بنك الإمارات دبي الوطني
Emirates NBD

Green Bond Allocation and Impact Report

2024

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1. Introduction

1.1 About this report

This report provides details of Emirates NBD's Green Bond Issuance and the composition of the bank's Green Bond Asset Portfolio as of 30 June 2024. Our green bond offerings and asset portfolios are managed in accordance with the Emirates NBD's Sustainable Finance Framework (the "Framework"), which can be found here. Debt instruments issued under the Framework are fully aligned with the four key pillars of the ICMA Green Bond Principles, Social Bond Principles & Sustainability Bond Guidelines as well as the LMA Green & Social Loan Principles. Both the Framework and this report have been externally reviewed by ISS Corporate Solutions, that has issued a Second Party Opinion to attest their credibility and impact.

1.2 About Emirates NBD

Emirates NBD Bank P.J.S.C. ("Emirates NBD", "the Bank" or "ENBD"), the leading bank in the MENAT region, was formed on 19 June 1963, when H.H. Late Sheikh Rashid bin Saeed Al Maktoum signed the Charter of Incorporation of the National Bank of Dubai ("NBD"). On 6 March 2007, a strategic merger between National Bank of Dubai (NBD) and Emirates Bank International ("EBI") led to the formation of Emirates NBD, the largest banking group in the region by assets. On October 2007, the shares of Emirates NBD were officially listed on the Dubai Financial Market ("DFM"). The merger between EBI and NBD to create Emirates NBD, became a regional consolidation blueprint for the banking and finance sector as it combined the second and fourth largest banks in the UAE. As of 30th June 2024, total assets were AED 931 Billion, (equivalent to approx. USD 253 Billion). Emirates NBD and its subsidiaries' (together with Emirates NBD, the "Group") serves its customers (individuals, businesses, governments, and institutions) and helps them realize their financial objectives through a range of banking products and services. The acquisition of DenizBank A.Ş. represents a significant milestone for Emirates NBD with the Group expanding its presence to 13 countries, serving over 9 million active customers. The Group has operations in the UAE, Egypt, India, Türkiye, the Kingdom of Saudi Arabia, Singapore, the United Kingdom, Austria, Germany, Russia and Bahrain and representative offices in China and Indonesia with a total of 859 branches and 4,491 ATMs / SDMs. The Group also operates Liv, powered by Emirates NBD, the first and largest digital offering in the UAE and continues to target Generation Now (Gen Now). With more than half a million users, it continues to be the fastest-growing bank in the region.

1.3 Our Approach to Sustainability

As the largest financial institution in the Emirate of Dubai, Emirates NBD is committed to playing a vital role in addressing the challenges facing our planet and societies. We recognise our crucial role in the providence of the necessary financial resources to facilitate the transition towards more sustainable economies and communities, which is why sustainable finance forms the foundation of our sustainability strategy. Emirates NBD's sustainability strategy takes direction from the United Nations SDGs, the UAE's Vision 2030, and the United Nations Environmental Programme Dubai Declaration for Sustainable Finance that was launched during the UNEP FI's (UN Environment Programme Finance Initiative) 14th Global Roundtable under the auspices of the Ministry of Climate Change and Environment. The latter marks our commitment to transforming our nation into a green, low-carbon economy in support of the UAE Centennial 2071's sustainability agenda.

As a part of its ongoing commitment to achieving net-zero goals, Group has signed the UAE Climate-Responsible Companies Pledge and commit to implement carbon emission reduction goals and follow more sustainable methods in managing their operations, according to a timeline compatible with the UAE's national path to climate neutrality by 2050. The bank was a pioneer in sustainability reporting, as we began formally reporting on our efforts in 2016 with the publication of our first Sustainability Report and in 2024, we launched our inaugural Taskforce for Climate-Related Financial Disclosures. Emirates NBD's strategy aligns with the UN SDGs through multiple initiatives such as providing training to SME clients for business development and signing an MOU with Emirates Development Bank to develop the SME ecosystem and economic output in the UAE.

As Emirates NBD advances its sustainability journey, we have established a Sustainable Finance Framework to be able to issue Sustainable Finance Instruments to finance and refinance projects which enable the transition to a low carbon and climate resilient economy, and/or provide positive societal impact and to mitigate social problems. By issuing Sustainable Finance Instruments, we will provide additional transparency around funded projects and assets that carry environmental and social benefits. We hereby hope to promote further investments into environmentally and socially sustainable assets that will assist in reaching the targets set forth by the Paris Climate Agreement and the UN SDGs.

2. Green Bond Structure

2.1 Sustainable Finance Framework Summary

The Framework is directed to Emirates NBD or any of its subsidiaries (that does not have its own Green, Social or Sustainable Financing Framework) to issue green, social and sustainability finance instruments. The Green Finance Instruments that can be issued under the Framework are instruments to finance and/or refinance eligible green loans, as well as Sharia'h compliant financings or investments, as defined in the Use of Proceeds section ahead.

GREEN BOND - ICMA Pillars

Use of Proceeds	▪ Renewable Energy ▪ Green Buildings ▪ Energy Efficiency ▪ Clean Transportation ▪ Pollution Prevention and Control ▪ Sustainable Water and Wastewater Management
Process for Project Evaluation and Selection	Green bond proceeds may be allocated to eligible green projects we financed, invested in, or disbursed funds for, within the timeframe of 24 months prior the issuance. Emirates NBD's Sustainable Finance Committee (the "Committee") will be responsible for governing and implementing the initiatives set out in the Framework, for the allocation of proceeds, the selection and evaluation in accordance with the green bond eligibility criteria. The Committee is composed of representatives from Group Treasury, Group Sustainability, Risk, Legal, as well as subject matter experts from relevant business units such as Lending.
Management of Proceeds	All green bond proceeds, net of issuance costs, will be directed towards qualifying eligible green projects, managed by Emirates NBD in a portfolio approach. The complete allocation of green bond proceeds will occur within 24 months of issuance. Until allocated, these funds will be temporarily invested in cash or cash equivalents. Should a selected eligible green project default, terminate, or otherwise no longer meet our eligibility criteria, the allocated proceeds portion will be redirected. This reallocation will follow our established internal policies and procedures, ensuring the funds are directed towards other qualifying eligible green projects.
Reporting	An annual allocation and impact report will be published until all green bond proceeds are fully allocated. This report will include a limited assurance report on the allocation process, prepared by an external auditor or other qualified party.

Exclusionary Criteria

The proceeds from the green bond issuance will not be used to finance loans linked to generation or transportation of fossil energy, nuclear energy generation, weapons and defense, mining, gambling, tobacco, or livestock.

2.2 External Review

The Sustainable Finance Framework received a second party opinion by ISS ESG in 2023. The external review attested the alignment of the Framework with the Green Bond Principles. The full ISS ESG statement, dated August 2023, can be found at this link.

Emirates NBD has also engaged ISS ESG as the independent reviewer to provide limited assurance that selected information denoted by in this report is credible and has been prepared in line with the ENBD's Sustainable Finance Framework. Details of the review are included in the appendix.

2.3 Green Bond Issuance

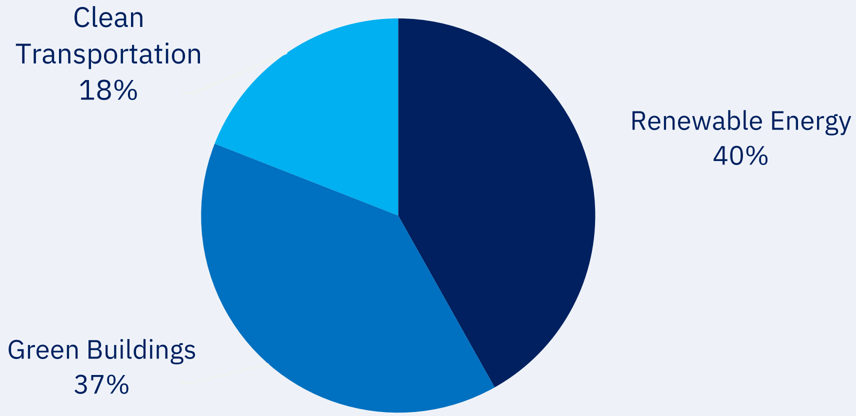
On 11 October 2023, Emirates NBD issued its inaugural green bond of USD 750 million aggregate nominal amount of fixed rate notes due 11 of October 2028.

Issuer	**Emirates NBD**
Notes	Fixed Rate
Status of the Notes	Senior
Nominal Amount	USD 750,000,000
Specified Currency	USD
Issue Price	USD 749,100,000 (99.88% of the Aggregate Nominal Amount)
Interest Rate	5.875% per annum payable semiannually in arrear
Interest Payment Date	11 April and 11 October in each year up to and including 2028, commencing on 11 April 2024
Fixed Coupon Amount	USD 29.375 per Calculation Amount
Issue date	11 October 2023
Tenor	5 years
ISIN number	XS2625209270

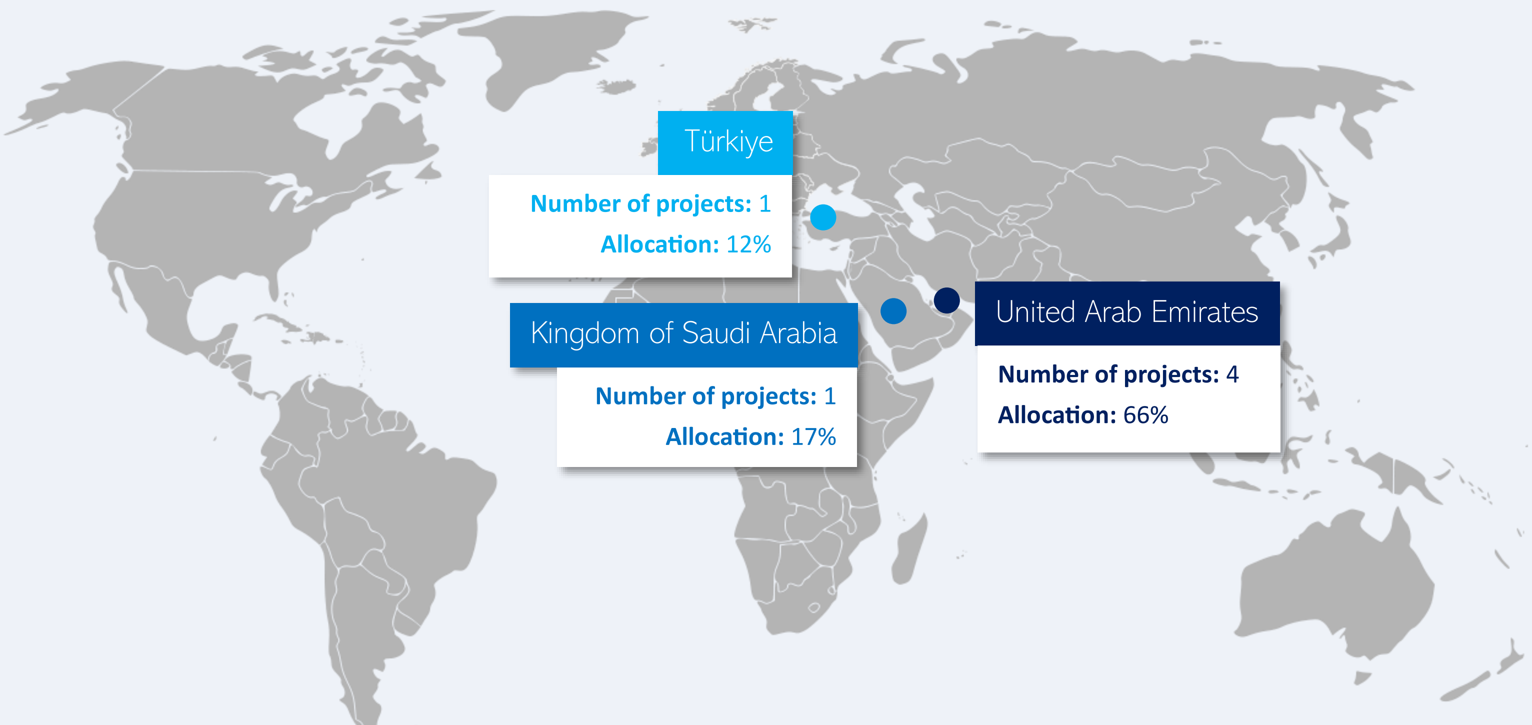
3. Summary of Use of Proceeds

The green bond asset portfolio is composed of new financed assets for completed projects and projects under construction. There are no refinanced projects. All the financing was earmarked for specific projects, and none of the loans were allocated to cash flow of pure play green clients. Emirates NBD aims to ensure that the total outstanding balance of the bank's green bond asset portfolio will remain equal to or greater than the total amount of outstanding green bond offerings. The summary of the portfolio allocation as of the end of June 2024 can be found below.

Green Bond Asset Portfolio by eligible category
Based on allocated projects as of 30 June 2024



Geographic Allocation of Selected Green Projects
Based on allocated projects as of 30 June 2024



Use of Proceeds and Impact Metrics

Based on allocated projects as of 30 June 2024

ELIGIBLE CATEGORY	DESCRIPTION	ALLOCATED AMOUNT (USD)	LOCATION	KEY PERFORMANCE INDICATORS	PERFORMANCE RESULTS	UN SDG ALLIGNMENT
Renewable Energy	Financing the development of solar parks	$180,148,559.22	Dubai, UAE	(**a**) Installed renewable energy capacity (MW) (**b**) Estimated annual avoided emissions (tCO2e)	(**a**) 1850 MW (**b**) 2.13 million tCO2e / year	13 CLIMATE ACTION 7 AFFORDABLE AND CLEAN ENERGY
	Financing the development of Green Hydrogen Projects	$119,086,174.62	Neom, Kingdom of Saudi Arabia	(**a**) Installed renewable energy capacity (t) (**b**) Estimated annual avoided emissions (tCO2e)	(a) 3900 MW (**b**) 3.58 million tCO2e / year	
Green Buildings	Financing the construction of Green Buildings	$91,857,138.75	Istanbul, Türkiye	(**a**) Certification Level (**b**) Estimated annual energy saving (kWh/year) (**c**) Estimated annual avoided emissions (tCO2e)	(**a**) LEED Gold (**b**) 77,993,288 kWh/year (**c**) 29,325.5 tCO2e/year	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
	Financing private Green Mortgages	$187,551,571.71	Dubai and Abu Dhabi, UAE	(**a**) Year of Construction (**b**) Estimated annual energy saving (kWh/year) (**c**) Estimated annual avoided emissions (tCO2e)	(**a**) 2016 to 2020 (**b**) 36,803,000 kWh/year (**c**) 16,819 tCO2e/year	
Clean Transportation	Financing private acquisition of Electric Vehicles	$136,256,555.70	Dubai, UAE	(**a**) Number of Electric Vehicles financed (**b**) Estimated annual avoided emissions (tCO2e)	(**a**) 3075 (**b**) 12,530.84 tCO2e/year	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
TOTAL ALLOCATED AMOUNT (USD)		**$714,900,000.00**	**95.3%**			
UNALLOCATED AMOUNT (USD)		**$35,100,000.00**	**4.7%**			

4. Featured Projects

Emirates NBD's green bond issuance supports projects that contribute to a greener future, with proceeds primarily directed towards renewable energy, clean transportation and green buildings.

The following sections showcase examples of assets and projects financed by the issuance.

4.1 Renewable Energy

NEOM Green Hydrogen Project

In 2024, ENBD committed nearly USD119,086,175 to help finance the NEOM Green Hydrogen Project in NEOM, Kingdom of Saudi Arabia (KSA), representing 15.88% of the issuance and 16.66% of the allocated amount as of June 2024.

The NEOM Green Hydrogen Project is set to be the world's largest utility scale, commercially based hydrogen facility powered entirely by renewable energy, based on technologies that will include the innovative integration of a combined capacity of around 3.9 GW of renewable power from onshore solar, wind and storage. At the time of writing, the project is still under construction. Once operational in 2026, it is expected to produce 600 tons per day of clean hydrogen by water electrolysis using ThyssenKrupp technology; production of nitrogen by air separation using Air Products technology; and production of up to 1.2 million tons per year of green ammonia.

As defined by the International Energy Agency (2023), in the case of using electricity from directly connected renewable plants, the emissions of hydrogen generated from water electrolysis are assumed to be zero. That is, for the calculation of Estimated Annual Avoided GHG Emissions, it can be assumed that the energy generated by the project replaces an equivalent capacity generated by the local power grid's energy mix, thus offsetting the associated GHG emissions. Therefore, considering an emission factor specific to the KSA, when complete and operating in 2026, the project could mitigate the impact of as much as 3.5 million metric tons of carbon emissions per year.

NEOM'S OXAGON REGION | CREDIT: NEOM.COM/EN-US/REGIONS/OXAGON

Amount allocated: USD 119,086,174.62 – 15.88% of the Issuance

Location: Neom, Kingdom of Saudi Arabia

Status: Construction

Expected renewable energy capacity: 3900 MW (3.9 GW)

Estimated annual avoided GHG emissions, once operational in 2026: 3.58 million tCO_2e/year

ENBD's Attribution factor: 1.4%

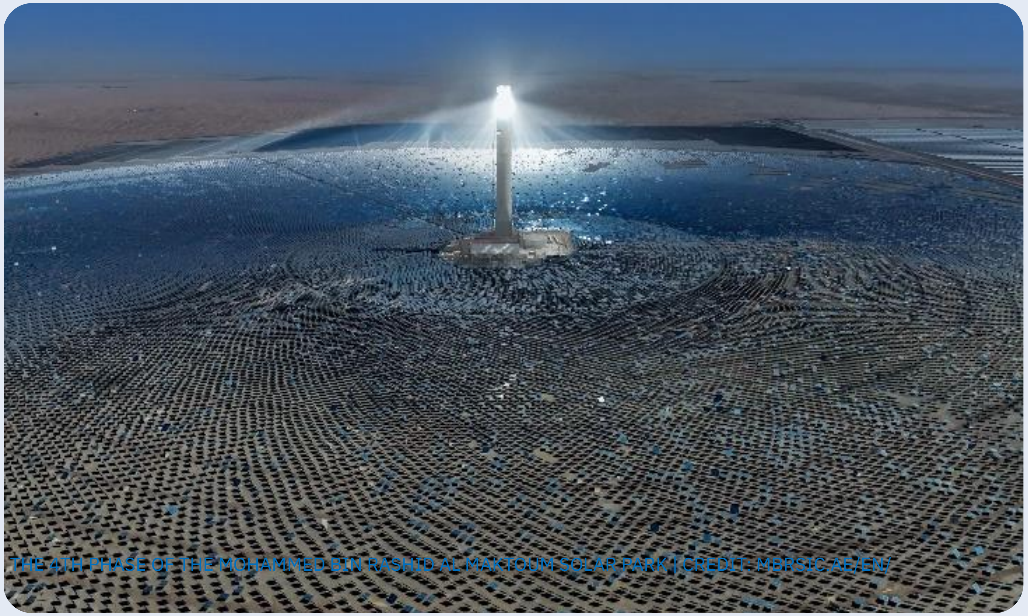
Estimated annual avoided GHG emissions attributed to ENBD: 50,280.4 tCO_2e/year

Mohammed Bin Rashid Al Maktoum Solar Park

Across 2023 and 2024, ENBD committed nearly USD 180,148,559 to help finance the 4^{th} and 5^{th} phase of the Mohammed Bin Rashid Al Maktoum Solar Park in Dubai, UAE, representing 24.02% of the issuance and 25.2% of the total allocated amount as of June 2024. This Solar Park is the largest single-site solar park in the world based on the Independent Power Producer (IPP) model.

The Dubai Clean Energy Strategy 2050 and the Dubai Net-Zero Emissions Strategy 2050 aim to provide 100% of the energy production capacity from clean energy sources by 2050. To achieve this, Dubai Electricity and Water Authority (DEWA) is developing the Solar Park in phases, to eventually generate 5,000MW from photovoltaic and Concentrated Solar Power ("CSP") technologies by 2030.

The **4th phase of the solar park**, with a capacity of 950 MW alone, is the largest single-site project in the world that combines CSP and photovoltaic technologies. This Phase will use three hybrid technologies: 600MW from a parabolic basin complex, 100MW from the world's tallest solar power tower at 262.44 meters (based on Molten Salt technology), and 250MW from photovoltaic solar panels. The project is expected to have the largest thermal storage capacity in the world of 15 hours, to provide clean energy for around 320,000 residences and reduce 1.1 million tons of carbon emissions yearly.


THE 4TH PHASE OF THE MOHAMMED BIN RASHID AL MAKTOUM SOLAR PARK | CREDIT: MBRSIC.AE/EN/

Amount allocated: USD 131,449,831.83 – 17.53% of the Issuance

Location: Dubai, UAE

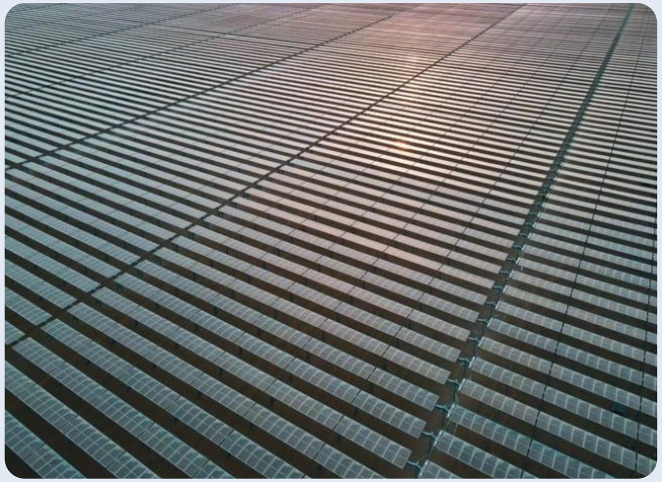
Status: Operational

Installed renewable energy capacity: 950 MW

Estimated annual avoided GHG emissions: 1.07 million tCO2e/year

ENBD's Attribution factor: 2.9%

Estimated annual avoided GHG emissions attributed to ENBD: 30,720.7 tCO2e/year



The 900MW capacity **5th phase of the solar park** uses only photovoltaic panels and became fully operational in June 2023. This fifth phase alone is expected to power 270,000 homes and offset carbon emissions amounting to 1 million tons per year in Dubai.

Amount allocated: USD 48,698,727.39 – 6.49% of the Issuance.
Location: Dubai, UAE
Status: Operational
Installed renewable energy capacity: 900 MW
Estimated annual avoided GHG emissions: 1.06 million tCO2e/year
ENBD's Attribution factor: 8.7%
Estimated annual avoided GHG emissions attributed to ENBD: 92,122.1 tCO2e/year

THE 5TH PHASE OF THE MOHAMMED BIN RASHID AL MAKTOUM SOLAR PARK.

CREDIT: MBRSIC.AE/EN/

Note on the selected performance indicator:

For an operational renewable energy project, the **annual avoided GHG emissions** are estimated using the total generated power multiplied by a consolidated emission factors specific to the project's geographic location. For a renewable energy asset under construction, the avoided GHG emissions are calculated based on the potential power generation, considering the average capacity factor of the respective renewable power source in the project's location, and emission factors. These estimates assume that the energy generated by the projects replaces an equivalent capacity generated by the local power grid's energy mix, thus offsetting the associated GHG emissions.

4.2 Clean Transportation

Acquisition of Electric Vehicles

Between 2021 and 2024, ENBD financed the private acquisition of 3075 electric vehicles in a total loan amount of USD 136,256,555.70 due one to five years, representing 18.17% of the total issuance and 19.06% of the allocated amount as of June 2024.

Number of Electric Vehicles financed: 3075
Estimated annual avoided GHG emissions: 12,530.84 tCO2e


Photo by Chuttersnap on Unsplash.

Note on the selected performance indicator:

The **annual avoided GHG emissions** are calculated using the estimate of average avoided fuel consumption (liters) by each vehicle and an emission factor per liter of fuel consumed (tCO2e/liter). These estimates assume that the energy consumed by electric vehicles replaces an equivalent fuel consumption, thus offsetting the associated GHG emissions. The estimate of avoided fuel consumption by vehicle, in turn, was calculated from premises based on the best-selling vehicle in the UAE in the past year, its average fuel consumption performance and a representative number of kilometers traveled per year.

4.3 Green Buildings

Green Commercial Buildings in Istanbul, Türkiye

In 2022, Emirates NBD financed the construction of a series of green buildings located in Istanbul, Türkiye, in a total loan amount of USD 91,857,138.75, representing around 12.25% of the issuance and 12.85% of the allocated amount as of June 2024. The financed green buildings in Istanbul are commercial establishments and have all been certified LEED Gold. Attaining this certification denotes that a building has excelled in its sustainable design and operation, securing over 60% of the LEED points. Gold-certified buildings are distinguished by their innovative approaches to energy conservation, water use reduction and enhanced indoor air quality, among other environmental achievements.

Amount allocated: USD 91,857,138.75 – 12.25% of the Issuance
Level of certification: LEED Gold
Estimated annual avoided GHG emissions: 29,325.5 tCO_2e/year
Estimated annual energy consumption: 95,357,675.5 kWh/year or 150.72 kWh/m²/year
Estimated annual energy savings: 77,993,356.5 kWh/year or 123.28 kWh/m²/year


Photo by Ümit Yıldırım on Unsplash.

Note on the selected performance indicator:

For green building and energy efficiency projects, estimates on annual avoided GHG emissions are based on estimated annual energy savings, assuming that the associated GHG emissions are therefore avoided. The estimates on energy savings, in turn, are based on the difference between the reference benchmarks for average energy consumption for commercial or residential buildings in the geographical location of the project and the average energy consumption of the green building by total building area (kWh/m²).


Photo by Ricardo Gomez on Unsplash.

Green Mortgages

Since 2016, Emirates NBD financed the purchase or maintenance of green properties in Dubai, Abu Dhabi and Ras Al Khaimah trough mortgage loans surpassing USD 187,551,571.71, representing 25% of the total issuance and 26.2% of the allocated amount as of June 2024.

As determined through a specialist sustainable finance consultant study assigned by ENBD, mortgage loans can be classified as green if the respective new or existing properties are within the top 15% most energy efficient buildings in their respective region, considering the mandatory required building energy and sustainability performances based on the year of construction:

- **Abu Dhabi**: 2016 or newer (residential and office)
- **Dubai**: 2020 or newer for Villas and 2019 or newer for Buildings
- **Ras Al Khaimah**: 2020 or newer

Mandatory local building performance standards for lighting, appliances and building systems efficiencies were introduced from the years above for their respective regions. This approach matches the established year of construction threshold to be an indicator for an improved building energy performance and therefore applied as a proposed eligibility criterion.

Amount allocated: USD 187,551,571.71 – 25% of the Issuance

Location: Dubai, Abu Dhabi, and Ras Al Khaimah

Year of construction: 2016 to 2020

Estimated annual avoided GHG emissions: 16,819 tCO_2e/year

Estimated annual energy consumption: 69,864,373.05 kWh/year or 16.19 kWh/m^2/year

Estimated annual energy savings: 36,803,020.84 kWh/year or 8.53 kWh/m^2/year

5. Appendix

5.1 Breakdown table of allocation

INSTRUMENT	ISSUER	CURRENCY	TENOR	OUTSTANDING AMOUNT (USD)	TYPE OF CLIENT	GREEN ELIGIBLE CRITERIA	% OF TOTAL ISSUANCE	% OF ALLOCATED AMOUNT
Loan	Emirates NBD	USD	1-5 years	$ 136,256,555.70	Private	Clean transportation	18.17%	19.06%
Loan	Emirates NBD	USD	4 years	$ 91,857,138.75	Corporate	Green Buildings	12.25%	12.85%
Loan	Emirates NBD	USD	-	$ 187,551,571.71	Private	Green Mortgages	25.01%	26.23%
Loan	Emirates NBD	USD	4 years	$ 119,086,174.62	Corporate	Renewable Energy	15.88%	16.66%
Loan	Emirates NBD	USD	1-year	$ 131,449,831.83	Corporate	Renewable Energy	17.53%	18.39%
Loan	Emirates NBD	USD	1-year	$ 48,698,727.39	Corporate	Renewable Energy	6.49%	6.81%
TOTAL				**$ 714,900,000.00**			**95.3%**	**100%**

5.2 ISS Verification Statement

This report and the verification statement from ISS-Corporate will be made available on the Investors Relations section of the Group's website at: https://www.emiratesnbd.com/en/investor-relations and https://www.emiratesnbd.com/en/about-emiratesnbd/sustainability/sustainable-finance.

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