NAB – TCORP CASE STUDY VIDEO

Transcript – 01/03/19

**Katherine Palmer, Acting Head of Funding & Balance Sheet, Treasury Corporation NSW**

The New South Wales Government is spending around $90 billion dollars in infrastructure over the next four years. This is a significant amount of spending, it's the largest of any state ever — and some of the areas of spending include: around $51 billion in transport; around $7 billion dollars each in health and education; and also around $6 billion dollars in water infrastructure.

**Fiona Trigona, Acting General Manager Financial Markets, Treasury Corporation NSW**

T-Corp is the central borrowing authority of New South Wales and all New South Wales government entities are mandated to come to T-Corp for their funding.

**Katherine Palmer**

So, T-Corp appointed NAB as structurer and arranger after a very rigorous RFP process. It's very clear that NAB brought a lot of expertise and experience to the table when it came to green bond deals.

**David Jenkins, Head of Sustainability Finance, Corporate & Institutional Banking, NAB**

The T-Corp deal was important for us for a number of reasons. Firstly, it allowed NAB to work together with T-Corp to address key societal and environmental challenges we face. It was the first deal issued under the New South Wales sustainability bonds program — that was a brand new program that was deliberately structured to give T-Corp flexibility to issue in either of green bonds, social bond or sustainability bond format.

**Fiona Trigona**

We chose a sustainability bond program rather than just a green bond because we wanted to try and access as many new investors as possible.

**David Jenkins**

This particular deal was a game changer for the Australian sustainable bond market — initially for the scale but also the breadth of demand that we attracted to the deal, from both traditional fixed income investors and new investors seeking to invest with purpose, both domestically and offshore.

**Katherine Palmer**

The level of expertise that NAB brings to the table as far as sustainability bonds goes is very very high. So NAB has got direct experience in terms of launching their own bonds, in terms of bringing other issuers to market and really has been a specialist in the area of green and social bonds. NAB was able to identify new investors and also to bring out — with existing investors — those people that were really, really embarking on an enhanced ESG program or more of a focus on their portfolios to integrate ESG credentials into the book.

**Fiona Trigona**

In the onset of the transaction, when we did launch the deal, we had immediate investor uptake and we were very, very surprised at how large the investor interest was at the very start.

**Katherine Palmer**

It was $1.8 billion dollars that we were able to issue in this green bond which is the largest in Australia to date. We had around 57 investors and normally we have around 30 to 35, so that in itself was a mark of success.

**Fiona Trigona**

So we were very, very pleased with the outcome. The issue of this bond really did expand our investor base. It brought in 15 brand new investors.

**David Jenkins**

For us at NAB, working on this particular deal has been great because it's allowed us to continue to build our expertise and capabilities and make it three out of three semi government green bonds that we've been involved with since the market’s established itself in Australia. In terms of our forward looking opportunities this allows us to really harness that investor base to bring them and match them with issuers that are looking to issue in sustainable bond format going forward.