

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

BENDIGO AND ADELAIDE BANK LIMITED

ABN

11 068 049 178

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Convertible preference shares 2 ("CPS2") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,921,188 |

+ See chapter 19 for defined terms.

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<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Please refer to the replacement prospectus lodged with ASIC and ASX on 11 September 2014 ("Prospectus") (in particular, sections 1.2 and 2 and the full terms of issue of CPS2 at Appendix A of the Prospectus). Capitalised terms in this Appendix 3B have the same meaning as set out in the Prospectus and the CPS2 terms.</p> <p>CPS2 are fully paid, convertible, perpetual, non-cumulative, unsecured preference shares issued by Bendigo and Adelaide Bank Limited ("BEN").</p> <p>CPS2 will mandatorily convert into Ordinary Shares on the Mandatory Conversion Date, subject to the Mandatory Conversion Conditions being satisfied, unless CPS2 are Exchanged earlier in accordance with the CPS2 Terms. The Scheduled Mandatory Conversion Date is 30 November 2022.</p> <p>If any of the Mandatory Conversion Conditions are not satisfied on this date, then the Mandatory Conversion Date will be deferred until the next Dividend Payment Date on which the Mandatory Conversion Conditions are satisfied.</p> <p>Upon Conversion on a Mandatory Conversion Date, BEN CPS2 Holders will receive a variable number of Ordinary Shares with a value of approximately \$101.01 per CPS2 (based on the VWAP of Ordinary Shares sold on ASX during a period of 20 Business Days before the Mandatory Conversion Date).</p> <p>In certain circumstances (and subject to APRA's prior written approval), BEN may choose to Exchange:</p> <ul style="list-style-type: none"> • all or some CPS2 following a Tax Event or a Regulatory Event; • all (but not some only) CPS2 following an Acquisition Event; or • all or some CPS2 on the Optional Exchange Date (30 November 2020). <p>Subject to certain conditions, BEN must Convert all CPS2 after a Change of Control Event.</p> <p>In addition, CPS2 must Convert on the occurrence of a Capital Trigger Event or a Non-Viability Trigger Event. If on a Capital Trigger Conversion Date or Non-Viability Conversion Date, BEN is prevented from Converting any CPS2 which would otherwise be Converted, the relevant CPS2 will not be converted and the CPS2 will be Written Off (which means the rights of CPS2 Holders in respect of the receipt of dividends or returns of capital on CPS2 will be automatically varied in accordance with the CPS2 Terms).</p> <p>Dividends on CPS2 are preferred, discretionary, non-cumulative, floating rate payments which are expected to be fully franked. Dividends on CPS2 are scheduled to be paid semi-annually in arrears and are subject to the satisfaction of the Dividend Payment Tests.</p> <p>CPS2 do not carry voting rights except in the limited circumstances described in the CPS2 Terms.</p>
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, with respect to ranking in respect of dividends and in a winding up, and voting rights – please see the Prospectus (particularly section 2.9) and clauses 11.1 and 11.2 of the CPS2 Terms.</p> <p>In respect of payment of dividends, CPS2 rank:</p> <ul style="list-style-type: none"> • senior to Ordinary Shares; • equally and without preference among CPS2; • equally with all Equal Ranking Instruments and other securities and instruments that BEN has or may issue under the Constitution or that by their terms rank equally with respect to priority of payment of dividends (other than in a winding up). <p>In a winding-up of BEN, CPS2 Holders will be entitled to claim for the Liquidation Sum for each CPS2. Holders will rank for payment of the Liquidation Sum in a winding-up of BEN:</p> <ul style="list-style-type: none"> • ahead of Ordinary Shares; • equally and without preference with other CPS2; • equally with Equal Ranking Instruments; and • junior to the claims of all creditors of BEN, including depositors, other than creditors expressed to rank equally with the CPS2 in a winding-up. <p>Any return in a winding up may be adversely affected if Conversion is required on account of a Capital Trigger Event or a Non-Viability Trigger Event. The Ordinary Shares held as a result of any Conversion of CPS2 will, following Conversion, rank equally with existing Ordinary Shares of BEN.</p>
<p>5 Issue price or consideration</p>	<p>\$100 per CPS2</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Offer is being made as part of BEN's ongoing capital management strategy, with CPS2 being eligible Additional Tier 1 Capital. The CPS2 proceeds will be used to fund the redemption of SPS and for BEN's general corporate purposes. BEN may also use a proportion of the CPS2 proceeds to fund the redemption of existing Bendigo and Adelaide Bank Preference Shares (BPS).</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>

+ See chapter 19 for defined terms.

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6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Not applicable
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	10 October 2014

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	450,887,389 900,000 2,688,703 210,853 2,921,188 BEN BENPB BENPD BENHB BENPE (CPS2) (Please note that 1,000,000 BENPC will be redeemed on 10 October 2014)

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	6,310 620,449 637,944 487,610 100,000 300,000 833,422 124,228 306,488 257,779 BENAS BENAU BENAI BENAK BENAY BENAZ BENAA BENAB BENAC BENAD

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	CPS2 are scheduled to pay preferred, discretionary, non-cumulative Dividends until all CPS2 are Converted or Redeemed. Dividends are based on a floating rate plus a fixed Margin (determined by the Bookbuild), adjusted for BEN's tax rate and are expected to be fully franked. Dividends are scheduled to be paid semi-annually in arrears and are subject to the satisfaction of the Dividend Payment Tests. However, if BEN does not pay a Dividend in full on a Dividend Payment Date, certain restrictions will apply to BEN unless the Dividend is paid in full within 3 Business Days of that date. For further details, see clause 3 of the CPS2 Terms.
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Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable

+ See chapter 19 for defined terms.

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14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable

+ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Issue date	Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

- 38 Number of ⁺securities for which ⁺quotation is sought

Not applicable

- 39 ⁺Class of ⁺securities for which quotation is sought

Not applicable

- 40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?
- If the additional ⁺securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- | |
|----------------|
| Not applicable |
|----------------|

⁺ See chapter 19 for defined terms.

41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)</p>	Not applicable					
42	<p>Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the ⁺securities in clause 38)</p>	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>Not applicable</td><td>Not applicable</td></tr></table>	Number	⁺ Class	Not applicable	Not applicable	
Number	⁺ Class						
Not applicable	Not applicable						

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:Date: 10 October 2014
(~~Director~~/Company secretary)

Print name: WILLIAM GERARD CONLAN

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.