

## Case study: Emirates NBD

# A landmark transaction with largest dual-tranche blue-green bond issued by a financial institution globally.

## Largest Blue Bond issued in the UAE and the GCC

In January 2026, Emirates NBD (ENBD), a leading banking group in the Middle East, North Africa and Türkiye (MENAT) region, announced the completion of its inaugural dual-tranche USD 1 billion sustainable bond issuance under its Euro Medium Term Note (EMTN) Programme, comprising a USD 300 million Blue tranche with a 3-year tenor and a USD 700 million Green tranche with a 5-year tenor. This transaction represents the largest Blue Bond issued in the UAE and the GCC (Gulf Cooperation Council) and the largest Dual-Tranche Blue-Green Bond issued by a financial institution globally.

The ENBD Blue Bond provides targeted financing to address severe water scarcity in the UAE and the wider MENA region, one of the most water-stressed areas globally. The bond proceeds are allocated to sustainable water and wastewater management, with a focus on large-scale wastewater treatment and recycling and low-carbon desalination projects aligned with International Finance Corporation (IFC) requirements and international standards for environmental and brine management. These investments are expected to expand water and sanitation infrastructure, improve water-use efficiency, reduce energy consumption and emissions, and support long-term water security for a growing population. Impact will be measured through water savings, volumes of wastewater treated or reused, and the number of people gaining access to improved sanitation, with reporting aligned to The International Capital Market Association (ICMA) frameworks.

## Blue bonds aim to deliver additional and measurable benefits

The ENBD Blue Bond provides targeted blue finance to address acute water scarcity in the Middle East and North Africa (MENA), one of the most water-stressed regions globally. MENA is the most water-stressed region in the world, with ~83% of the population exposed to extremely high-water stress; this is projected to reach 100% by 2050. The UAE ranks among the top 10 most water-stressed countries globally. Population growth and rising water demand significantly increase pressure on limited freshwater resources. The deal provides a meaningful allocation of capital towards underfunded SDG 6, Clean Water and Sanitation.

100% of the proceeds of the blue bond will be used to finance water-related activities, including sustainable water and wastewater management and desalination, supporting long-term water security, environmental protection, and access to sanitation in the UAE. This will be measured by the annual absolute water savings, the annual volume of wastewater treated, reused or avoided, and the number of people with access to improved sanitation facilities.



## Background information:

- Leading banking group in the Middle East, North Africa and Türkiye
- Serve over 9 million active customers in 13 countries
- As at 30th September, total assets were equivalent to approx. USD 310.1 billion

## Key findings:

- T. Rowe Price leveraged our experience in sustainable finance to provide guidance on; use of proceeds, KPIs and sustainability strategy
- Collaboration with issuers allows T. Rowe Price to steer allocation of proceeds towards more underfunded UN SDGs
- Proceeds from this bond will fund blue projects including absolute water savings and access to improved sanitation facilities

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## **Attractive combination of impact and valuation**

A 4.2% coupon with a 3-year maturity is compelling from both an impact and a financial standpoint. With a leading position in retail lending in the UAE and strong capital ratios, Emirates NBD is well-positioned to benefit from structural population growth in Dubai, which has already led higher retail and corporate loan and transactional income growth. We also expect better asset quality cycle, as its loan book is less exposed to risky sectors than historically, and Dubai has taken steps to reduce the volatility and improve the diversification of its economy.

T. Rowe Price has been in contact with Emirates NBD on a potential blue bond since January 2025. Throughout multiple engagements, we have been able to play an instrumental role for this transaction by leveraging our experience in sustainable finance, providing guidance on use of proceeds and KPIs, and by aligning the issuance of the bond with industry standards such as IFC guidelines.

This is a landmark transaction that shows our commitment to ocean- and water-related sustainable finance while having financial market impact.

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**Risks: Blue bonds carry investment risks, which include credit risk and interest rate risk. Emerging markets are less established than developed markets and therefore involve higher risks. There is no assurance that a favorable outcome will be achieved.**

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