

Green Bond / Green Bond Programme Information Template

Issuer name: First Abu Dhabi Bank

Date of completion or of latest update: June 2018

GBP component 1: Use of proceeds

Please describe alignment with this GBP component:

The FAB Green Bond Framework has been structured in line with international precedents and the Green Bond Principles, and has been updated in line with the original pre-merger Green Bond Framework of the former National Bank of Abu Dhabi (NBAD). NBAD's framework was assured in an independent second opinion review from Vigeo Eiris.

The net proceeds of the Green Bond issuance will be used to finance, in whole or in part, Eligible Projects in Eligible Categories which are clearly defined and whose content is relevant, including:

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Sustainable management of living natural resources
- Terrestrial and aquatic biodiversity conservation
- Clean transportation
- Sustainable water management
- Climate change adaptation
- Eco-efficient products

Up to 100% of the proceeds may be applied to refinance existing Eligible Projects that are currently funded by FAB. Proceeds used for refinanced Eligible Projects will be substituted in favour of funding new Eligible Projects and as when these become funded by FAB.

FAB expects that the proceeds of the Green Bond will be allocated to Eligible Projects within the Middle East Region in support of sustainable development programmes and national strategies that promote the regional green agenda, such as Vision 2021 in the UAE. However, given the nature of FAB's business and the international operations of FAB's clients, the proceeds of FAB's Green Bond may be used globally.

Please provide related online information if available:

[FAB Green Bond Report 2018](#)

GBP component 2: Process for project evaluation & selection

Please describe alignment with this GBP component:

FAB will evaluate projects over their lifecycle based on ESG criteria updated in line with the pre-merger evaluation criteria which was assured by Vigeo Eiris as part of their second party opinion. The evaluation and

selection process is in line with FAB's commitments for responsible finance and evaluates environmental and social KPIs as well as business behaviour, for the relevant project and its sponsors.

The project evaluation and selection process is subject to effective governance via a dedicated Green Bond Committee made up of senior FAB management including representatives from FAB's Sustainability; Treasury; Investor Relations; Corporate Finance; Group Funding; Specialised Credit; Enterprise Risk Management, Credit Risk, Operational Risk and Fraud Risk; and Group Internal Audit teams.

Please provide related online information if available:

[FAB Green Bond Report 2018](#)

GBP component 3: Management of proceeds

Please describe alignment with this GBP component:

The net proceeds of the Green Bond will be identified in a specific portfolio and will be used to fund new or refinance existing eligible projects. A Management and Tracking process for the use of proceeds has been developed and the proceeds will be reviewed by the Green Bond Committee on a quarterly basis.

The Management and Tracking process will be subject to annual review by FAB Group Internal Audit as well as an independent assurance provider / auditor to verify compliance with the FAB Green Bond Framework.

Unutilised proceeds in the Green Bond Proceeds Portfolio shall be invested according to local liquidity management guidelines pending investment in eligible projects.

Please provide related online information if available:

[FAB Green Bond Report 2018](#)

GBP component 4: Reporting

Please describe alignment with this GBP component:

FAB will deliver an annual Green Bond Report – which will be made publicly available on FAB's website – continuing until the maturity of the bond. This will be published no later than 31 May annually for the previous year.

The report will describe inter alia the use of the Green Bond proceeds, aggregate amounts of funds allocated to Eligible Projects, any unallocated funds and an analysis of the sectors to which the proceeds have been allocated.

Where practicable and subject to client confidentiality and applicable laws and regulation, the annual Green Bond Report will describe expected and actual environmental impacts based on quantitative and qualitative performance indicators in line with the standard: 'Working towards a Harmonized Framework for Impact Reporting' of December 2015.

Please provide related online information if available:

[FAB Green Bond Report 2018](#)

GBP recommendation: External review

Please describe the alignment with this recommendation:

Vigeo Eiris issued an independent second opinion review in March 2017 of the credentials of the pre-merger Green Bond (then under National Bank of Abu Dhabi). This confirmed the alignment of the Green Bond Framework with the Green Bond Principles and provided a 'reasonable' level of assurance on the sustainability of the Green Bond.

In 2018, FAB engaged KPMG to provide third party external assurance (limited) that selected information in the 2018 Green Bond Report was prepared in line with FAB's Green Bond Framework, and that the FAB Green Bond continues to adhere to the FAB Green Bond Framework and the ICMA Green Bond Principles. KPMG's Limited Assurance Report is included on page 19-21 of the FAB 2018 Green Bond Report.

Please provide related online information if available:

[FAB Green Bond Report 2018](#) The KPMG assurance statement is included on page 19-21 of the FAB 2018 Green Bond Report.

The Vigeo Eiris second opinion review can be found at:

[Vigeo Eiris Second Opinion March 2017](#)

Additional information

Please provide any further information you may deem appropriate:

About FAB

FAB is the UAE's largest bank and one of the world's largest financial institutions. FAB is the result of the merger between First Gulf Bank PJSC and National Bank of Abu Dhabi (NBAD), which was completed in April 2017. As of March end 2018, FAB had approximately USD 182 billion of assets and a market capitalisation of USD 35 billion.

FAB's Green Bond is based on the FAB Green Bond Framework, and follows the ICMA Green Bond Principles (GBP). It is a continuation of the Green Bond Framework and first Green Bond of USD 587 million originally established and issued into the market in 2017 by the National Bank of Abu Dhabi (NBAD), prior to the merger. The bank was renamed First Abu Dhabi Bank (FAB) following shareholders' approval at the General Annual Meeting on 24th April, 2017.

FAB's Commitment to Sustainability

As the UAE's largest bank, it is FAB's responsibility to support the country's sustainability objectives to which the UAE Government is committed to including:

- The UAE Vision 2021
- The UAE Green Agenda 2015-2030
- The Abu Dhabi Economic Vision 2030
- The United Nations Sustainable Development Goals (SDGs) 2030

The FAB Green Bond directly supports these commitments through the financing or refinancing of projects that help drive the UAE towards achieving its national sustainability targets and its long-term global sustainability leadership ambitions. FAB focuses its sustainability efforts on the issues that matter most,

firmly embedding sustainability within the organisational culture of the bank, and always conducting business in a responsible manner. FAB follows international best practice across its sustainability priorities, demonstrated by FAB becoming a signatory to the United Nations Global Compact (UNGC), where FAB has committed to align its strategies and operations with the UNGC's 10 Principles – encompassing human rights, labour regulations, the environment and anti-corruption – and take actions that advance societal goals.

In its lending, FAB is a signatory to the Equator Principles, a risk management framework adopted by leading financial institutions for determining, assessing and managing environmental and social risks in development projects.

In the management of its own environmental impact, FAB applies the ISO 14064-3 standard for greenhouse gas (GHG) emissions verification, and participates in the Carbon Disclosure Project (CDP). In its sustainability reporting, FAB commits to align with the Global Reporting Initiative (GRI) Standards. FAB's public reporting includes reporting on its commitments to the UNGC, CDP, Equator Principles, and the ICMA Green Bond Principles.

FAB is an active participant and contributor to a number of national sustainability committees and taskforces, such as:

- The UAE Council for Climate Change and Environment
- The Emirates Foundation Programme's Advisory Committee on Civic Engagement
- The Ministry of Climate Change and Environment's Technical Committee on Green Development & Climate Change
- The Sustainable Finance Steering Committee as part of the Dubai Declaration
- The Technical Committee for the World Future Energy Summit 2018

In 2017, FAB secured inclusion in the MSCI Emerging Markets ESG Leaders Index, helping to capture the link between FAB's sustainability performance and the growing importance of sustainability and ESG performance by investors. FAB was also ranked amongst the top ten in the S&P/Hawamah ESG Pan Arab Index in 2017, demonstrating FAB's regional leadership.

FAB's long-term objective is to grow in strength through its sustainability journey, positioning itself as a highly visible and successful regional leader and a partner of choice in sustainability best practice, with a focus on generating long-term stakeholder and shareholder value.

As part of its legacy, the bank has been publishing Sustainability Reports annually since 2009. The first Sustainability Report for FAB has been published and can be found at:

[FAB 2017 Sustainability Report](#)