

asx release



25 August, 2009

Basel II Pillar 3 Disclosures: Prudential Standard APS 330

Attached is the prudential information required to be disclosed in accordance with Prudential Standard APS 330.

The disclosures provided have been prepared as at 30 June 2009.

On 7 May 2009 Bendigo and Adelaide Bank Limited increased its shareholding in 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 Limited being required to continue equity accounting for this investment for statutory accounting purposes, while the Australian Prudential Regulation Authority ("**APRA**") requires the preparation of capital returns on a consolidated basis from May 2009.

Pillar 3 disclosures provided as at 30 June 2009 consolidate Rural Bank for capital and credit risk purposes while excluding Rural Bank impaired facilities, past due facilities and specific provisions data. Rural Bank disclosures are available from their web site <http://www.ruralbank.com.au/about-us/basel-ii-pillar-3-disclosures>

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Details

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BENDIGO AND ADELAIDE BANK LIMITED
APS 330: Public Disclosure of Consolidated Prudential Information

Capital Structure as at June 30, 2009(Half-Yearly)

Reference	Item Description	Value
(a)	The amount of Tier 1 capital	1,793,670,344
	Paid-up ordinary shares	3,003,895,316
	Reserves	-319,788,637
	Retained earnings, including current year earnings	59,344,705
	Minority interests arising from consolidation of Tier 1 capital of subsidiaries	126,583,715
	Innovative instruments	277,935,492
	Non-innovative residual instruments	0
	Deductions from Tier 1 capital, including goodwill and investments	1,354,300,247
(b)	The total amount of Tier 2 capital (net of deductions)	840,767,025
(c)	Total capital base	2,634,437,369

Capital Adequacy as at June 30, 2009

Reference	Item Description	Value
(a)	Capital requirements (in terms of risk-weighted assets) for credit risk (excluding securitisation) by portfolio:	
	Claims secured by residential mortgage	9,093,555,483
	Other retail	11,365,333,623
	Corporate	0
	Banks and Other ADIs	298,627,527
	Government	41,286,696
	All other	672,680,145
	Capital requirements (in terms of risk-weighted assets) for securitisation	127,959,299
(b)	Capital requirements for market risk	223,110,673
(c)	Capital requirements for operational risk	2,332,402,634
(d)	Capital requirements for IRRBB (IRB/AMA-approved Australian-owned ADI's only)	N/A
(e)	Total and Tier 1 capital ratio for the consolidated group	
	Total capital ratio for the consolidated group	10.91%
	Tier 1 capital ratio for the consolidated group	7.43%

Credit Risk as at June 30, 2009

Reference	Item Description	June Quarter	March Quarter	Average
(a)	i Total gross credit risk exposures (excluding equity investments and securitisation exposures), plus average gross exposure over the period, broken down by major types of credit exposure⁽¹⁾:			
	Loans	35,980,857,262	32,782,489,257	34,381,673,259
	Debt securities	1,329,254,833	594,807,285	962,031,059
	Commitments and other non-market off balance sheet exposures	838,483,032	695,672,687	767,077,860
	Market-related off balance sheet exposures	78,194,205	80,981,539	79,587,872
	ii Total gross credit risk exposures (excluding equity investments and securitisation exposures), plus average gross exposure over the period, broken down by portfolio⁽¹⁾:			
	Claims secured by residential mortgage	22,673,270,503	22,511,104,526	22,592,187,515
	Other retail	13,051,791,066	9,381,557,469	11,216,674,268
	Corporate	0	0	0
	Banks and Other ADIs	1,410,567,123	1,027,297,091	1,218,932,107
	Government	41,286,696	34,669,117	37,977,906
	All other	1,049,873,943	1,199,322,565	1,124,598,254
(b)	i Amount of impaired facilities, by portfolio:			
	Claims secured by residential mortgage	36,755,120		
	Other retail	194,107,988		
	Corporate	0		
	Banks and Other ADIs	0		
	Government	0		
	All other	140,433		
	Amount of past due facilities, by portfolio:			
	Claims secured by residential mortgage	167,961,146		
	Other retail	82,191,636		
	Corporate	0		
	Banks and Other ADIs	90,090		
	Government	0		
	All other	40,014		
	ii Specific provisions, by portfolio:			
	Claims secured by residential mortgage	12,631,171		
	Other retail ⁽²⁾⁽³⁾	66,656,156		
	Corporate	0		
	Banks and Other ADIs	0		
	Government	0		
	All other ⁽²⁾	111,775		
	iii Charges for specific provisions and write-offs during the period, by portfolio:			
	Claims secured by residential mortgage	4,503,118		
	Other retail	44,231,685		
	Corporate	0		
	Banks and Other ADIs	0		
	Government	0		
	All other	0		
(c)	The general reserve for credit losses	129,515,856		

¹ Off-balance sheet exposures have been converted to their credit equivalent amounts

² March 2009 APS 330 allocated \$16.6 million to "All other". This exposure is now incorporated under "Other retail" for reporting purposes

³ \$11.7 million of provisions raised on the Great Southern Portfolio as collective provisions for statutory accounting purposes are reported here as specific provisions for APRA reporting purposes