

Green Bond / Green Bond Programme Information Template

Issuer name: National Bank of Abu Dhabi PJSC

Date of completion or of latest update: December 2016

GBP component 1: Use of proceeds

Please describe alignment with this GBP component:

The NBAD Green Bond Framework has been structured in line with international precedents and the Green Bond Principles, 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 NBAD. Proceeds used for refinanced Eligible Projects will be substituted in favour of funding new Eligible Projects and as when these become funded by NBAD.

NBAD 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 NBAD's business and the international operations of NBAD's clients, the proceeds of NBAD's Green Bond may be used globally.

Please provide related online information if available:

Not applicable.

GBP component 2: Process for project evaluation & selection

Please describe alignment with this GBP component:

NBAD will evaluate projects over their lifecycle based on ESG criteria developed by NBAD and assured by Vigeo Eiris as part of their second party opinion. The evaluation and selection process is in line with NBAD's commitments for responsible finance and evaluates environmental and social KPIs as well as and 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 NBAD management including representatives from NBAD's Sustainable Business practice, Citizenship and Corporate Sustainability group, Treasury, Investor Relations, Group Internal Audit and Debt Capital Markets team.

Please provide related online information if available:

Not applicable.

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 loans. 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 NBAD Group Internal Audit as well as an independent assurance provider / auditor to affirm compliance with the NBAD Green Bond Framework.

Unutilised proceeds may be placed in temporary investments. Full deployment of the Green Bond proceeds is targeted within 12 months of issue.

Please provide related online information if available:

Not applicable.

GBP component 4: Reporting

Please describe alignment with this GBP component:

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

Not applicable.

GBP recommendation: External review

Please describe the alignment with this recommendation:

Vigeo Eiris conducted an independent second opinion review on NBAD's Green Bond in the first half of 2016 (prior to the updates to the Green Bond Principles in June 2016).

This confirmed the alignment of NBAD's Green Bond with the Green Bond Principles and provided a 'reasonable' level of assurance on the sustainability of the NBAD Green Bond.

Please provide related online information if available:

Please see Vigeo Eiris second opinion review here:

<https://www.nbad.com/en-ns/insight-and-features/sustainable-business.html>

Additional information

Please provide any further information you may deem appropriate:

About NBAD

National Bank of Abu Dhabi PJSC (NBAD) is a leading bank in the United Arab Emirates (UAE) and the Middle East.

Incorporated with limited liability in 1968, NBAD was the first bank in the Emirate of Abu Dhabi. NBAD is registered as a Public Joint Stock Company listed on the Abu Dhabi Securities Exchange (ADX). The Government of Abu Dhabi through the Abu Dhabi Investment Council (ADIC) holds the majority of NBAD's shares. NBAD's headquarters are based in Abu Dhabi, UAE. The bank operates in the UAE under a banking license granted by the UAE Central Bank.

Since 2009, NBAD has been ranked one of the World's 50 Safest Banks by Global Finance magazine, which also nominated NBAD as the Safest Bank in Emerging Markets and the Middle East.

NBAD is rated senior long/short term AA-/A-1+ by Standard & Poor's, Aa3/P1 by Moody's, AA-/F1+ by Fitch, A+ by Rating and Investment Information Inc Japan and AAA by RAM Malaysia, providing the bank with one of the strongest combined credit ratings of any global financial institution.

The bank operates in 17 countries across five continents including China and Hong Kong in the Far East and Malaysia in Southeast Asia. NBAD has a presence in several Gulf Cooperation Council countries (UAE, Oman, Kuwait, and Bahrain) as well as Jordan and Lebanon in the Levant, Egypt and Sudan in Africa, France, Switzerland, the Channel Islands and the United Kingdom in Europe, and the United States of America and Brazil in the Americas. NBAD commenced operations in India in November 2015.

For further information on NBAD's locations, operations and products and services, please refer to NBAD's website: www.nbad.com.

In December 2016, shareholders in National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC approved a proposed merger of the two banks which will create the largest financial institution in the United Arab Emirates (UAE) with assets of approximately AED655 billion (US\$178 billion). The merger has been approved by the Central Bank of the UAE, and requires further approval from international regulators and the Securities and Commodities Authority before it becomes effective, which is expected to occur towards the end of the first quarter of 2017.

Further information on the proposed merger can be found here: <https://www.bankfortheuae.com/en/home/>.

NBAD's Sustainability Framework

People, planet and profit are the central pillars of NBAD's sustainability strategy and are fundamental to NBAD's wider objectives to deliver long-term profitable growth to its shareholders. NBAD recognises that, as a bank, it is an integral part of the economy and society and has responsibilities towards its stakeholder base including its customers, employees, shareholders, communities, suppliers and the environment.

NBAD's sustainability objectives are aligned with the UAE Vision 2021 and Abu Dhabi Government's sustainability and economic plans. The bank's sustainability policy sets out broad principles for taking a precautionary and responsible approach to operations and business. Further information can be found at: <https://www.nbad.com/en-ae/about-nbad/sustainability.html>.

NBAD was in 2015 the highest ranked institution on the S&P Hawkamah ESG Pan Arab Index. For the sixth consecutive year, NBAD retained its position as one of the top 10 organisations in the index. The index provides a measure of organisational performance by linking stock market success to environmental, social and governance (ESG) indicators. The S&P Hawkamah Index measures the top 150 Arab listed companies in the MENA region, based on their performance in relation to these indicators.

NBAD has been publishing Sustainability Reports annually since 2009. The first four reports were aligned with the Global Reporting Initiative (GRI) reporting guidelines at Level B. In 2013, NBAD started to use the GRI G4 guidelines in accordance with the 'core' option. The latest NBAD Sustainability report is here: <https://www.nbad.com/content/dam/NBAD/documents/AboutNBAD/nbad-corporate-sustainability-report2015.pdf>

Within its own operations and facilities, NBAD continues to monitor and measure its environmental impacts and continuously seeks ways to minimise electricity and water usage, fuel use and greenhouse gas emissions. In 2014, NBAD participated in a climate change pilot programme with the Carbon Disclosure Project (CDP), which required the bank to disclose and submit data on its direct and indirect emissions. The bank reported its carbon emissions data to CDP in 2015 and moving forward, NBAD plans to conduct annual climate and carbon reporting as the next step in quantifying and strengthening its sustainability performance.

In 2015, NBAD became the first bank in the UAE to become a signatory to the Equator Principles Association and in so doing, confirmed its commitment to comply with an internationally-recognised social and environmental risk assessment framework. Through adoption of the Equator Principles, NBAD will align its business practices with a voluntary set of guidelines based on International Finance Corporation (IFC) standards on social and environmental sustainability, and on the World Bank Group's Environmental, Health and Safety general guidelines. Further information can be found at: <http://www.equator-principles.com/>

NBAD has identified the sustainability of international energy markets as a fundamental global issue with particular local relevance, given the escalation in energy demand across the Middle East, and has sponsored thought leadership research into the topic. In 2014, NBAD commissioned the University of Cambridge and PricewaterhouseCoopers to produce a research report entitled 'Financing the Future of Energy' which identified the increasingly significant role of renewable energy in the future energy mix and ways in which the financial community could support the sector. The report was released in March 2015 and is available here:

<https://www.nbad.com/content/dam/NBAD/documents/content-hub/sustainable-business/Financing-The-Future-Of-Energy-Report-2015.pdf>

A 2016 update on the Financing the Future of Energy report is also available and can be found here: <https://www.nbad.com/content/dam/NBAD/documents/content-hub/sustainable-business/Financing-The-Future-Of-Energy-Report-2016.pdf>