

CLIMATE BONDS INITIATIVE WEBINAR



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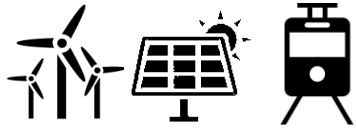
LOW CARBON COMMERCIAL
PROPERTY DEVELOPMENTS,
GREEN FINANCE & THE
CLIMATE BONDS STANDARD

7 February 2017

NAB AND GREEN BONDS.



NAB WAS RECOGNISED AS A “**GREEN BOND PIONEER**” BY THE CLIMATE BONDS INITIATIVE AND LONDON STOCK EXCHANGE FOR OUR WORK IN DEVELOPING THE AUSTRALIAN GREEN BOND MARKET SINCE 2011.



First bank to issue a Climate Bond certified green bond globally and first Australian domestic green bond .

NAB CLIMATE BOND

A\$300m green bond with proceeds earmarked for financing Australian renewable energy and low carbon transport assets.



Arranged the first Australian wind farm project backed USPP and first green bond issued in the USPP market.

HALLETT HILL 2 GREEN BOND

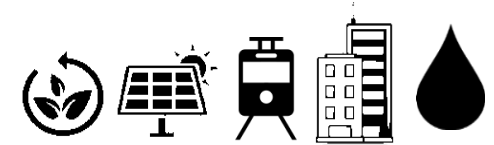
A\$205m equivalent USPP green bond for refinancing the Hallet Hill 2 windfarm.



Arranged the first Climate Bond certified securitised green bond globally and Australia’s first green ABS.

FLEXI ABS TRUST 2016-1

A\$50m Class A2-G green ABS note to fund residential solar PV systems, as part of a broader A\$260m transaction



Arranged the first Climate Bond certified government green bond and Australia’s first government issued green bond .

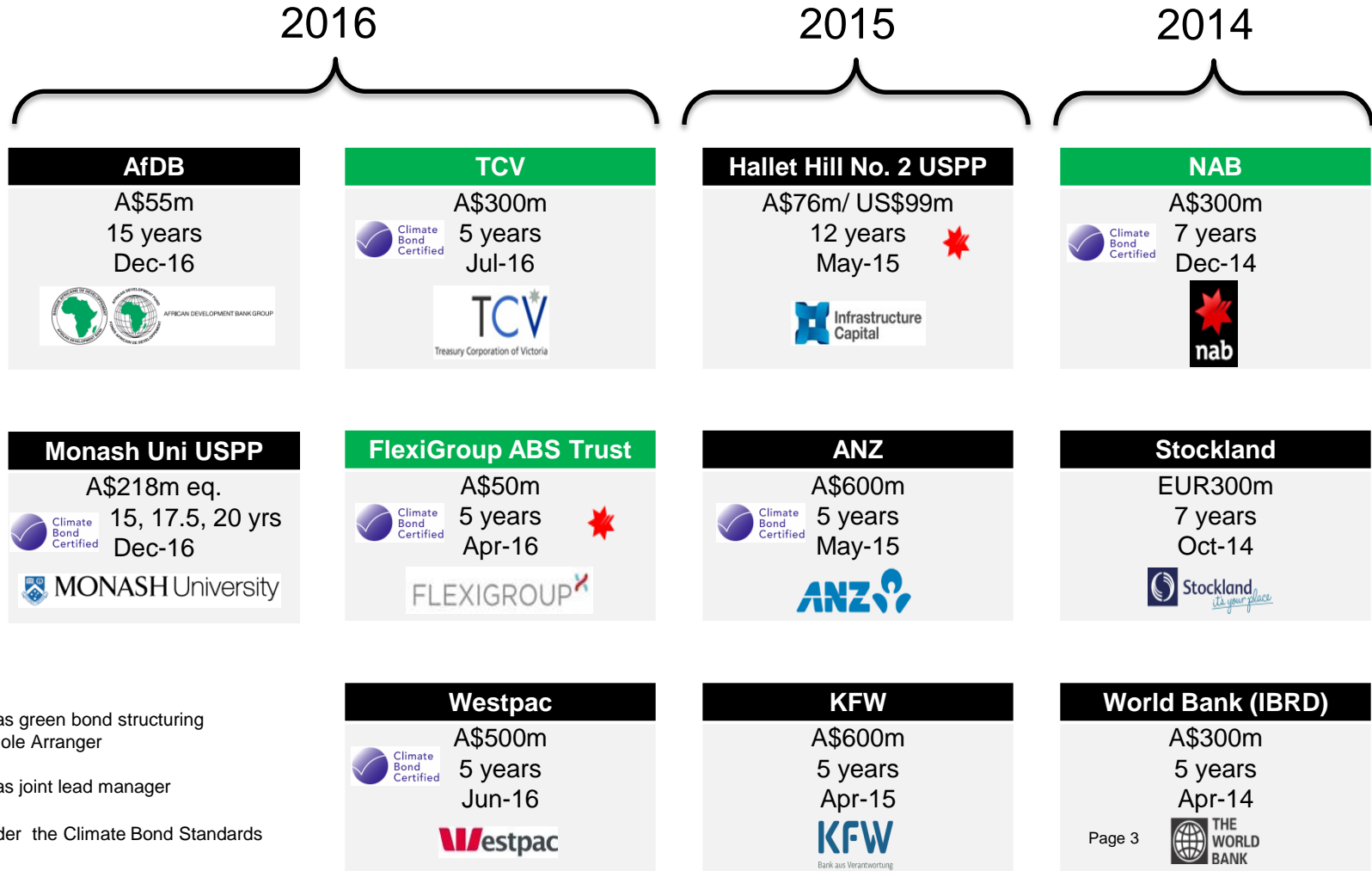
TCV GREEN BOND

A\$300m green bond with proceeds earmarked for financing low carbon buildings, renewable energy, low carbon public transport and energy efficient water treatment.





AUSTRALIAN GREEN BOND ISSUANCE


A\$ DOMESTIC GREEN BOND ISSUANCE HAS GROWN FROM A\$600M IN 2014, TO A\$1,200M IN 2015 TO A\$1,123M IN 2016.



LEGEND

 NAB acted as green bond structuring agent and Sole Arranger

 NAB acted as joint lead manager

 Certified under the Climate Bond Standards

WHY ISSUE A GREEN BOND?

GREEN BONDS CAPITALISE ON THE GLOBAL GROWTH OF MAINSTREAM, SOCIALLY RESPONSIBLE AND IMPACT INVESTORS SEEKING TO DECARBONISE THEIR PORTFOLIOS AND/OR INVEST WITH PURPOSE.

PRICING



Currently price in line with vanilla bonds of similar tenor/credit quality but potential benefits as market grows

TENOR



Opportunity to extend debt tenor and more closely align with economic life of green assets / projects

TERMS



Ability to issue off existing program documents with similar terms to vanilla bonds
External review/certification costs are minimal, assists with marketing and simplifies investor due diligence

INVESTOR DIVERSIFICATION



Access to both mainstream investors and a growing and diversified pool of capital seeking socially responsible and/or impact investments

ACCESS TO GLOBAL MARKETS



Issuance available in a range of currencies across major debt capital markets

REPUTATION



Enhances an issuers' credentials by supporting their ESG objectives and demonstrating their commitment to the environment and sustainability.

WHAT'S NEXT FOR GREEN BONDS?

THE GREEN BOND MARKET CONTINUES TO MATURE AND DIVERSIFY

- Green bonds issuance volumes to continue their rapid growth, domestically and globally
- Broader range of issuers coming to market - by region and issuer type
- Broader range of use of proceeds - more sectors, more asset types and more regions
- Pricing tension to continue as demand from investors continues to outstrip supply
- Continued growth of mainstream, socially responsible and impact investors seeking green bonds domestically and globally.
- Evolution and emergence of new structures and issuance formats
- Broader range of credit ratings – expanding into sub IG and unrated transactions
- Harmonisation of green bond impact reporting

KEY CONTACTS

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