

# ADCB prices USD 650 million green bond to support UAE's transition to a net zero economy

**Abu Dhabi, 6 September 2023** – Abu Dhabi Commercial Bank PJSC (“ADCB” or the “Bank”) has announced that it has successfully priced a USD 650 million green bond, the proceeds of which will be used to finance eligible green assets as outlined in ADCB’s Green Bond Framework.

- The green bond is in line with ADCB’s climate strategy and reflects the Bank’s commitment to supporting customers in the transition to a net zero economy
- Proceeds will be used to finance eligible green projects in accordance with ADCB’s Green Bond Framework
- This follows the success of ADCB’s inaugural USD 500 million green bond issuance in September 2022
- Ahead of the UAE’s hosting of COP28, this issuance underscores ADCB’s commitment to supporting the UAE’s Net Zero by 2050 Strategic Initiative

## Key highlights

**5.50%**

Coupon rate

**+125 bps**

Over US treasuries

**2029**

Green bond maturity

**2.9x**

Oversubscribed

**Highest ranked diversified bank in the GCC**

Sustainalytics

**Highest ranked diversified bank in MENA**

MSCI



Following an extensive global investor roadshow, the green bond priced at a spread of 125 bps above US treasuries with a 5.50% coupon rate. It was 2.9 times oversubscribed, attracting interest from a range of local, regional and international investors that placed total orders of over USD 1.9 billion. This strong demand demonstrates the market’s trust in ADCB’s creditworthiness and the appeal of the Bank’s sustainability initiatives.

This marks ADCB’s second green bond issuance, building on the success of its inaugural USD 500 million green bond in September 2022. ADCB’s return to the green bond market reinforces its commitment to both responsible financing and the advancement of sustainable initiatives that support the UAE’s Net Zero by 2050 Strategic Initiative.

The attractive pricing for ADCB’s green bond is underpinned by the Bank’s robust credit ratings of A/Stable/A-1 from S&P and A+/Stable/F1 from Fitch, as well as strong ESG ratings with an ‘AA’ rating from MSCI and a ‘Medium risk’ classification by Sustainalytics.

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## ALA'A ERAIQAT

Group Chief Executive Officer

“ ADCB’s second green bond issuance is a significant development in the delivery of our climate strategy, which is aimed at financing solutions to tackle climate change in support of the UAE Net Zero by 2050 Strategic Initiative. As the UAE prepares to host COP28, ADCB stands ready to support customers on their path to success in a net zero economy.

The positive response from investors to this issuance reflects the value they see in our approach to green finance. This achievement not only reinforces our commitment to driving positive change, but also demonstrates the market’s recognition of ADCB’s credit and ESG strength, as well as our ongoing efforts to contribute to a more sustainable future. ”

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## ROBBERT MULLER

Group Treasurer

“ We were very pleased with the pricing achieved for our second green bond – this is a strong endorsement of our increasingly ambitious climate strategy and our credit quality. It is also encouraging to see orders from a diverse group of global investors, reflecting confidence in ADCB and its approach to managing ESG risks and opportunities. With ADCB rapidly expanding its portfolio of sustainable assets, green bond issuances are now an established part of our funding strategy. ”

This issuance is linked to the Bank’s commitment to provide AED 35 billion in green finance by 2030. The proceeds will be used to finance eligible green projects in accordance with ADCB’s Green Bond Framework. This framework aligns with the United Nations Sustainable Development Goals and is based on the International Capital Markets Association (ICMA) Green Bond Principles.

As of 30 June 2023, ADCB’s eligible green loan portfolio had experienced notable year-on-year growth of 61%, reaching USD 1.65 billion. The two largest constituents of this portfolio are green buildings at 55% and renewable energy at 26%, together accounting for more than 80% of the portfolio. The impact of this portfolio is substantial, avoiding 119 tonnes of CO<sub>2</sub>e per AED 1 million invested.

For more information on the Bank’s sustainability strategy and reports, including its recently published 2023 Green Bond Report, please visit [adcb.com/esg](https://adcb.com/esg).