

Media Release

The Benevolent Society's social benefit bond delivers exceptional results to families and investors

31 October 2017 – The Benevolent Society, Australia's first charity, today announced the exceptional fourth year results of its Social Benefit Bond, a five-year Intensive Family Support service, funded by private and institutional investors and developed in partnership with Commonwealth Bank of Australia, Westpac Institutional Bank, NSW Treasury and the NSW Department of Family and Community Services (FACS).

The Benevolent Society's Social Benefit Bond meets the highest international standards and industry best practice with its Resilient Families Program. The Performance Percentage reported at 30 June 2017 is 24 per cent compared to the indicative 19 per cent reported in the previous Investor Report. This result would theoretically provide returns of 7 per cent for capital protected class investors (Class P) and 15 per cent for capital exposed class investors (Class E) at the end of the five year bond next year.

The life of the bond thus far covers the first three annual cohorts and the partial fourth cohort, from 3 October 2013 to 30 June 2017. Actual returns will be calculated on cumulative results paid at the maturity of the bond in 2018, the first Social Impact Bond to mature in Australia.

Measure	Actual/Deemed performance	Weighting
Improvement Percentage ¹	24%	94%
Unmatched children percentage ²	15%	1%
Guaranteed Referrals Shortfall percentage ³	40%	5%
Performance Percentage	24%⁴	100%

The focus of the Resilient Families program is designed to keep children out of out-of-home care and with their families where possible, ensuring children are safe and well. Over the Reporting Period of 1 July 2016 to 30 June 2017, Resilient Families has supported 59 per cent more families to stay safely together compared to a matched Control Group of similar families.

Over the life of the Bond, Resilient Families is delivering an 89 per cent preservation rate for families referred to the program. This makes Resilient Families among the strongest performing intensive family preservation services in the world.

The Benevolent Society's Executive Director of Child and Family Services Matt Gardiner said, "The Resilient Families team has done an incredible job. Through our program of Intensive Family Support, they have powerfully and positively impacted hundreds of families and changed the life trajectory of the children.

"It underscores our strategic focus of ensuring children remain safe and well with their families and avoid unnecessary removal into out of out-of-home care, because research indicates time and again that children do better in their own homes where it's possible to keep them there."

1 The Improvement Percentage for the Bond is determined by results generated from the New South Wales Department of Family and Community Services (FACS) data system. The progress made by families referred to the Program, called the Intervention Group, is compared against the progress made by a Control Group who share similar characteristics and receive standard services from FACS that may include family support and intervention at varying levels of intensity.

2 Unmatched Children Percentage – where children referred by FACS cannot be matched with a similar control child

3 Guaranteed Referrals Shortfall Percentage – where FACS is unable to fill vacancies notified by The Benevolent Society within the agreed period of time up to a guaranteed minimum

4 The Average Improvement Percentage is used to calculate the weighted Performance Percentage. As at 30 June 2017, the indicative Performance Percentage is 24% (the same as the Average Improvement Percentage by coincidence only).

Resilient Families has improved the safety and wellbeing of 289 families referred to the program by FACS since 2013. These results indicate intensive, family support services provided to vulnerable families at the right time can make a significant difference and reduces the damage of unnecessary removal into out-of-home-care.

NSW Treasurer Dominic Perrottet launched the report at the event at Barangaroo and said the collaboration across sectors was the key to the program's success.

"As the first state to pilot social impact investing, NSW is leading the way in working with business and the non-government sector to tackle longstanding social issues in new and effective ways.

"The program Resilient Families is made possible through this partnership and over the life of this bond, we have seen the lives of many children changed for the better."

The collaborative partnership between Commonwealth Bank, Westpac, NSW Treasury, NSW FACS and The Benevolent Society has developed an innovative, workable, successful framework that is industry best practice and provides an approach that can be applied by other programs to achieve similar results. The willingness to work together and collaborate with government departments like Treasury helped create improved circumstances for children.

Westpac Institutional Bank's Executive Director and Head of Structured Finance, Craig Parker said, "This partnership is a great example where Westpac has been able to contribute to improving the outcomes of families that are part of the Resilient Families programme, funded by this Social Benefit Bond. We are very pleased with the outcomes and we congratulate the Benevolent Society on the progress to date.

Commonwealth Bank Managing Director Debt Markets, Simon Ling, said, "We are proud to be working with The Benevolent Society on this important project. This innovative funding structure was designed as a pilot project and our success to date helps to further illustrate that the concept of social impact investing works for all stakeholders. The challenge we all face now is how best to take this pilot and scale it to help more communities in the future."

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About The Benevolent Society

The Benevolent Society is Australia's first charity, working as a catalyst for social justice and change for over 200 years. The Benevolent Society advocates for a better life for all Australians and provides quality services in the areas of Family Support, assisting older people, and Australians with disability. We help people age well and live a healthy life, staying in their homes wherever possible.

For more information, please visit www.benevolent.org.au, on Facebook/thebenevolentsociety or on Twitter - @BenevolentAU

About Commonwealth Bank

Commonwealth Bank is Australia's leading provider of integrated financial services, including retail, premium, business and institutional banking, funds management, superannuation, insurance, investment and share-broking products and services. Commonwealth Bank's Institutional Banking & Markets (IB&M) division has core capabilities across transactional and working capital banking, debt financing solutions, financial markets and risk management products. The business is responsible for developing and providing products for our corporate clients. IB&M has global reach extends through offices in Auckland, Beijing, Hong Kong, Houston, London, New York, Shanghai, Singapore, Tokyo and throughout Australia.

About Westpac Institutional Bank

Westpac Banking Corporation (Westpac) was founded in 1817 and was the first bank established in Australia. Today, Westpac employs approximately 40,000 people and provides a broad range of banking and financial services, including consumer, business and institutional banking and wealth management services. Westpac's operations comprise four primary customer-facing business divisions operating under multiple brands serving around 13 million customers.

Westpac Institutional Bank (WIB) delivers a broad range of financial services to commercial, corporate, institutional and government customers with connections to Australia and New Zealand. WIB operates through dedicated industry relationship and specialist product teams, with expert knowledge in transactional banking, financial and debt capital markets, specialised capital, and alternative investment solutions. Customers are supported through branches and subsidiaries located in Australia, New Zealand, Asia, the United States and the United Kingdom

