



NAB LOW CARBON Shared Portfolio

Corporate & Institutional Banking

OPPORTUNITY FOR INVESTORS

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

NAB'S LOAN BOOK

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

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

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

SHARED VALUE PARTNERSHIP

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 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.

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. Statebased 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. Climate Bond Certified Market Returns for Risk

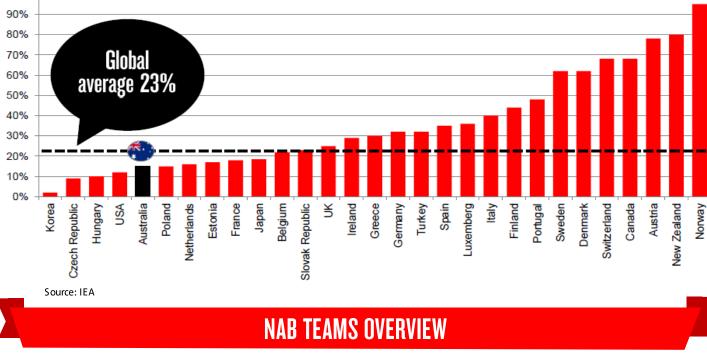
The Shared Portfolio will deliver exposure to a Portfolio of low carbon oans (LCL). Under the Portfolio Notes, investors will gain exposure to senior amortising, floating rate loans backed by operating wind farms and solar parks.

Weighted average return of BBSW +~163bps / RBA Cash +~180bps at closing. No fees. Sustainable Returns

Portfolio Notes are expected to be Climate Bond Certified. The underlying LCLs meet the Climate Bond Stanc NAB Low Carbon Shared Portfolio seeks to capitalise

By increasing exposure to the renewables sector, the Shared Portfolio helps investors to balance their existing portfolio and generate sustainable term returns. Known return profile.

on the opportunities created by the intersection of two mega-trends: the transition to a low carbon economy and the rise of responsible investment.



NAB is the leading provider (by market share) of project finance to the



100%

expertise

engineers

Market

leading

proven renewable technologies including onshore and offshore wind, solar photovoltaic, landfill gas, biomass and geothermal. NAB's capabilities position us well to capitalise on opportunities in the renewable energy sector. A dedicated team of energy project finance professionals is based in Melbourne, with teams in London and New York. The team is the central Globally point of a energy debt transaction and coordinates other product areas

Australian renewable energy sector and has extensive experience across

across derivatives, debt markets, underwriting, export credit agency (ECA), agency / security trustee and account bank to ensure seamless delivery. The originators are supported by a team of in-house engineers (Technical Services Group) and risk specialists who provide advice In-house oversight and analytics.

unique team



carbon economy. Climate targets include reduction of NAB's greenhouse

NAB has pledged to undertake A\$18bn of financing activities over 7 years to 2022 to help address climate change and support the transition to a low

warming to less than 2 degrees Celsius above pre-industrial levels. THE EXECUTION PROCESS The Portfolio Note issuer will

gas emissions by 21% from 2015 levels by 2025, and limitation of global

NAB energy team

originates the low

carbon loan (LCL) deal

Committed to

sustainability



ORIGINATION

have pari passu exposure to

ensure alignment of interests

the LCLs alongside NAB to

Investors will receive quarterly principal and interest payments and ongoing reporting

Shared Portfolio created via

trust entering in funded risk participations with NAB

LOAN TRANSFER MECHANICS

a dedicated wholesale unit

NAB LOW CARBON SHARED **PORTFOLIO** LCL portfolio filtered for eligibility criteria **KEY PARTIES, TERMS AND FEATURES** SHARED PORTFOLIO LEGAL STRUCTURE Individual loan risk participations using Secured, floating rate, pass-through, amortising

LCL is fully funded

its balance sheet

by NAB and held on

of record except in limited circumstances. PORTFOLIO NOTE ISSUER **NAB Trust Services Limited**

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.

documentation based upon the Loan Market Association (LMA) standard. NAB remains lender

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

ELIGIBILITY CRITERIA

- THE CONTINUUM OF SOCIALLY RESPONSIBLE INVESTMENT
- **Positive Portfolio** construction

Building a portfolio of self-

PORTFOLIO ADMINISTRATOR

National Australia Managers Limited

Independent registered auditor to be appointed

Portfolio Notes issued by the trustee of an

unlisted and unregistered wholesale unit trust

LOAN SELLER AND SERVICER National Australia Bank Limited

3.4 years

SHARED PORTFOLIO AUDITOR

PRINCIPAL AND INTEREST DISTRIBUTIONS Quarterly

ESTIMATED WEIGHTED AVERAGE TENOR

Equality)

Integrated ESG process across defined "good companies" traditional portfolio's



Finance First

Social Impact Investment Funds

Green Bonds

Thematic Fund

Limited Negative Screens Social / Environmental Criteria E.g., Tobacco, Military, Gambling

ESG/SRI

'Best-in-Class' SRI Fund

Sustainable Social Bond (Gender

Impact First

Instruments

Generic Product

Conventional Equity and Bond

Philanthropy **Investment in Social Enterprises**

"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

Impact

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