

Teachers Mutual Bank’s ethical bond issuance expands to \$420 million

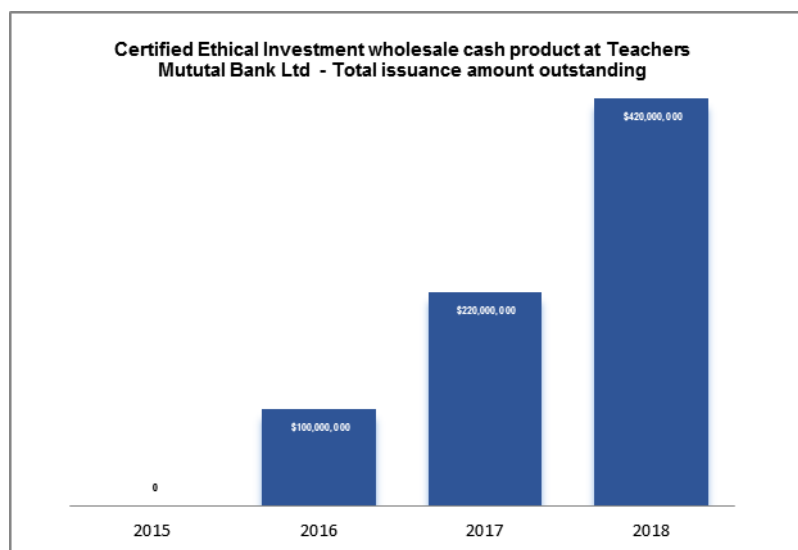
- Largest single issuance of \$200 million
- Only bank in Australia with a certified ethical wholesale cash product
- Certified by Responsible Investment Association Australasia (RIAA)

Teachers Mutual Bank Limited (TMBL) has issued a fourth series – A\$200 million three year floating rate senior unsecured notes bringing its total Certified Ethical issuance to \$420 million, from zero in 2015. The Bank’s previous largest transaction was \$100m.

“We always want to put our values into action. This expansion of our ethical bond issuance to \$420 million highlights that our ethical business practices are at the centre of how we operate. We believe acting on ethical values means championing ethical investment”. said Steve James, Chief Executive Teachers Mutual Bank

The bank pioneered ethical investment when it became the first Australian financial institution to have its entire wholesale debt issuance programme of \$500m ethically certified by the Responsible Investment Association Australasia (RIAA) in June 2015; It is the first certified ethical investment wholesale cash product in Australia, and remains so after three years.

Proceeds are used to fund the balance sheet, largely residential mortgages for Teachers Mutual Bank, UniBank and Firefighters Mutual Bank members



TMBL Certified Ethical Investment issuance has reached \$420 million;

- In October 2016, TMBL issued A\$100 million of three year floating rate senior unsecured notes
- In June 2017 TMBL issued a second series of A\$100 million three year floating rate senior unsecured notes
- In September 2017 TMBL issued a third series of A\$20m of 10 year non-call 5 year floating rate subordinated notes
- In July 2018 TMBL issued a fourth series of A\$200 million three year floating rate senior unsecured notes

Background

The TMBL \$500m Debt Issuance Programme (DIP) for wholesale investors is a Certified Ethical Investment by the Responsible Investment Association Australasia (RIAA). TMBL is an issuer of Certified Ethical Investment product.

TMBL's DIP achieved Ethical Certification by the RIAA on the basis that the Bank's Policy is '*the exclusion of lending to, or investing in, large scale greenhouse gas pollution from fossil fuel exploration, extraction, production and use*'.

Certification started in June 2015 for the first two year period and was extended for a further two years, from June 2017 to June 2019.

TMBL's \$500m Debt Issuance Programme has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsibleinvestment.org for details.

The RIAA certification is of TMBL's \$500m Debt Issuance Programme (DIP) for wholesale investors. The cash proceeds raised are used to fund TMBL's balance sheet. Under the \$500m Debt Issuance Programme, TMBL may issue debt securities, that are issued in series, and each series may comprise one or more tranches. These may vary in number, timing and tenor. By certifying the \$500 million Debt Issuance Programme, each individual issuance of notes or tranches is certified.

- It is the **first** certified ethical investment wholesale cash product in Australia, and TMBL is the **first** bank to issue this.
- It is the **first** certified ethical investment wholesale cash product that is based on fossil fuel lending and investing exclusion.

More info:

<https://www.tmbank.com.au/~media/community/news/pdf/2017/ethical-investment-july-2017.ashx>