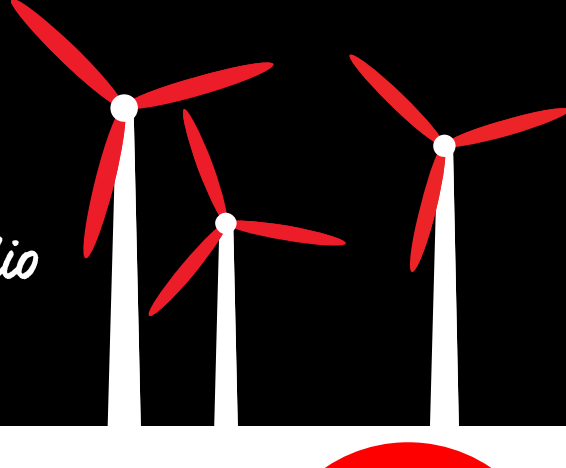




# NAB LOW CARBON Shared Portfolio

Corporate & Institutional Banking



## OPPORTUNITY FOR INVESTORS

- 1.** We would like to give investors access to the #1 energy debt origination team in the Australian market.

### NAB'S LOAN BOOK

- 2.** We are using "robo" style eligibility criteria to deliver *pari passu* exposure to our low carbon loan book.

### SHARED VALUE PARTNERSHIP

- 3.** NAB is seeking to share its specialist debt origination capabilities with third party investors. We are building low-cost investment vehicles to provide exposure to thematic strategies, such as the renewables sector.

### OFFERING

- 4.** Closed ended ~\$200m Shared Portfolio, risk participating in 8-10 senior loans to wind farms and solar parks, distributed to investors via amortising Portfolio Notes. NAB retains no less than 30% of each exposure and continues to manage the loans for the Shared Portfolio.

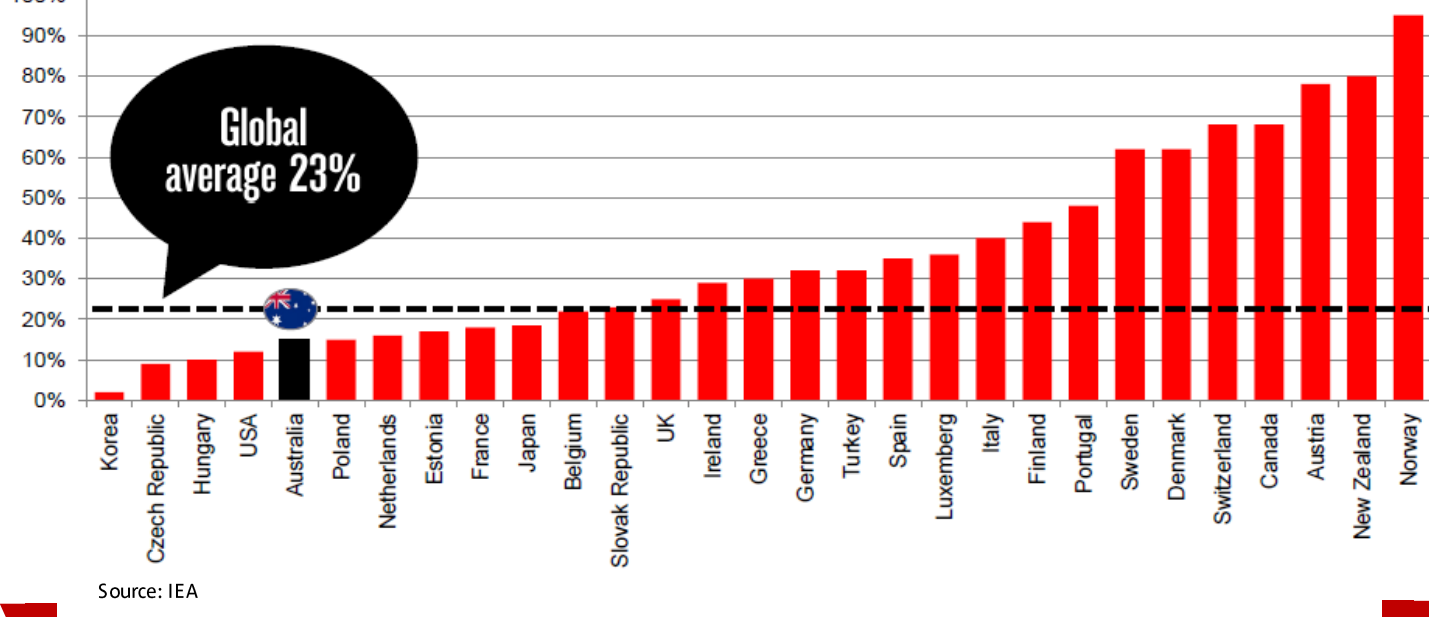
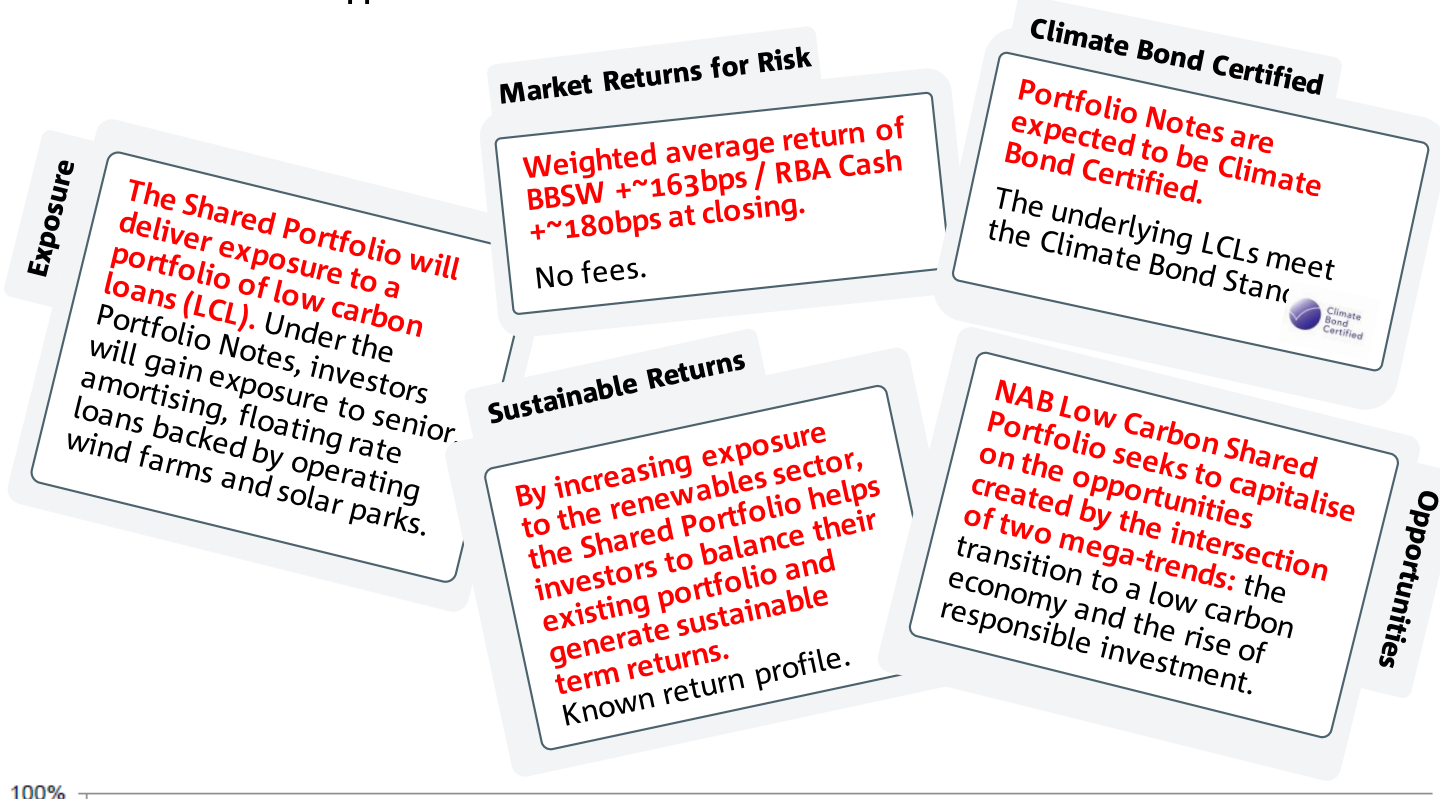
**Pari-passu:**  
"Side-by-side,  
at the same  
rate or on an  
equal footing"

**Renewables**  
transactions are  
complex and  
scarce. We would  
like to offer access  
to a vertical slice of  
our loan book to  
support new loan  
origination

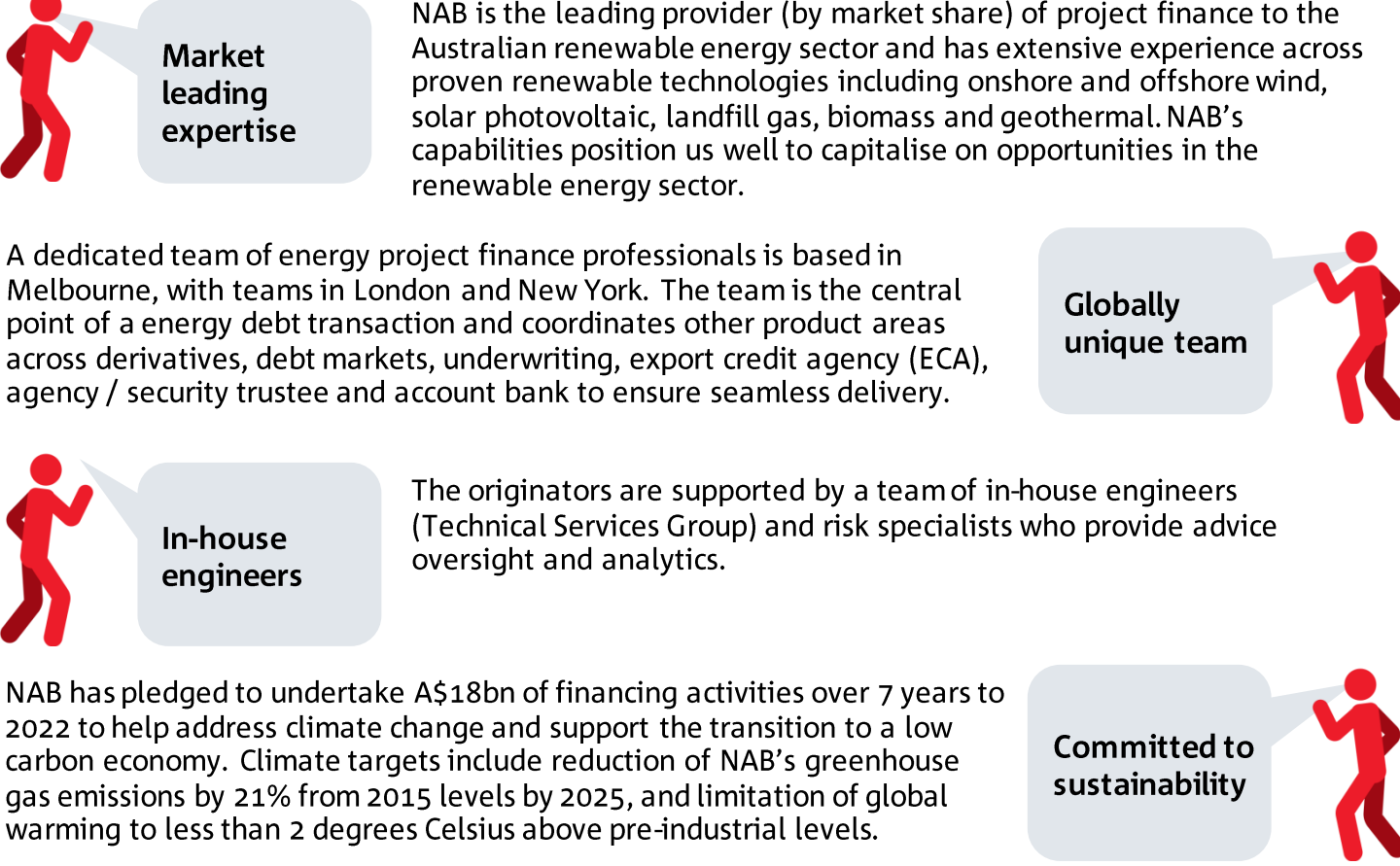
## GLOBAL LANDSCAPE AND INVESTMENT OPPORTUNITY



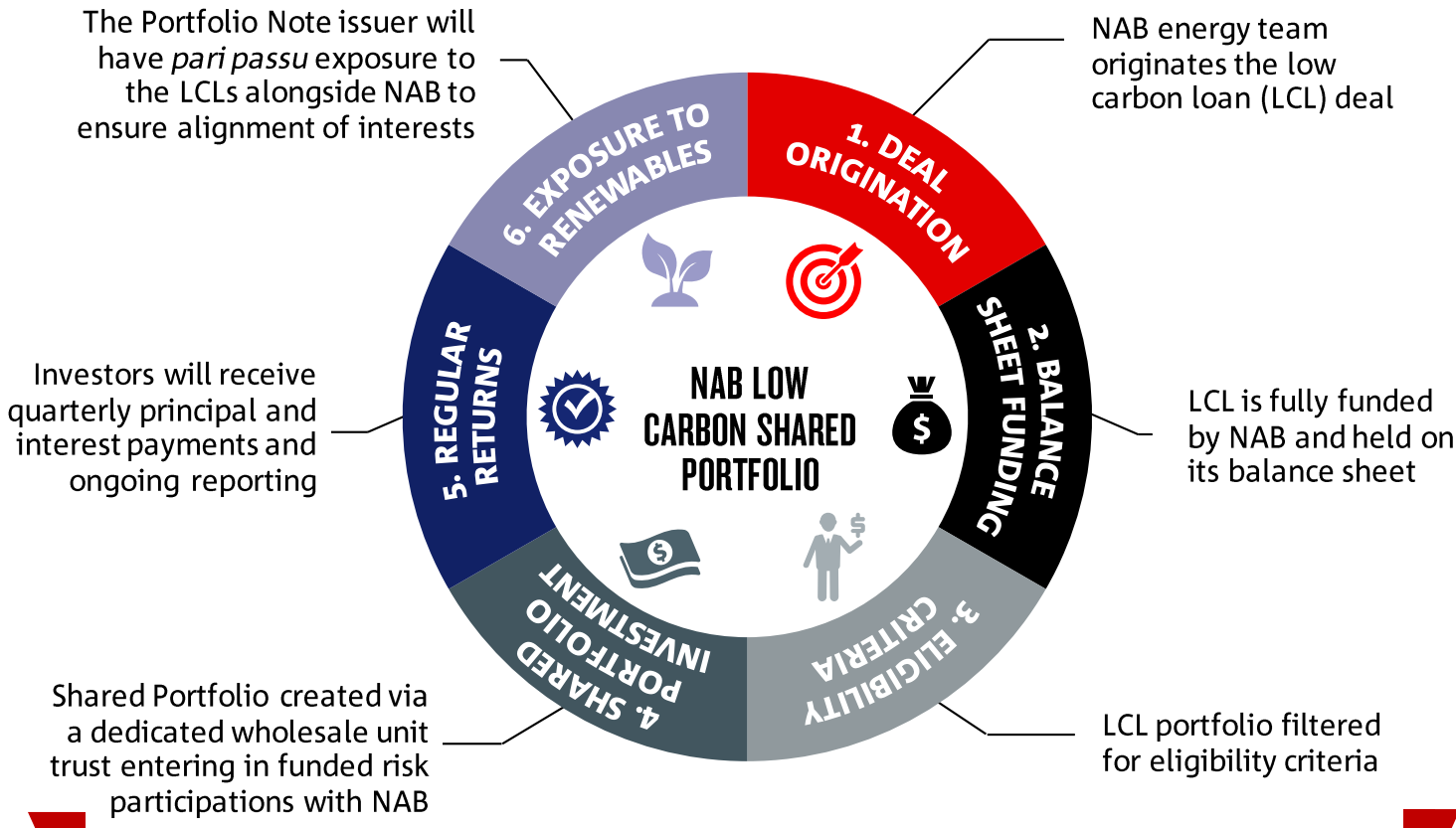
Australia has the opportunity to increase its renewable energy penetration compared to other developed nations. By 2020, renewable energy penetration is expected to grow to approximately 23.5% in Australia. State-based renewable energy targets (ACT, SA, VIC & QLD) of between 40%-100% by 2025 are expected to drive additional development. The scope for further renewable energy penetration indicates that there are significant opportunities in the Australian renewables sector.



## NAB TEAMS OVERVIEW



## THE EXECUTION PROCESS



## KEY PARTIES, TERMS AND FEATURES

### LOAN TRANSFER MECHANICS

Individual loan risk participations using documentation based upon the Loan Market Association (LMA) standard. NAB remains lender of record except in limited circumstances.

### NAB CO-INVESTMENT REQUIREMENT

Designed to ensure the interests of investors in Shared Portfolio are fully aligned with NAB's interests as a lender at all times. Principal distributions to investors under the Portfolio Notes will be made alongside LCL principal repayments to NAB according to LCL portfolio funding proportions. NAB will retain no less than 30% of each LCL on its own balance sheet. If NAB elects to exit a particular LCL, then the Shared Portfolio will also divest that LCL.

### ELIGIBILITY CRITERIA

- Australian domiciled borrower
- Operational project (not under construction)
- Loan is AUD denominated
- No event of default/potential event of default
- Minimum 18 months remaining to LCL maturity

### SHARED PORTFOLIO LEGAL STRUCTURE

Secured, floating rate, pass-through, amortising Portfolio Notes issued by the trustee of an unlisted and unregistered wholesale unit trust

### PORTFOLIO NOTE ISSUER

NAB Trust Services Limited

### PORTFOLIO ADMINISTRATOR

National Australia Managers Limited

### SHARED PORTFOLIO AUDITOR

Independent registered auditor to be appointed

### LOAN SELLER AND SERVICER

National Australia Bank Limited

### PRINCIPAL AND INTEREST DISTRIBUTIONS

Quarterly

### ESTIMATED WEIGHTED AVERAGE TENOR

3.4 years

## THE CONTINUUM OF SOCIALLY RESPONSIBLE INVESTMENT

### Positive Portfolio construction

- Building a portfolio of self-defined "good companies"

### ESG/SRI

- Sustainable Social Bond (Gender Equality)
- "Best-in-Class" SRI Fund
- Integrated ESG process across traditional portfolio's

### Finance First

- Social Impact Investment Funds
- Green Bonds
- Thematic Funds

### Limited Negative Screens

- Social / Environmental Criteria
- E.g., Tobacco, Military, Gambling

### Impact First

- Philanthropy
- Investment in Social Enterprises

### Generic Product

- Conventional Equity and Bond Instruments

"Investing with the explicit goal of creating financial returns alongside measurable social and environmental benefits is catching fire. Wall Street's biggest players are rushing to provide clients with access to new impact investing options" Jed Emerson

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