

## IMPORTANT NOTICE

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the base offering circular (the "**Base Offering Circular**") following this notice, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Offering Circular. In accessing the Base Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Arrangers and the Dealers (each as defined below) as a result of such access.

**Confirmation of Your Representation:** By accessing the Base Offering Circular you have confirmed to Citigroup Global Markets Limited, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc and Mizuho International plc (together, the "**Arrangers and Dealers**" and each an "**Arranger**" and "**Dealer**") and the State of Kuwait, acting through the Ministry of Finance (the "**Issuer**") that: (a) you understand and agree to the terms set out herein; (b) you are either: (i) a person who is outside the United States and that the electronic mail address you have given is not located in the United States, its territories and possessions; or (ii) a person that is a "Qualified Institutional Buyer" (a "**QIB**") within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"); (c) you consent to delivery by electronic transmission; (d) you will not transmit the Base Offering Circular (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Arrangers and Dealers; and (e) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the Notes.

You are reminded that the Base Offering Circular has been delivered to you on the basis that you are a person into whose possession the Base Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Offering Circular, electronically or otherwise, to any other person and in particular to any U.S. person or to any U.S. address otherwise than to persons reasonably believed to be QIBs. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

**RESTRICTIONS:** THE FOLLOWING ELECTRONIC TRANSMISSION MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS DOCUMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND WITHIN THE UNITED STATES TO QIBS PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS DOCUMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY NOTES DESCRIBED THEREIN.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. ANY NOTES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT TO PERSONS REASONABLY BELIEVED TO BE QIBS PURSUANT TO RULE 144A.

Under no circumstances shall the Base Offering Circular constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Base Offering Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, the communication of the Base Offering Circular as a financial promotion is only being made to those persons falling within Article 19(5) or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"), or to other persons to whom the Base Offering Circular may otherwise lawfully be distributed in accordance with the

Financial Promotion Order. This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

This Base Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and an Arranger or Dealer or any affiliate of the applicable Arranger or applicable Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or such Dealer or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

The Base Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arrangers and the Dealers, any person who controls any of the Issuer, the Arrangers and Dealers, any director, officer, employee or agent of any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers and Dealers. Please ensure that your copy is complete. You are responsible for protecting against viruses and other destructive items. Your use of this document is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

## BASE OFFERING CIRCULAR



دولة الكويت

### STATE OF KUWAIT

#### ACTING THROUGH THE MINISTRY OF FINANCE

#### Global Medium Term Note Programme

Under this Global Medium Term Note Programme (the "**Programme**"), the State of Kuwait, acting through the Ministry of Finance (the "**Issuer**") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**", and together the "**Dealers**"), which appointment may be for a specific Tranche (as defined in the terms and conditions of the Notes (the "**Conditions**")) of Notes or on an ongoing basis. References in this Base Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".**

Application may be made to the United Kingdom Financial Conduct Authority (the "**FCA**") for Notes issued under the Programme to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's main market. For the purposes of any such application, the Issuer is an exempt issuer pursuant to Article 1(2) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (as amended, the "**UK Prospectus Regulation**"). Accordingly, this Base Offering Circular has not been reviewed or approved by the FCA and has not been approved as a base prospectus by any other competent authority under the UK Prospectus Regulation. Notes admitted to the Official List and admitted to trading on the London Stock Exchange's main market will not be subject to the prospectus requirements of the UK Prospectus Regulation but will be issued in accordance with the listing rules of the London Stock Exchange.

References in this Base Offering Circular to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's main market and have been admitted to the Official List. The London Stock Exchange's main market is a United Kingdom (the "**UK**") regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set out in a pricing supplement document (the "**Pricing Supplement**") which will be delivered to the FCA and the London Stock Exchange.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and unless such offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction of the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and within the United States only to persons who are "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A under the Securities Act ("**Rule 144A**"). See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, and sales of such Registered Notes may be made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. See "*Subscription and Sale and Transfer and Selling Restrictions*".

The Issuer has been rated A1 (with stable outlook) by Moody's Deutschland GmbH ("**Moody's**"), A+ (with stable outlook) by S&P Global Ratings Europe Limited ("**S&P**") and AA- (with stable outlook) by Fitch Ratings Limited ("**Fitch**"). The Programme has been rated A+ by S&P and AA- by Fitch.

Moody's and S&P are not established in the UK and are not registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Fitch is not established in the European Economic Area ("**EEA**") and is not registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The rating assigned by Moody's has been endorsed by Moody's Investors Service Ltd. ("**Moody's UK**") in accordance with the UK CRA Regulation, the rating assigned by S&P has been endorsed by S&P Global Ratings UK Limited ("**S&P UK**") also in accordance with the UK CRA Regulation and the rating assigned by Fitch has been endorsed by Fitch Ratings Ireland Limited ("**Fitch Ireland**") in accordance with the CRA Regulation. Each of S&P, Moody's and Fitch Ireland is established in the EEA and is registered under the CRA Regulation. As such, each of S&P, Moody's and Fitch Ireland is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Each of S&P UK, Moody's UK and Fitch is established in the UK and is registered in accordance with the UK CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts (if any) payable on Floating Rate Notes may be calculated by reference to EURIBOR, €STR, SOFR or SONIA, as specified in the applicable Pricing Supplement. As at the date of this Base Offering Circular, the administrator of EURIBOR (European Money Markets Institute) is included in the FCA's register of administrators (the "**UK Benchmarks Register**") under Article 36 of Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). As at the date of this Base Offering Circular the administrators of €STR, SOFR and SONIA are not included in the UK Benchmarks Register. As far as the Issuer is aware, €STR, SOFR and SOFR do not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of the UK Benchmarks Regulation.

***Arrangers and Dealers***

**Citigroup**

**Goldman Sachs International**

**HSBC**

**J.P. Morgan**

**Mizuho**

The date of this Base Offering Circular is 29 September 2025.

The Issuer accepts responsibility for the information contained in this Base Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Offering Circular is in accordance with the facts and this Base Offering Circular makes no omission likely to affect its import.

Certain information under the headings "*Risk Factors*", "*Overview of Kuwait*", "*The Economy*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*", "*Public Finance*", "*Indebtedness*" and "*Book-Entry Clearance Systems*" has been extracted from information provided by sources identified therein. These sources include the UN Conference on Trade and Development, the World Bank, the Oil & Gas Journal, the Organisation of Petroleum Exporting Countries, the BP Statistical Review of World Energy, Boursa Kuwait, the Central Bank of Kuwait, the Kuwait Central Statistics Bureau, the Public Authority for Civil Information, the Kuwait Ministry of Finance, the Kuwait Ministry of Oil, the Kuwait Ministry of Education, the Kuwait Investment Authority and the clearing systems referred to in "*Book-Entry Clearance Systems*". The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect.

The Arrangers and Dealers and the Agents have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers and Dealers or the Agents as to the accuracy or completeness of the information contained in this Base Offering Circular or any other information provided by the Issuer in connection with the Programme. None of the Arrangers and Dealers or the Agents or any of their affiliates accepts any liability in relation to the information contained in this Base Offering Circular or any other information provided by the Issuer in connection with the Programme or for any acts or omissions of the Issuer or any other person in connection with this Base Offering Circular or the issue and offering of any Notes under the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arrangers and Dealers or the Agents.

Neither this Base Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation, or (ii) should be considered as a recommendation by the Issuer or any of the Arrangers and Dealers or the Agents or any of their affiliates that any recipient of this Base Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each prospective purchaser of any Notes should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of, and of the geopolitical and economic circumstances relevant to, the Issuer. Neither this Base Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Arrangers and Dealers or the Agents or any of their affiliates to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Without limitation, the Arrangers and Dealers and the Agents expressly do not undertake to review the economic condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

#### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY**

This Base Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arrangers and Dealers and their affiliates do not represent that this Base Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arrangers and Dealers, the Agents or any of their respective affiliates which is intended to permit a public offering of any Notes or distribution of this Base Offering Circular in any jurisdiction where action for

that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Offering Circular and the offer or sale of Notes in the United States, the EEA, the UK, the State of Kuwait, Japan, the United Arab Emirates (excluding the Abu Dhabi Global Market (the "**ADGM**") and the Dubai International Financial Centre (the "**DIFC**")), the ADGM, the DIFC, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar, Singapore and Hong Kong. See "*Subscription and Sale and Transfer and Selling Restrictions*".

This Base Offering Circular has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will only be offered to the public in (i) the UK pursuant to an exemption under section 86 of the Financial Services and Markets Act 2000 ("**FSMA**"), or (ii) a member state of the EEA pursuant to an exemption under Article 1(4) of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Accordingly, any person making or intending to make an offer of Notes in the UK or that member state may only do so in circumstances in which no obligation arises for the Issuer, any Arranger, any Dealer or any of their affiliates to publish a prospectus pursuant to section 85 of the FSMA or Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation or the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer, any Arranger, any Dealer nor any of their affiliates have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, any Arranger, any Dealer or any of their affiliates to publish or supplement a prospectus for such offer.

**The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Base Offering Circular. Any representation to the contrary is a criminal offence in the United States.**

None of the Dealers, any Arranger, any Agents, any of their affiliates or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of the purchase of any Notes.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Base Offering Circular. Any consents or approvals that are needed in order to purchase any Notes must be obtained prior to the deadline specified for any such consent or approval. The Issuer, the Arrangers and Dealers, the Agents and their affiliates are not responsible for compliance with these legal requirements. The appropriate characterisation of the Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase any Notes, is subject to significant interpretative uncertainties.

### **IMPORTANT – EEA RETAIL INVESTORS**

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA retail investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling such Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## IMPORTANT – UK RETAIL INVESTORS

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK retail investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling such Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling such Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "*MiFID II product governance / Professional investors and ECPs only target market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers and Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "*UK MiFIR product governance / Professional investors and ECPs only target market*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers and Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME-TO-TIME

Unless otherwise stated in the applicable Pricing Supplement, all Notes issued or to be issued under the Programme shall be 'prescribed capital markets products' (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in Singapore Monetary Authority (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## U.S. INFORMATION

**This Base Offering Circular is being submitted on a confidential basis in the United States to QIBs (as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States**

is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on, and in accordance with, Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together "*Legended Notes*") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

### The State of Kuwait

#### *Immunity from suit*

The Issuer is the State of Kuwait, acting through the Ministry of Finance. Under Kuwaiti law, no governmental entity in the State of Kuwait is immune from suit. The position is confirmed through Articles 5 and 10 of Law No. 38 of 1980 (as amended) concerning the Code of Civil and Commercial Procedures Law which provides, among other things, that a service notice may be delivered to the State of Kuwait, any branches thereof, or any public juristic person through facsimile or any other means of electronic transmission, **provided that** such transmission is capable of preservation or retrieval or, in relation to process documents, notices may be served directly on the Department of Legal Advice and Legislation (Fatwa).

#### *Immunity of public assets from attachment*

Although no governmental entities are immune from suit, public and private funds and assets of the sovereign State of Kuwait are protected from enforcement proceedings pursuant to Article 216 of Law No. 38 of 1980 (as amended) concerning the Code of Civil and Commercial Procedures Law. This provides funds and assets (whether movable or immovable) of the sovereign State of Kuwait may be immune from enforcement actions such as, but not limited to, precautionary or executive attachment or seizure orders in the State of Kuwait. This immunity is absolute and may not be waived.

### Enforcement of Arbitral Awards

The Issuer is a foreign sovereign state outside the United States, and a substantial portion of the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or to enforce judgments against it predicated upon United States federal securities laws or the securities laws of any state or territory within the United States. The Notes are governed by English law and disputes in respect of the Notes may be settled under the Arbitration Rules (the "**Rules**") of the London Court of International Arbitration ("**LCIA**") with the seat of arbitration in London, England.



A substantial part of the Issuer's assets is located in the State of Kuwait. Investors may have difficulties in enforcing an arbitration award against the Issuer in the courts of Kuwait to the extent that such arbitration award is deemed to be in contravention of Kuwaiti public policy rules and/or in view of the timing and requisite procedural formalities required for enforcing a foreign arbitral award. Moreover, judicial precedent in Kuwait has no binding effect on subsequent decisions and there is no formal or updated system of reporting court decisions in Kuwait. For a discussion of possible limitations on the ability to enforce foreign arbitral awards in the State of Kuwait, see *"Risk Factors – Factors Which are Material for the Purpose of Assessing the Market Risks Associated with Notes Issued Under the Programme – Risks relating to enforcement"*.

#### **NOTICE TO RESIDENTS OF THE STATE OF KUWAIT**

Unless all necessary approvals in Kuwait pursuant to Decree Law No. 60 of 2025 (and the administrative resolutions by, among others, the Minister of Finance related thereto) (all as amended or replaced) together with, the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing and sale of the Notes, the Notes may not be offered for sale, nor sold, in Kuwait.

In the event where the Notes are intended to be sold onshore in Kuwait, the same may only be so offered and sold in accordance with Decree Law No. 60 of 2025 (and the administrative resolutions by, among others, the Minister of Finance related thereto) (all as amended or replaced) together with, the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait that may be applicable to the offering, marketing and sale, of the Notes, subject always to Decree Law No. 60 of 2025. Investors from Kuwait acknowledge that pursuant to Decree Law No. 60 of 2025, this Base Offering Circular is exempt from the review by the Capital Market Authority (the "CMA"). The CMA and all other regulatory bodies in Kuwait (save in its capacity as an issuer) assume no responsibility whatsoever for the contents of this Base Offering Circular and do not approve the contents thereof or verify the validity and accuracy of its contents. The CMA, and all other regulatory bodies in Kuwait, assume no responsibility whatsoever for any damages that may result from relying (in whole or in part) on the contents of this Base Offering Circular. Prior to purchasing any Notes, it is recommended that a prospective holder of any Notes seeks professional advice from its advisors in respect to the contents of this Base Offering Circular so as to determine the suitability of purchasing the Notes.

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA**

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial advisor.

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN**

In relation to investors in the Kingdom of Bahrain ("**Bahrain**"), Notes issued in connection with this Base Offering Circular and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Base Offering Circular does not constitute an offer of securities in Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006, as amended from time to time). This Base Offering Circular and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Notes may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in Bahrain, other than as marketing to "accredited investors" (as defined in the Central Bank of Bahrain Rulebook, Volume 6) for an offer outside Bahrain.

The CBB has not reviewed, approved or registered this Base Offering Circular or related offering documents and it has not in any way considered the merits of the Notes to be marketed for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Offering Circular. No offer of Notes will be made to the public in Bahrain and this Base Offering Circular must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

## NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Notes to be issued under the Programme will not be offered, sold or delivered, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Offering Circular has not been and will not be reviewed or approved by, or registered with, the Qatar Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in the State of Qatar (including the Qatar Financial Centre) and do not constitute debt financing in the State of Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar (including the Qatar Financial Centre).

## PRESENTATION OF STATISTICAL AND OTHER INFORMATION

Certain figures and percentages included in this Base Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Issuer, including the Central Bank of Kuwait (the "CBK"), the Ministry of Oil and the Kuwait Central Statistical Bureau. Real GDP data is presented on a factor cost basis. Some statistical information has also been derived from information publicly made available by third parties such as the World Bank. Where such third-party information has been so sourced, the source is stated where it appears in this Base Offering Circular. The Issuer confirms that it has accurately reproduced such information and that, so far as it is aware and is able to ascertain from information published by third parties, it has omitted no facts which would render the reproduced information inaccurate or misleading.

Similar statistics may be obtainable from other sources, but the date of publication, underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. In addition, statistics and data published by one ministry or agency may differ from similar statistics and data produced by other agencies or ministries due to differing underlying assumptions, methodology or timing of when such data is reproduced. Certain historical statistical information contained herein is provisional or otherwise based on estimates that the Issuer and/or its agencies believe to be based on reasonable assumptions. The Issuer's official financial and economic statistics are subject to internal review as part of a regular confirmation process. Accordingly, the financial and economic information set out in this Base Offering Circular may be subsequently adjusted or revised and may differ from previously published financial and economic information. While the Issuer does not expect such revisions to be material, no assurance can be given that material changes will not be made.

Information included in this Base Offering Circular that is identified as being derived from a publication of, or supplied by, the Government of Kuwait or one of its agencies or instrumentalities is included herein on the authority of such publication as a public official document of Government of Kuwait. All other information contained in the sections entitled "*Risk Factors*", "*Overview of Kuwait*", "*The Economy*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*", "*Public Finance*" and "*Indebtedness*" is included as a public official statement made on the authority of the Minister of Finance of the State of Kuwait.

All references in this Base Offering Circular to "U.S. dollars", "U.S.\$" and "\$" refer to United States dollars, being the legal currency of the United States of America (the "United States" or "U.S.") and all references to "dinar" and "KD" refer to the Kuwaiti dinar, being the legal currency of Kuwait. In addition, all references to "Sterling" and "£" refer to pounds sterling, being the legal currency of the UK and to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

References to a "billion" are to a thousand million.

The language of this Base Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **THE NOTES MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS**

Each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Offering Circular or any applicable supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the prospective investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

This offer document is an Exempt Offer document in accordance with the Market Rulebook of the ADGM Financial Services Regulatory Authority (the "**FSRA**"). This Exempt Offer document is intended for distribution only to persons of a type specified in the Market Rulebook. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with an Exempt Offer. The FSRA has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The Notes to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Notes offered should conduct their own due diligence on the Notes. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial advisor.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Some statements in this Base Offering Circular may be deemed to be forward-looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "could", "should", "would" and any similar expressions generally identify forward looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Overview of Kuwait*", "*The Economy*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*", "*Public Finance*" and "*Indebtedness*" and other sections of this Base Offering Circular. The Issuer has based these forward-looking statements on its current view with respect to future events and financial results and the Issuer does not undertake to update any forward-looking statements in light of new information or future events. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Offering Circular, if one or more of the risks or uncertainties described below or otherwise identified in this Base Offering Circular materialises, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, events relating to the Issuer and the Issuer's actual

results may be materially different from those expected, estimated or predicted. Investors should therefore not place undue reliance on those statements.

The risks and uncertainties referred to above include, but are not limited to:

External factors, such as:

- the impact of changes in the international prices of commodities, including in particular the prices of crude oil and natural gas;
- the impact of climate change concerns on global demand for hydrocarbon products and hydrocarbon-related products;
- geopolitical conditions and regional political developments, including conflicts in the Middle East;
- interest rates and inflation rates in financial markets outside the State of Kuwait;
- the impact of pandemic diseases or other global or regional events which impact the State of Kuwait;
- present and future exchange rates;
- the impact of changes in the credit rating of the State of Kuwait; and
- economic conditions in the State of Kuwait's key trading partners.

Internal factors, such as:

- the volumes of and revenues from crude oil and natural gas exported from the State of Kuwait;
- diversification of the Kuwaiti economy;
- levels of government spending;
- domestic inflation;
- delays in projects and implementation of fiscal reform;
- changes in political, social, legal or economic conditions in the State of Kuwait;
- foreign currency reserves;
- natural disasters; and
- the levels of foreign direct and portfolio investment.

Any forward looking statements contained in this Base Offering Circular speak only as at the date of this Base Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Offering Circular any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statements are based.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action**

**or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.*

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

<b>Issuer:</b> .....	State of Kuwait, acting through the Ministry of Finance.
<b>Legal Entity Identifier (LEI) of the Issuer:</b> .....	549300FSC1YD0D9XX589.
<b>Risk Factors:</b> .....	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under " <i>Risk Factors</i> ".
<b>Description:</b> .....	Global Medium Term Note Programme
<b>Arrangers:</b> .....	Citigroup Global Markets Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Mizuho International plc
<b>Dealers:</b> .....	Citigroup Global Markets Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Mizuho International plc  and any other Dealers appointed in accordance with the Programme Agreement from time to time.
<b>Certain Restrictions:</b> .....	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale and Transfer and Selling Restrictions</i> "), including the following restrictions applicable at the date of this Base Offering Circular.  <b>Notes having a maturity of less than one year</b>  Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the UK, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (" <b>FSMA</b> ") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See " <i>Subscription and Sale and Transfer and Selling Restrictions</i> ".
<b>Principal Paying Agent:</b> .....	HSBC Bank plc

<b>Registrar:</b> .....	HSBC Bank plc
<b>U.S. Registrar, U.S. Paying Agent and U.S. Transfer Agent:</b> .....	HSBC Bank USA, National Association
<b>Programme Size:</b> .....	The Programme is unlimited in amount.
<b>Distribution:</b> .....	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b> .....	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b> .....	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b> .....	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b> .....	The Notes will be issued in bearer or registered form as described in " <i>Form of the Notes</i> ". Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
<b>Fixed Rate Notes:</b> .....	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and, on redemption, will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b> .....	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the applicable Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant final terms, each as published by ISDA (or any successor) on its website (<a href="http://www.isda.org">http://www.isda.org</a>), on the date of issue of the first Tranche of the Notes of such Series; or</li> <li>(b) on the basis of a reference rate set out in the applicable Pricing Supplement.</li> </ul> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>



	Interest on the Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
<b>Zero Coupon Notes:</b> .....	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Benchmark Discontinuation:</b> .....	In the event that a Benchmark Event (or, if applicable, a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date) occurs, such that any rate of interest cannot be determined by reference to the original benchmark specified in the applicable Pricing Supplement, then the Issuer may (subject to certain conditions) be permitted to substitute such benchmark with a successor, replacement or alternative benchmark (with consequent amendment to the terms of such Series of Notes and, potentially, the application of an adjustment spread (which could be positive, negative or zero)). See of Condition 5.3 ( <i>Benchmark Discontinuation – Independent Adviser</i> ) and Condition 5.4 ( <i>Benchmark Discontinuation – ARRC SOFR</i> ) for further information.
<b>Redemption:</b> .....	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See "<i>Certain Restrictions: Notes having a maturity of less than one year</i>" above.</p>
<b>Denomination of Notes:</b> .....	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Certain Restrictions: Notes having a maturity of less than one year</i> " above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) and in the case of any Legended Notes, the minimum specified denomination shall be U.S.\$200,000.
<b>Taxation:</b> .....	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction in accordance with Condition 8 ( <i>Taxation</i> ), unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 ( <i>Taxation</i> ), be required to pay additional amounts to cover the amounts so deducted.

<b>Negative Pledge:</b> .....	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b> .....	The terms of the Notes will contain a cross default provision as further described in Condition 10 ( <i>Events of Default</i> ).
<b>Status of the Notes:</b> .....	The Notes and any relative Coupons constitute (subject to Condition 3 ( <i>Status of the Notes</i> )) direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves and, subject to Condition 4 ( <i>Negative Pledge</i> ), at all times rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding, <b>provided, further, that</b> the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due on the Notes and <i>vice versa</i> .
<b>Meetings of Noteholders, Modification and Waiver:</b> .....	<p>The terms of the Notes contain a "collective action" clause, which permits defined majorities to bind all Noteholders. If the Issuer issues debt securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Notes, the Notes would be capable of aggregation for voting purposes with any such debt securities, thereby allowing "cross-series" modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).</p> <p>See Condition 15 (<i>Meetings of Noteholders, Modification and Waiver</i>) and "<i>Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes Issued under the Programme – Risks related to the Notes generally – The Conditions contain provisions which permit their modification without the consent of all investors</i>".</p>
<b>Rating:</b> .....	The Programme has been rated A+ by S&P and AA- by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.
<b>Listing and Admission to Trading:</b> .....	<p>Application may be made for Notes issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange's main market.</p> <p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading.</p>
<b>Clearing Systems:</b> .....	Clearstream, Luxembourg and Euroclear for Bearer Notes, Clearstream, Luxembourg, Euroclear and DTC for Registered Notes and, in relation to any Tranche, any other clearing system as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer. See " <i>Form of the Notes</i> ".

<b>Governing Law:</b> .....	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
<b>Selling Restrictions:</b> .....	There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, the State of Kuwait, Japan, the United Arab Emirates (excluding the ADGM and the DIFC), the ADGM, the DIFC, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar, Singapore and Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See " <i>Subscription and Sale and Transfer and Selling Restrictions</i> " and " <i>Certain ERISA Considerations</i> ".
<b>United States Selling Restrictions:</b> .....	<p>Regulation S Compliance Category 1, Rule 144A, TEFRA C, TEFRA D and/or TEFRA not applicable, as specified in the applicable Pricing Supplement.</p> <p>Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation in substantially the same form for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 ("<b>TEFRA D</b>") unless (i) the applicable Pricing Supplement state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation in substantially the same form for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 ("<b>TEFRA C</b>") or (ii) the Notes have a term of one year or less (taking into account any unilateral right to extend or rollover the term).</p>
<b>ERISA:</b> .....	Notes may be acquired and held by employee benefit plans and other plans that are subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (" <b>ERISA</b> "), or Section 4975 of the Code (as defined below) and by other employee benefit plans, subject to certain restrictions. Purchasers, transferees and holders of Notes will be deemed to have given certain assurances regarding ERISA and Section 4975 of the Code. See " <i>Subscription and Sale and Transfer and Selling Restrictions</i> " and " <i>Certain ERISA Considerations</i> ".

## **RISK FACTORS**

*In purchasing Notes issued under the Programme, investors assume the risk that the Issuer may be unable to make all payments due or otherwise fulfil its obligations in respect of the Notes. They also assume the risk that the market price of the Notes may vary, whether due to concerns about the Issuer's ability to make payments under the Notes or other reasons. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due or otherwise fulfil such obligations. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Offering Circular a number of factors which could materially adversely affect its ability to make payments due or otherwise fulfil its obligations under the Notes and the perception that any of these factors has become more likely to occur could materially adversely affect the market price of any Notes held by an investor which in turn may result in an investor losing some or all of its investment.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Offering Circular and reach their own views prior to making an investment decision.*

*Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this section.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

#### **Risks relating to the Issuer**

##### ***Kuwait's economy and government revenues are substantially based on oil production in Kuwait***

The oil sector is the principal contributor to Kuwait's economy and oil revenues account for most of the Government's total revenues and export earnings. According to the Central Statistics Bureau (the "CSB"), the oil sector (excluding refining) accounted for 47.9 per cent. of Kuwait's real GDP in 2024. The oil sector has been and is expected to continue to be the main contributor to Kuwait's annual revenues, accounting for 91.0 per cent. of total government revenues for the fiscal year ended 31 March 2024, according to the Kuwait Ministry of Finance. Accordingly, Kuwait's economy and government revenues are significantly impacted by, and depend on, international oil prices.

International oil prices have fluctuated significantly over the past two decades and are expected to remain volatile. More recently, oil prices have continued to show volatility, with the OPEC Reference Basket averaging U.S.\$64.04 in 2019 and U.S.\$41.50 in 2020, reaching a high of U.S.\$65.10 and a low of U.S.\$17.66 during that year. Prices recovered in subsequent years, with the OPEC Reference Basket reaching U.S.\$74.38 in December 2021 and U.S.\$100.08 in January 2022, before falling to U.S.\$77.98 in December 2023. In 2024, prices remained lower, averaging U.S.\$71.59 in October 2024 and U.S.\$74.64 in December 2024. The average price increased to U.S.\$79.38 in January 2025 before dropping to a low of U.S.\$63.62 in May 2025. Kuwait's crude oil, which is part of the OPEC Reference Basket, has moved broadly in line with these trends (see "*The Economy—Overview*" and "*The Economy—Oil and Gas—Production—Oil Production*").

In general, international oil prices are influenced by economic and political developments in oil-producing regions, particularly the Middle East, the pace of technological development, and global climate and energy transition trends, as well as factors that impact global economic growth. It is possible that the broad ranging tariffs implemented by the United States in 2025, and any other countries in response, could result in a slowdown of global economic activity which could reduce demand for oil. These factors, individually or in combination, may lead to prolonged or sharp declines in oil prices, which would adversely affect Kuwait's GDP growth, fiscal revenues, balance of payments and foreign trade. Low oil prices and subdued demand for hydrocarbons could materially impact Kuwait's economy and contribute to larger budget deficits and reduced liquidity in the domestic financial system. The price of oil fluctuates daily, and while prices in 2025 have been broadly in line with those of 2024, future declines remain possible due to factors such as production policy shifts within OPEC+ or weaker global demand.

In addition to the negative impact of low oil prices on Government reserves and revenues (see "*Balance of Payments and Foreign Trade*"), Kuwait's fiscal and external positions have been significantly affected in recent years. For example, based on preliminary figures, Kuwait's current account recorded a smaller surplus in the year ended 31 December 2024 broadly in line with 2023, representing a lower level compared to the substantial surplus in 2022, reflecting the decline in oil export earnings and a deficit in 2020 during the height of the pandemic and oil price collapse. These developments have been closely tied to the Government's fiscal position: Kuwait recorded budget deficits during years of low oil prices, financed primarily through withdrawals from the General Reserve Fund (the "**GRF**").

Another key constraint on increasing future oil production by Kuwait could be any future quota agreements reached within the Organization of Petroleum Exporting Countries ("**OPEC**"), of which Kuwait is a founding member. Changes in Kuwait's oil production levels under OPEC+ agreements directly affect export earnings. Any increase in production may not result in higher revenues if offset by declines in international oil prices, while cuts in production – necessary to comply with quota agreements – may reduce export volumes and thus earnings unless higher prices compensate. These risks make Kuwait's fiscal and external accounts particularly vulnerable to shifts in the global oil market.

On 2 April 2023, OPEC announced that it would cut more than 1,000,000 barrels per day ("**bpd**"), with Kuwait reducing production by 135,000 bpd. It was announced that such voluntary cuts from OPEC members and certain non-OPEC countries would begin in May 2023 and last until the end of 2023. On 4 June 2023, the Kingdom of Saudi Arabia announced that it would be reducing production by 1,000,000 bpd for July 2023 and OPEC announced that it would otherwise maintain production at current levels until the end of 2024. However, on 30 November 2023, OPEC announced additional voluntary cuts of 2,200,000 bpd for 2024 and, on 2 June 2024, OPEC announced that these voluntary cuts would be prolonged until the end of September 2024, with the intention to gradually phase out such cuts from October 2024 to September 2025. Following calls for increased oil production by Kuwait and other OPEC+ members in 2024 and 2025, OPEC+ announced increases of 558,000 bpd in July 2025. Should there be any further agreements to reduce oil production, it could affect Kuwait's ability to increase its oil production levels and realise the benefits of its capacity investments. Moreover, OPEC's failure to maintain an oil production agreement or the failure of OPEC members to observe their agreed production quotas may also adversely affect global oil prices. Any of these factors could, as a result, affect Kuwait's ability to increase its oil production levels, which could have a material adverse effect on its economic and financial condition and could therefore affect Kuwait's ability to perform its obligations under the Notes.

Kuwait is targeting an increase in its oil production capacity by 2030, and a failure to achieve this target may adversely affect its economy. Kuwait has announced that it is investing as much as U.S.\$50 billion to increase its oil production capacity to greater than 3.5 million bpd by 2030, which is part of a longer-term plan to boost Kuwait's oil production capacity to 4.0 million bpd by 2040 (including the Saudi-Kuwaiti Partitioned Neutral Zone (the "**PNZ**")); see "*The Economy—Principal Sectors of the Economy—Oil and Gas*". Most of the increase in oil production capacity is expected to come from projects undertaken by Kuwait Oil Company ("**KOC**"), with total KOC capacity expected to reach 3.65 million bpd by 2035. Approximately 0.35 million bpd in oil production capacity is expected to come from the PNZ, a province straddling the border of Kuwait and Saudi Arabia that contains large reserves of oil. In 2025, new oil reserves producing crude oil at a rate of over 500 bpd were discovered in the North Wafra Wara-Burgan field of the PNZ. Such projects are subject to risks associated with exploration, development, construction and operation of oil production facilities.

Climate change concerns and global energy transition commitments also pose risks to Kuwait's hydrocarbon revenues. International pressure to reduce greenhouse gas emissions, including through treaties such as the Paris Agreement and the UAE Consensus agreed in November 2023 — under which nearly 200 countries committed to transition away from fossil fuels with a target of net-zero emissions by 2050 — may reduce global demand for oil and oil-based products. Shifts in investor sentiment, fossil fuel divestment campaigns, corporate net-zero commitments, and stricter laws and regulations are expected to reshape global energy markets.

Kuwait has also announced national initiatives aimed at aligning with international climate commitments and diversifying its energy mix. Kuwait's Vision 2035 development strategy ("**Kuwait Vision 2035**") emphasises economic diversification and energy transition, and Kuwait Petroleum Corporation ("**KPC**") has launched projects to expand natural gas production, upgrade refining capacity, and develop petrochemicals. Achieving these aims may require substantial costs and capital expenditures, and there can be no assurance that any existing or future international obligations will not result in additional fiscal or

economic burdens on Kuwait. A sustained reduction in global demand for hydrocarbons could have a material adverse effect on Kuwait's revenues and fiscal position.

Certain domestic political factors could also affect Kuwait's ability to increase its oil production capacity. Kuwait's constitution (the "**Constitution**") bars foreign ownership of the country's natural resources, which could hinder the development of heavy oil field projects that require more technical expertise, as it precludes product-sharing agreements which are typically used to incentivise investment from international oil companies (the "**IOCs**"). Instead, Kuwait has resorted to Enhanced Technical Service Agreements ("**ETSAs**") to attract IOC interest. As a result, there can be no assurance that Kuwait will successfully reach its target of increasing oil production capacity to 4.0 million bpd by 2040 and failure to do so could adversely affect Kuwait's economic and financial condition and therefore affect Kuwait's ability to perform its obligations under the Notes.

***Kuwait's efforts to diversify its economy may not be successful***

Kuwait's economy depends on the oil and gas industry, with the oil and oil products sector being the most significant contributor to Kuwait's GDP. See "*Kuwait's economy and government revenues are substantially based on oil production in Kuwait*" above. The Government is embarking on a long-term strategy of diversifying Kuwait's economy away from its reliance on oil as the single major revenue source towards a more diverse economy. See "*Overview of Kuwait—Development Strategy of Kuwait*". Kuwait's attempts to diversify may mean that it undertakes projects in areas in which it has little or no previous experience or for which there are significant economic risks. In addition, its ability to engage in large-scale infrastructure projects and other large expenditures that support its diversification efforts could be reduced, or the projects themselves made economically unfeasible, by reduced oil prices. The inability to successfully implement Kuwait Vision 2035 and diversify Kuwait's economy could have a material adverse effect on its ability to perform its obligations under the Notes.

***There can be no assurance that the Government will be able to successfully implement fiscal sustainability and economic diversification reforms***

There can be no assurance that the Government will be able to achieve the objectives of its fiscal and structural reform program (see "*Overview of Kuwait—Development Strategy of Kuwait*") or that reforms will be implemented within the timelines originally set. While recent measures, including procurement reform, the introduction of the Pillar 2 GMCT tax, and the repricing of government services, have supported a gradual increase in non-oil sector activity, their continuation and effectiveness remain subject to political, economic, and external factors.

Any amendment to the scope or timing of reforms, or a sustained decline in oil prices, could constrain Government revenues, delay diversification initiatives, or result in reductions or cancellations of projects. In line with Kuwait Vision 2035, the State is pursuing fiscal sustainability, private sector development, and economic diversification, with progress in infrastructure, regulatory modernisation and digital transformation. However, risks remain, including fiscal pressures from oil dependence, potential delays in large-scale projects, limited private sector participation, political or legislative challenges, and external shocks such as oil market volatility. These risks may affect the timely achievement of Kuwait Vision 2035 goals, which, in turn, could have a material adverse effect on Kuwait's ability to perform its obligations under the Notes.

***Kuwait is located in a region that has been subject to ongoing political and security concerns***

Kuwait is located in a strategically important region that has historically been subject to geopolitical and security risks. The Middle East and North Africa ("**MENA**") region continues to experience armed conflicts, including in countries and areas that share land or sea borders with the State of Kuwait such as the Islamic Republic of Iran and the Republic of Iraq in addition to maritime incidents in the Red Sea and Gulf of Aden, prompting multilateral responses and heightening risks to regional trade flows. These events have created disruption across affected economies and contributed to volatility in international oil and gas markets. The duration and intensity of these conflicts remain uncertain, as are their potential economic implications for countries in the region, including Kuwait. Since October 2023, the region has been experiencing further destabilisation by state and non-state actors in many locations including, but not limited to, the State of Palestine, the Islamic Republic of Iran, the Republic of Yemen and the State of Qatar in addition to, at several points, an effective blockade on trade routes in the Red Sea in 2024. This may

necessitate increased defence and security spending, thereby reducing fiscal space available for its mega project development and economic initiatives.

Kuwait works with regional and international partners to maintain a constructive relationship with, and deal with issues surrounding, the Islamic Republic of Iran, which remains subject to extensive international sanctions.

Kuwait's energy exports are particularly exposed to regional security developments. The State relies heavily on shipping routes through the Strait of Hormuz. Any disruption to these assets or trade corridors as a result of armed conflict, activities by non-state actors, or political unrest could materially impact Kuwait's oil and gas export capacity. It is not possible to predict the occurrence or outcome of such events, and there can be no assurance that Kuwait would be able to sustain its current levels of economic performance if regional instability were to worsen.

Geopolitical events in the MENA and surrounding regions, whether or not the State of Kuwait is directly involved, could have a material adverse effect on Kuwait's attractiveness to foreign investment, its access to international capital markets, its ability to engage in trade, and ultimately its economy and financial position. Recent developments, such as those that occurred after October 2023 in the region, heightened inter-state tensions, and continued actions by non-state actors on shipping in the Arabian Gulf of the Red Sea, may also necessitate increased defence and security spending, thereby reducing fiscal space available for other projects or development and economic initiatives.

A further deterioration in regional relations, including potential escalation involving countries in the region, could have an adverse effect on security conditions, global oil markets, and Kuwait's broader economic prospects. Wars, terrorism, and heightened geopolitical uncertainty may also negatively affect investor sentiment, trade flows, and Kuwait's fiscal position, which could in turn have a material adverse effect on Kuwait's economy and financial condition.

***Kuwait's economy and growth could be affected by Kuwaiti political considerations***

Despite the country's social stability and prosperous living conditions, relations between the Government and the National Assembly have at times been contentious. Because all legislation must be approved by the National Assembly, measures requiring legislation proposed by the Council of Ministers can be delayed or blocked before being sent to His Highness the Amir for assent and ratification. See "*Overview of Kuwait—Legal and Judicial System*". Since 2005, the Assembly has been dissolved twelve times, most recently in February 2024, and in recent years several sessions have not lasted a full term.

On 10 May 2024, His Highness the Amir, pursuant to Article 71 of the Constitution, issued a decree dissolving the National Assembly and suspending certain provisions of the 1962 Constitution for a period of up to four years. In his public statement, His Highness described this measure as a transitional phase intended to enable a review of the democratic process and to address legislative gridlock. For the duration of the suspension, the Council of Ministers, in coordination with the Department of Legal Advice and Legislation, has assumed responsibility for drafting and evaluating laws, which continue to require final promulgation by His Highness the Amir.

Kuwait's constitutional and institutional framework otherwise remains in place. The judiciary, oversight bodies (including the State Audit Bureau and the Kuwait Anti-Corruption Authority) and all ministerial and regulatory authorities continue to operate under established laws.

Even if the suspension of the National Assembly is expected to streamline the legislative process and reduce certain regulatory or investment restrictions, there can be no assurance as to the timing, scope or outcome of any resulting reforms. Certain fiscal, economic and structural initiatives may be delayed, altered or not implemented as anticipated. Any such developments could have a material adverse effect on Kuwait's economy and growth, and, consequently, on the State's ability to meet its obligations under the Notes.

***A slowdown in the economies of Kuwait's key trading partners could adversely affect Kuwait's economy***

Kuwait has strong trading relationships with many countries, particularly major oil-importing economies, which represents most of Kuwait's export revenues and Government finances. Kuwait's leading crude oil and refined product export markets include China, South Korea, Japan and India, which together account for the majority of Kuwait's oil sales. While Kuwait's medium-grade crude is compatible with a broad range of refiners, it traditionally sells in markets that deliver the most favourable netback pricing after

transportation costs. A slowdown in any of these key demand centres could reduce appetite for Kuwaiti oil, forcing redirection of exports to alternative markets under less favourable terms and thereby reducing effective pricing.

In the non-oil sector, Kuwait maintains significant trading and investment relationships with Saudi Arabia, the United Arab Emirates, and the Republic of Iraq, which remain its principal destinations for non-oil exports. Non-oil exports accounted for just 5.84 per cent. of Kuwait's total exports in 2024, underscoring continued dependence on hydrocarbons.

Kuwait's economic outlook is also exposed to broader macroeconomic and policy risks. These include potential shifts in global tariff regimes, rising protectionist measures, and structural disruptions to supply chains. In addition, risks related to future global health crises or pandemics may adversely affect global energy demand, trade flows, and financial markets, with consequential effects on Kuwait's hydrocarbon revenues and broader economy.

Accordingly, any sustained market and economic downturn or geopolitical uncertainties in any of Kuwait's major trading partners, may exacerbate the risks relating to Kuwait's trade with those countries. If an economic downturn occurs in any of Kuwait's material trading partners, this may have a negative impact on Kuwait's foreign trade and balance of payments, which could have an adverse material effect on Kuwait's economic and financial condition and could affect Kuwait's ability to perform its obligations under the Notes.

***Kuwait is targeting an increase in its oil production capacity by 2040 and a failure to achieve this target may adversely affect its economy***

Kuwait has announced that it is investing as much as U.S.\$50 billion to increase its oil production capacity to greater than 3.0 million bpd by 2030, which is part of a longer-term plan to boost Kuwait's oil production capacity to 4.0 million bpd by 2040. See "*The Economy—Principal Sectors of the Economy—Oil and Gas*". Most of the increase in oil production capacity is expected to come from KOC projects, with total KOC capacity expected to reach 3.65 million bpd by 2035. Such projects are subject to the risks associated with exploration, development, construction and operation of oil production facilities. Approximately 0.5 million bpd in oil production capacity is expected to come from the PNZ, a province straddling the border of Kuwait and Saudi Arabia that contains large reserves of oil. Production in the PNZ was shut down in May 2015 as a result of certain procedural and technical discussions between Saudi Arabia and Kuwait, but production resumed over the course of 2020 following negotiations around the refurbishment of the existing facilities. In 2025, new oil reserves were discovered in the PNZ, which are estimated to produce more than 500 bpd. There can be no assurance, however, that increased production in the PNZ will meet expectations or that additional procedural and technical issues will not lead to another shutdown in oil production in the future.

***Kuwait faces inflation pressures that could affect the purchasing power of the Kuwaiti dinar and adversely affect Kuwait's economy***

Kuwait has faced relatively steady year-on-year inflation over the past five years, at 2.5 per cent., 3.4 per cent., 3.2 per cent., 4.3 per cent. and 2.6 per cent. for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively. See "*The Economy—Inflation*".

There can be no assurance that inflation will not increase in the future. In particular, strong domestic demand and/or an increase in global or regional economic activity that influences the prices of oil and external demand could cause an increase in inflation. Increases in unprocessed food prices may also increase inflation again in the future.

If inflation increases, or if inflation at current levels does not moderate, the Government may take action that could inhibit Kuwait's economic growth or prompt the CBK to adjust interest rates. In addition, inflation can result in greater market volatility by causing economic uncertainties and reduced consumption, GDP growth and consumer confidence. Inflation, measures to combat inflation and speculation about possible additional actions to combat inflation may lead to economic uncertainty and any of these factors could adversely impact Kuwait and its economy. Although the CBK has the ability to adjust the components of the Kuwaiti Dinar Basket against which the Kuwaiti dinar is pegged, there can be no assurance that the CBK will maintain the Kuwaiti Dinar Basket at its current level, which could lead to extended periods of high inflation, as well as further increases, and negatively affect confidence in the Kuwaiti economy.



***Investing in securities involving emerging markets countries, such as Kuwait, generally involves a higher degree of risk than investments in securities of issuers from more developed countries***

Investing in securities involving emerging markets countries, such as Kuwait, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. In the case of Kuwait, these higher risks include those discussed herein as well as higher volatility and limited liquidity in its markets, limited export diversification, dependency on imports, a heightened risk of sudden changes in the legal, economic and political environment, instability in neighbouring countries, a heightened risk of business dealings in jurisdictions with operating risks relating to fraud, bribery and corruption and lack of adequate infrastructure necessary to accelerate economic growth.

In addition, there can be no assurance that the market for securities bearing emerging market risk, such as the Notes, will not be affected negatively by events elsewhere, especially in emerging markets. International investors' reactions to events occurring in one emerging market country or region sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment consequently becomes out of favour with such investors. If such a "contagion" effect were to occur, the trading price of the Notes could be adversely affected by negative economic or financial developments in other emerging market countries, particularly in the MENA region, over which the Government has no control.

Further, the economies of emerging markets are more susceptible to influence by macroeconomic policy decisions of developed countries than other sovereign issuers. In particular, emerging market economies have in the past demonstrated sensitivity to periods of economic growth and interest rate movements of developed economies. Additionally, emerging markets may be particularly susceptible to disruptions in the capital markets and the reduced availability of credit, or the increased cost of debt, which could result in their experiencing financial difficulty. No assurance can be given that this will not be the case in the future for Kuwait.

As a consequence, an investment in the Notes carries risks that are not typically associated with investing in Notes issued by governments in more mature markets. These risks may be compounded by any incomplete, unreliable or unavailable economic and statistical data on Kuwait, including elements of information provided in this Base Offering Circular, see "*—The statistical data contained in this Base Offering Circular should be treated with caution by prospective investors*" below. Prospective investors should also note that emerging economies, such as that of Kuwait, are subject to rapid change and that the information set out in this Base Offering Circular may become outdated relatively quickly. Accordingly, prospective investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is suitable only for sophisticated investors who fully appreciate the significance of the risks involved.

***The statistical data contained in this Base Offering Circular should be treated with caution by prospective investors***

Statistics contained in this Base Offering Circular, including those in relation to nominal GDP, balance of payments, revenues and expenditure and indebtedness of the Government, have been obtained from a number of publicly available sources, including among others, the CSB, the CBK, the Public Authority for Civil Information and the Ministry of Finance. Such statistics and the component data on which they are based have been obtained from public sources and documents, but may not have been prepared in accordance with the standards of, or to the same degree of accuracy as, equivalent statistics produced by the relevant bodies in more developed countries. Investors may be able to obtain similar statistics from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source and there can be no assurance that the statistical data appearing in this Base Offering Circular are as accurate or as reliable as those published by other countries.

Kuwait's official financial and economic statistics are subject to review as part of a regular confirmation process. In addition, certain of the figures in this Base Offering Circular are provisional, such as GDP figures for the year ended 31 December 2024, which are subject to review and revision. Accordingly, financial and economic information may differ from previously published figures and may be subsequently adjusted or revised. No assurance can be given that material changes will not be made. Consequently, the statistical data contained in this Base Offering Circular should be treated with caution by prospective investors.

Finally, the information on the size of the assets under management by the Kuwait Investment Authority (the "KIA") is based on figures published by third-party public sources. The KIA is prohibited by law from publicly discussing the size of its holdings.

***Information on oil and gas reserves is based on estimates that have not been reviewed by an independent consultant for the purposes of this Base Offering Circular***

The information on oil and gas reserves contained in this Base Offering Circular is based on figures published in OPEC's 2025 Annual Statistical Bulletin (the "**OPEC 2025 Bulletin**"). Neither Kuwait nor the Arrangers have engaged an independent consultant or any other person to conduct a review of Kuwait's natural gas or crude oil reserves in connection with this Base Offering Circular. All reserve estimates presented herein are based on data collected and maintained by OPEC and may differ materially from actual figures and no assurance can be given that material changes will not be made. Furthermore, although based on scientifically backed procedures and research, reserves valuation is a process with an inherently subjective element for estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate depends on the quality and reliability of available data, engineering and geological interpretations and subjective professional judgement. Additionally, estimates may be revised based on subsequent results of drilling, testing and production. The proportion of reserves that can ultimately be produced, the rate of production and the costs of developing the fields are difficult to estimate and, therefore, the reserve estimates may differ materially from the ultimately recoverable quantities of crude oil and natural gas.

***The extensive production, processing, storage and shipping of hydrocarbons in Kuwait subjects it to risks associated with hazardous materials***

The sizeable oil and gas sector in Kuwait consists of both upstream and downstream activities that include the production, processing, storage and shipping of oil, natural gas, petrochemicals and other hydrocarbons in various physical states. Hydrocarbons, by their nature, are often hazardous materials which have the potential to harm or damage property, production facilities, people and the environment. A disaster involving hydrocarbons, such as an oil spill, could have a materially adverse effect on Kuwait's revenues or assets, either from direct losses, (such as the loss of export revenue), the loss of tax revenue or liability to third parties, or from indirect losses, such as unrecovered clean-up costs or unmitigated environmental damage. Although Kuwait has not experienced any significant disasters involving hydrocarbons since the Gulf War, it cannot guarantee that such an event will not occur in the future.

***Climate change concerns and impacts could reduce global demand for hydrocarbon and hydrocarbon-based products and could cause Kuwait to incur costs or invest additional capital***

Climate concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, lawsuits against energy companies, company net-zero ambitions and other commitments, investor pressure, fossil fuel divestment campaigns and other actions may reduce global demand for hydrocarbons and hydrocarbon-based products and propel a shift towards lower carbon intensity fossil fuels, such as gas, or alternative energy sources. Increasing pressure on governments, businesses, organisations and individuals to reduce greenhouse gas emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including international agreements to reduce emissions. For example, the Paris Agreement became effective in November 2016, and many countries that have ratified the Paris Agreement are adopting domestic measures to meet their goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. The UAE Consensus adopted at the 28th Conference of the Parties held in the United Arab Emirates includes an unprecedented reference to transitioning away from all fossil fuels in energy systems, in a just, orderly and equitable manner to enable the world to reach net zero emissions by 2050. The UAE Consensus also encourages parties to accelerate ambitious, economy-wide emission reduction targets in their next nationally determined contributions. The landscape of greenhouse gas emissions-related laws and regulations has been in a state of constant reassessment, and it is difficult to predict with certainty the ultimate impact greenhouse gas-related laws, regulations and international agreements will have on Kuwait's hydrocarbon industry. A reduction in demand for hydrocarbon and hydrocarbon-based products could have a material adverse effect on Kuwait's economy and its ability to perform its obligations under the Notes.

***The Kuwait legal system continues to develop and this may create an uncertain environment for investment and business activity***

Kuwait is in the process of developing governing institutions and legal and regulatory systems, which are not yet as firmly established as they are in Europe and the United States. Kuwait (together with other

countries in the GCC region) has enacted measures to promote greater efficiency and certainty within its legal and regulatory systems. See "*Overview of Kuwait—Legal and Judicial System*". Among those measures, Kuwait and countries within the GCC region have assumed obligations under the General Agreement on Tariffs and Trade (the GATT) (as administered by the World Trade Organisation (the "WTO")) and Kuwait has enacted legislation, *inter alia*, to extend foreign ownership of businesses. See "*The Economy—Economic Developments and Plans*". However, Kuwait may experience changes in its economy and Government policies (including, without limitation, policies relating to the continued extension of the rights of foreign ownership pursuant to Kuwait's GATT/WTO obligations) that may have a material adverse effect on Kuwait's economy and its ability to perform its obligations under the Notes.

The legal system in Kuwait may not provide the same degree of protection or require the levels of disclosure of information that would be the case in Europe or the United States. No assurance can be given that the Government will implement regulation or fiscal or monetary policies, including policies, regulations or new legal interpretations of existing regulations, relating to or affecting expropriation, nationalisation, taxation, interest rates or exchange controls, or otherwise take actions which could or may have a material adverse effect on the rights of Noteholders.

***Kuwait's credit ratings may change and any downgrade in ratings could adversely affect the value of the Notes***

Kuwait has been assigned the following credit ratings: A+/A-1 (stable outlook) long- and short-term by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), AA- (stable outlook) by Fitch Ratings, Ltd. ("**Fitch**") and A1 (stable outlook) by Moody's Deutschland GmbH ("**Moody's**").

Any future downgrade or withdrawal at any time of a credit rating assigned to Kuwait by any rating agency could have a material adverse effect on its cost of borrowing and could limit its access to debt capital markets. A downgrade may also adversely affect the market price of the Notes and cause trading in the Notes to become volatile.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Ratings may not reflect the potential impact of all risks related to structure, market, the risk factors discussed in this section and others that may affect the value of the Notes.

Kuwait cannot be certain that a credit rating will remain for any given period of time or that a credit rating will not be downgraded or withdrawn entirely, by the relevant rating agency if, in its judgement, circumstances in the future so warrant.

***Risks Related to Sovereign Funding and Liquidity Management***

Kuwait's fiscal position is primarily dependent on revenues from the oil and gas sector, and, in the event of a decline in such revenues, Kuwait may be required to finance budgetary needs through a combination of withdrawals from its sovereign wealth funds, domestic borrowing, and access to the international capital markets. Kuwait's principal source of readily available liquidity is the GRF, managed by the KIA. Although the GRF holds a range of domestic and foreign assets, a portion of these assets may be illiquid or otherwise not readily realisable in times of market stress.

Kuwait has recently resumed international borrowing following the enactment of Law No. 60 of 2025 (the Financing and Liquidity Law), which authorises the Government to raise debt for budgetary and liquidity purposes. While Kuwait has successfully completed issuances in the international markets, its experience in maintaining a sustained borrowing programme of significant size is limited, and there can be no assurance that market access will always be available on favourable terms, particularly during periods of heightened volatility in global financial markets or in the event of a deterioration in Kuwait's credit ratings.

Kuwait's liquidity management strategy also depends on the performance and investment returns of the funds managed by the KIA, which are subject to global market conditions, asset price fluctuations, and foreign exchange movements. Any material shortfall in expected transfers from the GRF, delays in the implementation of debt programmes, or inability to access funding on acceptable terms could adversely affect Kuwait's ability to meet its financing needs, which in turn could have a material adverse effect on its capacity to perform its obligations under the Notes.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

### **Risks related to the structure of a particular issue of Notes**

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

***Notes subject to optional redemption by the Issuer. If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner that achieves a similar effective return***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned***

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

***The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the European Union for example, Regulation (EU) No. 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the European Union, subject to certain transitional provisions. Similarly, the UK Benchmarks Regulation applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, if applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the EU Benchmarks Regulation or the UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined by a regulator to be "no longer

representative". Such factors could (among other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("€STR") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Conditions 5.3 (*Benchmark Discontinuation – Independent Adviser*) and 5.4 (*Benchmark Discontinuation – ARRC SOFR*)), or result in adverse consequences to holders of any Notes linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

***Interest rate "fallback" arrangements may lead to Notes performing differently or the effective application of a "fixed rate"***

If a relevant benchmark (including any page on which any such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a SOFR Benchmark Transition Event (each as defined in the Conditions), as applicable, occurs, the Conditions of the Notes provide for certain fallback arrangements. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), and that such Successor Rate or Alternative Rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although adjustments to the Notes may not achieve this objective.

Any such changes may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Notes. In certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***Methodologies for the calculation of risk-free rates (including overnight rates or forward looking rates) as reference rates for Floating Rate Notes may vary and may evolve***

"Risk-free" rates, such as €STR, the Secured Overnight Financing Rate ("SOFR") and the Sterling Overnight Index Average ("SONIA"), as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

The Issuer may in the future also issue Notes referencing €STR, SOFR, the SOFR Compounded Index, SONIA and/or the SONIA Compounded Index that differ materially in terms of interest determination when compared with any previous Notes issued by it under the Programme. Such variations could result in

reduced liquidity or increased volatility, or might otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, investors should consider how any mismatch between applicable conventions for the use of reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference €STR, SOFR, SONIA or any related indices.

***It is not possible to calculate interest rates in advance for Notes which reference €STR, SOFR, SONIA or any related indices***

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, in contrast to Notes referencing interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 10 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption. Prospective investors should consider these matters when making their investment decision with respect to any Notes.

***The administrator of €STR, SOFR, SONIA or any related index may make changes that could change the value of €STR, SOFR, SONIA or any related index or discontinue €STR, SOFR, SONIA or any related index***

Newer reference rates or any related indices and rates that fall outside the scope of the EU Benchmarks Regulation and the UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, the European Central Bank, the Federal Reserve Bank of New York or the Bank of England (or their successors) as administrators of €STR, SOFR (and the SOFR Compounded Index) or SONIA (and the SONIA Compounded Index), respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate and/or index is calculated, eligibility criteria applicable to the transactions used to calculate €STR, SOFR, SONIA, or timing related to the publication of €STR, SOFR, SONIA or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of €STR, SOFR, SONIA or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate and/or index.

**Risks related to the Notes generally**

Set out below is a description of material risks relating to the Notes generally:

***The Conditions contain provisions which permit their modification without the consent of all investors***

The Conditions contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolutions in writing or through the use of electronic consents without the need for a meeting. Such provisions are commonly referred to as "collective action clauses". These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the relevant written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

In addition, the Conditions permit "cross-series modifications" to be made to more than one series of debt securities, **provided that** each affected series of debt securities also contains a cross-series modification provision. The Issuer expects that all Series of Notes issued under the Programme will include such collective action clauses, thereby giving the Issuer the ability to request modifications or actions in respect of reserved matters across multiple Series of Notes.

Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the Conditions), such cross-series modification may be made to more than one series of debt securities with the approval of the applicable percentage of the aggregate nominal amount of the outstanding debt securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of debt securities. Any modification or actions relating to Reserved Matters (as defined in the Conditions), including in respect of payments and other important terms, may be made to a single Series of Notes with the consent of the holders of 75 per cent. of the aggregate nominal amount outstanding of such Notes, and to multiple Series of Notes with the consent of (a) the holders of at least 75 per cent. of the aggregate nominal amount outstanding of all Series or (b) both (i) the holders of at least 66.67 per cent. of the aggregate nominal amount outstanding of all Series and (ii) the holders of at least 50 per cent. in aggregate nominal amount outstanding of each Series of Notes being aggregated, all as further described in Condition 15 (*Meetings of Noteholders, Modification and Waiver*).

It is therefore possible that the Conditions may be modified in circumstances whereby the holders of debt securities voting in favour of or signing a written resolution in respect of a modification may be holders of different series of debt securities and, as such, the majority of Noteholders of the relevant Series would not necessarily have voted in favour of or signed a written resolution in respect of such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market and adversely affect the market value of the Notes in circumstances where such modification or a proposal for such modification is expected to be made by the Issuer.

The Conditions also provide that the Notes and such Conditions, subject to the prior written approval of the Issuer, be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement (as defined in the Conditions) may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

In the future, the Issuer may issue debt securities which contain collective action clauses in the same form as the collective action clauses in the Conditions. If this occurs, then this could mean that any Series of Notes issued under the Programme would be capable of aggregation with any such future debt securities.

***The value of the Notes could be adversely affected by a change in English law or administrative practice***

The Conditions are governed by English law in effect as at the date of this Base Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a nominal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Holders of Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Notes, receive payments in respect of Notes and vote at meetings of Noteholders***

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

***Transferability of the Notes may be limited under applicable securities laws***

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. Notes issued under the Programme may not be offered, sold or otherwise transferred in the United States other than to persons that are QIBs. Each purchaser of Notes will be deemed, by its acceptance of such Notes, to have made certain representations and agreements intended by the Issuer to restrict transfers of Notes as described under "*Subscription and Sale and Transfer and Selling Restrictions*". It is the obligation of each purchaser of Notes to ensure that its offers and sales of Notes comply with all applicable securities laws.

***The Conditions restrict the ability of an individual holder to declare an Event of Default, and permit a majority of holders to rescind a declaration of such a default***

The Notes contain a provision which, if an Event of Default occurs, allows the holders of at least 25 per cent. in aggregate nominal amount of the outstanding Notes to declare all the Notes to be immediately due and payable by providing notice in writing to the Issuer, whereupon the Notes shall become immediately due and payable, at their Early Redemption Amount (as defined in the Conditions) with accrued interest (if any), without further action or formality.

The Conditions also contain a provision permitting the holders of at least 50 per cent. in aggregate nominal amount of the outstanding Notes to notify the Issuer to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn. The Issuer shall give notice thereof to the Noteholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect.

***Risks related to the market generally***

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell their Notes***

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and investments in Notes may trade at a discount to their initial offering price depending on prevailing interest rates, market for similar securities, general economic conditions and the Issuer's financial condition. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes.



Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

***If an investor holds Notes which are not denominated in the investor's home currency, they will be exposed to movements in exchange rates adversely affecting the value of their holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes, as an equivalent investment issued at the current market interest rate may be more attractive to investors.

***Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes***

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Offering Circular.

## **Risks relating to enforcement**

### ***There is a risk that the Kuwait Courts will nonetheless assume jurisdiction***

The Programme Agreement, the Agency Agreement, the Deed of Covenant and the Notes and related documents (the "**Documents**") each contain, or incorporate by reference, a provision to the effect that disputes arising under the Documents will be referred to arbitration under the London Court of International Arbitration Rules (the "**LCIA Rules**").

Nevertheless, if a claim is brought before the courts of the State of Kuwait (the "**Kuwait Courts**"), the Kuwait Courts may still accept jurisdiction in any suit, action or proceedings in the situations identified in Articles 23, 24 and 26 of Kuwait Law No. 38 of 1980 (the Code of Civil and Commercial Procedure), as amended (the "**Code**"). These situations include: (a) where the defendant in the proceedings expressly or impliedly accepts the jurisdiction of the Kuwait Courts; (b) where the defendant is a citizen or resident of Kuwait or has a place of business or a chosen domicile in the State of Kuwait; or (c) if such legal proceedings relate to property (movable or immovable) located in Kuwait, an obligation is created, executed or required to be performed in Kuwait or a bankruptcy is declared in Kuwait.

There can therefore be no assurance that the Kuwait Courts will decline jurisdiction to adjudicate any dispute arising out of or in relation to the Documents, notwithstanding that the Documents provide that a London seated arbitration under the LCIA Rules is the exclusive forum before which disputes may be brought. The risk that the Kuwait Courts would assume jurisdiction on the proceedings is reduced, but not eliminated, in the event that: (a) the respondent to a claim raises timely procedural defences as regards the jurisdiction (see below); and (b) the existence of previous or simultaneous proceedings in, or res judicata judgments from, a competent jurisdiction outside Kuwait, on the subject matter and involving the same disputing parties.

Article 173 of the Code provides that the Kuwait Courts have no jurisdiction to hear disputes which have been validly agreed to be referred to arbitration, **provided that** the party raising the existence of an arbitration provision does so before taking any substantive steps in the proceedings, or any other act or omission which may be considered a waiver of the right to seek arbitration. The Kuwait Courts may not recognise or give effect to the choice of the laws of England (or in the case of Condition 3 (*Status of the Notes*) to govern the Documents, nor enforce a foreign judgment or foreign arbitral award to the extent that any of such laws, judgments or arbitral awards are found by the Kuwait Courts to be contrary to rules of public order or morality of Kuwait.

### ***Investors may experience difficulties in enforcing arbitration awards***

#### *Enforcement of Foreign Arbitral Awards*

The Documents provide that disputes arising thereunder will be referred to a London seated arbitration under the LCIA Rules. Holders of the Notes have agreed to only have recourse to arbitration in order to enforce their contractual rights under the Notes and should not have the right to bring proceedings relating to the Notes before the courts of England and Wales (or any other court jurisdiction).

Kuwait is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**"). A foreign arbitral award should be recognised and enforced in Kuwait (without re-trial or examination of the merits of the case) in accordance with the Code. Article 200 of the Code provides that foreign arbitral awards should be recognised and enforced under the same conditions (applied *mutatis mutandis* to foreign arbitral awards) as are applied in respect of the enforcement of foreign judgments under Article 199 of the Code (as detailed below). The foregoing is true, **provided that** the subject matter of the award is "arbitrable" under the laws of Kuwait and that the arbitral award must be enforceable in the jurisdiction where it was rendered. Unlike in relation to foreign judgements where reciprocal treatment is investigated on a case-by-case-basis or in reference to a bilateral or multi-lateral treaty between the rendering jurisdiction and Kuwait (of note is that Kuwait and the United Kingdom do not such have a treaty in place), the requirement to establish reciprocal enforcement under Article 199 of the Code with respect to the recognition and enforcement of arbitral awards issued in England is satisfied as the United Kingdom and Kuwait are both signatories to the New York Convention.

Article 199 of the Code requires that: (a) the courts of the jurisdiction by which the judgment was rendered must afford reciprocal treatment to judgments rendered in Kuwait; (b) the judgment must be rendered by a

competent authority according to the law of the jurisdiction in which it was rendered; (c) the parties must have been duly summoned to appear and were duly represented at the proceedings; (d) the judgment must be final and non-appealable (*res judicata*) according to the law of the jurisdiction in which it was rendered; (e) the judgment must not contradict any prior judgment rendered by the Kuwait Courts; and, finally (f) the judgment must not contain anything in conflict with the general morals or public order of Kuwait.

Furthermore, arbitral awards contrary to public policy are incapable of enforcement in the Kuwait Courts. While a conflict with a mandatory rule gives rise to a presumption that this would entail a conflict with Kuwaiti public policy, it is not necessarily enough for an arbitral award (or part thereof) to be contrary to a mandatory rule in the laws of Kuwait to be contrary to Kuwaiti public policy. In fact, Article 199(d) of the Code uses the language "public order or morals" which suggests an inherent inclination for the Kuwait Courts to view the concept from a strictly local perspective.

Only the Kuwait Courts, who will be the final arbiter on the matter, are capable of refusing the enforcement of a foreign arbitral award on grounds of public policy in the event they find an "apparent" violation of "public order or morals". There is not a large body of publicly available decided cases in which the practical implications of complying with Article 199 of the Code have been analysed in the context of enforcing foreign judgments or foreign arbitral awards.

The enforcement of a foreign arbitral award or foreign judgment in Kuwait requires the filing of an enforcement action in the Kuwait Courts to obtain a "writ of execution". Proceedings before the Kuwait Courts, including enforcement actions, can take a relatively long time before reaching a final and non-appealable judgment capable of execution.

#### *Immunity from enforcement actions in the Kuwait Courts*

Enforcement actions such as, but not limited to, precautionary or executive attachment or seizure orders on funds or assets located in Kuwait, are unlikely to be successful when brought before the Kuwait Courts in relation to such funds and assets held by the State of Kuwait despite a waiver of sovereign immunity. The laws of Kuwait (including Article 216 of the Code) provide for a mandatory rule (which is absolute and cannot be waived or contractually circumvented in respect of enforcement actions in Kuwait) precluding parties from taking enforcement actions vis-à-vis the funds or assets of the sovereign State of Kuwait.

As at the date of this Base Offering Circular, while there is no assurance that such practice will continue, the government of Kuwait has consistently, insofar compliant with the provisions of Articles 199 and 200 of the Code, voluntarily complied with payments mandated by final non-appealable judgments or arbitral awards.

#### *The insolvency regime in Kuwait is relatively untested with limited guidance as to how the legislative framework will be applied in practice by the Kuwait Courts*

The insolvency regime in Kuwait is relatively untested with limited guidance as to how the legislative framework will be applied in practice by the Kuwaiti Courts. Notwithstanding that the provisions of the Documents relating to the ranking of payment obligations are expressed to be governed by English law, in the event of a Kuwait party's insolvency or a bankruptcy action brought or overseen in Kuwait in relation to the Notes where the Kuwait Courts assume jurisdiction, the Kuwait bankruptcy law implemented through Law No. 71 of 2020 (the "**Bankruptcy Law**") may apply. This may adversely affect the full enforcement of those rights and obligations under the Documents which contractually coordinate an insolvency (e.g., order and ranking) and challenging the jurisdiction of the Kuwait Courts or obtaining a final bankruptcy judgment in Kuwait may take several years. Given the relatively untested nature of the Bankruptcy Law and the lack of precedent relating to how sovereign bankruptcies are handled by the Kuwait Courts, it is difficult to predict how any claims by holders of the Notes against the Issuer would be resolved under the Bankruptcy Law (in case it is applicable) and, therefore, there can be no assurance that holders of the Notes will receive payment of their claims in full or at all in these circumstances.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act.

### **Bearer Notes**

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, each a "**Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Notes issued pursuant to TEFRA D must be initially represented by a Temporary Bearer Global Note.

While any Bearer Global Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, **provided that** purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

The option for an issue of Bearer Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes should not be expressed to be applicable in the applicable Pricing Supplement if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 10 (*Events of Default*)) has occurred and the Notes have become due and payable; and (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying

Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes), interest coupons and talons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986".

The sections referred to provide that U.S. holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, interest coupons or talons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

### **Registered Notes**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**").

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, each a "**Registered Global Note**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**") or (ii) be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form and in the case of Regulation S Global Notes, outside the United States and its possessions.

The Registered Global Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will be made to the person shown on the Register (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrars will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and the Notes have become due and payable, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and no

alternative clearing system is available or (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

### **Transfer of Interests**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale and Transfer and Selling Restrictions*".**

### **General**

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued on terms that it will from a date after its date of issue form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a FISN, CFI code, CUSIP number and CINS number which are different from the common code, ISIN, FISN, CFI code, CUSIP number and CINS number assigned to Notes of any other Tranche of the same Series until such time as the two Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (as amended and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 29 September 2025 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

## APPLICABLE PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.*

**[Prohibition of Sales to EEA retail investors –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[Prohibition of Sales to UK retail investors –** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[MiFID II product governance / Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any [person subsequently offering, selling or recommending the Notes (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") – [Notice to be included if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA.]]<sup>1</sup>

[Date]

**THE STATE OF KUWAIT  
ACTING THROUGH THE MINISTRY OF FINANCE**

**Legal entity identifier (LEI): 549300FSC1YD0D9XX589**

**Issue of [Aggregate Nominal Amount of Tranche][Title of Notes]  
under the  
Global Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Offering Circular dated 29 September 2025 [and the supplement[s] to it dated [ ] [and [ ]]] ([together,] the "**Base Offering Circular**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Offering Circular in order to obtain all the relevant information. The Base Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

- |  |   |
|--|---|
| Issuer:  | State of Kuwait, acting through the Ministry of Finance   |
| <br>   |   |
| 1. (a) Series Number:  | [ ]   |
| (b) Tranche Number:  | [ ]   |
| (c) Date on which the Notes will be consolidated and form a single Series:   | [The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/[the date that is 40 days after the Issue Date]/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph 20 below, which is expected to occur on or about [ ]]/[Not Applicable] |
| <br>   |   |
| 2. Specified Currency or Currencies:   | [ ]   |
| <br>   |   |
| 3. Aggregate Nominal Amount:   |   |
| (a) Series Number:   | [ ]   |
| (b) Tranche Number:  | [ ]   |
| <br>   |   |
| 4. Issue Price:  | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]  |
| <br>   |   |
| 5. (a) Specified Denominations:  | [ ]   |
| (b) Calculation Amount (in relation to calculation of interest in relation to Notes in global form or Registered definitive form, see Conditions): | [ ]   |

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<sup>1</sup> Legend to be included on front of the Pricing Supplement if the Notes (i) are being sold into Singapore; and (ii) do not constitute prescribed capital markets products as defined under the CMP Regulations 2018.



6. (a) Issue Date: [   ]
- (b) Interest Commencement Date: [   ]/[Issue Date/Not Applicable]
7. Maturity Date: [   ]/[Interest Payment Date falling in or nearest to  
[   ]]
8. Interest Basis: [[] per cent. Fixed Rate]
- [ [   ] ] +/- [   ] per cent. Floating Rate]
- [Zero Coupon]
- (see further particulars specified below)
9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[]/[100]] per cent. of their nominal amount
10. Change of Interest Basis: []/[Not Applicable]
11. Put/Call Options: [Investor Put]
- [Issuer Call]
- [(see further particulars specified below)]
- [Not Applicable]
12. (a) Status of the Notes: Senior
- (b) Date approval for issuance of Notes obtained: [   ]

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (a) Rate(s) of Interest: [   ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[   ] in each year up to and including the Maturity Date]
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form or Registered definitive form, see Conditions): [   ] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form or Registered definitive form, see Conditions): [   ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [   ]/[Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[   ] in each year]/[Not Applicable]

14. Floating Rate Note Provisions [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): [ ]
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (the "**Calculation Agent**"): [ ]/[Principal Paying Agent]
- (f) Screen Rate Determination not referencing €STR, SOFR or SONIA: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [[ ] month EURIBOR]/[ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Specified Time: [ ]
- (g) Screen Rate Determination referencing €STR, SOFR or SONIA: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [€STR/SOFR/SONIA]
  - Interest Determination Date(s): [[ ]/The date falling [ ] Business Days prior to the first day of each Interest Period/First day of each Interest Period/The [ ]*[first, second, third etc.]* Business Day immediately preceding the Interest Payment Date for each Interest Period (or immediately preceding such earlier date, if any, on which the Notes are due and payable).]*[provide details]*/The Interest Payment Date at the end of each Interest Period; **provided that** the Interest Determination Date with respect to the last Interest Period prior to the Maturity Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only]*
  - Relevant Screen Page: [ ]/[€STR Administrator's Website]/[SOFR Administrator's Website]/[Bloomberg Page SONIO/N Index]

- Index Determination: [Applicable/Not Applicable]
- Calculation Method: [Compounded Daily/Weighted Average/SOFR  
Compounded Index/SONIA Compounded Index]
- Observation Method: [Lag/Lock-out/Observation Shift/Payment  
Delay/Not Applicable]  
  
*(Insert only if Index Determination is "Not Applicable". Otherwise specify "Not Applicable".)*
- Observation Lookback Period: [    ]/[Not Applicable]  
  
*(Insert only if Index Determination is "Not Applicable". Otherwise specify "Not Applicable".)*
- Effective Interest Payment Date: [The date falling [ ] Business Days following each Interest Payment Date, **provided that** the Effective Interest Payment Date with respect to the last Applicable Period will be the Maturity Date or, if the Issuer elects to redeem the Notes before the Maturity Date, the date fixed for redemption – *used for Payment Delay only*]/[Not Applicable]
- Rate Cut-off Date: [The date falling [ ] Business Days prior to the Maturity Date or the date fixed for redemption, as applicable – *used for Payment Delay only*]/[Not Applicable]
- Relevant Decimal Place: [ ] [5/7]  
  
*(Unless otherwise specified, the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)*
- Relevant Number: [Insert number being [two] or greater/Not Applicable]
- D: [365/360/[    ]]
- (h) ISDA Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
- Floating Rate Option: [    ]  
  
*(The Floating Rate Option should be selected from one of: CHF-SARON / EUREURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the Conditions)*
- Designated Maturity: [    ]/[Not Applicable]

*(Designated Maturity will not be relevant where the Floating Rate Option is a risk-free rate)*

- Reset Date: [ ]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(b)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Compounding Method: [Compounding with Lookback
    - Lookback: [ ] Applicable Business Days
  - [Compounding with Observation Period Shift
    - Observation Period Shift: [ ] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [[ ] / Not Applicable]]
  - [Compounding with Lockout
    - Lockout: [ ] Lockout Period Business Days
    - Lockout Period Business Days: [[ ] /Applicable Business Days]]
- Averaging [Applicable/Not Applicable]] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Averaging Method: [Averaging with Lookback
    - Lookback: [ ] Applicable Business Days
  - [Averaging with Observation Period Shift
    - Observation Period Shift: [ ] Observation Period Shift Business Days
    - Observation Period Shift Additional Business Days: [[ ] /Not Applicable]]
  - [Averaging with Lockout
    - Lockout: [ ] Lockout Period Business Days
    - Lockout Period Business Days: [[ ] /Applicable Business Days]]
- Index Provisions: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
  - Index Method: Compounded Index Method with Observation Period Shift

- Observation Period Shift: ☐ Observation Period Shift Business Days
  - Observation Period Shift Additional Business Days: ☐ / Not Applicable]
- (i) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (j) Margin(s): [+/-] [ ] per cent. per annum
- (k) Minimum Rate of Interest: [[ ] per cent. per annum] / [The Minimum Rate of Interest shall not be less than zero per cent. per annum]
- (Sales to Retail EEA and UK investors to be prohibited if this is anything other than zero and floor of zero must be specified where SOFR is the reference rate)*
- (l) Maximum Rate of Interest: [[ ] per cent. per annum / Not Applicable]
- (Sales to Retail EEA and UK investors to be prohibited if this applies)*
- (m) Day Count Fraction: [[Actual/Actual (ISDA)][Actual/Actual]
- [Actual/365 (Fixed)]
- [Actual/365 (Sterling)]
- [Actual/360]
- [30/360][360/360][Bond Basis]
- [30E/360][Eurobond Basis]
- [30E/360 (ISDA)]
15. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
- [Actual/360]
- [Actual/365]

## PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [[ ] per Calculation Amount]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ] per Calculation Amount

- (ii) Maximum Redemption Amount: [ ] per Calculation Amount
- (d) Notice period: Minimum period: [15] days  
Maximum period: [30] days
17. Investor Put: [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount: [[ ] per Calculation Amount]
- (c) Notice periods: Minimum period: [15] days  
Maximum period: [30] days
18. Final Redemption Amount: [ ] per Calculation Amount
19. Early Redemption Amount: [ ] per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: [Bearer Notes:]
- [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Bearer Notes upon an Exchange Event]
- [Temporary Bearer Global Note exchangeable for definitive Bearer Notes on and after the Exchange Date]
- [Permanent Bearer Global Note exchangeable for definitive Bearer Notes upon an Exchange Event]
- [Registered Notes:]
- [Regulation S Global Note registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] which is exchangeable for definitive Registered Notes upon an Exchange Event]
- [Rule 144A Global Note registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] which is exchangeable for definitive Registered Notes upon an Exchange Event]
21. Additional Financial Centre(s): [Not Applicable/give details]
22. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

#### **23. THIRD PARTY INFORMATION**

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the State of Kuwait, acting through the Ministry of Finance (*represented by Kuwait Investment Authority*):

By: .....  
*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING AND ADMISSION TO TRADING**

- (a) Listing and Admission to trading: [Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and to be listed on the official list of the United Kingdom Financial Conduct Authority with effect from [ ].] [Not Applicable.]
- (b) Estimate of total expenses related to admission to trading: [ ]

### **2. RATINGS**

- Ratings: The Notes to be issued have been rated:
- [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [S&P Global Ratings Europe Limited: [A+].]
- [Fitch Ratings Limited: [AA-].]

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealer] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business, for which they may receive fees.]

### **4. [YIELD (FIXED RATE NOTES ONLY)]**

- Indication of yield: [ ] per cent.
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### **5. OPERATIONAL INFORMATION**

- (a) ISIN: [ ]
- (b) Common Code: [ ]
- (c) CUSIP: [ ]
- (d) CINS: [ ]
- (e) CFI: [See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (f) FISN: [See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the



- responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (g) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable]/ [ ]
- (h) Delivery: Delivery [against/free of] payment
- (i) Names and addresses of additional Paying Agent(s) (if any): [ ]
6. **DISTRIBUTION**
- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable]/ [ ]
- (c) Date of Subscription Agreement: [ ]
- (d) Stabilisation Manager(s) (if any): [Not Applicable]/ [ ]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable]/ [ ]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category 1; Rule 144A; TEFRA D/TEFRA C/TEFRA not applicable]<sup>2</sup>
- (g) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
- (h) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]

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<sup>2</sup> *In relation to Notes issued in reliance on Rule 144A, consider whether any additional disclosures are required: (i) in relation to U.S. Federal Income Taxation (see "Taxation - U.S. Federal Income Taxation).*

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement" for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by the State of Kuwait, acting through the Ministry of Finance (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and
- (d) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 29 September 2025 (as further amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, HSBC Bank USA, National Association as paying agent in respect of the Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") (the "**U.S. Paying Agent**", which expression shall include any successor paying agent), registrar in respect of the DTC Notes (the "**U.S. Registrar**", which expression shall include any successor registrar) and transfer agent in respect of the DTC Notes (the "**U.S. Transfer Agent**", which expression shall include any successor transfer agent), HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent and the U.S. Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), HSBC Bank plc as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent), HSBC Bank plc as registrar (the "**Registrar**" and, together with the U.S. Registrar, the "**Registrars**", which expression shall include any successor registrars) and HSBC Bank plc as transfer agent (together with the Registrars and the U.S. Transfer Agent, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents). The Principal Paying Agent, the Exchange Agent, the Transfer Agents, the Paying Agents, the calculation agent (if any is specified in the applicable Pricing Supplement, the Issuer will appoint a calculation agent with respect to a Series (the "**Calculation Agent**", which expression shall include any successor calculation agent)) and the Registrars are together referred to as the "**Agents**".

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") in the case of Bearer Notes which, when issued in definitive form, have more than 27 interest payments remaining and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Registered Notes and Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note which complete these terms and conditions (the "**Conditions**"). References to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided

below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of a deed of covenant (as amended and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 29 September 2025 and made by the Issuer. The original of the Deed of Covenant shall be deposited with and held by the Principal Paying Agent.

Copies of the Agency Agreement (including the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons) and the Deed of Covenant (i) are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent). Copies of the applicable Pricing Supplement will be published on the website of the London Stock Exchange plc through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, are entitled to the benefit of and are bound by, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. Certain statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## 1. **FORM, DENOMINATION AND TITLE**

The Notes are in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes, in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be

treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Notes represented by a global note ("**Bearer Global Notes**") or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that, in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

## 2. **TRANSFERS OF REGISTERED NOTES**

### 2.1 **Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Notes represented by a global note ("**Registered Global Notes**") will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### 2.2 **Transfers of Registered Notes in definitive form**

Subject as provided in Conditions 2.1 (*Transfers of interests in Registered Global Notes*) and 2.5 (*Transfers of interests in Legended Notes*), upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrars may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within ten business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant

part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 **Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### 2.4 **Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.5 **Transfers of interests in Legended Notes**

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate from the transferor to the effect that such transfer is being made in accordance with Regulation S; or
- (b) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
- (c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

### 2.6 **Definitions**

In this Condition 2.6, the following expressions shall have the following meanings:

**"Legended Note"** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **"Legend"**);

**"QIB"** means a "qualified institutional buyer" within the meaning of Rule 144A;

**"Regulation S"** means Regulation S under the Securities Act;

**"Regulation S Global Note"** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**"Rule 144A"** means Rule 144A under the Securities Act;

**"Rule 144A Global Note"** means a Registered Global Note representing Notes sold in the United States or to QIBs; and

**"Securities Act"** means the United States Securities Act of 1933, as amended.

3. **STATUS OF THE NOTES**

The Notes and any relative Coupons constitute (subject to Condition 4 (*Negative Pledge*)) direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and, subject to Condition 4 (*Negative Pledge*), at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding, **provided, further, that** the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other obligations and, in particular, shall have no obligation to pay such other obligations at the same time or as a condition of paying sums due on the Notes and *vice versa*.

4. **NEGATIVE PLEDGE**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer will not create, incur, assume or permit to arise or subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues to secure any Public External Indebtedness of the Issuer or any Guarantee by the Issuer of Public External Indebtedness of any other person unless, at the same time or prior thereto, the obligations of the Issuer under the Notes are secured equally and rateably therewith or have the benefit of such other arrangements as may be approved by an Extraordinary Resolution (as defined below) of the Noteholders.

For the avoidance of doubt, any right or obligation granted directly or indirectly to holders of *sukuk* representing the credit of the State of Kuwait or in respect of any other *Shariah*-compliant financing, offering of certificates or other similar instruments (including, but not limited to, a *Shariah*-compliant sale and Ijara (lease) financing) or by any other mechanism provided for and implemented in accordance with the applicable laws and regulations having an analogous effect (and howsoever documented) shall not of itself comprise a Security Interest or Guarantee or indemnity for the purposes of this Condition 4 (*Negative Pledge*).

In these Conditions:

**"External Indebtedness"** means all obligations, and Guarantees in respect of obligations, for money borrowed or raised, including *Shariah*-compliant financing, which is denominated or payable, or which at the option of the relevant creditor or holder thereof may be payable, in a currency other than the lawful currency of the Issuer;

**"Guarantee"** means, in relation to any indebtedness of any person, any obligation of another person to pay such indebtedness, including (without limitation): (a) any obligation to purchase such indebtedness; (b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness; (c) any indemnity against the consequences of a default in the payment of such indebtedness; and (d) any other agreement to be responsible for such indebtedness or other like obligation;

**"Permitted Security Interest"** means:

- (a) any Security Interest upon property or assets incurred for the purpose of financing the acquisition or construction, improvement or repair of such property or asset or any renewal or extension of any such Security Interest, which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (b) any Security Interest existing on any property or asset at the time of its acquisition and any renewal or extension of any such Security Interest which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;

- (c) any Security Interest in existence on 29 September 2025;
- (d) any Security Interest arising in the ordinary course of banking transactions and securing the Public External Indebtedness of the Issuer maturing not more than one year after the date on which it is originally incurred;
- (e) any Security Interest arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;
- (f) any Security Interest incurred for the purpose of financing all or part of the costs of the acquisition, construction, development, improvement, repair or expansion of any project (including costs such as escalation, interest during construction and financing and refinancing costs); **provided that** the property over which such Security Interest is granted consists solely of the property, assets or revenues of such project (including, without limitation, royalties and other similar payments accruing to the State of Kuwait generated by the relevant project); and
- (g) any Security Interest arising in connection with the incurrence of Public External Indebtedness as part of a Securitisation or any renewal or extension thereof;

**"person"** means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or any other juridical entity, including, without limitation, a public sector instrumentality, whether or not having separate legal personality;

**"Public External Indebtedness"** means External Indebtedness that is in the form of, or represented by, any bond, debenture, note or other similar instrument and as of the date of its issue is, or is capable of being, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

**"public sector instrumentality"** means any department, ministry or agency of a state or any corporation, trust, financial institution or other entity controlled by such state;

**"Securitisation"** means any securitisation (*Shari'ah*-compliant or otherwise) of existing or future assets and/or revenues, **provided that:** (a) any Security Interest given by the Issuer in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (b) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (c) there is no other recourse to the Issuer in respect of any default by any person under the securitisation; and

**"Security Interest"** means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance securing any obligation of any person or any other type of arrangement having a similar effect over any assets or revenues of any person.

## 5. INTEREST

### 5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are Bearer Notes in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes; or
- (b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1 (*Interest on Fixed Rate Notes*):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Calculation Amount**" means the amount specified as such in the applicable Pricing Supplement;



**"Determination Period"** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**"sub-unit"** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 5.2 Interest on Floating Rate Notes

### (a) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **"Interest Payment Date"**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **"Interest Period"** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (C) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (b) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means:

- (1) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;
- (2) if "T2" is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system ("**T2**") is open; and
- (3) either (x) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (y) in relation to any sum payable in euro, a day on which T2 is open.

(b) **Rate of Interest**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) *ISDA Determination for Floating Rate Notes*

Where "ISDA Determination" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(A) For the purposes of this sub-paragraph (i):

"**2006 ISDA Definitions**" means the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

"**2021 ISDA Definitions**" means the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of the Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" means either the 2006 ISDA Definitions or the 2021 ISDA Definitions (as specified in the applicable Pricing Supplement), as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series and published by the International Swaps and Derivatives Association, Inc.; and

"**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions (**provided that** in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any

reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
  - (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
  - (3) the relevant Reset Date, unless otherwise specified in the applicable Pricing Supplement, has the meaning given to it in the ISDA Definitions.
- (B) If the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the applicable Pricing Supplement and:
- (1) if Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Pricing Supplement;
  - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Pricing Supplement and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Pricing Supplement; or
  - (3) if Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement.
- (C) If the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the applicable Pricing Supplement and:
- (1) if Averaging with Lookback is specified as the Averaging Method in the applicable Pricing Supplement then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Pricing Supplement;
  - (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the applicable Pricing Supplement then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Pricing Supplement and (c) Observation Period Shift

Additional Business Days, if applicable, are the days specified in the applicable Pricing Supplement; or

- (3) if Averaging with Lockout is specified as the Averaging Method in the applicable Pricing Supplement then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement.
  - (D) If the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the applicable Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Pricing Supplement.
  - (E) If the specified Floating Rate Option is EUR-EURIBOR or EUR-EURIBOR Reuters and an Index Cessation Event occurs the Applicable Fallback Rate will be determined as if the Fallback Observation Day in respect of a Reset Date and the relevant Interest Period was five Business Days preceding the related Interest Payment Date.
  - (F) References in the ISDA Definitions to:
    - (1) **"Confirmation"** shall be references to the applicable Pricing Supplement;
    - (2) **"Calculation Period"** shall be references to the relevant Interest Period;
    - (3) **"Termination Date"** shall be references to the Maturity Date;
    - (4) **"Effective Date"** shall be references to the Interest Commencement Date; and
  - (G) if the Pricing Supplement specify "2021 ISDA Definitions" as being applicable:
    - (1) **"Administrator/Benchmark Event"** shall be disapplied; and
    - (2) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
  - (H) Unless otherwise defined capitalised terms used in this Condition 5.2(b)(i) shall have the meaning ascribed to them in the ISDA Definitions.
- (ii) *Screen Rate Determination for Floating Rate Notes not referencing €STR, SOFR or SONIA*

Where "Screen Rate Determination not referencing €STR, SOFR or SONIA" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable

Pricing Supplement is not €STR, SOFR or SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time (as specified in the applicable Pricing Supplement) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

If, on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the principal financial centre of the country of the Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the principal financial centre of the country of the Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), **provided that**, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this

Condition 5.2(b)(ii), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

If the Rate of Interest cannot be determined because of the occurrence of a Benchmark Event, the Rate of Interest shall be calculated in accordance with the terms of Condition 5.3 (*Benchmark Discontinuation – Independent Adviser*) below.

In this Condition 5.2(b)(ii), the expression Reference Banks means four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

(iii) *Screen Rate Determination for Notes referencing €STR, SOFR or SONIA – Non-Index Determination*

Where "Screen Rate Determination referencing €STR, SOFR or SONIA" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Reference Rate specified in the applicable Pricing Supplement is €STR, SOFR or SONIA and "Index Determination" is specified as being "Not Applicable" in the applicable Pricing Supplement:

- (A) Where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Pricing Supplement as being "Compounded Daily", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) all as determined by the Calculation Agent where:

**"Compounded Daily Reference Rate"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Pricing Supplement and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the Relevant Decimal Place:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

- (B) Where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Pricing Supplement as being "Weighted Average", the Rate of Interest for each Interest Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), as determined by the Calculation Agent, as applicable, on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (C) Where "€STR" is specified as the Reference Rate in the applicable Pricing Supplement, subject to Condition 5.3 (*Benchmark Discontinuation – Independent Adviser*), if, in respect of any Business Day, the Calculation Agent (or such other party responsible for the

calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the €STR does not appear on the Relevant Screen Page (and is not otherwise published by the relevant authorised distributors), such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published by the €STR Administrator on the €STR Administrator's Website, as determined by the Calculation Agent ("r" shall be interpreted accordingly).

- (D) Where "SOFR" is specified as the Reference Rate in the applicable Pricing Supplement, subject to Condition 5.4 (*Benchmark Discontinuation – ARRC SOFR*), if, in respect of any Business Day, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the SOFR does not appear on the Relevant Screen Page (and is not otherwise published by the relevant authorised distributors), such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the SOFR Administrator's Website (and "r" shall be interpreted accordingly).
- (E) Where "SONIA" is specified as the Reference Rate in the applicable Pricing Supplement, subject to Condition 5.3 (*Benchmark Discontinuation – Independent Adviser*), if, in respect of any Business Day, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the SOFR does not appear on the Relevant Screen Page (and is not otherwise published by the relevant authorised distributors) SONIA is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:

- (1)
  - (i) the Bank of England's Bank rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (ii) the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- (2) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, (i) the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors); or (ii) if this is more recent, the latest determined rate under paragraph (1) above,

and in each case, "r" shall be interpreted accordingly.

- (F) If "Payment Delay" is specified in the applicable Pricing Supplement as being applicable, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as references to interest on the Notes being payable on an Effective Interest Payment Date instead.
- (G) In the event that the Rate of Interest for the relevant Interest Period cannot be determined in accordance with the foregoing provisions, subject to Condition 5.3 (*Benchmark Discontinuation – Independent*

*Adviser*) and Condition 5.4 (*Benchmark Discontinuation – ARRC SOFR*), as applicable, the Rate of Interest for such Interest Period shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, then the initial Rate of Interest that would have been applicable to the relevant Notes for the first Interest Period had such Notes been in issue for a period equal in duration to their first Interest Period but ending on (and excluding) the applicable Interest Commencement Date (and applying the Margin and, if applicable any Maximum Rate of Interest or Minimum Rate of Interest applicable to such first Interest Period).

- (H) If the relevant Series of Notes becomes due and payable in accordance with Condition 10 (*Events of Default*) and Condition 7 (*Redemption and Purchase*), the last Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

- (I) For the purposes of this Condition 5.2(b)(iii):

"**€STR**" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the €STR Administrator on the €STR Administrator's Website (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Business Day immediately following such Business Day in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator;

"**€STR Administrator**" means the European Central Bank (or any successor administrator of €STR);

"**€STR Administrator's Website**" means as the website of the European Central Bank or any successor source;

"**Applicable Period**" means,

- (1) where "**Lag**", "**Lock-out**" or "**Payment Delay**" is specified as the Observation Method in the applicable Pricing Supplement, the relevant Interest Period; and
- (2) where "**Observation Shift**" is specified as the Observation Method in the applicable Pricing Supplement, the Observation Period relating to such Interest Period;

"**Business Day**" means,

- (1) where "**SONIA**" is specified as the Reference Rate in the applicable Pricing Supplement, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;



- (2) where "SOFR" is specified as the Reference Rate in the applicable Pricing Supplement, any day which is a U.S. Government Securities Business Day; and
- (3) where "€STR" is specified as the Reference Rate in the applicable Pricing Supplement, a day on which T2 is open for settlements of payments in euro;

**"D"** means the number specified as such in the applicable Pricing Supplement;

**"d"** means, in relation to any Applicable Period, the number of calendar days in such Applicable Period;

**"d<sub>o</sub>"** means, in relation to any Applicable Period, the number of Business Days in such Applicable Period;

**"Effective Interest Payment Date"** means any date or dates specified as such in the applicable Pricing Supplement;

**"i"** means, for the relevant Applicable Period, a series of whole numbers from one to d<sub>o</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

**"Lock-out Period"** means the period from, and including, the day following the Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

**"n<sub>i</sub>"**, for any Business Day "i" in the Applicable Period, means the number of calendar days from, and including, such Business Day "i" up to but excluding the following Business Day;

**"Observation Look-back Period"** has the meaning given in the applicable Pricing Supplement;

**"Observation Period"** means, in respect of the relevant Interest Period, the period from, and including, the date falling "p" Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**"p"** means, for any Interest Period:

- (1) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the applicable Pricing Supplement (which shall not be less than five Business Days without the consent of the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement));
- (2) where "Lock-out" or "Payment Delay" is specified as the Observation Method in the applicable Pricing Supplement, zero; and
- (3) where "Observation Shift" is specified as the Observation Method in the applicable Pricing Supplement, the number of Business Days included in the Observation Look-back Period

specified in the applicable Pricing Supplement (which shall not be less than five Business Days without the consent of the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement));

"r" means:

- (1) where in the applicable Pricing Supplement "SONIA" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- (2) where in the applicable Pricing Supplement "SOFR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- (3) where in the applicable Pricing Supplement "€STR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day;
- (4) where in the applicable Pricing Supplement "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (i) in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (5) where in the applicable Pricing Supplement "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (i) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (6) where in the applicable Pricing Supplement "€STR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (i) in respect of any Business Day "i" that is a Reference Day, the €STR in respect of the Business Day immediately preceding such Reference Day, and

- (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the €STR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (7) where in the applicable Pricing Supplement "SONIA" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day, **provided however that**, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date;
- (8) where in the applicable Pricing Supplement "SOFR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day, **provided however that**, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SOFR in respect of the Rate Cut-off Date; and
- (9) where in the applicable Pricing Supplement "€STR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day, **provided however that**, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the €STR in respect of the Rate Cut-off Date;

"**Rate Cut-off Date**" has the meaning given in the applicable Pricing Supplement;

"**Reference Day**" means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

"**Relevant Decimal Place**" shall be: (i) the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards) where the "SOFR" is specified as the Reference Rate in the applicable Pricing Supplement; and (ii) the fourth decimal place, rounded up or down, if necessary (with 0.00005 being rounded upwards) where the "SONIA" or "€STR" is specified as the Reference Rate in the applicable Pricing Supplement;

"**r<sub>i-pBD</sub>**" means the applicable Reference Rate as set out in the definition of "r" above for, (i) where, in the applicable Pricing Supplement, "Lag" is specified as the Observation Method, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, (ii) otherwise, the relevant Business Day "i";

"**SOFR**" means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the SOFR Administrator on the SOFR Administrator's Website, in each case on or

about 5.00 p.m. (New York City Time) on the Business Day immediately following such Business Day;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source;

**"SONIA"** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day;

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**"Weighted Average Reference Rate"** means:

- (1) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and
  - (2) where "Lock-out" is specified as the Observation Method in the applicable Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, **provided however that** for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.
- (iv) *Screen Rate Determination for Notes referencing €STR, SOFR or SONIA – Index Determination*
- (A) Where "Screen Rate Determination referencing €STR, SOFR or SONIA" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Reference Rate specified in

the applicable Pricing Supplement is €STR, SOFR or SONIA and "Index Determination" is specified as being "Applicable" in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent and the resulting percentage will be rounded to the Relevant Decimal Place, where:

**"Compounded Index"** means either (i) the SONIA Compounded Index where the "SONIA Compounded Index" is specified as the Calculation Method in the applicable Pricing Supplement or (ii) the SOFR Compounded Index where the "SOFR Compounded Index" is specified as the Calculation Method in the applicable Pricing Supplement;

**"Compounded Index End"** means the relevant Compounded Index value on the End date;

**"Compounded Index Start"** means the relevant Compounded Index value on the Start date;

**"d"** is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

**"End"** means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**"Index Days"** means, in the case of the SONIA Compounded Index, any days on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

**"Numerator"** means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

**"Relevant Decimal Place"** shall, unless otherwise specified in the applicable Pricing Supplement, be: (i) the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards) where the "SOFR Compounded Index" is specified as the Calculation Method in the applicable Pricing Supplement; and (ii) the fourth decimal place, rounded up or down, if necessary (with 0.00005 being rounded upwards) where the "SONIA Compounded Index" is specified as the Calculation Method in the applicable Pricing Supplement;

**"Relevant Number"** is as specified in the applicable Pricing Supplement but, unless otherwise specified shall be five;

**"SOFR Compounded Index"** means the Compounded SOFR rate as published at 15:00 (New York time) by the Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"Start"** means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period; and

**"U.S. Government Securities Business Day"** has the meaning given to in Condition 5.2(b)(iii) (*Screen Rate Determination for Floating Rate Notes referencing €STR, SOFR or SONIA – Non-Index Determination*).

- (B) If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, subject to Condition 5.3 (*Benchmark Discontinuation – Independent Adviser*) and Condition 5.4 (*Benchmark Discontinuation – ARRC SOFR*), as applicable, then the Calculation Agent shall calculate the Rate of Interest for such Interest Period as if Index Determination was specified in the applicable Pricing Supplement as "Not Applicable". For these purposes, (i) the Calculation Method shall be deemed to be Compounded Daily, (ii) the Observation Method shall be deemed to be Observation Shift, (iii) the Observation Lookback Period shall be deemed to be the Relevant Number; (iv) "D" shall be deemed to be the Numerator and (v) the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 5.3 (*Benchmark Discontinuation – Independent Adviser*) shall apply, and (ii) (in the case of SOFR Compounded Index) a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 5.4 (*Benchmark Discontinuation – ARRC SOFR*) shall apply.
- (C) If the relevant Series of Notes becomes due and payable in accordance with Condition 10 (*Events of Default*) and Condition 7 (*Redemption and Purchase*), the last Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

(c) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(d) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes; or
- (ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

**"Day Count Fraction"** means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2 (*Interest on Floating Rate Notes*):

- (i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and



"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(e) ***Linear Interpolation***

Where Linear Interpolation is specified as being applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent, as applicable, by straight line linear interpolation by reference to (i) two rates based on the relevant Reference Rate and which appear on the Relevant Screen Page as of the Specified Time (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement); or (ii) two rates based on the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), in each case, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period, **provided, however, that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

Where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement, "**Designated Maturity**" in this Condition means the relevant Interest Period.

(f) ***Notification of Rate of Interest and Interest Amounts***

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Calculation Agent shall (in the absence of wilful default, fraud or manifest or proven error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 **Benchmark Discontinuation – Independent Adviser**

(a) ***Independent Adviser***

Notwithstanding the provisions of Condition 5.2 (*Interest on Floating Rate Notes*), and except where the Reference Rate specified in the applicable Pricing Supplement is SOFR, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest remains to be determined by reference to such Original Reference Rate, the Issuer

shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread, if any, and any Benchmark Amendments (in accordance with Condition 5.3(d) (*Benchmark Amendments*)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5.3 shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders, for any determination made by it, pursuant to this Condition 5.

If: (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5.3(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only. Any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.3(a).

(b) ***Successor Rate or Alternative Rate***

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest for all future payments of interest on the Notes (subject to the operation of this Condition 5.3); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest for all future payments of interest on the Notes (subject to the operation of this Condition 5.3).

(c) ***Adjustment Spread***

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(d) ***Benchmark Amendments***

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5.3 and the Independent Adviser determines: (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.3(e) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 5.3, neither the Calculation Agent nor any Paying Agent shall be obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5.3 which would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

In connection with any such variation in accordance with this Condition 5.3(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

(e) ***Notices, etc.***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.3 will be notified promptly by the Issuer to the Calculation Agent and the Paying Agents and, in accordance with Condition 14 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

Each of the Calculation Agent and the Paying Agents shall be entitled to rely on such notice (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Calculation Agent, the Paying Agents and the Noteholders.

(f) ***Survival of the Original Reference Rate***

Without prejudice to the obligations of the Issuer under Conditions 5.3(a) (*Independent Adviser*), (b) (*Successor Rate or Alternative Rate*), (c) (*Adjustment Spread*) and (d) (*Benchmark Amendments*) above, the Original Reference Rate and the fallback provisions provided for in Condition 5.3(b)(i) will continue to apply unless and until a Benchmark Event has occurred.

(g) ***Definitions***

As used in this Condition 5.3:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (iii) (if the Independent Adviser determines that no such spread, formula or methodology is customarily applied), the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (iv) (if the Independent Adviser determines that determines that there is no such industry standard), the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5.3(b) (*Successor Rate or Alternative Rate*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest in the same Specified Currency as the Notes.

**"Benchmark Amendments"** has the meaning given to it in Condition 5.3(d) (*Benchmark Amendments*).

**"Benchmark Event"** means:

- (i) the Original Reference Rate ceasing to be published as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued or is no longer representative or will, by a specified date, no longer be representative of an underlying market; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will, by a specified date, be prohibited from being used either generally, or in respect of the Notes; or
- (v) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

**provided that**, in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate or on which the Original Reference Rate is no longer representative, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement but the obligations of the Issuer in respect of the appointment of an Independent Adviser and determination by the Independent Adviser of a Successor Rate, Alternative Rate, an Adjustment Spread and any Benchmark Amendments in accordance with this Condition 5.3 when any Rate of Interest will remain to be determined by reference to the Original Reference Rate on or after the occurrence of the Benchmark Event will apply from the date following such public statement that it becomes reasonably practicable for such determination to be made.

**"Independent Adviser"** means an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise appointed by the Issuer under Condition 5.3(a) (*Independent Adviser*).

**"Original Reference Rate"** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest on the Notes (**provided that** if, following one or more Benchmark Events, such originally-specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event

subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate).

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

#### 5.4 **Benchmark Discontinuation – ARRC SOFR**

(a) ***ARRC SOFR***

This Condition 5.4 applies only if the Reference Rate specified in the applicable Pricing Supplement is SOFR.

(b) ***SOFR Benchmark Replacement***

If the Issuer determines on or prior to the relevant Reference Time that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then current Benchmark, the Benchmark Replacement will replace the then current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(c) ***SOFR Benchmark Replacement Conforming Changes***

In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make any Benchmark Replacement Conforming Changes, the Issuer, the Calculation Agent and the Agents shall, subject to giving notice thereof in accordance with Condition 5.4(e) (*Notice*), without any requirement for the consent or approval of Noteholders, agree to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Replacement Conforming Changes with effect from the date specified in such notice.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 5.4(c), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(d) ***Determinations, Decisions and Elections***

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 5.4, including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (including with respect to any Benchmark Replacement Conforming Change), will be conclusive and binding on all parties absent manifest error and, subject as provided in this Condition 5.4, may be made

in the Issuer's sole discretion and, subject as provided in this Condition 5.4, shall become effective without consent from the Noteholders or any other party.

(e) **Notice**

Any Benchmark Replacement, and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 5.4 will be notified promptly by the Issuer to the Paying Agents and, in accordance with Condition 14 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement and the Benchmark Replacement Conforming Changes, if any.

(f) **Definitions:**

As used in this Condition 5.4:

**"Benchmark"** means, initially, SOFR as such term is defined in Condition 5.2(b)(iii) (*Screen Rate Determination for Floating Rate Notes referencing €STR, SOFR or SONIA – Non-Index Determination*); **provided that** if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the SOFR Benchmark Replacement Date:

- (i) the sum of: (A) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark; and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate; and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate reference rate that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time; and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer as of the SOFR Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Rate; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any

portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivative transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivative transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"**, with respect to any determination of the Benchmark, means (1) if the Benchmark is SOFR, the Specified Time, and (2) if the Benchmark is not SOFR, the time determined by the Issuer in accordance with the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

**"SOFR Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark:

- (i) in the case of sub-paragraph (i) or (ii) of the definition of "SOFR Benchmark Transition Event", the later of (A) the date of the public statement or publication of information referenced therein and (B) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (ii) in the case of sub-paragraph (iii) of the definition of "SOFR Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

If the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the SOFR Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"SOFR Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark, permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

## 5.5 **Accrual of interest**

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

## 6. **PAYMENTS**

### 6.1 **Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### 6.2 **Presentation of definitive Bearer Notes and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.



Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **"Long Maturity Note"** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

#### 6.3 **Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented.

#### 6.4 **Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar or the U.S. Registrar (the **"Register"**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **"Designated Account"** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **"Designated Bank"** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which DTC and/or Euroclear and Clearstream, Luxembourg, as applicable, are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the 15<sup>th</sup> day (whether or not such 15<sup>th</sup> day is a business day) before the relevant due date (the **"Record Date"**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by

transfer to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars subject to, and in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### 6.5 **General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 6.5, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes may be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

#### 6.6 **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
  - (i) in the case of Notes in definitive form only, in the relevant place of presentation;
  - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement; and
  - (iii) if "T2" is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open;
- (b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and

Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 is open; and

- (c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has made no election and will receive any part of such payment a Specified Currency other than in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

#### 6.7 **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.4 (*Early Redemption Amounts*)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

### 7. **REDEMPTION AND PURCHASE**

#### 7.1 **Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

#### 7.2 **Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement to the Noteholders in accordance with Condition 14 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes be, selected individually by lot, not more than 30 days prior to the date fixed for redemption, and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption.

### 7.3 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Pricing Supplement, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar or the U.S. Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar or the U.S. Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar or the U.S. Registrar (a "**Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition 7.3 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Registered Notes in definitive form*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC (which may include notice being given on their instruction by Euroclear, Clearstream, Luxembourg, DTC or any common depository for Euroclear or Clearstream, Luxembourg to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and DTC from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and DTC by a holder of any Note pursuant to this Condition 7.3 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.3 and instead to give written notice to the Principal Paying Agent to declare such Note forthwith due and payable subject to, and in accordance with, Condition 10 (*Events of Default*).

### 7.4 Early Redemption Amounts

For the purpose of Condition 10 (*Events of Default*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount;
- (b) each Zero Coupon Note will be redeemed at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^Y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"Y" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

#### 7.5 **Purchases**

The Issuer may at any time purchase Notes (**provided that**, in the case of definitive Bearer Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All Notes so purchased will be surrendered to a Paying Agent or the Registrar or the U.S. Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 15 (*Meetings of Noteholders, Modification and Waiver*).

#### 7.6 **Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 7.5 (*Purchases*) (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

#### 7.7 **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption at maturity*), 7.2 (*Redemption at the option of the Issuer (Issuer Call)*) or 7.3 (*Redemption at the option of the Noteholders (Investor Put)*) or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.4(b) as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

### 8. **TAXATION**

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding, retention or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by, within or on behalf of any Tax Jurisdiction unless such withholding, retention or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding, retention or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the

Notes or Coupons, as the case may be, in the absence of such withholding, retention or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) the holder of which is liable for such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of the holder having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payment Day*)); or
- (c) resulting from any combination of (a) and (b) above.

Notwithstanding the foregoing, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), Sections 1471 through 1474 of the Code (or any amended or successor provisions), pursuant to any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of a holder, a beneficial owner or an intermediary not being entitled to receive payments free of FATCA withholding. None of the Issuer, the Paying Agents or any other person will have any obligation to pay additional amounts or otherwise indemnify an investor for any such FATCA withholding deducted or withheld by the Issuer, the Paying Agent concerned or any other party.

As used herein:

- (i) "**Tax Jurisdiction**" means the State of Kuwait or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

## 9. **PRESCRIPTION**

Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 9 or Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Bearer Notes and Coupons*).

## 10. **EVENTS OF DEFAULT**

If any of the following events (each an "**Event of Default**") occurs and is continuing:

- (a) the Issuer fails to pay the principal of, or any interest on, any of the Notes when due and such failure continues for a period of 30 days; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other obligations or undertakings in respect of the Notes and either such default is not capable of remedy or such default (if capable of remedy) is not remedied within 60 days after written notice of such default shall have been given to the Issuer by any Noteholder; or
- (c) (i) the holders of any Public External Indebtedness of the Issuer accelerate such Public External Indebtedness or declare such Public External Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or

pursuant to an option granted to the holders by the terms of such indebtedness), prior to the stated maturity thereof or (ii) the Issuer fails to pay in full any principal of, or interest on, any of its Public External Indebtedness when due (after the expiration of any applicable grace period) or any guarantee of any Public External Indebtedness of others given by the Issuer shall not be honoured when due and called upon (after the expiration of any applicable grace period); **provided that** the aggregate amount of the relevant Public External Indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) shall have occurred equals or exceeds U.S.\$100 million (or its equivalent in any other currency or currencies); or

- (d) the Issuer shall have declared a moratorium on the payment of principal of, or interest on, all or any part of its Public External Indebtedness; or
- (e) the validity of the Notes is contested by the Issuer or the Issuer shall deny any of the Issuer's obligations under the Notes or as a result of any change in, or amendment to, the laws or regulations in the State of Kuwait, which change or amendment takes place on or after the date on which agreement is reached to issue the first Tranche of the Notes and:
  - (i) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement; or (ii) any of such obligations becomes unenforceable or invalid,

then the holders of not less than 25 per cent. in aggregate outstanding nominal amount of the Notes may, by notice in writing to the Issuer (with a copy to the Principal Paying Agent), declare all the Notes immediately due and payable, at their Early Redemption Amount together with accrued interest (if any), without further formality. Upon such declaration by the Noteholders, the Issuer shall give notice thereof to the holders of Notes in accordance with Condition 14 (*Notices*) (with a copy to the Principal Paying Agent).

If the Issuer receives notice in writing from the holders of at least 50 per cent. in aggregate outstanding nominal amount of the Notes to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Principal Paying Agent) whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any other rights or obligations which may have arisen before the Issuer gives such notice.

## 11. **REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes or Coupons) or the Registrar or the U.S. Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent or the Registrar (as the case may be) may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## 12. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Pricing Supplement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, **provided that:**

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place

as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### 13. **EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

### 14. **NOTICES**

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.



Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

### 15.1 Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions

- (a) The Issuer may convene a meeting (including by way of conference call or by use of a videoconference platform) of the Noteholders at any time in respect of the Notes in accordance with the provisions of the Agency Agreement and will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (b) The Issuer or the Principal Paying Agent, on behalf of and under instruction of the Issuer, will convene a meeting of Noteholders if the holders of at least 10 per cent. in nominal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 15.9 (*Notes controlled by the Issuer*)) have delivered a written request to the Issuer (with a copy to the Principal Paying Agent) setting out the purpose of the meeting. The Issuer or the Principal Paying Agent, as the case may be, will notify the Noteholders within ten days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (c) The procedures governing the conduct of any meeting will be set in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer will prescribe such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.
- (d) The notice convening any meeting will specify, *inter alia*;
  - (i) the date, time and location of the meeting;
  - (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
  - (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
  - (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
  - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
  - (vi) whether Condition 15.2 (*Modification of this Series of Notes only*), 15.3 (*Multiple Series Aggregation – Single limb voting*) or 15.4 (*Multiple Series Aggregation – Two limb voting*) shall apply and, if relevant, in relation to which other series of debt securities it applies;

- (vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
  - (viii) such information that is required to be provided by the Issuer in accordance with Condition 15.6 (*Information*);
  - (ix) the identity of the Aggregation Agent and the Claims Calculation Agent (each as defined in these Conditions), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 15.7 (*Claims Valuation*); and
  - (x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (e) All information to be provided pursuant to Condition 15.1(d) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents (as defined in Condition 15.12 (*Written Resolutions and Electronic Consents*)).
  - (f) A "**record date**", in relation to any proposed modification or action, means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
  - (g) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
  - (h) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
  - (i) Any reference to "**debt securities**" means any notes (including the Notes), bonds, debentures or other debt securities (which for these purposes shall be deemed to include any *sukuk* or other trust certificates representing the credit of the Issuer) issued directly or indirectly by the Issuer in one or more series with an original stated maturity of more than one year.
  - (j) "**Debt Securities Capable of Aggregation**" means those debt securities which include or incorporate by reference this Condition 15 and Condition 16 (*Aggregation Agent; Aggregation Procedures*) or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

## 15.2 **Modification of this Series of Notes only**

- (a) Any modification of any provision of, or any action in respect of, the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (b) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the

Issuer and the Principal Paying Agent pursuant to Condition 15.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) by a majority of:

- (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate nominal amount of the outstanding Notes; or
  - (ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate nominal amount of the outstanding Notes.
- (c) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
- (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate nominal amount of the outstanding Notes; or
  - (ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate nominal amount of the outstanding Notes.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders.

- (d) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be, and on all Couponholders.

### 15.3 Multiple Series Aggregation – Single limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition is satisfied.
- (b) A "**Multiple Series Single Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 15.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate nominal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (c) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate nominal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they

signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.

- (e) The "**Uniformly Applicable**" condition will be satisfied if:
  - (i) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
  - (ii) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to a different currency of issuance).
- (f) It is understood that a proposal under Condition 15.3(c) will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).
- (g) Any modification or action proposed under Condition 15.3(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.3 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

#### 15.4 **Multiple Series Aggregation – Two limb voting**

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (b) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer pursuant to Condition 15.1 (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*), as supplemented if necessary, which is passed by a majority of:
  - (i) at least 66.67 per cent. of the aggregate nominal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
  - (ii) more than 50 per cent. of the aggregate nominal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

- (c) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
  - (i) at least 66.67 per cent. of the aggregate nominal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
  - (ii) more than 50 per cent. of the aggregate nominal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.

- (d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.
- (e) Any modification or action proposed under Condition 15.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

#### 15.5 **Reserved Matters**

In these Conditions, "**Reserved Matter**" means any proposal:

- (a) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;
- (b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (c) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (d) to change this definition, or the definition of "Extraordinary Resolution", "Single Series Extraordinary Resolution", "Multiple Series Single Limb Extraordinary Resolution", "Multiple Series Two Limb Extraordinary Resolution", "Written Resolution", "Single Series Written Resolution", "Multiple Series Single Limb Written Resolution" or "Multiple Series Two Limb Written Resolution";
- (e) to change the definition of "debt securities" or "Debt Securities Capable of Aggregation";
- (f) to change the definition of "Uniformly Applicable";

- (g) to change the definition of "outstanding" or to modify the provisions of Condition 15.9 (*Notes controlled by the Issuer*);
- (h) to change the legal ranking of the Notes;
- (i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 10(a);
- (j) to change the law governing the Notes, the arbitration provisions, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 21 (*Governing Law and Dispute Resolution*);
- (k) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 15.5 (*Reserved Matters*); or
- (m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or
- (n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in these Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
  - (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
  - (ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate nominal amount.

## 15.6 **Information**

Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 15.2 (*Modification of this Series of Notes only*), 15.3 (*Multiple Series Aggregation – Single limb voting*) or 15.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer shall publish in accordance with Condition 16 (*Aggregation Agent; Aggregation Procedures*), and provide the Principal Paying Agent with the following information:

- (a) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (b) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (c) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

- (d) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 15.1(d)(vii).

#### 15.7 **Claims Valuation**

For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Conditions 15.3 (*Multiple Series Aggregation – Single limb voting*) and 15.4 (*Multiple Series Aggregation – Two limb voting*), the Issuer may appoint a calculation agent (the "**Claims Calculation Agent**"). The Issuer shall, with the approval of the Aggregation Agent and any appointed Claims Calculation Agent, promulgate the methodology in accordance with which the Claims Calculation Agent will calculate the par value of the Notes and such affected series of debt securities. In any such case where a Claims Calculation Agent is appointed, the same person will be appointed as the Claims Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

#### 15.8 **Manifest error, etc.**

The Notes, these Conditions and the provisions of the Agency Agreement may be amended by the Issuer without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless, in the opinion of the Issuer, it is (i) of a formal, minor or technical nature, (ii) not materially prejudicial to the interests of the Noteholders or (iii) an amendment pursuant to Conditions 5.3 (*Benchmark Discontinuation – Independent Adviser*) and/or 5.4 (*Benchmark Discontinuation – ARRC SOFR*).

#### 15.9 **Notes controlled by the Issuer**

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, the right to give an Electronic Consent, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 15, and (c) Condition 10 (*Events of Default*), any Notes which are for the time being held by or on behalf of the Issuer or by or on behalf of any person which is owned or controlled, directly or indirectly, by the Issuer or by any public sector instrumentality of the Issuer shall be disregarded and be deemed not to remain outstanding.

In advance of any meeting of Noteholders, or in connection with any Electronic Consent or Written Resolution, the Issuer shall provide to the Principal Paying Agent a copy of the certificate prepared pursuant to Condition 16.5 (*Certificate*), which includes information on the total number of Notes which are for the time being held by any person (including, but not limited to, the Issuer) for the benefit of the Issuer or by any public body owned or controlled, directly or indirectly, by the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Principal Paying Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

#### 15.10 **Publication**

The Issuer shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 16.8 (*Manner of publication*).

#### 15.11 **Exchange and Conversion**

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and

conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

#### 15.12 Written Resolutions and Electronic Consents

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as any Notes are in the form of a Global Note held on behalf of one or more of Euroclear, Clearstream, Luxembourg, DTC or any other clearing system (the "**relevant clearing system(s)**"), then:

- (a) Approval of a resolution proposed by the Issuer given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (i) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders or (ii) (where such holders have been given at least 21 days' notice of such resolution) by or on behalf of:
  - (i) in respect of a proposal that falls within Conditions 15.2(b) and 15.2(c), the persons holding at least 75 per cent. of the aggregate nominal amount of the outstanding Notes, in the case of a Reserved Matter, or more than 50 per cent. of the aggregate nominal amount of the outstanding Notes, in the case of a matter other than a Reserved Matter;
  - (ii) in respect of a proposal that falls within Conditions 15.3(b) and 15.3(c), the persons holding at least 75 per cent. of the aggregate nominal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate);
  - (iii) in respect of a proposal that falls within Conditions 15.4(b) and 15.4(c), (x) the persons holding at least 66.67 per cent. of the aggregate nominal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate) and (y) the persons holding more than 50 per cent. of the aggregate nominal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually),

(in the case of (i), (ii) and (iii), each an "**Electronic Consent**") shall, for all purposes (including Reserved Matters) take effect as (i), a Single Series Extraordinary Resolution (in the case of (i) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (ii) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (iii) above), as applicable.

The notice given to Noteholders shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (for the purposes of this Condition 15.12, the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to "**Relevant Date**" shall be construed accordingly.



An Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

- (b) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (i) by accountholders in the relevant clearing system(s) with entitlements to any Global Note and/or (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Agents shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, the relevant clearing system(s) and, in the case of (ii) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (A) shall be conclusive and binding for all purposes and (B) may comprise any form of statement or print-out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or EasyWay or Clearstream, Luxembourg's CreationOnline or Xact Web Portal system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. None of the Issuer or any Agent shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to Condition 15.1(d) (*Convening Meetings of Noteholders; Conduct of Meetings of Noteholders; Written Resolutions*) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or an Electronic Consent (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders and Couponholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

## 16. **AGGREGATION AGENT; AGGREGATION PROCEDURES**

### 16.1 **Appointment**

The Issuer will appoint an aggregation agent (the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required nominal amount outstanding of Notes and, in the case of a multiple series aggregation, by the required nominal amount of outstanding debt securities of each affected series of debt securities. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

### 16.2 **Extraordinary Resolutions**

If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate nominal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

### 16.3 **Written Resolutions**

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate nominal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

### 16.4 **Electronic Consents**

If approval of a resolution proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of debt securities, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the aggregate nominal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

### 16.5 **Certificate**

For the purposes of Conditions 16.2 (*Extraordinary Resolutions*) and 16.3 (*Written Resolutions*), the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 15.2 (*Modification of this Series of Notes only*), 15.3 (*Multiple Series Aggregation – Single limb voting*) or 15.4 (*Multiple Series Aggregation – Two limb voting*), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total nominal amount of Notes and, in the case of a multiple series aggregation, the total nominal amount of each other affected series of debt securities outstanding on the record date; and
- (b) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 15.9 (*Notes controlled by the Issuer*) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

### 16.6 **Notification**

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 16 to be notified to the Principal Paying Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

### 16.7 **Binding nature of determinations; no liability**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 16 by the Aggregation Agent and any appointed Claims Calculation Agent or the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent and the Noteholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent, the Claims Calculation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

16.8 **Manner of publication**

The Issuer will publish all notices and other matters required to be published pursuant to this Condition 16, including any matters required to be published pursuant to Conditions 10 (*Events of Default*), 15 (*Meetings of Noteholders, Modification and Waiver*) and 17 (*Noteholders' Committee*):

- (a) through the systems of Clearstream, Luxembourg, Euroclear, DTC and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 14 (*Notices*); and
- (b) in such other places and in such other manner as may be required by applicable law or regulation.

17. **NOTEHOLDERS' COMMITTEE**

17.1 **Appointment**

- (a) Holders of at least 25 per cent. of the aggregate nominal amount of the outstanding debt securities of all series of affected debt securities (taken in aggregate) may, by notice in writing to the Issuer (with a copy to the Principal Paying Agent), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding debt securities who wish to be represented by such a committee) if any of the following events has occurred:
  - (i) an Event of Default under Condition 10 (*Events of Default*);
  - (ii) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 10 (*Events of Default*) become an Event of Default;
  - (iii) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or
  - (iv) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable while the Notes or any other affected series of debt securities are outstanding.
- (b) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 17.1(a), and a certificate delivered pursuant to Condition 17.4 (*Certification*), the Issuer shall give notice of the appointment of such a committee to:
  - (i) all Noteholders in accordance with Condition 14 (*Notices*); and
  - (ii) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities, as soon as practicable after such written notice and such certificate are delivered to the Issuer.

17.2 **Powers**

Such committee in its discretion may, among other things:

- (a) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;
- (b) adopt such rules as it considers appropriate regarding its proceedings;
- (c) enter into discussions with the Issuer and/or other creditors of the Issuer; and
- (d) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this Condition 17.2, such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

**17.3 Engagement with the committee and provision of information**

- (a) The Issuer shall:
  - (i) subject to Condition 17.3(b), engage with the committee in good faith;
  - (ii) provide the committee with information equivalent to that required under Condition 15.6 (*Information*) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and
  - (iii) pay any properly documented fees and expenses of any such committee (including, without limitation, the reasonable and properly documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of detailed invoices and supporting documentation.
- (b) If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 17 and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

**17.4 Certification**

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Issuer and to the Principal Paying Agent signed by the authorised representatives of the Members, and the Issuer and the Principal Paying Agent may rely upon the terms of such certificate.

The certificate shall certify:

- (a) that the committee has been appointed;
- (b) the identity of the Members; and
- (c) that such appointment complies with the terms and conditions of the relevant bond documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Principal Paying Agent may rely on conclusively, will be delivered to the Issuer and the Principal Paying Agent identifying the new Members. Each of the Issuer and the Principal Paying Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 17.4 shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 17.3(b).

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

**18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a

single Series with the outstanding Notes; **provided that** any additional Notes having the same CUSIP, ISIN or other identifying number of outstanding Notes or any Series must be fungible with such outstanding Notes for U.S. federal income tax purposes if either the outstanding Notes or the additional Notes were or are issued under Rule 144A.

19. **CURRENCY INDEMNITY**

The Specified Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Notes and the Coupons, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgement or an order of a court of any jurisdiction or otherwise) by any Noteholder or Couponholder, as the case may be, in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount of the Specified Currency which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount of Specified Currency is less than the amount of Specified Currency expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 19, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgement, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon, as the case may be, or any other judgement or order.

20. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. **GOVERNING LAW AND DISPUTE RESOLUTION**

21.1 **Governing law**

The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are and shall be governed by, and construed in accordance with, English law.

21.2 **Agreement to arbitrate**

Any dispute, claim, difference or controversy arising out of or having any connection with the Notes and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (the "**LCIA**") Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 21.2. For these purposes:

- (a) the seat of arbitration shall be London, England;
- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The claimant(s) and the respondent(s) shall each nominate one arbitrator within 15 days from receipt by the Registrar of the LCIA of the Response to the Request for Arbitration as defined in the Rules, and the chairman of the arbitral tribunal shall be nominated by the two party-nominated arbitrators within 15 days of the last of their appointments. In cases where there are multiple claimants and/or

multiple respondents, the claimants jointly, and the respondents jointly shall each nominate one arbitrator. If the chairman of the arbitral tribunal is not so nominated, he shall be chosen by the LCIA Court (as defined in the Rules); and

(c) the language of the arbitration shall be English.

### 21.3 **Waiver of immunity**

To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues ("**Sovereign Assets**") immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process, in all cases related to the Notes or the Coupons, and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the Issuer hereby irrevocably agrees for the benefit of the Noteholders and the Couponholders not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction.

Notwithstanding anything to the contrary in this Condition 21.3, such waiver of immunity shall not be deemed or interpreted to include any waiver of immunity in respect of: (i) present or future "premises of the mission" (as defined in the Vienna Convention on Diplomatic Relations signed in 1961); (ii) "consular premises" (as defined in the Vienna Convention on Consular Relations signed in 1963); (iii) any other property or assets used solely or mainly for governmental or public purposes in the State of Kuwait or elsewhere; (iv) military property or military assets or property or assets of the State of Kuwait related thereto; or (v) other procedural or substantive rights enjoyed by the Issuer by virtue of its sovereign status besides immunity from suit, attachment and execution.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general budgetary purposes. If there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

## OVERVIEW OF KUWAIT

### Geography and Area



The State of Kuwait covers an area of approximately 17,818 square kilometres and is located in the north-east of the Arabian Peninsula in Western Asia. It is bordered by the Kingdom of Saudi Arabia to the south and the Republic of Iraq to the north, while its strategic location provides close proximity to major regional markets. To the east, Kuwait has approximately 499 kilometres of coastline on the Arabian Gulf. The country also contains ten islands, notably including the largest, Boubyan Island, Failaka Island, which has significant historical importance, and Warba Island. Kuwait is a member in the Cooperation Council for the Arab States of the Gulf (commonly known as the "**Gulf Cooperation Council**", or the **GCC**).

The capital and administrative centre is Kuwait City, which hosts the Government and most state institutions. The country is divided into six Governorates:

- *Al-Ahmadi* is known primarily for oil extraction and production, forming the backbone of the nation's energy sector;
- *Al-'Asimah* is home to the capital, serving as the political, financial, and business hub;
- *Al-Farwaniyah* is the most densely populated governorate;
- *Al-Jahra'* is the largest by land area and is notable for agriculture, food production, and oil-related activities;
- *Hawalli* stands out for its concentration of industrial activity; and
- *Mubarak Al-Kabir* is characterised largely by residential zones and growing suburban communities.

Key infrastructure includes Kuwait International Airport, located south of Kuwait City in the Farwaniya Governorate; major refining complexes such as Mina Al-Ahmadi, Mina Abdullah, Shuaiba, and Alzour refinery along the eastern coastline; and the Shagaya Renewable Energy Park in western Kuwait near the border with Saudi Arabia, a flagship solar and wind power development supporting the country's energy diversification strategy. The Sheikh Jaber Al-Ahmad Al-Sabah Causeway, one of the longest sea bridges in the world, links Kuwait City with the northern region across Kuwait Bay, incorporating artificial islands as part of its design. In addition, Kuwait has invested heavily in digital infrastructure to modernise government services and support the growth of its economy.

The official language is Arabic, while English is widely used, particularly in business and commerce.



## Population and Demographics

As at 30 June 2025, Kuwait's population was estimated at approximately 5.1 million, comprising around 1.6 million Kuwaiti nationals (31.4 per cent.) and approximately 3.5 million non-Kuwaiti nationals (69.6 per cent.), according to the Public Authority for Civil Information. An estimated 98.6 per cent. of the total population reside in urban areas with more than 10,000 inhabitants. The most recent official census for which data has been published was conducted in March 2021, and subsequent population figures are based on estimates derived from historical data. The following table sets out the population estimates of Kuwait as at 30 June 2025 and 31 December 2024, 2023, 2022, 2021 and 2020.

	As at 30 June	As at 31 December				
	2025 <sup>(1)</sup>	2024 <sup>(1)</sup>	2023 <sup>(1)</sup>	2022 <sup>(1)</sup>	2021 <sup>(1)</sup>	2020
Kuwaiti Male.....	776,656	773,060	758,937	744,446	729,638	714,936
Kuwaiti Female.....	773,891	794,923	787,271	773,065	759,078	745,034
<b>Total Kuwaiti.....</b>	<b>1,550,547</b>	<b>1,567,983</b>	<b>1,546,208</b>	<b>1,517,511</b>	<b>1,488,716</b>	<b>1,459,970</b>
Non-Kuwaiti Male.....	2,313,700	2,259,690	2,199,423	2,132,491	1,941,628	2,177,731
Non-Kuwaiti Female.....	1,234,292	1,160,153	1,113,964	1,086,876	955,373	1,033,012
<b>Total Non-Kuwaiti.....</b>	<b>3,547,992</b>	<b>3,419,843</b>	<b>3,313,387</b>	<b>3,219,367</b>	<b>2,897,001</b>	<b>3,210,743</b>
<b>Total.....</b>	<b>5,098,539</b>	<b>4,987,826</b>	<b>4,859,595</b>	<b>4,736,878</b>	<b>4,385,717</b>	<b>4,670,713</b>

<sup>(1)</sup> Estimates of Kuwaiti population are based on census data from 2021 and the natural growth and the average number of nationalised non-Kuwaiti people during the period 2017 – 2021. Estimates of the non-Kuwaiti population are based on the average growth rate during the period between the two censuses conducted in Kuwait (2011 and 2021).

Source: Public Authority for Civil Information

Based on data from the Public Authority for Civil Information, Kuwait's population fell by 6.1 per cent. in 2021, reflecting the outflow of expatriate workers during the pandemic and associated economic slowdown. Since then, population growth has resumed, increasing by 8.0 per cent. in 2022 as non-Kuwaiti residents returned in line with the post-pandemic recovery, and by 2.6 per cent. in both 2023 and 2024, with a further 2.2 per cent. increase recorded in the first half of 2025. This recovery has been driven primarily by the non-Kuwaiti segment of the population, which accounted for 68.7 per cent. of the total population as at 31 December 2020, dipped to 66.1 per cent. as at 31 December 2021 and subsequently rose to 69.6 per cent. as at 30 June 2025.

## Government and Political System

Kuwait is a constitutional hereditary emirate with a parliamentary system of government. Under its Constitution, the head of the State is the Amir. The current Amir is His Highness Sheikh Meshal Al-Ahmed Al-Jaber Al-Sabah, who assumed the position of Kuwait's ruler in December 2023. Under the Constitution, the Amir has wide powers such as appointing the Prime Minister and key members in the country's leadership in addition to ratifying legislation and ruling by decree when the National Assembly (Kuwait's Parliament) is not in session. Kuwait has a well-established and specialised court system. *See "—Legal and Judicial System—Kuwait Constitution of 1962" below.*

The Constitution provides for a National Assembly comprising 50 directly elected members who serve four-year terms. When in session, the National Assembly has the power to question and dismiss ministers through a vote of no-confidence, including the Prime Minister, and to propose, enact or block enactment of legislation introduced by the Government. Although political parties are not permitted, there are various interest groupings or "blocs" present in previous sessions of the National Assembly.

The Council of Ministers forms the executive level of government and advises and assists the Prime Minister, who is appointed by the Amir. The Amir exercises his powers through his ministers. The current Prime Minister is His Highness Sheikh Ahmed Al-Abdullah Al-Ahmed Al-Sabah who was appointed in May 2024. There are currently 18 members of the Council of Ministers, each of whom are appointed by the Amir but are considered members of the National Assembly when the National Assembly is in session. This consideration affords them the same voting rights as elected members in all legislative matters. The government of Kuwait also includes various authorities and specialised councils with certain regulatory or executive mandates such as, among others, the Kuwait Investment Authority, the Capital Markets Authority, the Supreme Petroleum Council, the Kuwait Direct Investment Promotion Authority.

## **Consolidation of Legislative Branch Under the Council of Ministers (2024)**

In May 2024, His Highness the Amir dissolved the National Assembly and suspended certain articles of the Constitution (the "**May 2024 Order**") and consolidated its legislative functions within the Council of Ministers. This exceptional measure was enacted to allow for the swift enactment of economic and structural reforms that had previously been delayed due to prolonged legislative gridlock.

Kuwait's constitutional and institutional framework remains fully intact. The 1962 Constitution continues to govern the separation of powers. The judiciary, oversight bodies (including the State Audit Bureau and the Kuwait Anti-Corruption Authority) and all ministerial and regulatory authorities continue operations under established laws. The temporary arrangement did not amend constitutional structures but enabled faster legislative execution within existing institutions.

During this period, the Council of Ministers and its specialised subcommittees, including representatives from relevant ministries, have assumed responsibility for drafting, evaluating, and approving laws. The Department of Legal Advice and Legislation plays a central role in this process, providing legal drafting, statutory interpretation, and constitutional vetting to ensure all new regulations comply with Kuwait's legal framework and international obligations.

While the government still remains committed to and operates through its long-standing institutional framework, the change has brought, and is expected to continue to bring, greater policy clarity, improved legislative execution, and a predictable environment for project implementation, which is critical for the timely delivery of large-scale infrastructure and development programs. This mechanism has helped accelerate critical policies, including fiscal reform, privatisation, and regulatory modernisation, while preserving governance stability.

## **Anti-Corruption Drive**

Kuwait has strengthened its commitment to transparency and accountability through an enhanced anti-corruption agenda. The Kuwait Anti-Corruption Authority has expanded its operational capacity in recent years, enabling more timely and effective enforcement. This was supported by the Kuwait Integrity and Anti-Corruption Strategy (2019–2024), which aligned with the United Nations Convention Against Corruption and reflected global best practices. These measures demonstrate Kuwait's determination to further strengthen governance standards, reinforce public trust, and maintain a robust and credible legal framework in support of sustainable economic growth.

## **Legal and Judicial System**

Kuwait legal and judicial systems are primarily modelled on the French civil law system, Egyptian civil code and elements of Islamic Shariah law. Under the Constitution, the National Assembly and the Council of Ministers share legislative authority. Either the Cabinet or elected members of the National Assembly can introduce a draft bill for consideration. In accordance with the May 2024 Order, the introduction, drafting, and enactment of legislation is directed by the Council of Ministers with Amiri assent. Draft laws continue to be prepared, as was the case before the May 2024 Order, by the relevant Ministry and reviewed by the Legal Advice and Legislation Department to ensure consistency with existing legislation and the Constitution before being submitted for approval. Once approved, laws are required to be ratified by the Amir and then published in Kuwait's Official Gazette, *Al-Kuwait Al-Yawm*, in order to take effect.

Public services are handled by specific departments within the various Ministries and by municipal government authorities in each of the six Governorates, although administrative authority ultimately rests with the Ministries. These services include road maintenance, urban planning, housing, sanitation, waste disposal, food inspection, licensing and primary healthcare.

The Constitution maintains the independence of the judiciary, and Kuwaitis enjoy the right to appeal from courts of first instance to a higher court. Kuwait's judiciary system includes courts of first instance in each administrative district, administrative courts, courts of appeals and the Court of Cassation, in addition to the Constitutional Court. The Court of Cassation is divided into commercial, civil and criminal boards and serves as the final court of appeal. Its decisions are not binding on lower courts but are given persuasive value. Established in 1973, the Constitutional Court has exclusive jurisdiction to interpret the constitutionality of legislation and review electoral results. Although judges on lower courts can be non-

Kuwaiti nationals, Constitutional Court judges must be Kuwaiti nationals and are selected by the supreme judicial council in a secret ballot.

Additionally, Kuwait is a member of the GCC Commercial Arbitration Centre for the settlement of commercial and business disputes. Courts generally do not exercise jurisdiction on cases in which litigants rely on and assert an express agreement to refer a dispute to arbitration. Foreign judgments are enforced in Kuwait on the basis of reciprocity, i.e., if the foreign court has enforced a judgment from a Kuwaiti court or if any bilateral or regional treaties have been signed. Kuwait has signed such bilateral treaties with numerous countries. Kuwait is also party to the GCC Convention for the Execution of Judgments, Delegations and Judicial Notifications. Kuwait is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. The Convention has been in force in Kuwait since 28 April 1978. Kuwait is also a party to the 1965 Convention on the Settlement of Investment Disputes between States and Nationals of Other States. The convention entered into force for Kuwait on 4 March 1979.

Kuwait continues to advance legal reforms in governance, labour standards and human rights. In March 2025, the Personal Status Law was amended to set the minimum marriage age at 18 for both men and women. Law No. 114 of 2024 concerning Foreigners' Residency aimed to strengthen existing protections against labour exploitation and human trafficking, supported by the introduction of an electronic complaints platform and an airport monitoring office. In late 2024, Kuwait repealed certain fees and insurance requirements that had applied to migrant workers over the age of 60 without higher education degrees. Kuwait remains party to core United Nations human rights conventions, including the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on the Rights of the Child, and regularly engages in treaty review processes, most recently through the United Nations Universal Periodic Review in May 2025.

#### *Kuwait Constitution of 1962*

The Constitution was adopted by the constitutional assembly between 1961 and 1962. The Constitution was signed by Kuwait's then Amir Sheikh Abdullah Al-Salem Al-Sabah on 11 November 1962 and came into legal effect on 15 January 1963. The Constitution established Kuwait as a constitutional hereditary emirate with a democratic system of parliamentary government.

The Constitution is founded on democratic principles. The primary pillars of the Constitution are the sovereignty of the State, public freedom and equality before the law.

The Constitution is comprised of 183 articles divided into five separate parts, namely: (1) the State and System of Government; (2) the Fundamental Constituents of Kuwaiti Society; (3) Public Rights and Duties; (4) the Powers of the Head of State, the Legislature, the Executive and the Judiciary; and (5) General and Temporary Provisions. The Constitution of Kuwait is designed to enshrine key constitutional principles such as the separation of powers and apportion governance among the three customary branches: the executive, judicial, and legislative.

As discussed above under "*Government and Political System*", by virtue of the May 2024 Order, the legislative functions of the National Assembly have been assumed by the Cabinet.

#### **Kuwait's Position in the International Community**

Kuwait's foreign policy is governed by its belief in mutual respect, equality and non-interference in the internal affairs of other nations. Kuwait is a strong advocate of resolving international disputes amicably by peaceful means and in compliance with principles enshrined in international treaties and laws. Kuwait strongly believes in maintaining the independence and sovereignty of its lands, wealth and its people and accords the same respect to other sovereign nations. Kuwait occupies a prominent position in the world oil markets, being one of the world's largest crude oil exporters. Kuwait has long positioned itself as a mediator and contributor to regional stability, while also fostering strategic relationships with major global powers. Kuwait was ranked as the most peaceful country in the MENA region in 2024 (25<sup>th</sup> globally) and the second most peaceful in the MENA region in 2025 (31<sup>st</sup> globally) as per the Global Peace Index issued by the Institute for Economics and Peace. In addition, Kuwait plays a significant role in the field of humanitarian diplomacy through its generous financial and in-kind contributions to regional and international efforts aimed at alleviating the suffering of those in need.

Kuwait has entered into bilateral economic, trade and technical cooperation agreements with many trading partners, intended to promote and diversify bilateral trade in goods and services, such as providing necessary facilities to participate in trade fairs and international markets. Kuwait is a signatory to 475 bilateral economic agreements including many providing for the avoidance of double taxation, mutual protection and encouragement of investment and other forms of investment cooperation.

Kuwait is a founding member of OPEC and the Organization of Arab Petroleum Exporting Countries ("OAPEC"), both of which play a key role in global energy policy, with OAPEC headquartered in Kuwait City. Kuwait is also a member of the International Monetary Fund ("IMF"), the World Bank Group, the Arab Monetary Fund, the Islamic Development Bank, the OPEC Fund for International Development, the Arab Fund for Economic and Social Development (headquartered in Kuwait City), the Asian Infrastructure Investment Bank, and the International Renewable Energy Agency. In addition, Kuwait is a founding member of the Gulf Cooperation Council and a member of the League of Arab States. Kuwait participates actively in a range of United Nations agencies, the World Trade Organization, and other multilateral institutions promoting international economic cooperation and development.

Kuwait also plays a prominent role in international development assistance through the Kuwait Fund for Arab Economic Development ("KFAED"), Kuwait's primary agency for extending concessional loans and technical assistance to developing countries. Since its establishment in 1961, KFAED's mandate has expanded from supporting Arab countries to financing projects in 107 nations worldwide through over 1,000 loans totalling over \$22.5 billion, with a focus on infrastructure, energy, water, and transport, thereby promoting sustainable economic growth and regional stability.

#### ***Relations with Gulf Cooperation Council and other Arab countries***

Kuwait is a founding member of the GCC, established in 1981 alongside Kingdom of Saudi Arabia, the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain, and the Sultanate of Oman. The GCC serves as a key platform for political, economic, security, and cultural coordination among its member states. Kuwait remains committed to the principles of Gulf unity and regional cooperation, which are central to its foreign policy and long-term development strategy. The State of Kuwait currently chairs the 45<sup>th</sup> session of the GCC Supreme Council until December 2025.

Intra-GCC trade has grown significantly over the past two decades, supported by a customs union, common market (established in 2008), and the removal of many barriers to the free movement of goods, services, and labor. Kuwait benefits from deep energy, trade, and investment links with its GCC partners, which together account for a substantial share of Kuwait's imports, exports, and capital inflows. Joint ventures in oil refining, petrochemicals, power, and logistics highlight the interconnected nature of GCC economies.

In January 2015, the common market was further integrated to provide for full equality among GCC citizens in government and private sector employment, social insurance and retirement coverage, real estate ownership, capital movement, and access to education, healthcare, and other social services in all member states. For information on contribution of GCC countries to Kuwait's total imports and exports, see *"Balance of Payments and Foreign Trade—Foreign Trade"*.

The Kingdom of Saudi Arabia is a key GCC trading partner. See *"Balance of Payments and Foreign Trade—Foreign Trade"*. In addition to trade, Kuwait and Saudi Arabia maintain extensive energy cooperation through joint operating agreements covering shared resources along their mutual border, including the offshore Khafji field (the Khafji Joint Operations) and the onshore Wafra, South Umm Gudair, and Humma fields (the Wafra Joint Operations). A high-level joint committee has been established to strengthen bilateral cooperation and expand economic agreements in the years ahead.

The United Arab Emirates is also a major partner, ranking as Kuwait's second-largest source of imports for the year ended 31 December 2024, reflecting strong bilateral trade links in goods and services. See *"Balance of Payments and Foreign Trade—Foreign Trade"*.

In December 2008, Kuwait, the Kingdom of Bahrain, the State of Qatar, and the Kingdom of Saudi Arabia approved a monetary union agreement (the **"Monetary Union Agreement"**) together with a statute establishing the Gulf Monetary Council (the **"Monetary Council Statute"**), which provides the legal and institutional framework for a proposed monetary union among the participating member states.

Beyond trade, Kuwait works closely with its GCC partners on infrastructure integration projects that aim to improve regional connectivity and economic efficiency. Key initiatives include the GCC electricity grid, which links the power systems of member states and allows for cross-border electricity trading and emergency support, and proposals for a unified railway network designed to connect all six states through freight and passenger corridors. Cooperation has also extended to civil aviation, port development, and logistics, reflecting the GCC's strategic role as a global trade hub.

Digital and communications integration is another area of focus, with projects aimed at creating a harmonised regulatory framework for telecommunications and expanding cross-border digital connectivity to support e-commerce, financial services, and data flows across the region. The GCC has also adopted joint strategies in water and food security, renewable energy, and climate adaptation, underscoring the growing importance of sustainability and resource diversification.

Security and defense are core areas of cooperation. Kuwait participates in joint GCC defense initiatives and regional security frameworks, with a focus on counterterrorism, maritime security, and regional stability. The GCC also provides a platform for collective diplomacy on regional and international issues, with Kuwait often playing a mediating role in intra-Gulf and regional disputes.

Cultural and social ties within the GCC are equally significant. The free movement of Gulf citizens across borders, common cultural heritage, and shared religious values reinforce people-to-people links and underpin integration efforts. Kuwaiti students, professionals, and businesses are active across the Gulf, while Kuwait hosts significant numbers of GCC nationals.

Kuwait also maintains strong diplomatic, economic, and cultural relationships with Arab countries outside the GCC, including the Hashemite Kingdom of Jordan, the Republic of Iraq, the Republic of Yemen, the Republic of Lebanon, the Arab Republic of Egypt, the Syrian Arab Republic, the Kingdom of Morocco, and the Republic of Sudan. These relationships are supported by a combination of bilateral agreements, regular high-level political consultations, and Kuwait's longstanding role in Arab regional forums, including the League of Arab States.

The Arab Republic of Egypt is a significant partner, with strong links in construction, healthcare, education, and labour, including a large Egyptian expatriate community in Kuwait contributing to economic and cultural ties. The Hashemite Kingdom of Jordan and the Republic of Lebanon maintain active trade and investment relationships with Kuwait, particularly in services, tourism, and education. Kuwait has made significant effort to stabilise its relations with the Republic of Iraq since 2003, including holding the Kuwait International Conference for the Reconstruction of Iraq in 2018. The Republic of Iraq remains one of Kuwait's most important partners in the wider Arab world, with bilateral trade covering energy, construction materials, and food products, as well as ongoing cooperation in electricity interconnection and cross-border infrastructure projects.

Beyond trade, Kuwait has historically played a leading role in providing financial assistance, development aid, and humanitarian support to Arab League states. Through bilateral channels and institutions such as the Kuwait Fund for Arab Economic Development, Kuwait has financed infrastructure, energy, housing, and healthcare projects across the region. These initiatives underscore Kuwait's broader policy of supporting regional stability and sustainable development across the Arab world.

## **Relations with Other Countries**

Outside the GCC, Kuwait has strong trading and diplomatic relationships with many countries, particularly major economies such as the United States of America, the People's Republic of China, Japan, the Republic of Korea, the Republic of India, the United Kingdom of Great Britain and Northern Ireland, and a number of states of the European Union including the Federal Republic of Germany, the Republic of Italy, and the Republic of France.

### *The United States of America*

Kuwait and the United States of America have enjoyed a close partnership for over six decades, with relations strengthened significantly by U.S. support during the liberation of Kuwait in 1991. The U.S. remains a key guarantor of Kuwait's security under a Defense Cooperation Agreement and is one of Kuwait's primary defense and security partners. U.S. forces are stationed in Kuwait as part of broader regional defense arrangements, and the two countries cooperate closely on counterterrorism, maritime

security, and regional stability. Since 2004, Kuwait has been designated a major non-NATO ally of the United States and has received military support and technical assistance in the form of foreign military sales ("FMS") and coordinated training. In turn, the two countries continue to work together to confront the threat of terrorism in the region. As of the date of this Base Prospectus, the United States of America has troops stationed in Kuwait as part of a defense agreement, including the United States Army Central Command Camp Arifjan base, which is part of the United States Central Command, Ali Al-Salem Air Base, Camp Buehring and Camp Patriot.

The United States is one of Kuwait's largest trading partners, with U.S. exports to Kuwait consisting mainly of machinery, vehicles, and industrial equipment, and services. See *"Balance of Payments and Foreign Trade—Foreign Trade"*. The U.S. also remains one of the largest foreign investors in Kuwait, with major American companies active in the oil and gas, infrastructure, healthcare, and technology sectors. U.S. firms such as ExxonMobil, Dow, Bechtel, Honeywell, Microsoft, and GE have a long-standing presence in Kuwait. Additionally, education and cultural ties are robust, with thousands of Kuwaiti students enrolled at U.S. universities and ongoing collaboration in research and training programs.

#### *The People's Republic of China*

Formal diplomatic ties between Kuwait and the People's Republic of China were established in 1971, and since then, relations have expanded into a comprehensive strategic partnership. Kuwait was the first Gulf country to sign a cooperation agreement with China under the Belt and Road Initiative ("**BRI**"), which began with a memorandum of understanding on cooperation under the "Silk Road Economic Belt" in 2014 and evolved into a strategic partnership during the late Amir Sheikh Sabah Al Ahmad Al Jaber Al Sabah's state visit in 2018, underscoring its role as a strategic hub for Chinese investment in the region. In September 2023, the then Crown Prince, now His Highness the Amir Sheikh Meshal Al Ahmad Al Jaber Al Sabah, conducted an official visit to China during which an additional seven memoranda of understanding were signed outlining cooperation in sectors including port development, wastewater treatment, renewable energy, waste recycling, new town development, and the establishment of free and economic zones.

The People's Republic of China is Kuwait's largest trading partner, accounting for more than eight consecutive years as the leading export destination. Imports from China include machinery, electronics, construction materials, and consumer goods, making China also one of Kuwait's top import partners. See *"Balance of Payments and Foreign Trade—Foreign Trade"*.

Beyond trade, Chinese companies are active participants in Kuwait's infrastructure development, including projects in energy and power generation, port expansion, housing and transport, many of which align with Kuwait Vision 2035 and China's BRI objectives. In addition to economic and trade relations, cooperation extends to cultural and educational fields, with high-level visits and joint investment forums underscoring the commitment of both sides to deepen ties.

#### *The United Kingdom of Great Britain and Northern Ireland*

The United Kingdom of Great Britain and Northern Ireland and Kuwait have enjoyed a long history of close engagement, dating back to 1775 when trade links were first established when East India Company's ship docked in Kuwait, and politically dating back to 1899 with the Anglo-Kuwaiti Agreement and formalised with the establishment of diplomatic relations upon Kuwait's independence in 1961. The relationship has since evolved into a broad and strategic partnership spanning political, economic, cultural, and social dimensions. In 1953, Kuwait established the Kuwait Investment Office in London, the first Sovereign Wealth Fund in the world.

Bilateral cooperation is built on a series of agreements and memoranda of understanding since independence and complements the UK-Kuwait Joint Steering Group, which meets twice a year to explore new opportunities for cooperation.

British companies are active across Kuwait's oil and gas, infrastructure, healthcare, education, and financial services sectors. At the same time, joint government-to-government projects are advancing reforms in infrastructure, telecommunications, housing, and public health.

Cultural, educational, and social links between the two countries are also strong. Thousands of Kuwaiti students pursue higher education in the UK each year, particularly in fields such as engineering, medicine,

and law. In addition, cultural exchange is promoted through institutions such as the British Council, which maintains a presence in Kuwait, fostering English language learning, academic cooperation, and the arts. Tourism also forms a significant part of bilateral engagement, with the UK remaining a favored destination for Kuwaiti travelers.

### *European Union*

Kuwait maintains a long-standing and multifaceted relationship with the European Union (EU) and its member states, anchored in trade, investment, political dialogue, and cultural exchange. Diplomatic relations are supported by the EU–GCC Cooperation Agreement signed in 1989, which provides a framework for economic, technical, and political cooperation between the two blocs. Over the years, the EU and Kuwait have expanded their engagement to include dialogue on energy security, climate change, sustainable development, and regional stability.

The EU is one of Kuwait's largest trading partners, with Kuwait exporting crude oil, refined petroleum and petrochemicals to the EU while importing machinery, transport equipment, chemicals and consumer goods. See "*Balance of Payments and Foreign Trade—Foreign Trade*". Major EU companies are active in Kuwait's economy, particularly in energy, infrastructure, construction, telecommunications, and healthcare. European firms have also been involved in landmark projects, including the development of refining capacity, airport infrastructure, and renewable energy initiatives. On the other hand, Kuwaiti firms operate in several European countries, especially in the energy and petroleum sector.

Beyond trade, the EU and Kuwait collaborate on issues of mutual concern such as energy transition and climate policy, with Kuwait engaging in EU-led forums on clean energy technology and emissions reduction. The EU has also supported capacity-building initiatives in Kuwait, particularly in the areas of governance, education, and research cooperation.

Politically, Kuwait actively participates in GCC-EU summits, as well as ministerial, and senior officials' meetings that take place periodically, and coordinates regularly with the EU and its Member States on issues pertaining to the political developments of the MENA region.

Cultural and educational ties are reinforced through bilateral programs with EU member states. Academic exchanges, language programs, and cultural initiatives foster deeper people-to-people connections, while Europe remains a favored destination for Kuwaiti students and tourists. In 2023, The European Commission approved entry visas to Kuwaiti nationals, which are more favorable than the generic rules. This new visa 'cascade' regime for Kuwaiti nationals applying for Schengen visas in Kuwait allows all eligible applicants, including first-time travelers, to be issued visas valid for 5 years if the passport validity allows. This decision is testament to the EU's strong belief that Kuwait is an important partner for the EU.

### *The Republic of India*

Kuwait and India share a longstanding relationship that spans centuries of trade and cultural exchange, underpinned by deep people-to-people ties. Diplomatic relations were formally established in 1962 following Kuwait's independence, and since then the partnership has developed into one of Kuwait's most important bilateral relationships in Asia.

India is consistently one of Kuwait's largest trading partners and a major destination for Kuwaiti crude oil exports. See "*Balance of Payments and Foreign Trade—Foreign Trade*". Kuwait exports primarily crude oil and petrochemical products to India, while imports from India include machinery, textiles, food products, engineering goods, and pharmaceuticals. Trade flows continue to expand, supported by long-term supply arrangements and growing private-sector collaboration in areas such as energy services, IT, and healthcare.

The relationship is further strengthened by the presence of a large Indian community in Kuwait, estimated at close to one million people, making it the single largest expatriate community in the country. Indian nationals play a significant role in Kuwait's labor force across a wide spectrum of sectors, including healthcare, construction, education, and services. Their remittances also contribute meaningfully to bilateral economic ties.

Beyond trade and labor, Kuwait and India cooperate in education, healthcare, and cultural exchange. Kuwaiti patients regularly travel to India for specialised medical treatment, while Indian universities and

training centers attract Kuwaiti students. High-level visits, joint committees, and bilateral agreements provide frameworks for expanding cooperation into new areas, including renewable energy, digital technology, food security, and investment.

#### *The Islamic Republic of Pakistan*

The State of Kuwait enjoys a long-standing cooperative and strategic relationship with the Islamic Republic of Pakistan, dating back to 1963 when the two countries first established diplomatic ties. Over the decades, this partnership has expanded across a wide range of critical areas. Notably, in the field of labour relations, citizens of the Islamic Republic of Pakistan constitute one of the largest expatriate communities in Kuwait, with almost 100,000 Pakistanis currently residing in Kuwait.

Furthermore, Kuwait has consistently prioritised investment in key development projects within the Islamic Republic of Pakistan. KFAED, established in 1961 as the first institution of its kind, has played a pivotal role in this regard through the extension of development loans to Pakistan.

This close relationship is further reinforced through regular high-level state visits, as well as ongoing cooperation and the exchange of perspectives within international organisations and on regional issues.

#### *Japan*

Kuwait and Japan have enjoyed close diplomatic and economic relations since the establishment of diplomatic ties in 1961. The partnership is rooted in energy trade, with Japan consistently ranking among Kuwait's top export destinations for crude oil and refined products. The relationship has expanded over time to encompass investment, infrastructure development, and cultural exchange.

Japan is one of Kuwait's largest customers for crude oil, with long-term supply arrangements supporting Japan's energy security. See "*Balance of Payments and Foreign Trade—Foreign Trade*". Kuwait imports a range of Japanese goods, including automobiles, machinery, electronics, and high-tech equipment. Bilateral trade is complemented by Japanese investment and corporate activity in Kuwait, particularly in the oil and gas, petrochemicals, and power sectors.

Beyond hydrocarbons, Japanese companies have contributed to major infrastructure projects in Kuwait, including refining capacity, power generation, and water desalination. Cooperation has also expanded into new areas such as renewable energy, clean hydrogen, and energy efficiency technologies, reflecting Kuwait's diversification agenda and Japan's expertise in sustainable energy.

The partnership is reinforced by regular high-level visits, the last of which was the visit of His Highness the Crown Prince Sheikh Sabah Khaled Al-Hamad Al-Sabah in May 2025. This visit witnessed the elevation of the relations to the level of a comprehensive strategic partnership. Furthermore, the Kuwait–Japan Business Cooperation Committee, plays a role in fostering private-sector dialogue and collaboration. Capacity building is another important aspect of the relationship, with Kuwaiti professionals regularly receiving training in Japan across fields such as energy technology, engineering, and healthcare.

Cultural and educational links further strengthen ties. Exchange programs and cultural initiatives highlight shared interests in art, language, and education, while Japan remains a popular destination for Kuwaiti travelers.

#### *The Republic of Korea*

Kuwait and the Republic of Korea (**South Korea**) established diplomatic relations in 1979, and since then the two countries have developed a strong partnership underpinned by energy trade, investment, and infrastructure cooperation. South Korea is one of Kuwait's most important energy partners, importing a significant share of its crude oil from Kuwait, while South Korean companies have become leading contractors and investors in major projects across the State.

South Korea is consistently among the top importers of Kuwaiti crude oil, accounting for nearly one-third of its energy imports in recent years. Bilateral trade is anchored in these long-term oil supply arrangements, but also extends to petrochemicals, construction, shipbuilding, and technology. In turn, Kuwait imports automobiles, electronics, heavy equipment, and industrial products from South Korea, reflecting a balanced and diversified trade relationship.



Korean companies are deeply embedded in Kuwait's development agenda, particularly through large-scale infrastructure and industrial projects. Major South Korean engineering and construction firms, including Hyundai Engineering & Construction, GS Engineering & Construction, and SK Group, have been awarded contracts in oil refining, petrochemicals, power generation, and water desalination. Notable projects include participation in the Al-Zour refinery, one of the largest refining facilities in the Middle East, as well as major road, housing, and power plant projects. Kuwait also partnered with a South Korean firm to build Sheikh Jaber Al-Ahmad Al-Sabah Causeway, one of the largest infrastructure projects in the world. This landmark, which was officially opened in 2019, constitutes an important pillar in Kuwait Vision 2035.

Bilateral cooperation is further strengthened through institutional frameworks such as the Kuwait–Korea Joint Committee, which facilitates dialogue on trade, investment, energy, and cultural exchange. The two countries are also expanding cooperation into future-oriented sectors, including renewable energy, smart cities, healthcare, and digital technologies, in line with Kuwait's diversification objectives and South Korea's expertise in innovation.

Cultural and educational ties are also growing. Exchanges in language, technology training, and academic partnerships have expanded, and South Korea has become a popular destination for Kuwaiti tourists and professionals, particularly in technical and engineering fields.

#### *The Republic of Türkiye*

The State of Kuwait and the Republic of Türkiye marked the 60th anniversary of the establishment of diplomatic relations in 2024. With more than 70 bilateral agreements signed to date, the two countries continue to work closely to advance cooperation in international and regional issues, trade, investment, tourism, defense and security.

In recent years, Kuwait has emerged as an attractive destination for Turkish investments. Notably, the Government of Kuwait partnered with Limak Group to construct the new Terminal 2 building at Kuwait International Airport, one of the mega projects of Kuwait Vision 2035. Further, the design of the railway project linking the State of Kuwait to the Kingdom of Saudi Arabia Railway Project was awarded to "PROYAPI Engineering and Consulting", a leading Turkish firm, reflecting the shared commitment to regional development and prosperity.

With an increasing number of high-level official visits, Kuwait has further strengthened its defense relations with the Republic of Türkiye, particularly in the areas of arms agreements and specialised training programs. Moreover, in terms of cultural relations, the Republic of Türkiye constitute a popular tourist destination for Kuwaiti citizens.

#### **Employment**

According to the Public Authority for Civil Information, Kuwait's labour force totalled approximately 3.1 million as of 30 June 2025. Non-Kuwaiti nationals represented 84.4 per cent. of the total, while Kuwaiti nationals accounted for 15.6 per cent. The labour force continued to expand in 2024, driven by private sector activity and supported by a large expatriate presence, with domestic workers comprising a substantial share of non-Kuwaiti employment. Among Kuwaiti nationals, around 85 per cent. were employed in the public sector. As of 30 June 2025, the employed Kuwaiti national workforce was almost evenly split between men and women (50.5 per cent. male and 49.5 per cent. female).

Consistent with Kuwait Vision 2035, ongoing government initiatives, which include calibrated Kuwaitisation ratios, labour market and contract standardisation measures, skills and training programmes, and greater use of PPPs, aim to increase national participation in private-sector employment and support a more diversified, productivity-oriented economy.

The following table sets forth the estimated labour force of Kuwait as at 30 June 2025, 31 December 2024, and 31 December 2023:

	As at 30 June			As at 31 December				
	2025			2024			2023	
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)
Kuwaitis .....	491,144	15.6	(2.7)	505,000	16.5	7.4	469,976	15.6
Non-Kuwaitis .....	2,650,841	84.4	3.5	2,560,000	83.5	1.0	2,535,024	84.4
<b>Total.....</b>	<b>3,141,985</b>	<b>100.0</b>	<b>2.5</b>	<b>3,065,000</b>	<b>100.0</b>	<b>2.0</b>	<b>3,005,000</b>	<b>100.0</b>

Source: Public Authority for Civil Information

### Kuwaitisation

In line with the Government's objective of increasing Kuwaiti nationals' participation in the private sector, Kuwait pursues a localisation policy commonly referred to as "*Kuwaitisation*." The Public Authority for Manpower (**PAM**) sets sector-specific requirements and implements measures, particularly in government contracts, to raise the share of Kuwaiti employees, with ongoing initiatives to lift Kuwaitisation rates across industries and enforce compliance through procurement and licensing processes.

Kuwait has introduced reforms to strengthen worker protection and bring labour market practices closer to international standards. While most expatriates remain employed under the sponsorship (*kafāla*) system, Kuwait became the first GCC country in 2015 to enact a Domestic Workers Law, establishing minimum standards on wages, hours, rest periods and leave entitlements, subsequently reinforced through executive regulations. In parallel, in 2016 the Public Authority for Manpower implemented a unified private sector employment contract to standardise terms and enhance transparency across the labour market.

### Education

Kuwait's education sector, overseen by the Ministry of Education and the Ministry of Higher Education, has expanded and modernised over recent years through sustained public investment in infrastructure and targeted policy reforms. In line with Vision 2035 and the needs of a more diversified economy, the Government has updated curricula to align with international standards and to embed competencies such as critical thinking, problem-solving, digital literacy, and STEM. Recent initiatives include a restructured KG–9 curriculum, the integration of AI and cybersecurity modules at the secondary level, programs for gifted students, and administrative/governance restructuring within the Ministry to improve efficiency, accelerate digital transformation, and better align learning outcomes with labour-market demands.

At the tertiary level, Kuwait's principal public institutions are Kuwait University (founded in 1966) and Abdullah Al-Salem University (founded in 2019) as part of higher-education reforms to expand capacity and diversify programs, supported by numerous private universities. The Government completed the Kuwait University Al-Shadadiyah campus in 2019, a green facility equipped with modern laboratories and learning technologies and designed for a total capacity of approximately 40,000 students.

Complementing domestic support, the Government funds scholarships and stipends to support Kuwaitis pursuing undergraduate and postgraduate study abroad. These initiatives are intended to broaden skills, deepen international exposure, and reinforce the sector's contribution to human capital development and economic diversification.

### Healthcare

Kuwait has a comprehensive, well-developed and extensive public healthcare system, which is administered by the Ministry of Health. The Ministry of Health is responsible for planning, financing, allocating resources, regulating, monitoring and evaluating as well as delivering health care services. Each governorate's health office supervises and manages at least one general hospital and a number of primary health centres and specialised clinics. The public network includes six general hospitals across the health regions, an array of national specialty facilities with expertise in oncology, ophthalmology, orthopaedics and neurology, and approximately 116 primary healthcare centres. Recent capacity additions include two "healthcare-city" scale complexes: Jaber Al-Ahmad Al-Jaber Al-Sabah Hospital in South Surra, one of the region's largest single-structure hospitals with approximately 1,168 beds and an independent trauma centre,

and Jahra Medical City, a multi-building campus with approximately 1,234 beds and dedicated outpatient and dental facilities. Alongside the public system, Kuwait has a growing private segment of licensed hospitals and multi-specialty clinics that provide inpatient and outpatient care, maternity and elective procedures, diagnostics and wellness service.

## **Environment**

Kuwait's population growth and economic expansion over the past few decades has increased pressure on its natural resources. The Government has recognised the potentially adverse environmental impact of these demographic changes and has incorporated environmental protection and sustainability measures into its future development plans.

The Environment Public Authority ("**KEPA**") was established in 1995 as an independent governmental body tasked with environmental governance. Its mandate, set out under Environmental Protection Law No. 42 of 2014 as amended by Law No. 99 of 2015, includes developing national environmental policy, enforcing standards for pollution control and environmental quality, assessing environmental impact for development projects, managing environmental emergencies, and promoting environmental awareness.

Kuwait is actively implementing its Kuwait Environmental Remediation Program ("**KERP**"), a United Nations-backed initiative to clean and restore areas affected by soil contamination and unexploded ordnance from the Gulf War. Under KERP, more than 8.5 million tonnes of contaminated soil have been treated, over 55 square kilometres have been cleared of unexploded ordnance, and approximately 2.3 million tonnes of oil-polluted soil were bio-remediated in 2024 by the joint venture of Khalid Al-Kharafi and Lamor Corporation. The programme continues to expand in scope, with staged contracts for cleanup and revegetation underway.

To address climate-related challenges, Kuwait has ratified the Paris Agreement and, in 2021, updated its Nationally Determined Contribution ("**NDC**") under the United Nations Framework Convention on Climate Change, committing to enhanced emissions reporting and energy efficiency measures. Al-Shagaya is Kuwait's flagship multi-technology renewable complex developed in the Al-Shagaya area to anchor the country's utility-scale clean power buildout toward its 2030 target. Additionally, Kuwait is advancing adaptation efforts, including the development of desalination infrastructure to strengthen water security and the implementation of early-warning systems for sandstorms.

## **Development Strategy of Kuwait**

Kuwait Vision 2035 is anchored on economic diversification, infrastructure resilience, and governance reform, outlining a comprehensive program to reinforce national infrastructure and elevate the country's role as a regional and global hub for commerce, energy, transport, technology, and culture.

The strategy transitions the government's role from direct operator of key economic sectors to market enabler, prioritising conditions that unlock private sector growth, attract long-term foreign capital and support productive partnerships as the main drivers of development. It couples that shift with institutional and legislative reforms to improve governance, service delivery and the efficiency of public investment, so that policy, capital and talent pull in the same direction.

Kuwait Vision 2035 is organised around seven mutually reinforcing pillars that shape priorities across government:

- *Public administration* focuses on better regulation, faster services and stronger institutions so Kuwait can enable the private sector to participate in a larger share of the economy.
- *A diversified and sustainable economy* promotes competition, FDI and entrepreneurship to reduce oil dependence.
- *Modernising national infrastructure* targets connected transport and reliable utilities that lower business costs and raise productivity.
- The *sustainable living environment* pillar embeds environmental management and resilience in how projects are planned and built.

- *Human capital* strengthens education, skills and research to align graduates with future jobs.
- *Enhancing healthcare* expands capacity and quality across primary and specialty care.
- *Global positioning* upgrades logistics, gateways and digital connectivity so Kuwait can compete as a regional platform for trade and services.

Delivery happens through the Kuwait National Development Plan (the "**KNDP**"), the government's primary instrument for translating Vision 2035 into action. The KNDP is sequenced as five consecutive five-year plans: 2010–2015 established the legislative and institutional base; 2015–2020 accelerated infrastructure expansion; 2020–2025 deepened private-sector engagement; 2025–2030 drives the transition to a knowledge economy; and 2030–2035 completes the digital transformation toward "Smart Kuwait." Each five-year cycle is operationalised through annual national plans that assign projects to implementing entities under the supervision of the General Secretariat of the Supreme Council for Planning and Development, with clear KPIs, progress tracking and mechanisms to resolve bottlenecks.

Within such framework, the KNDP groups reforms and investments into integrated programs that deliver Kuwait Vision 2035's objectives. These include unlocking the northern hub, advancing privatisation, fostering a dynamic private sector, equipping people with the skills and incentives for future growth, developing a transparent and synergistic government, building connected and integrated infrastructure, creating a livable and harmonious environment and improving health and wellbeing. The programmes are designed to be mutually reinforcing. For example, skills reforms feed directly into private sector hiring, while governance and digitisation improvements shorten project timelines and reduce compliance costs.

The current pipeline features more than 140 ongoing development projects spanning transport, utilities, social infrastructure, housing and the green transition. Flagship examples include Kuwait International Airport's Terminal 2 expansion to increase passenger capacity; Mubarak Al-Kabeer Port on Boubayan Island to strengthen maritime logistics; major power-and-water schemes at Al-Zour North and Al-Khiran to add generation and desalination capacity; and the Shagaya Renewable Energy Complex, where early CSP, PV and wind assets are being scaled through subsequent phases to anchor utility-scale renewables. Major housing and urban development zones, such as large residential cities that integrate commercial, recreational and social services, extend core infrastructure into livable communities and support private investment in construction, services and retail.

Financing and delivery are structured to crowd in private capital. Kuwait increasingly employs public–private partnerships, long-term concession and offtake models and other blended-finance approaches, while project preparation (feasibility, procurement and contract management) is tightened to enhance bankability and value for money. Investment-climate measures, such as KDIPA incentives that allow up to 100 per cent. foreign ownership, and new economic/free-zone developments, are used to attract high-value activities in logistics, advanced services and manufacturing that align with the pillars.

To support execution of Kuwait Vision 2035's projects, a legislative and regulatory agenda is advancing across fiscal, market and sectoral domains. Recent measures include a financing and liquidity law to strengthen sovereign funding flexibility, a domestic minimum top-up tax consistent with global standards for multinational enterprises, updates to the civil aviation framework to support air-hub ambitions and continuing commercial law modernisation (e.g. bankruptcy and competition) and capital market upgrades. In parallel, service digitisation (including wide adoption of e-government platforms) and administrative streamlining reduce friction for citizens, investors and operating companies.

### **Key Legislative Developments**

A key component in Kuwait's development plans includes taking steps to facilitate diversification in the national economy and reduce its reliance on the oil sector. In recent years, several modern economic laws have been enacted to support diversification policies, such as creating new capital market platforms, expanding debt market products, ensuring fair and competitive taxation, improving insolvency frameworks, enhancing access to credit information, opening the housing sector to private investment, and accelerating digital transformation.

### ***New Housing Law***

Law No. 118 of 2023, as amended by Decree-Law No. 89 of 2025, enables private-sector participation in the development of integrated residential cities. The New Housing Law expands corporate structures beyond joint-stock companies, allows a wider range of housing products, and streamlines government funding commitments. It is designed to stimulate real estate and construction activity, creating jobs and supporting broader economic diversification.

### ***Bonds and Sukuk Platform Law***

Scheduled for launch by the end of 2025, the Bonds and Sukuk Platform Law will introduce an on-exchange trading venue for both conventional and Sharia-compliant debt instruments. Developed jointly by the CMA and Boursa Kuwait, this initiative will diversify investment products, improve debt market liquidity, and provide issuers with new financing channels for infrastructure and sectoral growth projects.

### ***MNE Law***

In December 2024, Kuwait enacted Decree-Law No. 157 of 2024 (the "**MNE Law**"), introducing a 15 per cent. domestic minimum top-up tax in line with the OECD's Pillar Two framework. The MNE Law applies to multinational enterprise groups with consolidated revenues exceeding EUR 750 million (approximately KWD 280 million) in at least two of the previous four fiscal years. This measure ensures competitive neutrality, strengthens alignment with global tax standards, and secures sustainable revenues to fund diversification initiatives.

### ***Emerging Companies Market Law***

In 2025, the CMA issued Decision No. 108 of 2025, establishing a dedicated Emerging Companies Market within Boursa Kuwait. The market is designed for early-stage, high-growth companies to access public capital under tailored listing rules, including a minimum share fair value of KWD 750,000, a minimum 20 per cent. free float at admission, and lock-up restrictions for major shareholders for up to 18 months. This framework aims to encourage entrepreneurship and innovation in non-oil sectors while maintaining market integrity.

### ***Bankruptcy Law***

The Bankruptcy Law modernised Kuwait's insolvency regime by replacing outdated provisions with a comprehensive framework for preventive settlement, restructuring, and rehabilitation. The Bankruptcy Law established a dedicated Bankruptcy Court, Bankruptcy Department, and Bankruptcy Committee, providing legal certainty and structured mechanisms for business recovery. This framework enhances investor confidence and supports the stability of the private sector.

### ***Credit Information Law***

Law No. 9 of 2019 governs the licensing and operation of credit-information companies under the supervision of the CBK. The Credit Information Law sets capital, operational, and reporting standards to improve transparency in lending and risk assessment, facilitating SME access to finance—an essential driver of private-sector growth in non-oil industries.

### ***FDI Law***

Law No. 116 of 2013 established the Kuwait Direct Investment Promotion Authority as an autonomous body to attract value-added foreign investment, transfer technology, and create skilled jobs for Kuwaiti nationals. Incentives include 100% foreign ownership, up to ten years of corporate tax exemption, customs exemptions, and guarantees for capital repatriation and protection from expropriation—reinforcing Kuwait's role as a competitive investment hub in the region.

### ***Competition Law***

Law No. 72 of 2020 created the Competition Protection Agency to safeguard market competition and prohibit anti-competitive conduct. The law requires notification of qualifying mergers and acquisitions, empowers the Competition Protection Agency to investigate violations, and imposes sanctions to maintain fair, transparent, and dynamic markets that encourage private-sector growth.

### ***Insurance Regulation Law***

Law No. 125 of 2019 established the Insurance Regulatory Unit (**IRU**) to oversee licensing, solvency, and market conduct in the insurance sector. By setting prudential standards and protecting policyholder rights, the law strengthens sector stability and promotes insurance as a growing pillar of Kuwait's diversified financial services industry.

### **Key Projects Under Development**

Kuwait's flagship projects are not only creating world-class physical assets but also serving as instruments of fiscal modernisation, operational efficiency, and private-sector growth. Together, these initiatives are expected to strengthen Kuwait's capacity to generate sustainable revenues, attract investment, and build the foundations for long-term economic resilience and public financial stability.

### ***Energy & Industrial Development***

Kuwait is executing a series of high-impact upstream and infrastructure developments to expand its hydrocarbon resource base, enhance energy security, and strengthen its position in global energy markets. These projects—ranging from large-scale offshore oil and gas fields to critical storage and distribution facilities—are integral to Kuwait Petroleum Corporation's long-term production targets and the State's broader economic strategy. Together, they will increase export capacity, diversify energy sources, and support fiscal sustainability through higher, more stable revenue streams. See "*The Economy—Principal Sectors of the Economy—Oil and Gas*".

### ***Transport & Logistics Infrastructure***

Kuwait is investing heavily in transport and logistics assets to enhance connectivity, lower trade and travel costs and unlock new economic corridors. These projects, spanning air, sea, and land, are designed to increase throughput capacity, improve operational efficiency and create new revenue streams across tourism, trade and real estate. By integrating modern infrastructure with industrial and commercial hubs, Kuwait is positioning itself as a competitive regional gateway for passengers, cargo and investment flows.

#### ***Kuwait International Airport Expansion***

Terminal 2 will more than double annual capacity to 25 million passengers, supporting tourism and air cargo revenues. Designed to LEED Gold standards with integrated solar generation, it will reduce long-term operating costs for the national aviation sector. Terminal 4, operational since 2018, has already improved efficiency and reduced congestion, increasing passenger fee income and service revenues.

#### ***Mubarak Al-Kabeer Port***

Located on Boubyan Island, this flagship development is central to the Northern Economic Zone. In the first stage, Mubarak Al-Kabeer Port will expand to 4 berths with capacity for over 1.8 million TEUs annually, elevating Kuwait's role as a maritime logistics hub, catalyze industrial investment, and attract significant FDI inflows.

### ***Digital Infrastructure & Data Centres***

As part of Kuwait Vision 2035, Kuwait is accelerating its transformation into a digitally enabled, AI-driven economy, leveraging strategic partnerships with leading global technology firms to modernise public services, strengthen economic competitiveness, and position itself as a regional hub for innovation. These initiatives integrate cloud computing, advanced analytics, and artificial intelligence into government operations and the broader economy, enhancing efficiency, transparency, and revenue generation.

The National AI strategy prioritises integration across government services, education, energy, healthcare, transportation, cities & urban infrastructure, justice, finance, and cybersecurity.

Kuwait is advancing hyperscale digital infrastructure through the establishment of a local cloud region and substantial investment in sovereign AI data centres. Strategic partnerships with Google and Microsoft are accelerating digital transformation, modernising public services, driving financial technology adoption and enabling secure cloud capabilities at scale. A key milestone is the rollout of Sahel, Kuwait's unified e-

government platform, which consolidates over 100 public services into a single digital channel, enhancing accessibility, efficiency and transparency.

The CBK is also advancing financial sector digitisation, integrating AI and fintech solutions to modernise payment systems, enhance regulatory oversight, and strengthen the efficiency and competitiveness of Kuwait's banking ecosystem. The CBK is spearheading financial sector digitisation through comprehensive regulatory frameworks and forward-looking innovation. Its Wolooj Innovation Hub has developed proprietary technology for generating high-security cryptographic keys, underscoring the CBK's commitment to advanced cybersecurity and institutional innovation. The CBK has also introduced enabling regulation for e-payments, digital banking and open banking platforms, while reinforcing sector-wide cybersecurity standards across governance, risk and compliance. Collectively, these efforts accelerate financial technology adoption, broaden secure digital transaction infrastructure and position Kuwait's financial ecosystem at the forefront of regional financial modernisation and resilience. See "*Monetary and Financial System—CBK's Digital Transformation Agenda*".

### ***Power, Water and Renewable Energy***

As part of its long-term economic diversification and fiscal sustainability agenda, Kuwait is advancing a portfolio of large-scale power and water generation projects under both conventional and renewable frameworks. These initiatives combine public-private partnership models, international joint ventures and government led developments to ensure secure, efficient and sustainable energy supply for decades to come. Leveraging Kuwait's strong sovereign profile, strategic location and commitment to reform, these projects are designed to deliver predictable returns, attract foreign investment and support Kuwait's energy transition objectives. Major projects include:

- *Al-Zour North and Al Khiran Power & Water Plants* – One of the largest energy zones in the region, delivering more than 4,500 MW and substantial desalination output;
- *Al-Dibdibah Power Project* – A 1.6 GW multi-zone solar PV complex set to provide large-scale renewable power under a 30-year power purchase agreement; and
- *Shagaya Renewable Energy Complex* – A complex currently generating power using solar PV, wind and concentrated solar power, with plans to add a further 3.5 GW of capacity.

### ***Urban Development & Housing***

Kuwait is implementing large-scale urban expansion, housing delivery and special economic zone development to meet long-term population growth, diversify economic activity and attract private capital. Through a combination of master-planned cities, legislative reforms and targeted investment zones, Kuwait is driving private sector participation in real estate, infrastructure and community development. These projects are designed to stimulate construction, retail, tourism and logistics activity while reducing the fiscal burden on the public sector and expanding the role of public-private partnerships in Kuwait's growth model.

#### ***Urban Developments – New Cities***

Five major planned cities, Al-Mutlaa City; South Sabah Al-Ahmad City; South Saad Al-Abdullah City; Nawaf Al-Ahmad City and Al-Sabriya City, are collectively designed to deliver more than 160,000 housing units over the long term. These developments are expected to stimulate significant economic activity in construction, building materials, retail and services. Legislative reforms, including the 2023 housing law and its 2025 amendments, have enabled PPP structures and greater flexibility for private developers, reducing the public sector's upfront capital commitments and broadening the scope for private investment in residential infrastructure.

#### ***Economic Zones, Free Trade Zone, and Commercial Plots***

Several strategic economic zones and commercial plots are being developed to attract investment and strengthen the country's position as a regional hub. These projects are designed to create diverse, high-value opportunities for investors. The Al-Abdali Economic Zone is set to become a major industrial and logistics gateway. Meanwhile, the Al-Wafra Economic Zone will be a hub for entrepreneurs and new businesses.

## ***Social Infrastructure***

Kuwait is expanding its healthcare and education infrastructure to improve service delivery, capture domestic and regional demand and reduce reliance on overseas expenditure. These investments are designed to enhance human capital and strengthen long-term productivity.

### ***Healthcare Infrastructure Expansion***

With over U.S.\$ 4 billion invested in landmark facilities, including Sheikh Jaber Al-Ahmad Hospital, the Farwaniya Hospital expansion, the new Jahra Hospital and the Kuwait Cancer Control Centre, Kuwait is significantly increasing its public health capacity. These projects reduce the fiscal burden of overseas treatment subsidies, retain healthcare spending within Kuwait and attract regional patients seeking specialised care. The expanded capacity also supports the growth of Kuwait's medical workforce and related healthcare industries. See "*—Healthcare*".

### ***Advancing Education in Kuwait***

Al-Sheddadiya University, also known as Kuwait University's Sheddadiya Campus, is one of the largest and most advanced education infrastructure investments in the country's history. Designed to centralise Kuwait University operations on a single, modern campus, it features contemporary academic buildings, advanced research laboratories and comprehensive student facilities. By consolidating multiple faculties from dispersed locations into a state-of-the-art environment, the university aims to enhance research capabilities, foster interdisciplinary collaboration, improve student life and reinforce Kuwait's long-term commitment to higher education. See "*—Education*".

## ***Tourism & Culture***

Kuwait is enhancing its tourism offering through investments in cultural infrastructure, hospitality capacity and visitor facilitation measures designed to stimulate service sector GDP, create jobs and diversify economic activity. These initiatives are supported by recent visa reforms that significantly expand market access for leisure and business travelers.

Kuwait has implemented a series of tourism-focused visa measures, including visa-on-arrival for all GCC residents, a four-tier e-visa system offering single and multiple-entry options and the removal of minimum salary requirements for family visit visas. The launch of the "Visit Kuwait" digital tourism portal streamlines applications and provides travel planning tools, while the upcoming GCC Unified Tourist Visa will enable seamless regional travel across all six GCC countries.

Anchored by the Sheikh Jaber Al-Ahmad Cultural Centre, the Sheikh Abdullah Al-Salem Cultural Centre and Al Shaheed Park, the National Cultural District has elevated Kuwait's profile as a cultural destination. Additionally, Jahra Waterfront, a 5.8 million square metre mixed-use coastal development, has transformed Jahra's shoreline into a destination for leisure, tourism, and commercial activity. The project positions the private sector at the centre of investment in retail, hospitality and entertainment infrastructure and enriches the quality of life for residents. These venues host performances, exhibitions, and public events that drive visitor spending and support the hospitality and retail sectors.



## THE ECONOMY

### General

Kuwait is a small, open economy with substantial hydrocarbon resources, very low oil production costs and strong external buffers. Petroleum and related industries remain the principal drivers of activity, exports and fiscal revenue, alongside petrochemicals, cement, shipbuilding and repair, water desalination, food processing and construction. The Government continues to advance diversification and private-sector participation under Kuwait Vision 2035, while maintaining prudent oversight of the oil sector and associated sovereign assets.

Kuwait's real GDP (at constant 2010 prices) for the year ended 31 December 2024 declined by 2.6 per cent. to KD 40.3 billion compared to KD 41.4 billion for the year ended 31 December 2023 principally due to a decline in real GDP of the oil and oil products sector by 6.9 per cent. as a result of OPEC production quotas as well as oil price volatility. Kuwait's GDP contracted in real terms by 4.8 per cent. in the year ended 31 December 2020, primarily due to the COVID-19 pandemic and the related countermeasures taken by governments around the world to contain its spread, but it grew by 6.8 per cent. and 1.7 per cent. in the years ended 31 December 2022 and 2021, respectively, and contracted by 1.7 per cent. for the year ended 31 December 2023, to result in a real GDP of KD 41.4 billion (U.S.\$134.5 billion, assuming a 1.00 KD to U.S. dollar exchange rate of U.S.\$3.25) for the year ended 31 December 2023. The growth in the years ended 31 December 2022 and 2021 was primarily due to the gradual global economic recovery following the repeal of the countermeasures adopted to contain the spread of COVID-19. The contraction in the year ended 31 December 2023 was primarily due to lower oil prices, which declined by 19.9 per cent. from U.S.\$100.9 per barrel in 2022 to U.S.\$82.5 per barrel in 2023.

There are currently no official Government statistics available on Kuwait's GDP for the year ended 31 December 2024. However, according to the IMF 2024 Report, the IMF has estimated that real GDP contracted by 2.8 per cent. for the years ended 31 December 2024 and that it will grow by 2.6 per cent. for the year ended 31 December 2025. According to the 2024 IMF Report, Kuwait's nominal GDP for the year ended 31 December 2024 was projected to be U.S.\$159.1 billion. Quarterly GDP estimates for 2024 and 2025 have been published by the Central Statistical Bureau. According to the Bureau's data, Kuwait's real GDP (at constant 2010 prices) for the first quarter of 2025 amounted to KD 10.3 billion, representing a 1.0 per cent. increase compared to KD 10.2 billion in the first quarter of 2024.

In April and November 2023, the eight OPEC+ countries, namely the Kingdom of Saudi Arabia, Russia, the Republic of Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria and Oman agreed to reduce production volumes on account of the uncertain economic environment. More recently, in December 2024, OPEC+ reached an agreement to gradually increase oil production from 1 April 2025 to, in aggregate, 2.2 million bpd. According to this agreement, Kuwait has agreed to increase output to 2.3 million bpd in August 2025 and 2.8 million bpd in September 2025. On 7 September 2025, OPEC+ announced further increases from October 2025 of 137,000 bpd.

### Key Economic Indicators

The following table sets forth selected economic and social indicators for Kuwait for each of the years 2024, 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	<i>(KD millions, unless otherwise indicated)</i>				
Population (millions) <sup>(1)</sup> .....	4.99	4.86	4.74	4.39	4.67
GDP at current (nominal) prices <sup>(2)</sup> .....	49,140.3	50,803.6	56,197.5	44,748.9	34,005.8
GDP at constant (real) prices (2010=100).....	40,334.5	41,394.3	42,096.1	39,431.1	38,782.6
Oil sector GDP at current prices .....	21,326.5	23,947.4	29,882.2	18,638.6	11,151.8
Oil sector GDP at constant prices (2010=100).....	19,306.8	20,736.6	21,644.4	19,309.8	19,476.8
Inflation rate (%) <sup>(3)</sup> .....	2.9	3.6	4.0	3.4	2.1
Aggregate money supply (M3).....	40,634.1	38,973.3	38,584.3	36,245.5	34,921.0
Total Government revenues <sup>(4)</sup> .....	23,644.3	28,801.9	18,614.6	10,520.2	17,220.4
Oil sector revenues <sup>(4)</sup> .....	21,527.6	26,713.0	16,217.0	8,789.7	15,369.6
Total Government expenditures <sup>(4)</sup> .....	25,205.8	22,369.3	22,955.1	21,292.7	21,140.3
Budget (deficit)/surplus <sup>(4)</sup> .....	(1,561.5)	6,432.6	(4,340.6)	(10,772.5)	(3,919.9)
Ratio of budget (deficit)/surplus to nominal GDP (%) <sup>(4)</sup> .....	3.2	12.7	7.7	24.1	11.5
Current account surplus/(deficit) .....	14,322.6	15,791.2	19,327.9	11,278.4	1,483.3

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	(KD millions, unless otherwise indicated)				
Ratio of current surplus/(deficit) to nominal GDP (%).....	29.1	31.1	34.4	25.2	4.4
Per capita GDP at current prices (U.S.\$) <sup>(5)</sup> .....	32,126.1	34,031.2	38,738.8	33,826.2	23,773.1
Per capita GDP at constant prices (U.S.\$) (2010=100) <sup>(5)</sup> .....	8,086.6	8,518.1	8,886.9	8,990.8	8,303.3

(1) Population estimates are as at 31 December in each respective year except for 2024. Population estimates for 2024 are as at 30 June 2024. Source: Public Authority for Civil Information.

(2) Provisional data from quarterly data collection.

(3) Average for the year ended 31 December. Base year 2013=100.

(4) Government budget data is in respect of the fiscal year ended 31 March of each respective year.

(5) Using a KD to U.S. dollar exchange rate of U.S.\$ 306.256 for 2020, U.S.\$301.640 for 2021, U.S.\$306.252 for 2022, U.S.\$307.197 for 2023 and U.S.\$306.667 for 2024.

Source: Central Bank of Kuwait and Ministry of Finance.

The oil sector continues to constitute the largest portion of Kuwait's economy. KPC, which is Kuwait's national oil company, executes Kuwait's oil policy and manages its domestic and foreign upstream and downstream oil investments through its wholly-owned subsidiaries; see "*Principal Sectors of the Economy—Oil and Gas—Organisation of the Kuwaiti Oil Sector*".

The following table sets forth the yearly average OPEC Reference Basket price (a weighted average of prices per barrel for petroleum blends produced by the OPEC countries) and the price per barrel of Kuwait Export Crude Oil for the years ended 31 December 2024, 2023, 2022, 2021 and 2020.

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	(U.S.\$ per barrel)				
OPEC Reference Basket price .....	79.89	82.95	100.08	69.89	41.47
Kuwait Export Crude Oil price (Oil Ministry). .....	80.66	84.31	101.12	70.48	41.51

Source: OPEC and Bloomberg.

International oil prices have decreased significantly since mid-2022, with the OPEC Reference Basket price declining from a monthly average of U.S.\$117.72 in June 2022, to a monthly average of U.S.\$63.62 in May 2025. The OPEC Reference Basket has since increased to U.S.\$69.73 in August 2025. The decline in oil prices since mid-2022 can be attributed to a number of factors, including, but not limited to, a decline in demand for oil and natural gas due to a worsening of global economic conditions, uncertainty arising from tariff disputes between the United States and its trading partners, the increase in oil production by other producers and competition from alternative energy sources.

The period of low crude oil prices has affected Kuwait in a number of ways:

- Kuwait's nominal GDP was KD 50.8 billion for the year ended 31 December 2023, a decline of 9.6 per cent., as compared to KD 56.2 billion for the year ended 31 December 2022;
- Kuwait's foreign trade volume in goods and services (trade exchange, exports and imports) was KD 37.3 billion for the year ended 31 December 2023, a decline of 11.3 per cent. as compared to KD 42.1 billion for the year ended 31 December 2022;
- Kuwait's total value of petroleum and its by-products exports was KD 24.0 billion for the year ended 31 December 2023, a decline of 16.7 per cent. as compared to KD 28.8 billion for the year ended 31 December 2022;
- Kuwait's trade balance in goods and services was a surplus of KD 14.3 billion as at 31 December 2023, a decline of 26.7 per cent. as compared to a surplus of KD 19.5 billion as at 31 December 2022, principally as a result of lower oil and gas export prices during 2023; and
- Kuwait's budget, which depends principally on oil and gas revenues, realised a net deficit of KD 1.6 billion for the fiscal year ended 31 March 2024, and the net deficit is budgeted at KD 5.6 billion for the fiscal year ended 31 March 2025 and KD 6.3 billion for the fiscal year ended 31 March 2026. Repeated budget deficits could put pressure on Kuwait's fiscal position and lead to a decline in Kuwait's fiscal reserves and/or debt accumulation.

## Gross Domestic Product

Kuwait's GDP decreased by 2.6 per cent. and 1.7 per cent. in real terms (at constant 2010 prices) for the years ended 31 December 2024 and 2023, respectively, and increased by 6.8 per cent. and 1.7 per cent. for the years ended 31 December 2022 and 2021, respectively, to reach KD 40.3 billion for the year ended 31 December 2024, based on provisional figures.

Kuwait's nominal GDP was KD 49.1 billion for the year 31 December 2024, a decrease of 3.3 per cent., as compared to KD 50.8 billion for the year ended 31 December 2023. This decline was principally due to a decline in the nominal GDP of the oil and oil products sector by 10.9 per cent. as a result of OPEC production quotas as well as oil price volatility.

### Real GDP by Oil and Non-Oil Sector

For the year ended 31 December 2024, the oil sector contributed 47.9 per cent. to real GDP and decreased by 6.9 per cent. in real terms, following a decline of 4.2 per cent. and a contribution of 50.1 per cent. for the year ended 31 December 2023. The declines in 2024 and 2023 were primarily driven by reduced demand for oil and lower prices, offset in part by production cuts. For the years ended 31 December 2022 and 2021, the oil sector contributed 51.4 per cent. and 49.0 per cent. to real GDP, respectively, and increased by 12.1 per cent. in 2022 and decreased by 0.9 per cent. in real terms, respectively. These changes were primarily attributable to the beginning of the recovery from the impact of the COVID-19 pandemic followed by, in 2022, the significant impact to the global economy, including in the form of increased energy prices, of the Russia and Ukraine war. For the year ended 31 December 2020, the oil sector contributed 50.2 per cent. to real GDP.

Kuwait's main economic goal is to diversify Kuwait's economy to reduce its reliance on the oil sector. The non-oil sector contributed 52.1 per cent. to real GDP and grew by 1.8 per cent. in real terms for the year ended 31 December 2024, following growth of 1.0 per cent., 1.6 per cent., and 4.2 per cent., for the years ended 31 December 2023, 2022 and 2021, respectively, and a decline of 0.8 per cent. for the year ended 31 December 2020. The increase in the growth of the non-oil sector GDP in real terms in the year ended 31 December 2024 primarily reflected the increase in real estate, renting and business activities by 6.9 per cent.

The following table sets forth the relative contributions of the oil and non-oil sectors to Kuwait's real GDP, at constant 2010 prices, for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December														
	2024 <sup>(1)</sup>			2023			2022			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	<i>(KD millions, except percentages)</i>														
<b>Total oil</b> .....	19,306.8	47.9	(6.9)	20,736.6	50.1	(4.2)	21,644.4	51.4	12.1	19,309.8	49.0	(0.9)	19,476.8S	50.2	(8.5)
<b>Total non-oil</b> .....	21,027.7	52.1	1.8	20,657.7	49.9	1.0	20,451.7	48.6	1.6	20,121.3	51.0	4.2	19,305.6	49.8	(0.8)
<b>Total real GDP<sup>(2)</sup></b> .....	<b>40,344.5</b>	<b>100.0</b>	<b>(2.6)</b>	<b>41,394.3</b>	<b>100.0</b>	<b>(1.7)</b>	<b>42,096.1</b>	<b>100.0</b>	<b>6.8</b>	<b>39,431.1</b>	<b>100.0</b>	<b>1.7</b>	<b>38,782.4</b>	<b>100.0</b>	<b>(4.8)</b>
FISIM .....	2,025.4		(0.7)	2,039.5		(4.1)	2,126.8		0.1	2,124.8		1.4	2,096.5		1.6
Taxes less subsidies on product.....	4,158.9		1.3	4,107.2		2.8	3,996.1		0.2	3,987.9		7.9	3,694.9		1.8
<b>Total real GDP before extraction<sup>(2) (3)</sup></b> .....	<b>46,518.8</b>		<b>(2.1)</b>	<b>47,540.9</b>		<b>(1.4)</b>	<b>48,219.0</b>		<b>5.9</b>	<b>45,543.8</b>		<b>2.2</b>	<b>44,573.7</b>		<b>(4.0)</b>

(1) Provisional figures.

(2) Real GDP is presented at factor cost.

(3) Represents Total non-oil real GDP before accounting for Financial Intermediation Services Indirectly Measured and Taxes less subsidies on products.

Source: Central Statistics Bureau

The following table sets forth the amount, relative contribution and growth by type of economic activity to Kuwait's non-oil real GDP, at constant 2010 prices, for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December														
	2024 <sup>(1)</sup>			2023			2022			2021			2020		
	Amount	Contribution (%) <sup>(2)</sup>	Growth (%)	Amount	Contribution (%) <sup>(2)</sup>	Growth (%)	Amount	Contribution (%) <sup>(2)</sup>	Growth (%)	Amount	Contribution (%) <sup>(2)</sup>	Growth (%)	Amount	Contribution (%) <sup>(2)</sup>	Growth (%)
	<i>(KD millions, except percentages)</i>														
Agriculture and Fishing .....	225.7	0.6	3.6	217.8	0.5	5.0	207.5	0.5	4.1	199.4	0.5	26.4	157.8	0.4	(4.3)
Manufacturing Industries <sup>(3)</sup> .....	3,225.8	8.0	0.4	3,213.9	7.8	(17.3)	3,884.8	9.2	(9.2)	4,277.0	10.8	22.6	3,489.1	9.0	31.2
Electricity, Gas and Water .....	1,706.1	4.2	2.0	1,672.6	4.0	8.4	1,542.9	3.7	6.4	1,450.4	3.7	(2.9)	1,493.7	3.9	3.4
Construction .....	1,052.0	2.6	(0.5)	1,057.6	2.6	2.2	1,034.6	2.5	1.9	1,015.4	2.6	31.4	772.8	2.0	(39.9)
Wholesale and Retail Trade .....	1,467.2	3.6	(1.1)	1,482.9	3.6	(3.6)	1,537.7	3.7	8.2	1,421.3	3.6	14.4	1,241.9	3.2	(19.2)
Hotels and Restaurants .....	275.6	0.7	3.9	265.2	0.6	17.0	226.8	0.5	24.0	182.9	0.5	(21.6)	233.2	0.6	(20.9)
Transport .....	676.3	1.7	4.8	645.6	1.6	27.1	508.0	1.2	6.2	478.3	1.2	(12.5)	546.8	1.4	(49.9)
Telecommunications .....	1,458.9	3.6	(0.1)	1,460.6	3.5	(1.8)	1,487.9	3.5	2.2	1,456.0	3.7	(10.9)	1,634.7	4.2	5.0
Financial Intermediation and Insurance .....	3,593.5	8.9	1.4	3,545.6	8.6	1.1	3,506.1	8.3	(3.2)	3,623.4	9.2	3.5	3,499.5	9.0	3.9
Real Estate, Renting and Business Services .....	2,943.7	7.3	6.9	2,753.8	6.7	(0.6)	2,770.1	6.6	(1.4)	2,809.2	7.1	(2.7)	2,888.3	7.4	(2.1)
Public administration and defense .....	5,642.7	14.0	0.2	5,629.0	13.6	8.7	5,180.7	12.3	7.9	4,800.8	12.2	1.2	4,744.6	12.2	3.9
Education .....	2,153.9	5.3	2.8	2,095.1	5.1	3.0	2,033.8	4.8	3.6	1,962.3	5.0	4.5	1,878.5	4.8	1.9
Health and social work .....	1,322.3	3.3	2.4	1,291.2	3.1	1.4	1,273.1	3.0	4.4	1,219.7	3.1	(1.1)	1,233.1	3.2	5.8
Community, Social and Personal Services .....	891.3	2.2	0.0	891.4	2.2	3.2	863.7	2.1	2.4	835.4	2.1	13.8	734.4	1.9	2.6
Household with Employed Persons .....	577.0	1.4	(0.9)	582.1	1.4	12.6	516.8	1.2	2.8	502.7	1.3	(8.3)	548.5	1.4	5.5
<b>Total non-oil real GDP before extraction<sup>(4) (5)</sup> .....</b>	<b>27,212.0</b>		<b>1.5</b>	<b>26,804.3</b>		<b>0.8</b>	<b>26,574.7</b>		<b>1.3</b>	<b>26,234.0</b>		<b>4.5</b>	<b>25,096.9</b>		<b>(0.3)</b>
Less: FISIM .....	(2,025.4)		(0.7)	(2,039.5)		(4.1)	(2,126.8)		0.1	(2,124.8)		1.3	(2,096.5)		1.6
Plus: Taxes less subsidies on products .....	(4,158.9)		1.2	(4,107.2)		2.7	(3,996.1)		0.2	(3,987.9)		7.9	(3,694.9)		1.8
<b>Total non-oil real GDP<sup>(5)</sup> .....</b>	<b>21,027.7</b>	<b>52.1</b>	<b>1.8</b>	<b>20,657.7</b>	<b>49.9</b>	<b>1.0</b>	<b>20,451.7</b>	<b>48.6</b>	<b>1.6</b>	<b>20,121.3</b>	<b>51.0</b>	<b>4.2</b>	<b>19,305.6</b>	<b>49.8</b>	<b>(0.8)</b>

(1) Provisional figures.

(2) Contribution of each sector calculated as a percentage of Total real GDP.

(3) Excluding manufacturing of coke, refined petroleum products and nuclear fuel.

(4) Represents Total non-oil real GDP before accounting for Financial Intermediation Services Indirectly Measured and Taxes less subsidies on products.

(5) Real GDP is presented at factor cost.

Source: Central Statistics Bureau

### *Real GDP by Expenditure*

For the year ended 31 December 2023, the contribution of gross capital formation to real GDP was KD 7.7 billion, which was a decrease of 2.8 per cent. in real terms, as compared to KD 7.9 billion for the year ended 31 December 2022. Private consumption contributed KD 13.5 billion to real GDP, which was an increase of 2.5 per cent. in real terms, as compared to KD 13.1 billion for the year ended 31 December 2022, while government consumption was KD 9.5 billion, which was an increase of 4.2 per cent. in real terms, as compared to KD 9.1 billion for the year ended 31 December 2022.

The following table sets forth the amount, relative contribution and growth by type of expenditure to Kuwait's real GDP, at constant 2010 prices, for each of the years ended 31 December 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December <sup>(1)</sup>											
	2023			2022			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	<i>(KD millions, except percentages)</i>											
Private consumption..	13,468.7	32.5	2.5	13,138.4	31.2	1.7	12,916.0	32.8	7.6	12,004.8	31.0	(11.3)
Government consumption .....	9,502.5	23.0	4.2	9,119.5	21.7	0.9	9,034.7	22.9	9.1	8,278.2	21.3	(2.3)
Gross capital formation .....	7,691.6	18.6	(2.8)	7,916.4	18.8	41.8	5,582.8	14.2	1.4	5,507.8	14.2	(35.5)
Exports .....	25,871.9	62.5	2.4	25,268.3	60.0	15.3	21,918.0	55.6	(3.2)	22,638.8	58.4	(2.9)
Imports .....	15,140.4	36.6	13.4	13,346.5	31.7	33.2	10,020.4	25.4	3.9	9,647.0	24.9	(26.4)
<b>Total real GDP<sup>(2)</sup> .....</b>	<b>41,394.3</b>	<b>100.0</b>	<b>(1.7)</b>	<b>42,096.1</b>	<b>100.0</b>	<b>6.8</b>	<b>39,431.1</b>	<b>100.0</b>	<b>1.7</b>	<b>38,782.6</b>	<b>100.0</b>	<b>(4.8)</b>

(1) Real GDP by expenditure is not available for the year ended 31 December 2024.

(2) Real GDP is presented at factor cost.

Source: Central Statistics Bureau

### Nominal GDP by Oil and Non-Oil Sector

While the contribution of the oil sector to Kuwait's nominal GDP decreased to KD 21.3 billion, or 43.4 per cent. of nominal GDP, for the year ended 31 December 2024, which was a decrease of 10.9 per cent. from KD 24.0 billion, or 47.1 per cent. of nominal GDP for the year ended 31 December 2023, the contribution of the non-oil sector demonstrated growth and increased as a percentage of total nominal GDP.

The contribution of the non-oil sector to Kuwait's nominal GDP was KD 27.8 billion, or 56.6 per cent. of total nominal GDP for the year ended 31 December 2024, as compared to KD 26.9 billion, or 52.9 per cent. of nominal GDP, KD 26.3 billion, or 46.8 per cent. of nominal GDP, KD 26.1 billion, or 58.3 per cent. of nominal GDP and KD 22.9 billion, or 67.2 per cent. of nominal GDP for the years ended 31 December 2023, 2022, 2021 and 2020, respectively.

In relative terms, the decreases in the percentage contribution of the oil sector and the increase in the percentage contribution of the non-oil sector during 2024 and 2023 were primarily due to the decline in global oil prices since January 2022. See "*Principal Sectors of the Economy—Financial Intermediation and Insurance*", "*Principal Sectors of the Economy—Real Estate, Renting and Business Services*", "*Principal Sectors of the Economy—Transport, Storage and Communication*", "*Principal Sectors of the Economy—Wholesale and Retail Trade*" and "*Principal Sectors of the Economy—Manufacturing*" for a discussion on the largest contributors by type of economic activity to Kuwait's non-oil nominal GDP.

The following table sets forth the amount, relative contributions and growth of the oil and non-oil sectors to Kuwait's nominal GDP for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December														
	2024			2023			2022			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	<i>(KD millions, except percentages)</i>														
<b>Total oil</b> .....	21,326.5	43.4	(10.9)	23,947.4	47.1	(19.9)	29,882.2	53.2	60.3	18,638.6	41.7	67.1	11,151.8	32.8	(40.9)
<b>Total non-oil</b> .....	27,813.7	56.6	3.6	26,856.2	52.9	2.1	26,315.3	46.8	0.8	26,110.3	58.3	14.2	22,854.0	67.2	(4.3)
<b>Total nominal GDP</b> .....	<b>49,140.3</b>	<b>100.0</b>	<b>(3.3)</b>	<b>50,803.6</b>	<b>100.0</b>	<b>(9.6)</b>	<b>56,197.5</b>	<b>100.0</b>	<b>25.6</b>	<b>44,748.9</b>	<b>100.0</b>	<b>31.6</b>	<b>34,005.8</b>	<b>100.0</b>	<b>(20.5)</b>
FISIM .....	3,085.1		4.7	2,947.9		(0.6)	2,965.4		4.1	2,849.2		4.8	2,718.0		3.7
Taxes less subsidies on product.....	3,536.2		(1.0)	3,573.6		11.3	3,210.6		21.6	2,640.6		(2.0)	2,695.8		(4.0)
<b>Total nominal GDP before extraction<sup>(1)</sup></b> .....	<b>55,761.5</b>		<b>(2.7)</b>	<b>57,325.2</b>		<b>(8.1)</b>	<b>62,373.5</b>		<b>24.2</b>	<b>50,238.7</b>		<b>27.4</b>	<b>39,419.5</b>		<b>(18.2)</b>

(1) Represents Total non-oil real GDP before accounting for Financial Intermediation Services Indirectly Measured and Taxes less subsidies on products.

Source: Central Statistics Bureau

The following table sets forth the amount, relative contribution and growth by type of economic activity to Kuwait's non-oil nominal GDP for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December														
	2024			2023			2022			2021			2020		
	Amount	Contribution (%) <sup>(1)</sup>	Growth (%)	Amount	Contribution (%) <sup>(1)</sup>	Growth (%)	Amount	Contribution (%) <sup>(1)</sup>	Growth (%)	Amount	Contribution (%) <sup>(1)</sup>	Growth (%)	Amount	Contribution (%) <sup>(1)</sup>	Growth (%)
	<i>(KD millions, except percentages)</i>														
Agriculture and Fishing ..	242.3	0.5	1.7	238.1	0.5	4.3	226.2	0.4	6.8	211.7	0.5	25.4	168.8	0.5	6.5
Manufacturing Industries <sup>(2)</sup> .....	3,930.3	8.0	2.4	3,836.5	7.6	(13.3)	4,425.2	7.9	(10.4)	4,941.4	11.0	59.8	3,091.8	9.1	13.3
Electricity, Gas and Water .....	1,168.7	2.4	(0.1)	1,169.4	2.3	10.0	1,063.2	1.9	(1.4)	1,078.4	2.4	3.2	1,044.7	3.1	(4.9)
Construction .....	1,646.7	3.4	(1.9)	1,678.4	3.3	5.7	1,588.5	2.8	10.8	1,433.3	3.2	20.3	1,191.3	3.5	(39.6)
Wholesale and Retail Trade.....	2,151.6	4.4	1.7	2,116.3	4.2	0.5	2,105.7	3.7	12.9	1,864.8	4.2	18.7	1,571.4	4.6	(17.4)
Hotels and Restaurants....	406.2	0.8	6.6	380.9	0.7	21.4	313.8	0.6	29.5	242.4	0.5	(20.4)	304.3	0.9	(20.6)
Transport .....	1,561.9	3.2	3.0	1,516.7	3.0	25.1	1,212.6	2.2	24.3	975.3	2.2	17.3	831.4	2.4	(40.9)
Telecommunications .....	1,776.5	3.6	2.4	1,734.2	3.4	(0.1)	1,736.2	3.1	3.0	1,685.2	3.8	(4.8)	1,770.9	5.2	10.9
Financial Intermediation and Insurance .....	4,543.5	9.2	4.2	4,358.6	8.6	1.0	4,314.2	7.7	3.8	4,156.8	9.3	5.0	3,957.8	11.6	3.9
Real Estate, Renting and Business Services .....	3,930.5	8.0	8.3	3,628.0	7.1	1.6	3,570.2	6.4	0.8	3,543.6	7.9	(1.9)	3,613.9	10.6	(91.5)
Public administration and defense.....	6,017.4	12.2	3.0	5,843.8	11.5	5.4	5,543.8	9.9	4.9	5,283.8	11.8	8.9	4,853.7	14.3	5.3
Education.....	3,098.5	6.3	1.9	3,040.5	6.0	5.8	2,874.3	5.1	2.3	2,809.8	6.3	7.9	2,604.8	7.7	(4.4)
Health and social work....	2,032.3	4.1	3.1	1,972.0	3.9	6.8	1,847.3	3.3	7.9	1,711.9	3.8	2.9	1,663.9	4.9	0.4
Community, Social and Personal Services .....	1,020.6	2.1	4.4	977.7	1.9	10.3	886.3	1.6	(1.5)	900.0	2.0	15.8	776.9	2.3	(5.6)
Household with Employed Persons .....	907.9	1.8	2.4	886.7	1.7	13.1	783.8	1.4	2.9	761.9	1.7	(7.3)	822.1	2.4	6.9
<b>Total non-oil nominal GDP before extraction<sup>(3)</sup></b>	<b>34,435.0</b>		<b>3.2</b>	<b>33,377.8</b>		<b>2.7</b>	<b>32,491.3</b>		<b>2.8</b>	<b>31,600.1</b>		<b>11.8</b>	<b>28,267.7</b>		<b>(3.5)</b>
Less: FISIM.....	(3,085.1)		4.7	(2,947.9)		(0.6)	(2,965.4)		4.1	(2,849.2)		4.8	(2,718.0)		3.7
Plus: Taxes less subsidies on products .....	(3,536.2)		(1.1)	(3,574.6)		11.3	(3,210.6)		21.6	(2,640.6)		(2.0)	(2,695.8)		(4.0)
<b>Total non-oil nominal GDP .....</b>	<b>27,813.7</b>	<b>56.6</b>	<b>3.6</b>	<b>26,856.2</b>	<b>52.9</b>	<b>2.1</b>	<b>26,315.3</b>	<b>46.8</b>	<b>0.8</b>	<b>26,110.3</b>	<b>58.3</b>	<b>14.2</b>	<b>22,854.0</b>	<b>67.2</b>	<b>(4.3)</b>

(1) Contribution of each sector as a percentage of Total nominal GDP

(2) Excluding manufacturing of coke, refined petroleum products and nuclear fuel.

(3) Represents Total non-oil nominal GDP before accounting for Financial Intermediation Services Indirectly Measured and Taxes less subsidies on products.

Source: Central Statistics Bureau

### *Nominal GDP by Expenditure*

For the year ended 31 December 2023, the contribution of gross capital formation to nominal GDP was KD 9.0 billion, a decrease of 3.2 per cent. as compared to KD 9.3 billion for the year ended 31 December 2022. Private consumption contributed KD 19.5 billion to nominal GDP, an increase of 6.3 per cent. as compared to KD 18.3 billion for the year ended 31 December 2022, and government consumption was KD 12.5 billion, an increase of 6.5 per cent. as compared to KD 11.7 billion for the year ended 31 December 2022. The decrease in exports for the year ended 31 December 2023 of 13.7 per cent. as compared to the year ended 31 December 2022 was due to the decline in global oil prices since January 2022.

The following table sets forth the amount, relative contribution and growth by type of expenditure to Kuwait's nominal GDP for each of the years ended 31 December 2023, 2022, 2021 and 2020, respectively.

	For the year ended 31 December <sup>(1)</sup>											
	2023			2022			2021			2020		
	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)	Amount	Contribution (%)	Growth (%)
	<i>(KD millions, except percentages)</i>											
Private consumption .	19,458.3	38.3	6.3	18,311.0	20.9	3.3	17,313.4	38.7	11.3	15,559.8	45.8	(9.4)
Government consumption.....	12,496.6	24.6	6.5	11,739.1	20.9	3.3	11,362.3	25.4	10.7	10,262.2	30.2	(1.7)
Gross Capital Formation.....	9,003.5	17.7	(3.2)	9,300.3	16.5	43.7	6,474.1	14.5	2.1	6,342.3	18.7	(35.5)
Exports .....	29,328.6	57.7	(13.7)	33,970.6	60.4	46.8	23,146.7	51.7	55.7	14,864.9	43.7	(33.2)
Imports .....	19,483.4	38.4	13.8	17,123.5	30.5	26.4	13,547.6	30.3	4.0	13,023.5	38.3	(23.2)
<b>Total nominal GDP</b>	<b>50,803.6</b>	<b>100.0</b>	<b>(9.6)</b>	<b>56,197.5</b>	<b>100.0</b>	<b>25.6</b>	<b>44,748.9</b>	<b>100.0</b>	<b>31.6</b>	<b>34,005.8</b>	<b>100.0</b>	<b>(20.5)</b>

<sup>(1)</sup> Nominal GDP by expenditure is not available for the year ended 31 December 20240.  
Source: Central Statistics Bureau



## ***Inflation***

The following table sets forth the consumer price index ("CPI") and annual inflation rate in Kuwait for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	Average for the year ended 31 December				
	2024	2023	2022	2021	2020
Consumer Price Index (base year 2013=100) .....	133.7	130.0	125.4	120.6	116.6
Inflation (percentage change, year on year) .....	2.9	3.6	4.0	3.4	2.1

Source: Central Statistics Bureau

The following table sets forth the principal components of Kuwait's CPI, the percentage change, year on year and the index weighting for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	Relative Weights	Average for the year ended 31 December				
		2024	2023	2022	2021	2020
Food and Beverages .....	167.06	150.4	142.7	134.2	124.9	114.1
Cigarettes and Tobacco .....	3.33	135.7	135.5	135.1	135.0	134.2
Clothing and Footwear .....	80.33	140.4	132.7	124.4	117.7	110.9
Housing Services .....	332.12	122.6	121.2	118.0	115.5	115.0
Household Goods and Maintenance Equipment .....	114.33	139.6	134.5	131.2	128.5	124.2
Health .....	14.80	122.5	118.1	115.1	112.8	110.3
Transport .....	75.42	142.1	141.9	137.8	132.5	126.9
Communications .....	39.77	125.3	122.8	120.6	118.5	113.4
Entertainment and Culture .....	38.45	130.4	127.2	123.6	119.2	112.1
Education .....	41.86	126.8	125.7	125.1	111.6	117.8
Hotels and Restaurants .....	34.15	134.0	131.0	126.8	123.5	122.5
Other Goods and Services .....	58.38	133.3	127.2	122.2	118.3	113.6

Source: Central Statistics Bureau

Kuwait's CPI for the periods under review included twelve expenditure groups. The four groups with the largest weighting in its CPI were housing services, food and beverages, furnishing equipment and household maintenance and clothing and footwear, which showed inflation levels of 1.2 per cent., 11.1 per cent., 3.8 per cent. and deflation of 5.8 per cent., respectively, for the year ended 31 December 2024. These four groups accounted for 69.4 per cent. of Kuwait's CPI in this period.

Overall, inflation in Kuwait remained contained during the period under review, reflecting the continued effectiveness of monetary and fiscal measures alongside stable domestic demand conditions. Consumer price movements were moderate compared to global inflationary pressures, supported by the government's subsidy framework and anchored expectations. At the same time, the Kuwaiti dinar maintained a high degree of stability, with its exchange rate against the U.S. dollar showing only marginal fluctuations throughout the year. This resilience underscores the credibility of the CBK's exchange rate policy, which continues to act as a key anchor for monetary stability, bolstering confidence in the national currency and shielding the domestic economy from excessive external volatility.

## **Principal Sectors of the Economy**

### ***Oil and Gas***

The oil sector continues to constitute the largest portion of Kuwait's economy. KPC, which is Kuwait's national oil company, executes Kuwait's oil policy and manages its domestic and foreign upstream and downstream oil investments through its wholly-owned subsidiaries.

Kuwait's economy benefits from some of the largest oil reserves in the world as well as very low relative oil production costs. According to the 2025 OPEC Annual Statistics Bulletin, Kuwait has the sixth largest oil reserves in the world estimated at around 101.5 billion barrels (accounting for 6.5 per cent. of the world's total oil reserves). According to the OPEC 2025 Bulletin, Kuwait was the world's eighth largest oil producer and exporter for the year ended 31 December 2024, accounting for 3.3 per cent. of the world's total oil production and 2.7 per cent. of the world's total oil exports for the year ended 31 December 2024. As a founding member of OPEC, Kuwait's oil production is subject to any agreements that are reached to limit

oil production. Kuwait's production levels were 2.41 million bpd on average for the year ended 31 December 2024.

According to the OPEC 2025 Bulletin, as at 31 December 2024, Kuwait had an estimated 1,780 billion standard cubic meters of proven natural gas reserves. As of June 2025, Kuwait produced 668 million standard cubic feet per day of natural free gas. Kuwait's focus on diversification has spurred an increased focus on natural gas exploration. However, new natural gas discoveries tend to be geologically more complex, mainly in tight natural gas deposits that require more sophisticated development activities and subsequently command higher capital costs.

Kuwait's strategy for the oil and gas sector is to focus on increasing oil production capacity, to both provide a buffer for future demand as well as to provide excess production capacity to cover reduced production levels that are associated with maintenance shutdowns. In addition, Kuwait is seeking to expand its presence in the petrochemical sector, in Kuwait and globally, by entering the global markets through strategic mergers and acquisitions, and by building petrochemical complexes next to new refineries. See "*Oil Refining and Marketing*".

Oil revenues comprised 91.0 per cent. of total Government revenues for the fiscal year ended 31 March 2024 and oil and oil products represented 90.1 per cent. of total exports for the fiscal year ended 31 March 2025. Kuwait's economy has generally benefitted from healthy fiscal and current account surpluses, although lower oil prices since 2023 meant that Kuwait realised a net budget deficit for the fiscal years ended 31 March 2024 and 2025, and the Government expects net deficits to increase as lower oil prices more than offset any expenditure rationalisation. The monthly average OPEC Reference Basket price per barrel in 2022 was U.S.\$100.08, which has dropped to as low as U.S.\$63.62 in May 2025. The price per barrel of Kuwait Export Crude Oil (which is produced by Kuwait and constitutes part of the OPEC Reference Basket) has also moved in line with these trends.

For the year ended 31 December 2024, the oil sector contributed 47.9 per cent. to real GDP and decreased by 6.9 per cent. in real terms, following a decline of 4.2 per cent. and a contribution of 50.1 per cent. for the year ended 31 December 2023. The declines in 2024 and 2023 were primarily due to reduced demand for oil, offset in part by production cuts. For the years ended 31 December 2022 and 2021, the oil sector contributed 51.4 per cent. and 49.0 per cent. to real GDP, respectively, and increased by 12.1 per cent. and decreased by 0.9 per cent. in real terms, respectively. The decrease in 2021 was primarily due to the effects of the beginning of the economic recovery following the impact of the COVID-19 pandemic. The subsequent increase in 2022 was a result of the impact of the Russia and Ukraine war on the global economy, in particular in the form of increased energy prices. For the year ended 31 December 2020, the oil sector contributed 50.2 per cent. to real GDP.

Kuwait is targeting an increase of its oil production capacity to 4.0 million bpd by 2040 (including the PNZ). Most of the increase in oil production capacity is expected to come from KOC's projects, with total KOC capacity expected to reach 3.65 million bpd by 2035. The remaining increase of 350,000 bpd is expected to come from the Kuwait Gulf Oil Company ("**KGOC**") as a result of increased production in the PNZ. Production in the PNZ was completely shut down in May 2015, but at the end of 2019, Saudi Arabia and Kuwait agreed to restart production in the PNZ, and, as a result, production began in early 2020 at the Wafra and Al-Khafji fields. See "*Risk Factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Risks relating to the Issuer—Kuwait is targeting an increase in its oil production capacity by 2040 and a failure to achieve this target may adversely affect its economy*" and "*Exploration and Production of the Oil Sector*" below.

#### *Organisation of the Kuwaiti Oil Sector*

Kuwait's overall energy policy is set by the Supreme Petroleum Council, chaired by the Prime Minister and comprising the Minister of State for Cabinet Affairs, the Minister of Oil, the Minister of Finance, the Minister of Commerce and Industry, and the Governor of the Central Bank of Kuwait.

KPC was established by Amiri Decree No. 6 of 1980 as a corporation of economic character, run on a commercial basis and fully owned by the State of Kuwait. It serves as Kuwait's national oil company and executes Kuwait's oil policy and manages both domestic and foreign oil investments through its wholly owned subsidiaries. The objective of KPC establishment was to bring together the state-owned elements of the Kuwait oil sector (from onshore and offshore petroleum exploration and production through refining, marketing, retail, petrochemicals, and marine transportation) under one corporate umbrella.

KOC is the upstream subsidiary that manages all upstream exploration and development in the oil and natural gas sector within the State of Kuwait. KOGOC is responsible for the management of Kuwait's share of oil and gas resources in the PNZ. The Kuwait Foreign Petroleum Exploration Company handles foreign upstream assets in six countries.

Kuwait National Petroleum Company ("KNPC") manages the domestic downstream sector. The company was established in 1960 for managing and operating refining operations as well as marketing petroleum products locally. Moreover, the Kuwait Integrated Petrochemical Industries Company ("KIPIC") is responsible for crude oil refining, petrochemicals, and managing the liquefied natural gas import facility complex in Al-Zour area. Internationally, Kuwait Petroleum International ("KPI") is KPC's subsidiary in charge of international crude oil refining oil and European retail marketing. The Petrochemical Industries Company ("PIC") is responsible for petrochemical operations and has several JVs inside and outside the State of Kuwait, as well as full ownership of the Polypropylene (PP) plant in Kuwait.

The Kuwait Oil Tanker Company ("KOTC") was established in 1957 to manage KPC's export operations through various tankers and to act as the agent for oil tankers calling at Kuwait's oil ports.

### *Exploration and Production of the Oil Sector*

Most of Kuwait's oil reserves and oil production are concentrated in a few mature oil fields discovered in the 1930s and 1950s. The Greater Burgan oil field, comprising the Burgan, Magwa and Ahmadi reservoirs, discovered in 1938, accounts for most of both reserves and production in the country and is considered to be the world's second-largest oil field as at the date of this Base Offering Circular. The Greater Burgan oil field is located in the south-eastern part of the country and currently produces around 1.7 million bpd of medium to light crudes, which represents more than half of Kuwait's total crude production for the fiscal year ended 31 March 2024. KOC has initiated projects to boost the Greater Burgan oil field's capacity through enhanced oil recovery methods such as injection of seawater and carbon dioxide.

Most of Kuwait's other fields are in the northern part of the country, which have a total production capacity of around 700,000 bpd and include Kuwait's second-largest source of crude production at the Raudhatain field with a capacity of 350,000 bpd. The Sabriya field, adjacent to Raudhatain, adds another 100,000 bpd of capacity. The frontier fields of Ratqa (the southern extension of Iraq's South Rumaila structure) and the smaller Abdali field have capacities of 45,000 bpd and 30,000 bpd, respectively. Other production centres in the western region of the country include Umm Gudair, Minagish and Abduliyah. Umm Gudair and Minagish produce a variety of crude oil grades that largely fall in the medium range. The production centres in western Kuwait have a total production capacity of around 500,000 bpd.

The following table sets forth details of Kuwait's oil production, for each of the fiscal years ended 31 March 2025, 2024, 2023, 2022 and 2021, respectively.

	For the year ended 31 March				
	2025	2024	2023	2022	2021
Total crude oil production.....	884,395	882,060	(million barrels) 945,715	1,018,715	879,650
Average crude oil production .....	2,423	2,410	(million bpd) 2,591	2,791	2,410

Source: KPC

Kuwait's production levels were 2,525 million bpd on average for the years 2021 to 2025. These figures include production from the PNZ. Production in the PNZ was shut down in May 2015. However, production resumed and operations began gradually in the Khafji Joint Operations in February 2020 and in the Wafra Joint Operations area in July 2020.

Kuwait has announced that its production capacity is expected to reach 3.65 million bpd by 2035 and it is targeting an increase of its production capacity to 4.0 million bpd by 2040 (including the PNZ). See "Risk Factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Risks relating to the Issuer—Kuwait is targeting an increase in its oil production capacity by 2040 and a failure to achieve this target may adversely affect its economy".

In order to meet KPC's strategic oil production capacity goals by 2040, Kuwait is emphasising exploration and placing equal importance on onshore and offshore aspects.

KPC is currently in the midst of the first phase of its two-phase exploratory programme, which includes drilling six exploratory wells. As part of the offshore exploration program, wells were explored in two fields, namely Al-Nokhatha field and the Al-Julaia field. These offshore exploration projects are national endeavours with the goal of enhancing the sustainability of Kuwait's hydrocarbon reserves and meeting global demand, aiming to elevate Kuwait's status as a reliable global oil and gas producer. The projects are expected to boost free gas production as well as increase proven oil and gas reserves. Al-Nokhatha field is expected to add 3.2 billion barrels of oil equivalent while Al-Julaia field is estimated to contain 800 million barrels of medium-density oil and 600 billion standard cubic feet of associated gas, totalling around 950 million barrels of oil equivalent. Moreover, the third and fourth exploration wells are currently being drilled. The scope and execution of phase two will depend on the results of phase one and may result in drilling an additional six-to-nine wells, starting in 2027.

Furthermore, on 26 May 2025, the Governments of Kuwait and the Kingdom of Saudi Arabia declared a new oil discovery in the PNZ by Wafra Joint Operations five kilometres north of Wafra field. Crude oil flowed from the Wara reservoir in the North Wafra (Wara-Burgan-1) well at a rate exceeding 500 bpd.

This marked the first discovery since the resumption in mid-2020 of production operations in the Divided Zone and its adjacent offshore area. KPC regards the discovery as having a positive impact on both countries' standing as reliable global energy suppliers and their capabilities in the exploration and production sector.

#### *Project Kuwait*

KPC is pursuing a more sophisticated contractual framework intended to attract additional international oil companies ("IOCs") and service providers to assist KOC in its production activities in Kuwait. As upstream contractual models are reviewed, emphasis is placed on offering increased flexibility and robust risk-sharing mechanisms. Through this advanced approach, KPC seeks to deepen collaboration with IOCs and unlock the full potential of Kuwait's hydrocarbon resources.

KOC and Shell have recently extended their three Enhanced Technical Service Agreements ("ETSAs") until 2029. These agreements support Shell's continued provision of technical services to KOC in relation to oil fields in Northern and Western Kuwait as well as gas development. The extensions are aligned with KPC's long-term objectives to increase crude oil production to 4 million bpd and gas production to 2 billion standard cubic feet per day by 2040.

Additionally, KPC has adopted an Integrated Project Management ("IPM") model, which is being applied to the Mutriba and Bahra fields. The Mutriba field development is one of KPC's upstream projects, structured as a phased expansion under the IPM model with the objective of increasing production capacity while balancing resource optimisation and capital efficiency. The Bahra field, one of Kuwait's earliest discoveries, is undergoing redevelopment under the IPM model, incorporating updated drilling, completions and reservoir management techniques. Production has reached approximately 55 million bpd of oil and 35 million standard cubic feet of gas per day, with current development plans targeting approximately 120 million bpd of oil and 55 standard cubic feet of gas within five years.

#### *Oil Refining and Marketing*

Kuwait's refining capacity from its three refinery complexes, Mina Al-Ahmadi, Mina Abdullah and Al-Zour is currently around 1.4 million bpd. All of Kuwait's refineries are located near the coast between 30 and 59 miles south of Kuwait City and are owned and operated by KNPC and KIPIC. Mina Al-Ahmadi has a refining capacity of 346,000 bpd, Mina Abdullah has a refining capacity of 454,000 bpd and the Al-Zour refinery has total refining capacity of 615,000 bpd.

KPI manages KPC's international refining and marketing operations. KPI's operations include more than 4,800 retail stations across Europe, with a presence in Italy and the BeNeLux (Belgium-Netherlands-Luxembourg) countries along with Sweden and Denmark. KPI also has interests in refineries abroad, including the 50/50 joint venture with Italian oil company ENI which allows for Kuwaiti crude placement capacity of 75,000 bpd in Milazzo, Italy. KPI is also part of a joint venture between Vietnam National Oil and Gas Group (PetroVietnam), Idemitsu and Mitsui Chemicals through the 200,000-bpd capacity Nghi Son Refinery and Petrochemical Complex, in which KPI has a 35.1 per cent. share. KPI is also party to a 50/50 joint venture with Oman Oil Co. (OQ) in Duqm Refinery, placing 150,000 bpd of Kuwaiti crude.

The following table sets forth Kuwait's production of crude oil and refined products for each of the fiscal years ended 31 March 2025, 2024, 2023, 2022 and 2021, respectively.

	For the year ended 31 March				
	2025	2024	2023 (million barrels)	2022	2021
Crude oil.....	884,395	882,060	945,715	1,018,715	879,650
Refined products .....	225,465	471,224	388,100	296,971	308,576

Source: KPC

### *Oil Exports and Consumption*

As a member of OPEC+, Kuwait is committed to produce oil within certain agreed quotas. Additionally, KPC is committed to reliably supplying oil to its large base of clients, after covering Kuwait's local refineries throughput up to 1.4 million barrels per day.

For the fiscal year ended 31 March 2024, Kuwait refined approximately 1.2 million bpd of crude oil for domestic consumption, leaving most of its domestic oil production available for exports. For the fiscal year ended 31 March 2024, the Asia-Pacific region received approximately 90 per cent. of total Kuwaiti oil exports, or about 1.1 million bpd of crude oil. See "*Balance of Payments and Foreign Trade—Foreign Trade—Exports*". With most of its crude oil export volumes headed to the Asian markets, Kuwait's most significant price benchmarks for exports are Dubai crude oil, Oman crude oil or a combination. Generally, Kuwaiti oil exports are priced at a slight premium to these crudes. European buyers purchase from a benchmark linked between a Brent weighted-average and Saudi Arabia medium. In addition to crude oil, according to the OPEC 2025 Bulletin, Kuwait also exported petroleum products averaging 1.2 bpd for the year ended 31 December 2024.

### *Gas Sector Organisation*

All of Kuwait's natural gas resources are owned by the Government. As the Constitution prohibits the use of product sharing agreements, see "*Principal Sector of the Economy—Oil and Gas—Project Kuwait*" above, Kuwait uses incentivised buy-back contracts or ETSA's to bring in IOCs to develop more difficult projects. See "*Gas Exploration and Production*" below.

### *Gas Exploration and Production*

For the fiscal year ended 31 March 2024, Kuwait produced 558 million standard cubic feet per day of non-associated gas, representing an increase of 7 per cent. from the previous fiscal year.

Kuwait requires large supplies of natural gas domestically for power generation, water desalination and petrochemical production, as well as for EOR techniques to boost oil production. Kuwait is shifting its exploration efforts to focus on natural gas discoveries to reduce dependence on imports of liquefied natural gas and to decrease the share of oil used domestically, particularly for electricity and desalination plants. KOC has announced a production target of 1,400 million standard cubic feet per day of non-associated gas by 2035, which will increase to a target of 1,500 million standard cubic feet per day by 2040.

The other prospect for non-associated natural gas production is the Dorra gas field located offshore in the PNZ. This field is shared by Kuwait and the Kingdom of Saudi Arabia and is expected to first produce gas by 2030.

### *Gas Consumption and Imports*

Kuwait continues to rely on liquefied natural gas imports as a stopgap measure to meet its growing energy demand due to insufficient domestic natural gas production. These imports are received through the Al-Zour Liquefied Natural Gas Import Terminal, one of the world's largest onshore liquefied natural gas import facilities.

Kuwait is currently the largest liquefied natural gas importer in the Middle East, with quantities imported at around 6.6 million metric tons during 2024. The country's import profile is seasonally weighted toward the summer months, aligning with peak power demand driven by the Ministry of Electricity and Water and Renewable Energy.

To secure supply stability, Kuwait has signed long-term liquefied natural gas agreements with National Oil Companies and IOCs. In addition, Kuwait maintains a diversified sourcing portfolio, having received liquefied natural gas cargoes from approximately 25 different countries with notable sources including Qatar, Nigeria, the USA and Oman.

### *Pipelines*

Kuwait has a network of pipelines that deliver crude oil, refined products and liquefied natural gas throughout the country as well as to Kuwait's oil export terminals. KOC's export and marine operations group is responsible for exporting crude oil from Kuwait's oil export terminals using KOTC tankers. Mina Al-Ahmadi is Kuwait's main port for the export of crude oil. Apart from Mina Al-Ahmadi, Kuwait also has oil export terminals at Mina Abdullah and Shuaiba.

### *Manufacturing*

Manufacturing accounted for KD 3.9 billion, or 8.0 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Manufacturing saw growth of 2.4 per cent. in real terms for the year ended 31 December 2024, and a decline of 13.3 per cent. and 10.4 per cent. in real terms for the years ended 31 December 2023 and 2022. There was a growth of 59.8 per cent. and 13.3 per cent. in real terms for the years ended 31 December 2021 and 2020, respectively. The growth or decline in manufacturing during the period was principally due to the rise and fall of ethylene prices, as the production of petrochemical products contributes to the GDP of the manufacturing sector.

### *Petrochemicals*

The petrochemical industry and the sale of its products is categorised under "Manufacturing" when calculating Kuwait's GDP and is considered a non-oil export. The sale of petrochemical products by the EQUATE Group (as defined below) accounted for a large majority of Kuwait's export value from the non-oil sector for the year ended 31 December 2024. Another petrochemical company in Kuwait is the Kuwait Aromatics Company which is owned by PIC (20 per cent.), KNPC (60 per cent.) and Kuwait Projects Company Holding K.S.C. (Public) (20 per cent.) and is one of the largest private investors in the petrochemicals sector in Kuwait.

In 1995, PIC entered into a joint venture with the Union Carbide Corporation (which was later acquired by Dow) and established EQUATE Petrochemical Company K.S.C.C. ("EQUATE"). EQUATE was Kuwait's first international petrochemical joint venture and it commenced operations in 1997 as a manufacturer of ethylene, polyethylene and ethylene glycol. In 2004, PIC and Dow entered into another joint venture that established The Kuwait Olefins Company K.S.C.C. (TKOC and, together with EQUATE, the EQUATE Group) to complement EQUATE's olefins complex.

The EQUATE Group produces, distributes and markets ethylene glycol, polyethylene and their co-products globally, including to Asia, North and South America, the Middle East, Türkiye, India, Pakistan and Europe. It also produces, distributes and markets polyethylene terephthalate in Europe. The EQUATE Group's products are used primarily by other industries as raw materials to produce or manufacture products used in end markets. A significant proportion of the EQUATE Group's products sales are used in consumer-driven end markets including textiles and food and beverage packaging.

The EQUATE Group is the largest producer of petrochemical products in Kuwait and is one of the leading producers of petrochemical products in the Middle East by sales and production volume. It operates six manufacturing sites in four countries and, as at 30 June 2025, the EQUATE Group's total production capacity was approximately 7,039 kilo tonnes per annum of which 62 per cent. was in Kuwait, 19 per cent. was in Canada, 15 per cent. was in the United States and 4 per cent. was in Germany.

PIC is also part of a joint venture with both Bahrain's National Oil and Gas Authority and Saudi Basic Industries Corporation in Gulf Petrochemical Industries Company, which is located in Bahrain and produces ammonia, methanol and urea. In addition, PIC had shares in SK PIC global (49 per cent.) and SK Advanced (25 per cent.), as well as Ulsan Polypropylene plant through SK Advanced (12.5 per cent.) in South Korea. Moreover, a recent investment with China was made through the acquisition of a 25 per cent. stake in a group of petrochemical plants owned by Wanhua Chemical Group.

PIC intends to expand and diversify its core petrochemical business portfolio through several projects which are being considered. Those projects mainly include the following:

- *Olefins IV*: design, build, operate, and maintain a petrochemical complex in Kuwait constituting a world scale Ethane Cracker and downstream derivatives.
- *Duqm Petrochemicals*: develop a new integrated petrochemical project in Duqm, Oman adjacent to Duqm Refinery to convert Naphtha and other refinery streams into high-value petrochemicals.
- *Petrochemical Refinery Integration in Al-Zour (PRIZE)*: integrate the Al-Zour Refinery with a large petrochemicals complex, to allow upgrading refinery streams into higher-value petrochemicals (like olefins and aromatics).

In addition to the above, PIC continuously screens the market for attractive international M&A opportunities.

### ***Community, Social and Personal Services***

Community, Social and Personal Services accounted for KD 1.0 billion, or 2.1 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Community, Social and Personal Services saw growth of 4.4 per cent. and 10.3 per cent. in real terms for the years ended 31 December 2024 and 2023, preceded by a decline of 1.5 per cent. for the year ended 31 December 2022, growth of 15.8 per cent. for the year ended 31 December 2021 and a decline of 5.6 per cent. for the year ended 31 December 2020.

The changes in community, social and personal services during the periods under review were principally due to variations in demand for private education, healthcare and other personal services, as well as the recovery of leisure, cultural and recreational activities following the COVID-19 pandemic. Growth in 2023 and 2024 also reflects higher consumer spending and increased private sector participation in health, education and lifestyle services.

### ***Financial Intermediation and Insurance***

Financial intermediation and insurance accounted for KD 4.5 billion, or 9.2 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Financial intermediation and insurance saw growth of 4.2 per cent., 1.0 per cent., 3.8 per cent. and 5.0 per cent. in real terms for the years ended 31 December 2024, 2023, 2022 and 2021, respectively. The growth in financial intermediation and insurance for the years under review was principally due to growth in the financial sector and businesses.

### ***Real Estate, Renting and Business Services***

Real estate, renting and business services accounted for KD 3.9 billion, or 8.0 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Real estate, renting and business services saw growth of 8.3 per cent., 1.6 per cent. and 0.8 per cent. in real terms for the years ended 31 December 2024, 2023 and 2022, respectively. Real estate, renting and business services saw a decline of 1.9 per cent. for the year ended 31 December 2021.

The growth in real estate, renting and business services for the years 31 December 2024, 2023 and 2022 was principally due to the public and private sector developing new offerings that catered to a rising demand for housing, and the development of a wide variety of retail outlets, including shopping malls and luxury stores across the country. The decline in the real estate, renting and business services for the year ended 31 December 2021 was principally due the countermeasures adopted to address the COVID-19 pandemic.

### ***Transport, Storage and Communication***

Transport, storage and communication accounted for KD 1.6 billion, or 3.2 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Transport, storage and communication saw growth of 3.0 per cent., 25.1 per cent., 24.3 per cent. and 17.3 per cent. in real terms for the years ended 31 December 2024, 2023, 2022 and 2021, respectively. There was a decline of 40.9 per cent. in real terms for the year ended 31 December 2020 due to global travel restrictions in place during the COVID-19 pandemic.

The growth in transport, storage and communication for the years 31 December 2024, 2023, 2022 and 2021 was principally due to steady growth of consumers that increased their travel and communication spending over the period during the period of recovery following the COVID-19 pandemic.

#### ***Wholesale and Retail Trade***

Wholesale and retail trade accounted for KD 2.2 billion, or 4.4 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Wholesale and retail trade saw growth of 1.7 per cent., 0.5 per cent., 12.9 per cent. and 18.7 per cent. in real terms for the years ended 31 December 2024, 2023, 2022 and 2021, respectively. There was a decline of 17.4 per cent. in real terms for the years ended 31 December 2021 and 2020, respectively.

The growth in wholesale and retail trade for the years ended 31 December 2024, 2023 and 2022 was principally due to a very steady consumer sector, which was encouraged by steady employment and Government benefits.

#### ***Electricity, Gas and Water***

Electricity, gas and water accounted for KD 1.2 billion, or 2.4 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Electricity, gas and water saw a decline of 0.1 per cent. in real terms for the year ended 31 December 2024, preceded by an increase of 10.0 per cent. for the year ended 31 December 2023, a decline of 1.4 per cent. for the year ended 31 December 2022, an increase of 3.2 per cent. for the year ended 31 December 2021 and a decline of 4.9 per cent. for the year ended 31 December 2020.

The variations in growth and decline in electricity, gas and water during the periods under review were due to certain external (global oil and gas prices) and internal (demand, accounting and subsidies) factors that impact recorded prices.

#### ***Construction***

Construction accounted for KD 1.6 billion, or 3.4 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Construction saw a decline of 1.9 per cent. in real terms for year ended 31 December 2024, preceded by growth of 5.7 per cent., 10.8 per cent. and 20.3 per cent. for the years ended 31 December 2023, 2022 and 2021, respectively, and a decline of 39.6 per cent. for the year ended 31 December 2020.

The growth in construction during the periods under review was primarily due to the increase in the number of infrastructure projects in Kuwait, in particular following the slowdown in construction projects during the COVID-19 pandemic.

#### ***Hotels and Restaurants***

Hotels and restaurants accounted for KD 0.4 million, or 0.8 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Hotels and restaurants saw growth of 6.6 per cent., 21.4 per cent. and 29.5 per cent. in real terms for the years ended 31 December 2024, 2023 and 2022, respectively, preceded by declines of 20.4 per cent. and 20.6 per cent. in real terms for the years ended 31 December 2021 and 2020, respectively.

The growth and decline in hotels and restaurants during the periods under review was principally due to the impact of changes in consumer habits during the COVID-19 pandemic and the subsequent recovery.

#### ***Agriculture and Fishing***

Agriculture and fishing accounted for KD 0.2 million, or 0.5 per cent., of Kuwait's nominal GDP for the year ended 31 December 2024. Agriculture and fishing saw growth of 1.7 per cent., 4.3 per cent., 6.8 per cent., 25.4 per cent. and 6.5 per cent. in real terms for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

The growth in agriculture and fishing for the years ended 31 December 2024, 2023, 2022, 2021 and 2020 was principally due to a steady growth in growing food through hydroponics and carefully managed farms, as well as large scale commercial farms.



## BALANCE OF PAYMENTS AND FOREIGN TRADE

### Balance of Payments

The following table shows the balance of payments for Kuwait for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	Year ended 31 December				
	2024 <sup>(1)</sup>	2023	2022	2021	2020
			(KD millions)		
<b>First: Current Account (1+2+3+4)</b> .....	<b>14,322.6</b>	<b>15,791.2</b>	<b>19,327.9</b>	<b>11,278.4</b>	<b>1,483.3</b>
<b>1 – Balance on Goods:</b> <sup>(2)</sup> .....	<b>13,510.3</b>	<b>15,711.6</b>	<b>22,034.2</b>	<b>12,227.7</b>	<b>4,774.6</b>
Merchandise Exports (FOB),					
of which: .....	<b>23,766.8</b>	<b>25,856.9</b>	<b>30,720.6</b>	<b>20,643.2</b>	<b>12,269.0</b>
Oil Exports .....	21,128.5	23,978.3	28,790.6	19,000.3	10,957.9
Other.....	2,638.3	1,878.6	1,930.0	1,633.9	1,311.1
Merchandise Imports (FOB).....	(10,256.5)	(10,145.3)	(8,686.4)	(8,406.5)	(7,494.4)
<b>2 – Services, of which:</b> .....	<b>(4,864.2)</b>	<b>(5,866.3)</b>	<b>(5,187.0)</b>	<b>(2,628.6)</b>	<b>(2,933.3)</b>
Transportation .....	(1,143.3)	(1,221.6)	(978.6)	(864.1)	(719.9)
Travel .....	(3,116.0)	(3,862.7)	(3,692.3)	(1,307.1)	(1,535.3)
Communications .....	1,590.1	1,509.6	1,381.2	1,133.5	1,236.7
Construction .....	(465.6)	(529.9)	(515.8)	(545.4)	(757.5)
Government Services .....	(155.8)	(612.2)	(265.3)	(19.2)	(397.6)
Other.....	(1,573.5)	(1,149.6)	(1,116.3)	(1,026.3)	(759.6)
<b>3 – Primary Income, of which:</b> .....	<b>10,146.4</b>	<b>9,915.6</b>	<b>7,962.0</b>	<b>7,280.9</b>	<b>5,010.6</b>
Direct Investment Income.....	1,133.5	1,582.1	2,123.4	1,726.2	594.7
Portfolio Investment Income .....	6,034.7	5,268.9	4,512.9	4,928.2	3,438.9
Other Investment Income.....	2,301.5	2,399.4	1,107.3	4,928.2	893.7
Other.....					
<b>4 – Secondary Income:</b> .....	<b>(4,469.9)</b>	<b>(3,969.8)</b>	<b>(5,481.3)</b>	<b>(5,601.5)</b>	<b>(5,368.5)</b>
Government Bodies .....	(60.1)	(64.5)	(41.6)	(27.2)	(40.4)
Other Sectors, of which: .....	(4,409.8)	(3,905.4)	(5,439.8)	(5,574.4)	(5,328.1)
Workers' Transfers.....	(4,322.9)	(3,866.8)	(5,406.3)	(5,526.4)	(5,290.1)
<b>Second: Capital Account</b> .....	<b>(32.4)</b>	<b>(37.1)</b>	<b>163.4</b>	<b>428.2</b>	<b>250.5</b>
<b>Third: Financial Account</b> <sup>(3)</sup> .....	<b>15,289.4</b>	<b>15,542.6</b>	<b>19,685.7</b>	<b>12,519.2</b>	<b>4,493.8</b>
<b>Fourth: Reserve Assets of CBK (change)</b> .....	<b>(921.5)</b>	<b>(150.2)</b>	<b>1,126.7</b>	<b>(970.7)</b>	<b>2,552.6</b>
<b>Fifth: Errors and Omissions (Net)</b> .....	<b>999.1</b>	<b>(211.6)</b>	<b>194.4</b>	<b>812.6</b>	<b>2,760.0</b>
<b>Sixth: Overall Balance Surplus or (Deficit)</b> .....	<b>(921.5)</b>	<b>(150.2)</b>	<b>1,216.7</b>	<b>(970.7)</b>	<b>2,552.6</b>

(1) Provisional figures.

(2) "Balance on goods" in the Balance of Payment Statistics prepared by the CBK differs from the "Trade Balance" in the Foreign Trade Statistics prepared by the CSB due to the difference in the comprehensiveness of data on the value of merchandise exports and imports used in the preparation of the mentioned balances.

(3) Net lending / (net borrowing) "in accordance with BPM6"

Source: Central Bank of Kuwait

Kuwait's balance of payments reflects the importance of its oil exports to its current account balance. Oil exports accounted for 88.9 per cent., 92.7 per cent., 93.8 per cent., 92.0 per cent. and 89.3 per cent. of Kuwait's earnings from merchandise exports for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively. The value of Kuwait's oil exports can be volatile as it depends on prevailing international oil prices. As a result of the global economic recovery following the gradual elimination of restrictions imposed on economic activity during 2020 and into 2021, the value of Kuwait's oil exports increased by 51.5 per cent. and 73.4 per cent. for the years ended 31 December 2022 and 2021, respectively. However, production cuts agreed to by Kuwait, as a member of OPEC+, led to decreases in the value of oil exports of 11.9 per cent. and 16.7 per cent. for the years ended 31 December 2024 and 2023, respectively. See "*Risk Factors—Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme—Risks Relating to the Issuer—Kuwait's economy and government revenues are substantially based on oil production in Kuwait*" and "*Foreign Trade—Exports*" below.

### Current Account

Provisional figures for Kuwait's balance of payments for the year ended 31 December 2024 show that the current account surplus was KD 14.3, a decrease of 9.5 per cent. from KD 15.8 billion for the year ended 31 December 2023. This decrease was principally attributable to the decrease in the surplus in the balance of goods to KD 13.5 billion for the year ended 31 December 2024 from KD 15.7 billion for the year ended 31 December 2023, resulting from a decrease in the value of oil exports caused by a significant decline in oil prices since mid-2023. In addition, the deficit in the balance of services decreased by 17.1 per cent. to

KD 4.9 billion for the year ended 31 December 2024 from a deficit of KD 5.9 billion for the year ended 31 December 2023. Remittances of non-Kuwaiti workers to other countries increased by 11.8 per cent. to KD 4.3 billion for the year ended 31 December 2024 from KD 3.9 billion for the year ended 31 December 2023. This was consistent with the increase in the number of non-Kuwaitis in Kuwait's total labour force during this period by 1.4 per cent; see "*Overview of Kuwait—Employment*".

### **Capital Account**

Provisional figures for Kuwait's balance of payments for the year ended 31 December 2024 show that Kuwait's capital account recorded an outflow of KD 32.4 million, compared to an outflow of KD 37.1 billion for the year ended 31 December 2023. The capital account is relatively small compared to Kuwait's other balance of payments account. It primarily captures capital transfers, including grants and aid for infrastructure projects, debt forgiveness and other capital contributions, and is compiled directly by the CBK through surveys filled by resident entities. The increase in capital account outflow for the year ended 31 December 2023 reflected exceptional one-off capital transfers during the year.

### **Financial Account**

Provisional figures for Kuwait's financial account for the year ended 31 December 2024 indicate that the net value of the economy's external assets (net lending) increased by KD 15.3 billion as compared to an increase of KD 15.5 billion for the year ended 31 December 2023. The moderation in net lending during the year ended 31 December 2024 primarily reflected the narrowing of Kuwait's current account surplus (KD 14.3 billion for the year ended 31 December compared to KD 15.8 billion for the year ended 31 December 2023. See "*Monetary and Financial System—Foreign Assets*".

### **Foreign Trade**

The total value of Kuwait's foreign trade in goods was KD 8.8 billion for the three months ended 31 March 2025, a decline of 1.3 per cent. from KD 8.9 billion for the three months ended 31 March 2024, while Kuwait's trade surplus in goods was KD 2.5 billion for the three months ended 31 March 2025, a decline of 20.3 per cent. from KD 3.2 billion for the three months ended 31 March 2024. The decrease in the total value of foreign trade in goods and the balance of trade in goods for the three months ended 31 March 2025 was principally due to a decline in the value of Kuwait's total exports by 6.3 per cent. to KD 5.7 billion for the three months ended 31 March 2025 from KD 6.0 billion for the three months ended 31 March 2024. This decline was principally attributable to the decline in global oil prices during this period, as a result of which the value of Kuwait's oil exports decreased by 8.4 per cent. over this period.

The decline in the total value of foreign trade in goods and the balance of trade in goods for the year ended 31 December 2024 was principally due to a decrease in the value of Kuwait's total exports by 9.3 per cent. to KD 23.3 billion for the year ended 31 December 2024 from KD 25.7 billion for the year ended 31 December 2023. This decrease was principally attributable to the decline in global oil prices and oil production during this period, as a result of which the value of Kuwait's oil exports declined by 11.9 per cent. for the year ended 31 December 2024. The total value of Kuwait's foreign trade in goods was KD 35.0 billion for the year ended 31 December 2024, a decline of 5.8 per cent. from KD 37.1 billion for the year ended 31 December 2023, while Kuwait's trade surplus in goods was KD 11.6 billion for the year ended 31 December 2024, a decline of 18.3 per cent. from a trade surplus in goods of KD 14.2 billion for the year ended 31 December 2023.

The following table sets forth Kuwait's trade exchange and balance of trade in goods for the three months ended 31 March 2025 and 2024 and each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the three months ended 31 March		Year ended 31 December				
	2025	2024	2024	2023	2022	2021	2020
	<i>(KD millions)</i>						
Total exports .....	5,665.7	6,049.0	23,300.3	25,683.2	30,554.7	20,600.3	12,229.3
Total imports .....	3,116.5	2,850.4	11,684.4	11,448.8	11,005.3	9,616.3	8,507.2
<b>Trade Exchange<sup>(1)</sup> .....</b>	<b>8,782.2</b>	<b>8,899.3</b>	<b>34,984.7</b>	<b>37,132.1</b>	<b>41,560.1</b>	<b>30,216.5</b>	<b>20,736.4</b>
<b>Balance of Trade<sup>(1)</sup> .....</b>	<b>2,549.3</b>	<b>3,198.6</b>	<b>11,615.9</b>	<b>14,234.4</b>	<b>19,549.4</b>	<b>10,984.0</b>	<b>3,722.1</b>

(1) "Trade Balance" in the Foreign Trade Statistics prepared by the CSB differs from the "Balance on goods" in the Balance of Payment Statistics prepared by the CBK due to the difference in the comprehensiveness of data on the value of merchandise exports and imports used in the preparation of the mentioned balances.

Source: Central Statistics Bureau

## Exports

The total value of Kuwait's exports was KD 5.7 billion for the three months ended 31 March 2025, a decrease of 6.3 per cent. compared to KD 6.0 billion for the three months ended 31 March 2024. The total value of Kuwait's exports was KD 23.3 billion, or 47.4 per cent. of total nominal GDP, for the year ended 31 December 2024, a decrease of 9.3 per cent. compared to KD 25.7 billion, or 50.6 per cent. of total nominal GDP, for the year ended 31 December 2023.

The following table sets forth a breakdown of Kuwait's exports by value (including re-exports) for the three months ended 31 March 2025 and 2024 and each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the three months ended 31 March		Year ended 31 December				
	2025	2024	2024	2023	2022	2021	2020
	<i>(KD millions)</i>						
<b>Total Petroleum and its by-products.....</b>	<b>5,095.3</b>	<b>5,561.7</b>	<b>21,128.5</b>	<b>23,970.3</b>	<b>28,783.0</b>	<b>19,000.3</b>	<b>10,957.9</b>
Other exports <sup>(1)</sup> .....	570.4	487.3	2,171.8	1,713.0	1,771.8	1,600.0	1,271.3
<b>Total exports.....</b>	<b>5,665.7</b>	<b>6,049.0</b>	<b>23,300.3</b>	<b>25,683.3</b>	<b>30,554.8</b>	<b>20,600.3</b>	<b>12,229.2</b>

(1) Includes petrochemical products (excluding re-exports)

Source: Central Statistics Bureau

The value of Kuwait's total petroleum and its by-products for the three months ended 31 March 2025 was KD 5.1 billion, a decline of 8.4 per cent. compared to KD 5.6 billion for the three months ended 31 March 2024. The decline was principally attributable to the continued decline in global oil prices during this period.

Kuwait's other exports, which includes petrochemical products, was KD 570.4 million for the three months ended 31 March 2025, an increase by 17.0 per cent. from KD 487.3 million for the three months ended 31 March 2024.

The value of Kuwait's total petroleum and its by-products for the year ended 31 December 2024 was KD 21.1 billion, a decline of 11.9 per cent. compared to KD 24.0 billion for the year ended 31 December 2023. The decline was principally attributable to the decline in global oil prices since January 2022 and the decline in production volumes, as Kuwait's average daily production volumes of crude oil decreased from 2.4 million bpd for the year ended 31 December 2024 compared to 2.6 million bpd for the year ended 31 December 2023.

Kuwait's other exports, which includes petrochemical products, was KD 2.2 billion for the year ended 31 December 2024, an increase of 26.8 per cent., from KD 1.7 billion for the year ended 31 December 2023.

Currently, the majority of Kuwait's petroleum and its by products are exported to South Korea, Japan, China and Vietnam.

The following table sets forth a breakdown of Kuwait's non-oil exports by destination (excluding re-exports) for the three months ended 31 March 2025 and 2024 and each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the three months ended 31 March				Year ended 31 December									
	2025		2024		2024		2023		2022		2021		2020	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	<i>(KD millions, except percentages)</i>													
China.....	43.4	7.6	46.7	9.6	211.1	9.7	163.6	9.6	167.8	9.5	215.0	13.4	175.3	13.8
Saudi Arabia .....	78.3	13.7	62.1	12.7	262.2	12.1	207.3	12.1	258.4	14.6	219.7	13.7	199.6	15.7
India .....	107.3	18.8	71.4	14.6	379.4	17.5	299.7	17.5	271.7	15.3	211.7	13.2	152.8	12.0
UAE .....	114.1	20.0	101.2	20.8	414.9	19.1	381.4	22.3	302.5	17.1	243.1	15.2	163.7	12.9
Iraq .....	58.2	10.2	53.6	11.0	254.6	11.7	81.1	4.7	71.5	4.0	152.3	9.5	112.7	8.9
United States.....	1.9	0.3	1.8	(0.4)	11.2	0.5	28.3	1.7	51.9	2.9	12.1	0.8	17.5	1.4
Qatar .....	20.7	3.6	18.6	3.8	64.9	3.0	71.2	4.2	86.6	4.9	84.3	5.3	86.1	6.8
Turkey.....	10.5	1.8	8.5	1.7	31.3	1.4	20.9	1.2	68.3	3.9	20.0	1.2	15.4	1.2
Pakistan.....	12.3	2.2	24.9	5.1	88.5	4.1	99.2	5.8	143.1	8.1	94.2	5.9	50.5	4.0
Jordan.....	23.2	4.1	7.4	1.5	40.4	1.9	30.2	1.8	39.2	2.2	39.1	2.4	29.2	2.3
Indonesia.....	2.8	0.5	2.2	0.5	12.9	0.6	6.7	0.4	1.9	0.1	1.7	0.1	6.3	0.5
Bahrain.....	6.3	1.1	6.4	1.3	26.6	1.2	24.3	1.4	23.2	1.3	17.3	1.1	15.1	1.2
Oman.....	9.6	1.7	7.0	1.4	32.2	1.5	29.0	1.7	40.5	2.3	44.0	2.8	52.4	4.1
Egypt.....	6.9	1.2	11.0	2.3	43.7	2.0	42.5	2.5	27.3	1.5	23.5	1.5	8.7	0.7
Malaysia.....	4.7	0.8	3.1	0.6	30.5	1.4	17.7	1.0	6.5	0.4	17.1	1.1	5.9	0.5
<b>Total Top 15 .....</b>	<b>500.2</b>	<b>87.7</b>	<b>425.9</b>	<b>87.4</b>	<b>1904.4</b>	<b>87.7</b>	<b>1503.1</b>	<b>87.8</b>	<b>1560.4</b>	<b>88.1</b>	<b>1395.1</b>	<b>87.2</b>	<b>1091.2</b>	<b>85.8</b>
<b>Total Rest of the World.....</b>	<b>70.2</b>	<b>12.3</b>	<b>61.4</b>	<b>12.6</b>	<b>267.3</b>	<b>12.3</b>	<b>209.7</b>	<b>12.2</b>	<b>211.4</b>	<b>11.9</b>	<b>204.8</b>	<b>12.8</b>	<b>180.1</b>	<b>14.2</b>
<b>Total non-oil exports .....</b>	<b>570.4</b>	<b>100.0</b>	<b>487.3</b>	<b>100.0</b>	<b>2171.7</b>	<b>100.0</b>	<b>1712.8</b>	<b>100.0</b>	<b>1771.8</b>	<b>100.0</b>	<b>1599.9</b>	<b>100.0</b>	<b>1271.3</b>	<b>100.0</b>

Source: Central Statistics Bureau

United Arab Emirates represented the largest share of Kuwait's non-oil exports for the three months ended 31 March 2025 accounting for KD 114.1 million, or 20.0 per cent. of total non-oil exports, increase of 12.7 per cent. compared to KD 101.2 million for the three months ended 31 March 2024. Non-oil exports to India represented the second largest share of Kuwait's non-oil exports for the three months ended 31 March 2025 accounting for KD 107.3 million, or 18.8 per cent. of total non-oil exports, an increase of 50.3 per cent. compared to KD 71.4 million for the three months ended 31 March 2024. Saudi Arabia represented the third largest share of Kuwait's non-oil exports for the three months ended 31 March 2025 accounting for KD 78.3 million, or 13.7 per cent. of total non-oil exports, an increase of 26.1 per cent. compared to KD 62.1 million for the three months ended 31 March 2024. For the three months ended 31 March 2025, non-oil exports from Kuwait's top 15 countries by destination accounted for 87.7 per cent. of total non-oil exports.

The United Arab Emirates represented the largest share of Kuwait's non-oil exports for the year ended 31 December 2024 accounting for KD 414.9 million, or 19.1 per cent. of total non-oil exports, an increase of 8.8 per cent. compared to KD 381.4 million for the year ended 31 December 2023. Non-oil exports to India represented the second largest share of Kuwait's non-oil exports for the year ended 31 December 2024 accounting for KD 397.4 million, or 17.5 per cent. of total non-oil exports, an increase of 26.6 per cent. compared to KD 299.7 million for the year ended 31 December 2023. Saudi Arabia represented the third largest share of Kuwait's non-oil exports for the year ended 31 December 2024 accounting for KD 262.2 million, or 12.1 per cent. of total non-oil exports, an increase of 26.5 per cent. compared to KD 207.3 million for the year ended 31 December 2023. For the year ended 31 December 2024, non-oil exports from Kuwait's top 15 countries by destination accounted for 87.7 per cent. of total non-oil exports.

## Imports

The total value of Kuwait's imports was KD 3.1 billion for the three months ended 31 March 2025, an increase of 9.3 per cent. compared to KD 2.9 billion for the three months ended 31 March 2024. The total value of Kuwait's imports was KD 11.7 billion, or 23.8 per cent. of total nominal GDP, for the year ended 31 December 2024, an increase of 2.1 per cent. compared to KD 11.4 billion, or 22.5 per cent. of total nominal GDP, for the year ended 31 December 2023.

The following table sets forth a breakdown of Kuwait's imports by value for the six months ended 30 June 2025 and 2024 and each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the three months ended 31 March		Year ended 31 December				
	2025	2024	2024	2023	2022	2021	2020
	<i>(KD millions)</i>						
Machines, Appliances and Electrical Equipment .....	602.6	484.2	1,953.0	2,127.1	1,997.8	1,661.1	1,682.0
Transport Equipment .....	531.4	450.7	1,933.3	1,865.6	1,499.9	1,215.6	1,103.9
Chemical Products .....	382.4	367.9	1,493.5	1,314.4	1,151.8	1,114.4	1,017.6
Metals and Metal Products ..	279.2	159.3	789.9	916.5	1,109.3	803.1	706.2
Vegetable Products .....	149.1	151.1	610.1	593.9	594.1	546.1	554.8
Foodstuffs.....	179.7	179.6	760.5	734.2	713.2	504.6	587.8
Textiles and Clothing.....	145.6	130.9	565.6	563.5	599.6	639.2	571.5
Jewellery, Precious Metals and Stones.....	141.7	176.3	727.5	660.7	752.5	691.1	294.0
Live Animals and Animal Products .....	172.9	142.2	620.9	578.0	569.9	501.8	504.2
Other goods .....							
<b>Total imports .....</b>	<b>3,116.5</b>	<b>2,850.4</b>	<b>11,684.4</b>	<b>11,448.8</b>	<b>11,005.3</b>	<b>9,616.3</b>	<b>8,507.2</b>

Source: Central Statistics Bureau

Imports of machines, appliances and electrical equipment represented the largest component of Kuwait's imports for the three months ended 31 March 2025 and accounted for KD 602.6 million, or 19.3 per cent., of total imports, an increase of 24.5 per cent. compared to KD 484.2 million for the three months ended 31 March 2024. Transport equipment represented the second largest component of Kuwait's imports for the three months ended 31 March 2025 accounting for KD 531.4 million or 17.1 per cent. of total imports, an increase of 17.9 per cent. compared to KD 450.7 million for the three months ended 31 March 2024. Chemical Products represented the third largest component of Kuwait's imports for the three months ended 31 March 2025 accounting for KD 382.4 million, or 12.3 per cent. of total imports, an increase of 3.9 per cent. compared to KD 367.9 million for the three months ended 31 March 2024.

Imports of machines, appliances and electrical equipment represented the largest component of Kuwait's imports for the year ended 31 December 2024 and accounted for KD 2.0 billion, or 16.7 per cent., of total imports, a decrease of 8.2 per cent. compared to KD 2.1 billion for the year ended 31 December 2023. Transport equipment represented the second largest component of Kuwait's imports for the year ended 31 December 2024 accounting for KD 1.9 billion, or 16.5 per cent. of total imports, an increase of 3.6 per cent. compared to KD 1.9 billion for the year ended 31 December 2023. Chemical products represented the third largest component of Kuwait's imports for the year ended 31 December 2024 accounting for KD 1.5 billion, or 12.8 per cent. of total imports, an increase of 13.6 per cent. compared to KD 1.3 billion for the year ended 31 December 2023.

The following table sets forth a breakdown of Kuwait's imports by origin for the three months ended 31 March 2025 and 2024 and each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	For the three months ended 31 March				Year ended 31 December									
	2025		2024		2024		2023		2022		2021		2020	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
	<i>(KD millions, except percentages)</i>													
China .....	693.4	22.2	543.5	19.1	2,225.6	19.0	2,283.7	19.9	2,066.3	18.8	1,727.7	18.0	1,574.3	18.5
UAE .....	340.1	10.9	401.6	14.1	1,486.1	12.7	1,039.7	9.1	1,315.2	12.0	1,143.7	11.9	715.3	8.4
United States .....	254.8	8.2	262.9	9.2	1,056.2	9.0	1,019.8	8.9	946.7	8.6	768.7	8.0	730.2	8.6
Japan .....	218.8	7.0	124.9	4.4	610.3	5.2	706.4	6.2	575.5	5.2	554.0	5.8	511.3	6.0
Germany .....	131.2	4.2	111.4	3.9	478.1	4.1	504.9	4.4	434.1	3.9	424.1	4.4	397.2	4.7
Saudi Arabia .....	161.8	5.2	160.8	5.6	603.1	5.2	597.5	5.2	577.7	5.2	508.8	5.3	504.7	5.9
India .....	149.2	4.8	145.7	5.1	594.3	5.1	633.2	5.5	599.9	5.5	500.6	5.2	417.2	4.9
South Korea .....	60.9	2.0	48.6	1.7	235.9	2.0	149.4	1.3	140.7	1.3	126.7	1.3	154.8	1.8
Italy .....	102.9	3.3	93.3	3.3	412.1	3.5	449.0	3.9	425.9	3.9	367.3	3.8	322.0	3.8
United Kingdom .....	47.5	1.5	75.7	2.7	248.6	2.1	247.6	2.2	222.9	2.0	228.7	2.4	187.2	2.2
France .....	75.3	2.4	64.5	2.3	332.1	2.8	278.6	2.4	247.7	2.3	217.4	2.3	198.3	2.3
Australia .....	39.4	1.3	30.6	1.1	114.1	1.0	140.7	1.2	163.7	1.5	134.9	1.4	89.9	1.1
Switzerland .....	62.8	2.0	86.3	3.0	327.6	2.8	326.0	2.8	252.1	2.3	215.3	2.2	187.3	2.2
Thailand .....	41.0	1.3	41.5	1.5	168.4	1.4	178.7	1.6	150.9	1.4	128.4	1.3	110.5	1.3
Turkey .....	49.6	1.6	45.3	1.6	198.9	1.7	226.5	2.0	260.8	2.4	227.8	2.4	192.1	2.3
<b>Total Top 15 .....</b>	<b>2428.7</b>	<b>77.9</b>	<b>2236.6</b>	<b>78.5</b>	<b>9091.4</b>	<b>77.8</b>	<b>8781.7</b>	<b>76.7</b>	<b>8380.1</b>	<b>76.1</b>	<b>7274.1</b>	<b>75.6</b>	<b>6292.3</b>	<b>74.0</b>
<b>Total Rest of the World.....</b>	<b>687.8</b>	<b>22.1</b>	<b>613.8</b>	<b>21.5</b>	<b>2593.0</b>	<b>22.2</b>	<b>2667.1</b>	<b>23.3</b>	<b>2625.2</b>	<b>23.9</b>	<b>2342.2</b>	<b>24.4</b>	<b>2214.9</b>	<b>26.0</b>
<b>Total Imports .....</b>	<b>3116.5</b>	<b>100.0</b>	<b>2850.4</b>	<b>100.0</b>	<b>11,684.4</b>	<b>100.0</b>	<b>11,448.8</b>	<b>100.0</b>	<b>11,005.3</b>	<b>100.0</b>	<b>9,616.3</b>	<b>100.0</b>	<b>8,507.2</b>	<b>100.0</b>

Source: Central Statistics Bureau

China represented the largest share of Kuwait's imports for the three months ended 31 March 2025 accounting for KD 693.4 million, or 22.2 per cent. of total imports, an increase of 27.6 per cent. compared to KD 543.5 million for the three months ended 31 March 2024. Imports from the United Arab Emirates represented the second largest share of Kuwait's imports for the three months ended 31 March 2025 accounting for KD 340.1 million, or 10.9 per cent. of total imports, a decrease of 15.3 per cent. compared to KD 401.6 million for the three months ended 31 March 2024. The United States represented the third largest share of Kuwait's imports for the three months ended 31 March 2025 accounting for KD 254.8 million, or 8.2 per cent. of total imports, a decrease of 3.1 per cent. compared to KD 262.9 million for the three months ended 31 March 2024. For the three months ended 31 March 2025, imports from Kuwait's top 15 countries by origin accounted for 77.9 per cent. of total imports.

China represented the largest share of Kuwait's imports for the year ended 31 December 2024 accounting for KD 2.2 billion, or 19.0 per cent. of total imports, a decrease of 2.5 per cent. compared to KD 2.3 billion for the year ended 31 December 2023. Imports from the UAE represented the second largest share of Kuwait's imports for the year ended 31 December 2024 accounting for KD 1.5 billion, or 12.7 per cent. of total imports, an increase of 42.9 per cent. compared to KD 1.0 billion for the year ended 31 December 2023. The United States represented the third largest share of Kuwait's imports for the year ended 31 December 2024 accounting for KD 1.1 billion, or 9.0 per cent. of total imports, an increase by 3.6 per cent. compared to KD 1.0 billion for the year ended 31 December 2023. For the year ended 31 December 2024, imports from Kuwait's top 15 countries by origin accounted for 77.8 per cent. of total imports.

## MONETARY AND FINANCIAL SYSTEM

### Central Bank of Kuwait

Kuwait's monetary, banking and financial system is regulated and supervised by the CBK, which was incorporated by Law No. 32 of 1968 (as amended) (the **CBK Law**). The CBK commenced operations on 1 April 1969. According to Article 15 of the CBK Law, its core objectives are to:

- issue currency on behalf of Kuwait;
- secure the stability of the Kuwaiti dinar and its free convertibility into other currencies;
- direct credit policy in order to contribute to Kuwait's social and economic progress and the growth of national income;
- supervise the banking system in Kuwait;
- serve as a banker to the Government; and
- render financial advice to the Government.

The CBK is independent of Kuwait's executive and legislative branches and is managed by a Board of Directors, consisting of the Governor of the CBK, who also acts as the Chairman, the Deputy Governor of the CBK, a representative from each of the Ministry of Finance and the Ministry of Commerce and Industry and four additional members, each of whom must be a Kuwaiti national and must be nominated by the Minister of Finance (after obtaining the approval of the Council of Ministers). The four additional Board members are drawn from expert practitioners in the fields of economics, finance or banking and are appointed by an Amiri Decree for a three-year renewable term. The Governor and the Deputy Governor of the CBK are each appointed by an Amiri Decree for a five-year renewable term. The appointment is pursuant to the recommendation of the Ministry of Finance and is conditional on each of the Governor and the Deputy Governor of the CBK having the requisite experience in the banking sector.

The following table sets forth CBK's balance sheet data as at 30 June 2025 and 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 30 June		As at 31 December			
	2025	2024	2023	2022	2021	2020
	<i>(KD millions)</i>					
<b>Assets:</b>						
Foreign Assets .....	12,829.0	12,171.1	13,066.2	13,206.1	12,077.5	13,867.6
Other Assets .....	158.4	331.8	254.4	272.9	135.8	98
<b>Total Assets</b> .....	<b>12,987.4</b>	<b>12,502.8</b>	<b>13,320.6</b>	<b>13,479.0</b>	<b>12,213.3</b>	<b>13,965.5</b>
<b>Liabilities:</b>						
Reserve Money (Monetary Base) .....	7,130.6	6,909.4	6,054.6	5,764.6	6,346.1	7,744.9
Government Accounts .....	2,063.3	1,690.4	1,823.2	2,531.9	1,400.4	1,757.3
Deposits against L/Cs .....	212.0	239.4	178.7	195.3	166.9	201.1
Capital and Reserve .....	1,948.7	1,456.8	1,005.0	997.6	981.7	959.9
Accounts of International Organisations and Banks .....	46.9	42.6	29.0	13.2	43.7	54.3
Other Liabilities .....	1,585.9	2,164.2	4,230.0	3,976.5	3,274.5	3,248.1
<b>Total Liabilities</b> .....	<b>12,987.4</b>	<b>12,502.8</b>	<b>13,320.6</b>	<b>13,479.0</b>	<b>12,213.3</b>	<b>13,965.5</b>

Source: Central Bank of Kuwait

The CBK's total assets as at 30 June 2025 were KD 13.0 billion, an increase of 3.9 per cent. as compared to KD 12.5 billion as at 31 December 2024. This increase was primarily a result of an increase in foreign assets held by the CBK. Total foreign assets as at 30 June 2025 were KD 12.8 billion, an increase of 5.4 per cent. as compared to KD 12.2 billion as at 31 December 2024.



## Monetary and Exchange Rate Policy

Kuwait's monetary and exchange rate policy is set and managed by the CBK. Its main monetary policy objective is to maintain monetary stability with the aim to mitigate the impacts of inflation and to enhance social and economic progress in Kuwait and the growth of national income.

The CBK's policy for the Kuwaiti dinar exchange rate is aimed at maintaining and enhancing the relative stability of the Kuwaiti dinar against other currencies and shielding the domestic economy against the impacts of volatility in foreign exchange rates and global macroeconomic conditions. These responsibilities reflect the importance of the exchange rate policy in the Kuwaiti economy where no restrictions are imposed on the movement of capital.

Since 1975, the Kuwaiti dinar has been pegged to a weighted basket of major currencies, except between January 2003 and May 2007, when the Kuwaiti dinar was pegged to the U.S. dollar within margins around a parity rate. Since 20 May 2007, the CBK has repegged the Kuwaiti Dinar to an undisclosed weighted basket of currencies of Kuwait's major trade and financial partner countries, reverting from the previous U.S. dollar peg. This exchange rate policy contributes to maintaining the relative stability of the KD exchange rate against other currencies and strengthens the CBK's ability to implement a monetary policy aimed at reducing inflationary pressures, particularly those resulting from fluctuations in the exchange rates of world currencies.

The following table sets forth the U.S. dollar exchange rate against the Kuwaiti dinar and some other major currencies based on daily data for the year ended 31 December 2024.

	High	Low	Difference	Change (per cent.)
KD .....	0.30815	0.30470	0.00345	1.1%
Pound Sterling.....	1.34195	1.23525	0.10670	8.6%
Euro .....	1.11985	1.03795	0.08190	7.9%
Swiss Franc .....	0.92115	0.84040	0.08075	9.6%
Japanese Yen.....	161.705	140.170	21.53500	15.4%

Source: Central Bank of Kuwait

The difference between the highest and the lowest exchange rate of the U.S. dollar against the Kuwaiti dinar for the year ended 31 December 2024 reached 1.1 per cent. which was the lowest when compared to the exchange rate of the U.S. dollar against other major currencies, which witnessed significant fluctuations in the year ended 31 December 2024, where the difference between the highest and the lowest exchange rates of the U.S. dollar reached 8.6 per cent. against the Pound Sterling, 7.9 per cent. against the euro, 9.6 per cent. against the Swiss Franc and 15.4 per cent. against the Japanese Yen.

## Interest Rates

In response to rising global inflationary pressures, the CBK tightened its monetary policy through increasing its benchmark interest rate by 0.25 per cent. in each of March 2022, May 2022, June 2022, July 2022, August 2022 and September 2022 and by an additional 0.5 per cent. twice (in each of December 2022 and January 2023) and by an additional 0.25 per cent. in July 2023, resulting in a benchmark interest rate of 4.25 per cent. During the same period, the U.S. Federal Reserve increased its benchmark rate by 525 basis points to between 5.25 per cent. and 5.50 per cent. In September 2024, the CBK cut the discount rate by 0.25 per cent., resulting in a benchmark interest rate of 4.0 per cent., citing easing inflationary pressures and an improved domestic liquidity position. The Governor underscored that this adjustment was part of a broader strategy to preserve the Kuwaiti dinar's attractiveness as a stable and reliable store of value, while supporting economic growth and household liquidity under current conditions. Finally, effective 18 September 2025, the CBK reduced the discount rate by 0.25 per cent. to 3.75 per cent.

The following table sets forth certain information on KD interest rates as at the date of this Base Offering Circular and as at 31 December 2024, 2023, 2022, 2021 and 2020.

	Maximum Contractual Interest Rates on all forms of KD Lending Transactions			
	Discount Rate	Up to One Year	Over One Year	Consumer Loans
		(per cent. per annum)		
2025 <sup>(1)</sup> .....	3.75%	6.25%	7.75%	6.75%



Maximum Contractual Interest Rates on all forms of KD Lending Transactions				
	Discount Rate	Up to One Year	Over One Year	Consumer Loans
		<i>(per cent. per annum)</i>		
2024.....	4.00%	6.50%	8.00%	7.00%
2023.....	4.25%	6.75%	8.25%	7.25%
2022.....	3.50%	6.00%	7.50%	6.50%
2021.....	1.50%	4.00%	5.50%	4.50%
2020.....	1.50%	4.00%	5.50%	4.50%

<sup>(1)</sup> On 17 September 2025, the CBK announced a cut to the discount rate by 25 basis points from 4.00 per cent. to 3.75 per cent.

Source: Central Bank of Kuwait

The CBK's instruction on interest rates provides that the maximum limits for interest rates on KD loans to corporates should not exceed:

- 2.5 per cent. over the CBK's discount rate in the case of commercial loans with a maturity of one year or less; and
- 4.0 per cent. over the CBK's discount rate in the case of commercial loans exceeding one year.

Interest rates for housing and consumer loans denominated in Kuwaiti dinar are currently capped at the CBK discount rate plus 3.0 per cent. Instalment (housing) loan agreements must include a provision that the interest rate will be reviewed every five years during the loan tenor. Such interest rates may be adjusted by no more than plus or minus 2.0 per cent. of the contractual rate initially agreed for each subsequent five-year cycle.

Interest rates for loans in currencies other than the Kuwaiti dinar are not regulated by the CBK.

The following table sets forth the average interest rates on customer KD and U.S. dollar deposits with local banks for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	Average Interest Rates on Customer 1-Month Deposits		Average Interest Rates on Customer 3-Month Deposits	
	KD	U.S.\$	KD	U.S.\$
	<i>(per cent.)</i>			
2024.....	3.587	2.810	3.864	3.039
2023.....	3.844	3.148	4.161	3.440
2022.....	3.362	2.753	3.991	3.226
2021.....	0.921	0.161	1.063	0.248
2020.....	0.897	0.172	1.053	0.263

Source: Central Bank of Kuwait

## Money Supply

As at June 2025, money supply (**M2**) stood at to KD 42.0 billion, reflecting an increase of 3.3 per cent. compared to KD 40.6 billion as at 31 December 2024. This growth in M2 is principally a result of the CBK's continuous efforts to manage the levels of domestic liquidity and deliver an appropriate environment to boost the growth of various domestic economic sectors and the increase in the net assets of local banks for the period. See "*Banking System*" below.

The following table sets forth an analysis of Kuwait's money supply as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022	2021	2020
	<i>(KD millions)</i>				
<b>Money (M1)</b> .....	<b>10,413.4</b>	<b>10,711.9</b>	<b>11,618.8</b>	<b>12,184.9</b>	<b>11,915.0</b>
Currency in Circulation.....	1,640.6	1,643.1	1,670.3	1,775.2	1,820.7
KD Sight Deposits.....	8,772.8	9,068.8	9,948.4	10,409.7	10,104.2
<b>Quasi-Money</b> .....	<b>30,220.7</b>	<b>28,261.4</b>	<b>26,965.5</b>	<b>24,060.6</b>	<b>23,006.0</b>
KD Deposits .....	28,334.5	26,451.2	25,190.9	22,405.2	21,465.9

	As at 31 December				
	2024	2023	2022	2021	2020
			(KD millions)		
Foreign Currency Deposits .....	1,886.2	1,810.3	1,774.7	1,655.4	1,540.1
<b>Money Supply (M2) .....</b>	<b>40,634.1</b>	<b>38,973.3</b>	<b>38,584.3</b>	<b>36,245.5</b>	<b>34,921.0</b>
<b>Money Supply (M3) .....</b>	<b>40,634.1</b>	<b>38,973.3</b>	<b>38,584.3</b>	<b>36,245.5</b>	<b>34,921.0</b>

Source: Central Bank of Kuwait

## Foreign Assets

The following table sets forth a breakdown of the CBK's foreign assets, as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022	2021	2020
			(KD millions)		
Gold.....	31.7	31.7	31.7	31.7	31.7
Deposits and Cash Balances .....	12,087.8	12,982.9	13,126.9	11,988.3	13,788.4
Foreign Securities .....	51.5	51.5	47.4	47.4	47.4
<b>Total.....</b>	<b>12,171.1</b>	<b>13,066.2</b>	<b>13,206.1</b>	<b>12,077.5</b>	<b>13,867.5</b>

Source: Central Bank of Kuwait

The CBK's foreign assets are principally held in deposit accounts with banks outside Kuwait or are invested in securities and treasury bills issued by non-Kuwaiti issuers and, as at 30 June 2025, are free from any encumbrances.

## Banking System

Kuwait has a well-developed and sound financial sector, which is predominantly bank-centric. The CBK supervises a whole network of banking and financial institutions that are comprised of: 10 Kuwaiti banks, branches of 11 foreign banks, 21 investment companies (with regards to their financing portfolio), 31 exchange companies and two financing companies as at 31 December 2024.

The following table sets forth the developments in the local bank structure as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022	2021	2020
Number of head offices.....	22	22	22	22	23
Number of local branches .....	387	396	390	396	395
Number of external branches.....	13	13	13	14	14
Number of representative offices.....	1	1	1	1	1
Total branches/representative offices .....	423	432	426	433	433

Source: Central Bank of Kuwait

As at 31 December 2024, there were 10 Kuwaiti banks of which there are:

- 5 conventional banks (National Bank of Kuwait, Burgan Bank, Gulf Bank, Commercial Bank of Kuwait and Al Ahli Bank of Kuwait);
- 4 Islamic banks (Kuwait Finance House, Boubyan Bank, Kuwait International Bank and Warba Bank); and
- 1 specialised bank (Industrial Bank of Kuwait).

In addition, 10 foreign bank branches also operate in Kuwait. These are the Bank of Bahrain and Kuwait, HSBC, First Abu Dhabi Bank, Citibank, Qatar National Bank, Doha Bank, Mashreq Bank, Al-Rajhi Bank, Bank Muscat and Industrial and Commercial Bank of China Limited.

Additionally, several Kuwaiti banks have sizeable presences in numerous other countries, with total assets of their subsidiaries and branches abroad, accounting for 25.5 per cent. of the total assets of the banking system as at 31 December 2024.

The following table sets forth the aggregate balance sheet of all 10 Kuwaiti banks and their subsidiaries (excluding foreign branches operating in Kuwait) as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022 (KD millions)	2021	2020
<b>Assets</b>					
Cash.....	1,620	1,596	1,497	1,369	1,583
Due from CBK.....	6,871	6,656	6,082	6,531	7,276
Due from Banks.....	9,239	7,883	9,230	8,631	7,026
Due from Other Financial Institutions.....	138	259	96	-	-
Investments in Government Securities.....	11,908	11,924	10,141	8,131	7,875
Investments in Other Fixed Income Securities.....	6,450	6,360	5,761	3,773	3,651
Equity Investments.....	2,127	2,237	2,155	2,218	2,092
Real Estate Investments.....	763	740	680	640	711
Net Loans.....	69,324	66,281	64,469	55,989	51,845
Fixed Assets.....	1,343	1,290	1,167	1,043	1,046
Goodwill.....	2,523	2,556	2,611	530	532
Other Assets.....	2,928	2,668	3,183	2,101	1,750
<b>Total Assets.....</b>	<b>115,235</b>	<b>110,448</b>	<b>107,072</b>	<b>90,956</b>	<b>85,386</b>
<b>Liabilities</b>					
Due to CBK.....	1	3	1	0	0
Due to Banks.....	15,476	12,590	11,989	9,051	7,040
Due to Other Financial Institutions.....	7,742	7,654	7,742	6,313	7,242
Deposits (Private and Governmental).....	66,140	65,960	62,649	56,389	53,912
Securities Issued.....	2,408	1,995	2,109	1,327	1,084
Other Borrowed Funds.....	4,499	4,059	5,213	4,378	3,305
Other Liabilities and Payables.....	3,401	3,404	3,039	2,612	2,589
Shareholder's Equity.....	15,568	14,782	14,331	10,886	10,214
<b>Total Liabilities and Shareholders' Equity.....</b>	<b>115,235</b>	<b>110,448</b>	<b>107,072</b>	<b>90,956</b>	<b>85,386</b>

Source: Central Bank of Kuwait

As at 31 December 2024, total assets in the Kuwaiti banking system, including Kuwaiti banks' branches abroad, were KD 115.2 billion, representing an increase of 4.3 per cent. compared to KD 110.4 billion as at 31 December 2023. Net loans as at 31 December 2024 were KD 69.3 billion, representing 60.2 per cent. of the total assets.

### Bank Credit

The following table sets forth the credit facilities granted by all 10 Kuwaiti banks in various sectors as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022 (KD millions)	2021	2020
Oil & Gas.....	4,742	4,522	4,450	4,214	3,455
Trade.....	8,843	8,277	7,637	6,627	7,010
Industry.....	6,171	5,873	6,006	5,089	4,638
Construction.....	8,835	7,804	7,282	6,420	6,776
Real Estate.....	14,381	13,594	13,540	12,173	12,195
Equity Purchase Loans <sup>(1)</sup> .....	4,002	3,572	3,513	3,084	2,819
Investment Companies.....	1,749	1,659	1,394	1,454	1,341
Banks.....	7,540	7,560	7,895	6,671	6,089
Services <sup>(2)</sup> .....	10,191	9,249	9,072	7,569	6,754
Households <sup>(3)</sup> .....	18,124	17,860	17,597	15,434	13,738
Other <sup>(4)</sup> .....	3,364	3,160	2,460	1,929	1,642
<b>Total.....</b>	<b>87,943</b>	<b>83,131</b>	<b>80,846</b>	<b>70,664</b>	<b>66,457</b>

(1) Equity Purchase Loans sector includes corporates and individuals.

(2) Services sector include public and private (e.g., telecommunication).

(3) Households sector includes credit card advances, instalment (personal long-term loans utilised by customers for non-commercial purposes, particularly for restoring or purchasing private residences that are repaid in monthly instalments within a period of 15 years) and consumer loans.

(4) Other include, among others, agriculture and fishing sectors.

Source: Central Bank of Kuwait

The household sector was the largest recipient of bank credit, accounting for 20.6 per cent. of total loans as at 31 December 2024. Within the household sector, instalment loans represented approximately 83.3 per cent. of total household loans, which were granted for purposes such as the repair and purchase of private homes. The CBK has introduced a number of regulations to limit the exposure of local banks to the household sector. For example, loans that are extended in the household sector are primarily extended to Kuwaiti nationals, provided that loan repayments are not over 40 per cent. of their salary (net of all deductions). In part due to these proactive measures, the non-performing loan (NPL) ratio for loans in the household sector was 2.0 per cent. as of 31 December 2024.

Kuwait's proposed residential mortgage law, if approved, could significantly transform Kuwait's housing finance landscape. For the first time in Kuwait, banks would be permitted to offer mortgage loans of up to KWD 200,000 with maturities of up to 25 years, with state-subsidised interest for amounts of approximately KWD 70,000. Given Kuwait's population of approximately 1.5 million Kuwaiti nationals, even modest adoption could generate a substantial volume of new loans, expanding the banking sector and stimulating growth in the construction industry. In addition, potential reforms to foreign property ownership laws could further boost demand for housing loans, particularly from high-earning expatriates.

The real estate sector was the second largest recipient of bank credit, accounting for 16.4 per cent. of total loans as at 31 December 2024 and had a NPL ratio of 2.6 per cent. The trade sector was the third largest recipient of bank credit, accounting for 11.6 per cent. of total loans as at 31 December 2024 and had a NPL ratio of 1.4 per cent.

### ***Bank Deposits***

The following table sets forth deposits in all 10 Kuwaiti banks (in both KD and foreign currency) distributed by type as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022	2021	2020
			(KD millions)		
Retail .....	40,574	42,932	38,612	35,449	34,517
Government.....	7,645	7,126	9,061	7,307	7,646
Other Financial Institutions .....	7,742	7,654	7,742	6,313	7,241
Other.....	17,920	15,902	14,976	13,633	11,749
<b>Total.....</b>	<b>73,882</b>	<b>73,614</b>	<b>70,390</b>	<b>62,702</b>	<b>61,154</b>

Source: Central Bank of Kuwait

Total deposits were KD 73.8 billion as at 31 December 2024, an increase of 0.4 per cent., from KD 73.6 billion as at 31 December 2023. Retail deposits account for approximately 55 per cent. of total deposits as at 31 December 2024, as compared to 58 per cent. as at 31 December 2023.

### ***Bank Regulation and Supervision***

#### ***Safeguarding Financial Stability and Supervising the Banking Sector***

CBK plays a dual role in preserving financial stability and supervising the banking and financial sector. The structure of the banking and financial system regulated by CBK comprised 76 registered units as of the end of 2024, including 21 local banks (5 conventional, 4 Islamic, 1 specialized bank, and 11 branches of foreign banks), 31 exchange companies, 2 finance companies, 1 credit bureau, and 21 investment companies that engage in financing activities. For investment companies, CBK's supervisory mandate is limited to their lending activity, in line with its risk-based supervisory framework.

CBK's framework integrates microprudential supervision, focusing on the soundness of individual institutions, with macroprudential oversight aimed at safeguarding the financial system as a whole. This includes the application of enhanced CAMEL and BCOM models, supported by over 70 key performance and risk indicators, which feed into a Supervisory Priority Index to assess systemic importance and allocate

supervisory resources accordingly. CBK also leverages advanced stress-testing tools to simulate domestic and external shocks, including first- and second-round contagion effects, to evaluate the resilience of banks' capital, liquidity, and market risk exposures.

In addition, CBK adopts a proactive and data-driven approach that supports early intervention and effective use of policy instruments. CBK's macroprudential toolkit is diverse and includes both hard and soft interventions such as the imposition of capital and liquidity buffers, exposure limits, and targeted de-risking measures, all aligned with the goal of ensuring systemic stability.

These measures are strategically deployed not only to sustain economic growth and preserve monetary and financial stability, but also to maintain the Kuwaiti dinar's attractiveness as a reliable store of value. CBK ensures the smooth, swift, and secure functioning of the banking and financial sectors by aligning its regulations with international standards—including Basel III capital and liquidity requirements and IFRS 9 standards for credit risk and financial reporting. Together, these tools and policies position CBK to meet emerging challenges while reinforcing the financial system's contribution to inclusive and sustainable national development.

### *Supervision Sector*

The CBK's Supervision Sector includes the following:

- *Supervision Department:* receives periodic financial reports from institutions under its supervision, issues supervisory regulations, resolutions and instructions to such institutions, examines ongoing banking and financial trends and monitors their impact on the soundness and stability of these institutions. The department also conducts studies to assess applications to establish new banking and financial institutions or for new branches, articles of association, banking services and by-laws; and organises and maintains registers of the institutions subject to CBK supervision. The department also follows up matters related to any laws, systems, or decisions relevant to department tasks. It is also responsible for communication and contact with external auditors of units subject to CBK supervision, should need arise.
- *Regulatory Policies and Licensing Department:* prepares CBK recommendations on issues concerning banking and supervisory conditions and develops a dialogue with worldwide supervisory bodies and concerned international institutions, to stay informed and updated on the latest global trends and developments in the area of supervision of banking and financial activities.
- *Inspection Department:* responsible for monitoring the activities of institutions under its supervision to ensure their compliance with the provisions of relevant laws and supervisory regulations and instructions.
- *Anti-Money Laundering & Terrorism Financing Department:* responsible for the combat against money laundering and financing of terrorism within institutions under its supervision.
- *Digital Operations & Financial Technologies Supervision Department:* tasked to inspect the information systems of institutions subject to the supervision of CBK, technologies used in providing banking services and electronic payment and settlement systems, make observations on the validity of financial transactions, and apply supervision policies and procedures on information, electronic payment and settlement systems and financial technologies. It also enhances CBK's role in developing electronic payment and settlement services according to the best international practices.

### *New Regulations*

Over the past few years, the CBK has continued refining its regulatory framework to align with global best practices and to address the evolving nature of banking and financial services in Kuwait. The CBK has already implemented the full set of Basel III regulations, covering capital adequacy, leverage and liquidity. The CBK has enhanced its capital adequacy regime by setting out stringent capital requirements for Kuwaiti banks to further strengthen their loss absorbing capacity. The CBK has also implemented additional capital requirements for systemically important banks and introduced the Leverage Ratio as a supplementary measure to ensure that Kuwaiti banks do not become overly leveraged. The CBK has also introduced the Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") guidelines, which are aimed

to improve banks' capacity to withstand liquidity stress and to make their funding structure more stable. See "*Soundness of the Banking System—Liquidity*" below.

In May 2023, the CBK issued updated Instructions for Regulating the Electronic Payment of Funds, replacing the previous framework issued under Law No. 20 of 2014. The new instructions bring Electronic Payment Service Providers (EPSPs), E-Money Service Providers (EMSPs), E-Payment System Operators (EPSOs) and Buy Now Pay Later ("**BNPL**") providers directly under CBK licensing and supervision. These new regulations also tightened governance and documentation standards by requiring annual board-level policy reviews, reinforcing AML/CFT compliance protocols, and strengthening customer protection measures.

In the digital banking space, the CBK issued its Digital Banks Guidelines in February 2022, setting out the licensing and operational framework for fully digital banks, digital banking units within conventional and Islamic banks, and partnerships with emerging FinTech firms. It also launched the Woloj FinTech Regulatory Sandbox to facilitate the controlled testing of innovative financial products and services, including sustainable finance solutions, BNPL offerings, and digital wallet services. More recently, in June 2025, the CBK issued a draft Open Banking regulatory framework for public consultation. The framework is designed to regulate secure, consent-based customer data sharing between banks and licensed Open Banking service providers, enabling features such as account aggregation, spending insights, direct payments, and third-party service offerings. The CBK has endorsed pilot testing of these capabilities via its Woloj sandbox and has stated that Open Banking services will be phased in following finalisation of the proposed framework.

### ***Soundness of the Banking System***

In recent years, the Kuwaiti banking system has maintained its stability and operational soundness despite significant global and regional challenges, including the economic disruptions and low oil price environment caused by the COVID-19 pandemic, volatility in global energy markets, and the geopolitical and inflationary pressures stemming from the Russia-Ukraine conflict, as well as the Israel-Hamas conflict and other conflicts in the wider MENA region. Results from the CBK's quarterly stress testing exercise have revealed that Kuwaiti banks, individually and collectively, have been able to broadly withstand various shocks in credit, market and liquidity simulated under a wide range of micro and macro-economic scenarios, in part due to the CBK's conservative policies. See "*Capital Adequacy*", "*Asset Quality*" and "*Liquidity*" below.

The following table sets forth certain key financial soundness indicators as at 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at 31 December				
	2024	2023	2022 (per cent.)	2021	2020
<b>Capital Adequacy</b>					
Regulatory capital to Risk Weighted Assets .....	19.4	19.9	19.2	19.2	19.0
Regulatory tier 1 capital to Risk Weighted Assets .....	17.0	17.6	17.0	17.1	16.6
Capital to assets.....	12.9	13.4	12.6	13.4	13.5
<b>Asset Composition and Quality</b>					
Gross NPLs to total loans .....	1.5	1.4	1.4	1.4	2.0
Total provisions to gross NPLs.....	263.6	302.8	308.5	309.7	222.1
Large exposures to tier 1 capital.....	82.9	93.4	89.4	93.8	98.5
<b>Profitability</b>					
Return on average assets.....	1.5	1.5	1.3	1.1	0.6
Return on average equity .....	11.2	11.1	10.8	9.1	4.9
<b>Liquidity</b>					
Core liquid assets to total assets .....	16.8	17.7	17.7	19.7	21.3
Deposits to assets .....	57.4	59.7	56.7	58.2	63.1
Loans to deposits <sup>(1)</sup> .....	109.3	105.1	116.5	115.7	100.7
Loans to liabilities.....	62.8	62.8	63.0	64.3	63.6
Net loans to available sources of funds <sup>(2)</sup> .....	83.5	79.6	80.4	76.1	75.4

(1) The ratio of gross loans (including loans to banks) to private and government deposits (excluding other financial institutions deposits).

(2) CBK has amended its maximum lending limit regulation, through setting a certain percentage on amounts that can be lent by local banks to be 90 per cent. of qualifying sources of funds. Where qualifying sources of funds are private sector deposits, government deposits, financial institutions deposits (excluding banks), medium and long-term loans, deposit certificates issued and issued bonds.

Source: Central Bank of Kuwait

### *Capital Adequacy*

Kuwaiti banks maintain high capital levels, given the CBK's strong focus on ensuring a stable financial system where a robust capital adequacy plays a critical role. As at 31 December 2024, Kuwait banks' capital adequacy ratio (**CAR**) on a consolidated basis dropped slightly from 19.89 per cent. as at 31 December 2023 to 19.37 per cent. At 19.37 per cent., local banks' CAR stood at a fairly high level and well above the CBK's requirement of 13.0 per cent. for 2024.

The drop in CAR was due to the growth in banks' total capital (up by 1.1 per cent.) compared to the growth in their risk weighted assets of 3.7 per cent. in 2024. The breakdown of total capital indicated that both Tier 1 capital and Tier 2 capital posted positive growth, increasing by 0.4 per cent. and 6.2 per cent., respectively, for the year ended 31 December 2024. Local banks' strong CAR levels, which are driven largely by high quality Tier 1 capital underscored the strength of the Kuwaiti banking system in weathering major stress scenarios. The overall leverage ratio of local banks was 10.0 per cent. as of December 2024, which was also substantially higher than the 3.0 per cent. global benchmark.

### *Asset Quality*

The NPL ratio of local banks continued its steady decline over the last seven years to reach 1.4 per cent. by 31 December 2023, a historically low level, however, marginally increasing to 1.5 per cent. by 31 December 2024. At the same time, the coverage ratio (provisions to gross NPLs) has maintained a high level of 263.5 per cent.

### *Liquidity*

In line with the CBK's commitment to fully implement the Basel III framework, the CBK issued its Liquidity Coverage Ratio (LCR) regulations in December 2014, with a phased implementation starting at a 70 per cent. minimum in 2016 and reaching the full 100 per cent. requirement by 1 January 2019. The CBK also requires LCR to be calculated by significant currency (the Kuwaiti Dinar and any foreign currency representing 5 per cent. or more of a bank's liabilities) and reported on a daily and monthly basis. In October 2015, the CBK's Board of Directors approved the NSFR guidelines for both conventional and Islamic banks, including foreign bank branches, with a 100 per cent. minimum requirement effective from the beginning of 2018.

The year 2024 marked the beginning of the end of the global monetary tightening cycle that began in March 2022, with CBK cutting its discount rate by 25 basis points in September 2024 to reach 4 per cent. However, the financial environment remains characterised by high interest rates, which has contributed to attracting more deposits, albeit at a slower pace than the previous year.

CBK continues to require that all banks maintain LCR and NSFR at or above 100 per cent., with ongoing close monitoring. According to the 2024 CBK Financial Stability Report, Kuwaiti banks maintained liquidity ratios comfortably above the regulatory minima. Sector-wide NSFR and LCR were reported at around 114 per cent. and 164 per cent., respectively, reflecting strong liquidity buffers, a stable funding base, and an ample stock of high-quality liquid assets. These liquidity strengths, supported by strong deposit bases and CBK oversight, position Kuwaiti banks well to absorb shocks and meet funding needs under stress scenarios.

### *Financial Stability Law and Deposit Guarantee Law*

In response to the global financial crisis in 2008, the Government enacted a series of measures to safeguard the banking system and maintain public confidence in financial institutions. This includes the passing of Law No. 30 of 2008 regarding the guarantee of deposits held with local banks (the "**Deposit Guarantee Law**"). Under the Deposit Guarantee Law, the Government has undertaken to guarantee the principal amounts of all deposits held with local banks in Kuwait, including savings accounts, current accounts and time deposits, in both Kuwaiti Dinar and foreign currencies. The guarantee is administered by the CBK and funded by the Ministry of Finance from the GRF. The guarantee applies only to principal, not interest, and remains fully in force with no statutory cap or expiry. No claims under the guarantee have been triggered to date.

The Decree Law No. 2 of 2009 (the **2009 Financial Stability Law**) was also enacted to stabilise the financial sector and support credit flows to the wider economy. It empowered the government to guarantee certain investment and real estate portfolios, provide restructuring support to distressed but viable companies, and grant temporary legal protection from creditor enforcement while court-supervised restructuring plans were considered. In 2020 Kuwait replaced much of the 2009 Financial Stability Law with a comprehensive insolvency regime under the Bankruptcy Law. The Bankruptcy Law introduced a specialised bankruptcy court and bankruptcy committee, formalised restructuring and liquidation procedures, and established debtor rehabilitation provisions allowing for discharge and reinstatement of rights upon meeting statutory conditions. It also imposed restrictions on set-off after the commencement of proceedings and created streamlined processes for small and medium-sized enterprises.

### ***CBK's Digital Transformation Agenda***

CBK has been a pioneer in digital transformation, building on decades of modernisation to create a resilient and innovative financial ecosystem. These efforts align directly with Kuwait Vision 2035, which emphasises diversifying the economy, improving competitiveness, and fostering a knowledge-based society. Recent initiatives include licensing systems for e-payment and e-money providers with automated dashboards and workflows, deploying Fortinet SD-WAN and Software-Defined Access to enhance security and performance, automating daily banking operations and shifting to electronic warehouse management. At the same time, CBK has advanced national payment systems through the Kuwait National Payments System, extended operating hours for KASSIP and KECCS and expanded government e-banking services, contributing to the Kuwait Vision 2035's goals of efficiency and sustainability in public services.

A central element of this agenda has been the modernisation of Kuwait's payment ecosystem under clear regulatory frameworks. The 2023 update of electronic payment regulations introduced five categories of licenses with enhanced governance, AML/CFT, cybersecurity, and consumer-protection standards, paving the way for new services such as Buy Now, Pay Later. In 2024, CBK guided the launch of "WAMD," Kuwait's first instant payment system enabling 24/7 real-time transfers across banks' mobile applications. Other milestones include the Market Infrastructure System (2025), digitising bond subscription processes and upgrades to the Kuwait Electronic Banking Services System, which supports government entities in executing international transfers and managing accounts. These reforms align with Kuwait Vision 2035's strategic pillar of modern infrastructure to support growth and investment.

Cybersecurity and resilience form another cornerstone of CBK's approach. Since 2020, CBK has mandated ISO 27001 certification, issued a comprehensive cybersecurity framework, strengthened SWIFT protections and formed specialised oversight teams, ensuring the sector can adapt to crises while safeguarding financial stability. During the pandemic, these systems enabled uninterrupted digital services while online payments more than tripled between 2019 and 2025, reflecting a permanent shift toward cashless transactions. CBK has also approved over 360 digital products and services, including e-KYC, digital onboarding, cloud services (IaaS, PaaS, SaaS), mobile loans, and international transfers. The Digital Banking Framework (2022) established a path for fully digital banks, whether as business units within traditional banks (Weyay, Tam, SiDi), Banking-as-a-Service models, or independent digital banks, expanding financial inclusion and access in line with Kuwait Vision 2035's objective of a vibrant private sector.

To secure Kuwait's place in the regional fintech landscape, CBK has created an enabling ecosystem through the Regulatory Sandbox and the Innovation Hub "Wolooj." These platforms attract start-ups to test solutions in payments, lending, cybersecurity and open banking. Wolooj's accelerator programmes have supported youth-oriented financial literacy tools, advanced digital wallets and BNPL products tailored to Kuwait, while also registering IP in encryption technologies. Complementing this, the draft Open Banking Framework (2025) establishes global-standard supervisory, technical and security requirements for data sharing with financial tech companies. Together, these initiatives reflect CBK's role in driving Kuwait Vision 2035 forward, enhancing financial stability, promoting innovation and positioning Kuwait's banking sector as a regional leader in digital transformation.

### ***Capital Markets Authority***

The CMA was established in April 2011, with the implementation of Law No. 7 of 2010 for the Establishment of the Capital Markets Authority and the Regulation of the Activity of Securities (the "**CMA Law**").



The CMA is responsible for developing and supervising the activities of capital markets in Kuwait and creating an attractive investment environment that gains investors' trust. Its objectives are to regulate securities activities in a fair, transparent and efficient manner, grow Kuwait's capital markets and diversify and develop capital markets investment instruments in accordance with best international practice, enhance investor protection, reduce systemic risks arising from securities activities, impose requirements of full disclosure in order to achieve fairness and transparency, prevent conflicts of interests and the use of insider information, ensure compliance with the rules and regulations related to securities activities, enhance public awareness of securities activities and of the benefits, risks and obligations arising from investments in securities and encourage their development.

Over the past five years, Kuwait's capital markets have progressed through a broad set of reforms designed to strengthen resilience, enhance transparency and attract a wider base of investors. Some of the most important measures were the removal of foreign-ownership restrictions on listed banks, the simplification of investor registration requirements, improvements to the clearing and settlement framework to help prevent failed trades and the introduction of a false-trade mechanism to safeguard investors' custody accounts. These reforms enabled greater participation by international investors and supported Kuwait's inclusion in the MSCI Emerging Markets Index in 2020. This status upgrade followed Kuwait's earlier inclusion in the S&P Dow Jones Global Equity Indices with Emerging Markets classification in December 2018, as well as in the FTSE Russell Emerging Markets Index in September 2017. The reclassifications brought substantial passive inflows and increased the presence of long-term institutional investors, thereby improving liquidity and deepening integration with global markets. They were the result of coordinated development efforts by the CMA, Kuwait Clearing Company, and Boursa Kuwait.

Building on this progress, in 2021 and 2022 the CMA introduced sustainable finance and ESG disclosure frameworks. These included rules for the issuance of green, social, and sustainability instruments as well as requirements for sustainability reporting, particularly for companies listed on the Premier Market. These measures aligned Kuwait's practices with global ESG standards and opened new channels for financing projects with environmental and social impact. In parallel, the CMA advanced financial technology by establishing a dedicated FinTech unit to support innovation and by adopting more digital processes in market operations and reporting. Additional reforms were introduced in 2022 with the licensing requirements for investment advisers and financial analysts, ensuring that market advice is delivered by qualified and regulated professionals. This framework was aimed at strengthening investor protection, improving the quality of information available in the market and limiting unlicensed or informal sources of advice. In 2025, the establishment of the Emerging Companies Market at Boursa Kuwait further expanded capital raising opportunities for SMEs. Collectively, these reforms have diversified Kuwait's capital markets, encouraged deeper investor participation and positioned them on a more transparent and internationally aligned footing.

### **Boursa Kuwait and the Kuwait Stock Exchange (the "KSE")**

Boursa Kuwait is a private entity that was established in April 2014, with the aim to take over and manage the KSE and progressively transition its operations, while delivering on three main fronts: transparency; efficiency; and accessibility. The KSE was privatised and Boursa Kuwait assumed management in April 2016. The KSE itself was established in 1977 and reached a market value of more than KD 43.5 billion at the end of 2024 according to Boursa Kuwait. Its average daily trading volume reached 277 million shares worth KD 59.8 million, with a total of 143 listed companies during the same period.

The following table sets forth the number of listed companies, the number of traded shares, the value of traded shares and the number of executed transactions as at and for each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at and for the year ended 31 December				
	2024	2023	2022	2021	2020
Number of listed companies .....	143	149	155	167	171
Number of traded share ( <i>millions</i> ) .....	68,439	39,430	55,812	84,565	52,095
Value of traded shares ( <i>KD millions</i> ) .....	14,824	10,378	14,723	13,612	10,752
Number of executed transactions ( <i>thousands</i> ) .....	3,908	2,385	2,888	3,056	2,381

Source: Central Bank of Kuwait

## **GCC Monetary Union**

In December 2008, Kuwait, Bahrain, Qatar and Saudi Arabia approved the Monetary Union Agreement and the Monetary Council Statute, which set forth the legal and institutional framework for a proposed monetary union of the relevant member states.

Kuwait ratified the Monetary Union Agreement on 8 December 2009 and it came into force on 27 February 2010, while the Monetary Council Statute became effective on 27 March 2010. The Gulf Monetary Council, which was established in Riyadh, Saudi Arabia, held its inaugural meeting on 30 March 2010. The primary objective of the Gulf Monetary Council is to prepare the required infrastructure for establishing the Monetary Union, in particular the establishment of the Central Bank and its analytical and operational capacities. This includes making recommendations to the GCC on the legislation required for establishing the Monetary Union and the Central Bank and introducing the single currency. No timeline for the implementation of a GCC common single currency has yet been set. Most recently, the board of directors of the Gulf Monetary Council appointed His Excellency Mr. Turki Dhaifallah Almutairi from Saudi Arabia as its President. At present, the Monetary Union continues to progress in principle, but practical steps toward a unified central bank and currency remain on hold until political, legal, and institutional preconditions are aligned among member states.

## PUBLIC FINANCE

### Overview

The Government's primary source of budget revenues has been and continues to be oil-related revenues, which accounted for 91.0 per cent. of total revenues for the fiscal year ended 31 March 2024, compared to 92.7 per cent., 87.1 per cent., 83.5 per cent. and 89.3 per cent. of total revenues for the fiscal years ended 31 March 2023, 2022, 2021 and 2020, respectively. Oil revenues are principally derived from sales of oil and oil by-products principally in export markets (principally in Asia) after deduction of the KPC's production costs, which includes capital expenditure costs associated with oil and gas production. Non-oil revenues are principally derived from customs duties, services revenue and taxes. Currently, there is no income tax or corporate tax payable in Kuwait other than corporate tax payable by foreign companies and by companies listed on the Boursa Kuwait. In addition, non-oil revenues prior to 2023 include payments from Iraq to the Compensation Fund.

### Government Revenues and Expenditures

The following table sets forth the actual revenues, expenditure and overall surplus/deficit of the Government for each of the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively and the budget for the fiscal year ended 31 March 2026 and 2025.

	Fiscal year ended 31 March						
	2026 <sup>(1)</sup>	2025 <sup>(2)</sup>	2024	2023	2022	2021	2020
	Budget	Budget	Actual	Actual	Actual	Actual	Actual
	(KD millions)						
Public Revenues:							
Oil Revenues .....	15,305.5	16,234.1	21,527.6	26,713.0	16,217.0	8,789.7	15,369.6
Non-Oil Revenues.....	2,926.0	2,684.5	2,116.7	2,088.9	2,397.6	1,730.6	1,850.7
Total Revenues .....	18,231.5	18,918.6	23,644.3	28,801.9	18,614.6	10,520.3	17,220.3
Public Expenditures:							
Total Expenditures.....	24,538.0	24,555.0	25,205.8	22,369.3	22,955.1	21,292.7	21,140.3
Surplus/(deficit).....	(6,306.5)	(5,636.4)	(1,561.5)	6,432.6	(4,340.6)	(10,772.3)	(3,919.9)
Transfer to the FGF.....	0	0	0	64	0	0	0
Net Surplus/(deficit).....	(6,306.5)	(5,636.4)	(1,561.5)	6,368.3	(4,340.6)	(10,772.3)	(3,919.9)

(1) Developed and approved assuming an oil price per barrel of U.S.\$68.00.

(2) Developed and approved assuming an oil price per barrel of U.S.\$70.00.

Source: Ministry of Finance

Revenues from the oil sector were KD 21.5 billion in the fiscal year ended 31 March 2024, a decrease of 19.4 per cent. from the prior fiscal year. This followed increases of 64.7 per cent. and 84.5 per cent. in the fiscal years ended 31 March 2023 and 2022, respectively, and a decrease of 42.8 per cent. for the fiscal year ended 31 March 2021. The volatility in oil revenues since the fiscal year ended 31 March 2020 has been driven by volatility in global oil prices during the COVID-19 pandemic and the subsequent recovery, OPEC+ production decisions, and geopolitical developments.

In order to decrease its reliance on the oil sector, the government has aimed to diversify Kuwait's economy in recent years, including by broadening non-oil revenue streams through a number of structural and fiscal reforms aimed at diversifying sources of revenue and improving fiscal sustainability. These measures include raising revenues from customs duties, service fees and taxation, as well as increasing tariffs.

Revenues from the non-oil sector increased by 1.3 per cent. for the fiscal year ended 31 March 2024 and decreased by 12.9 per cent. for the fiscal year ended 31 March 2023 following a spike of 38.5 per cent. for the fiscal year ended 31 March 2022. For the fiscal year ended 31 March 2021, revenues from the non-oil sector decreased by 6.5 per cent. Non-oil revenues are principally derived from customs duties (approximately 26 per cent. of total non-oil revenues for the fiscal year ended 31 March 2024) and service fees and other charges (approximately 72 per cent.), with other sources collectively accounting for around 2 per cent. The increase in the revenues from the non-oil sector for the fiscal year ended 31 March 2022 and the subsequent decrease in the fiscal year ended 31 March 2023 were primarily due to the final payment

of reparations from the Compensation Fund for Iraq's occupation of Kuwait in the Gulf War being made in 2022. In parallel, Kuwait has taken steps to broaden its domestic revenue base, including exploring measures to enhance tax collections and expand the scope of taxation.

Law No. 18 of 2020 amended Decree Law No. 106 of 1976, which required the transfer of 10 per cent. of all state revenues to the FGF. Under the amendment, the transfer is now conditional on Kuwait recording a fiscal budget surplus, with the transfer amount of the fiscal surplus to be proposed by the Minister of Finance and approved by the Council of Ministers. The law took effect retroactively on 13 September 2020, applying from fiscal year 2018/2019 onward.

### **Budget Policy and Process**

Kuwait's budget plays a central role in its economy and is a key tool in achieving the Government's strategy. See "*Overview of Kuwait—Development Strategy of Kuwait*". The Government's fiscal year begins on 1 April and ends on 31 March the following year. The Government prepares its budgets on a top-down and annual basis, taking into account its key priority areas during each budget process. Kuwait has a single budget process with both the recurrent and capital budget process coordinated by the Budget Division within the Ministry of Finance.

Kuwait seeks to maintain a conservative budgeting process and typically has not exceeded its budgeted expenditures in previous fiscal years. Similarly, Kuwait seeks to prudently budget its oil revenues and assumed an oil price per barrel of U.S.\$70.00 and U.S.\$68.00 for the fiscal years ended 31 March 2025 and 2026, respectively.

The Ministry of Finance plays a central role in aligning recurrent and capital expenditures to ensure that annual budgets remain consistent with Kuwait's long-term development strategy and fiscal sustainability objectives. This integrated approach provides greater efficiency in the allocation of financial resources, reduces duplication of spending and strengthens the overall quality of public financial management.

- *Integration of Current and Capital Expenditure Planning:* Operating and capital budgets are reviewed together to ensure new infrastructure is supported by adequate staffing, maintenance, and service delivery.
- *Project Scheduling and Phasing:* Development projects are phased in line with fiscal capacity, prioritizing the completion of ongoing projects before committing to new ones.
- *Periodic Review and Updating:* Expenditure plans are regularly reviewed and adjusted for changes in revenues, macroeconomic conditions, and evolving priorities.
- *Private Sector Participation:* PPPs and co-financing structures are incorporated to deliver capital projects without placing undue pressure on recurrent budgets.
- *Financial Sustainability and Fiscal Discipline:* Joint management of current and capital expenditures supports deficit reduction, efficient resource allocation, and Kuwait Vision 2035 objectives.

Kuwait follows a structured annual budget cycle coordinated by the Ministry of Finance, ensuring transparency, accountability and alignment with national development priorities. Government authorities submit their draft budgets to the Ministry of Finance in September, after which the Council of Ministers reviews the consolidated draft in January, and following their approval, they refer it to the National Assembly for approval, culminating in the promulgation of the Budget Law. However, pursuant to the decree of 10 May 2024 suspending the National Assembly, the Council of Ministers has assumed this role and now grants the final approval for the budget between February and March. See "*Risk Factors—Kuwait's economy and growth could be affected by Kuwaiti political considerations*".

### **Fiscal Year 2026 General Budget**

On 1 April 2025, the Ministry of Finance announced preliminary figures for the fiscal year ended 31 March 2026 budget. Revenues for the fiscal year ended 31 March 2026 are budgeted at KD 18.2 billion, of which KD 15.3 billion are budgeted as oil revenue. Expenditures for the fiscal year ended 31 March 2026 are budgeted to be KD 24.5 billion, of which compensation of employees, grants and goods and services are budgeted at KD 10.0 billion, KD 5.7 billion and KD 3.9 billion, respectively. The net deficit is budgeted at

KD 6.3 billion. For the fiscal year ended 31 March 2026, the Government estimates that its fiscal breakeven price of oil (the oil price at which the fiscal balance is zero) is approximately U.S.\$90.5 per barrel.

#### *Current Objectives*

- *Safeguarding Financial Stability:* Reducing the overall fiscal deficit through rationalised expenditures, efficiency improvements, and careful prioritisation of spending.
- *Diversifying Non-Oil Revenues:* Expanding government fees and charges, strengthening tax measures, and improving collection efficiency through digitisation of public services and platforms.
- *Sustaining Public Services:* Ensuring essential services for citizens are delivered reliably and efficiently, without compromising fiscal sustainability.

#### *Current Priorities*

- *Private Sector Growth and Employment:* Expanding opportunities for private-sector participation in the economy through public-private partnerships and regulatory reform, fostering job creation and broadening the non-oil economic base.
- *Subsidy Reform:* Progressively restructuring subsidies to ensure greater efficiency and better targeting, easing long-term pressure on the budget while maintaining social stability.
- *Public Sector Compensation:* Reviewing wage and benefit frameworks to achieve a sustainable balance between employment requirements and fiscal discipline.
- *Capital Project Prioritisation:* Focusing investment on projects with the highest developmental and economic impact, while deferring lower-priority initiatives where appropriate.

#### *Policy Changes Affecting the Budget and Deficit*

- *Revenue Diversification:* Introduction and adjustment of government fees and charges, alongside the 2025 adoption of a 15 per cent. minimum domestic top-up tax for multinational enterprises, aligned with OECD standards.
- *Debt Management and Financing:* Implementation of the 2025 Financing and Liquidity Law, authorising sovereign borrowing of up to KD 30 billion (approx. USD 100 billion) across maturities of up to 50 years, restoring market access and strengthening liquidity management.
- *Efficiency and Accountability:* Enhanced public expenditure management through procurement transparency, spending reviews, and performance-based monitoring across ministries and state-owned entities.

#### **Public Revenues**

The following table sets forth a breakdown of public revenues by category for the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively, and the budget for the fiscal year ended 31 March 2025.

	Fiscal year ended 31 March					
	2025 Budget	2024 Actual	2023 Actual	2022 Actual	2021 Actual	2020 Actual
	(KD millions)					
<b>Total Oil Revenues</b>	16,234.1	21,527.6	26,713.0	16,217.0	8,789.7	15,369.6
<b>Total Non-Oil Revenues</b>	2,684.5	2,116.7	2,088.9	2,397.6	1,730.6	1,850.7
– Taxes on Net Income and Profits.....	175.2	161.3	164.9	131.3	161.5	151.3
– Taxes and Fees on Property....	20.0	16.1	21.4	24.2	14.7	16.8
– Taxes and Fees on Goods and Services.....	0	0	0	0	0	0
– Taxes and Fees on International Trade and Transactions.....	418.0	373.4	395.2	306.9	297.3	361.6
– Social Contributions	115	111.6	107.7	100.2	87.1	107.3
– Services Revenues, of which:	1848.6	1446.6	1377.6	1824.4	1168.6	1200.4
*Property income	82.4	159.7	75.3	68.8	41.3	65.2

	Fiscal year ended 31 March					
	2025	2024	2023	2022	2021	2020
	Budget	Actual	Actual	Actual	Actual	Actual
			<i>(KD millions)</i>			
*Sales of goods and services	1089.5	772.3	739.9	696	379.6	481.1
*Fines, penalties, and forfeits	183.9	261.8	180.7	126.3	121.3	140.8
*Voluntary transfers other than grants	0	0	0	0	0	0
*Miscellaneous and unclassified revenue	492.8	252.7	381.7	933.3	626.3	513.3
– Capital Revenues .....	107.7	7.7	22.2	10.6	1.3	13.3
– <b>Total Revenues .....</b>	<b>18,918.6</b>	<b>23,644.3</b>	<b>28,801.9</b>	<b>18,614.6</b>	<b>10,520.3</b>	<b>17,220.3</b>

(1) Funds received from the Compensation Fund.

Source: Ministry of Finance

Total revenues during the fiscal year ended 31 March 2024 were KD 23.6 billion, a decrease of 17.9 per cent. as compared to total revenues of KD 28.8 billion during the fiscal year ended 31 March 2023. Revenues are categorised as oil revenues and non-oil revenues.

Oil revenues accounted for 91.0 per cent., 92.7 per cent., 87.1 per cent., 83.5 per cent. and 89.3 per cent. of total revenues in the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively. Oil revenues were budgeted to account for 85.8 per cent. of total revenues in the fiscal year ended 31 March 2025. Total oil revenues for the fiscal year ended 31 March 2024 were KD 21.5 billion, a decrease of 19.4 per cent. as compared to total oil revenues of KD 26.7 billion for the fiscal year ended 31 March 2023. This decrease was principally a result of lower international oil prices. Oil revenues were budgeted at KD 16.2 billion in the fiscal year ended 31 March 2025, a decrease of 24.6 per cent., as compared to total oil revenues of KD 21.5 billion for the fiscal year ended 31 March 2024, which was also principally attributable to lower oil prices.

Total non-oil revenues for the fiscal year ended 31 March 2024 were KD 2.1 billion, an increase of 1.3 per cent. as compared to total non-oil revenues of KD 2.08 billion for the fiscal year ended 31 March 2023. This increase was principally a result of increases in usufruct and property-related service fees, together with fees on certain medical services. In the fiscal year ended 31 March 2022, total non-oil revenues increased by 38.5 per cent. compared to the fiscal year ended 31 March 2021 as a result of the final instalment of reparations from the Compensation Fund for Iraq's occupation of Kuwait in the Gulf War being paid in this period. Non-oil revenues were budgeted to increase in the fiscal year ended 31 March 2025 to KD 2.7 billion, reflecting higher collections from customs duties, insurance contributions and tax revenues.

### **Public Expenditures**

Total expenditures during the fiscal year ended 31 March 2024 were KD 25.2 billion an increase of 12.7 per cent. as compared to total expenditures of KD 22.4 billion during the fiscal year ended 31 March 2023. Total expenditures during the fiscal year ended 31 March 2024 were 4.1 per cent. lower than budgeted expenditures for that year of KD 26.3 billion.

Expenditures are categorised as current expenditures and capital expenditures. Current expenditures comprised of 92.5 per cent., 90.8 per cent., 88.8 per cent., 89.6 per cent. and 87.5 per cent. of total expenditures in the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively. Current expenditures were budgeted to account for 93.4 per cent. of total expenditures in the fiscal year ended 31 March 2025. Capital expenditures comprised of 7.4 per cent., 9.2 per cent., 11.2 per cent., 10.4 per cent. and 12.5 per cent. of total expenditures in the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively. Capital expenditures were budgeted to account for 6.6 per cent. of total expenditures in the fiscal year ended 31 March 2025, primarily spent on infrastructure developments across multiple sectors, including water, electricity, roads, and the construction and development of power stations, and other general infrastructure, as well as major projects identified in Kuwait Vision 2035, such as the expansion of Kuwait International Airport, the development of Al Mutlaa residential city, and the upgrading of National Guard facilities.

The following table sets forth a breakdown of public expenditures by category for the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively and the budget for the fiscal year ended 31 March 2025.

	Fiscal year ended 31 March					
	2025 <sup>(1)</sup>	2024	2023	2022	2021	2020
	Budget	Actual	Actual	Actual	Actual	Actual
			(KD millions)			
Salaries and Wages .....	14,823.1	14,548	12,977	13,241	12,194	11,965
Subsidies .....	4,529.6	5,882	4,388	4,520	3,738	4,027
Capital Expenditures .....	2,284.7	1,868	2,050	2,572	2,207	2,634
Other .....	2,917.6	2,908	2,955	2,622	3,155	2,514
<b>Total Expenditures .....</b>	<b>24,555.0</b>	<b>25,205.8</b>	<b>22,369.3</b>	<b>22,955.1</b>	<b>21,292.7</b>	<b>21,140.3</b>

Source: Ministry of Finance

### *Salaries and Wages*

The Government's wage bill continues to represent a significant share of current expenditures. The increase in the fiscal year ended 31 March 2024 was primarily due to the hiring of new entrants into the public sector, consistent with Kuwait's social contract to ensure employment opportunities for nationals. This dynamic has been a structural driver of wage bill growth. However, in the fiscal year ended 31 March 2024, measures were introduced to moderate the pace of growth, including recruitment restrictions and entity-level staffing caps. Looking ahead, the budget for the fiscal year ended 31 March 2025 projects only a modest increase in wages and salaries, reflecting continued demographic pressures but tempered by the government's policy of controlled hiring, efficiency initiatives, and gradual implementation of workforce planning reforms

Salaries and wages comprised 57.7 per cent., 58.0 per cent., 57.7 per cent., 57.2 per cent. and 56.6 per cent. of total expenditures in the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively. Salaries and wages were budgeted to account for 60.4 per cent. of total expenditures in the fiscal year ended 31 March 2025. Salaries and wages increased by 1.89 per cent. in the fiscal year ended 31 March 2024 primarily due to growth in the government workforce and higher government contributions to employee social security.

### *Subsidies*

Subsidies remain a central element of Kuwait's fiscal framework, ensuring social stability and access to essential goods and services. The increase in the fiscal year ended 31 March 2024 was largely attributable to higher global commodity prices, which raised the fiscal cost of energy and food-related subsidies and elevated consumption levels. Beginning in fiscal year ended 31 March 2025, however, subsidy expenditures are projected to decrease as the Government advances reforms to better target support, improve beneficiary verification and rationalise procurement practices. These measures are intended to reduce fiscal leakage and ensure that assistance is more efficiently directed to households and groups most in need while maintaining social protection.

Subsidies accounted for 23.3 per cent., 19.6 per cent., 19.7 per cent., 17.6 per cent. and 19.0 per cent. of total expenditures in the fiscal years ended 31 March 2024, 2023, 2022, 2021 and 2020, respectively, and were budgeted to account for 18.4 per cent. of total expenditures in the fiscal year ended 31 March 2025. Subsidies increased by 34.0 per cent. in the fiscal year ended 31 March 2024, largely reflecting one-off higher allocations for electricity and fuel subsidies, before being budgeted to decrease by 21.7 per cent. in the fiscal year ended 31 March 2025 as those temporary allocations were unwound.

### *Capital Expenditures*

Capital spending remains a cornerstone of Kuwait's development agenda under Kuwait Vision 2035. In the fiscal year ended 31 March 2024, capital allocations focused on construction and infrastructure, with reductions in non-construction categories. For the fiscal year ended 31 March 2025, the budget projected a gradual increase in capital expenditures in line with Kuwait's approved strategic spending plan. Principal allocations were directed toward the completion of major ongoing projects in transport (including the Kuwait International Airport expansion and port upgrades), power and water (including Independent Water and Power Projects and renewable energy investments) and social infrastructure (notably hospitals,

universities, and housing projects). The Government is also emphasising private sector partnerships to leverage capital, diversify financing sources and accelerate delivery.

### ***Kuwait Investment Authority***

The KIA is the world's first sovereign wealth fund, tracing its origins to the Kuwait Investment Board established in 1953 and formally constituted under Law No. 47 of 1982. The KIA is globally and strategically diversified, with investments in more than 100 countries around the world. The KIA oversees two principal funds: the Future Generations Fund ("FGF") and the GRF.

### ***Governance and Oversight***

The KIA is overseen by a Board of Directors, which provides strategic direction and upholds the KIA's statutory mandate. The Board is chaired by the Minister of Finance and includes the Minister of Oil, the Governor of the CBK, the Undersecretary of the Ministry of Finance, and five Kuwaiti national subject experts, of which three need to be non-public officials appointed by Amiri Decree. This composition reflects a balance between senior government officials and private sector expertise, enhancing both policy alignment and independent judgment. The Board determines KIA's overall investment strategy, risk framework, and governance policies, and appoints a Managing Director from among its members to oversee day-to-day operations.

### ***Future Generations Fund (FGF)***

The Future Generations Fund is mandated to accumulate and grow assets through a diversified global investment strategy spanning multiple asset classes that aims to create generate national wealth for Kuwait's future generations and promote intergenerational equity. The KIA is supported by its international offices and investment subsidiaries. This broad diversification enhances portfolio resilience and supports the strength of Kuwait's external balance sheet.

The FGF is legally ring-fenced and cannot be drawn upon except through a legislative act, preserving its role as a strategic buffer and a sustainable alternative source of wealth for Kuwait. The FGF grows through the compounding and reinvestment of returns.

### ***General Reserve Fund (GRF)***

The GRF serves as the Government's Public Treasury and functions as an investment arm as well as manager of Kuwait's assets. It consolidates Kuwait's revenues and provides financing for government expenditures. In this capacity the GRF allows for greater fiscal flexibility, ensuring the Government can meet its financing needs while smoothing the impact of fiscal and economic shocks.

In addition to this fiscal and economic stabilisation role, the GRF manages a broad portfolio of assets that support national economic development goals while maximising returns. Its role extends beyond ownership to co-investing, and seeding across priority sectors such as technology, power and energy, tourism and entertainment, services, industry, transportation and logistics, telecommunications, healthcare, infrastructure, financial institutions, and real estate. The GRF's investment strategy is designed to generate sustainable commercial returns while advancing national priorities, fostering private sector participation, and supporting economic diversification.

These dual functions, fiscal stabilisation and strategic investment, ensure that fiscal reserves are safeguarded and grown for future generations while providing economic stability and driving economic diversification, reinforcing Kuwait's resilience and supporting value creation in alignment with national priorities.



## INDEBTEDNESS

### *Debt Management Department*

Kuwait has established a Debt Management Department (the "DMD") to centrally coordinate the management of Kuwait's public debt. The DMD is responsible for developing core support debt management functions for Kuwait, including the annual determination of its debt management strategy. Scenario analysis and risk management execution (front office) and operational (back office) activities are currently led by the CBK for domestic debt issuances and the KIA for international debt issuances, with the support of the DMD. As the DMD further develops its role, it is expected to gradually include further activities under its remit of operations.

With the support of the DMD, Kuwait benefits from an affordable debt profile. Kuwait's total interest due as a percentage of revenue was 0.3 per cent., 0.2 per cent., 0.5 per cent. 1.1 per cent. and 1.0 per cent. for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively. As a percentage of GDP, Kuwait's total interest due was 0.1 per cent., 0.1 per cent., 0.2 per cent., 0.3 per cent. and 0.5 per cent. for the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively. This downward trend in Kuwait's total interest due as a percentage of revenue and GDP is primarily the result of the reduction in total debt outstanding and changing interest rates over the period.

### *Domestic issuances*

The CBK issues domestic public debt instruments on behalf of the Ministry of Finance (maturities from one year and over: bonds and *tawarruq*) that are purchased by local banks and investment companies subject to CBK's supervision.

During the eight months ended 31 August 2025, the CBK issued new bonds or *tawarruq* with a nominal value of KD 1.15 billion. During 2024, issues matured with a total nominal value of KD 0.16 billion. The outstanding balance of domestic public debt increased to KD 1.20 billion as at 31 August 2025.

The following table sets forth certain information regarding the domestic public debt instruments issued by the CBK during the eight months ended 31 August 2025 and during each of the years ended 31 December 2024, 2023, 2022, 2021 and 2020, respectively.

	As at and for the eight months ended 31 August	As at and for the year ended 31 December				
	2025	2024	2023	2022	2021	2020
			(KD millions)			
<b>New Issuances:</b>						
<i>Bonds/tawarruq</i>	1,150.0	0.0	0.0	0.0	0.0	0.0
<b>Maturing Debt:</b>						
<i>Bonds/tawarruq</i>	0.0	160.0	70.0	520.0	250.0	1,072.3
<b>Balances at Year End:</b>	<b>1,200</b>	<b>50</b>	<b>210</b>	<b>280</b>	<b>800</b>	<b>1,050</b>

Source: Central Bank of Kuwait

The following table sets forth the Government's current outstanding domestic public debt instruments as at 31 August 2025.

Series	Issue Date	Maturity Date	Tenor at Issuance (years)	Amount (KD millions)
1317/46.....	21/6/2017	9/6/2027	10	50
1332/61.....	25/6/2025	24/6/2026	1	500
1333/62.....	2/7/2025	30/6/2027	2	100
1334/63.....	9/7/2025	5/7/2028	3	100
1335/64.....	30/7/2025	28/7/2027	2	150
1336/65.....	6/8/2025	2/8/2028	3	150
1337/66.....	27/8/2025	21/8/2030	5	150
<b>Total domestic indebtedness</b>				<b>1,200</b>

### ***International issuances***

Kuwait issued its first international public debt instruments in 2017, which comprised U.S.\$3.5 billion 2.75 per cent. notes due 2022 (the "**2022 Notes**") and U.S.\$4.5 billion 3.50 per cent. notes due 2027 (the "**2027 Notes**"). The 2022 Notes have matured and been repaid. The 2027 Notes remain outstanding and mature on 20 March 2027.

### ***Contingent Liabilities***

Apart from comfort letters provided for Kuwait Airways for aircraft financing, the State of Kuwait is not exposed to any explicit contingent liabilities in companies in which it has ownership interests or companies that are systemically important to the Kuwaiti economy. The State of Kuwait prudently monitors government related entities as part of its risk management procedures.

In response to the global financial crisis in 2008, the Government enacted a series of measures to safeguard the banking system and maintain public confidence in financial institutions. This includes the passing of the Deposit Guarantee Law. Under the Deposit Guarantee Law, the Government has undertaken to guarantee the principal amounts of all deposits held with local banks in Kuwait, including savings accounts, current accounts and time deposits, in both Kuwaiti Dinar and foreign currencies. The guarantee is administered by the CBK and funded by the Ministry of Finance from the GRF. The guarantee applies only to principal, not interest, and remains fully in force with no statutory cap or expiry. No claims under the guarantee have been triggered to date.

Under Law No. 61 of 1976 (as amended), the Public Institution for Social Security ("**PIFSS**") manages pension and social security obligations for Kuwaiti and GCC nationals. The law provides that, in the event of a deficit in PIFSS's funds and reserves, such a deficit shall be covered by the GRF. Accordingly, Kuwait is ultimately responsible for ensuring the adequacy of funding for PIFSS.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the Clearing Systems) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book-Entry Systems

#### DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org), but such information is not incorporated by reference in and does not form part of this Base Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (each a "**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the

actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's operational arrangements and the issuing/paying agent general operating procedures for money market instruments (known as the DTC's MMI Procedures). Under its usual procedures, DTC mails an omnibus proxy to the Issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

### **Book-Entry Ownership of and Payments in respect of DTC Notes**

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to the interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

### **Transfers of Notes Represented by Registered Global Notes**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear will generally have a settlement date two business days after the trade date (T+2), unless the parties agree to an alternative settlement date at the time of the transaction. The customary arrangements for delivery versus payment will apply to such transfers. On or after the issue date for any Series, transfers of Notes of such Series between accountholders in DTC will generally have a settlement one business day after the trade date (T+1), unless the parties agree to an alternative settlement date at the time of the transaction. Such transfers may occur on a free delivery basis or delivery versus payment basis at the election of the parties.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations nor will the Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

### **Pre-issue Trades Settlement**

It is expected that delivery of Notes will be made against payment therefore on the relevant issue date, which could be more than one business day following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the United States secondary market generally are required to settle within one business day (T+1), unless the parties to any such trade expressly agree otherwise. Accordingly, if an issue date is more than one business day following the relevant date of pricing, purchasers who wish to trade Registered Notes in the United States between the date of pricing and the date that is one business day prior to the relevant issue date will be required, by virtue of the fact that such Notes initially will settle beyond T+1, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and, if an issue date is more than two business days following the relevant date of pricing, purchasers of Notes who wish to trade Notes between the date of pricing and the date that is two business days prior to the relevant issue date should consult their own adviser.

## TAXATION

### General

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence, ordinary residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption. This summary is based upon the law as in effect on the date of this Base Offering Circular and is subject to any changes in law that might take effect after such date.

### Kuwait

In general income taxation in Kuwait is based on the Kuwait Income Tax Decree No. 3 of 1955, as amended by Law No. 2 of 2008 "Amending Certain Provisions of Kuwait Income Tax Decree No. 3 of 1955" and its Executive Bylaws (the "**Regulations**") and various administrative resolutions and circulars relating thereto issued by the Ministry of Finance (the "**MOF**") (together, the "Corporate Taxation Rules") and the MNE Law and the executive regulations thereto issued under Resolution No. 55 of 2025 (the "**MNE Executive Regulations**" and together with the MNE Law the "**MNE Rules**").

#### *Tax exemptions relevant to payments under the Notes*

Pursuant to Law No. 22 of 2015 (the "**CMA Amendment**") amending the CMA Law, yields of securities, bonds, finance sukuk and all other similar securities regardless of the issuer thereof shall be exempted from taxation. This should include taxation under the Corporate Taxation Rules and taxation under the MNE Rules. Additionally, the tax exemptions provided under the CMA Amendment were acknowledged by the recent Administrative Resolution No. 2028 of 2015, issued by the MOF (the "**Administrative Resolution**", and the CMA Amendment, collectively the "**Tax Exemptions**"). Although the Tax Exemptions are yet to be tested, they appear to provide for a tax exemption to the Noteholders.

It is worth noting that the explanatory memorandum in relation to the exemption provisions in the CMA Amendment (the "**Explanatory Memorandum**") provides that the exemption only relates to issuers which are corporate entities listed on Boursa Kuwait regardless of whether the listed company is a Kuwaiti or non-Kuwaiti entity. The intention behind the foregoing is, according to the Explanatory Memorandum, to encourage issuers of securities to apply for listing on Boursa Kuwait.

However, as per Kuwaiti law, explanatory memoranda are not "legislative instruments" (and tax, as a matter of constitutional law, may only be levied and/or exempt by virtue of statute). The foregoing means that in the event of conflict between the plain and unambiguous language of a statutory provision such as the CMA Amendment with that of its explanatory memorandum such as the Explanatory Memorandum, the Kuwait Courts would not be restricted from arriving at conclusions that support the plain meaning of the statutory provision and contravention with the explanatory memorandum. Therefore, although untested, there appears to be a technical argument, given the clear definitions of "security" and "issuer" under the CMA Law and how the plain language of the text of Article 150(bis) in the CMA Amendment reads, that the term "regardless of issuer" confers an absolute exemption from tax on the returns of securities issued by any issuer whether or not listed on Boursa Kuwait.

However, given the lack of precedent in this regard, it is not possible to state definitively how the DIT and/or the Kuwait Courts may implement or enforce the Tax Exemptions.

Individuals are not subject to any Kuwaiti income tax on their income or capital gains.

#### *Retention*

Under the Regulations, a Kuwaiti-based party (including, but not limited to, ministries, authorities and other public juristic persons) making a payment (being referred to in this section as the payer) to any other party (being referred to in this section as the payee), wherever incorporated, is obliged to deduct five per cent. of the amount of each such payment (the "**Retention**") until such time as the MOF - Department of Income Tax ("**DIT**") issues a tax clearance certificate approving the release of such amount. Unlike the position relating to withholding tax, the payer is not required to directly transfer the Retention amount to the DIT immediately, but instead retains such amount and releases it: (i) to the payee upon presentation to the payer by such payee of a tax clearance certificate from the DIT confirming that the payee is not subject to or is exempt from income tax, or has realised a loss, or has paid or guaranteed the payment of its income tax; or

(ii) in the absence of such a tax clearance certificate, to the DIT, on demand. According to a literal interpretation of the Regulations, payments which are subject to a deduction as described above would include principal and interest payments.

The Tax Exemptions do not address the issue of whether or not there remains an obligation to effect a Retention as specified above. Similarly, under the MNE Rules it is not clear whether or not the Retention is required.

Although payments made by the Issuer would likely not be subject to the Retention because of the Tax Exemptions, there is a lack of guidance on this issue currently from the DIT, and as such, there is a possibility that the Retention could apply. Accordingly, the Issuer could be required to deduct five per cent. from every payment made by it to a Noteholder under the Notes, which amount would be released by the Issuer upon presentation to it of a tax clearance certificate from the DIT.

#### *Gross up*

Regardless of the above, in the event of the imposition of any withholding, deduction or retention, the Issuer has undertaken to gross up any payments to Noteholders under the Notes, subject to certain limited exceptions, irrespective of whether a tax clearance certificate is presented or not.

#### *Other taxes*

Save as described above, all payments in respect of the Notes may be made without withholding, deduction or retention for, or on account of, present taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Kuwait.

No stamp, registration or similar duties or taxes will be payable in Kuwait by holders of Notes in connection with the issue or any transfer of the Notes.

#### ***U.S. Federal Income Taxation***

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder or Non-U.S. Holder (each as defined below). This summary deals only with purchasers of Registered Notes that are U.S. Holders or Non-U.S. Holders, acquire such Registered Notes at initial issuance (as defined below), and will hold the Registered Notes as capital assets (generally, property held for investment).

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. dollar, (x) persons required to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognised on an applicable financial statement; and (xi) U.S. expatriates and former long-term residents of the United States) all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, Medicare contribution tax on net investment income considerations, special tax accounting rules as a result of which the timing of any item of gross income inclusions with respect to the Registered Notes may be accelerated to conform to an applicable financial statement, or non-U.S., state or local tax considerations.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Registered Notes that is for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the



trust, or that is otherwise treated as a United States person. A **"Non-U.S. Holder"** is a beneficial owner of Notes that is neither a U.S. Holder nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership (or any other entity or arrangement treated as fiscally transparent for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Notes.

This summary is based on the tax laws of the United States including the U.S. Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code. This discussion does not address the consequences of the acquisition, ownership and disposition of Bearer Notes by a U.S. Holder.

**INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF REGISTERED NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW.**

The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Pricing Supplement.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Base Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Base Offering Circular.

***Payment of Interest***

***General***

Interest on a Note held by a U.S. Holder, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars (foreign currency interest on a Foreign Currency Note), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount – General*"), will be taxable to such U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount ("**OID**"), if any, accrued with respect to the Notes (as described below under "*Original Issue Discount – General*") and payments of any additional amounts generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any foreign taxes with respect to the Notes (if applicable).

***Pre-Issuance Accrued Interest***

If a portion of the price paid for a Note is allocable to interest that accrued prior to the date the Note is issued ("**pre-issuance accrued interest**"), the Issuer intends to take the position that, on the first interest payment date, a portion of the interest received in an amount equal to any pre-issuance accrued interest will be treated as a return of the pre-issuance accrued interest and not as a payment of interest on the Note. Amounts treated as a return of pre-issuance accrued interest should not be taxable when received. A U.S. Holder's tax basis in a Note will be reduced by the amount of any non-taxable return of pre-issuance accrued interest. The remainder of this discussion assumes that in determining the issue price of a Note and the amount paid for a Note, there will be excluded an amount equal to the pre-issuance accrued interest. This discussion does not otherwise address the treatment of pre-issuance accrued interest. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest,

including in the case of Foreign Currency Notes the potential recognition of exchange gain or loss on the receipt of amounts otherwise treated as a non-taxable return of pre-issuance accrued interest.

### **Original Issue Discount**

#### *General*

The following is a summary of the principal U.S. federal income tax consequences to a U.S. Holder of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event that the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement will describe the material U.S. federal income tax consequences related thereto.

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" (as defined below) over its issue price is at least a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") generally will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the "**issue price**" of a Note under the applicable Pricing Supplement will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The "**stated redemption price**" at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A "**qualified stated interest**" payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than in debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a qualifying variable rate (in the circumstances described below under " – *Variable Interest Rate Notes*"), applied to the outstanding nominal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless the U.S. Holder makes the election described below under " – *Election to Treat All Interest as Original Issue Discount*". A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note's *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated nominal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or the portion of the taxable year in which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Notes as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "**adjusted issue price**" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

### *Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "*Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

### *Election to Treat All Interest as Original Issue Discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under "*General*", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "*Original Issue Discount – Notes Purchased at a Premium*") or acquisition premium. If a U.S. Holder makes this election for the Note, then, when the constant yield method is applied, the issue price of the Note will equal the U.S. Holder's adjusted basis immediately after its acquisition of the Note, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the U.S. Internal Revenue Service (the "**IRS**"). However, if the Note has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note (as defined below under "*Market Discount*"), the electing U.S. Holder will be treated as having made the election discussed below under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### *Variable Interest Rate Notes*

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "**qualified inverse floating rate**" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "**current value**" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e. at a price below the Note's stated nominal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from a true discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate (other than a fixed rate for one year or less and a variable rate that are treated together as a single rate as described above), the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt instrument. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Pricing Supplement.

#### *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but should be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight line basis or, if the U.S. Holder so elects, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight line basis (or a constant yield basis if an election is made to accrue the OID under the constant yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### *Market Discount*

A Note, other than a Short-Term Note, that is not acquired at its original issue generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's revised issue price, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes *de minimis* market discount. For this purpose, the revised issue price of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible

in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight line basis unless the U.S. Holder elects to accrue the market discount on a constant yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

#### *Notes Purchased at a Premium*

A U.S. Holder that purchases a Note for an amount in excess of its nominal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Special rules may limit the amount of bond premium that can be amortised during certain accrual periods in the case of Notes that are subject to optional redemption. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount – Election to Treat All Interest as Original Issue Discount*" above. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

#### *Sale or Other Disposition of Notes*

A U.S. Holder's tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Note. Except to the extent described above under "*Original Issue Discount – Market Discount*" or "*Original Issue Discount – Short-Term Notes*" or attributable to accrued but unpaid interest (which will be taxed as such) or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year at the time of sale or other disposition. The deductibility of capital losses is subject to significant limitations.

#### *Foreign Currency Notes*

##### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to a Foreign Currency Note in accordance with either of two methods.

Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the

first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### *OID*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under "*Foreign Currency Notes – Interest*". Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of the Note), a U.S. Holder may recognise exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### *Market Discount*

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

#### *Bond Premium*

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency.

On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount of the offset multiplied by the difference between the spot rate in effect on that date, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to amortise bond premium (other than acquisition premium) will recognise a capital loss when the Note matures.

#### *Sale or Other Disposition of Notes*

A U.S. Holder's tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its tax basis in the Note. The amount realised on a sale or other disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or other disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the nominal amount of the Note) (i) on the date of sale or other disposition, or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or other disposition.

U.S. Holders should consult their own tax advisers regarding how to account for proceeds received on the sale or other disposition of Notes that are not paid in U.S. dollars.

#### *Disposition of Foreign Currency*

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

#### *Disclosure Requirements*

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions ("**Reportable Transactions**") could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterised as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

#### *Foreign Financial Asset Reporting*

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their U.S. federal income tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

#### *Non-U.S. Holders*

Subject to the backup withholding rules described below, a Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States (and, if a treaty applies, such payment is attributable to the conduct of a trade or business through a permanent establishment or fixed base in the United States); or (ii) in the case of any gain realised on the sale or other disposition of a Note by an individual Non-U.S. Holder, that Holder is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met.

#### *Backup Withholding and Information Reporting*

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, Notes, payable to a U.S. Holder by a U.S. or certain U.S.-related paying agents or intermediaries will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments (including payments of OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise comply with the applicable backup withholding requirements. Non-U.S. Holders may be required



to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, **provided that** the required information is timely furnished to the IRS in the manner required. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting or backup withholding. U.S. Holders should consult their tax advisers regarding any tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting or filing obligations could result in the position of substantial penalties.

### **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## CERTAIN ERISA CONSIDERATIONS

The Notes should be eligible for purchase by employee benefit plans and other plans subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and/or the provisions of Section 4975 of the Code and by governmental, church and non-U.S. plans that are subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code ("**Similar Law**"), subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to the provisions of Title I of ERISA, such as pension plans, retirement plans, profit-sharing plans, 401(k) plans, health and welfare plans, medical plans, certain voluntary employee's beneficiary associations and certain look-through entities, such as tax-exempt group trusts, common or collective trust funds of banks, collective investment funds, and insurance company separate accounts whose underlying assets include the assets of such employee benefit plans, certain insurance company general accounts, separately managed accounts whose underlying assets include the assets of such employee benefit plans and other funds and investment vehicles that are treated as holding plan assets because of employee benefit plans' investment in the entities (collectively, "**ERISA Plans**"), and on those persons who are fiduciaries with respect to ERISA Plans. ERISA also imposes limits on transactions between ERISA Plans and certain related parties, including the ERISA Plan's service providers and certain affiliates. These related parties are referred to as "parties in interest".

Each fiduciary of an ERISA Plan should consider ERISA and the regulations and guidance thereunder when considering an investment in the Notes. Fiduciaries of ERISA Plans, as well as "plans" within the meaning of Section 4975(e)(1) of the Code that are subject to Section 4975 of the Code, such as individual retirement accounts, health savings accounts and "Keogh" plans (together with an ERISA Plan, a "**Plan**"), should also consider, among other items, the issues described below when considering an investment in the Notes.

### Prohibited Transactions

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons and affiliates that have certain relationships to the Plan, including the Plan's fiduciaries and other service providers (referred to as "parties in interest" under Section 3(14) of ERISA and "disqualified persons" under Section 4975(e)(2) of the Code and collectively, "**Parties in Interest**"). An investment in the Notes by a Plan, with respect to which any of the Issuer, the Dealers or their respective affiliates is considered a Party in Interest may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction.

The Transaction Parties may be Parties in Interest with respect to many Plans, and if an acquisition, holding or disposition of the Notes were determined to be a prohibited transaction between a Plan and a Party in Interest, a statutory or administrative prohibited transaction exemption would be required. Included among the exemptions are the statutory exemption of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to certain transactions between a Plan and a service provider to the Plan, **provided that** neither the service provider nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and **provided further that** the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction) and the administrative exemptions of Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments made by bank collective investment funds), PTCE 84-14 (relating to transactions effected by independent "qualified professional asset managers"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by certain "in-house asset managers"). Each fiduciary of a Plan should consider in an investment in the Notes, among other things, whether such an investment would involve (i) a direct or indirect extension of credit to a Party in Interest, (ii) a sale or exchange of any property between a Plan and a Party in Interest or (iii) a transfer to, or use by or for the benefit of, a Party in Interest of the Plan's assets. In this regard, there can be no assurance that any of these or other exemptions will be available with respect to any particular transaction involving an investment in the Notes.

The investment class exemptions described above cover *per se* prohibited transactions between Plans and Parties in Interest. Most of the exemptions do not provide relief from some or all of the self-dealing prohibitions under Section 406 of ERISA or Section 4975 of the Code, and fiduciaries of Plans should consider whether any of the self-dealing prohibitions could be relevant here.

Each fiduciary of a Plan that has engaged in a non-exempt prohibited transaction may be required to, among other potential actions, (i) restore to the Plan any profit realised on the transaction, (ii) reimburse the Plan for any losses suffered by the Plan as a result of the transaction or (iii) unwind the transaction. Under Section 4975 of the Code, a Party in Interest may be required to pay excise taxes based on the amount involved in the transaction (including a 100% excise tax if the transaction is not corrected within a certain time period).

### **Representations and Warranties**

Each prospective investor in the Notes (or any interest therein) will be deemed to have represented that either (a) it is not a Benefit Plan Investor or a governmental, church or non-U.S. plan or (b) its acquisition, holding and disposition of the Notes (or any interest therein) will not result in or constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

Each prospective investor in the Notes (or any interest therein) that is a Benefit Plan Investor will be deemed to have represented and warranted by its investment that (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or control over the investment and management of "plan assets" (a "**Plan Fiduciary**"), (y) the Transaction Parties are not otherwise acting as a "fiduciary," as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Whether or not the underlying assets of the Issuer are deemed to be "plan assets," an investment in the Notes by a Benefit Plan Investor is subject to Title I of ERISA or Section 4975 of the Code. Accordingly, Plan Fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Notes. Fiduciaries of other plans, in consultation with their advisors, should consider the impact of their applicable Similar Laws on an investment in the Notes and the considerations discussed above.

## SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (such programme agreement as amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 29 September 2025, agreed with the Issuer the basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and, subject to the terms of the Programme Agreement, to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### Transfer Restrictions

*As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.*

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (i) it is a QIB, purchasing the Notes for its own account or for the account of one or more QIBs and it is aware, and any person on whose account it is acting has been advised, that any sale to it is being made in reliance on Rule 144A or another exemption from the registration requirements of the Securities Act or (ii) it is outside the United States;
- (b) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of Notes;
- (c) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (d) that, unless it holds an interest in a Regulation S Global Note, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of one or more QIBs in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of any state or other jurisdiction of the United States;
- (e) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (d) above, if then applicable;
- (f) that Notes initially offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by one or more Rule 144A Global Notes and that Notes offered and sold in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (g) it understands that before any interest in Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an

interest in a Regulation S Global Note, it will be required to provide to each of the Principal Paying Agent and the Registrar a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in accordance with Regulation S;

- (h) either (a) it is not a Benefit Plan Investor or a governmental, church or non-U.S. plan or (b) its acquisition, holding and disposition of the Notes will not result in or constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law;
- (i) it understands and acknowledges that if it is a Benefit Plan Investor, (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any Plan Fiduciary, (y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction;
- (j) Registered Notes sold in private transactions to QIBs in accordance with the requirements of Rule 144A, will bear a legend to the following effect, subject as provided in Condition 2.5 (*Transfers of interests in Legended Notes*):

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY APPLICABLE SECURITIES LAWS OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER: (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 OF THE SECURITIES ACT FOR REALES AND OTHER TRANSFERS OF THIS SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES

FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).

BY ACCEPTING THIS SECURITY (OR ANY INTEREST IN THE SECURITIES REPRESENTED HEREBY) EACH OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH OF (I)-(III), A "**BENEFIT PLAN INVESTOR**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR HOLD SUCH SECURITIES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY SUCH BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF A U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"). NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS SECURITY, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH ACQUISITION OR TRANSFER.

BY ACCEPTING THIS SECURITY (OR ANY INTEREST IN THE SECURITIES REPRESENTED HEREBY) EACH BENEFIT PLAN INVESTOR OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (X) NONE OF THE ISSUER, THE DEALERS OR THEIR RESPECTIVE AFFILIATES (EACH, A "**TRANSACTION PARTY**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THE SECURITIES AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION.";

- (k) if it is outside the United States, that if it should resell or otherwise transfer the Notes, it shall do so in accordance with all applicable securities laws of any state or other jurisdiction of the United

States; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT.

BY ACCEPTING THIS SECURITY (OR ANY INTEREST IN THE SECURITIES REPRESENTED HEREBY) EACH OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (III) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY (EACH OF (I)-(III), A "**BENEFIT PLAN INVESTOR**") OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, AND NO PART OF THE ASSETS TO BE USED BY IT TO PURCHASE OR HOLD SUCH SECURITIES OR ANY INTEREST HEREIN CONSTITUTES THE ASSETS OF ANY SUCH BENEFIT PLAN INVESTOR OR GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (B) ITS ACQUISITION, HOLDING OR DISPOSITION DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF A U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT CONTAINS ONE OR MORE PROVISIONS THAT ARE SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"). NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS SECURITY, OR ANY INTEREST HEREIN, WILL BE EFFECTIVE, AND THE ISSUER WILL NOT RECOGNISE ANY SUCH ACQUISITION OR TRANSFER.

BY ACCEPTING THIS SECURITY (OR ANY INTEREST IN THE SECURITIES REPRESENTED HEREBY) EACH BENEFIT PLAN INVESTOR OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (X) NONE OF THE ISSUER, THE DEALERS OR THEIR RESPECTIVE AFFILIATES (EACH, A "**TRANSACTION PARTY**") HAS PROVIDED ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE TO THE BENEFIT PLAN INVESTOR, OR ANY FIDUCIARY OR OTHER PERSON INVESTING ON BEHALF OF THE BENEFIT PLAN INVESTOR OR WHO OTHERWISE HAS DISCRETION OR CONTROL OVER THE INVESTMENT AND MANAGEMENT OF "PLAN ASSETS" (A "**PLAN FIDUCIARY**"), (Y) THE TRANSACTION PARTIES ARE NOT OTHERWISE ACTING AS A "FIDUCIARY", AS THAT TERM IS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(E)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S INVESTMENT IN THE SECURITIES AND (Z) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGMENT IN EVALUATING THE TRANSACTION."; and

- (l) that the Issuer, each Agent, each Manager and their affiliates or, as the case may be, the relevant Dealer and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall

promptly notify the Issuer and the Managers or, as the case may be, the relevant Dealer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) nominal amount and no Legended Note will be issued in connection with such a sale in a smaller nominal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) of Registered Notes.

## **Selling Restrictions**

### ***United States***

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year (taking into account any unilateral right to extend or rollover the term) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and Treasury regulations promulgated thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

- (a) except to the extent permitted under U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury regulation issued for the purposes of Section 4701 of the Code) ("**TEFRA D**"), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor regulations issued for the purposes of Section 4701 of the Code);
- (d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in sub-paragraphs (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c); and
- (e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor United States Treasury regulation issued for the purposes of Section 4701 of the Code) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained



in, and such distributor's agreement to comply with, the provisions of sub-paragraphs (a), (b), (c) and (d) insofar as they relate to TEFRA D, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder, including TEFRA D.

In addition, to the extent that the Pricing Supplement or the subscription agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is TEFRA C, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of such Bearer Notes, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions, or otherwise involve its U.S. office in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder, including TEFRA C.

Until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

This Base Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Offering Circular does not constitute an offer to any person in the United States, other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate.

#### ***Prohibition of Sales to EEA Retail Investors***

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

## ***United Kingdom***

### ***Prohibition of Sales to UK Retail Investors***

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
- (b) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
- (c) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (d) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

### ***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

## ***State of Kuwait***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered in Kuwait other than in accordance with Decree Law No. 60 of 2025 (and the administrative resolutions by, among others, the Minister of Finance related thereto) (all as amended or replaced) together with, the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale, of the Notes, subject always to the provisions of Decree Law No. 60 of 2025.

## ***United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the

ADGM and the DIFC) other than in compliance with any laws applicable in the United Arab Emirates (excluding the ADGM and the DIFC) governing the issue, offering and sale of securities.

#### ***Abu Dhabi Global Market***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the ADGM unless such offer is:

- (a) an "Exempt Offer" in accordance with the Market Rulebook of the FSRA;
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Rulebook of the FSRA; and
- (c) made only in circumstances in which the "Financial Promotion Restriction" set out in section 18(1) of the Financial Services and Markets Regulations 2015 does not apply.

#### ***Dubai International Financial Centre***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the DIFC unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

#### ***Kingdom of Saudi Arabia***

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority pursuant to resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017), as amended (the "**KSA Regulations**"), made through a capital market institution licensed by the Capital Market Authority in accordance with the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by, the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Although HSBC Bank plc has been appointed as a Dealer pursuant to the Programme Agreement, HSBC Saudi Arabia, which is a Capital Market Institution licensed by the Capital Market Authority, will be the relevant legal entity for all regulated activities in the Kingdom of Saudi Arabia relating to the issuance of any Notes under the Programme, including offering and related applications to the Capital Market Authority.

#### ***Kingdom of Bahrain***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$ 1,000,000, excluding that person's principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$ 1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

#### ***State of Qatar (including the Qatar Financial Centre)***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Base Offering Circular: (i) has not been, and will not be, filed, reviewed, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange, or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for specific recipients only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

#### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

#### ***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Offering Circular has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and that it will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

### ***Hong Kong***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### ***General***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents and agrees that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## GENERAL INFORMATION

### Authorisation

The establishment and update of the Programme and the issuance of Notes thereunder has been duly authorised by virtue of a number of laws and various ministerial resolutions (including, in particular, Decree Law No. 60 of 2025 concerning Financing and Liquidity together with the resolutions and directives issued pursuant thereto or in implementation thereof by the Ministry of Finance of the State of Kuwait and its related bodies).

### Listing of Notes

Application may be made to the London Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to trading on the main market of the London Stock Exchange. Any Series of Notes intended to be admitted to trading on the main market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the applicable Pricing Supplement and any other information required by the London Stock Exchange. Prior to admission to trading, dealings in the Notes of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. Notes which are neither listed nor admitted to trading on any market may also be issued. The application for listing of Notes of any Series issued under the Programme relates to all Notes of that Series issued or proposed to be issued.

### Documents Available

For the period of 12 months following the date of this Base Offering Circular, copies of the following documents will, when published, be available for inspection in physical form during normal business hours from the specified office of the Principal Paying Agent:

- (a) the budget for the current fiscal year (as set out on page 144 of this Base Offering Circular);
- (b) the Agency Agreement (including the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons) and the Deed of Covenant;
- (c) a copy of this Base Offering Circular; and
- (d) any future supplements and any Pricing Supplement to this Base Offering Circular (save that any Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such Noteholder must produce evidence satisfactory to the Principal Paying Agent as to the identity of such Noteholder).

This Base Offering Circular, any future supplements and each Pricing Supplement for Notes that are listed on the Official List and admitted to trading on the regulated market of the London Stock Exchange will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN and if applicable, the FISN and the CFI, for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is Depository Trust Company, 55 Water Street, New York, New York 10041, United States of America.

**Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

**Significant Change**

There has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources, income and expenditure figures of the Issuer since 31 December 2024.

**Litigation**

The Issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Offering Circular which may have, or have had in such period, a significant effect on the financial position of the Issuer.

**Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or the Issuer's affiliates in the ordinary course of business for which they may receive fees. They have received, or may in the future receive, customary fees and commission for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its agencies. Certain of the Dealers or their affiliates that may, from time to time, have a lending relationship with the Issuer may routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**ISSUER**

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