

Bank Australia Sustainability Bond 2025 Impact Report

October 2020 framework



**Bank Australia's purpose is
to inspire and empower our
customers to use their money
to create a world where people
and the planet thrive.**



Introduction

Bank Australia has an Australian Medium Term Note Programme with a sustainability bond component. Its October 2020 Sustainability Bond Framework has \$90m of bonds on issue as at 30 June 2025.

There are 5 active issuances from September 2020 to December 2021. These bonds have a maturity of 5 or 10 years, with the latest bond maturity date in December 2031. The proceeds from these bonds are used to help achieve 3 of the United Nations Sustainable Development Goals (SDGs):



The proceeds from the sustainability bonds are used to finance and/or refinance loans in an eligible asset pool of \$165.6m (as at 30 June 2025) including community housing, loans to charities and not-for-profits, affordable housing mortgages and conservation reserve backed construction loans.

This Sustainability Bond Impact Report describes the impact associated with the pool of eligible assets as at 30 June 2025. The Use of Funds report is included as an Appendix.

Bank Australia's Sustainability Bond Framework was developed to align with international Sustainability Bond Guidelines. More information including the Sustainability Bond Framework, second-party opinion and assurance statements, and use of funds reports are available at bankaust.com.au/sustainabilitybond.



Case study:

Protecting nature and biodiversity on Wotjobaluk Country

We know protecting nature and preserving biodiversity of plants and animals are important issues to our customers. Our nature and biodiversity strategy launched in 2025 sets out our vision of working towards a 2030 where nature is protected and recovering.

Since 2008 we have been caring for nature on our conservation reserve which spans 2,117 hectares in western Victoria, on Wotjobaluk Country.

The conservation reserve is made up of 4 properties: Minimay, Salvana, Ozenkadnook, and Boorooopki. Together, they provide a habitat for 251 native plant species and 283 native animals, with some of these endangered.

The majority of land is protected under a conservation covenant with Trust for Nature which means it's protected from development as well as clearing that would harm biodiversity.

We partner with Greening Australia, Trust for Nature and the Barengi Gadjin Land Council (BGLC) to protect and manage the biodiversity and cultural values of the conservation reserve. The BGLC represent the Traditional Owners and Custodians of the lands where the reserve is located and include the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples of the Wotjobaluk Nations.

One of our key focus areas is maintaining healthy woodlands and supporting native wildlife. In March 2025, bird enthusiast and photographer Jennifer captured rare images of a flock of up to 30 endangered South-eastern Red-tailed Black Cockatoos feeding on a mixture of 15-year-old stringybark planted and mature stringybark trees in Ozenkadnook. These striking birds, known for their bright red tail feathers, were listed as threatened in 1988 and endangered in 1999.

Since 2023, monitoring has shown that these cockatoos prefer desert stringybark and brown stringybark trees. Another important food source for them is the Buloke tree, which is native to our reserve.



Since 2008 we have been caring for nature on our conservation reserve which spans 2,117 hectares in western Victoria.

This is just one example of the positive impact of our broader conservation efforts. So far, we're actively restoring 400 hectares across the reserve.

Bank Australia's Sustainability Bond asset pool includes loans originated for new residential construction, where Bank Australia has also protected the equivalent amount of developed land on our conservation reserve.

Bank Australia's eligible asset pool

The eligible asset pool contains commercial and retail loans that align to three SDGs. The table below shows how our eligible asset types link to SDGs and targets and describes the impact of loans in the eligible asset pool as at 30 June 2025.

Sustainable Development Goal (SDG)	SDG target	Eligible asset type	Balance as at 30 June 2025	Impact rationale	Impact of loans in the eligible asset pool as at 30 June 2025
 10 REDUCED INEQUALITIES	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Commercial loan – charity & not for profit (NFP) loans	\$38.7m	Charities and not-for-profits provide a range of vital services that target social, economic and political inclusion of diverse populations.	5 loans to charities and not-for-profits that provide housing services, education, social support services for marginalised groups including those with disability, migrants, and young mothers. 1 asset in this pool has enabled the acquisition of 100+ properties for long-term, affordable rental contracts to women-led families.
		Commercial loan – community housing	\$23.4m	Community housing providers build and operate social and affordable housing for people who can't access the private rental market.	9 loans to community housing providers in Victoria, South Australia, Queensland, and the Northern Territory to provide more than 200 homes for people who need them.
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Residential mortgages – affordable housing schemes	\$12.7m	Home ownership is increasingly out-of-reach for low- and moderate-income households in Australia; Government-supported affordable housing schemes help get people into home ownership and start building their financial futures.	64 residential mortgages to help people on low and moderate incomes buy their own homes.

Bank Australia's eligible asset pool (continued)

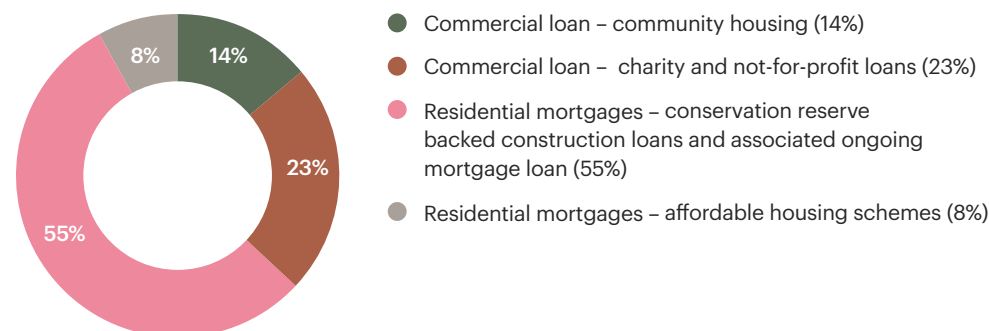
Sustainable Development Goal (SDG)	SDG target	Eligible asset type	Balance as at 30 June 2025	Impact rationale	Impact of loans in the eligible asset pool as at 30 June 2025
 15 LIFE ON LAND	15.1 By 2030, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Residential mortgages – conservation reserve backed construction loans and associated ongoing mortgage loan	\$90.7m	Conservation and restoration of ecosystems is essential for addressing the twin challenges of climate change and biodiversity loss. Bank Australia acted on this challenge in 2008 by purchasing the first of its conservation reserve properties, which have since expanded to 2117 hectares. For all construction loans, Bank Australia protects land equivalent to the size of the building lot on its conservation reserve to balance out the environmental impact of construction.	142,408m² protected on the conservation reserve to balance out the impact of 322 construction loans in the eligible asset pool. In addition to the land protected on the conservation reserve, these 322 loans are for homes that are of a high environmental standard compared to the whole Australian market.

Appendix: Use of Funds Report

100% of the proceeds from the \$90m of Sustainability Bonds issued were allocated to Eligible Assets as at 30 June 2025.

Sustainable Development Goal	Loan Category	Eligible Assets (\$m)	Eligible Assets (%)	Allocation of Current Bond Proceeds (\$m)
10. Reduced Inequalities	Commercial loan – charity & not for profit (NFP) loans	\$38.7	23%	\$21.0
11. Sustainable Cities and Communities	Commercial loan – community housing	\$36.2	22%	\$19.7
15. Life on Land	Residential mortgages – conservation reserve backed construction loans and associated ongoing mortgage loan	\$90.7	55%	\$49.3
Total		\$165.6	100.0%	\$90.0

Eligible Asset Pool



Value of Sustainability Bond Issue

Date of Bond Issuance	Bond Maturity Date	Face Value
11 September 2020	11 September 2025	\$10,000,000
29 October 2020	29 October 2025	\$20,000,000
22 January 2021	22 January 2026	\$10,000,000
25 March 2021	25 March 2026	\$10,000,000
6 December 2021	6 December 2031	\$40,000,000
Total		\$90,000,000



