



NAB SOCIAL BOND (GENDER EQUALITY) USE OF PROCEEDS REPORT

This Report relates to NAB's Social Bond (Gender Equality) (the **Bond**) which was redeemed on its scheduled maturity date of 24 March 2022.

This Report provides information about the use of proceeds of the Bond as at 24 March 2022.

Social Bond (Gender Equality)

NAB Social Bond (Gender Equality)	
Format	Fixed Rate MTNs
Issue Amount	A\$500 million
Pricing Date	17 March 2017
Maturity Date	24 March 2022
ISIN	AU3CB0243459
Assurance	In alignment with the International Capital Market Association Social Bond Guidance and Green Bond Principles 2016, with a second party opinion provided by Sustainalytics and financial assurance by EY
Use of Proceeds	Proceeds used for financing/refinancing a portfolio of organisations across Australia that hold a current Employer of Choice for Gender Equality (EOCGE) citation from the Workplace Gender Equality Agency (WGEA)

Use of Proceeds Statement

Borrower's Name	Business Description	Business Location	Years citation has been held up to the 2021-2023 period*
Clayton Utz	Professional Services	Australia	13
Corrs Chambers Westgarth	Professional Services	Australia	16
Gilbert + Tobin	Professional Services	Australia	13
King & Wood Mallesons	Professional Services	Australia	10
The Trustee for KPMG Australian Service Trust	Professional Services	Australia	16
MinterEllison	Professional Services	Australia	14
PwC Australia	Professional Services	Australia	13
Dexus	Property	Australia	5
Macquarie University	Education	Australia	7
RMIT University	Education	Australia	14

*Source: [EOCGE citation holders](#)

Gross Portfolio Size

As at 24 March 2022, the aggregate value of the NAB Social Bond (Gender Equality) loan portfolio was A\$623,726,367.



Further Information

Additional information about the NAB Social Bond (Gender Equality) can be found in NAB's Annual Social Bond Report for the financial year ended 30 September 2021, which is available on the [NAB Capital & Funding website](#).

Contact Us

NAB welcomes feedback from our investors, other stakeholders, and market participants. Please email your queries and comments to: NAB Debt Investor Relations at debtinvestorrelations@nab.com.au.

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Ernst & Young
 8 Exhibition Street
 Melbourne VIC 3000 Australia
 GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
 Fax: +61 3 8650 7777
 ey.com/au

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Independent Reasonable Assurance Report in relation to the Social Bond (Gender Equality) Use of Proceeds Statement to the Directors and Management of National Australia Bank Limited ('NAB')

Assurance Conclusion

Based on our reasonable assurance procedures described in this statement of 26 August 2022, in our opinion:

- ▶ The Eligible Asset Pool in the Use of Proceeds Statement is fairly stated as greater than the bond value, in all material respects, based on information provided by NAB; and
- ▶ NAB's systems and policies for managing the Social Bond (Gender Equality) proceeds and the preparation of the Use of Proceeds Statement are in all respects in accordance with NAB's Social Bond Framework.

Scope

Ernst & Young ('EY') has performed a reasonable assurance engagement for the Management and Directors of NAB in relation to the specific information in the NAB Social Bond (Gender Equality) Use of Proceeds Report as at 24 March 2022 (the 'Use of Proceeds Statement'), systems and policies for managing the Social Bond proceeds and the preparation of the Use of Proceeds Statement as at 24 March 2022.

Assurance Practitioner's Responsibility

Our responsibility was to express a reasonable assurance conclusion on specific information in the Use of Proceeds Statement as at 24 March 2022, systems and policies for managing the Social Bond proceeds and the preparation of the Use of Proceeds Statement based on the evidence we have obtained.

Subject Matter and Criteria

Subject Matter	Criteria
▶ Social Bond Use of Proceeds Statement financial information as at 24 March 2022 presented in NAB's 2022 Use of Proceeds Statement	▶ NAB's Bond documentation associated with Social Bond issuances that sets out eligible assets and Bond size
▶ NAB systems and policies managing Social Bond issuances	▶ Social Bond Use of Proceeds Statement and NAB's Social Bond Framework that sets out monitoring and reporting processes

Level of Assurance

A reasonable assurance engagement consists of making enquiries and applying analytical, controls testing and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance as the basis for a positive form of conclusion. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management Responsibility

NAB's management is responsible for selecting the Criteria and preparing and fairly presenting the subject matter and disclosures in accordance with that Criteria, in all material respects. This responsibility includes maintaining adequate records and internal controls that are designed to support the management of Social Bond proceeds and the preparation of the Use of Proceeds Statement, such that it is free from material misstatement, whether due to fraud or error.

Our Approach

We conducted this review in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ASAE 3000') and in accordance with the terms of reference for this assurance engagement as agreed with NAB on 5 April 2022. Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. A summary of our assurance procedures is shown in Appendix A.



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Limitations

There are inherent limitations in performing assurance - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ASAE 3000, the Green Bond Principles and Social Bond Principles is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the subject matter above related to NAB's Use of Proceeds Statement and does not extend to any statutory financial statements or other information in the NAB Use of Proceeds Statement. Our assurance is limited to policies and procedures in place as at 24 March 2022. We do not provide any assurance on projects'/assets' eligibility.

Use of Report

Our responsibility in performing our assurance activities is to the Management and Directors of NAB alone and in accordance with the terms of reference for our engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Social Bond assurance is entirely at its own risk. No statement is made as to whether the Criteria are appropriate for any third-party purpose.

Our Independence and Assurance Team

In accordance with APES 110, we can confirm we have met the requirements of the Code of Ethics for Professional Accountants, including on independence. Our team has the required competencies and experience for this assurance engagement. EY also applies International Standard on Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Terence Jeyaretnam'.

Terence Jeyaretnam FIEAust
Partner
Melbourne, Australia
26 August 2022

Appendix A

	Assurance item	Testing Plan
1	Understood the process and systems	<ul style="list-style-type: none"> ▶ Through interviews with NAB personnel responsible for identifying eligible Social Bond assets and managing the Social Bond proceeds, we mapped out the processes and systems used to manage the Social Bond ▶ Documented and assessed controls over each significant process and system
2	Checked quantitative information in the Use of Proceeds Statement	<ul style="list-style-type: none"> ▶ Confirmed defined Social investment categories and values assigned to each eligible asset was correctly transcribed into the Use of Proceeds Statement from NAB's systems ▶ Reviewed the funds earmarked against eligible assets to confirm the aggregate value of the eligible assets was greater than the bond face value
3	Reviewed systems and policies managing proceeds and preparation of the Use of Proceeds Statement	<ul style="list-style-type: none"> ▶ Checked NAB's systems and policies against NAB's Social Bond Framework ▶ Reviewed internal Social Bond Monitoring/Reporting processes to evidence internal monitoring and tracking of the Social Bond, including identifying and testing controls and processes to manage the proceeds in line with use of proceeds criteria
4	Checked principal amount to be less than eligible asset portfolio	<ul style="list-style-type: none"> ▶ Viewed evidence from Social Bond documentation and external systems that total Social Bond principal amount was less than total pool of eligible lending

Appendix B

NAB's list of eligible assets for the Social Bond (Gender Equality) as at 24 March 2022:

Counterparty	Sector	Country of Residence
Clayton Utz	Professional Services	Australia
Corrs Chambers Westgarth	Professional Services	Australia
Gilbert + Tobin	Professional Services	Australia
King & Wood Mallesons	Professional Services	Australia
The Trustee for KPMG Australian Service trust	Professional Services	Australia
MinterEllison	Professional Services	Australia
PwC Australia	Professional Services	Australia
Dexus	Property	Australia
Macquarie University	Education	Australia
RMIT University	Education	Australia