

Green Bond Report

June 2018

FAB's Green Bond – Key Highlights

Welcome to FAB's first annual Green Bond Report.

Following its issuance as the first Green Bond in the region in March 2017, FAB's Green Bond has immediately embraced the enhanced potential of the newly created entity, further strengthening FAB's Green Bond Framework and the application of the International Capital Market Association (ICMA) Green Bond Principles which underpin the Framework. This included setting additional criteria for selecting, monitoring and managing FAB's Green Bond, while enriching the mix of projects allocated to the bond.

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).

FAB's Green Bond 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.

ISSUER	First Abu Dhabi Bank
ISSUANCE DATE	March 2017
CURRENCY	USD
TENOR	5 years
ISSUED AMOUNT	587,000,000
ISIN	XS1587035996

FAB's Green Bond Framework, along with the initial projects allocated to the bond, received an external second party opinion by Vigeo-Eiris prior to issuance in 2017. The second party opinion confirmed alignment of the Green Bond Framework with the Green Bond Principles.



Enhancements to FAB's Green Bond Framework

In this, the first year for reporting of the Green Bond, FAB has continued to maintain the original requirements of the Green Bond Framework. In addition, FAB leadership has taken this reporting cycle as an opportunity to further enhance the Framework. In particular, the eligible categories criteria have been enhanced by adopting the more specific criteria of the Climate Bonds Initiative. This helps to achieve a higher level of rigour and sets the stage for any future FAB Green Bonds, for which both the ICMA Green Bond Principles and the Climate Bonds Initiative will apply.

Overall, the government of the UAE has clearly stated its intentions to be a leader in renewable energy, and continues to set ambitious renewable energy and energy efficiency targets. At FAB, we are committed to these objectives and the increasing focus and mandates set out by the UAE Government to diversify and transition the UAE economy. We are proud to have created the first Green Bond in the region

to support this ambition, and are similarly proud of the strength of our green portfolio within and beyond this Green Bond. We will continue to increase our efforts to support this strategic direction for both the UAE and the world community.

The payback of the loan for one of the four original projects created an opportunity to incorporate five new projects in the UAE. These include a wastewater treatment and recycling plant (in the sustainable water management category), two district cooling projects (in the energy efficiency category), a new green building project (in the energy efficiency category), and a new solar photovoltaic project (in the renewable energy category). The inclusion of these new projects and the enhancement of the Green Bond Framework criteria continue to help align FAB's green financing efforts with the UAE Government's sustainable development plans.

Third Party Assurance of FAB's Green Bond

FAB engaged KPMG to provide third party independent assurance that selected information in this report has been prepared in line with FAB's Green Bond Framework, and that the FAB Green Bond adheres to the FAB Green Bond Framework and the ICMA Green Bond Principles. The assurance statement is included on page 19-21. FAB's Green Bond Framework, along with the initial projects allocated to the bond, also received an external second party opinion by Vigeo-Eiris prior to issuance in 2017.

This FAB Green Bond Report summarises FAB's Green Bond Framework, provides an overview of the allocation of the bond's proceeds, and highlights the anticipated impacts of the projects allocated to this Green Bond.



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/Hawkamah 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.



Overview of the Global Green Bond Market

At the end of 2017, Green Bond issuances had reached USD 160.8 billion¹ from 239 issuers, growing by 84 percent compared to 2016². The United States, China and France accounted for 56% of total issuance in 2017. The UAE was amongst the 10 new entrants to the market in 2017 (along with Argentina, Chile, Fiji, Lithuania, Malaysia, Nigeria,

Singapore, Slovenia and Switzerland). Green Bond transactions accounted for approximately 2.7 percent of global bond market transactions. The size of the Green Bond market is expected to continue to grow rapidly, with the Climate Bonds Initiative's Green Bond forecast for 2018 estimated to be USD 250-300 billion.

Key highlights of 2017²



Harmonised reporting framework: Overview of use of proceeds and impact reporting

In accordance with the Green Bond Principles, FAB is committed to report information on the allocation of proceeds. FAB is also committed to providing information on the environmental and social benefits, when available, for projects financed. FAB adopts the harmonised reporting framework³, developed by an informal group of eleven international development banks including the World Bank (IBRD), the International Finance Corporation (IFC) and the European Investment Bank (EIB). The harmonised reporting framework

provides core principles and recommendations for Green Bond reporting, and also recommends core indicators for the renewable energy and energy efficiency sectors.

The following table (based on the harmonised reporting framework) captures the use of proceeds and expected environmental benefits of the FAB Green Bond, based on allocated projects as of May 2018.



Use of Proceeds and expected environmental benefits based on allocated projects as of May 2018

Eligible categories	Project description	Allocated amount (USD) as at May 2018	Location	Share of total portfolio financing	Eligibility for Green Bonds	Renewable energy capacity generation	Annual GHG emissions reduced / avoided	Other indicators
Renewable Energy	Solar plant	55,041,352	UAE	9.4%	100%	100MW	175,000 tons of CO ₂ every year	-
Renewable Energy	Solar plant	27,575,489	UAE	4.7%	100%	1,177MW	7,000,000 tons of CO ₂ every year	-
Energy Efficiency	Green building	226,000,000	USA	38.5%	100%	-	-	LEED Silver Certification
Energy Efficiency	Green building	128,242,000	France	21.8%	100%	-	-	BREEM Excellent Rating
Energy Efficiency	Green building	26,162,827	UAE	4.5%	100%	-	-	LEED Gold Certification
Energy Efficiency	District cooling	61,352,080	UAE	10.5%	100%	-	-	90,000 Refrigerant Ton (RT) consumes up to 50% less electricity compared to conventional air-cooled chillers
Energy Efficiency	District cooling	19,871,132	UAE	3.4%	100%	-	-	245,000 Refrigerant Ton (RT) consumes up to 50% less electricity compared to conventional air-cooled chillers
Sustainable Water Management	Wastewater treatment and recycling plant	42,755,120	UAE	7.3%	100%	-	-	Treatment of 430,000 m ³ /day of wastewater
TOTAL	-	USD 587,000,000	-	100%	-	-	-	-
Bond amount	-	USD 587,000,000	-	-	-	-	-	-
Remainder to be allocated	-	Nil	-	-	-	-	-	-



FAB's Green Bond Framework

FAB's Green Bond Framework adheres to the ICMA Green Bond Principles. FAB's Green Bond Framework is a continuation of the original pre-merger NBAD Green Bond Framework. FAB has been a member of the International Capital Market Association (ICMA) since 2017 and recognises the importance of transparency and standardisation within the market.

The ICMA Green Bond Principles are voluntary guidelines that promote transparency, disclosure, and integrity in the development of the Green Bond market. The principles are framed by four core components:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

Vigeo-Eiris issued an independent second opinion review in March 2017 in relation to the Green Bond Issuance under National Bank of Abu Dhabi (NBAD). This confirmed the alignment of the Green Bond Framework with the ICMA Green Bond Principles and provided assurance on the sustainability of the Green Bond. The Vigeo-Eiris statement is available on the FAB [Investor Relations](#) webpage.

As part of the Bank's process for updating documentation associated with the Green Bond following the merger, FAB took the opportunity to further strengthen its Green Bond Framework by capturing key additional elements from international best practice, namely the Climate Bonds Initiative.

Key details of FAB's Green Bond Framework are outlined in the following table.



Pillars of FAB's Green Bond Framework

GOVERNANCE

- FAB's Green Bond Committee is responsible for ensuring compliance with all aspects of FAB's Green Bond Framework. The Committee meets on a quarterly basis
- A Green Bond Secretariat provides the necessary support to the Committee
- An internal audit is conducted annually to assess adherence to FAB's Green Bond Framework
- An external audit is conducted annually to assure FAB's Green Bond Report and the Green Bond Framework

USE OF PROCEEDS - ELIGIBLE PROJECT CATEGORIES

- 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

PROCESS FOR PROJECT EVALUATION AND SELECTION

- Projects are initially screened against the selected categories as defined in both the ICMA Green Bond Principles and Climate Bonds Initiative
- The projects passing the category screen are then assessed for eligibility using FAB's ESG Due Diligence Assessment Methodology. This includes quantification and qualification of the ESG performance of both clients and the selected projects, and generation of ESG Assessment Reports
- The Green Bond Committee reviews the ESG Assessment Reports and approves/rejects projects for eligibility
- The Green Bond Committee allocates some or all of these eligible projects to the bond, up to the full value of the bond

MANAGEMENT OF PROCEEDS

- Monitoring of the compliance with the overall Green Bond Framework is ongoing by the Secretariat, including tracking and management of proceeds, with quarterly oversight by the Green Bond Committee
- Monitoring of the environmental and social performance of the allocated projects and the associated clients is ongoing by the Secretariat, with quarterly oversight by the Green Bond Committee
- Proceeds are tracked through a combination of automated and manual tracking systems

REPORTING

- FAB issues a public Green Bond Report annually in Q2 on the use of proceeds

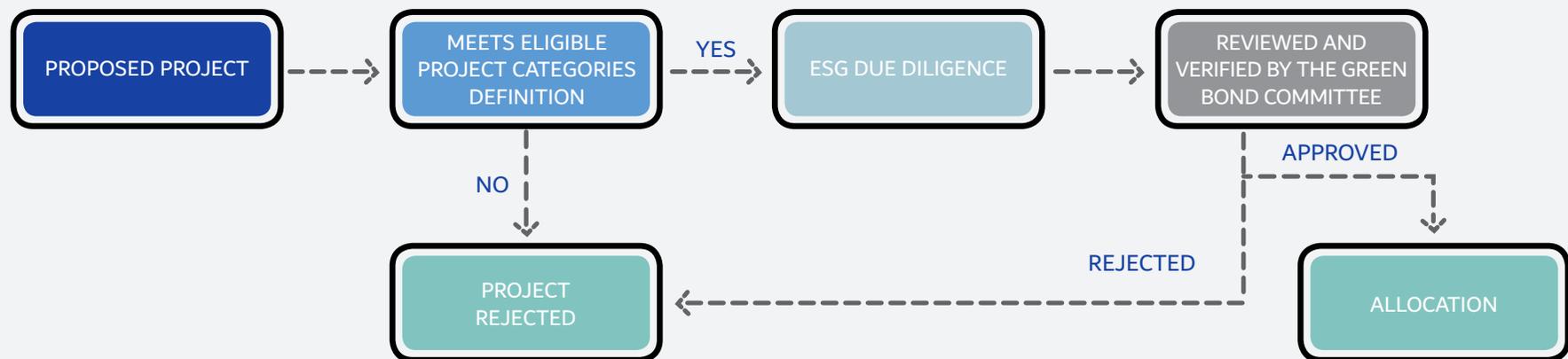


Process for project evaluation and selection

Eligible projects that are allocated in whole or in part to the Green Bond have undergone a multi-step assessment process as follows:

- ❖ Potential projects identified by FAB’s client relationship managers and/or sustainability team, are screened against FAB’s eligible project categories outlined in FAB’s Green Bond Framework (listed in the preceding table)
- ❖ Once screened and identified to be in alignment with the eligible categories, an extensive ESG due diligence is undertaken to ensure only projects and clients that score the highest are proposed to the FAB Green Bond Committee;
- ❖ Projects or clients that have been exposed to allegations during the last three years are excluded;
- ❖ The results of screening and the due diligence process are presented to the Green Bond Committee, which confirms which projects are deemed eligible for the Green Bond;
- ❖ The Green Bond Committee allocates eligible projects in whole or in part to the Green Bond, up to the full value of the bond.

Project Selection and Evaluation Procedure



Process for project evaluation and selection

FAB's Green Bond Framework continues to exclude a number of sectors from inclusion in the Green Bond. These include nuclear power generation, weapons, tobacco, alcohol, gambling and adult entertainment. In addition, FAB's Green Bond Framework excludes financing of palm oil related assets. In alignment with the Climate Bonds Initiative, FAB has expanded the exclusion criteria this year to include:

- ✦ Uranium mining for nuclear power
- ✦ Fossil fuel-based power generation including gas
- ✦ 'Clean' coal and other coal
- ✦ Efficiency upgrades to greenhouse gas intensive power source such as cleaner coal technology
- ✦ Energy savings in fossil fuel extraction activities
- ✦ Landfill without gas capture
- ✦ Waste incineration without energy capture
- ✦ Rail lines where fossil fuels account for more than 50 percent of freight



FAB's ESG due diligence methodology

Projects identified as potentially eligible are put forward for evaluation by the FAB Green Bond Secretariat. FAB's ESG Due Diligence Toolkit has been designed to assess the ESG performance of both the projects and the clients, and generates environmental and social due diligence reports that are reviewed by the Green Bond Committee. FAB's ESG Due Diligence Toolkit has been developed in collaboration with an external third party provider – Sustainability Excellence

– a leading provider of sustainability strategy, implementation and ESG assessments in the Middle East. The methodology leverages stringent international standards and recommendations including those of the European Bank for Reconstruction and Development (EBRD), IFC, World Bank, Equator Principles, OECD, International Labour Organisation (ILO), the UN's Universal Declaration of Human Rights, and country-specific environmental and labour laws.

FAB's Green Bond Committee

Projects that pass the ESG due diligence test are put forward for a decision on eligibility by FAB's Green Bond Committee.

The Green Bond Committee is made up of senior FAB management including representatives from FAB's Sustainability; Treasury; Investor Relations; Corporate Finance; Group Funding; Credit; Enterprise Risk Management, Credit

Risk, Operational Risk and Fraud Risk teams. A representative from Group Internal Audit also participates in the Committee meetings as an observer. The Committee confirms which projects are deemed eligible for inclusion into the Green Bond, and approves the allocation of the projects in whole or in part to the Green Bond, up to the full value of the bond.



Use and management of proceeds

FAB has in place strong processes and oversight in relation to the use and management of proceeds. These processes supported FAB's ability to identify and replace a project in the original bond issuance when the project loan was repaid. The project that was replaced was a UAE-based clean transportation project. In response, FAB moved quickly to identify new eligible projects for inclusion in the bond.

FAB has developed an extensive green finance portfolio, for which the pool of eligible projects has increased as a result of the banks' merger. The Green Bond Committee selected five new UAE-based projects to allocate to the bond. These include a wastewater and recycling plant (in the sustainable water management category), and two district cooling projects (in the energy efficiency category). In addition, other projects

include a new green building project (in the energy efficiency category), and a newly financed solar photovoltaic project (in the renewable energy category). These projects received the highest ESG performance score as part of FAB's ESG due diligence assessments and are aligned with the UAE's renewable energy and energy efficiency targets and commitments.

Overall, projects allocated to the FAB Green Bond now fall under three eligible categories:

- Renewable energy
- Energy efficiency
- Sustainable water management.

Details of these project categories are highlighted in the following pages.



Renewable Energy – Solar plants

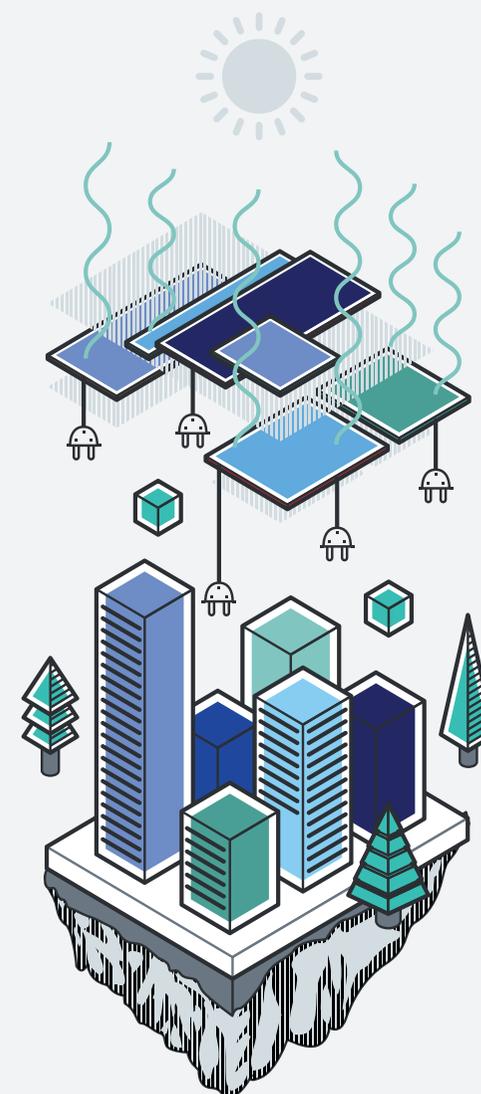
Energy Efficiency – Green buildings

To achieve the Paris Agreement of keeping global average temperatures to well below 2°C, fossil fuels will have to be replaced with alternative sources of energy. Solar power represents a vast resource that will support the world's shift to a low-carbon economy. The technology used to generate solar power by converting light to electricity (PV) and converting light to power via heat (solar thermal) has proven itself over the years. The cost reductions in solar PV over the last ten years makes it competitive against conventional fossil fuels.

The International Energy Agency (IEA) forecasts that solar, wind and other renewable power development is likely to more than double from 2017 through to 2022, to 1,174 gigawatts of capacity, compared to the previous five years. Renewables will supply 30 percent of global power generation by 2022, up from 24 percent currently⁴.

Integrating green and sustainable elements in the design, construction, and operation of buildings provides significant environmental benefits including reduction in energy use, greenhouse gas emissions, water and waste, and the protection of biodiversity and landscapes. Economic benefits include reduction in operating costs for residents of the building. Social benefits include improvements in the quality of life for residents, such as improved indoor air quality, natural daylight, acoustic quality, and thermal comfort.

The building sector has the largest potential to significantly reduce greenhouse gas emissions compared to other sectors. According to the World Green Building Council, the emissions savings potential is said to be as much as 84 gigatons of CO₂ (GtCO₂) by 2050, through direct measures in buildings such as energy efficiency, fuel switching and the use of renewable energy⁵.



Energy Efficiency – District cooling

A district cooling system produces chilled water within a centralised energy plant and distributes it through underground pipes to buildings to provide them with air-conditioning. District cooling can offer several advantages over conventional cooling.

The technology has advantages for areas with a heavy demand for air conditioning. In Dubai, for example, where air conditioning represents over 70 percent of electricity consumption, the city aims to meet 40 percent of its cooling needs through district cooling by 2030, using 50 percent less electricity than standard air conditioning (UNEP-District Energy in Cities)⁶.

Sustainable Water Management – Wastewater plants

It is estimated that only 3 percent of the world's water is suitable for human consumption, of which approximately 2 percent is found in ice caps and glaciers. Globally, it is estimated that two million tons of sewage is discharged into water. As a result, wastewater treatment has become a key priority around the globe.

Wastewater treatment is defined as the process of removing any harmful contaminants from non-potable water, rendering it safe to consume. Such an innovative process can be seen as the main driver behind producing safe, potable water for people without access to this previously.

Wastewater management can have a high impact on the sustainability of water supplies, human health, the economy and the environment. In the Arab Region, approximately half the Arab population lives within regions of extreme water scarcity (less than 500 m³ per capita annually), while 18 out of the 22 Arab countries fall below the water poverty line of 1,000 m³ per capita per year⁷.

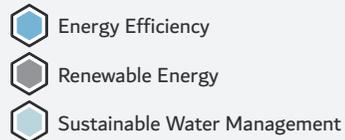
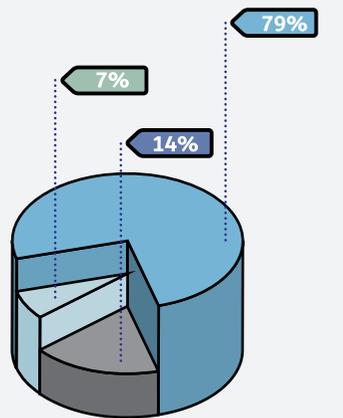


Distribution of Green Bond proceeds

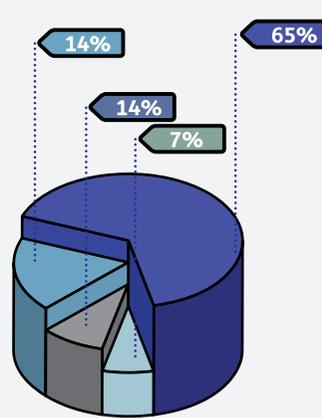
The change in projects within the FAB Green Bond resulted in the following shifts in the use of proceeds.

Eligible categories financed in 2018

Use of proceeds by eligible categories 2018

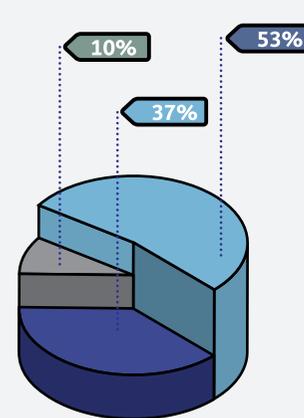


Use of proceeds by project description 2018

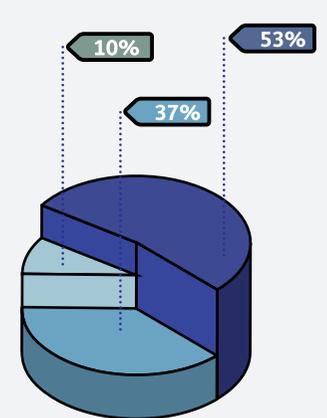


Eligible categories financed in 2017

Use of proceeds by eligible categories 2017



Use of proceeds by project description 2017



Geographical breakdown of use of proceeds in 2018

UNITED ARAB EMIRATES



ALLOCATION
40 %



NUMBER OF PROJECTS
6



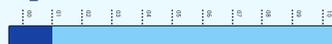
UNITED STATES



ALLOCATION
39 %



NUMBER OF PROJECTS
1



FRANCE



ALLOCATION
22 %



NUMBER OF PROJECTS
1



Summary of anticipated impacts of financed projects as of May 2018



Category: Renewable Energy
Description: Solar Plant
Number of projects: 2
Proceeds allocation: 14%

Output benefit:
1,277MW (Total)
Impact benefit:
7,175,000 tonnes of CO₂ avoided



Category: Energy Efficiency
Description:
Green Building
Number of projects: 3

Proceeds allocation: 65%
Output benefit: LEED and BREEAM certification for green buildings
Impact benefit: Up to 50% less energy consumption



Category: Energy Efficiency
Description: District Cooling
Number of projects: 2

Proceeds allocation: 14%
Output benefit: 335,000 Refrigerant Ton (Total)
Impact benefit: Up to 50% less energy consumption



Category: Sustainable Water Management
Description: Waste Water and recycling plant
Number of projects: 1

Allocation: 7%
Output benefit: Treatment of 430,000 m³/day of wastewater
Impact benefit: Access to sewage treatment and re-usable water for a Population Equivalent of over 2,150,000 units



Reporting and external verification

This report represents FAB's primary reporting on the performance of its Green Bond. This is the FAB Green Bond's first annual report. FAB will also provide details of FAB's Green Bond in the annual sustainability report and will disclose information on this Green Bond on the ICMA Green Bond Principles website.

This Green Bond Framework, along with the initial projects allocated to the bond, received an external second party opinion from Vigeo-Eiris prior to issuance in 2017. The second party opinion confirmed the alignment of the Green Bond Framework with the Green Bond Principles. The Vigeo-Eiris statement is available on the FAB [Investor Relations](#) webpage.

FAB engaged KPMG to provide third party assurance that selected information in this report has been prepared in line with the FAB Green Bond Framework, and that the FAB Green Bond continues to adhere to the FAB Green Bond Framework and the ICMA Green Bond Principles. The assurance statement is included on page 19-21.

For further information on FAB's Green Bond and Green Bond Framework, please contact FAB's Investor Relations (IR) team at IR@bankfab.com



KPMG's Independent Limited Assurance Report to First Abu Dhabi Bank

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the First Abu Dhabi Bank's (FAB) annual Green Bond Report issued in June 2018, which is prepared in accordance with the FAB Green Bond Framework and International Capital Market Association's Green Bond Principles.

Information Subject to Assurance

The objective of this engagement is to provide limited assurance over FAB's annual Green Bond Report in alignment with the FAB Green Bond Framework and International Capital Market Association's Green Bond Principles. KPMG's engagement covered the four principles of Green Bond Principles including:

- ⊗ use of proceeds from Green Bond issuance;
- ⊗ process for project identification, evaluation and selection;
- ⊗ management of proceeds;
- ⊗ reporting and controls over tracking of funds;

Our assurance does not extend to any other information included in the Green Bond Report. We have not reviewed and do not provide any assurance over the estimates on anticipated environmental or social benefits.

Criteria Used as the Basis of Reporting

The FAB Green Bond Framework and the International Capital Market Association's Green Bond Principles form the criteria ("the criteria"), used as the basis of the FAB annual Green Bond Report and KPMG's audit work.

Basis for Conclusion

We conducted our work in accordance with International Standard on Assurance Engagements ISAE 3000 (Standard).

In accordance with the Standard KPMG have:

- ⊗ used our professional judgement to plan and perform the engagement to obtain limited assurance, where, we are not aware of any material misstatements in the FAB annual Green Bond Report, whether due to fraud or error;

- ⊗ considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ⊗ ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.



Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following:

- ✳ site visit to FAB Headquarters;
- ✳ Understanding and reviewing the process for developing the Green Bond Framework
- ✳ interviewing selected FAB management personnel to understand key updates and considerations in relation to the FAB Green Bond Framework;
- ✳ reviewing selected environmental and social screening information for nominated projects, and documentation supporting assertions made in the information subject to assurance;
- ✳ conducting walkthroughs of a sample of nominated projects through to source documentation

- ✳ checking the accuracy of calculations performed;
- ✳ confirming internal systems and process were functioning as indicated and obtaining supporting evidence;
- ✳ obtaining and reviewing evidence to support key assumptions and other data; and
- ✳ review of the FAB annual Green Bond Report in its entirety to ensure it is consistent with our overall knowledge of FAB's approach.

How the Standard Defines Limited Assurance and Material Misstatements

The procedures performed in a limited assurance engagement vary in nature and timing, and are less extensive than those procedures performed for reasonable assurance. Consequently the level of assurance obtained in a limited assurance engagement

is substantially lower than the assurance that would have been obtained had reasonable assurance procedures been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the FAB Management.

Use of this Assurance Report

This report has been prepared for the Management of FAB for the purpose of providing an assurance conclusion on the FAB annual Green Bond Report, and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Management of FAB, or for any other purpose than that for which it has been prepared.



Management's Responsibility

Management are responsible for:

- ⊗ determining that the criteria is appropriate to meet their needs;
- ⊗ preparing and presenting the FAB annual Green Bond Report in accordance with the criteria; and
- ⊗ establishing internal controls that enable the preparation and presentation of the FAB annual Green Bond Report that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the FAB annual Green Bond Report, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

Our work was performed in compliance with the requirements of the International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The firm applies ISQC 1, and KPMG complies with the applicable independence and other ethical requirements of the IESBA code.

KPMG



Raajeev Batra
Partner
Abu Dhabi
13th June 2018

