

Issue of new Bendigo and Adelaide Bank Converting Preference Shares 4 and redemption of Bendigo and Adelaide Bank Convertible Preference Shares

Bendigo, Monday 16 October 2017: Bendigo and Adelaide Bank (“**BEN**”) today announced an offer of new Converting Preference Shares 4 (“**CPS4**”), which are expected to be quoted on the Australian Securities Exchange (“**ASX**”) and trade under the ASX code “**BENPG**”.

CPS4 Offer

BEN intends to raise approximately \$300 million through the offer of CPS4, with the ability to raise more or less (the “**Offer**”). CPS4 are being issued to support BEN’s balance sheet growth and to ensure BEN continues to have strong regulatory capital levels, with the proceeds available to be used to fund the redemption of BEN’s Convertible Preference Shares (ASX ticker code: BENPD) (“**CPS**”) and for general corporate purposes.

CPS4 are fully paid, non-cumulative, perpetual, converting preference shares and will qualify as Additional Tier 1 Capital under APRA’s Basel III capital adequacy framework.¹

CPS4 will provide investors with floating rate, quarterly, discretionary, non-cumulative dividends that are expected to be fully franked. The Margin is expected to be in the range of 3.75 per cent to 3.95 per cent, and will be set by way of Bookbuild to be conducted on or around 23 October 2017. Based on the expected Margin and assuming a 90 day Bank Bill Rate of 1.705 per cent, the Dividend Rate on CPS4 would be equivalent to an unfranked Dividend Rate of between 5.455 per cent and 5.655 per cent per annum which is equivalent to a fully franked cash Dividend Rate of between 3.819 per cent and 3.959 per cent.²

If certain conditions are met (including APRA’s prior written approval), BEN may elect to redeem, resell or convert CPS4 into Ordinary Shares of BEN on 13 June 2024. Otherwise, CPS4 will mandatorily convert into Ordinary Shares of BEN on 15 June 2026 (subject to certain conditions being satisfied or unless exchanged earlier). CPS4, in accordance with their terms of issue, are subject to automatic conversion into Ordinary Shares of BEN upon the occurrence of a Non-Viability Trigger Event or Capital Trigger Event.

The Offer comprises:

- a Reinvestment Offer to Eligible CPS Holders – being registered holders of CPS with a registered address in Australia at 7:00pm (Melbourne time) on 12 October 2017 (see further details below);
- a Securityholder Offer to Eligible Securityholders – being registered holders of Ordinary Shares, CPS2, CPS3 or Capital Notes with a registered address in Australia at 7:00pm (Melbourne time) on 12 October 2017;
- a Broker Firm Offer to Broker Firm Applicants including Eligible CPS Holders – being Australian resident retail clients of a Syndicate Broker; and
- an Institutional Offer to Institutional Investors – being certain Institutional Investors invited by the Joint Lead Managers to participate in the Offer.

¹ Note that CPS4 are not deposit liabilities or protected accounts of BEN under the Banking Act 1959 (Cth), nor are they guaranteed or insured by any government or any other person.

² Assuming a 90 day Bank Bill Rate of 1.705 per cent and assuming the value of franking credits is taken into account in full. You should be aware that the ability to use franking credits will depend on your individual tax position.

The Reinvestment Offer and Securityholder Offer are expected to close at 5:00pm (Melbourne time) on 1 December 2017.

The Broker Firm Offer for applications in respect of Reinvested CPS is also expected to close at 5:00pm (Melbourne time) on 1 December 2017 and the Broker Firm Offer for all other applications excluding those in respect of Reinvested CPS is expected to close at 10:00am (Melbourne time) on 12 December 2017.

Redemption of CPS and Reinvestment Offer

BEN today issued a CPS Exchange Notice to redeem the CPS for \$100 per CPS on the upcoming CPS Optional Exchange Date, being 13 December 2017.

Eligible CPS Holders will have the opportunity to participate in the Offer by electing to have some or all of their CPS redemption proceeds (i.e. \$100 per CPS) applied to the Application Payment for CPS4. Under the Reinvestment Offer, Eligible CPS Holders will not be required to make a separate Application Payment to the extent that their CPS redemption proceeds will be reinvested directly in CPS4. Eligible CPS Holders who participate in the Reinvestment Offer are guaranteed an Allocation of one CPS4 for every one CPS they reinvest. Eligible CPS Holders will also have the opportunity to apply for additional CPS4 and a separate Application Payment would have to be made for those additional CPS4.

All holders of CPS as at the CPS Dividend record date of 28 November 2017 (including Eligible CPS holders who elect to participate in the Reinvestment Offer) are expected to receive a final fully franked CPS Dividend of \$2.4041 for each CPS on 13 December 2017.

Participation in the Reinvestment Offer is voluntary and BEN intends that all outstanding CPS which have not been reinvested in CPS4 will be redeemed by BEN on 13 December 2017 in accordance with the CPS Exchange Notice.

Full details of the Offer including the Reinvestment Offer are set out in the prospectus lodged with the Australian Securities and Investments Commission and ASX today ("**Prospectus**"). A replacement Prospectus, containing the final Margin will be made available when the Offer opens, expected to be on 24 October 2017. Investors should read and consider the Prospectus in full and obtain professional advice before deciding whether to acquire CPS4 or participate in the Reinvestment Offer. Applications for CPS4 under the Offer can only be made by completing the Application Form that will be in, or will accompany, the Prospectus. This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs.

Investor information

Investors may request a copy of the Prospectus by calling the CPS4 Information Line on 1300 032 762 (within Australia) or +61 2 8023 5417 (International) between 8.15am and 5.30pm (Melbourne time), on Monday to Friday or by visiting www.BendigoCPS4offer.com.au.

Westpac Institutional Bank is the Arranger and Joint Lead Manager to the Offer. National Australia Bank Limited and J.P. Morgan Australia Limited have also been appointed as Joint Lead Managers to the Offer. JBWere Limited and Ord Minnett have been appointed as co-managers to the Offer.

Capitalised terms in this announcement have the meaning given to them in the Prospectus.

Indicative timetable for the Offer

KEY DATES FOR THE OFFER	DATE
Date for determining Eligible Securityholders	Thursday, 12 October 2017
Lodgement of this 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 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
KEY DATES FOR CPS4	
First Dividend Payment Date ³	Tuesday, 13 March 2018
Optional Exchange Date	Thursday, 13 June 2024
Mandatory Conversion Date ⁴	Monday, 15 June 2026
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

References to times in this Prospectus are to the time in Melbourne, Victoria, Australia, unless otherwise stated. The key dates above are indicative only and may change without notice.

³ 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.

⁴ 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.

Further details

Analysts

Nicole Rooke
Head of Investor Relations
Phone: 03 5485 6286
Mobile: 0431 442 808
nicole.rooke@bendigoadelaide.com.au

Media

Silvana Arena
Head of Public Relations
Phone: 08 8220 7784
Mobile: 0402 110 445
silvana.arena@bendigoadelaide.com.au