

# PROSPECTUS

## Bendigo and Adelaide Bank Limited

for the 1 for 12 Non-Renounceable Entitlement Offer of New Shares  
and Placement Offer of Placement Shares at an Offer Price of \$6.75

Joint Lead Managers  
and Underwriters

**J.P.Morgan**



**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are an Eligible Shareholder you should read this Prospectus in its entirety before deciding whether to accept the offer of New Shares. Your Entitlement may have value and you should therefore consider whether to take up your Entitlement rather than allow it to lapse.

If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with it or your Entitlement, you should consult your stockbroker, accountant, solicitor and/or other professional adviser.

NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TRANSMITTED IN THE US OR DISTRIBUTED OR RELEASED, DIRECTLY OR INDIRECTLY, IN THE US OR TO ANY "US PERSON", AS DEFINED IN REGULATIONS UNDER THE US SECURITIES ACT OF 1933, AS AMENDED.

# Important Information

## **THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

You should read this Prospectus carefully and in its entirety before deciding whether to invest in New Shares or Placement Shares. In particular, you should consider the risk factors that could affect the performance of Bendigo and Adelaide Bank or the value of an investment in Bendigo and Adelaide Bank, some of which are outlined in Section 5 of this Prospectus. Note, however, that the information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation, tax position or particular needs of individual investors.

Before deciding whether to apply for New Shares or Placement Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Prospectus, you have any questions about the Offer, you should contact your stockbroker, accountant, solicitor and/or other professional adviser.

The potential tax effects of the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

Investors should note that the past share price performance of Bendigo and Adelaide Bank provides no guidance as to its future share price performance.

Entitlements are not transferable. Eligible Retail Shareholders should carefully read and follow the instructions in Section 2 of this Prospectus and on the back of the accompanying Entitlement and Acceptance Form when taking up any of their Entitlement.

This Prospectus is dated 10 August 2009 and was lodged with ASIC on that date. ASIC takes no responsibility for the contents of this Prospectus.

This Prospectus expires on 9 September 2010. No New Shares nor Placement Shares will be issued on the basis of this Prospectus after that expiry date.

Bendigo and Adelaide Bank has applied, or will apply within seven days after the date of this Prospectus, for the grant by ASX of official quotation of the New Shares and the Placement Shares. ASX takes no responsibility for the contents of this Prospectus.

## **Prospectus availability**

Eligible Retail Shareholders will be mailed a copy of this Prospectus, together with a personalised Entitlement and Acceptance Form.

Eligible Shareholders in Australia and New Zealand can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Bendigo and Adelaide Bank website ([www.bendigo-offer.com.au](http://www.bendigo-offer.com.au)) or by calling the Bendigo and Adelaide Bank Offer Information Line on the numbers listed below under the heading 'Enquiries'. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus on the Bendigo and Adelaide Bank website will not include an Entitlement and Acceptance Form.

New Shares may only be issued on receipt of a completed application form issued together with this Prospectus, or by paying by BPAY®, as applicable (see Section 2 for further information).

Placement Shares may only be issued on receipt of a completed application form provided to persons invited to participate in the Placement Offer by the Joint Lead Manager(s).

The Corporations Act prohibits any person from passing on an Entitlement and Acceptance Form to another

person unless it is attached to a hard copy of this complete Prospectus or the complete and unaltered electronic version of this Prospectus.

Neither this Prospectus nor the accompanying application form may be sent to investors in the US or to investors that are, or are acting on behalf of or for the account or benefit of, a US Person, or otherwise distributed in the US.

## **Future performance and forward looking statements**

Neither Bendigo and Adelaide Bank nor any other person warrants or guarantees the future performance of the New Shares or Placement Shares or any return on any investment made pursuant to this Prospectus.

The pro-forma financial information provided in this Prospectus is for illustrative purposes only and is not represented as being indicative of Bendigo and Adelaide Bank's view on its future financial condition and/or performance.

The forward looking statements in this Prospectus are based on Bendigo and Adelaide Bank's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Bendigo and Adelaide Bank and its Directors, that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. These risks include, but are not limited to, the risks outlined in section 5. Forward looking statements include those containing such words as 'anticipate', 'estimates', 'should', 'will', 'expects', 'plans' or similar expressions.

## **Australia**

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) of Bendigo and Adelaide Bank, and has been prepared in accordance with Section 713 of the Corporations Act. The Placement Offer is being made pursuant to this Prospectus.

## **New Zealand**

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority, or under or in accordance with the Securities Act 1978 (New Zealand) or any other relevant law in New Zealand. It may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## **Foreign jurisdictions**

This Prospectus has been prepared to comply with the requirements of the securities laws of Australia. No action has been taken to register or qualify the Entitlement Offer (including the Retail Entitlement Offer), the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand. The Entitlement Offer is not being extended to any person outside Australia and New Zealand, other than to Eligible Institutional Shareholders and to certain Institutional Investors as part of the Institutional Entitlement Offer. Concurrently with the Entitlement Offer, the Bank will be conducting the US Private Placement.

This Prospectus does not constitute an offer in the US or to a US Person (or to any person acting for the account

or benefit of a US Person), or in any other place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The return of a duly completed Entitlement and Acceptance Form and payment of any application monies will be taken by Bendigo and Adelaide Bank to constitute a representation and warranty made by the applicant to Bendigo and Adelaide Bank that there has been no breach of such laws.

Further details on applicable securities laws and restrictions of foreign jurisdictions are set out in Sections 1.17 and 6.13.

Neither the Entitlements nor the New Shares have been or will be registered under the Securities Act or the securities laws of any State of the US and may not be offered or sold in the US or to, or for the account or benefit of, US Persons.

## **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Prospectus.

Any information or representation that is not in this Prospectus may not be relied on as having been authorised by Bendigo and Adelaide Bank, the Joint Lead Managers or their respective Related Bodies Corporate in connection with the Offer.

Any references to documents on Bendigo and Adelaide Bank's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference into this Prospectus.

## **Defined words and expressions**

Some words and expressions used in this Prospectus have defined meanings, which are explained in the glossary in Section 7, as are certain rules of interpretation that apply to this Prospectus.

A reference to time in this Prospectus is to Australian Eastern Standard Time (Melbourne time), unless otherwise stated. All financial amounts in this Prospectus are expressed in Australian currency, unless otherwise stated.

## **Enquiries**

If you are an Eligible Retail Shareholder and have any questions in relation to the Entitlement Offer, please contact your stockbroker, accountant, solicitor and/or other professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please call the Bendigo and Adelaide Bank Offer Information Line as set out below:

Within Australia 1300 667 384 (local call cost)


Outside Australia +61 3 9415 4655

The Bendigo and Adelaide Bank Offer Information Line is open from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.

## **Privacy**

Please read the privacy statement located in Section 6.12. It is important you understand that by applying for New Shares or Placement Shares (in the case of invited Institutional Investors) you consent to the matters outlined in that statement.





The continued support  
of our customers,  
communities, and  
shareholders is more  
important than ever.

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# Chairman's letter

10 August 2009

Dear Shareholder,

On behalf of the Board of Bendigo and Adelaide Bank, I am pleased to invite you to participate in the non-renounceable Entitlement Offer of New Shares in Bendigo and Adelaide Bank. This Entitlement Offer entitles Eligible Shareholders to subscribe for 1 New Share for every 12 Existing Shares held at 7.00pm (Melbourne time) on 13 August 2009 at the Offer Price of \$6.75 per New Share.

Bendigo and Adelaide Bank is raising approximately \$173 million under the fully underwritten Entitlement Offer and approximately \$127 million under the fully underwritten Placement Offer to raise a total of approximately \$300 million.

The proceeds from the Offer will be used to strengthen the Bank's capital base, to enhance its financial flexibility and to take advantage of growth opportunities as markets continue to improve.

The continued support of our customers, communities and shareholders is more important than ever during this global financial crisis. By raising this additional capital now, we are positioning the Bank better to withstand the current volatile markets and to pursue our development as a real and viable alternative in the Australian banking market.

The Offer Price of \$6.75 represents a 15.4% discount to the dividend adjusted closing price of Bendigo and Adelaide Bank Shares on ASX on 7 August 2009 and a 13.7% discount to the dividend adjusted Theoretical Ex-Rights Price. New Shares issued under the Entitlement Offer and Placement Shares issued under the Placement Offer will not be entitled to the FY2009 Final Dividend.

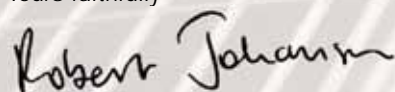
This Prospectus contains details of the Entitlement Offer and other information relating to Bendigo and Adelaide Bank. The Directors advise you to read this Prospectus in its entirety (including assessing the risk factors outlined in Section 5) before making your investment decision.

For information on how to take up your Entitlement you should refer to Section 2.1. The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 4 September 2009.

If you have any questions in respect of the Entitlement Offer, please call the Bendigo and Adelaide Bank Offer Information Line between 8.30am and 5.00pm (Melbourne time) on 1300 667 384 (within Australia) or +61 3 9415 4655 (outside Australia) Monday to Friday during the Offer Period or consult your stockbroker, solicitor, accountant or other professional adviser.

I encourage you to join with me and others in participating in the growth of Australia's best customer connected Bank through this Entitlement Offer.

Yours faithfully



Robert Johanson  
Chairman



# Key Statistics and Key Dates

## Key Statistics

Offer Price (Shares to be issued are not entitled to the FY2009 Final Dividend)	\$6.75
Entitlement ratio	1 New Share for every 12 Existing Shares held as at 7.00pm (Melbourne time) on 13 August 2009
Total number of New Shares to be issued under the Entitlement Offer <sup>1</sup>	Approximately 25.7 million
Gross Entitlement Offer proceeds <sup>2</sup>	Approximately \$173 million
Total number of Placement Shares to be issued under the Placement Offer	Approximately 18.8 million
Gross Placement proceeds <sup>2</sup>	Approximately \$127 million
Aggregate number of New Shares/Placement Shares to be issued under the Entitlement Offer and the Placement Offer	Approximately 44.4 million
Aggregate Offer proceeds <sup>2</sup>	Approximately \$300 million

## Key Dates<sup>3</sup>

EVENT	DATE
Lodgement of this Prospectus with ASIC	10 August 2009
Institutional Entitlement Offer and Placement Offer period	10 August 2009 – 11 August 2009
Record Date for the Entitlement Offer	7.00pm (Melbourne time) on 13 August 2009
Retail Entitlement Offer opens	17 August 2009
Settlement of the Institutional Entitlement Offer and Placement Offer	20 August 2009
Issue of New Shares under the Institutional Entitlement Offer, and normal trading of those New Shares expected to commence on ASX <sup>4</sup>	21 August 2009
Issue of Placement Shares under the Placement Offer, and normal trading of those Placement Shares expected to commence on ASX <sup>4</sup>	21 August 2009
Retail Entitlement Offer closes	5.00pm (Melbourne time) on 4 September 2009
Issue of New Shares under the Retail Entitlement Offer	15 September 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX	16 September 2009
Dispatch of holding statements	18 September 2009

### Notes

1. The final number of New Shares issued and the amount raised under the Entitlement Offer (and under each part of the Entitlement Offer) may differ from the amounts specified above due to, among other things, rounding of Entitlements and reconciliation of Entitlements under the Entitlement Offer to shareholdings as at the Record Date. The exact number of New Shares to be issued, and the number of New Shares that may be issued under each part of the Entitlement Offer, will not be known until completion of the Entitlement Offer.
2. The Offer is underwritten by the Joint Lead Managers. See Section 6.5 for a summary of the Underwriting Agreement.
3. The above timetable is indicative only and subject to change. Bendigo and Adelaide Bank, in conjunction with the Joint Lead Managers and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. In particular, Bendigo and Adelaide Bank reserves the right to extend the Closing Date of the Retail Entitlement Offer or to accept late Applications. The commencement of quotation of New Shares is subject to confirmation from ASX.
4. New Shares issued under the Institutional Entitlement Offer and Placement Offer will trade under the ASX Code "BENN" from 21 August 2009 to 26 August 2009 (inclusive).

# What should you do?

This Prospectus contains important information in relation to the Entitlement Offer. You should read it carefully and in its entirety, including Section 5 which identifies the major risks associated with an investment in Bendigo and Adelaide Bank. If you are in doubt as to the course of action you should follow, you should seek appropriate professional advice before making an investment decision. If you are an Eligible Shareholder, you may choose to either take up all, part or none of your Entitlement or take no action and let your Entitlement lapse. If you are an Eligible Shareholder and you take up your Entitlement in full, you may also apply for New Shares in excess of your Entitlement. See Section 2 for further details.

## Questions and Answers

WHERE TO FIND  
MORE INFORMATION

### SUMMARY

<b>How much is Bendigo and Adelaide Bank seeking to raise from the Offer?</b>	Bendigo and Adelaide Bank is seeking to raise approximately \$300 million from the Offer before expenses.	Chairman's Letter and Section 1.1
<b>What is the form of the Offer?</b>	The Offer comprises three parts: <ul style="list-style-type: none"><li>&gt; approximately \$52 million Institutional Entitlement Offer;</li><li>&gt; approximately \$121 million Retail Entitlement Offer; and</li><li>&gt; approximately \$127 million Placement Offer.</li></ul>	Section 1.1
<b>What is the Offer Price?</b>	The Offer Price is \$6.75 per Share for New Shares and Placement Shares. This represents a discount of: <ul style="list-style-type: none"><li>&gt; 15.4%<sup>1</sup> to the closing price on the last day (being 7 August 2009) of ASX trading in Shares before Bendigo and Adelaide Bank announced the Entitlement Offer; and</li><li>&gt; 13.7%<sup>1</sup> to the Theoretical Ex-Rights Price.</li></ul>	Chairman's Letter and Sections 1.5, 1.6 and 1.18
<b>What is the purpose of the Offer?</b>	Bendigo and Adelaide Bank will use the proceeds from the Offer to strengthen the Bank's capital base, to enhance its financial flexibility and to take advantage of growth opportunities as markets continue to improve.	Chairman's Letter and Section 1.3
<b>Is the Offer underwritten?</b>	The Offer is fully underwritten by the Joint Lead Managers pursuant to the Underwriting Agreement. The fees payable to the Joint Lead Managers and a summary of the terms of the Underwriting Agreement are set out in Section 6.5.	Sections 1.2 and 6.5
<b>What are the fees and costs of the Offer?</b>	Underwriting fees for the Offer and advisory fees and costs associated with the Offer total approximately \$9 million and will be paid out of the proceeds of the Offer.	Sections 1.3, 6.5 and 6.8

1. Adjusted downwards for Bendigo and Adelaide Bank's FY2009 Final Dividend of 15 cents per Share as New Shares and Placement Shares will not be entitled to this dividend.

# Questions and Answers

## WHERE TO FIND MORE INFORMATION

<b>What are the rights and liabilities attached to the New Shares / Placement Shares? Are the New Shares / Placement Shares entitled to receive the FY2009 Final Dividend?</b>	New Shares / Placement Shares will rank equally with Existing Shares from the date of issue, but will not be eligible for the FY2009 Final Dividend.	Sections 1.18 and 6.4
<b>What are the key risks associated with an investment in New Shares / Placement Shares?</b>	<p>The key risks associated with an investment in New Shares / Placement Shares are described in Section 5.</p> <p>Before making an investment decision you should read this Prospectus in its entirety and carefully consider these risk factors and consult your stockbroker, accountant, solicitor and / or other professional adviser.</p>	Section 5

## WHERE TO FIND MORE INFORMATION

### THE ENTITLEMENT OFFER

<b>What is the Entitlement Offer?</b>	<p>The Entitlement Offer is a non-renounceable pro-rata entitlement offer made to Eligible Shareholders. The Entitlement Offer comprises two components:</p> <ul style="list-style-type: none"><li>&gt; the Institutional Entitlement Offer; and</li><li>&gt; the Retail Entitlement Offer.</li></ul>	Sections 1.1, 1.5 and 1.6.
<b>What is my Entitlement?</b>	<p>Each Eligible Shareholder is entitled to subscribe for 1 New Share for every 12 Existing Shares held as at the Record Date, subject to the terms of this Prospectus.</p> <p>If you are an Eligible Retail Shareholder, your Entitlement is set out in the personalised Entitlement and Acceptance Form accompanying this Prospectus, subject to the terms of this Prospectus.</p> <p>Where fractions arise in the calculation of Entitlements, they will be rounded down to the next whole number of New Shares.</p> <p>You may take up all, part or none of your Entitlement.</p> <p>Eligible Shareholders who take up their Entitlement in full can also apply for New Shares in excess of their Entitlement. However, no Eligible Shareholder is assured of being allocated any New Shares in excess of their Entitlement.</p>	Entitlement and Acceptance Form
<b>What do I do if I did not receive or disagree with my Entitlement?</b>	If you did not receive or disagree with your Entitlement, please call the Bendigo and Adelaide Bank Offer Information Line on 1300 667 384 (within Australia) or on +61 3 9415 4655 (outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.	Section 2.3
<b>How much is Bendigo and Adelaide Bank seeking to raise from the Entitlement Offer?</b>	<p>Bendigo and Adelaide Bank is seeking to raise approximately \$173 million from the Entitlement Offer before expenses.</p> <p>The Institutional Entitlement Offer is expected to raise approximately \$52 million through the issue of approximately 7.7 million New Shares. The Institutional Entitlement Offer is fully underwritten by the Joint Lead Managers.</p> <p>The Retail Entitlement Offer is expected to raise approximately \$121 million through the issue of approximately 18.0 million New Shares. The Retail Entitlement Offer is fully underwritten by the Joint Lead Managers.</p>	Chairman's Letter and Section 1.1



# Questions and Answers

WHERE TO FIND  
MORE INFORMATION

## PARTICIPATION IN THE RETAIL ENTITLEMENT OFFER

<p><b>Who is eligible to participate in the Retail Entitlement Offer?</b></p>	<p>An Eligible Retail Shareholder is a person who:</p> <ul style="list-style-type: none"> <li>&gt; was registered as the holder of Shares as at 7.00pm (Melbourne time) on 13 August 2009 (the Record Date);</li> <li>&gt; has a registered address in Australia or New Zealand;</li> <li>&gt; is not in the US, and is not a US Person and is not acting for the account or benefit of a US Person (to that extent);</li> <li>&gt; is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder (in respect of persons holding Shares as nominees for such Shareholders, see Section 6.9); and</li> <li>&gt; is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.</li> </ul>	<p>Sections 1.6, 1.7 and 6.9</p>
<p><b>What happens if I am an Ineligible Retail Shareholder?</b></p>	<p>The New Shares that would have been offered to you had you been an Eligible Retail Shareholder may be offered to other Eligible Retail Shareholders who subscribe for New Shares in excess of their Entitlement.</p> <p>As the Offer is non-renounceable, you will not be paid any money for the New Shares that would have been offered to you had you been an Eligible Retail Shareholder.</p> <p>You should note that your percentage shareholding in Bendigo and Adelaide Bank will be reduced following the issue of the New Shares under the Offer.</p>	<p>Sections 1.6</p>
<p><b>How do I find out what my Entitlement is?</b></p>	<p>Your Entitlement as an Eligible Retail Shareholder is set out on the personalised Entitlement and Acceptance Form accompanying this Prospectus. Your personalised Entitlement and Acceptance Form is also available at <a href="http://www.bendigo-offer.com.au">www.bendigo-offer.com.au</a>.</p> <p>If you believe you are an Eligible Retail Shareholder and did not receive your personalised Entitlement and Acceptance Form you should call the Bendigo and Adelaide Bank Offer Information Line on 1300 667 384 (within Australia) or +61 3 9415 4655 (outside Australia) (Monday to Friday – 8:30am to 5:00pm, Melbourne time) during the Offer Period to find out your Entitlement and receive your personalised Entitlement and Acceptance Form.</p>	<p>Entitlement and Acceptance Form</p>
<p><b>What can I do with my Entitlement?</b></p>	<p>You can do one of the following:</p> <ul style="list-style-type: none"> <li>&gt; take up your Entitlement in full;</li> <li>&gt; take up your Entitlement in full and apply for Additional New Shares in excess of your Entitlement;</li> <li>&gt; take up part of your Entitlement and decline the balance; or</li> <li>&gt; not take up any of your Entitlement.</li> </ul> <p>If you do not wish to take up any of your Entitlement you should do nothing.</p>	<p>Section 2</p>
<p><b>Can I trade my Entitlement?</b></p>	<p>No. Entitlements are non-renounceable, which means they cannot be traded on ASX or any other exchange, or be privately transferred.</p>	<p>Section 1.9</p>
<p><b>What happens if I take up only part of my Entitlement, or if I do nothing?</b></p>	<p>New Shares of an equivalent number to Entitlements not taken up under the Retail Entitlement Offer, together with New Shares of an equivalent number to Entitlements that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, may be allocated to other Eligible Retail Shareholders who have applied for New Shares in excess of their Entitlement.</p> <p>The Retail Entitlement Offer will lapse in respect of those New Shares which are not acquired by Eligible Retail Shareholders.</p> <p>Eligible Shareholders will not receive any amounts in respect of any part of their Entitlement that they do not take up.</p>	<p>Sections 1.6 and 1.10</p>



# Questions and Answers

## WHERE TO FIND MORE INFORMATION

### Will my shareholding in Bendigo and Adelaide Bank be diluted?

The Offer includes a pro-rata component (the Entitlement Offer) and a non pro-rata component (the Placement Offer). As a result, while Eligible Retail Shareholders will have the opportunity to participate pro-rata in the Entitlement Offer (subject to immaterial movements as a result of rounding of Entitlements and assuming no Top-Up Shares are issued as contemplated by Section 1.11), their percentage shareholding in Bendigo and Adelaide Bank may be reduced following completion of the Placement Offer. The combined final impact of the Entitlement Offer and Placement Offer on a Shareholder's percentage holding in Bendigo and Adelaide Bank is dependant on a number of factors, including the individual Shareholder's level of take up of New Shares, their application (if any) for New Additional Shares and the allocation policy with respect to any available pool of Additional New Shares.

Section 1.10

### Can I apply for Additional New Shares above my Entitlement?

Yes. Subject to the ASX Listing Rules (related party restrictions), Eligible Retail Shareholders who take up their Entitlement in full may apply for Additional New Shares in excess of their Entitlement. However, you are not assured of being allocated any Additional New Shares in excess of your Entitlement.

Sections 1.6 and 2.1

If you are an Eligible Retail Shareholder who is issued less than the number of New Shares you applied for, you will receive a refund payment for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable following the Closing Date.

### How do I participate in the Retail Entitlement Offer?

If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement (and, if you take up all of your Entitlement, apply for Additional New Shares), you have two options:

Section 2.1

**Option 1:** If paying by cheque, bank draft or money order, complete the personalised Entitlement and Acceptance Form accompanying this Prospectus (personalised Entitlement and Acceptance Forms are also available at [www.bendigo-offer.com.au](http://www.bendigo-offer.com.au)) in accordance with the instructions set out on the form, and then return that form to the Share Registry together with payment of the full Application Monies in respect of the New Shares you wish to take up. The completed Entitlement and Acceptance Form and cheque, bank draft or money order must be received by the Share Registry before 5.00pm (Melbourne time) on 4 September 2009 in the envelope enclosed with this Prospectus or otherwise at the following address:

Bendigo and Adelaide Bank Limited  
Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001

**Option 2:** If paying by BPAY<sup>®</sup>, pay the full Application Monies in respect of the New Shares you wish to take up in accordance with the instructions on the personalised Entitlement and Acceptance Form. Payment by BPAY<sup>®</sup> must be received by the Share Registry before 5.00pm (Melbourne time) on 4 September 2009. You should check the processing cut off time for BPAY<sup>®</sup> transactions with your financial institution as it may be earlier than 5.00pm on 4 September 2009, being the Closing Date of the Retail Entitlement Offer.

If you are paying by BPAY<sup>®</sup> you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form.

# Questions and Answers

## WHERE TO FIND MORE INFORMATION

### THE PLACEMENT OFFER

<b>What is the Placement Offer?</b>	The Placement Offer is an offer by Bendigo and Adelaide Bank of Shares to certain Institutional Investors. The Placement Offer will be made at the same price as the Entitlement Offer.	Section 1.18
<b>How can I participate in the Placement Offer?</b>	Persons invited to participate in the Placement Offer will be contacted by the Joint Lead Managers.	Section 1.18
<b>How much is Bendigo and Adelaide Bank seeking to raise from the Placement Offer?</b>	Bendigo and Adelaide Bank is seeking to raise approximately \$127 million from the Placement Offer before expenses.	Chairman's Letter, Sections 1.1 and 1.18

## WHERE TO FIND MORE INFORMATION

### INFORMATION ABOUT BENDIGO AND ADELAIDE BANK AND THE FINANCIAL IMPACT OF THE OFFER ON BENDIGO AND ADELAIDE BANK

<b>What is Bendigo and Adelaide Bank's business?</b>	Bendigo and Adelaide Bank provides banking and financial services primarily to retail customers and small to medium sized businesses.	Section 3
<b>What is the financial impact of the Offer on Bendigo and Adelaide Bank?</b>	The financial impact of the Offer on Bendigo and Adelaide Bank is discussed in Section 4.	Section 4

## WHERE TO FIND MORE INFORMATION

### OTHER INFORMATION ABOUT THE OFFER

<b>Can the Offer be withdrawn?</b>	Yes. The Directors reserve the right to withdraw the Offer and this Prospectus at any time, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. If the Offer is withdrawn, Bendigo and Adelaide Bank will refund Application Monies (without interest) in respect of New Shares which have not yet been issued in accordance with the Corporations Act.	Sections 6.10
<b>When will the New Shares and Placement Shares commence trading on ASX?</b>	News Shares issued under the Institutional Entitlement Offer and Placement Shares issued under the Placement Offer will commence trading on 21 August 2009. New Shares issued under the Retail Entitlement Offer will commence trading on 16 September 2009.	Key Dates

### FURTHER INFORMATION

<b>How can Eligible Retail Shareholders obtain further information?</b>	If you would like further information you can: <ul style="list-style-type: none"><li>&gt; contact your stockbroker, accountant, solicitor and/or other professional adviser; and/or</li><li>&gt; call the Bendigo and Adelaide Bank Offer Information Line on 1300 667 384 (local call cost within Australia) or on +61 3 9415 4655 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.</li></ul>	
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# Details of the Offer





## > Details of the Offer

### 1.1 Overview

Bendigo and Adelaide Bank is seeking to raise approximately:

- > \$173 million under a fully underwritten Entitlement Offer; and
- > \$127 million under a fully underwritten Placement Offer.

Under the Entitlement Offer, Bendigo and Adelaide Bank is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 12 Existing Shares held as at the Record Date at the Offer Price of \$6.75 per New Share. Approximately 25.7 million New Shares will be issued under the Entitlement Offer.

The Entitlement Offer comprises two parts:

1. Institutional Entitlement Offer – Eligible Institutional Shareholders are invited to take up all or part of their Entitlement under this Prospectus and to apply for New Shares in excess of their Entitlement. In addition, under the Institutional Entitlement Offer, any Institutional Shortfall Shares will be offered to Eligible Institutional Shareholders who apply for New Shares in excess of their Entitlement, and to certain other Institutional Investors.
2. Retail Entitlement Offer – Eligible Retail Shareholders will be sent this Prospectus together with a personalised Entitlement and Acceptance Form and are required to decide whether or not they will take up all, part or none of their Entitlement. Further, Eligible Retail Shareholders who take up their Entitlement in full are also given the opportunity to apply for Additional New Shares in excess of their Entitlement. The Retail Entitlement Offer closes at 5pm (Melbourne time) on the Closing Date, being 4 September 2009.

The Placement Offer is available to certain Institutional Investors only. Refer to Section 1.18 for further information.

### 1.2 Underwriting of the Offer

The Institutional Entitlement Offer, the Retail Entitlement Offer and the Placement Offer are fully underwritten by the Joint Lead Managers pursuant to the Underwriting Agreement. The Joint Lead Managers will subscribe for, or procure subscriptions for, any New Shares that are not subscribed for by Eligible Institutional Shareholders or new Institutional Investors under the Institutional Entitlement Offer, any New Shares that are not subscribed for by Eligible Retail Shareholders under the Retail Entitlement Offer, and any Placement Shares that are not subscribed for under the Placement Offer.

A summary of the Underwriting Agreement, which contains a number of termination events, is set out in Section 6.5. If the Underwriting Agreement is terminated by the Joint Lead Managers, the Offer may not proceed, in which case Application Monies that have not resulted in the issue of New Shares would be refunded without interest.

### 1.3 Use of proceeds

Under the Entitlement Offer, Bendigo and Adelaide Bank is seeking to raise approximately \$173 million before expenses. Under the Placement Offer, Bendigo and Adelaide Bank is seeking to raise approximately \$127 million before expenses. Fees and costs related to the Entitlement Offer and the Placement Offer are

expected to be approximately \$9 million and will be paid out of the proceeds of the Offer.

Bendigo and Adelaide Bank will use the proceeds from the Offer to strengthen the Bank's capital base, to enhance its financial flexibility and to take advantage of growth opportunities as markets continue to improve.

### 1.4 Capital structure

The effect of the Entitlement Offer and the Placement Offer on the capital structure of Bendigo and Adelaide Bank is set out in the table below.

	NUMBER OF SHARES
Before the Entitlement Offer and Placement Offer (as at 7 August 2009)	308,243,636
Placement Offer	Approximately 18.8 million
Institutional Entitlement Offer	Approximately 7.7 million
Retail Entitlement Offer	Approximately 18.0 million
Total after the Entitlement Offer and Placement Offer	Approximately 352.7 million

As well as the Shares, Bendigo and Adelaide Bank also has Bendigo Preference Shares (**BPS**), Reset Preference Shares (**RPS**), Step Up Preference Shares (**SPS**) and Floating Rate Capital Notes (**FRCN**) on issue. The Entitlement Offer and the Placement Offer will have no effect on the number of BPS, RPS, SPS and FRCN on issue.

### 1.5 Institutional Entitlement Offer

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders are invited to take up all or part of their Entitlement at the Offer Price of \$6.75 per New Share under this Prospectus, and (if they take up their Entitlement in full) to apply for Additional New Shares in excess of their Entitlement. The Record Date applies to Eligible Institutional Shareholders for the Institutional Entitlement Offer (subject to those ASX waivers summarised in Section 6.9).

In addition, the Institutional Shortfall Shares will be offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement and to certain other Institutional Investors.

The Institutional Entitlement Offer is underwritten by the Joint Lead Managers.

The Institutional Entitlement Offer will be conducted between 10 August 2009 and 11 August 2009 and is expected to raise approximately \$52 million for Bendigo and Adelaide Bank through the issue of approximately 7.7 million New Shares. Settlement of the Institutional Entitlement Offer is expected to occur on 20 August 2009. The New Shares issued under the Institutional Entitlement Offer are then expected to commence trading on ASX on 21 August 2009.

New Shares issued under the Institutional Entitlement Offer will not be entitled to the FY2009 Final Dividend.

## 1.6 Retail Entitlement Offer

### 1.6.1 Overview of the Retail Entitlement Offer

Bendigo and Adelaide Bank is offering Eligible Retail Shareholders the opportunity to acquire 1 New Share for every 12 Existing Shares held at 7.00pm on the Record Date at an Offer Price of \$6.75 per New Share. Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares in excess of their Entitlement.

The ratio and Offer Price under the Retail Entitlement Offer is the same as for the Institutional Entitlement Offer.

New Shares issued under the Retail Entitlement Offer will not be entitled to the FY2009 Final Dividend.

### 1.6.2 Who can participate in the Retail Entitlement Offer

The Retail Entitlement Offer is only open to Eligible Retail Shareholders. Eligible Retail Shareholders are those Shareholders who satisfy each of the following criteria:

- > has a registered address in Australia or New Zealand;
- > is not in the US, and is not a US Person or acting for the account or benefit of a US Person (to that extent);
- > is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder and does not hold Shares on behalf of an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder (to that extent); and
- > is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Bendigo and Adelaide Bank reserves the right to reject any Application that it believes comes from a person who is not an Eligible Retail Shareholder.

### 1.6.3 What Eligible Retail Shareholders can apply for under the Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to apply for 1 New Share for every 12 Existing Shares held as at the Record Date, subject to the terms of this Prospectus.

The number of New Shares for which an Eligible Retail Shareholder is entitled to apply is shown on the personalised Entitlement and Acceptance Form that accompanies the copy of this Prospectus sent to each Eligible Retail Shareholder. Where fractions arise in the calculation of Entitlements, they will be rounded down to the next whole number of New Shares.

Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares in excess of their Entitlement. Allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. Any scale-back of Applications for Additional New Shares will be at Bendigo and Adelaide Bank's discretion, and Bendigo and Adelaide Bank's decision on the number of New Shares to be allocated to you will be final.

If an Application for Additional New Shares is not accepted, a refund of the surplus Application Monies will be paid to that Shareholder, without interest, as soon as practicable after the Closing Date.

### 1.6.4 Taking up Entitlements and applying for Additional New Shares

Eligible Retail Shareholders can take up their Entitlement in full or in part (and, if taking up their Entitlement in full, apply for New Shares in excess of their Entitlement) by returning their personalised Entitlement and Acceptance Form and payment to the Share Registry, or by BPAY® payment instruction, by no later than 5.00pm (Melbourne time) on 4 September 2009 (the Closing Date). Payment may be made via cheque, bank draft, money order or BPAY® payment by following the instructions as set out on the personalised Entitlement and Acceptance Form.

To determine the amount that is payable, you will need to multiply the aggregate number of New Shares you wish to apply for by the Offer Price and write this amount in the relevant space provided for in your personalised Entitlement and Acceptance Form.

Returning a completed Entitlement and Acceptance Form or paying the Offer Price for New Shares by BPAY® payment will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- > have received a copy of this Prospectus and the accompanying personalised Entitlement and Acceptance Form and have read those documents in full;
- > declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- > acknowledge that once your Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given, the Application may not be varied or withdrawn except as required by law;
- > agree to being issued the number of New Shares they applied or paid for; and
- > authorise Bendigo and Adelaide Bank and the Joint Lead Managers and their officers or agents to do anything on their behalf necessary for New Shares to be issued to them, including to act on instructions received by the Share Registry using the contact details in the Entitlement and Acceptance Form.

The Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with.

Bendigo and Adelaide Bank, in conjunction with the Joint Lead Managers, reserves the right to extend the Closing Date without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

### 1.6.5 Entitlements not taken up

New Shares of an equivalent number to Entitlements not taken up under the Retail Entitlement Offer, together with New Shares of an equivalent number to Entitlements that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer, may be allocated to other Eligible Retail Shareholders who have applied for New Shares in excess of their Entitlement.

The Joint Lead Managers will subscribe or procure subscriptions for any New Shares which are not acquired by Eligible Retail Shareholders.

### 1.6.6 Allotment of New Shares under the Retail Entitlement Offer

New Shares under the Retail Entitlement Offer are expected to be allotted on 15 September 2009. Following allotment, Shareholders

## > Details of the Offer

will be sent holding statements confirming the number of New Shares issued to them.

After the allotment date, Applicants may call the Bendigo and Adelaide Bank Offer Information Line on 1300 667 384 from within Australia or +61 3 9415 4655 from outside Australia to seek confirmation of their allocation.

### 1.7 No offer under the Retail Entitlement Offer to Eligible Institutional Shareholders or Ineligible Institutional Shareholders

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder including:

- > any Eligible Institutional Shareholder (whether or not it accepted the Institutional Entitlement Offer);
- > any Ineligible Institutional Shareholder; or
- > a nominee for such a person, in respect of Existing Shares held for such a Shareholder.

### 1.8 No offer under the Retail Entitlement Offer to holders of New Shares

Any person allocated New Shares under the Institutional Entitlement Offer does not have any entitlement to participate in the Retail Entitlement Offer in respect of those New Shares.

### 1.9 No trading of Entitlements

Entitlements under the Entitlement Offer are non-renounceable, meaning they are personal and cannot be traded on ASX or any other exchange or privately transferred.

### 1.10 Effect of the Entitlement Offer and Placement Offer on a Shareholder's percentage interest in Bendigo and Adelaide Bank

The Offer includes a pro-rata component (the Entitlement Offer) and a non pro-rata component (the Placement Offer). As a result, while Eligible Retail Shareholders will have the opportunity to participate pro-rata in the Entitlement Offer (subject to immaterial movements as a result of rounding of Entitlements and assuming no Top-Up Shares are issued as contemplated by Section 1.11), their percentage shareholding in Bendigo and Adelaide Bank of all existing Shareholders may be reduced following completion of the Offer. The combined final impact of the Entitlement Offer and Placement Offer on a Shareholder's percentage holding in Bendigo and Adelaide Bank is dependant on a number of factors, including the individual Shareholder's level of take up of New Shares, their application (if any) for New Additional Shares and the allocation policy with respect to any available pool of New Additional Shares.

### 1.11 Reconciliation and Top-Up Shares

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date. This results in reconciliation issues. If reconciliation issues occur, it is possible that Bendigo and Adelaide Bank may need to issue a small quantity of

Top-Up Shares to ensure all Eligible Shareholders receive their full Entitlement. The price at which these Top-Up Shares would be issued is the same as the Offer Price under the Entitlement Offer.

Any Top-Up Shares will be issued under this Prospectus and accordingly (without limiting other provisions of this Prospectus permitting variation of dates or acceptance of late Applications) the offers in this Prospectus remain open for acceptance in respect of such shares until the date of issue of any Top-Up Shares.

### 1.12 Allocation policy

Under the Institutional Entitlement Offer, Institutional Shortfall Shares may be allocated to Eligible Institutional Shareholders wishing to subscribe for more than their Entitlements, and Institutional Investors.

All Eligible Retail Shareholders will be allocated New Shares applied and paid for up to their Entitlement. Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares in excess of their Entitlement. Allocation of any Additional New Shares will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. Any scale-back of Applications for Additional New Shares will be at Bendigo and Adelaide Bank's discretion, and Bendigo and Adelaide Bank's decision on the number of New Shares to be allocated to you will be final.

### 1.13 Rights of Bendigo and Adelaide Bank and the Joint Lead Managers

Bendigo and Adelaide Bank reserves the right to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information requested to substantiate their claims.

Without limiting the foregoing, if any Eligible Institutional Shareholder (or person claiming to be an Eligible Institutional Shareholder) under the Institutional Entitlement Offer subscribes for a greater number of New Shares than their Entitlement at the Record Date then, at the absolute discretion of Bendigo and Adelaide Bank and the Joint Lead Managers, the relevant person may be required to transfer to the Joint Lead Managers the number of New Shares oversubscribed at the Offer Price. If necessary, the relevant person will be required to remit Existing Shares held by them or to purchase Shares on market to meet this obligation. The relevant person will bear any and all losses caused by the overstatement of their holding and any actions they are required to take with respect to this overstatement.

By applying under the Entitlement Offer, those applying irrevocably acknowledge and agree to do the above as required by Bendigo and Adelaide Bank or the Joint Lead Managers in their absolute discretion. Those applying acknowledge that there is no time limit on the ability of Bendigo and Adelaide Bank or the Joint Lead Managers to require any of the actions set out above.

Bendigo and Adelaide Bank and the Joint Lead Managers, in their absolute discretion, reserve the right to determine



whether a Shareholder is an Eligible Retail Shareholder, an Eligible Institutional Shareholder, an Ineligible Retail Shareholder, or an Ineligible Institutional Shareholder.

### 1.14 Ranking of New Shares

New Shares will rank equally with Existing Shares from the date of issue, but will not be eligible for the FY2009 Final Dividend.

A summary of the rights and liabilities attaching to the New Shares is set out in Section 6.4.

### 1.15 ASX quotation and trading of New Shares

Bendigo and Adelaide Bank has applied, or will apply within seven days after the date of this Prospectus, to ASX for official quotation of the New Shares. Subject to approval being granted, it is expected that normal trading of New Shares issued under the Institutional Entitlement Offer and Placement Offer will commence on 21 August 2009. It is expected that normal trading will commence in relation to New Shares issued under the Retail Entitlement Offer on 16 September 2009.

If ASX does not grant approval for official quotation of the New Shares within three months after the date of this Prospectus, none of the New Shares offered under the Entitlement Offer will be issued, unless ASIC grants Bendigo and Adelaide Bank an exemption permitting the issue.

Holding statements for New Shares issued under the Retail Entitlement Offer are expected to be dispatched to Eligible Retail Shareholders on 18 September 2009. It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Bendigo and Adelaide Bank and the Joint Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Bendigo and Adelaide Bank, the Share Registry or the Joint Lead Managers.

### 1.16 Application Monies

All Application Monies will be held by Bendigo and Adelaide Bank in a bank account on trust for applicants until the New Shares are issued. The bank account will be established and maintained by Bendigo and Adelaide Bank solely for the purpose of depositing Application Monies and retaining those funds for as long as required under the Corporations Act.

Retail applicants who are allotted less than the number of New Shares that they applied for will be sent a refund payment for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable after the Closing Date.

Interest earned on the Application Monies will be for the benefit of, and will remain the property of, Bendigo and Adelaide Bank and will be retained by Bendigo and Adelaide Bank whether or not the allotment and issue of New Shares takes place.

If the Entitlement Offer is withdrawn and the New Shares are not issued, all Application Monies will be refunded by Bendigo and Adelaide Bank as soon as practicable, without interest, and Entitlements will lapse.

### 1.17 Treatment of foreign Shareholders

#### 1.17.1 General

This Prospectus is being sent to Eligible Retail Shareholders on the register as at the Record Date with registered addresses in Australia and New Zealand, and to Eligible Institutional Shareholders and certain other Institutional Investors. Neither this Prospectus nor the Entitlement and Acceptance Form constitutes an offer or invitation in the US (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer or invitation.

Eligible Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether, in order to enable them to take up their Entitlements, any governmental or other consents are required or other formalities need to be observed.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that taking up their Entitlements does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application (whether by the return of a duly completed Entitlement and Acceptance Form or by the making of a BPAY® payment or otherwise) will constitute a representation that there has been no breach of such laws or regulations. Shareholders who are nominees are therefore advised to seek independent advice as to how they should proceed.

Potential investors, including Eligible Shareholders who hold Shares on behalf of persons who are not resident in Australia or New Zealand, are responsible for ensuring that taking up New Shares under the Entitlement Offer or Placement Shares under the Placement Offer does not breach the foreign selling restrictions set out in Section 6.13 or otherwise violate the securities laws in the relevant overseas jurisdictions, and should refer to the representations, warranties and agreements in that Section made by them when applying for or purchasing New Shares or Placement Shares.

Eligible Institutional Shareholders and other Institutional Investors will be contacted by the Joint Lead Managers if they are believed to be eligible to participate in the Institutional Entitlement Offer or the Placement Offer.

#### 1.17.2 United States

The Entitlement Offer is not being made in the US or to, or for the account or benefit of, US Persons. Concurrently with the Entitlement Offer, the Bank will be conducting the US Private Placement.

Eligible Shareholders (including nominees) who hold Shares on behalf of persons in the US or that are US Persons may not take up their Entitlements or subscribe for New Shares on behalf of such persons, and may not send to such persons this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer.

## > Details of the Offer

Each purchaser of New Shares under the Entitlement Offer will be deemed to have represented, warranted and agreed that:

- > neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the US, and may not be offered, sold or otherwise transferred in the US or to, or for the account or benefit of, a US Person;
- > it is not in the US, and is not a US Person and is not acting for the account or benefit of a US Person;
- > it has not and will not send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the US or that is a US Person; and
- > if in the future it decides to sell or otherwise transfer its New Shares, it will only do so in regular way transactions on ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or is a US Person.

### 1.17.3 New Zealand

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand) and Placement Shares offered under this Prospectus are being offered to Institutional Investors in a manner that does not involve an offer to the public in New Zealand. This Prospectus is not an investment statement or prospectus under New Zealand law and has not been registered, filed with or approved by any New Zealand regulatory authority, or under or in accordance with the Securities Act 1978 (New Zealand) or any other relevant law in New Zealand. It may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain. For further details see Section 6.13.6.

### 1.17.4 Other jurisdictions

For details on selling restrictions in other jurisdictions see Section 6.13.

### 1.17.5 Ineligible Shareholders

Bendigo and Adelaide Bank is of the view that it is not reasonable to extend the Entitlement Offer to Ineligible Shareholders, having regard to:

- > the number of Ineligible Shareholders;
- > the number and value of the New Shares which would be offered to Ineligible Shareholders if they were Eligible Shareholders; and
- > the cost of complying with the legal requirements, and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Institutional Entitlement Offer is only being extended to Eligible Institutional Shareholders and certain other Institutional Investors in certain jurisdictions where the offer, sale or distribution of the New Shares and the Placement Shares is permitted under applicable law. The Retail Entitlement Offer is not being extended to any Shareholders outside Australia and New Zealand. Bendigo and Adelaide Bank will notify all Ineligible Shareholders of the Entitlement Offer and advise that Bendigo and Adelaide Bank is not extending the Entitlement Offer to Ineligible Shareholders.

Bendigo and Adelaide Bank has appointed the Joint Lead Managers to offer for subscription New Shares equal to the number of New Shares that Ineligible Institutional Shareholders would have been able to subscribe for had they been entitled to participate in the Entitlement Offer, as described in Section 1.5.

New Shares equivalent to the number that Ineligible Retail Shareholders would have been able to apply for had they been entitled to participate in the Retail Entitlement Offer may be allocated to Eligible Retail Shareholders who apply for New Shares in excess of their Entitlement.

## 1.18 Placement Offer

Concurrently with the Institutional Entitlement Offer, Bendigo and Adelaide Bank will conduct a Placement Offer of \$127 million, representing approximately 6.1% of Bendigo and Adelaide Bank's issued share capital.

The Placement Shares will be issued at the Offer Price of \$6.75, being the same issue price as the New Shares issued under the Entitlement Offer.

Placement Shares will be issued on a fully paid basis and will rank equally with Existing Shares from the date of issue, but will not be eligible for the FY2009 Final Dividend.

Bendigo and Adelaide Bank has applied, or will apply within seven days after the date of this Prospectus, to ASX for official quotation of the Placement Shares. Subject to approval being granted, it is expected that normal trading of Placement Shares issued under the Placement Offer will commence on 21 August 2009.

Holding statements for Placement Shares issued under the Placement Offer are expected to be dispatched to subscribers under the Placement Offer on 18 September 2009. It is the responsibility of each applicant to confirm their holding before trading in Placement Shares. Any applicant who sells Placement Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Bendigo and Adelaide Bank and the Joint Lead Managers disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade Placement Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Bendigo and Adelaide Bank, the Share Registry or the Joint Lead Managers.

## 1.19 Taxation implications

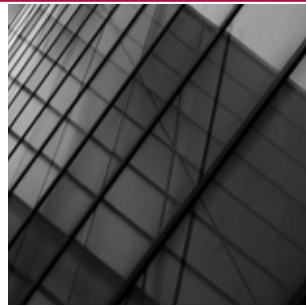
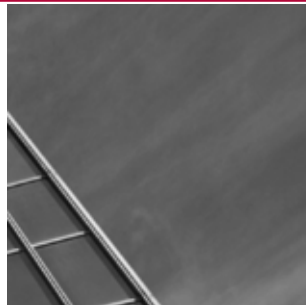
Taxation implications will vary depending upon the individual circumstances of individual Eligible Shareholders and subscribers under the Placement Offer. Such persons should obtain their own professional advice before deciding whether to invest.

## 1.20 Disclaimer

Bendigo and Adelaide Bank and the Joint Lead Managers disclaim all liability (to the maximum extent permitted by law) in respect of the determination as to whether a Shareholder is an Eligible Retail Shareholder, an Eligible Institutional Shareholder, an Ineligible Retail Shareholder or an Ineligible Institutional Shareholder.

# Actions Required of Eligible Shareholders

# 2





## > Actions Required of Eligible Shareholders

This Prospectus is important and requires your immediate attention. Before deciding on how to deal with your Entitlement, you should carefully read this Prospectus in its entirety, including the risk factors set out in Section 5. If you do not understand any part of this Prospectus, or are in any doubt as to how to deal with your Entitlement, you should consult your stockbroker, accountant, solicitor and/or other professional adviser.

Eligible Shareholders may do any of the following:

- > take up all of their Entitlement;
- > take up all of their Entitlement and apply for New Shares in excess of their Entitlement;
- > take up part of their Entitlement and decline the balance; or
- > decline to take up any of their Entitlement by doing nothing.

The Offer includes a pro-rata component (the Entitlement Offer) and a non pro-rata component (the Placement Offer). As a result, while Eligible Retail Shareholders will have the opportunity to participate pro-rata in the Entitlement Offer (subject to immaterial movements as a result of rounding of Entitlements and assuming no Top-Up Shares are issued as contemplated by Section 1.11), their percentage shareholding in Bendigo and Adelaide Bank of all existing Shareholders may be reduced following completion of the Offer. The combined final impact of the Entitlement Offer and Placement Offer on a Shareholder's percentage holding in Bendigo and Adelaide Bank is dependant on a number of factors, including the individual Shareholder's level of take up of New Shares, their application (if any) for New Additional Shares and the allocation policy with respect to any available pool of New Additional Shares.

Information for Eligible Institutional Shareholders on how to take up all or part of their Entitlement will be provided to them by the Joint Lead Managers. The remainder of this Section 2 contains information for Eligible Retail Shareholders.

### 2.1 If you are an Eligible Retail Shareholder and wish to take up all or part of your Entitlement, and potentially apply for New Shares in excess of your Entitlement

If you are an Eligible Retail Shareholder and you wish to take up all or part of your Entitlement (and, if you take up all of your Entitlement, if you wish to apply for New Shares in excess of your Entitlement), you have two options.

#### **Option 1: Submit your completed Entitlement and Acceptance Form together with your cheque, bank draft or money order**

To follow this **Option 1**, you should complete the personalised Entitlement and Acceptance Form accompanying this Prospectus in accordance with the instructions set out on that form, and indicate the number of New Shares you wish to subscribe for; and return the form to the Share Registry (address details below) together with a cheque, bank draft or money order which must be:

- > in respect of the full Application Monies (being \$6.75 multiplied by the number of New Shares you wish to subscribe for);

- > in Australian currency drawn on an Australian branch of a financial institution; and
- > made payable to 'Bendigo and Adelaide Bank Ent Offer' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Application Monies will pay for. Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

Cash payments will not be accepted. Receipts for payment will not be issued.

*You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order reaches the Share Registry at the following address by no later than 5.00pm (Melbourne time) on 4 September 2009:*

Bendigo and Adelaide Bank Limited  
Computershare Investor Services Pty Limited  
GPO Box 505  
Melbourne VIC 3001

Completed Entitlement and Acceptance Forms and Application Monies will not be accepted at Bendigo and Adelaide Bank's registered office or branches. A reply paid envelope is enclosed for the convenience of Eligible Retail Shareholders, and if mailed in Australia, no postage stamp is required. If mailed in New Zealand, or any other country outside of Australia, correct postage must be affixed.

Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted if received after the Closing Date.

#### **Option 2: Pay via BPAY® payment**

To follow this **Option 2**, you should pay the full Application Monies (being \$6.75 multiplied by the number of New Shares you wish to subscribe for) via BPAY® payment in accordance with the instructions set out on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique customer reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution.

Please note that should you choose to pay by BPAY® payment, you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the statements on that form and you are deemed to have applied for such whole number of New Shares as your Application Monies will pay for.

*You need to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on 4 September 2009.*

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by 5.00pm (Melbourne time) on 4 September 2009 (subject to variation).

If you apply for New Shares in excess of your Entitlement, there is no assurance that you will be issued any of those New Shares. The number, if any, of New Shares you will be issued in excess of your Entitlement will depend on demand for New Shares from other Eligible Retail Shareholders. If you apply for New Shares in excess of your Entitlement and you are not allocated some or all those New Shares, you will receive a refund for the relevant amount of Application Monies (without interest) not applied towards the issue of New Shares, as soon as practicable after the Closing Date. The refund cheque will be forwarded to your registered address.

## 2.2 If you are an Eligible Retail Shareholder and you do not wish to take up any of your Entitlement

If you are an Eligible Retail Shareholder and you do not wish to take up any of your Entitlement, you should do nothing. If you do nothing, then New Shares representing your Entitlement will be offered to Eligible Retail Shareholders who apply for New Shares in excess of their Entitlement (see Section 1.6).

You should also note that, if you do not take up your Entitlement, then – although you will continue to own the same number of Shares – your percentage shareholding in Bendigo and Adelaide Bank will fall.

## 2.3 Further information

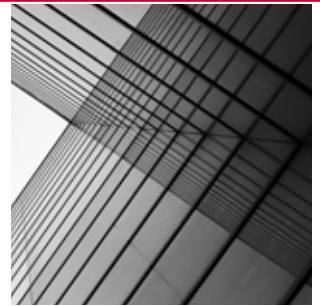
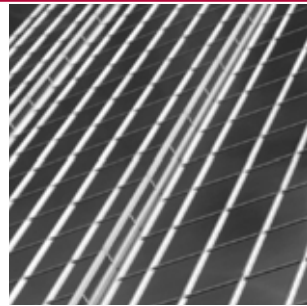
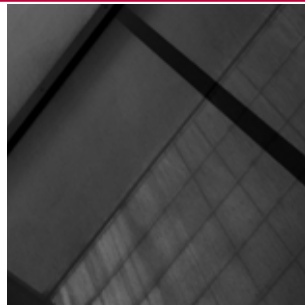
If you are an Eligible Retail Shareholder and:

- > have any questions in relation to the Shares upon which your Entitlement has been calculated;
- > have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- > have lost your personalised Entitlement and Acceptance Form and would like a replacement form,

please call the Bendigo and Adelaide Bank Offer Information Line on 1300 667 384 (local call cost within Australia) or on +61 3 9415 4655 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Offer Period.

Information on  
Bendigo and Adelaide Bank  
and its business

3





### 3.1 Overview

Bendigo and Adelaide Bank provides banking and financial services primarily to retail customers and small to medium sized businesses. The principal activities of the Bank and its controlled entities are the provision of a range of banking and other financial services, including retail banking, mortgages distributed through third-parties, business lending, margin lending, business banking and commercial finance, invoice discounting, funds management, treasury and foreign exchange services (including trade finance), superannuation, financial advisory and trustee services. Bendigo and Adelaide Bank is regulated by APRA.

Bendigo and Adelaide Bank has headquarters in Bendigo, Victoria and Adelaide, South Australia with the registered office based in Bendigo. As at 30 June 2009, the Bank had an asset base of \$47.1 billion. Bendigo and Adelaide Bank has approximately 430 branches, including approximately 240 Community Bank® branches. Bendigo and Adelaide Bank after tax profit before significant items decreased by 26% to \$173.2 million for the 12 months ending 30 June 2009.

During the 2009 financial year, the Bank's customer base grew by an additional 135,000 customers. Since 2003 the Bank has grown its customer base annually by approximately 70,000 new customers. This growth has allowed the Bank to adapt its funding mix to market conditions and reduces the Bank's reliance on global capital markets, which remain dislocated. For the 2009 financial year, retail deposits increased by 27.1%, and now fund more than 80% of loans held on the Bank's balance sheet. The Bank will continue to leverage its retail distribution network as existing branches mature and as more branches are opened.

The Bank's activities are conducted through two main business segments: Retail Banking and Wealth and Third Party Banking. Retail Banking includes both company-owned and Community Bank® retail branches, business banking, financial markets, electronic banking and financial planning.

### 3.2 Government guarantee

In October 2008 the Australian Government announced that it would guarantee deposits not exceeding \$1 million in all Authorised Deposit-taking Institutions (ADIs), i.e. banks, credit unions and building societies, for a period of three years. The Government also announced a guarantee on deposits exceeding \$1 million and wholesale debt securities issued by these institutions, on application, and for a fee.

An ADI may apply for the guarantee in relation to:

- > deposit liabilities for amounts over \$1 million: The deposit can be at call or with maturity not exceeding 60 months in excess of \$1 million per customer per ADI. The deposit can be in any currency and may pre-date the guarantee;
- > short term wholesale funding liabilities: The liability can be in any currency and must be a senior and unsecured debt instrument with a maturity not exceeding 15 months. In addition, the instrument must not be "complex". The liability must be in the form of a bank bill, certificate of deposit or transferable deposit, a debenture or commercial paper. The Government has issued guidelines on the features that are likely to be regarded as "complex"; and

- > term wholesale funding liabilities: The liability can be in any currency and must be a senior and unsecured debt instrument with a maturity not exceeding 60 months but greater than 15 months. The instrument must not be "complex" and must be in the form of a bond, note or debenture.

The Bank, as an ADI, has the benefit of the guarantee for deposit balances less than \$1 million. In addition, the Bank successfully applied for the guarantee in relation to deposits over \$1 million and wholesale funding in November 2008.

The Government instituted this action in response to the adverse financial market conditions prevailing at the time, following similar moves by overseas governments including those in the United Kingdom and the United States.

### 3.3 Business strategy

Bendigo and Adelaide Bank's strategy is built on our vision of being Australia's leading customer connected banking group.

Bendigo and Adelaide Bank aims to achieve this vision of providing a banking alternative by focusing upon a number of key principles:

- > offer brands and solutions that are relevant to the customer;
- > respect customer choice, needs and objectives;
- > build and distribute directly and via trusted relationships;
- > strike a balance between risk and reward for all stakeholders to produce sustainable outcomes; and
- > strengthen our balance sheet by strengthening the balance sheet of our customers, partners and communities.

### 3.4 Business profile

#### 3.4.1 Retail Banking

Retail Bank provides banking, wealth and risk management services to households and small to medium sized businesses. It is represented in all Australian states and territories with a strong presence in Victoria, South Australia and Queensland and an increasing presence in New South Wales and Western Australia. Bendigo and Adelaide Bank products and services are available through approximately 190 company-owned branches, approximately 240 community-owned Community Bank® branches of Bendigo and Adelaide Bank and approximately 100 agencies.

The Community Bank® branches engage and involve communities in securing access to branch banking services. Essentially, a local publicly owned company invests in the rights to operate Bendigo and Adelaide Bank branches. Bendigo and Adelaide Bank supplies all banking and back office services while the community company operates the retail outlet. Revenue is shared, enabling communities to profit from their own banking and channel those profits back into community enterprise and development.

#### 3.4.2 Wealth and Third Party Banking

The Bank has developed a partner-centric business model based on key strategic alliances and partnerships with mortgage brokers, mortgage managers, stockbrokers, financial planners and other third parties throughout Australia.

## > Information on Bendigo and Adelaide Bank and its Business

The Third Party Mortgage Business has established itself as a product innovator specialising in loan product development, processing and wholesaling.

The Wealth business includes Bendigo and Adelaide Bank's margin lending business, Leveraged Equities, plus the Adelaide Managed Funds and Sandhurst Trustees Funds Management businesses.

### 3.4.3 Joint venture businesses

The Bank's joint venture businesses include Elders Rural Bank (agri-business banking), Community Sector Banking (banking to Australia's not-for-profit sector), Homesafe (promoter and distributor of equity release products), Community Telco Australia (telecommunications) and Strategic Payments Services (electronic payments services).

### 3.4.4 Operating subsidiaries

Bendigo and Adelaide Bank has a number of operating subsidiaries that contribute to the Group's overall profit performance or provide required infrastructure including product manufacture, product import, or product service and distribution. The more significant subsidiaries include Sandhurst Trustees Limited, Adelaide Managed Funds Limited, Leveraged Equities Limited, Victorian Securities Corporation Limited and Bendigo Financial Planning Limited.

## 3.5 Credit quality

Asset quality of the Bank remains sound. Increasing arrears rates in the consumer, residential and commercial loan portfolios, recently experienced due to the global financial crisis and tight economic conditions, have now abated and the Bank is currently experiencing the commencement of a decreasing arrears trend.

The average loan to security value ratio for the residential loan portfolio remains conservative whilst the margin lending business has not suffered a material loss in financial year 2009.

The total loan portfolio remains granular, with no material geographic concentrations.

Gross impaired loans of 0.49% of total assets as at 30 June 2009 is considered most acceptable (last 12 years average 0.32%; 1998 0.98%).

## 3.6 Recent Events

### 3.6.1 Managed Investment Scheme – Great Southern Portfolio

Bendigo and Adelaide Bank has extended loans to a large number of investors to facilitate their investments in various managed investment schemes (the **Schemes**) of which Great Southern Managers Australia Limited (**GSMAL**) (Administrators appointed) (Receivers and Managers appointed) is the responsible entity.

On 16 May 2009, the directors of GSMAL and its ASX-listed parent Great Southern Limited (**GSL**) placed the companies into voluntary administration. On 18 May 2009, secured creditors appointed partners of McGrathNicol as Receivers and Managers (the **Receivers**) of GSL and 11 of its subsidiary companies, including GSMAL.

Since 2000 a total of \$726 million has been lent to investors in the Schemes. As at 30 June 2009, Bendigo and Adelaide Bank's outstanding loan balances to borrowers in the Schemes totalled \$555.7 million spread across 8,200 borrowers (the **Great Southern Portfolio**). The Great Southern Portfolio represents less than 1.5% of Bendigo and Adelaide Bank's total asset base.

Approximately 18.2% of the loans by borrower (1,492 borrowers) and 21.6% of the loans by value (\$120 million) are in arrears (as at 30 June 2009).

A total of \$27.3 million has been raised by Bendigo and Adelaide Bank in the Financial Year (ending 30 June 2009) in specific and collective provisions relating to the Great Southern Portfolio. This total includes \$15.6 million in specific provisions (raised in the normal course of business after it becomes evident that any discrete loan is unlikely to be repaid in full) and \$11.7 million in collective provisions representing the estimated losses from borrowers in the Schemes during the next Financial Year (the size of which has been determined solely by reference to the likely credit performance of the Great Southern Portfolio). Bendigo and Adelaide Bank may make further adjustments to these provisions in the future if it assesses that the potential impairments to the Great Southern Portfolio are higher than currently provisioned.

Bendigo and Adelaide Bank has been notified that a number of investors in the Schemes may involve Bendigo and Adelaide Bank in legal proceedings in relation to the Schemes. However no legal action has been commenced. Risks will continue to be assessed on an ongoing basis.

Additionally, ASIC is assessing the conduct of financial services providers in relation to the marketing and operation of the Schemes and has stated it will take regulatory action where appropriate. ASIC has not stated that it is assessing Bendigo and Adelaide Bank's conduct.

Sections 5.1 and 5.11 set out the potential risks to Bendigo and Adelaide Bank in relation to the Great Southern Portfolio.

### 3.6.2 Elders Rural Bank

Bendigo and Adelaide Bank increased its ownership in Elders Rural Bank from 50% to 60% in May 2009.

The purchase was made for approximately \$33.9 million, taking the Bank's ownership to 60% with the remaining 40% being retained by Elders Limited. Under the change of ownership, Elders Rural Bank will change its name to Rural Bank Limited from August 2009.

The increase in ownership requires the Bank to consolidate Elders Rural Bank for capital adequacy purposes from May 2009. Refer to Section 4.1.4 of the Prospectus for details of consolidation for capital adequacy purposes.

Elders Rural Bank posted a net profit after tax of \$45.1 million for the year ended 30 June 2009, which represents a 10% increase on the prior year's result.

### 3.6.3 Macquarie Margin Lending

In January 2009 Bendigo and Adelaide Bank purchased the approximately \$1.5 billion margin lending portfolio and business from Macquarie Group Limited for \$52 million. The transaction included Bendigo and Adelaide Bank entering into a long-term white label distribution agreement with Macquarie Private Wealth

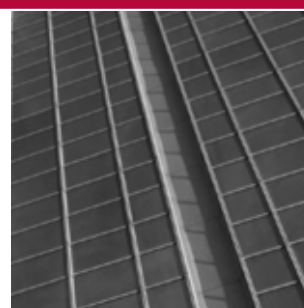
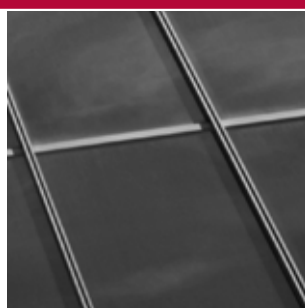
for margin lending services. The purchase resulted in Bendigo and Adelaide Bank, through its margin lending business Leveraged Equities, becoming the third largest provider of margin lending products in Australia, with approximately 30,000 customers and over \$3 billion in loans under management.





# Financial Information

4



## 4.1 Financial results

The selected financial information in relation to Bendigo and Adelaide Bank set out in Sections 4.1.2 and 4.1.3 has been extracted from the unaudited Appendix 4E of Bendigo and Adelaide Bank for the year ended 30 June 2009. The regulatory capital position set out in Section 4.1.4 has been extracted from the unaudited 30 June 2009 Capital Adequacy Return which is lodged with APRA. The Appendix 4E is based on financial accounts that are in the process of being audited by our external auditors. There is not expected to be any dispute or qualification to the financial accounts.

### 4.1.1 Results commentary

Bendigo and Adelaide Bank's after tax profit before significant items for the 12 months ending 30 June 2009 reduced by 26% on the prior corresponding period to \$173.2 million.

The reduced profit was attributable to a slowing economy and global recession, an unprecedented drop in official cash rates and increased competition for deposits.

In a sign that the Retail Banking business, including the Community Bank® network, remains strong, retail deposits increased by 20% to more than \$28.5 billion. This increase in retail deposits has allowed the Bank to reduce its reliance on wholesale funding, which remains expensive and difficult to access.

Directors announced a final dividend of 15 cents per share (fully franked), taking the total dividend for the financial year to 43 cents per share. Neither New Shares nor Placement Shares are entitled to the FY2009 Final Dividend. The Board's dividend policy of paying out 60–70% of cash earnings as dividends remains in force.

### 4.1.2 Detailed Income Statement (for the year ended 30 June 2009)

(\$ million)	2009	2008
<b>Income</b>		
Net interest income		
Interest income	3,154.7	2,695.5
Interest expense	2,519.7	2,098.0
Net interest income before significant cash flow hedge reserves	635.0	597.5
Total non interest income	275.4	249.1
Share of associates' net profits accounted for using the equity method	30.9	26.4
<b>Total income after interest expense</b>	<b>941.3</b>	<b>873.0</b>
<b>Expenses</b>		
Bad and doubtful debts	80.3	23.1
Operating expenses	614.0	513.6
Profit before income tax expense and significant items	247.0	336.3
Income tax expense before significant items	(73.8)	(102.2)
Net (profit)/loss attributable to minority interest	–	(0.7)
Profit after income tax expense and before significant items	173.2	233.4
Significant items after income tax expense	(89.4)	(35.1)
<b>Profit after tax</b>	<b>83.8</b>	<b>198.3</b>
<b>Adjusted for:</b>		
Significant items after tax	89.4	35.1
Dividends paid on preference shares	(4.5)	(5.5)
Dividends paid on step-up preference shares	(5.0)	(3.7)
After tax intangibles amortisation (excl. amortisation of intangible software)	18.5	15.4
<b>Cash basis earnings</b>	<b>182.2</b>	<b>239.6</b>
Cash basis earnings per ordinary share (cents per share)	62.9	111.1
Cash basis earnings per ordinary share (cents per share) – previously reported	62.9	93.7
Basic earnings per ordinary share (cents per share)	25.6	87.7
Diluted earnings per ordinary share (cents per share)	25.6	87.6
Franked dividends per ordinary share (cents per share)	43.0	65.0

## > Financial Information

### 4.1.3 Balance Sheet (for the year ended 30 June 2009)

(\$ million)	2009	2008
<b>Assets</b>		
Cash and cash equivalents	912.6	1,195.9
Due from other financial institutions	235.4	412.7
Assets held for sale	–	105.5
Financial assets held for trading	3,882.3	1,414.8
Financial assets available for sale – securities	–	422.0
Financial assets held to maturity	344.9	1,414.6
Current tax asset	84.4	–
Other assets	512.3	468.2
Financial assets available for sale – share investments	84.1	84.6
Derivatives	49.0	311.8
Loans and other receivables – investment	505.7	517.6
Loans and other receivables	38,235.2	39,587.4
Investments in associates and joint ventures accounted for using the equity method	225.9	185.2
Property, plant & equipment	115.9	113.5
Deferred tax assets	212.0	164.4
Investment property	115.6	80.4
Intangible assets & goodwill	1,598.9	1,570.4
<b>Total Assets</b>	<b>47,114.2</b>	<b>48,049.0</b>
<b>Liabilities</b>		
Due to other financial institutions	196.3	269.7
Deposits	31,879.8	31,404.9
Notes payable	9,974.5	11,292.2
Derivatives	436.4	72.4
Other payables	665.9	680.9
Income tax payable	–	11.1
Provisions	62.7	67.8
Deferred tax liabilities	91.7	186.8
Reset preference shares	89.5	89.5
Subordinated debt – at amortised cost	598.7	675.8
<b>Total Liabilities</b>	<b>43,995.5</b>	<b>44,751.1</b>
<b>Net Assets</b>	<b>3,118.7</b>	<b>3,297.9</b>
<b>Equity</b>		
Equity attributable to equity holders of the parent		
Issued capital – ordinary	3,003.9	2,706.3
Perpetual non-cumulative redeemable convertible preference shares	88.5	88.5
Step up preference shares	100.0	100.0
Employee Share Ownership Plan (ESOP) shares	(32.7)	(37.4)
Reserves	(185.3)	170.6
Retained earnings	144.3	269.9
<b>Total Equity</b>	<b>3,118.7</b>	<b>3,297.9</b>



#### 4.1.4 Regulatory capital position

APRA requires the preparation of consolidated capital returns and these figures have been prepared on this basis.

	CONSOLIDATED	
	AS AT JUNE 2009 \$m	AS AT JUNE 2008 \$m
<b>Risk weighted capital ratios</b>		
Tier 1	7.43%	7.52%
Tier 2	3.48%	2.91%
Total capital ratio	10.91%	10.43%
<b>Qualifying capital</b>		
<b>Tier 1</b>		
Contributed capital	3,003.9	2,706.3
Retained profits & reserves	(260.4)	207.5
Minority Interests	126.6	–
Innovative tier 1 capital	277.9	277.9
Less,		
Intangible assets, cash flow hedges and capitalised expenses	1,321.4	1,592.5
Net deferred tax assets	11.5	66.9
50/50 deductions	19.6	40.6
Other adjustments as per APRA advice	1.8	–
Total tier 1 capital	1,793.7	1,491.7
<b>Tier 2</b>		
General reserve for credit losses/collective provision (net of tax effect)	129.5	103.6
Subordinated debt	722.1	681.8
Asset revaluation reserves	8.7	11.4
	860.3	796.8
Less,		
50/50 deductions	19.6	40.6
Other adjustments as per APRA advice	–	179.5
Subsidiary investment residual	–	–
Total tier 2 capital	840.7	576.7
Less,		
Investments in non-consolidated subsidiaries or associates and other bank's capital instruments	–	–
Total qualifying capital	2,634.4	2,068.4
Total risk weighted assets	24,155.0	19,820.8

Capital adequacy is calculated in accordance with regulations set down by APRA.

On 7 May 2009 Bendigo and Adelaide Bank increased its shareholding in Elders Rural Bank from 50% to 60%. As at 30 June 2009 the joint venture remains subject to a shareholder agreement which results in Bendigo and Adelaide Bank being required to continue equity accounting for this investment. The shareholder agreement is currently subject to review.

Bendigo and Adelaide Bank's investment in Elders Rural Bank was previously treated as a 100% deduction from Tier 2 capital on a consolidated (Level 2) basis under transitional relief from APRA until 31 March 2010. Bendigo and Adelaide Bank now consolidates Elders Rural Bank for capital adequacy purposes. The consolidation for capital adequacy purposes in May 2009 required Bendigo and Adelaide Bank to consolidate the risk weighted assets of Elders Rural Bank totalling approximately \$4.0 billion.

## > Financial Information

### 4.2 Pro-forma financial information

The pro-forma information set out below has been prepared for illustrative purposes only to show the impact on the balance sheet and capital adequacy position at 30 June 2009 of the proceeds of the Offer.

#### 4.2.1 Pro-forma Balance Sheet<sup>1</sup>

	REPORTED FULL YEAR 30 JUNE 2009 \$m	PRO-FORMA ADJUSTMENTS RELATED TO THE OFFER (FULLY UNDERWRITTEN) \$m	PRO-FORMA FULL YEAR 30 JUNE 2009 \$m	NOTE
<b>Assets</b>				
Cash and cash equivalents	912.6	291.0	1,203.6	2
Due from other financial institutions	235.4		235.4	
Assets held for sale	–		–	
Financial assets held for trading	3,882.3		3,882.3	
Financial assets available for sale – securities	–		–	
Financial assets held to maturity	344.9		344.9	
Current tax asset	84.4		84.4	
Other assets	512.3		512.3	
Financial assets available for sale – share investments	84.1		84.1	
Derivatives	49.0		49.0	
Loans and other receivables – investment	505.7		505.7	
Loans and other receivables	38,235.2		38,235.2	
Investments in associates and joint ventures accounted for using the equity method	225.9		225.9	
Property, plant & equipment	115.9		115.9	
Deferred tax assets	212.0	2.7	214.7	3
Investment property	115.6		115.6	
Intangible assets and goodwill	1,598.9		1,598.9	
<b>Total Assets</b>	<b>47,114.2</b>	<b>293.7</b>	<b>47,407.9</b>	
<b>Liabilities</b>				
Due to other financial institutions	196.3		196.3	
Deposits	31,879.8		31,879.8	
Notes payable	9,974.5		9,974.5	
Derivatives	436.4		436.4	
Other payables	665.9		665.9	
Income tax payable	–		–	
Provisions	62.7		62.7	
Deferred tax liabilities	91.7		91.7	
Reset preference shares	89.5		89.5	
Subordinated debt – at amortised cost	598.7		598.7	
<b>Total Liabilities</b>	<b>43,995.5</b>	<b>–</b>	<b>43,995.5</b>	
<b>Net Assets</b>	<b>3,118.7</b>	<b>293.7</b>	<b>3,412.4</b>	
<b>Equity</b>				
Equity attributable to equity holders of the parent				
Issued capital -ordinary	3,003.9	293.7	3,297.6	2
Perpetual non-cumulative redeemable convertible preference shares	88.5		88.5	
Step up preference shares	100.0		100.0	
Employee Share Ownership Plan (ESOP) shares	(32.7)		(32.7)	
Reserves	(185.3)		(185.3)	
Retained earnings	144.3		144.3	
<b>Total Equity</b>	<b>3,118.7</b>	<b>293.7</b>	<b>3,412.4</b>	

#### Notes

- The pro-forma does not include the final dividend for the 30 June 2009 year of \$45.1 million (which excludes those Shares that have elected to take bonus shares in lieu of dividends) or the impact from the issuance of \$5 million worth of Bendigo and Adelaide Bank Shares to Tasmanian Perpetual Trustees as per the announcement released to ASX on 8 July 2009 to acquire the 50% of Tasmanian Banking Services that Bendigo and Adelaide Bank does not already own on 10 August 2009.
- Assumes the issue of approximately \$173 million of New Shares pursuant to the Entitlement Offer with net issue costs of \$5.2 million.  
Assumes the issue of approximately \$127 million of Placement Shares pursuant to the Placement Offer with net issue costs of \$3.8 million.
- Adjustment for tax effect of transaction costs incurred pursuant to the transaction.

#### 4.2.2 Pro-forma capital adequacy position

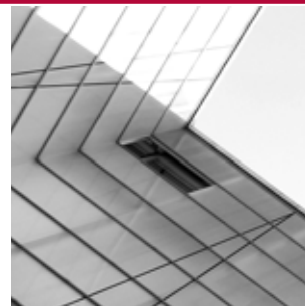
	REPORTED FULL YEAR 30 JUNE 2009 \$m	PRO-FORMA ADJUSTMENTS RELATED TO THE OFFER (FULLY UNDERWRITTEN) \$m	PRO-FORMA FULL YEAR 30 JUNE 2009 \$m	NOTE
<b>Tier 1</b>				
Contributed capital	3,003.9	293.7	3,297.6	1
Retained profits & reserves	(260.4)		(260.4)	
Minority interests	126.6		126.6	
Innovative tier 1 capital	277.9		277.9	
Less,				
Intangible assets, cash flow hedges and capitalised expenses	1,321.4		1,321.4	
Net deferred tax assets	11.5	2.7	14.2	
50/50 deductions	19.6		19.6	
Other adjustments as per APRA advice	1.8		1.8	
<b>Total tier 1 capital</b>	<b>1,793.7</b>	<b>291.0</b>	<b>2,084.7</b>	
<b>Tier 2</b>				
General reserve for credit losses/collective provision (net of tax effect)	129.5		129.5	
Subordinated debt	722.1		722.1	
Asset revaluation reserves	8.7		8.7	
Less,				
50/50 deductions	19.6		19.6	
Other adjustments as per APRA advice	–		–	
<b>Total tier 2 capital</b>	<b>840.7</b>	<b>–</b>	<b>840.7</b>	
<b>Total qualifying capital</b>	<b>2,634.4</b>	<b>291.0</b>	<b>2,925.4</b>	<b>1</b>
<b>Total risk weighted assets</b>	<b>24,155.0</b>	<b>–</b>	<b>24,155.0</b>	
<b>Risk weighted capital adequacy</b>				
Tier 1	7.43%		8.63%	
Tier 2	3.48%		3.48%	
<b>Total capital ratio</b>	<b>10.91%</b>		<b>12.11%</b>	

#### Notes

- 1 Assumes the issue of \$173 million of New Shares pursuant to the Entitlement Offer with net issue costs of \$5.2 million.  
Assumes the issue of \$127 million of Placement Shares pursuant to the Placement Offer with net issue costs of \$3.8 million.

# Key Risk Factors

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A number of risks and uncertainties, some of which are specific to Bendigo and Adelaide Bank and others which are more general in nature, may affect the future operating and financial performance of Bendigo and Adelaide Bank, the value of Shares, and Bendigo and Adelaide Bank's financial position and future funding requirements. You should carefully consider the following risk factors, as well as the other information in this Prospectus, and consult your professional adviser(s) before deciding whether to invest in the New Shares or Placement Shares (in the case of invited institutions). The risks and uncertainties described below are not exhaustive. Additional risks and uncertainties that Bendigo and Adelaide Bank is unaware of, or that it currently has determined to be immaterial, may also become important factors that adversely affect Bendigo and Adelaide Bank's financial performance and position.

## 5.1 Higher impairments in the Great Southern Portfolio than currently provided for

As outlined in Section 3.6.1, as at 30 June 2009 Bendigo and Adelaide Bank had outstanding loan balances to borrowers in the Schemes (as defined in section 3.6.1) totalling \$555.7 million, spread across 8,200 borrowers. On 16 May 2009, GSL and GSMAL (as defined in section 3.6.1) entered voluntary administration. On 18 May 2009, secured creditors appointed the Receivers (as defined in section 3.6.1) as Receivers and Managers of GSL and 11 of its subsidiary companies, including GSMAL.

A total of \$27.3 million has been raised by Bendigo and Adelaide Bank in the Financial Year ending 30 June 2009 in specific and collective provisions relating to the Great Southern Portfolio (as defined in section 3.6.1). This total includes \$15.6 million in specific provisions (raised in the normal course of business after it becomes evident that any discrete loan is unlikely to be repaid in full) and \$11.7 million in collective provisions representing the estimated losses from borrowers in the Schemes during the next Financial Year. It is possible that these provisions may increase in this Financial Year or future Financial Years and that the eventual write-off may exceed the current provision.

The potential drivers of an increase in the provision or impairment include:

- > credit factors, including a decline in the net assets held by borrowers since the loans were drawn down, or the inability of borrowers to realise value for their net assets;
- > legal factors, including regulatory action or a court finding in relation to any loan that Bendigo and Adelaide Bank's right to repayment or recourse to the borrower is impaired in any way or any liability to the borrower is established; and
- > strategic factors, such as borrowers being influenced by press reports to cease payments, increasing strategic arrears.

Any increase in the required provision or write-off may have a material adverse effect on Bendigo and Adelaide Bank's financial performance, financial position, capital position, ability to pay dividends and Share price.

## 5.2 Economic conditions risk

Bendigo and Adelaide Bank's financial performance and financial position are primarily influenced by economic conditions in

Australia, which is the key determinant of the level of lending (in particular personal home loans), the level and nature of financial services its customers require, and the cycles in lending and services growth and loan defaults and asset impairments.

Economic conditions in Australia are the product of a combination of domestic and international factors and events, including short and long term interest rates, business confidence and retail confidence. Changes in economic conditions could materially adversely affect the financial performance and financial position of Bendigo and Adelaide Bank, including:

- > changes in inflation and interest rates, which in particular may reduce the net interest margin achieved in Bendigo and Adelaide Bank's banking operations or impact the demand for loans, in particular housing loans;
- > increasing unemployment, which is a key driver of loan defaults and declining asset growth;
- > declines in aggregate investment and economic output in Australia or in key offshore regions; and
- > decline in asset prices, in particular housing prices, which could cause loan losses on defaulted loans.

The recent dislocation in credit and capital markets has significantly impacted global economic activity including the Australian economy, with domestic and global economies slowing or in a recession and experiencing rising unemployment. This has led to a decrease in credit growth and a reduction in consumer and business confidence. A further downturn in the Australian economy could further adversely impact Bendigo and Adelaide Bank's business, results of operations, liquidity, capital resources and financial condition.

## 5.3 Liquidity and funding risks

Liquidity risk is the risk that Bendigo and Adelaide Bank has insufficient capacity to fund increases in assets, or is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows. Funding risk is the risk of over-reliance on or lack of availability of any particular funding source affecting the availability of funds and their cost to Bendigo and Adelaide Bank. Liquidity and funding risks may be increased in periods of market stress, in the event of damage to market confidence in the funding institution, or in times of significant competition for funding (eg retail deposits), with these factors constraining the ability to access funding, or funding at viable pricing.

Since the second half of 2007, developments in the US sub-prime mortgage industry and in the US and European markets more generally have adversely affected the availability and pricing of funding in global and domestic credit and capital markets. This has resulted in significant challenges to the funding and liquidity profiles of many financial institutions. In the case of Bendigo and Adelaide Bank, which relies on customer deposits (68.2% of on and off balance sheet funding at 30 June 2009), wholesale borrowing (8.0%) and securitisation (23.8%) to meet its funding obligations, the key specific impacts have been:

- > reduced availability of securitised funding, with Bendigo and Adelaide Bank needing to replace securitised funding with

## > Key Risk Factors

other funding sources and the limited securitised funding available being more expensive;

- > the cost disadvantage compared to the four major banks has made the issuance of Federal Government guaranteed debt instruments in the global capital markets uneconomic; and
- > increased reliance on retail deposits to provide funding, which have been attracting increasingly competitive interest rates.

Bendigo and Adelaide Bank has responded to these events and is actively managing its funding mix. However, ongoing instability or future deterioration in market conditions may limit the ability of Bendigo and Adelaide Bank to replace maturing liabilities and access capital in a timely manner necessary to fund and grow its business.

In the event that Bendigo and Adelaide Bank's current sources of funding prove to be insufficient or too expensive, it may be forced to seek alternative financing (to the extent such financing is available). The availability of such alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, Bendigo and Adelaide Bank's credit ratings and credit capacity. These alternatives may be more expensive or available on unfavourable terms.

If Bendigo and Adelaide Bank is unable to source appropriate funding, it may be forced to reduce its lending or begin to sell liquid securities to solve its potential funding shortfall and possible liquidity mismatch. There is no assurance that Bendigo and Adelaide Bank would be able to obtain favourable prices on some or all of the securities it offers for sale.

Removal of the Australian Government guarantee on retail deposits may have a material adverse effect on the ability of Bendigo and Adelaide Bank to maintain and grow its retail deposit base, which is the current key source of existing and new funding.

Overall, the inability to obtain appropriate funding may have a material adverse impact on Bendigo and Adelaide Bank's financial performance, financial position, growth, liquidity, and capital resources.

### 5.4 Market risk

Market risk is the risk of loss arising from changes and fluctuations in interest rates, foreign currency exchange rates, equity prices and indices, commodity prices, debt securities prices, credit spreads and other market rates and prices.

Changes in investment markets, including changes in interest rates, foreign currency exchange rates and returns from equity, property and other investments, will affect the financial performance of Bendigo and Adelaide Bank through its operations and investments held in financial services and associated businesses. Losses arising from these risks may have an adverse impact on Bendigo and Adelaide Bank's financial performance and financial position.

Declining asset prices may also impact customers and the value of security held against loans, which then may impact the returns if customers were to default. There has been a strong recent trend of declines in asset prices globally, including equity, property and other asset markets. This has already caused Bendigo and Adelaide Bank to raise some specific and collective provisions (for example, with respect to commercial property). Further declines in asset prices or a failure of asset prices to rebound may have a

material adverse effect on Bendigo and Adelaide Bank's financial performance and financial position.

### 5.5 Credit and impairment risk

As a financial institution, Bendigo and Adelaide Bank is exposed to the risks associated with extending credit to other parties. Credit risk is the risk of financial loss due to the unwillingness or inability of a counterparty to fully meet their contractual debts and obligations.

Bendigo and Adelaide Bank's lending activities cover a broad range of sectors, clients and products, including mortgages (including low document loans), portfolio funding, margin lending against equities, and commercial loans (including commercial property). Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, could cause customers to experience an adverse financial situation, thereby exposing Bendigo and Adelaide Bank to the increased risk that those customers will fail to meet their obligations in accordance with agreed terms.

Recent market and economic conditions have led to increased impairment charges, and if these conditions deteriorate further, some customers and counterparties may experience higher levels of financial stress. As a result, Bendigo and Adelaide Bank has experienced, and may continue to experience, an increase in defaults and write-offs and may be required to further increase its provisioning. These may negatively impact Bendigo and Adelaide Bank's financial performance and financial position.

### 5.6 Community Bank® model risks

The Community Bank® model is an integral part of Bendigo and Adelaide Bank's strategy and business model. Under the Community Bank® model, Community Bank® branches of Bendigo and Adelaide Bank operate in all states and territories within Australia. The branches are operated by companies that have entered into management agreements with Bendigo and Adelaide Bank to manage and operate a Community Bank® branch of Bendigo and Adelaide Bank. Under a standard management agreement, Bendigo and Adelaide Bank derives revenue through the Community Bank® model from the payment by licensees of license fees and other fees, as well as through revenue sharing arrangements. Bendigo and Adelaide Bank may also provide loans or funding support to the licensees. The staff members of licensees are trained by Bendigo and Adelaide Bank and, in some cases, are seconded from Bendigo and Adelaide Bank.

While Bendigo and Adelaide Bank considers carefully the suitability of potential licensees and the community undertakes extensive community campaigning and business planning processes, there can be no guarantee of the success of a Community Bank® branch. In particular, the Community Bank® model has only been in operation since 1998, and many Community Bank® branches have only been operating for a few years. As a growing network, a material portion of the network is relatively new and there are risks that may develop over time.

Poor performance by one or more licensees, or the termination of one or more management agreements, may cause: harm to the Bendigo and Adelaide Bank brand names; a loss in revenue or capital (for example, if Bendigo and Adelaide Bank has provided a

loan or other funding support to a branch which is not able to be repaid in part or in full); and/or a reduction in the willingness of new licensees to open a Community Bank® branch. Separately or collectively these factors may have a material adverse impact on the financial position, financial performance and growth prospects of Bendigo and Adelaide Bank.

## 5.7 Operational risk

Operational risk is the risk resulting from inadequate or failed internal processes, people and systems, or from external events that are not covered by credit and market risk.

Whilst Bendigo and Adelaide Bank has operational risk management practices, its profitability will always be subject to a variety of operational risks including strategic and business decisions (including acquisitions), technology risk (including business systems failure), reputational risk (including damage to brands), fraud, non-compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, business continuity planning, legal risk, data integrity risk, staff skills and performance, key person risk, financial product development and maintenance, and external events. One or more of these risks may have a material adverse impact on Bendigo and Adelaide Bank's financial position and financial performance.

## 5.8 Regulatory and government policy risk

Bendigo and Adelaide Bank is subject to substantial regulatory and legal oversight in Australia and other countries where it trades, has subsidiaries or raises funds. The agencies with regulatory oversight of Bendigo and Adelaide Bank and its subsidiaries include, among others, APRA, the RBA, ASX and ASIC. Failure to comply with legal and regulatory requirements may have a material adverse effect on Bendigo and Adelaide Bank and its reputation among customers and regulators and in the market.

Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could affect Bendigo and Adelaide Bank in substantial and unpredictable ways. These may include required levels of bank liquidity and capital adequacy, limiting the types of financial services and products that can be offered, and/or reducing the fees which banks can charge on their financial services. The current global financial crisis may lead to changes in regulations, particularly for financial companies.

## 5.9 Competition risk

The financial services industry in Australia is highly competitive and subject to significant change. Bendigo and Adelaide Bank faces significant competition from both traditional banking groups and non-bank financial institutions, which compete vigorously for customer investments and deposits and the provision of lending and wealth management services. The effect of competitive market conditions may adversely impact the earnings, assets and capital position of Bendigo and Adelaide Bank.

## 5.10 Technology risk

Technology plays an increasingly important role in the delivery of financial services to customers in a cost effective manner. Bendigo and Adelaide Bank's ability to compete effectively in the future will, in part, be driven by its ability to maintain an appropriate technology platform (including execution of new developments), for the efficient delivery of its products and services.

## 5.11 Litigation and contingent liabilities risk

In the course of its operations, Bendigo and Adelaide Bank may be subject to material litigation or Governmental, legal or arbitration proceedings and other contingent liabilities which, if they crystallise, may adversely affect the financial position or financial performance of Bendigo and Adelaide Bank.

Bendigo and Adelaide Bank has extended loans to a large number of investors to facilitate their investments in the Schemes (as defined in section 3.6.1) of which Great Southern Managers Australia Limited (Administrators appointed) (Receivers and Managers appointed) is the responsible entity.

Bendigo and Adelaide Bank has been notified that a number of investors in the Schemes may involve Bendigo and Adelaide Bank in legal proceedings in relation to the Schemes. However no legal action has been commenced. Risks will continue to be assessed on an ongoing basis. Additionally, ASIC is assessing the conduct of financial services providers in relation to the marketing and operation of the Schemes and has stated it will take regulatory action where appropriate. ASIC has not stated that it is assessing Bendigo and Adelaide Bank's conduct.

## 5.12 Trustee risk

Part of the business of Sandhurst Trustees Limited (Sandhurst), a wholly-owned subsidiary of Bendigo and Adelaide Bank, is its trustee and custodian business. This includes custodial services, acting as trustee for debenture and convertible note issues, acting as trustee or responsible entity of unit trusts and managed investment schemes and acting as a trustee for retail superannuation funds. There are particular risks that apply to such a business. In particular, as a trustee or custodian Sandhurst may generally be liable in its personal capacity (i.e. without a right of indemnity from the assets of the trust for which it is the trustee) for losses or damages caused as a result of negligence, fraud or breach of duty of Sandhurst or its officers. Further, as a trustee or custodian, the reputation of Sandhurst may be impacted adversely by the actions of its clients notwithstanding it has acted in good faith.

Sandhurst is the debenture trustee in respect of certain debentures issued by Fincorp Investments Limited (Receivers and Managers Appointed) (In Liquidation) (FIL) and is custodian of the assets of the Fincorp Diversified Property Fund and Fincorp Enhanced Income Fund. Administrators were appointed to the Fincorp Group on 23 March 2007 and ASIC examined any potential wrongdoing by former directors and officers of the Fincorp Group and the role and conduct of advisors to those companies and other parties, including the role of Sandhurst as debenture trustee for FIL. Sandhurst understands that ASIC does not currently propose to take any further action in relation to the conduct of Sandhurst in its role as a trustee for FIL in the period from 4 March 2004 to

## > Key Risk Factors

23 March 2007, based on the information available to ASIC. Last year, Slater & Gordon issued a press release indicating that they may launch a class action against Sandhurst concerning its role as debenture trustee, if a sufficient number of noteholders wish to do so. No claim has been received from Slater & Gordon. The position of Sandhurst has been reviewed by Bendigo and Adelaide Bank and the Bank does not believe that Sandhurst has been negligent, fraudulent or in breach of duty.

### 5.13 Strategic and acquisition risk

#### General

There are risks associated with strategic and business decisions made by Bendigo and Adelaide Bank in the ordinary course of business, including restructures, organic development initiatives or acquisitions. Any restructure, initiative or acquisition could, for a variety of reasons, have a material adverse effect on Bendigo and Adelaide Bank's financial position or performance. Bendigo and Adelaide Bank may seek to grow in the future by merging with or acquiring other companies in the financial services industry. This may cause Bendigo and Adelaide Bank to face operational and financial risks that could adversely affect Bendigo and Adelaide Bank and its results of operations. Conversely, Bendigo and Adelaide Bank may seek to sell or dispose of certain businesses in the future. This may result in a change in the operations of Bendigo and Adelaide Bank and cause Bendigo and Adelaide Bank to face operations and financial risks that could adversely affect Bendigo and Adelaide Bank's financial condition and results of operations.

#### Adelaide Bank merger

In November 2007, Bendigo Bank finalised its merger with Adelaide Bank. The integration of the two businesses is ongoing and involves assimilation of new operations, new information technology and new organisation structure. While the Directors believe the merger offers significant strategic opportunities, there are a number of integration risks including difficulties or unexpected costs relating to the integration of technology platforms, financial and accounting systems, and risk and other management systems of the two organisations, and management distraction. The failure to realise the expected cost and revenue synergies, or the incurrence of unexpected integration costs, may have an adverse effect on Bendigo and Adelaide Bank's financial performance.

As part of the merger, Bendigo and Adelaide Bank recognised an acquisition goodwill amount on the balance sheet of \$1.4 billion. An impairment evaluation has recently been conducted of this goodwill and it has been determined that there is no impairment. Any future impairment of this goodwill may have a material adverse effect on Bendigo and Adelaide Bank's financial position, financial performance and its ability to pay dividends.

#### Macquarie Margin Lending

In January 2009, Bendigo and Adelaide Bank finalised the acquisition of Macquarie's margin lending portfolio. The acquisition is still being integrated and is subject to a number of integration risks, for example integration of technology platforms and transfer of data, which may have a material adverse effect on Bendigo and Adelaide Bank's financial performance and financial position and its ability to pay dividends.

### 5.14 Joint venture risk

Some of Bendigo and Adelaide Bank's activities are conducted through joint ventures. These joint ventures are not controlled by the Group and, while the Group is represented on the board of those entities, the day-to-day operations of those joint ventures are not managed by Bendigo and Adelaide Bank. The governing documents for some of the Group's joint ventures provide that key matters and decisions require the agreement of the Group's joint venture partners. Bendigo and Adelaide Bank may be unable to reach agreement with its joint venture partners concerning these matters and any disagreements may affect the ability of a joint venture to function properly or distribute income to the Group. In some cases, Bendigo and Adelaide Bank's arrangements with its joint venture partners may require the Group to make an additional investment in the venture or to provide additional financing. Overall, the nature and obligations of the joint venture arrangements may impact Bendigo and Adelaide Bank's financial position and financial performance.

### 5.15 Reduction in dividends risk

If the earnings and cash flows of Bendigo and Adelaide Bank are substantially reduced (for example, due to a decline in operating earnings or due to a large one-off or cumulative asset impairment or write-off), the Group may not be in a position to pay dividends, which may in turn have an impact on the trading price of Shares. In addition, dividends declared by the Group are subject to APRA regulation.

### 5.16 Credit ratings risk

The credit ratings assigned to Bendigo and Adelaide Bank by rating agencies are based on an evaluation of a number of factors, including its financial strength. In light of the difficulties in the banking sector and financial markets, the rating agencies have indicated that they are monitoring global developments closely and that if conditions continue to deteriorate, they may downgrade the ratings outlook of some Australian banks. A credit rating downgrade could also be driven by the occurrence of one or more of the other risks discussed in this Prospectus or by other events. If Bendigo and Adelaide Bank fails to maintain its current corporate credit ratings, this could adversely affect its cost of funds and related margins, liquidity, competitive position and access to capital markets.

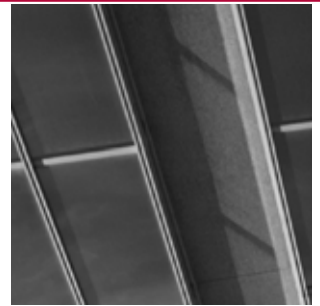
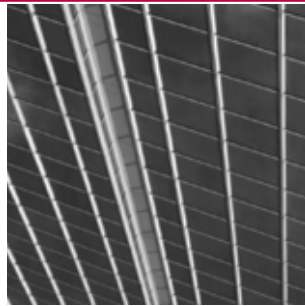
### 5.17 Share price risk

There are general risks associated with an investment in the share market. As such, the value of Shares may rise above or fall below the Offer Price, depending on the financial position and operating performance of the Group. Further, broader market factors affecting the price of Shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of Bendigo and Adelaide Bank. Such factors may include the economic conditions in Australia and overseas, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other government policies, global political and economic stability, interest and inflation rates and foreign exchange rates. Recent turmoil in global credit markets has negatively affected economies across the globe and led to increased volatility in stock markets, including ASX. Continued volatility in global markets could negatively impact the value of Shares.



# Additional Information

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## > Additional Information

### 6.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the three months prior to the date of the prospectus. Shares, Placement Shares and New Shares in Bendigo and Adelaide Bank meet these criteria.

The information in this Prospectus principally concerns the terms and conditions of the Offer necessary to make an informed assessment of:

- > the effect of the Offer on Bendigo and Adelaide Bank; and
- > the rights and liabilities attaching to the New Shares and the Placement Shares.

This Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offering of shares.

Bendigo and Adelaide Bank has, since listing, provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Shareholders and other investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

### 6.2 Reporting and disclosure obligations

Bendigo and Adelaide Bank is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by ASX.

In particular, Bendigo and Adelaide Bank has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Bendigo and Adelaide Bank, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of Bendigo and Adelaide Bank's securities. Bendigo and Adelaide Bank is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report, and an audit or review report.

### 6.3 Availability of other documents

ASX maintains detailed records of company announcements for all companies listed on ASX.

ASIC also maintains records in respect of documents lodged with it by Bendigo and Adelaide Bank, and these may be obtained from or inspected at any office of ASIC.

Bendigo and Adelaide Bank will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the Offer Period:

- > the annual financial report lodged with ASIC by Bendigo and Adelaide Bank for the year ended 30 June 2008;
- > the half-year financial report lodged with ASIC by Bendigo and Adelaide Bank for the half-year ended 31 December 2008; and
- > any other document used to notify ASX of information relating to Bendigo and Adelaide Bank under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act after the date of lodgement with ASIC of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

All requests for copies of the above documents should be addressed to:

The Company Secretary  
Bendigo and Adelaide Bank Limited  
The Bendigo Centre  
Bendigo VIC 3552  
Australia

### 6.4 Rights and liabilities attaching to Shares

The New Shares to be issued under the Entitlement Offer and the Placement Shares to be issued under the Placement Offer will be issued fully paid and will rank equally with Existing Shares, but will not be eligible for the FY2009 Final Dividend.

The rights and liabilities attaching to the shares in Bendigo and Adelaide Bank (including the New Shares and the Placement Shares) are set out in the Constitution and the Corporations Act. This section contains a summary of certain of those rights and liabilities as at the date of this Prospectus. This summary does not purport to be exhaustive nor to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from the interaction of the Constitution and statutory, common law and ASX Listing Rules requirements. To obtain a definitive assessment of the rights and liabilities which attach to shares in Bendigo and Adelaide Bank (including the New Shares and the Placement Shares) in any specific circumstances, investors should seek their own advice.

#### 6.4.1 Share capital

Subject to the Constitution, the Corporations Act and ASX Listing Rules and to any special rights conferred on the holders of any Shares:

- > all unissued Shares are under the control of the Board, which may grant options on the Shares, issue or otherwise dispose of the Shares on terms and conditions and for the consideration it thinks fit; and
- > any Shares or other securities may be issued with preferred, deferred or other special rights, obligations or restrictions, whether in regard to dividends, voting, return of share capital, payment of calls or otherwise, as the Board may determine and on any terms the Board considers appropriate.

#### 6.4.2 General meetings and notices

Subject to the Corporations Act and ASX Listing Rules, each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Bendigo and Adelaide Bank and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or ASX

Listing Rules. Bendigo and Adelaide Bank may give notice to any Shareholder personally by leaving it at the Shareholder's registered address or by sending it by prepaid post or facsimile transmission addressed to the Shareholder's registered address or, in any case, by other electronic means determined by the Board.

#### 6.4.3 Voting

At a general meeting, subject to a number of specified exceptions, on a show of hands each holder of Shares present in person or by proxy, attorney or duly appointed representative, has one vote.

On a poll, each holder of Shares has:

- > one vote for each fully paid Share held; and
- > for each other Share held, a vote in respect of the Share which carries the same proportionate value as the proportion of the amount paid up (not credited), or agreed to be considered as paid up on the total issue price of that Share at the time that the poll is taken, bears to the total issue price of the Share (excluding amounts received).

In the case of an equality of votes, the Chairman has, on both a show of hands and at a poll, a casting vote in addition to the vote to which the Chairman may be entitled as a Shareholder, proxy, attorney or duly appointed representative of a Shareholder.

#### 6.4.4 Dividends

The Board may declare a dividend to be paid to the Shareholders entitled. Subject to the Corporations Act and the rights of, or any restrictions on, the Shareholder created or raised under any special arrangement as to dividends, dividends are payable on each Share on the basis of the proportion which the amount paid is of the total amounts paid (not credited), agreed to be considered to be paid or payable (excluding amounts credited) on the Share. When declaring a dividend, the Board may determine that payment of the dividend be effected wholly or in part by the distribution of specific assets or documents of title and in particular by the issue or transfer of paid up Shares, debentures, debenture stock or grant of options of Bendigo and Adelaide Bank or any other corporation.

The Board may establish and maintain one or more dividend plans under which Shareholders may, among other alternatives, elect with respect to some or all of their Shares to reinvest the dividend by subscribing for additional Shares.

#### 6.4.5 Transfer of Shares

Shares, when quoted on ASX, are transferable by:

- > a written transfer in the usual or common form or in any form the Board may prescribe or in a particular case accept, duly stamped (if necessary) being delivered to Bendigo and Adelaide Bank;
- > a proper transfer, which is to be in the form required or permitted by the Corporations Act or the settlement rules of ASX Settlement and Transfer Corporation Pty Limited; or
- > any other electronic system established or recognised by ASX Listing Rules in which Bendigo and Adelaide Bank participates in accordance with the rules of that system.

The Board may, subject to the requirements of the Corporations Act and ASX Listing Rules, refuse to register any transfer of Shares in Bendigo and Adelaide Bank if the registration would infringe an applicable law or ASX Listing Rules, or if the transfer concerns

securities over which Bendigo and Adelaide Bank has a lien, or if it is permitted to do so under ASX Listing Rules.

#### 6.4.6 Winding up

If Bendigo and Adelaide Bank is wound up, the liquidator may divide among all or any of the contributories as the liquidator thinks fit, in specie or in kind, any part of the assets of the company and may vest any part of the assets of the company in trustees on any trusts for the benefit of all or any of the contributories as the liquidator thinks fit. Depositors and other creditors will be paid out in priority to Shareholders. Any surplus available will be distributed among Shareholders in accordance with the Corporations Act.

#### 6.4.7 Number of Directors

The Constitution provides that the Board may determine the number of Directors, but the number must not be less than three or more than 12.

A copy of the Constitution can be viewed on the Bendigo and Adelaide Bank website ([www.bendigobank.com.au](http://www.bendigobank.com.au)), or alternatively at Bendigo and Adelaide Bank's registered office at The Bendigo Centre, Bendigo, Victoria 3552, Australia, telephone +61 3 5485 7911.

## 6.5 Underwriting Agreement

Bendigo and Adelaide Bank and the Joint Lead Managers have entered into the Underwriting Agreement, pursuant to which the Joint Lead Managers have agreed to jointly manage the Offer and underwrite the Offer on the terms and conditions of the Underwriting Agreement.

The following is a summary of the principal provisions of the Underwriting Agreement.

#### 6.5.1 Fees, Costs and Expenses

The Joint Lead Managers will receive the following fees in equal shares under the Underwriting Agreement:

- > an underwriting fee of 2.475% of the proceeds of the Institutional Entitlement Offer and the Placement Offer;
- > a management and arranging fee of 0.275% of the proceeds of the Institutional Entitlement Offer and the Placement Offer;
- > an underwriting fee of 2.475% of the proceeds of the Retail Entitlement Offer; and
- > a management and arranging fee of 0.275% of the proceeds of the Retail Entitlement Offer.

Bendigo and Adelaide Bank must also pay or reimburse each Joint Lead Manager for its reasonable expenses incurred, including legal costs, out of pocket expenses, approved costs in respect of the institutional bookbuild process, and any duties and taxes payable in respect of the Underwriting Agreement or the Offer.

#### 6.5.2 Bendigo and Adelaide Bank's Representations, Warranties and Undertakings

Under the Underwriting Agreement, Bendigo and Adelaide Bank makes various customary representations and warranties in relation to this Prospectus and any other document issued by or on behalf of the Bank in connection with the Offer (**Offer Documents**), the Offer, its compliance with applicable laws and the

## > Additional Information

information provided by Bendigo and Adelaide Bank to the Joint Lead Managers.

Under the Underwriting Agreement, Bendigo and Adelaide Bank also provides various customary undertakings to the Joint Lead Managers – including an undertaking that during the period between the date of the Underwriting Agreement and the date that is 90 days after the date of closing of the Retail Entitlement Offer it will not make, agree to make or announce any buy-back of any security of Bendigo and Adelaide Bank, scheme of arrangement, any issues of equity securities (as that term is defined in the ASX Listing Rules) in Bendigo and Adelaide Bank or any securities convertible into or exchangeable for any such equity securities in Bendigo and Adelaide Bank, without the prior written consent of the Joint Lead Managers (which will not be unreasonably withheld or delayed), other than in certain specified circumstances.

### 6.5.3 Termination Events

Each Joint Lead Manager may terminate any of its obligations under the Underwriting Agreement (which have not been performed) if any of a number of specified events occurs on or before 4.00pm on the date of settlement of the Retail Entitlement Offer. These specified events are:

- a. **(ASX/S&P 200 index fall)** The ASX/S&P 200 Index of ASX:
  - i. at any time between the date of the Underwriting Agreement and time at which the trading halt announced on 10 August 2009 is lifted, falls to a level that is 10% or more below the level at market close on the ASX trading day immediately preceding the date of the Underwriting Agreement (the **ASX 200 Starting Level**);
  - ii. at any time from and including the time at which the trading halt announced on 10 August 2009 is lifted until the date of issue of the New Shares under the Retail Entitlement Offer, falls to a level that is 12.5% or more below the ASX 200 Starting Level and remains at or below the ASX 200 Starting Level for at least 2 consecutive Business Days; or
  - iii. as at the close of normal trading on ASX on either the business day immediately preceding the date of settlement of the Institutional Entitlement Offer or on the date of settlement of the Retail Entitlement Offer, closes at a level that is 12.5% or more below the ASX 200 Starting Level.
- b. **(Offer Documents)** The Offer Documents omit any material required by the Corporations Act or any other applicable law, contains a statement which is misleading or deceptive, or otherwise fails to comply with the Corporations Act or any other applicable law.
- c. **(ASIC)** If ASIC issues or gives formal notice of an intention to issue proceedings in relation to the Offer or the Offer Documents, or commences or gives formal notice of an intention to commence an enquiry or investigation into the Offer or the Offer Documents, and such notice, proceedings, enquiry or investigation is not withdrawn within 2 business days after having been commenced or given, or where it is made less than 2 business days before the date of settlement of the Institutional Entitlement Offer or the Retail Entitlement Offer, it has not been withdrawn by the date of settlement of the Institutional Entitlement Offer or the Retail Entitlement Offer, as the case may be.
- d. **(ASX approval)** Unconditional approval (or conditional approval,

provided such condition would not, in the reasonable opinion of the Joint Lead Managers, have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the New Shares is refused or is not granted by the time required for trading of those New Shares, or ASX makes an official statement to any person or indicates to Bendigo and Adelaide Bank or the Joint Lead Managers that official quotation of the New Shares will not be granted.

- e. **(Supplementary Prospectus)** A supplementary prospectus:
  - i. in the reasonable opinion of the Joint Lead Manager, is or would be required to be lodged with ASIC under the Corporations Act (other than solely for the purpose of notifying the completion and results of the Institutional Entitlement Offer); or
  - ii. is lodged with ASIC or ASX by Bendigo and Adelaide Bank without the prior approval of the Joint Lead Managers.
- f. **(Lodgement)** Bendigo and Adelaide Bank fails to lodge the Prospectus with ASIC on or before the lodgement date as specified in the timetable set out in the Underwriting Agreement (or such later date approved in writing by the Joint Lead Managers).
- g. **(Certificate)** A certificate which is required to be furnished by Bendigo and Adelaide Bank under the Underwriting Agreement is not furnished when required.
- h. **(Timetable)** Any event specified in the timetable set out in the Underwriting Agreement is delayed for more than:
  - i. prior to or on the date of allotment for the Institutional Entitlement Offer, 1 business day; or
  - ii. after the date of allotment for the Institutional Entitlement Offer, 2 business days,in each case, without the prior written approval of the Joint Lead Managers (such approval not to be unreasonably withheld).
- i. **(Listing)** Bendigo and Adelaide Bank ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on, ASX.
- j. **(New circumstance)** If, in the reasonable opinion of a Joint Lead Manager, an event occurs within the meaning of section 719(1)(c) of the Corporations Act that is materially adverse from the point of view of an investor.
- k. **(Insolvency)** Bendigo and Adelaide Bank is insolvent or there is an act or omission which is likely to result in Bendigo and Adelaide Bank becoming insolvent.
- l. **(Withdrawal)** Bendigo and Adelaide Bank withdraws, or indicates that it does not want to proceed with, the Prospectus or all or any part of the Offer.
- m. **(ASX waivers and ASIC modifications)** ASX withdraws, revokes or amends any ASX waivers, or ASIC withdraws, revokes or amends any ASIC modifications.
- n. **(Unable to issue Shares)** Bendigo and Adelaide Bank is prevented from allotting and issuing Shares within the time required by the timetable under the Prospectus, Corporations Act, ASX Listing Rules, applicable laws, an order of a court or a government agency.
- o. **(Section 730 notice)** Any person gives a notice under section 730 of the Corporation Act in relation to the Prospectus.
- p. **(Future matters)** Any statement, representations or estimate in



an Offer Document which relates to a future matter becomes incapable of being met or, in the reasonable opinion of a Joint Lead Manager, unlikely to be met in the projected timeframe.

q. **(Director)**

- i. A Director is charged with an indictable offence relating to any financial or corporate matter or fraudulent or misleading deceptive conduct, or any regulatory body or government agency commences any public action against the Director in his or her capacity as a director of Bendigo and Adelaide Bank, or announces that it intends to take any such action.
- ii. A Director is disqualified from managing a corporation under section 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act.
- r. **(Trading halt)** The trading halt announced on 10 August 2009 is lifted before the closing of trading on Tuesday 11 August 2009.
- s. **(Illegality)** There is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for a Joint Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Offer in accordance with the Underwriting Agreement and the Offer Documents.
- t. **(Material adverse change)** There is a material adverse change, or there is a development involving a prospective material adverse change, in the business, assets, liabilities, financial position or performance, profits, losses, operations, results or prospects of Bendigo and Adelaide Bank or a Related Body Corporate.
- u. **(Consent)**
  - i. If any accounting or legal adviser to Bendigo and Adelaide Bank refuses to give its consent or having previously consented to be named in the Prospectus withdraws such consent.
  - ii. any other person (other than a Joint Lead Manager) whose consent to the issue of the Prospectus is required by section 716 of the Corporations Act refuses to give their consent or having previously consented to the issue of the Prospectus withdraws such consent and any such withdrawal becomes public or is not given again within 24 hours after it is withdrawn or where it is withdrawn less than 24 hours before date of settlement of the Institutional Entitlement Offer or the Retail Entitlement Offer.
- v. \* **(Disruption in financial markets)** Any of the following occurs:
  - i. a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries;
  - ii. trading in all securities quoted or listed on ASX, the London Stock Exchange, or the New York Stock Exchange is suspended or limited in a material respect; or
  - iii. the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, Japan, the People's Republic of China, a member

of the European Union, the United States of America or the United Kingdom or elsewhere or any change or development involving a prospective adverse change in any of those conditions or markets.

- w. \* **(Regulatory investigations)** ASIC or any other government agency gives notice of any intention to commence a prosecution of Bendigo and Adelaide Bank or a hearing or investigation into Bendigo and Adelaide Bank.
- x. \* **(Representations and warranties)** A representation or warranty made or given in accordance with, or deemed to have been made or given, by Bendigo and Adelaide Bank under the Underwriting Agreement is breached or proves to be, or has been, or becomes, untrue or incorrect.
- y. \* **(Change in law)** There is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a government agency or the RBA adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Government agency that such a law or regulation will be introduced or policy adopted (as the case may be).
- z. \* **(Breach)** Bendigo and Adelaide Bank fails to perform or observe any of its obligations under the Underwriting Agreement.
- aa. \* **(Hostilities)** Hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States of America, the United Kingdom, Japan, Russia, France, Germany, Brazil or the People's Republic of China, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated anywhere in the world.
- bb. \* **(Change in management)** There is a change (other than a change disclosed in the Prospectus) in the Chairman, Chief Executive Officer, Chief Financial Officer of Bendigo and Adelaide Bank or senior management or the Board of Bendigo and Adelaide Bank.
- cc. \* **(Certificate)** A statement in the certificate furnished by Bendigo and Adelaide Bank under the Underwriting Agreement is untrue, incorrect or misleading or deceptive.
- dd. \* **(Prescribed Occurrence)** A Prescribed Occurrence in respect of Bendigo and Adelaide Bank or any of its Related Bodies Corporate, of the type described in section 652C of the Corporations Act, occurs before the issue of New Shares under the Retail Entitlement Offer.
- ee. \* **(Failure to comply)** Bendigo and Adelaide Bank fails to comply with a provision of its constitution, the ASX Listing Rules, the Corporations Act, applicable laws, or a requirement, order or request, made by or on behalf of the ASIC, ASX or any government agency.
- ff. \* **(Insolvency)** A Related Body Corporate of Bendigo and Adelaide Bank (other than Bendigo and Adelaide Bank) is insolvent or there is an act or omission which may result in a Related Body Corporate of Bendigo and Adelaide Bank (other than Bendigo and Adelaide Bank) becoming insolvent.

No event marked above with an asterisk (\*) entitles a Joint Lead Manager to exercise its rights to terminate its obligations under

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the Underwriting Agreement unless, in the actual and reasonable opinion of that Joint Lead Manager, the event:

- > has, or is likely to have a material adverse effect on the success or settlement of the Offer or the price or likely price at which the Shares are likely to trade in the secondary market during the 20 business days following the occurrence of that event; or
- > leads to or is likely to lead to a liability for a contravention, or involvement in a contravention by, that Joint Lead Manager under the Corporations Act or any other applicable law.

### 6.5.4 Indemnity

Bendigo and Adelaide Bank agrees to indemnify and keep indemnified the Joint Lead Managers, their affiliates and Related Bodies Corporate, and each of their directors, officers, employees, partners, agents and advisers (**Indemnified Parties**) from and against all losses directly or indirectly suffered or incurred by, or claims made against, an Indemnified Party arising out of or in connection with the Offer, the Offer Documents and appointment of the Joint Lead Managers pursuant to the Underwriting Agreement, except to the extent that those losses or claims result from:

- > any penalty or fine which that Indemnified Party is required to pay for any contravention by it of the Corporations Act;
- > any amount in respect of which this indemnity would be illegal, void or unenforceable under any applicable law; or
- > the negligence, fraud, recklessness or wilful misconduct of an Indemnified Party or any director, officer, employee or partner of that Indemnified Party,

other than to the extent caused, induced or contributed to by the acts or omissions of Bendigo and Adelaide Bank or its officers or employees, or caused by an Indemnified Party's reliance on information contained in an Offer Document or other information provided by or on behalf of Bendigo and Adelaide Bank or its officers or employees.

## 6.6 Interests of Directors

### 6.6.1 Interests

Except as set out in this Prospectus, no Director or proposed director of Bendigo and Adelaide Bank holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- > the formation or promotion of Bendigo and Adelaide Bank;
- > the Offer; or
- > any property acquired or proposed to be acquired by Bendigo and Adelaide Bank, respectively, in connection with its formation or promotion or the Offer,

other than in their capacity as a Shareholder. Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed director of Bendigo and Adelaide Bank:

- > to induce that person to become, or qualify as, a Director; or
- > for services provided by that person in connection with the formation or promotion of Bendigo and Adelaide Bank or the Offer.

### 6.6.2 Holdings of Bendigo and Adelaide Bank securities and rights to Bendigo and Adelaide Bank securities

As at the date of this Prospectus, the Directors held relevant interests in the securities of Bendigo and Adelaide Bank as follows.

DIRECTOR	RELEVANT INTERESTS IN BENDIGO AND ADELAIDE BANK SECURITIES
Robert Johanson	209,990 Shares 500 BPS
Kevin Roache	25,166 Shares 200 BPS
Terence O'Dwyer	63,300 Shares
Tony Robinson	3,200 Shares
Deborah Radford	1,700 Shares
Kevin Abrahamson	17,801 Shares 129 RPS 180 SPS
James McPhee	337,826 Shares 204,250 Employee Shares 69,490 Performance Rights 189,781 Performance Options 90,723 Units in Adelaide Yield Trust
Kevin Osborn	11,276 Shares
Jennifer Dawson	16,166 Shares 100 BPS
Michael Hirst	1,202 Shares 50,000 Employee Shares 38,683 Performance Rights 248,862 Performance Options

Each Director will be entitled to participate in the Retail Entitlement Offer to the extent that the Director holds Shares as at the Record Date.

### 6.6.3 Remuneration

The Constitution contains several provisions as to the fees payable to non-executive Directors. As fees for services, each non-executive Director is to be paid an amount determined by the Board, provided that the aggregate amount payable to non-executive Directors for their services in any year may not exceed the amount determined by Bendigo and Adelaide Bank shareholders in general meeting. The maximum annual aggregate amount has been set at \$1.7 million (excluding retirement benefits) (as approved at the 29 January 2008 Extraordinary General Meeting).

Any Director who performs services outside the ordinary duties of a Director (such as serving on special committees) may be paid extra fees as determined by the Board. The policy of the Board is that no additional fees are paid in relation to committee memberships. However, the Board may determine additional fees for appointments to subsidiary or joint venture boards. In addition, every Director is entitled to be paid all reasonable travel accommodation and other expenses incurred by them in attending meetings of Bendigo and Adelaide Bank, the Board or any committees, or while engaged on the business of Bendigo and Adelaide Bank.

#### 6.6.4 Indemnity and insurance

During or since the financial year end, Bendigo and Adelaide Bank has paid premiums to insure certain officers and employees of Bendigo and Adelaide Bank and its Related Bodies Corporate. Those covered by the insurance policy include, among others, the Directors, officers and secretaries of Bendigo and Adelaide Bank and its subsidiaries, and executive committee members of Bendigo and Adelaide Bank.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance.

The Constitution stipulates that Bendigo and Adelaide Bank is to indemnify, to the extent permitted by law, each officer or employee of Bendigo and Adelaide Bank against liabilities (including costs, damages and expenses incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body) incurred by an officer or employee in, or arising out of the conduct of, the business of Bendigo and Adelaide Bank or arising out of the discharge of the officer's or employee's duties.

As provided under the Constitution, Bendigo and Adelaide Bank has entered into deeds providing for indemnity, insurance and access to documents for each Director who held office during the year. The deed requires Bendigo and Adelaide Bank to indemnify, to the extent permitted by law, the Director against all liabilities (including costs, damages and expenses incurred in defending any proceedings or appearing before any court, tribunal, government authority or other body) incurred by the Director in, or arising out of, the conduct of the business of Bendigo and Adelaide Bank, a subsidiary or any other corporation in which Bendigo and Adelaide Bank holds shares or securities or in the discharge of their duties as a Director of Bendigo and Adelaide Bank or duties arising by reason of their appointment or secondment to any other corporation. Bendigo and Adelaide Bank has also entered into deeds of indemnity with other officers of Bendigo and Adelaide Bank who were involved in the due diligence process established by Bendigo and Adelaide Bank in connection with the Entitlement Offer and the Placement Offer.

### 6.7 Bendigo and Adelaide Bank Incentive Plans

Bendigo and Adelaide Bank has a number of incentive plans that are offered to employees and Senior Executives. Some of these plans have been discontinued. The plans are as follows:

PLAN	STATUS
Executive Incentive Plan (long term incentive)	This plan provides for grants of options and performance rights to the Group's senior leadership team including the Managing Director and Executive Director (Senior Executives)
Executive Short Term Incentive (STI)	Senior Executive remuneration arrangements include an annual cash incentive component subject to achievement of key performance indicators

PLAN	STATUS
Share Grant Plan	This plan is open to all full-time and permanent part-time employees. This plan is the main equity platform for employees. Employees are entitled to grants of Shares under this plan
Salary Sacrifice and Deferred Share Plan	This plan is open to all full-time and permanent part-time employees. The plan provides a vehicle that will facilitate the purchase of Shares on a salary sacrifice basis and the making of additional discretionary grants
Employee Share Plan	This plan is a loan-based plan. This plan is only available to general staff. Senior Executives may not participate
Bendigo and Adelaide Bank Employee Share Ownership Plan	Discontinued
Adelaide Bank Deferred Employee Share Plan	Discontinued
Adelaide Bank Share Allocation Scheme	Discontinued
Adelaide Bank Loan Plan	Discontinued

### 6.8 Interests of experts and advisers

Except as set out in this Prospectus, no:

- > person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- > promoter of Bendigo and Adelaide Bank; or
- > broker or Underwriter to the Offer,

(each a relevant person) holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- > the formation or promotion of Bendigo and Adelaide Bank;
- > the Offer; or
- > any property acquired or proposed to be acquired by Bendigo and Adelaide Bank in connection with the formation or promotion of Bendigo and Adelaide Bank or the Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a relevant person in connection with the formation or promotion of Bendigo and Adelaide Bank or the Offer. The amounts below are exclusive of GST.

J.P. Morgan Australia Limited and Macquarie Capital Advisers Limited are acting as Joint Lead Managers and Underwriters to the Offer, in respect of which they will receive fees (see Section 6.5). Related Bodies Corporate of the Joint Lead Managers who hold Shares may be entitled to participate in the Offer by virtue of their shareholdings.

Ernst & Young has acted as auditors of Bendigo and Adelaide Bank. In aggregate, Bendigo and Adelaide Bank has paid or agreed to pay Ernst & Young approximately \$55,000 (excluding

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disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Ernst & Young in accordance with its normal time-based charges.

Allens Arthur Robinson has acted as Australian legal adviser to Bendigo and Adelaide Bank in connection with the Entitlement Offer. In aggregate, Bendigo and Adelaide Bank has paid or agreed to pay Allens Arthur Robinson approximately \$375,000 (excluding disbursements and GST) for these services to the date of this Prospectus. Further amounts may be paid to Allens Arthur Robinson in accordance with its normal time-based charges.

### 6.9 Regulatory matters

In connection with the Entitlement Offer, ASX has agreed to grant Bendigo and Adelaide Bank waivers from ASX Listing Rules 7.1 and 10.11 to the extent necessary to:

- > permit Bendigo and Adelaide Bank to make the Entitlement Offer in the manner described in this Prospectus without the requirement to obtain Shareholder approval; and
- > permit related parties of Bendigo and Adelaide Bank to participate in the Entitlement Offer up to the extent of their Entitlements on the same terms as other Shareholders without the requirement to obtain Shareholder approval.

The ASX Listing Rule 7.1 waiver is subject to conditions. The effect of these conditions is to permit Bendigo and Adelaide Bank to:

- > offer New Shares pro-rata to Eligible Institutional Shareholders on or before the Record Date under the Institutional Entitlement Offer; and
- > offer the New Shares relating to Entitlements not taken up by those Eligible Institutional Shareholders, and the New Shares relating to the Entitlements that Ineligible Institutional Shareholders would have received had they been Eligible Institutional Shareholders, to Institutional Investors (which may include Eligible Institutional Shareholders who apply to take up New Shares in excess of their Entitlement) under the Institutional Entitlement Offer prior to offering New Shares to Eligible Retail Shareholders,

as long as:

- > Eligible Institutional Shareholders and Ineligible Institutional Shareholders who sell down their holding of Shares before the Record Date have their pro-rata allocations reduced accordingly; and
- > New Shares issued under the Institutional Entitlement Offer (other than New Shares issued to Eligible Institutional Shareholders in excess of their Entitlements and New Shares issued to other Institutional Investors) and under the Retail Entitlement Offer are issued at the same price.

ASX has also confirmed that:

- > Bendigo and Adelaide Bank may issue New Shares to the Joint Lead Managers, and the Joint Lead Managers may receive New Shares issued by Bendigo and Adelaide Bank, pursuant to the Underwriting Agreement without Shareholder approval; and
- > it would grant a trading halt to Bendigo and Adelaide Bank to facilitate the Institutional Entitlement Offer.

ASX has specifically confirmed that New Shares issued to Eligible Institutional Shareholders in excess of their Entitlement, and New Shares issued to other Institutional Investors under the

Institutional Entitlement Offer, will be treated for ASX Listing Rule purposes as being issued without the need for shareholder approval under ASX Listing Rule 7.1. However, the waivers do not extend to any Top-Up Shares issued as contemplated by Section 1.11. If issued, these will be treated as shares issued pursuant to a placement for ASX Listing Rule purposes.

The ASX Listing Rule 10.11 waiver permits related parties of Bendigo and Adelaide Bank to participate in the Entitlement Offer on the same terms as other Eligible Shareholders without a requirement to obtain Shareholder approval. The waiver is subject to the same conditions imposed in relation to the waiver from ASX Listing Rule 7.1. Additionally, it is a condition of this waiver that the related parties only participate in the Entitlement Offer up to the extent of their pro-rata Entitlement, unless they do so pursuant to a bona fide underwriting arrangement disclosed in this Prospectus.

The waivers set out the arrangements for dealing with holdings registered in the names of nominees. In particular, a nominee Shareholder is treated as a separate Shareholder in respect of Shares held for each of one or more Eligible Shareholders (and, accordingly, may receive offers under both the Institutional Entitlement Offer in respect of Shares held as nominee for Eligible Shareholders and the Retail Entitlement Offer in respect of Shares held as nominee for other persons). Offers under the Institutional Entitlement Offer will be treated as being made to the nominee, and therefore to an Eligible Institutional Shareholder, even where they are made directly to the Eligible Institutional Shareholder for whom the nominee holds Shares.

The waivers also allow Bendigo and Adelaide Bank to ignore, for the purposes of determining those entitled to receive Entitlements (both under the Institutional Entitlement Offer and the Retail Entitlement Offer), changes in shareholdings occurring after the announcement of the trading halt in Shares on 10 August 2009 (other than registrations of ITS (**Integrated Trading System**) transactions which were effected before the announcement) (**post ex-date transactions**). Changes in shareholdings ignored under this provision are to be ignored in determining holders and registered holders, and holdings and registered holdings, of Shares as at the Record Date, and references to such holders, registered holders, holdings and registered holdings are to be read accordingly. Therefore, if you have acquired Shares in a post ex-date transaction you will not be entitled to receive an Entitlement in respect of those Shares. Refer to Section 1.13 for the risks of Bendigo and Adelaide Bank and the Joint Lead Managers requiring you to take certain actions in respect of any over-allocations.

ASX has also granted waivers of ASX Listing Rules 3.20.2 and 7.40 to the extent necessary to permit the Entitlement Offer to proceed on the timetable described in this Prospectus on condition that the Entitlement Offer timetable is acceptable to ASX.

### 6.10 Withdrawal of Entitlement Offer

The Board reserves the right to withdraw all or part of the Entitlement Offer and this Prospectus at any time prior to the issue of New Shares, in which case Bendigo and Adelaide Bank will refund Application Monies in accordance with the Corporations Act and without payment of interest.



## 6.11 Consents

Each of the parties referred to as consenting parties who are named below:

- a. has not made any statement in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as set out in paragraph (d) below;
- b. has not caused or authorised the issue of this Prospectus and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name and a statement or report included in this Prospectus with the consent of that person as set out in paragraph (d) below;
- c. has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named; and
- d. in the case of Ernst & Young, as auditors of Bendigo and Adelaide Bank, has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of any figures relating to Bendigo and Adelaide Bank used in (or incorporated by reference into) this Prospectus and correctly referred to, expressly or impliedly, as being figures audited or reviewed by Ernst & Young.

ROLE	CONSENTING PARTIES
Joint Lead Managers and Underwriters	J.P. Morgan Australia Limited Macquarie Capital Advisers Limited
Share Registry	Computershare Investor Services Pty Limited
Australian legal adviser	Allens Arthur Robinson
Auditors	Ernst & Young

Without limiting anything in paragraphs (a), (b) or (c) above, Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to Bendigo and Adelaide Bank.

## 6.12 Privacy

If you apply for New Shares or Placement Shares, you will provide personal information to Bendigo and Adelaide Bank or its agents. If you are already a Shareholder, Bendigo and Adelaide Bank and its agents have already collected certain personal information from you. If you are already a Shareholder and you apply for New Shares, Bendigo and Adelaide Bank and its agents may update that personal information or collect additional personal information.

Bendigo and Adelaide Bank and its agents collect, hold and use your personal information in order to:

- > assess your Application;
- > service your needs as a Shareholder;
- > provide facilities and services that you request;
- > provide you with information about products and services; and
- > carry out appropriate administration of your investment.

Some of the information which Bendigo and Adelaide Bank or its agents already hold or which will be collected is required

pursuant to tax and company legislation. If you do not provide the information requested, your Application may not be able to be processed efficiently, or at all.

To do these things, Bendigo and Adelaide Bank may disclose your personal information for purposes related to your investment to ASX and to Related Bodies Corporate, agents and organisations that carry out functions on Bendigo and Adelaide Group's behalf such as mailing houses and information technology service providers.

If you are or become a Shareholder, your information may be used for purposes related to your investment (including as noted above) and may also be shared with the Bendigo and Adelaide Bank Group and its joint ventures so that you can be told about products and services offered or distributed by the Group and its joint ventures or other matters concerning the Bendigo and Adelaide Group generally that Bendigo and Adelaide Bank thinks may be of interest to you. You agree that the contact details you provide to Bendigo and Adelaide Bank can be used by any member of the Bendigo and Adelaide Group or any of the Group's joint ventures indefinitely for these purposes. If you do not want your personal information to be used for these purposes, you should contact Bendigo and Adelaide Bank, on the contact details below. It is important that you contact Bendigo and Adelaide Bank if you do not consent to this use because, by investing in New Shares, you will be taken to have consented.

Some uses and disclosures may take place outside of Australia.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) Bendigo and Adelaide Bank. You can request access to your personal information held by Bendigo and Adelaide Bank by contacting Bendigo and Adelaide Bank as follows:

Bendigo and Adelaide Bank Limited Share Registry  
Computershare Investor Services Pty Limited  
GPO Box 480  
Bendigo VIC 3552

A copy of the privacy policy of Bendigo and Adelaide Bank is available at [www.bendigobank.com.au](http://www.bendigobank.com.au).

## 6.13 Foreign selling restrictions

This Prospectus, the accompanying Entitlement and Acceptance Form and any other material related to the Offer do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. By applying for New Shares or Placement Shares, including by submitting the Entitlement and Acceptance Form in or accompanying this Prospectus or making a payment by BPAY®, you represent and warrant that there has been no breach of such laws.

The distribution of this Prospectus outside Australia and New Zealand may be restricted by law and persons who come into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Bendigo and Adelaide Bank disclaims all liabilities to such persons. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent advice as to how they should proceed. Eligible Shareholders who hold Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for

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ensuring that taking up New Shares under the Entitlement Offer does not breach the selling restrictions set out in this Prospectus or otherwise violate the securities laws in the relevant overseas jurisdictions.

No action has been taken to register or qualify this Prospectus, the New Shares, the Placement Shares or the Offer, or otherwise to permit a public offering of the New Shares or the Placement Shares, in any jurisdiction outside Australia and New Zealand.

### 6.13.1 United States

The Entitlement Offer is not being made in the US or to, or for the account or benefit of, US Persons. Concurrently with the Entitlement Offer, the Bank will be conducting the US Private Placement.

Eligible Shareholders (including nominees) who hold Shares on behalf of persons in the US or that are US Persons may not take up their Entitlements or subscribe for New Shares on behalf of such persons, and may not send to such persons this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer.

Each purchaser of New Shares under the Entitlement Offer will be deemed to have represented, warranted and agreed that:

- > neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the US, and may not be offered, sold or otherwise transferred in the US or to, or for the account or benefit of, a US Person;
- > it is not in the US, and is not a US Person and is not acting for the account or benefit of a US Person;
- > it has not and will not send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any person in the US or that is a US Person; and
- > if in the future it decides to sell or otherwise transfer its New Shares, it will only do so in regular way transactions on ASX where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or is a US Person.

### 6.13.2 European Economic Area (including Germany and Netherlands)

The information in this document has been prepared on the basis that the Offer of New Shares and Placement Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares and Placement Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- a. to legal entities that are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- b. to any legal entity that has two or more of (i) an average of at least 250 employees during its last fiscal year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000;

- c. to fewer than 100 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive) subject to obtaining the prior consent of Bendigo and Adelaide Bank or any underwriter for any such offer; or
- d. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of New Shares or Placement Shares shall result in a requirement for the publication by Bendigo and Adelaide Bank of a prospectus pursuant to Article 3 of the Prospectus Directive.

### 6.13.3 France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares and the Placement Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares and Placement Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

Such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D.734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) a restricted number of non-qualified investors (cercle restreint d'investisseurs) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-4, D.734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares and Placement Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

### 6.13.4 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares and the Placement Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than:

- a. to "professional investors" (as defined in the SFO); or
- b. in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares or the Placement Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares and the Placement Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares or Placement Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### 6.13.5 Ireland

The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by the Irish Financial Services Regulatory Authority or any other Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Prospectus Regulations"). The New Shares and the Placement Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

#### 6.13.6 New Zealand

The New Shares are being offered or sold to Eligible Shareholders with registered addresses in New Zealand to whom the Offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). The Placement Shares are being offered or sold to Institutional Investors with registered addresses in New Zealand in a manner that does not involve an offer to the public in New Zealand.

In addition, New Shares for which Entitlements are not taken up may be offered or sold in a placement within New Zealand to:

- a. persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- b. persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment.

This Prospectus contains an Offer to Eligible Shareholders of continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### 6.13.7 Norway

This document has not been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares and the Placement Shares may not be offered or sold, directly or indirectly, in Norway except:

- a. to "professional investors" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876);
- b. any natural person who is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Børs) and who fulfils two or more of the following: (i) any natural person with an average execution of at least ten transactions in securities of significant volume per quarter for the last four quarters; (ii) any natural person with a portfolio of securities with a market value of at least €500,000; and (iii) any natural person who works, or has worked for at least one year, within the financial markets in a position which presuppose knowledge of investing in securities;
- c. to fewer than 100 natural or legal persons (other than "professional investors", as defined in clauses (a) and (b) above); or
- d. in any other circumstances provided that no such offer of New Shares or Placement Shares shall result in a requirement for the registration, or the publication by Bendigo and Adelaide Bank or an underwriter, of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

#### 6.13.8 Singapore

This document and any other materials relating to the New Shares and the Placement Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares or Placement Shares, may not be issued, circulated or distributed, nor may the New Shares or Placement Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of Bendigo and Adelaide Bank Shares or (ii) an "institutional investor" (as defined under the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

The Offer is not made to you with a view to the New Shares or the Placement Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares or Placement Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

## > Additional Information

### 6.13.9 Switzerland

The New Shares and the Placement Shares may not be publicly offered, sold or distributed (directly or indirectly) in Switzerland. No solicitation for investment in the New Shares or the Placement Shares may be made in Switzerland in any way that could constitute a public offering within the meaning of article 652a of the Swiss Code of Obligations ("CO"). New Shares and Placement Shares may only be offered to institutional investors subject to Swiss or foreign prudential supervision such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations in circumstances such that there is no public offering.

This document does not constitute a public offering prospectus within the meaning of article 652a CO and may not comply with the information standards required thereunder. Bendigo and Adelaide Bank has not applied for a listing of the New Shares or the Placement Shares on the SIX Swiss Exchange or any other regulated securities market in Switzerland and, consequently, the information presented in this document does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange. This document is personal to the recipient only and not for general circulation in Switzerland.

### 6.13.10 United Arab Emirates

Neither this document nor the New Shares or the Placement Shares have been approved, disapproved or passed on in any way by the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates, nor has the Bendigo and Adelaide Bank received authorization or licensing from the Central Bank of the United Arab Emirates or any other governmental authority in the United Arab Emirates to market or sell the New Shares or the Placement Shares within the United Arab Emirates. This document does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the New Shares or the Placement Shares, including the receipt of applications and/or the allotment or redemption of such shares, may be rendered within the United Arab Emirates by the Bendigo and Adelaide Bank.

No offer or invitation to subscribe for shares or sale of New Shares or Placement Shares is valid or permitted in, or to any persons in or from, the Dubai International Financial Centre.

### 6.13.11 United Kingdom

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares or the Placement Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA). This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of s. 21 FSMA) received in connection with the issue or sale of the New Shares or the Placement Shares has only been communicated or caused to be communicated and will only

be communicated or caused to be communicated in the United Kingdom in circumstances in which s.21(1) FSMA does not apply to Bendigo and Adelaide Bank.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### 6.13.12 Other jurisdictions

The New Shares and the Placement Shares may not be offered or sold in any other jurisdiction, except to persons to whom such offer, sale or distribution is permitted under applicable law.

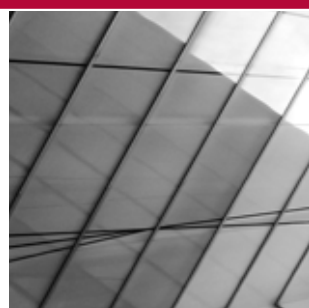
## 6.14 Consents to lodgement

Each Director of Bendigo and Adelaide Bank has given, and has not withdrawn, their consent to the issue of this Prospectus and to its lodgement with ASIC under the Corporations Act.

## 6.15 Governing law

This Prospectus, the Offer and the contracts formed on acceptance of Applications are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares or Placement Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

# Glossary and Interpretation





## > Glossary and Interpretation

### 7.1 Glossary

In this Prospectus and the accompanying Entitlement and Acceptance Form, terms and abbreviations have the following meanings unless the context otherwise requires.

TERMS AND ABBREVIATIONS	MEANINGS
\$ or A\$ or dollars	Australian dollars
Adelaide Bank	Adelaide Bank Limited (now known as Pirie Street Holdings Limited) (ABN 54 061 461 550, AFSL 240516)
ADI	Authorised Deposit-taking Institution
Additional New Shares	New Shares applied for by an Eligible Retail Shareholder in excess of their Entitlement
Application	An application to subscribe for New Shares pursuant to the Retail Entitlement Offer
Application Monies	Monies received from applicants in respect of their Applications
APRA	Australian Prudential Regulatory Authority (ABN 79 635 582 658) or any successor body responsible for prudential regulation of Bendigo and Adelaide Bank
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the financial market operated by that entity known as the Australian Securities Exchange (as applicable)
ASX Listing Rules	The official listing rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by ASX
ATO	Australian Taxation Office
Bendigo and Adelaide Bank or the Bank	Bendigo and Adelaide Bank Limited (ABN 11 068 049 178)
Bendigo and Adelaide Bank Group or the Group	Bendigo and Adelaide Bank Limited and each entity it controls (as defined in the Corporations Act)
Bendigo and Adelaide Bank Offer Information Line	Within Australia 1300 667 384 Outside Australia +61 3 9415 4655
Bendigo Bank	Bendigo Bank Limited (now known as Bendigo and Adelaide Bank Limited)
Board	The board of directors of Bendigo and Adelaide Bank
BPAY®	Registered to BPAY® Pty Ltd (ABN 69 079 137 518)
BPS	Bendigo Preference Shares issued pursuant to prospectus dated 16 March 2005
Closing Date	5.00pm (Melbourne time) on 4 September 2009, being the latest time and day by which completed Entitlement and Acceptance Forms and BPAY® payments of Application Monies will be accepted (subject to variation)
Constitution	The constitution of Bendigo and Adelaide Bank
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Director	A director of Bendigo and Adelaide Bank
Eligible Institutional Shareholder	An Institutional Shareholder to whom the Joint Lead Managers make an offer on behalf of Bendigo and Adelaide Bank under the Institutional Entitlement Offer (either directly or indirectly through a nominee), and who the Joint Lead Managers determine has successfully received that offer
Eligible Retail Shareholder	A Shareholder as at the Record Date who: <ul style="list-style-type: none"> <li>&gt; has a registered address in Australia or New Zealand;</li> <li>&gt; is not in the US, and is not a US Person and is not acting for the account or benefit of a US Person;</li> <li>&gt; is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder and does not hold Shares on behalf of an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; and</li> <li>&gt; is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer</li> </ul>
Eligible Shareholder	A person who is an Eligible Institutional Shareholder or Eligible Retail Shareholder

## TERMS AND ABBREVIATIONS

## MEANINGS

Entitlement	<p>The number of New Shares for which an:</p> <ul style="list-style-type: none"> <li>&gt; Eligible Retail Shareholder is entitled to subscribe under the Retail Entitlement Offer; or</li> <li>&gt; Eligible Institutional Shareholder is entitled to subscribe under the Institutional Entitlement Offer,</li> </ul> <p>in each case being 1 New Share for every 12 Existing Shares held as at the Record Date, subject to the terms of the Entitlement Offer</p>
Entitlement and Acceptance Form	Each Entitlement and Acceptance Form accompanying this Prospectus upon which an Application may be made
Entitlement Offer	The offers under this Prospectus of approximately 25.7 million New Shares to Eligible Shareholders and Institutional Investors, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer
Existing Share	A Share issued before the Record Date
FRCN	Floating Rate Capital Notes issued pursuant to a prospectus dated 13 July 1998
FY2009	Financial year ending 30 June 2009
FY2009 Final Dividend	The 15 cents fully franked dividend declared by the Board payable on 30 September 2009
Ineligible Institutional Shareholder	<p>A Shareholder as at the Record Date who is not an Eligible Institutional Shareholder and who Bendigo and Adelaide Bank and the Joint Lead Managers determine:</p> <ul style="list-style-type: none"> <li>&gt; although an Institutional Investor, should not receive an offer under the Institutional Entitlement Offer in accordance with ASX Listing Rule 7.7.1(a); or</li> <li>&gt; although not an Institutional Investor, is a person to whom offers and issues of New Shares could lawfully be made in Australia without the need for disclosure under Chapter 6D of the Corporations Act if that Shareholder had received the offer in Australia, and who should be treated as an Ineligible Institutional Shareholder for the purposes of the Entitlement Offer</li> </ul>
Ineligible Retail Shareholder	A Shareholder as at the Record Date to the extent they are not an Eligible Institutional Shareholder, an Ineligible Institutional Shareholder or an Eligible Retail Shareholder and to the extent they do not hold Shares on behalf of Eligible Institutional Shareholders or Ineligible Institutional Shareholders
Ineligible Shareholder	A person who is an Ineligible Institutional Shareholder or Ineligible Retail Shareholder
Institutional Entitlement Offer	The offers under this Prospectus of New Shares to Eligible Institutional Shareholders and Institutional Investors under the Entitlement Offer as described in Section 1.5
Institutional Investor	<p>A person:</p> <ul style="list-style-type: none"> <li>&gt; to whom an offer and issue of New Shares (or Placement Shares) may be lawfully made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is exempt from the disclosure requirements of Part 6D.2 in accordance with section 708(8) or 708(11) of the Corporations Act; or</li> <li>&gt; to whom an offer and issue of New Shares (or Placement Shares) may be made outside Australia without registration, lodgement or approval of a formal disclosure document or other filing in accordance with the laws of that foreign jurisdiction (except to the extent to which the Group in its absolute discretion, is willing to comply with such requirements),</li> </ul> <p>in each case who is not in the United States and is not a US Person and is not acting for the account or benefit of a US Person</p>
Institutional Shareholder	A Shareholder as at the Record Date who is an Institutional Investor
Institutional Shortfall Shares	New Shares equivalent to the number not taken up by Eligible Institutional Shareholders, together with New Shares that would have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer
Joint Lead Managers	J.P. Morgan Australia Limited (ABN 52 002 888 011) and Macquarie Capital Advisers Limited (ABN 79 123 199 548)
New Shares	The Shares offered under the Entitlement Offer

## > Glossary and Interpretation

TERMS AND ABBREVIATIONS	MEANINGS
Offer	The Entitlement Offer and the Placement Offer
Offer Price	The price payable for each New Share under the Entitlement Offer and each Placement Share under the Placement Offer, being \$6.75
Offer Period	The period commencing on the opening date of the Institutional Entitlement Offer, as specified in the 'Key Dates' section of this Prospectus, and ending on the Closing Date
Placement Offer	The issue of Shares to certain institutional investors concurrently with the Entitlement Offer
Placement Shares	The Shares issued under the Placement Offer
Privacy Act	The <i>Privacy Act 1988</i> (Cth)
Prospectus	This prospectus dated 10 August 2009
RBA	Reserve Bank of Australia
Record Date	7.00pm (Melbourne time) on 13 August 2009
Related Bodies Corporate/Related Body Corporate	The meaning given in the Corporations Act
Retail Entitlement Offer	The offers under this Prospectus of New Shares to Eligible Retail Shareholders under the Entitlement Offer as described in Section 1.6
RPS	Reset Preference Shares issued pursuant to a prospectus dated 25 October 2002
Securities Act	The US Securities Act of 1933
Senior Executives	The Group's senior leadership team including the Managing Director and Executive Director
Share	A fully paid ordinary share in the capital of Bendigo and Adelaide Bank
Share Registry	Computershare Investor Services Pty Limited (ABN 48 078 279 277)
Shareholder	A holder of Shares (including a beneficial owner of Shares who is treated in accordance with the waivers obtained under the ASX Listing Rules as a holder of Shares for the purposes of the Institutional Entitlement Offer, and including persons jointly registered), subject to the disregarding of post ex-date transactions as described in Section 6.9
SPS	Step Up Preference Shares issued pursuant to a prospectus dated 26 August 2004
Theoretical Ex-Rights Price	The theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. This is a theoretical calculation and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may differ from the Theoretical Ex-Rights Price. The calculation of the Theoretical Ex-Rights Price includes Shares issued under the Placement
Top-Up Shares	A small number of New Shares that Bendigo and Adelaide Bank may need to issue to ensure that all Eligible Shareholder receive their full Entitlement
Underwriting Agreement	The Underwriting Agreement dated 10 August 2009 between Bendigo and Adelaide Bank and the Joint Lead Managers, as described in Section 6.5
Underwriters	J.P. Morgan Australia Limited (ABN 52 002 888 011) and Macquarie Capital Advisers Limited (ABN 79 123 199 548)
US	United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Person	The meaning given in Rule 902(k) of Regulation S under the Securities Act
US Private Placement	The Offer of New Shares by the Bank to certain approved Shareholders that are in the United States or that are, or are acting for the account or benefit of, US Persons, being conducted concurrently with the Entitlement Offer in the manner contemplated by the Underwriting Agreement

## 7.2 Interpretation

In this Prospectus, unless the context otherwise requires:

- a. the singular includes the plural, and vice versa;
- b. words importing one gender include all genders;
- c. a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances or by-laws issued under that statute;
- d. a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- e. a reference to a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- f. a reference to a body (including an institute, association or authority), whether statutory or not:
  - i. that ceases to exist; or
  - ii. the powers or function of which are transferred to another body,
  - iii. is a reference to the body that replaces it or substantially succeeds to its powers or functions;
- g. other grammatical forms of a word or phrase defined in this Prospectus have a corresponding meaning; and
- h. a reference to a Section is a reference to a Section of this Prospectus.

The postal acceptance rule does not apply to the Retail Entitlement Offer and Applications.



# Corporate directory

## DIRECTORS

Robert Johanson

Kevin Roache

Terence O'Dwyer

Tony Robinson

Deborah Radford

Kevin Abrahamson

James McPhee

Kevin Osborn

Jennifer Dawson

Michael Hirst

## COMPANY SECRETARY

David Oataway

## REGISTERED OFFICE

The Bendigo Centre  
Bendigo VIC 3552

## WEBSITE

[www.bendigobank.com.au](http://www.bendigobank.com.au)

## JOINT LEAD MANAGERS

J.P. Morgan Australia Limited  
(ABN 52 002 888 011)

Level 32, Grosvenor Place  
225 George St  
Sydney NSW 2000

Macquarie Capital Advisers Limited  
(ABN 79 123 199 548)

Level 23  
101 Collins Street  
Melbourne VIC 3000

## AUSTRALIAN LEGAL ADVISER

Allens Arthur Robinson

Level 27  
530 Collins Street  
Melbourne VIC 3000

## AUDITOR

Ernst & Young  
8 Exhibition St  
Melbourne VIC 3000

## SHARE REGISTRY

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

## BENDIGO AND ADELAIDE BANK OFFER INFORMATION LINE

Within Australia: 1300 667 384 (local call cost)  
Outside Australia: +61 3 9415 4655

Open from 8.30am to 5.00pm (Melbourne time)  
Monday to Friday during the Offer Period

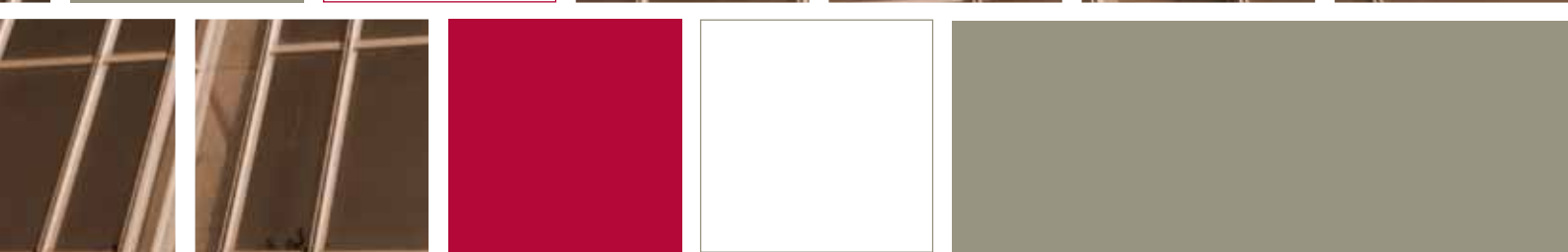
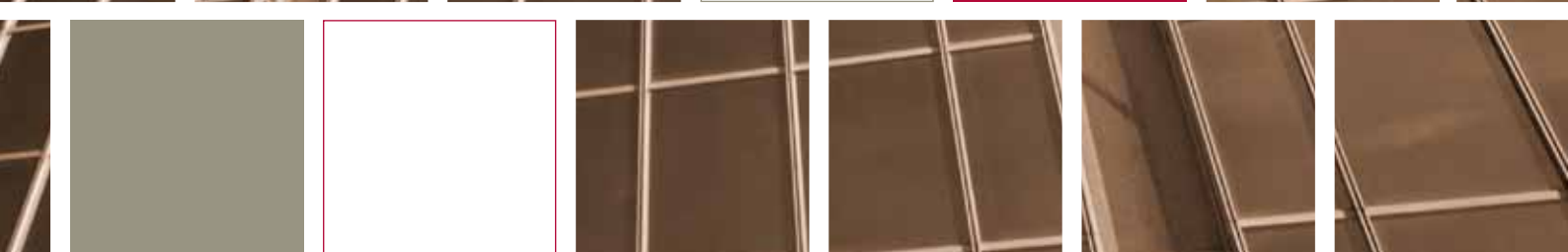
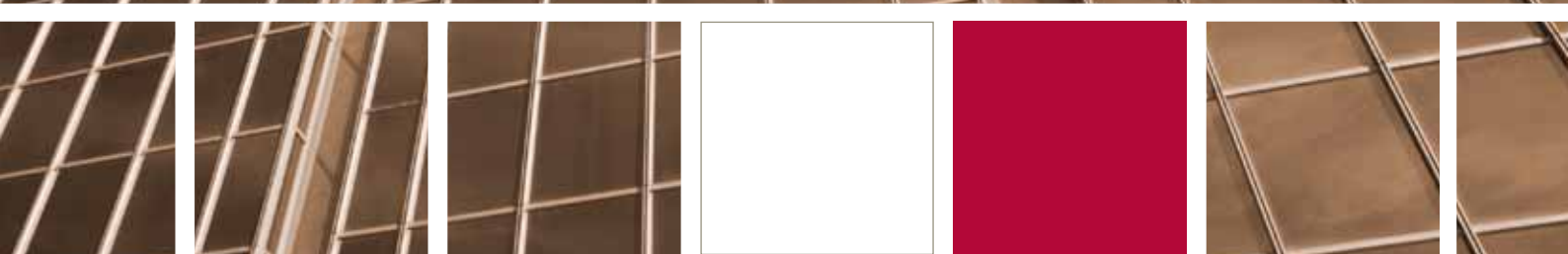


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 **Bendigo** and  
**Adelaide** Bank

[www.bendigobank.com.au](http://www.bendigobank.com.au)