

asx release



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Basel III Pillar 3 Disclosures: Prudential Standard APS 330

Bendigo and Adelaide Bank is an Authorised Deposit-taking Institution (ADI) subject to regulation by Australian Prudential Authority (APRA). Attached is the prudential information required to be disclosed in accordance with Prudential Standard APS 330.

The prudential disclosures have been prepared for the Bendigo and Adelaide Bank Limited (the Group) including Rural Bank Limited.

The disclosures provided have been prepared as at 30 June 2015.

Further information

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Table 1 Common Disclosure Template

The Group is applying the Basel III regulatory adjustments in full as implemented by APRA. The capital disclosures detailed in the Common Disclosure template below represent the post 1 January 2018 Basel III common disclosure requirements.

	30 June 2015 Basel III %
Capital Ratios	
Common Equity Tier 1	8.17%
Tier 1	10.60%
Total Capital	12.57%

	30 June 2015 Basel III \$m	Reconciliation Table Reference
Common Equity Tier 1 capital: instruments and reserves		
1	4,235.4	a
2	486.9	e
3	-55.0	f, p, q, r, s
4	N/A	
5	N/A	
6	4,667.3	
Common Equity Tier 1 capital : regulatory adjustments		
7	N/A	
8	1,441.5	d
9	64.3	g - h
10	0.0	
11	-51.2	f
12	0.0	
13	N/A	
14	N/A	
15	2.3	c
16	N/A	
17	N/A	
18	N/A	
19	N/A	
20	N/A	
21	N/A	
22	N/A	

Table 1 Common Disclosure Template Continued

		30 June 2015	Reconciliation
		Basel III	Table
			Reference
		\$m	
23	of which: significant investments in the ordinary shares of financial entities	N/A	
24	of which: mortgage servicing rights	N/A	
25	of which: deferred tax assets arising from temporary differences	N/A	
26	National specific regulatory adjustments (sum of rows 26a, 26b, 26c, 26d, 26e, 26f, 26g, 26h, 26i and 26j)	375.5	
26a	of which: treasury shares	N/A	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	N/A	
26c	of which: deferred fee income	N/A	
26d	of which: equity investments in financial institutions not reported in rows 18, 19 and 23	20.2	v (less g)
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	42.6	t (less u)
26f	of which: capitalised expenses	284.2	i - n
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	8.0	v
26h	of which: covered bonds in excess of asset cover in pools	N/A	
26i	of which: undercapitalisation of a non-consolidated subsidiary	9.1	v
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	11.4	x
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0.0	
28	Total regulatory adjustments to Common Equity Tier 1	1,832.4	
29	Common Equity Tier 1 Capital (CET1)	2,834.9	
Additional Tier 1 Capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments	843.2	b
31	of which: classified as equity under applicable accounting standards	N/A	
32	of which: classified as liabilities under applicable accounting standards	843.2	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0.0	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	N/A	
35	of which: instruments issued by subsidiaries subject to phase out	N/A	
36	Additional Tier 1 Capital before regulatory adjustments	843.2	
Additional Tier 1 Capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	N/A	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	N/A	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	

Table 1 Common Disclosure Template Continued

		30 June 2015 Basel III	Reconciliation Table Reference
		\$m	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	N/A	
41	National specific regulatory adjustments (sum of rows 41a, 41b and 41c)	N/A	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	N/A	
41b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 39 and 40	N/A	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	N/A	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	N/A	
43	Total regulatory adjustments to Additional Tier 1 capital	0.0	
44	Additional Tier 1 capital (AT1)	843.2	
45	Tier 1 Capital (T1=CET1+AT1)	3,678.1	
Tier 2 Capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments	300.0	y
47	Directly issued capital instruments subject to phase out from Tier 2	206.8	w
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group T2)	N/A	
49	of which: instruments issued by subsidiaries subject to phase out	N/A	
50	Provisions	178.1	o
51	Tier 2 Capital before regulatory adjustments	684.9	
Tier 2 Capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	N/A	
53	Reciprocal cross-holdings in Tier 2 instruments	N/A	
54	Investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	N/A	
55	Significant investments in the Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	N/A	
56	National specific regulatory adjustments (sum of rows 56a, 56b and 56c)	0.0	
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	N/A	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidation not reported in rows 54 and 55	N/A	
56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	N/A	
57	Total regulatory adjustments to Tier 2 capital	0.0	
58	Tier 2 capital (T2)	684.9	
59	Total capital (TC=T1+T2)	4,363.0	
60	Total risk-weighted assets based on APRA standards	34,712.9	

Table 1 Common Disclosure Template Continued

		30 June 2015 Basel III	Reconciliation Table Reference
		\$m	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk-weighted assets)	8.17%	
62	Tier 1 (as a percentage of risk-weighted assets)	10.60%	
63	Total capital (as a percentage of risk-weighted assets)	12.57%	
64	Buffer requirement (minimum CET1 requirement of 4.5% plus capital conservation buffer of 2.5% plus any countercyclical buffer requirements expressed as a percentage of risk-weighted assets)	7.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: ADI-specific countercyclical buffer requirements	0.00%	
67	of which: G-SIB buffer requirement (not applicable)	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	3.67%	
National minima (if different from Basel III)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)		
70	National Tier 1 minimum ratio (if different from Basel III minimum)		
71	National total capital minimum ratio (if different from Basel III minimum)		
Amount below thresholds for deductions (not risk-weighted)			
72	Non-significant investments in the capital of other financial entities	N/A	
73	Significant investments in the ordinary shares of financial entities	N/A	
74	Mortgage servicing rights (net of related tax liability)	N/A	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	N/A	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	178.1	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	388.7	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	N/A	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	N/A	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	
82	Current cap on AT1 instruments subject to phase out arrangements	0.0	
83	Amount excluded from AT1 instruments due to cap (excess over cap after redemptions and maturities)	0.0	
84	Current cap on T2 instruments subject to phase out arrangements	206.8	w
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	74.3	

Common Disclosure Template Reconciliation as at 30 June 2015

The following table provides details on the Bendigo and Adelaide Bank Limited Group's Balance Sheet and the Level 2 Regulatory Balance Sheet.

	Group Balance Sheet	Adjustment ¹	Level 2 Regulatory Balance Sheet	Template/ Reconciliation Table Reference
	\$m	\$m	\$m	
Assets				
Cash and cash equivalents	981.6	-59.0	922.6	
Due from other financial institutions	215.7	0.0	215.7	
Amounts receivable from controlled entities	0.0	25.7	25.7	
Financial assets held for trading	5,562.9	0.4	5,563.3	
Financial assets available for sale	601.3	-40.7	560.6	
of which Equity Investment Exposures			24.6	v
Financial assets held to maturity	300.7	-6.5	294.2	
Other assets	459.9	25.6	485.5	
of which Defined Benefit Superannuation Fund			2.3	c
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			0.9	t
of which Loan and Lease Origination Fees and Commissions (Capitalised Expenses)			3.2	i
of which Cost Associated with Issuing Capital Instruments (Capitalised Expenses)			0.0	j
of which Other Capitalised Expenses			100.4	m
of which Other Common Equity Tier 1 Specific Adjustments Relating to Securitisation			11.4	x
Derivatives	63.8	70.0	133.8	
Net loans and other receivables	55,531.6	-4,083.2	51,448.4	
of which Loan and Lease Origination Fees and Commissions (Capitalised Expenses)			63.6	i
of which Securitisation Start-up Costs (Capitalised Expenses)			15.0	l
of which General Reserves for Credit Losses			31.3	o
Investments in joint ventures accounted for using the equity method	3.6	0.0	3.6	v
Shares in controlled entities	0.0	18.3	18.3	v
Property, plant & equipment	98.8	-2.3	96.5	
Deferred tax assets	146.4	-1.2	145.2	t
Investment property	482.0	0.0	482.0	
Assets held for sale	0.0	0.0	0.0	
Intangible assets and goodwill	1,580.5	-9.2	1,571.3	
of which is Intangible Component of Investment in Subsidiaries and Other Entities			9.2	g
of which is Goodwill			1,441.5	d
of which Other Intangibles			55.1	h
of which Information Technology Software Costs (Capitalised Expenses)			77.0	k
Total Assets	66,028.8	-4,062.1	61,991.3	
Liabilities				
Due to other financial institutions	202.7	0.0	202.7	
Deposits	53,505.3	0.3	53,505.6	
Notes payable	4,925.9	-4,221.4	704.5	
Derivatives	108.0	5.4	113.4	
Other payables	688.4	145.9	834.3	
Income tax payable	18.2	1.4	19.6	
Provisions	114.7	0.0	114.7	
Deferred tax liabilities	111.8	19.8	131.6	
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			81.6	u
Convertible Preference Shares	819.5	0.0	819.5	
of which Amount Eligible AT1			843.2	b
of which Cost Associated with Issuing Capital Instruments (Capitalised Expenses)			23.7	n
Subordinated debt	592.6	0.0	592.6	
of which Amount Included in Tier 2 Capital (Post Haircut, Excluding Redemptions and Maturities)			206.8	w
of which Amount Included in Tier 2 Capital			300.0	y
of which Costs Associated with Issuing Capital Instrument (Capitalised Expenses)			1.3	n
Total Liabilities	61,087.1	-4,048.6	57,038.5	
Net Assets	4,941.7	11.2	4,952.9	
Equity				
Share capital	4,223.6	0.0	4,223.6	
of which Amount Included in Eligible for CET1			4,235.4	a
Reserves	95.0	-3.2	91.8	
of which Gains/(Losses) on Effective Cash Flow Hedges			-51.2	f
of which Tax Adjustments for Reserves and Unrealised Gains/(Losses)			21.9	u
of which General Reserves for Credit Losses			146.8	o
of which Unrealised Gains/(Losses) on AFS Items			1.8	p
of which Property Revaluation Reserves			0.3	q
of which General Reserves			-20.4	r
of which Reserves for Equity-Settled Share-Based Payments			14.5	s
Retained earnings	623.1	-10.3	612.8	
of which Retained Earnings and Current Year Earnings			486.9	e
Total Equity	4,941.7	-13.5	4,928.2	

Notes

¹ The Adjustment column reflects entities that are treated as non-consolidated entities and are excluded from the Level 2 Regulatory Consolidated Banking Group.

Entities Excluded from Level 2 Regulatory Consolidation Group

The following table provides details of material entities included within the accounting scope of consolidation but excluded from regulatory consolidation.

Entity	Total Assets	Total Liabilities
	\$m	\$m
Securitisation		
Torrens Series 2007-1	64.1	64.1
Torrens Series 2008-3	65.8	65.8
Torrens Series 2009-1	124.7	124.7
Torrens Series 2009-3	238.2	238.2
Torrens Series 2010-1	297.5	297.5
Torrens Series 2010-2	388.0	388.0
Torrens Series 2010-3	281.3	281.3
Torrens Series 2011-1(E)	390.1	390.1
Torrens Series 2011-2	256.5	256.5
Torrens Series 2013-1	499.9	499.9
Torrens Series 2013-2	306.1	306.1
Torrens Series 2014-1	379.9	379.9
Torrens Series 2014-2	545.8	545.8
Torrens Series 2015-1	511.4	511.4
AIL Trust No 1	4.7	4.7
ABL Portfolio Funding Trust	2.4	2.4
Insurance and Funds Management		
Sandhurst Trustees Limited	25.9	3.9
Adelaide Managed Funds Limited	1.6	0.4

Table 2 Main Features of Capital Instruments

The main features of capital instruments are updated on an ongoing basis. The information as at the reporting date is provided in Appendix A.

Table 3 Capital Adequacy

Risk-weighted Assets	30 June 2015 \$m	31 March 2015 \$m
Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:		
Claims secured by residential mortgage	14,204.0	14,219.0
Other retail	15,449.4	15,380.5
Corporate	-	-
Banks and Other ADIs	171.8	180.6
Government	37.9	42.7
All other	968.3	1,491.8
Total on balance sheet assets and off balance sheet exposures	30,831.4	31,314.5
Securitisation Risk weighted assets ³	262.8	334.5
Market Risk weighted assets	493.0	416.5
Operational Risk weighted assets	3,125.7	3,025.3
Total Risk Weighted Assets	34,712.9	35,090.9
Capital Ratios (for the consolidated group)	%	%
Common Equity Tier 1	8.17	7.92
Tier 1	10.60	9.77
Total Capital	12.57	11.73

Notes
² Please refer to Table 5 for securitisation exposures.

Bendigo and Adelaide Bank Limited, Basel III Pillar 3 Disclosures, 30 June 2015

Table 4 Credit Risk

Exposure Type ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 June 2015 \$m	31 March 2015 \$m	30 June 2015 \$m	31 March 2015 \$m
Loans	52,885.7	53,133.6	53,009.7	52,530.0
Debt securities	636.1	709.3	672.7	646.4
Commitments and other non-market off balance sheet exposures ³	1,971.0	1,988.3	1,979.6	1,971.3
Market-related off balance sheet exposures ³	99.5	146.6	123.0	109.3
Total exposures	55,592.3	55,977.8	55,785.0	55,257.0

Portfolios ⁴	Gross Credit Exposure		Average Gross Credit Exposure	
	30 June 2015 \$m	31 March 2015 \$m	30 June 2015 \$m	31 March 2015 \$m
Claims secured by residential mortgage ³	36,382.5	36,351.5	36,367.0	35,933.3
Other retail ³	16,837.6	16,685.1	16,761.4	16,625.6
Corporate	-	-	-	-
Banks and other ADIs	1,007.8	1,077.0	1,042.4	998.8
Government	38.0	42.8	40.4	41.3
All other ³	1,326.4	1,821.5	1,573.9	1,658.1
Total exposures	55,592.3	55,977.8	55,785.0	55,257.0

30 June 2015 Portfolios	Impaired Loans \$m	Past Due Loans > 90 days \$m	Specific Provisions \$m	Charges for specific provisions and write-offs during the period \$m
Claims secured by residential mortgage	27.9	172.7	7.2	2.1
Other retail ⁵	294.7	426.3	136.3	-
Corporate	-	-	-	-
Banks and other ADIs	-	-	-	-
Government	-	-	-	-
All other	-	-	-	-
Total exposures	322.6	599.0	143.5	2.0

31 March 2015 Portfolios	Impaired Loans \$m	Past Due Loans > 90 days \$m	Specific Provisions \$m	Charges for specific provisions and write-offs during the period \$m
Claims secured by residential mortgage	32.0	193.2	7.8	2.5
Other retail ⁵	300.6	493.5	128.7	6.7
Corporate	-	-	-	-
Banks and other ADIs	-	-	-	-
Government	-	-	-	-
All other	-	-	-	-
Total exposures	332.6	686.8	136.5	9.2

	30 June 2015 \$m	31 March 2015 \$m
The general reserve for credit losses	178.1	181.2

Notes

³ Off-balance sheet exposures have been converted to their credit equivalent amounts.

⁴ Excludes equity investments and securitisation exposures.

⁵ \$27.7 million of provisions raised on the Great Southern Portfolio as collective provisions for statutory accounting purposes are reported here as specific provisions for APRA reporting purposes.

Table 5 Securitisation

Exposure Type	30 June 2015 Quarter		31 March 2015 Quarter	
	Securitisation Activity \$m	Gain or Loss on Sale \$m	Securitisation Activity \$m	Gain or Loss on Sale \$m
Residential Mortgage	500.0	-	-	-
Credit Card and Other Personal Loans	-	-	-	-
Commercial Loans	-	-	-	-
Other	-	-	-	-
Total	500.0	-	-	-

30 June 2015

Securitisation Exposures	Liquidity support facilities \$m	Derivative facilities \$m	Holdings of securities \$m	Other \$m
On-balance sheet securitisation exposures retained or purchased	-	142.7	4,809.5	-
Off-balance sheet securitisation exposures	45.0	118.9	-	-
Total	45.0	261.6	4,809.5	-

31 March 2015

Securitisation Exposures	Liquidity support facilities \$m	Derivative facilities \$m	Holdings of securities \$m	Other \$m
On-balance sheet securitisation exposures retained or purchased	-	115.8	5,063.4	-
Off-balance sheet securitisation exposures	37.2	83.0	-	-
Total	37.2	198.8	5,063.4	-

Appendix A – Main features of Capital Instruments

Table 2 Main Features of Capital Instruments								
Disclosure template for main features of Regulatory Capital instruments		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7
1	Issuer	Bendigo and Adelaide Bank Limited						
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	BEN	BENPD	BENPE	BENPF	BENHB	BE3073	BE3085
3	Governing law(s) of the instrument	Victoria	Victoria	Victoria	Victoria	South Australia	South Australia	Victoria
Regulatory Treatment		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7
4	Transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional Basel III rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2
6	Eligible at solo/group & solo	Solo and Group						
7	Instrument type (ordinary shares/preference shares/subordinated notes/other)	Ordinary shares	Preference shares	Preference shares	Preference shares	Subordinated notes	Subordinated notes	Subordinated notes
8	Amount recognised in Regulatory Capital (Currency in mil, as of most recent reporting date)	4212.35	268.87	292.12	282.21	21.09	203.78	300.00
9	Par value of instrument	N/A	268.87	292.12	282.21	21.09	250.00	300.00
10	Accounting classification	Shareholders equity	Liability-amortised cost					
11	Original date of issuance	19-December-1985	01-November-2012	10-October-2014	15-June-2015	28-August-1998	15-December-2010	29-January-2014
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity	15-December-2020	29-January-2024				
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes	Yes

Table 2 Main Features of Capital Instruments continued

Regulatory Treatment		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7
15	Optional call date, contingent call dates and redemption amount	N/A	Optional Call Date : 13 December 2017, Redemption of \$100 per CPS.	Optional Call Date : 30 November 2020, Redemption of \$100 per CPS2.	Optional Call Date: 15 June 2021, Redemption of \$100 per CPS3.	N/A	N/A	Subject to receiving prior written approval from APRA, the Issuer may elect (but will not be obliged) to redeem all of the Notes at par plus accrued interest (if any) on 29 January 2019 (the "First Call Date") and on any Business Day being an Interest Payment Date thereafter.
16	Subsequent call dates, if applicable	N/A	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS following the occurrence of an Acquisition Event.	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS2 after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS2 following the occurrence of an Acquisition Event.	Bendigo and Adelaide Bank may also elect at its option to Exchange all or some CPS3 after a Tax Event or a Regulatory Event, and may elect at its option to Convert all CPS3 following the occurrence of an Acquisition Event.	N/A	N/A	Subject to receiving prior written approval from APRA, the Issuer may also elect (but will not be obliged) to redeem all of the Notes at par plus accrued interest (if any) on any Business Day being an Interest Payment Date after 29 January 2019 (the "First Call Date").
Coupons/Dividends		Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7
17	Fixed or floating dividend/coupon	Fixed	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	N/A	180 Day BBSW + 5.00% Margin	180 Day BBSW + 3.20% Margin	180 Day BBSW + 4.00% Margin	90 Day BBSW + 1.00% Margin	3 month BBSW + 4.00% Margin	3 month BBSW + 2.80% Margin
19	Existence of a dividend stopper	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Cumulative
23	Convertible or non-convertible	Nonconvertible	Convertible	Convertible	Convertible	Nonconvertible	Nonconvertible	Convertible

Table 2 Main Features of Capital Instruments continued

Coupons/Dividends	Instrument 1	Instrument 2	Instrument 4	Instrument 5	Instrument 5	Instrument 7	Instrument 7
24 If convertible, conversion trigger(s)	N/A	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	Mandatory Conversion Optional Conversion Conversion or write-down on Capital Trigger Event or a Non-Viability Trigger Event	N/A	N/A	A Non-Viability Trigger Event will occur if APRA has provided a written determination to the Issuer that the conversion or write-off of relevant Tier 1 and Tier 2 instruments of the Issuer is necessary because without (1) the conversion or write-off, or (2) a public sector injection of capital into (or equivalent capital support with respect to) the Issuer, APRA considers that the Issuer would become non-viable.
25 If convertible, fully or partially	N/A	May convert fully or partially	May convert fully or partially	May convert fully or partially	N/A	N/A	May convert fully or partially
26 If convertible, conversion rate	N/A	Conversion into Ordinary Shares: Conversion is into approximately \$102.56 worth of Ordinary Shares per CPS based on the \$100 CPS Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	Conversion into Ordinary Shares: Conversion is into approximately \$101.01 worth of Ordinary Shares per CPS2 based on the \$100 CPS2 Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	Conversion into Ordinary Shares: Conversion is into approximately \$101.01 worth of Ordinary Shares per CPS3 based on the \$100 CPS3 Issue Price and the volume weighted average price (subject to certain adjustments and calculated in accordance with the Term).	N/A	N/A	The Conversion Number is calculated according to the following formula, subject to the Conversion Number being no greater than the Maximum Conversion Number: 1. Conversion Number for each Note = Nominal Amount / ((1-0.01) x VWAP); 2. VWAP refers to the VWAP of BEN ordinary shares over the latest period of 5 business days on which trading of BEN ordinary shares took place before (but not including) the conversion date; and 3. Nominal Amount means \$10,000. Maximum Conversion Number is the Nominal Amount / (20% x Issue Date VWAP). Issue Date VWAP refers to the VWAP of BEN ordinary shares over the 20 business days on which trading of BEN ordinary shares took place before (but not including) issue date of the Notes.
27 If convertible, mandatory or optional conversion	N/A	Mandatory	Mandatory	Mandatory	N/A	N/A	Mandatory

Table 2 Main Features of Capital Instruments continued								
Coupons/Dividends	Instrument 1	Instrument 2	Instrument 3	Instrument 4	Instrument 5	Instrument 6	Instrument 7	
28	If convertible, specify instrument type convertible into	N/A	Ordinary Shares	Ordinary Shares	Ordinary Shares	N/A	N/A	Ordinary Shares
29	If convertible, specify issuer of instrument it converts into	N/A	BEN	BEN	BEN	N/A	N/A	BEN
30	Write-down feature	N/A	Yes	Yes	Yes	N/A	No	Yes
31	If write-down, write-down trigger(s)	N/A	APRA notifies the Issuer in writing that: conversion or write-off of Additional Capital Instruments is necessary because, without it, APRA considers that Bendigo and Adelaide Bank would become non-viable. If Conversion is prevented for any reason the CPS would be written down in accordance with the terms of BEN CPS.	APRA notifies the Issuer in writing that: conversion or write-off of Additional Capital Instruments is necessary because, without it, APRA considers that Bendigo and Adelaide Bank would become non-viable. If Conversion is prevented for any reason the CPS2 would be Written Off.	APRA notifies the Issuer in writing that: conversion or write-off of Additional Capital Instruments is necessary because, without it, APRA considers that Bendigo and Adelaide Bank would become non-viable. If Conversion is not effected within five Business Days after a Capital Trigger Conversion Date or Non-Viability Conversion Date (as applicable) for any reason (including an Inability Event), the CPS3 would be Written Off.	N/A	N/A	A Non-Viability Trigger Event will occur if APRA has provided a written determination to the Issuer that the conversion or write-off of relevant Tier 1 and Tier 2 instruments of the Issuer is necessary because without (1) the conversion or write-off, or (2) a public sector injection of capital into (or equivalent capital support with respect to) the Issuer, APRA considers that the Issuer would become non-viable.
32	If write-down, full or partial	N/A	Maybe written down partially	Maybe written down partially	Maybe written down partially	N/A	N/A	Maybe written down in full or partially
33	If write-down, permanent or temporary	N/A	Permanent	Permanent	Permanent	NA	NA	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Senior obligations (ranking higher): Preferred and secured debt, Unsubordinated and unsecured debt, Subordinated and unsecured debt.	Senior obligations (ranking higher): Preferred and secured debt, Unsubordinated and unsecured debt, Subordinated and unsecured debt.	Senior obligations (ranking higher): Preferred and secured debt, Unsubordinated and unsecured debt, Subordinated and unsecured debt.	Senior Notes	Senior Notes	Senior Notes
36	Non-compliant transitioned features	N/A	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Further details of the main features of Capital Instruments included in the Group's Regulatory Capital can be found at:

<http://www.bendigoadelaide.com.au/public/shareholders/pros>

<http://www.ruralbank.com.au/about-us/about-rural-bank/investor-information>