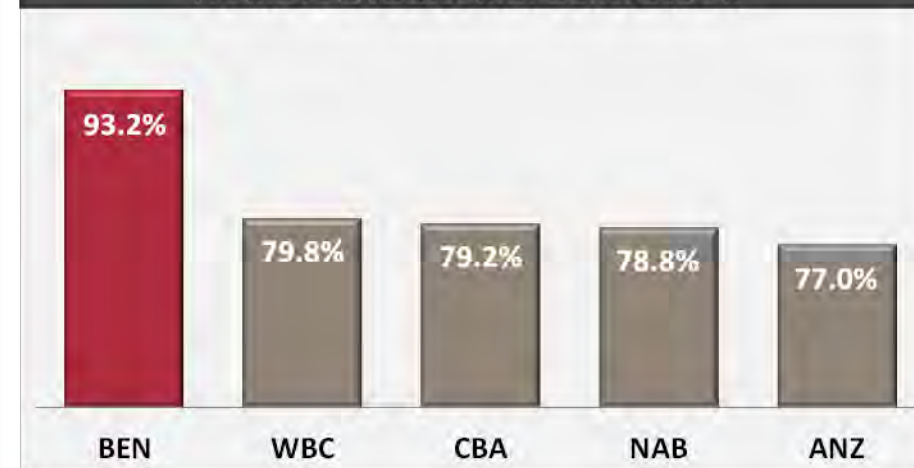
## Most likely to recommend<sup>1</sup>



## Retail customer satisfaction<sup>2</sup>



## Home loan customer satisfaction<sup>1</sup>



## Overview

1. Roy Morgan Research, High Advocate Customers, 6 month average to December 2014  
 2. Roy Morgan Research, Consumer Banking Satisfaction Report, December 2014, average 6 month sample  
 4. Readers Digest Trusted Brands 2014  
 5. Canstar

3. Roy Morgan – Business bank of the year award

# Positioned for a fast changing environment

## Economic

- Employment
- Low interest rate
- Confidence
- Ageing population

- Continued wealth investment
- Price for risk

## Market

- Low growth
- Competitive dynamics
- Consumer propensity to reduce debt

- Level playing field
- Customer advocacy and staff engagement
- Alliance Bank model

## Regulatory

- FSI / Basel
- Basel III liquidity

- Strong capital position
- LCR compliance
- Basel II Advanced accreditation

## Technology

- Market disruptors
- Consumer driven design
- Open architecture

- Partnering
- Investment in user interface
- Core systems
- Disposability

## Overview



# Half year result

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## Financial performance - statutory profit after tax

- Statutory profit after tax \$227.3m
- Benefit from tax issue finalisation and Cuscal investment
- Interim dividend of 33.0¢, fully franked<sup>1</sup>

## Financial performance - cash basis earnings

- Cash earnings of \$217.9m
- Cash earnings per share 48.1¢
- Return on average tangible equity 13.39%
- Return on average ordinary equity 9.16%

## Balance sheet management

- NIM maintained at 2.24%
- Strong Basel III compliant liquidity position
- Basel III CET1 ratio increased by 12bps half on half to 8.14%<sup>2</sup>
- \$292m additional Tier 1 capital issued in October
- Total capital increased 80bps half on half to 12.19%<sup>2</sup>

## Credit

- Great Southern settlement agreement approved by the Supreme Court of Victoria
- QLD cattle property exposure continuing to reduce
- Residential mortgages performing well

## Financial performance

1. Paid on 31 March 2015.

2. Capital ratio details based on pro-forma impact to capital adequacy for the Rural Finance acquisition which was completed 1 July 2014

# Cash earnings have grown over time

### Statutory profit (\$m)



### Cash basis profit (\$m)



### Cash earnings per share (cents)



### Return on equity (%)



### Return on tangible equity (%)



### Dividend & payout ratio (cash)



## Financial performance

# Flexible funding structure

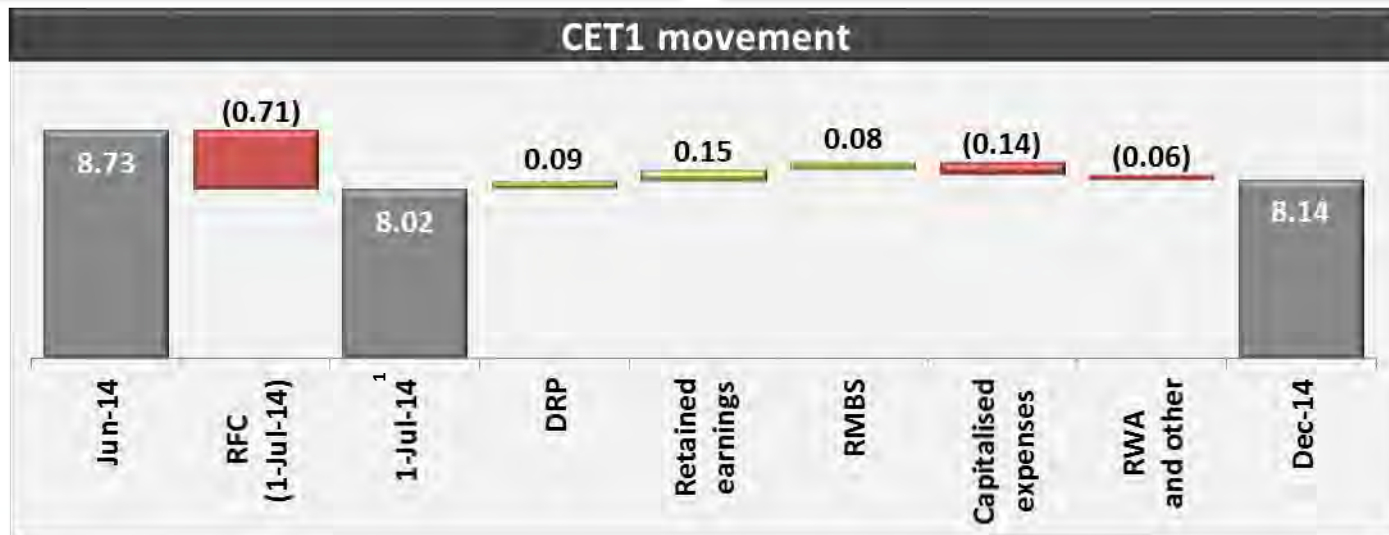
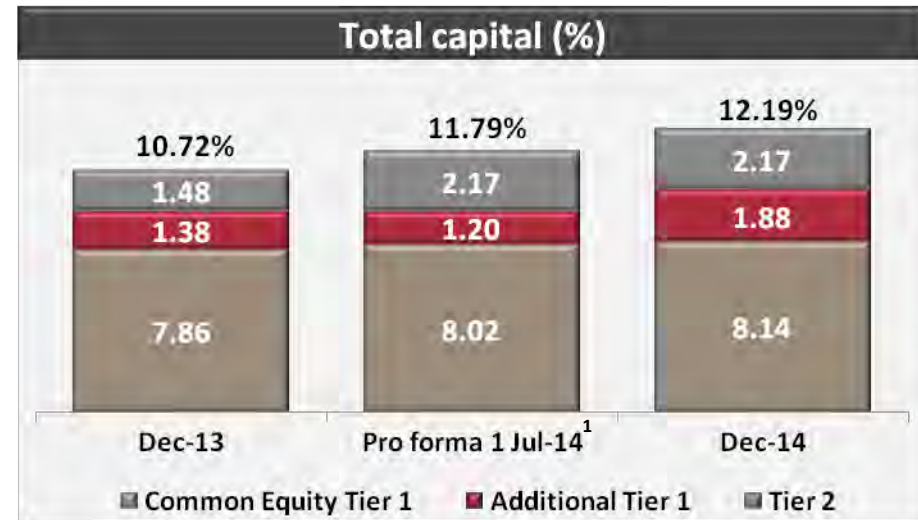
- Leveraging core strengths of the retail brand and network
- \$600m RMBS issue in December 2014
- Strong growth in at-call across a range of Retail deposit products
- Basel III liquidity transition successfully completed



## Financial overview

# Strong capital position

- Basel III CET1 ratio increased to 8.14% for the period ending 31 December 2014
- Total capital increased to 12.19% for the period ending 31 December 2014, with \$292m of additional Tier 1 capital issued in October
- \$600m RMBS provided capital and funding benefit



## Financial overview

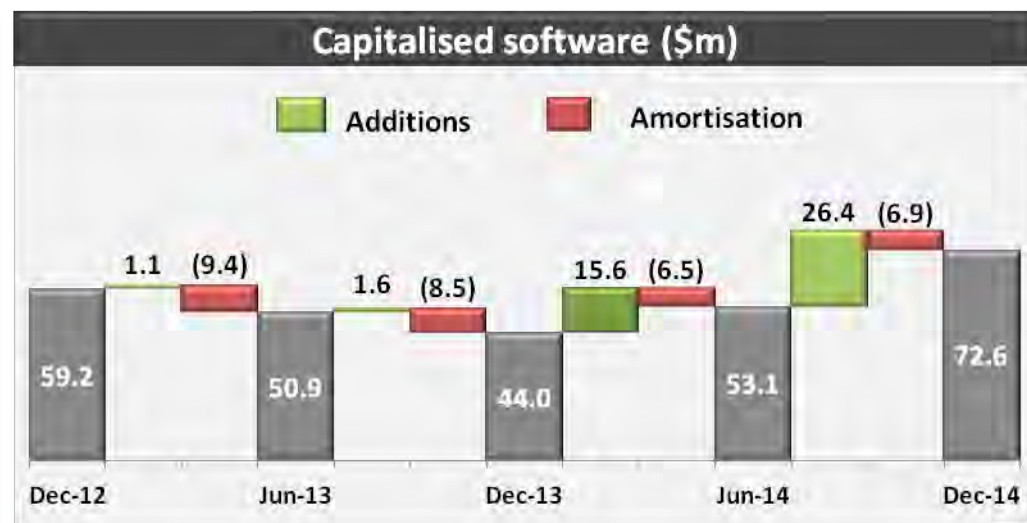
1. Shows pro-forma impact to capital adequacy of the Rural Finance acquisition which was completed on 1 July 2014



# Continued investment in Basel II & new technology

- Three streams complete
- Business banking back book re-rating undertaken
- Models show low risk profile
- External validation of models underway
- FSI recommendations impact unclear

- Capitalised software balance increased primarily due to new mobile e-banking solution
- Further increase in 2H15 following Basel II transition to BAU
- \$51m of Basel II costs capitalised to date (not yet transferred to capitalised software balance)



## Financial overview

# Bad and doubtful debts

- Portfolio remains well secured, with low LVR's
- RFC acquisition resulted in \$8.5m increase in GRCL and \$3.2m increase in Collective provision, as expected from due diligence
- Bad and doubtful debts expense was \$30.1 million, down 29.5% on the prior corresponding period

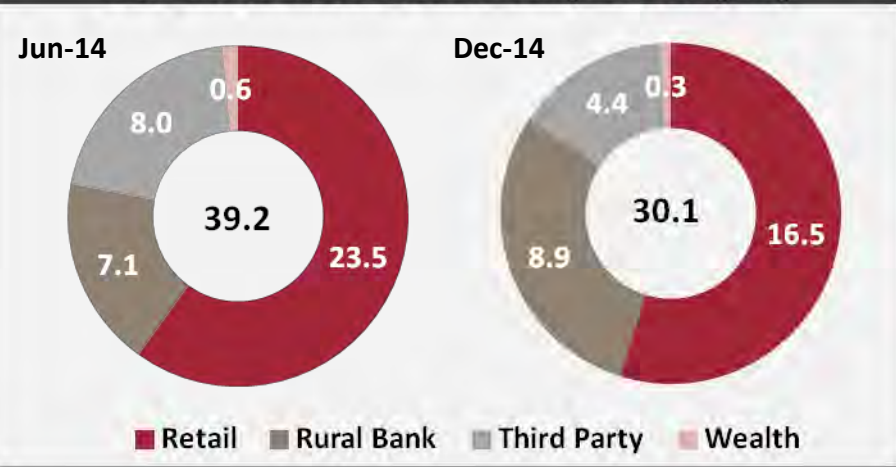
## Provisions for doubtful debts (\$m)



## Bad and doubtful debts expense (\$m)



## Bad and doubtful debts composition (\$m)



# Financial overview

1. Collective provision (adjusted for tax) & GRCL to risk weighted assets



# Arrears – 90 days+

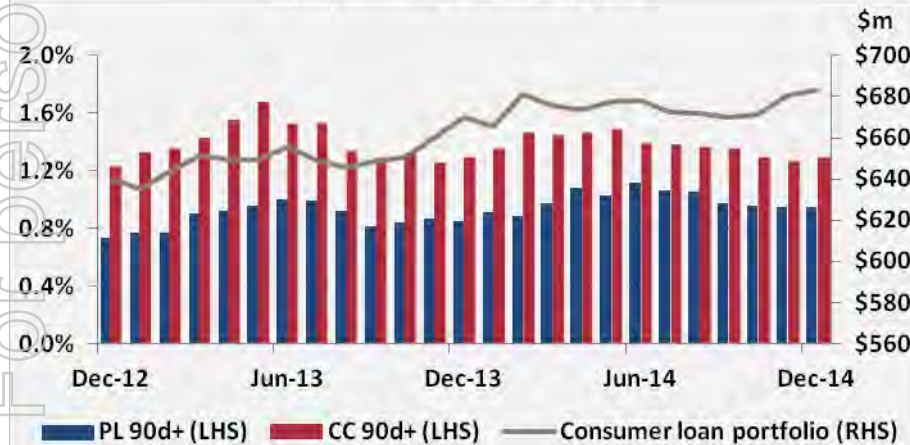
### Residential Loan Arrears



### Business Loan Arrears



### Consumer Loan Arrears



### Rural Bank Loan Arrears



## Financial overview

# Great Southern

- The Supreme Court of Victoria approved the terms of settlement of all class actions brought by investors in Great Southern managed investment schemes
- Borrowers acknowledged that their loan deeds are valid and enforceable
- BEN waived accrued but unpaid default interest that had not been recognised as revenue
- Total arrears of \$311.4m at December 2014
- Specific and collective provisions at December 2014 were \$9.8m and \$11.8m respectively
- Since Court approval in December, over 300 customers have proactively chosen to repay in excess of \$20m in overdue loans

## Pool summary statistics<sup>1</sup>

Total number of Loans:	5,480
Total value of all loans	331,951,370
Max Loan Size	2,522,686
Avg Loan Size	60,575

## Loan size distribution<sup>1</sup>



## Obligor exposure<sup>1</sup>



# Financial overview

1. Data as at 31 December 2014

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## CPS3 Offer

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## CPS3 Offer

# Dividends

## Dividends

- Dividends on CPS3 are preferred, discretionary, non-cumulative floating rate payments
- Dividends on CPS3 are scheduled to be paid semi-annually in arrears subject to certain Dividend Payment Tests
- Dividends are expected to be fully franked

## Dividend Rate

- Dividend Rate = (180 day Bank Bill Swap Rate + Margin) x (1 – Tax Rate<sup>1</sup>)
- Margin is expected to be in the range of 4.00% to 4.20%, to be determined under the Bookbuild
- As an example, assuming the 180 day Bank Bill Swap Rate is 2.25% and the Margin is 4.00%
  - The cash dividend received by a holder would be 4.375% per annum
  - If the potential value of the franking credits is taken into account in full, this would be equivalent to an unfranked dividend rate of 6.25%<sup>2</sup>

## Dividend Restriction

- If for any reason a Dividend has not been paid on a Dividend Payment Date, Bendigo and Adelaide Bank must not, subject to certain exceptions, without the approval of a Special Resolution, until and including the next Dividend Payment Date:
    - Declare or pay a dividend on Ordinary Shares; or
    - Buy back or reduce capital on any 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

## CPS3 key terms

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

# Optional Exchange Date

## Optional Exchange

- BEN may choose to Exchange all or some CPS3 on issue on the Optional Exchange Date which is 15 June 2021

## Exchange

- Subject to APRA's prior written approval and provided certain conditions are satisfied, BEN may Exchange CPS3 via:
  - Conversion<sup>1</sup> into a variable number of Ordinary Shares with a value of approximately \$101.01<sup>2</sup> based on the VWAP during a period, usually 20 Business Days, before the Exchange Date; or
  - Redemption of CPS3 for \$100 per CPS3; or
  - Resale of CPS3 for \$100 per CPS3

## Requirements for Redemption

- The choice of Redemption as the Exchange Method is subject to the condition that APRA is satisfied that either:
  - CPS3 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 CPS3 is done under conditions that are sustainable for BEN's income capacity; or
  - Having regard to the projected capital position of the Bendigo and Adelaide Bank Group, BEN does not have to replace the CPS3 the subject of the Redemption

## CPS3 key terms

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 CPS3 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.



# Mandatory Conversion

## Mandatory Conversion

- The Mandatory Conversion Date is 15 June 2023 provided that all of the Mandatory Conversion Conditions are satisfied
- On the Mandatory Conversion Date, Holders will receive approximately \$101.01<sup>1</sup> per CPS3 worth of Ordinary Shares, unless CPS3 have been 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:
  - 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;
  - 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
  - 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 CPS3 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 CPS3 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

## CPS3 key terms

<sup>1</sup>. Based on the \$100 CPS3 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



# 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 Bendigo and Adelaide Bank's Common Equity Tier 1 Capital Ratio or Bendigo and Adelaide Bank 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 Bendigo and Adelaide Bank 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) Bendigo and Adelaide Bank,APRA considers that Bendigo and Adelaide Bank would become non-viable

## Conversion

- Following a Capital Trigger Event or a Non-Viability Trigger Event, some or all CPS3 will Convert into Ordinary Shares (in some cases all CPS3 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 CPS3 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 CPS3 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 CPS3 will not be Converted but instead Written Off. This means that certain rights attached to the CPS3 will be amended to approximate the Ordinary Share rights which the Holder would have had if the relevant CPS3 had Converted into BEN Ordinary Shares

## CPS3 key terms

# Other early Exchange or Conversion

## Other early Exchange or Conversion (subject to certain conditions)

- BEN may choose to Exchange all or some CPS3 following the occurrence of a Tax Event or a Regulatory Event
- BEN may choose to Convert all (but not some) CPS3 after an Acquisition Event
- BEN must Convert all (but not some) CPS3 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 CPS3 following a Tax Event or a Regulatory Event via:
  - Conversion into a variable number of Ordinary Shares with a value of approximately \$101.01<sup>1</sup>; or
  - Redemption of CPS3 for \$100 per CPS3; or
  - Resale of CPS3 for \$100 per CPS3

## Requirements for Redemption

- Where BEN elects to Redeem CPS3 APRA must be satisfied that either:
  - CPS3 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 CPS3 is done under conditions that are sustainable for Bendigo and Adelaide Bank's income capacity; or
  - Having regard to the projected capital position of the Bendigo and Adelaide Bank Group, Bendigo and Adelaide Bank does not have to replace the CPS3 the subject of the Redemption

## CPS3 key terms

1. Based on the \$100 CPS3 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

# Level 2 Common Equity Tier 1 Capital Ratio

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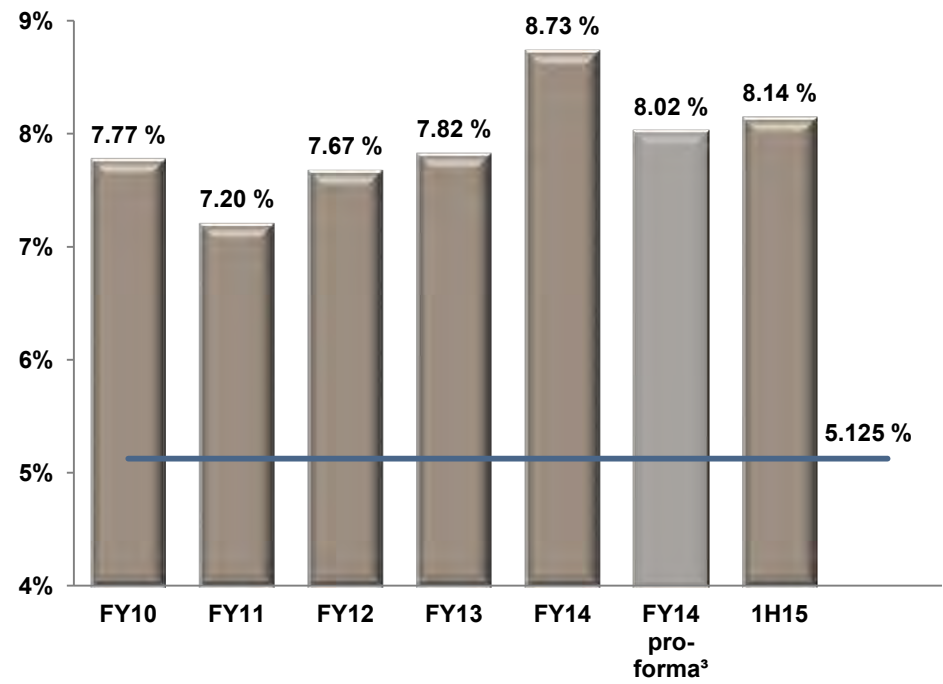
## Balance sheet strength

- Bendigo and Adelaide Bank's Level 2 Common Equity Tier 1 Capital Ratio as at 31 December 2014 on a Basel III basis was 8.14%

## Capital buffer

- \$1,042 million of Common Equity Tier 1 Capital above the Capital Trigger Event Common Equity Tier 1 Capital Ratio level of 5.125%

Level 2 common equity tier 1 ratio<sup>1,2</sup>



# Level 2 Common Equity Tier 1 Capital Ratio

1. Bendigo and Adelaide Bank's financial year denoted "FY" above, finishes on 30 June of each calendar year  
2. FY10, FY11 and FY12 Common Equity Tier 1 Capital Ratios are estimated based on APRA's prudential standards for Basel III  
3. Pro-forma for impact of the Rural Finance acquisition which was completed 1 July 2014



# Key risks<sup>1</sup>

## Key risks associated with investing in CPS3

<b>Not deposit liabilities</b>	<ul style="list-style-type: none"> <li>CPS3 are not deposit liabilities of Bendigo and Adelaide Bank, 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</li> </ul>
<b>Market price of CPS3</b>	<ul style="list-style-type: none"> <li>The price at which Holders are able to sell CPS3 on the ASX is uncertain and CPS3 may trade at a market price below the Issue price</li> </ul>
<b>Liquidity</b>	<ul style="list-style-type: none"> <li>There may be no liquid market for CPS3</li> <li>Holders who wish to sell their CPS3 may be unable to do so at a price acceptable to them, or at all</li> </ul>
<b>Exposure to BEN Group's financial performance</b>	<ul style="list-style-type: none"> <li>If Bendigo and Adelaide Bank (BEN) Group's financial performance or position declines, or if market participants anticipate that it may decline, an investment in CPS3 could decline in value even if CPS3 have not been Converted</li> </ul>
<b>Fluctuation in Ordinary Share price</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Dividends may not be paid</b>	<ul style="list-style-type: none"> <li>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</li> <li>Dividends are non-cumulative. Accordingly, in the event that BEN does not pay a scheduled Dividend, a Holder has no entitlement to such Dividend</li> </ul>
<b>Changes in Dividend Rate</b>	<ul style="list-style-type: none"> <li>The Dividend Rate will fluctuate (both increasing and decreasing) over time as a result of movements in the Bank Bill Rate</li> </ul>
<b>CPS3 are perpetual and Mandatory Conversion may never occur</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

## Key risks

1. You should read the risk factors set out in Section 6 of the Prospectus before deciding to invest in CPS3

# Key risks<sup>1</sup>

## Key risks associated with investing in CPS3

<p><b>It is not certain whether and when CPS3 may be Exchanged</b></p>	<ul style="list-style-type: none"> <li>• It is uncertain whether and when Exchange may occur and, subject to certain conditions, CPS3 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</li> <li>• The timing of any Exchange may not suit individual Holder preferences or circumstances</li> </ul>
<p><b>Conversion following a Capital Trigger Event or a Non-Viability Trigger Event</b></p>	<ul style="list-style-type: none"> <li>• 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</li> <li>• If Conversion occurs in these cases, Holders are likely to receive Ordinary Shares that are worth significantly less than the Issue Price of CPS3</li> <li>• In cases where Bendigo and Adelaide Bank is prevented from Converting CPS3 for any reason the CPS3 which should have been Converted will be Written Off. This means that certain rights attached to the CPS3 will be amended to approximate the Ordinary Share rights which the Holder would have had if the relevant CPS3 had Converted into Ordinary Shares</li> </ul>
<p><b>Conversion on a Change Of Control</b></p>	<ul style="list-style-type: none"> <li>• CPS3 may be affected by M&amp;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</li> </ul>
<p><b>Restrictions in a winding-up of BEN</b></p>	<ul style="list-style-type: none"> <li>• If there is a shortfall of funds on a winding-up of BEN to pay all amounts ranking senior to and equally with CPS3, Holders will lose all or some of their investment</li> </ul>
<p><b>Implications of an approved NOHC event</b></p>	<ul style="list-style-type: none"> <li>• There is no equivalent Dividend Restriction on an Approved NOHC if BEN does not pay a Dividend on CPS3</li> <li>• Holders may receive Approved NOHC ordinary shares rather than BEN ordinary shares on Conversion</li> </ul>
<p><b>Risks associated with Bendigo and Adelaide Bank generally</b></p>	<ul style="list-style-type: none"> <li>• Key risks associated with an investment in Bendigo and Adelaide Bank and the business of the Bendigo and Adelaide Bank Group generally are set out at section 6.2 of the Prospectus and should be read in full before investing in CPS3</li> </ul>

## Key risks

1. You should read the risk factors set out in Section 6 of the Prospectus before deciding to invest in CPS3

# Key dates

<b>Date for determining Eligible Securityholders</b>	Monday, 20 April 2015
<b>Lodgement of the Prospectus with ASIC</b>	Monday, 27 April 2015
<b>Bookbuild to determine the Margin</b>	Friday, 1 May 2015
<b>Announcement of the Margin</b>	Friday, 1 May 2015
<b>Lodgement of the replacement Prospectus with ASIC</b>	Tuesday, 5 May 2015
<b>Opening date</b>	Tuesday, 5 May 2015
<b>Closing date for Securityholder Offer and General Offer</b>	5:00pm, Friday, 5 June 2015
<b>Closing date for Broker Firm Offer (excluding applications in respect of reinvested BPS)</b>	10:00am, Friday, 12 June 2015
<b>Issue date</b>	Monday, 15 June 2015
<b>CPS3 commence trading on ASX (deferred settlement basis)</b>	Tuesday, 16 June 2015
<b>Holding statements despatched by</b>	Friday, 19 June 2015
<b>CPS3 commence trading on ASX (normal settlement basis)</b>	Monday, 22 June 2015
<b>First dividend payment date<sup>1</sup></b>	Tuesday, 15 December 2015
<b>Optional Exchange Date</b>	Tuesday, 15 June 2021
<b>Mandatory Conversion Date<sup>2</sup></b>	Thursday, 15 June 2023

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

## Scheduled key dates

1. Dividends are scheduled to be paid at the end of each semi-annual Dividend Period (on 15 December and 15 June) 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 2023, or may not occur at all, if the Mandatory Conversion Conditions are not satisfied – see Section 2.5 of prospectus



# Key dates – BPS Holders

<b>Record date for determining Eligible BPS Holders for the Reinvestment Offer</b>	Monday, 20 April 2015
<b>Record date for BPS Dividend</b>	Friday, 22 May 2015
<b>Last day of trading for BPS on ASX</b>	Tuesday, 2 June 2015
<b>Closing date for the Reinvestment Offer</b>	5:00pm, Friday, 5 June 2015
<b>Closing date for the Broker Firm Offer (applications in respect of reinvested BPS)</b>	5:00pm, Friday, 5 June 2015
<b>Redemption date for BPS and payment date for BPS dividend</b>	Monday, 15 June 2015

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

## Scheduled key dates

# Contact details

## Bendigo and Adelaide Bank



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### Further Information:

Please call the CPS3 Information Line on 1300 721 730 (within Australia) or +61 3 9415 4340 (International) between 9:00am and 5:00pm (Melbourne time), Monday to Friday or visit [www.BendigoCPS3offer.com.au](http://www.BendigoCPS3offer.com.au)

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## Joint Lead Manager



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## Joint Lead Manager



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## Joint Lead Manager



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# Contact details

