

Issue of new Bendigo and Adelaide Bank Capital Notes 2 and reinvestment offer for Bendigo and Adelaide Bank Converting Preference Shares 4

26 February 2024

Bendigo and Adelaide Bank Limited (ASX:BEN)

Bendigo and Adelaide Bank Limited (**ASX: BEN**), today announced an offer of new Capital Notes 2 (**CN2**), which are expected to be quoted on the Australian Securities Exchange (**ASX**) and trade under the ASX code BENPI.

Capital Notes 2 Offer

BEN intends to raise approximately \$250 million through the offer of CN2, with the ability to raise more or less (the **Offer**). The Offer includes a reinvestment offer to eligible Converting Preference Shares 4 (ASX: BENPG) (**CPS4**) holders to reinvest all or some of their CPS4 in CN2 (the **Reinvestment Offer**). The CN2 proceeds will be used to fund the redemption of CPS4 that are reinvested in CN2 under the Offer (**Participating CPS4**) and for BEN's general corporate purposes. The CN2 proceeds may also be used to fund the redemption of any remaining CPS4 which are not reinvested under the Offer (which have an optional exchange date of 13 June 2024).

Important changes to the eligibility criteria requirements and the application process

In response to laws known as the product design and distribution obligations (**DDO Laws**), BEN has changed the way the Offer is conducted compared to previous BEN capital notes or convertible preference share (Additional Tier 1 or **AT1**) offers. These changes are important because some investors who have previously participated in BEN AT1 offers may not be eligible to participate in the Offer.

In summary, under the Offer:

- All Applications, including under the Reinvestment Offer, must be made through a Syndicate Broker.
- Applicants will need to satisfy new eligibility requirements, including retail investors obtaining personal advice from a financial adviser to acquire CN2, or otherwise qualifying as a Wholesale Client.
- There is no specific offer for BEN securityholders.
- There is no ability to apply to BEN directly.

About the Offer

The Offer comprises:

- a **Reinvestment Offer** – to Eligible CPS4 Holders who are clients of Syndicate Brokers or Institutional investors and wish to reinvest some or all of their CPS4 in CN2; and
- a **New Money Offer** – to eligible clients of Syndicate Brokers and Institutional Investors wishing to make a new investment in CN2.

Features of Capital Notes 2

CN2 are fully paid, non-cumulative, convertible, perpetual, subordinated, unsecured notes and will qualify as Additional Tier 1 Capital under APRA's Basel III capital adequacy framework.

CN2 are expected to provide investors with floating rate, quarterly, discretionary, non-cumulative distributions that are expected to be fully franked. The Margin is expected to be between 3.20 per cent to 3.40 per cent and will be set by way of Bookbuild and announced to the market on or around 1 March 2024. Based on the expected Margin and assuming a Market Rate of 4.30 per cent, the Distribution Rate on CN2 would be equivalent to an unfranked Distribution Rate of between 7.50 per cent and 7.70 per cent per annum which is equivalent to a fully franked cash Distribution Rate of between 5.25 per cent and 5.39 per cent.¹

If certain conditions are met (including APRA providing its prior written approval), BEN may elect to Exchange, Redeem or Resell CN2 on a Call Date, being each of 13 December 2030, 13 March 2031, 13 June 2031 and 13 September 2031, or on the occurrence of certain events. Otherwise, CN2 will mandatorily Exchange into ordinary shares of BEN on 13 September 2033 (subject to certain conditions being satisfied or unless Redeemed, Resold, Exchanged or Written Off

¹ Assuming a Market Rate of 4.30 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.

earlier). CN2, in accordance with their terms of issue, must Exchange into ordinary shares of BEN upon the occurrence of a Non-Viability Trigger Event or a Capital Trigger Event.

Target Market

BEN has made a Target Market Determination (**TMD**) for CN2 in accordance with its obligations under the DDO Laws. The TMD for CN2 describes, among other things, the class of retail investors that comprise the Target Market for CN2.

If you are a retail investor and wish to apply for CN2, you:

- must obtain personal advice on whether you are within the Target Market and whether an investment in CN2 is suitable for you in light of your objectives, financial situation and needs; and
- can only apply for CN2 if you are within the Target Market and have received personal financial product advice from a financial adviser to acquire CN2.

The Target Market Determination is available at www.CN2offer.bendigoadelaide.com.au.

Resale of CPS4 and Reinvestment Offer

BEN today issued an Exchange Notice (**CPS4 Exchange Notice**) in accordance with the CPS4 Terms. The CPS4 Exchange Notice confirms that, subject to the Offer proceeding and certain other conditions being met, on the issue date for CN2, CPS4 that are to be reinvested in CN2 under the Reinvestment Offer (being Participating CPS4) will be resold to the CPS4 Nominated Purchaser and then redeemed in the hands of the CPS4 Nominated Purchaser by BEN, in each case for \$100 per Participating CPS4.

Following the issue date for CN2, CPS4 that are not reinvested in CN2 under the Reinvestment Offer (being **Non-Participating CPS4**) will continue to remain on issue. On 13 June 2024, BEN then has the option under the CPS4 Terms to:

- redeem all or some of the Non-Participating CPS4 for their face value of \$100 (subject to APRA's prior written approval, which may or may not be given); and/or
- resell all or some of the Non-Participating CPS4 for their face value of \$100 to a nominated third party selected by BEN; and/or
- convert all or some of the Non-Participating CPS4 into ordinary shares of BEN.

Participation in the Reinvestment Offer is voluntary and as at the date of this announcement, BEN intends to issue a further notice to mandatorily resell all remaining CPS4 (being the Non-Participating CPS4) on 13 June 2024 to a nominated purchaser, and then redeem those CPS4 in the hands of the nominated purchaser, in each case for \$100 per CPS4, however this remains subject to conditions and is at BEN's absolute discretion.

Full details of the Offer, including the Reinvestment Offer, are set out in the prospectus lodged with the Australian Securities and Investments Commission (**ASIC**) and ASX today (**Prospectus**). A replacement Prospectus, containing the final Margin will be made available when the Offer opens, which is expected to be on 5 March 2024. Investors should read and consider the Prospectus in full and obtain professional advice before deciding whether to acquire CN2 or participate in the Reinvestment Offer.

How to apply

All Applications must be submitted through a Syndicate Broker. Applications for CN2 under the Offer must:

- satisfy eligibility requirements, including that retail investors must be within the Target Market and have received personal advice from a financial advisor to acquire CN2, or otherwise qualify as a Wholesale Client; and
- have received an Allocation of CN2 from a Syndicate Broker under the Bookbuild.

Potential investors should contact their Syndicate Broker as soon as possible during the Exposure Period to express an interest in applying for CN2 or to obtain more information on whether they satisfy the eligibility requirements.

Investor information

Investors may access an electronic version of the Prospectus by visiting www.CN2offer.bendigoadelaide.com.au. If you require further information, you should contact your Syndicate Broker or a qualified financial adviser. You can also call the Capital Notes 2 Information Line on 1300 657 159 (within Australia) or +61 1300 657 159 (International) (Monday to Friday – 8:30am to 7:30pm Melbourne time).

Westpac Institutional Bank is the Arranger and Joint Lead Manager to the Offer. ANZ Securities Limited, Commonwealth

Bank of Australia, National Australia Bank, Ord Minnett Limited and UBS AG, Australia Branch have also been appointed Joint Lead Managers to the Offer. JBWere Ltd, LGT Crestone Wealth Management Limited and Wilsons Advisory and Stockbroking Limited 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
Lodgement of Prospectus with ASIC and ASX	Monday, 26 February 2024
Bookbuild period commences for Syndicate Brokers to determine the Margin	Monday, 26 February 2024
Announcement of the Margin and confirmation of Bookbuild Allocations to the Syndicate Brokers	Friday, 1 March 2024
Lodgement of replacement Prospectus with ASIC and ASX (with final Margin)	Tuesday, 5 March 2024
Opening Date for investors to apply for CN2 Allocated by the Syndicate Brokers under the Bookbuild	Tuesday, 5 March 2024
Closing Date for investors to apply for CN2 Allocated by the Syndicate Brokers under the Bookbuild (including the Reinvestment Offer)	5:00pm, Tuesday, 19 March 2024
Settlement Date	Friday, 22 March 2024
Issue Date	Monday, 25 March 2024
CN2 commence trading on ASX (normal settlement basis)	Tuesday, 26 March 2024
Holding Statements for CN2 despatched	Wednesday, 27 March 2024
KEY DATES FOR CAPITAL NOTES 2	
First Distribution Payment Date ²	13 June 2024
Call Dates	13 December 2030 13 March 2031 13 June 2031 13 September 2031
Mandatory Exchange Date ³	13 September 2033
KEY DATES FOR CPS4 HOLDERS	
Reinvestment Offer Record Date (record date for determining Eligible CPS4 Holders for the Reinvestment Offer)	7:00pm, Thursday, 22 February 2024
Opening Date for investors to apply for CN2 Allocated by the Syndicate Brokers for the Reinvestment Offer	Tuesday, 5 March 2024
Scheduled CPS4 Dividend payment date ⁴	Wednesday, 13 March 2024

² Distributions are scheduled to be paid at the end of each quarterly Distribution Period (on 13 March, 13 June, 13 September and 13 December). If any of these scheduled dates are not Business Days, then the Distribution Payment Date will occur on the next Business Day. You should note that the first Distribution Period is a shorter period of 80 days and other Distribution Periods will otherwise generally be 90 to 92 days. Distributions on CN2 are discretionary, non-cumulative, floating rate payments and payment is subject to the Distribution Payment Conditions being satisfied.

³ The Mandatory Exchange Date may be later than 13 September 2033, or may not occur at all, if the Mandatory Exchange Conditions are not satisfied.

⁴ Dividends on CPS4 are preferred, discretionary, non-cumulative, floating rate payments and are subject to the Dividend Payment Tests being satisfied.

Record date for the First Pro Rata Dividend on all CPS4 ⁴	7:00pm, Wednesday, 13 March 2024
Closing Date for investors to apply for CN2 Allocated by the Syndicate Brokers for the Reinvestment Offer	5:00pm, Tuesday, 19 March 2024
Payment date for the First Pro Rata Dividend on all CPS4 ⁴	Monday, 25 March 2024
Expected date for the resale of the Participating CPS4 to the CPS4 Nominated Purchaser	Monday, 25 March 2024
Reinvested CPS4 Reinvestment Date	Monday, 25 March 2024
Issue Date for CN2	Monday, 25 March 2024
Record date for the Second Pro Rata Dividend on remaining CPS4	7:00pm, Friday, 31 May 2024
Payment date for the Second Pro Rata Dividend on remaining CPS4	Thursday, 13 June 2024
Optional exchange date for remaining CPS4	Thursday, 13 June 2024

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

Approved for release by:

Marnie Baker, Chief Executive Officer and Managing Director

Bendigo & Adelaide Bank Limited

Important information for investors

An investment in CN2 is an investment in the BEN Group and may be affected by the ongoing performance, financial position and solvency of the Group. CN2 are not deposit liabilities of BEN or "protected accounts" for the purposes of the *Banking Act 1959* (Cth) or Financial Claims Scheme, nor are they guaranteed or insured by any government, government agency or compensation scheme in any jurisdiction, by any member of the BEN Group or by any other person. This announcement is not investment advice and has not taken into account any person's objectives, financial situation or needs. Investors should consider the Prospectus and obtain professional advice from their financial advisor or other professional advisor in deciding whether to apply for CN2.

This announcement does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. In particular, CN2 have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the Securities Act) unless CN2 are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

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About Bendigo and Adelaide Bank Limited

Bendigo and Adelaide Bank is Australia's better big bank, with more than 7,000 staff helping our over 2 million customers to achieve their financial goals. Bendigo and Adelaide Bank's vision is to be Australia's bank of choice, by feeding into the prosperity of customers and their communities.

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879. (1615280-161579) (05/21)