

ADCB prices inaugural green bond to support financing of low-carbon initiatives for a net-zero economy

Abu Dhabi, 8 September 2022



- > ADCB prices USD 500 million Reg S green bond which will support financing of projects with an environmental benefit
- > The green bond underlines ADCB's commitment to support the UAE's transition to an inclusive, net-zero economy
- > ADCB has adopted a Green Bond Framework ("Framework") aligned with the UN Sustainable Development Goals (SDGs) and based on the International Capital Markets Association's (ICMA) Green Bond Principles

Abu Dhabi, 8 September 2022: Abu Dhabi Commercial Bank (ADCB) has announced that it has successfully priced its inaugural green bond, which will be issued on 14 September 2022, raising USD 500 mn to support the financing of low-carbon initiatives.

The 5-year bond, priced at a spread of 115 bps above treasuries with a 4.5% coupon rate, was 3.8 times oversubscribed after attracting a range of local, regional, and international investors that placed total orders of over USD 1.9 bn. The strong investor demand follows a global roadshow and reflects confidence in ADCB and its approach to managing ESG risks and opportunities.

The Bank has embedded ESG into its corporate strategy and has aligned its sustainability approach to the UAE's ambitions for an inclusive, net-zero economy. Commitments include providing AED 35 billion in green finance by 2030, reaching net-zero in the Bank's own operations and reducing financed emissions in line with UAE government net-zero ambitions.

Key highlights

USD 500 mn
green bond

4.5%
coupon rate

+115 bps
over treasuries

green notes due
2027

3.8x
oversubscribed

ALA'A ERAIQAT

Group Chief Executive Officer

“ The successful pricing of the first ADCB Green Bond is a significant milestone in the Bank's implementation of international best practice in ESG. ADCB recognises the important role major banks play in supporting the transition to an inclusive, net-zero economy, and we support the goals of the UAE's 2050 Strategic Initiative.

The Bank has adopted a Green Bond Framework to provide a long-term platform to support further mobilisation of capital for green projects. We look forward to collaborating with clients and other stakeholders to advance in our shared ambition for a net-zero future. ”

The favourable pricing for ADCB's green bond was supported by the Bank's strong credit ratings of A/Stable/A-1 from S&P and A+/Stable/F1 from Fitch. MSCI has assigned an 'AA' rating for ESG, while the Bank is categorised as 'Medium risk' by Sustainalytics.

The proceeds of the bond issuance will further support financing of a low-carbon economy in line with criteria set out in the Framework. Initiatives eligible for green loans include projects or companies associated with renewable energy, green buildings, sustainable water and wastewater treatment, clean transportation, energy efficiency, pollution prevention and control.

The Framework, which aligns with the United Nations Sustainable Development Goals and based on the International Capital Markets Association (ICMA) Green Bond Principles, is governed by a cross-functional Green Bond Working Group reporting to an executive-level Sustainability Committee. Furthermore, in accordance with industry best practice, ADCB has obtained a 'Second Party Opinion' to externally verify the sustainability quality of the Framework and alignment with Green Bond Principles.

More information on ADCB's ESG strategy, which is founded on the four pillars of climate, customers and communities, employees, and governance, can be found at adcb.com/esgreport