

**SUPPLEMENT DATED 25 SEPTEMBER 2025 TO THE OFFERING CIRCULAR
DATED 22 APRIL 2024**



**EMIRATE OF ABU DHABI
Global Medium Term Note Programme**

This supplement (the **Supplement**) to the Offering Circular dated 22 April 2024 (the **Offering Circular**) has been prepared in connection with the Global Medium Term Note Programme (the **Programme**) established by the Emirate of Abu Dhabi (the **Issuer**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

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 (as amended, the **UK Prospectus Regulation**). Accordingly, this Supplement has not been reviewed or approved by the FCA and has not been approved as a supplement 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 listed in accordance with the listing rules of the London Stock Exchange.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Circular. This Supplement 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>.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer the information contained in this Supplement is in accordance with the facts and this Supplement does not omit anything likely to affect the import of such information.

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Purpose of the Supplement

The purpose of this Supplement is to update and replace certain sections of the Offering Circular to reflect the latest available information.

Updates to the Offering Circular

(1) Presentation of Statistical and other Information

The following text replaces the entirety of the third paragraph in the section “*Presentation of Statistical and other Information – Presentation of Statistical Information*”, which starts on page 6 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“Nevertheless, there remain limitations relating to the statistics included in this Offering Circular. These include:

- data in relation to Abu Dhabi's and the UAE's gross domestic product (**GDP**) for any period in 2024 and for 2023 is estimated. GDP data for Abu Dhabi and the UAE for 2023 and prior years may be revised. For example, Abu Dhabi's real GDP data is calculated based on constant hydrocarbon prices with a view to eliminating the effect of volatile price changes in hydrocarbon prices on real hydrocarbon GDP and these constant prices were revised from 2007 prices to 2014 prices in 2021. As a result, all real GDP data for Abu Dhabi in this Offering Circular has been revised to reflect these new constant prices;
- in order to calculate GDP in Abu Dhabi, the financial data of companies operating across the UAE must be processed to reflect the production activity in Abu Dhabi only, which involves a high degree of estimation;
- data in relation to foreign direct investment (**FDI**) in Abu Dhabi has been significantly revised and is currently limited in scope;
- data in relation to the UAE's balance of payments for 2023 and prior years may be revised as updated data is received;
- data on non-hydrocarbon merchandise trade into and out of Abu Dhabi comprises trade in goods which entered or exited the territory of the emirate through its ports (comprising air, sea and road ports). The trade data does not cover non-oil exports, re-exports or imports through the ports of the other emirates in the UAE. As a significant proportion of Abu Dhabi's non-hydrocarbon oil exports and imports are made through free zones in Dubai, this data does not present a complete picture of Abu Dhabi's trade flows. The data demonstrate considerable volatility from year to year in particular items exported and imported and the destinations and sources of exports and imports. This volatility is a function of the data captured and not captured and may reflect products being routed from neighbouring emirates through Abu Dhabi or vice versa or other factors of a one-off nature;
- Abu Dhabi's fiscal data for 2025 is a budget. Actual outcomes for 2025 may differ materially from those budgeted;
- Abu Dhabi does not currently prepare data on its gross external debt and international investment position, and only prepares limited information on its current indebtedness, see “*Indebtedness*”;
- data for all periods included in tables in this Offering Circular may be revised because of methodological changes implemented in the future. For example, see the methodological changes affecting real GDP included in this Offering Circular and described above;

- all other statistical data relating to Abu Dhabi and the UAE in this Offering Circular for 2024 and for any period in 2025 should be treated as preliminary and subject to revision as the statistics are finalised in the future; and
- statistics in Abu Dhabi are not always published on a regular schedule and there may be lengthy delays in publishing particular statistics.”

(2) *Cautionary Statement Regarding Forward Looking Statements*

The following text replaces the entirety of the third paragraph in the section “*Cautionary Statement Regarding Forward Looking Statements*”, which starts on page 8 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“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 the ongoing Russia-Ukraine conflict, the conflicts in Israel, Lebanon, Iran and the Gaza strip and surrounding areas;
- global trade tensions and unpredictable foreign trade policy, including uncertainty around trade policy, among major economies, in particular the United States and China;
- interest rates and inflation rates in financial markets outside Abu Dhabi;
- the impact of pandemic diseases, such as the novel coronavirus 2019 (COVID-19) pandemic, or other global or regional events which impact Abu Dhabi;
- present and future exchange rates;
- the impact of changes in the credit rating of Abu Dhabi; and
- economic conditions in Abu Dhabi’s major export markets.

Internal factors, such as:

- the volumes of crude oil and natural gas exported from Abu Dhabi;
- levels of government spending;
- domestic inflation;
- delays in projects and implementation of fiscal reform;
- changes in political, social, legal or economic conditions in the markets in the UAE;
- foreign currency reserves;

- natural disasters; and
- the levels of foreign direct and portfolio investment.”

(3) Risk Factors

The following text replaces the entirety of the section “*Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme*”, which starts on page 15 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“FACTORS THAT MAY AFFECT THE ISSUER’S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Abu Dhabi’s economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices

Abu Dhabi’s economy is significantly impacted by international oil prices. The hydrocarbon sector accounted for 38.5 per cent. of Abu Dhabi’s nominal GDP in 2024, according to preliminary data, compared to 40.3 per cent. in 2023, 48.0 per cent. in 2022, 40.9 per cent. in 2021 and 31.5 per cent. in 2020, with the variations generally reflecting changes in oil prices. Abu Dhabi’s economy has in the past been adversely affected by periods of low international oil prices, including the period from mid-2014 to early 2016 and for most of 2020 (as further discussed below).

Based on data published by Abu Dhabi National Oil Company (ADNOC), oil prices (based on ADNOC’s Murban Crude Oil Official Selling Price, which is a monthly average price per barrel of Murban crude oil (the **Murban Price**)) were U.S.\$41.8 per barrel in 2020, U.S.\$68.0 per barrel in 2021, U.S.\$97.5 per barrel in 2022, U.S.\$83.7 per barrel in 2023 and U.S.\$80.93 per barrel in 2024 (in each case based on the average of the monthly averages in the relevant year). Murban crude oil is Abu Dhabi’s principal oil export. The relatively lower global oil price environment from mid-2014 until 2021 can be attributed to a number of factors, including, but not limited to, a decline in demand for oil due to slower growth in a number of economies, particularly in the emerging markets (especially China), the increase in oil production by other producers and competition from alternative energy sources. On 6 March 2020, OPEC+ failed to reach an agreement to extend the voluntary crude oil production adjustments which were due to expire on 31 March 2020. The OPEC+ countries subsequently reached an agreement in relation to production volumes which over time and coupled with relaxations of the COVID-19 measures imposed, helped to bring prices back to more normal levels from late 2022. The targets were reviewed at the 3 April 2023 Joint Ministerial Monitoring Committee Meeting, and OPEC+ reaffirmed their commitment to the Declaration of Cooperation. The UAE pledged an additional reduction of 144,000 barrels a day (**b/d**) from May 2023 to end December 2024 and an additional three-month cut of 163,000 b/d between 1 January 2024 and 31 March 2024, that was extended through to June 2024. In November 2023, additional voluntary production reductions beginning in January 2024 until the end of March 2024 were announced by several OPEC+ members, including Saudi Arabia (1 million bpd) and Iraq (223,000 bpd), while Russia announced 471,000 bpd reduction beginning April 2024 until the end of June 2024. However, there can be no assurance that the agreement will continue to be implemented by all relevant parties or that it will achieve its stated goals or what effect it will have on global oil prices in the short to medium term. For example, oil prices increased in tandem with the global economic recovery in 2021. However, oil prices remained volatile in 2022 and 2023, particularly as a result of the Russia-Ukraine conflict and as a result of a decline in participation in the crude oil

markets, causing sharper price fluctuations. There, however, can be no guarantee that oil prices will not remain volatile or decrease in the future.

Low oil prices for much of 2020 affected Abu Dhabi in a number of ways and future periods of depressed oil prices may have similar effects:

- nominal GDP was adversely affected in 2020 in large part reflecting the significant contribution of the oil and gas sector to Abu Dhabi's GDP. In 2020, SCAD data indicated that Abu Dhabi's nominal hydrocarbon GDP declined by 36.3 per cent. compared to 2019. Abu Dhabi's non-hydrocarbon GDP declined by 14.6 per cent. in 2020 compared to 2019, reflecting both restrictions imposed to combat COVID-19 (including lock downs and travel restrictions) and the impact of lower oil prices;
- the UAE's trade surplus (to which hydrocarbon exports make a significant contribution), fell from AED 295.5 billion in 2019 to AED 221.6 billion in 2020, principally reflecting the reduced value of hydrocarbon exports; and
- Abu Dhabi's fiscal balance (which depends almost entirely on revenue from hydrocarbon royalties and taxes and dividends received from ADNOC) was a deficit of AED 32.2 billion in 2020. The government has in the past funded budget deficits with borrowings.

Prospective investors should be aware that the above analysis does not take into account the indirect impact of low oil prices on Abu Dhabi's economy, which is difficult to quantify with any precision. Potential investors should note that many of Abu Dhabi's and the UAE's other economic sectors are in part dependent on the hydrocarbon sector. For example, the financial institutions sector (and banks in particular) may experience lower liquidity (for example if significant government and government-owned company deposits are withdrawn to fund deficits) or higher loan losses or impairments. The government may also decide, as it has done in the past, to further reduce government expenditures in light of the budgetary pressures caused by low or falling oil prices. As fiscal spending on infrastructure and investment projects drives credit to public sector entities and private contractors and bank credit for personal lending is driven by public sector wages, if this spending is cut and public sector wages come under pressure, this could, potentially, increase levels of non-performing loans (NPLs) held by banks. In addition, large government fiscal deficits, which are likely to result in lower government spending, could also impact many other sectors of the economy, including in particular the construction sector to the extent that large public sector projects are delayed or cancelled. Furthermore, sectors that are dependent on household consumption, including education, healthcare and housing, may be adversely affected by lower levels of economic activity that may result from lower government revenue from hydrocarbon production.

The price of oil continues to fluctuate on a daily basis, most recently increasing significantly on the basis of supply concerns related to the Russian invasion of Ukraine and the international sanctions imposed on Russia as a result, and there can be no assurance that prices will be sustained at their current levels or that they will not fall, potentially significantly, in the future. Low oil prices may, particularly if they are sustained for an extended period, have a material adverse effect on Abu Dhabi's economy, and may ultimately result in increased budget deficits and may cause a decrease in liquidity and funding in the financial sector.

Crude oil prices have historically been volatile and are affected by a range of factors beyond the Issuer's control, including:

- global economic and political conditions as well as economic and political developments in oil producing regions, particularly in the Middle East and Russia;
- global and regional supply and demand, and expectations regarding future supply and demand, for hydrocarbon products, including the prices and availability of alternative

- fuels or new technologies using different fuels (and those motivated by climate change concerns) and the impact of pandemic diseases, such as COVID-19;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
 - the impact of international environmental and other regulations designed to reduce carbon emissions;
 - other actions taken by major crude hydrocarbon producing or consuming countries, including the global stocktake agreement reached in COP28 in December 2023; and
 - global weather and environmental conditions.

There can be no assurance that these factors, whether individually or in combination with others, will not result in a prolonged or further decline in oil prices which may also slow the pace of investment in Abu Dhabi. As a result, there can be no assurance that Abu Dhabi's economy will not be materially adversely affected in the future by lengthy periods of low oil prices.

Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause the UAE and Abu Dhabi to incur costs or invest additional capital

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties, lawsuits against energy companies, company net-zero ambition 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. In particular, increasing pressure on governments, businesses, organizations 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 UAE includes an unprecedented reference to transitioning away from all fossil fuels in energy systems, in a just, orderly and equitable manner in this critical decade to enable the world to reach net zero emissions by 2050, in keeping with the science. 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 the Issuer's hydrocarbon industry. A reduction in demand for hydrocarbons and hydrocarbon-based products could have a material adverse effect on the Issuer's revenues.

Abu Dhabi and the UAE are geographically located in a region that is experiencing political unrest and which has potential implications on Abu Dhabi in a number of ways

Although the UAE and Abu Dhabi enjoy domestic political stability and the UAE is constantly enhancing its regional and international relations, the UAE is located in a region that has been marked by frequent periods of political unrest. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict, proxy wars, and civil war increased tensions and political uncertainty, in addition to the escalating threats of terrorism and extremism across the Middle East region.

The MENA region is currently subject to a number of disputes including armed conflicts in Yemen, Syria, Libya, in Israel and Gaza and between Israel and Iran. In 2015, under the request of the legitimate Yemeni government, the UAE joined the Arab Coalition in Yemen. After having successfully accomplished its objectives, the UAE withdrew its troops from Yemen in July 2019. The return of UAE troops from Yemen is not a withdrawal from its commitments to both counter-terrorism efforts and to continuing humanitarian initiatives, aimed at promoting peace and stability for Yemen and its people. In January 2022, the UAE and Abu Dhabi were targeted on three occasions by ballistic missiles and drone attacks launched by the Al-Houthi militia in Yemen. On 17 January 2022, attacks hit a construction site at Abu Dhabi's international airport and a fuel depot in the city's industrial area, killing three people and injuring six others. While the majority of these attacks were successfully intercepted by defence systems, some attacks have led to damage to property and civilian injuries. In April 2023, Saudi and Omani delegations held peace talks with Al-Houthi officials, and in September 2023, further peace talks were held between Saudi Arabia and an Al-Houthi delegation. However, there can be no guarantee as to the outcome of these talks and their impact on the geopolitical situation in the region, including any potential future re-escalation of tensions.

In January 2021, the UAE and other GCC countries signed the "Ula Declaration" which reflects the UAE's commitment to GCC unity and the ability of the Gulf States to collectively deal with all challenges.

Furthermore, the continued heightened tensions between the U.S. and Iran, and geopolitical developments have resulted in increased provocations by Iran. On 8 May 2018, the United States announced its withdrawal from the comprehensive agreement between the U.N. Security Council's five permanent members plus Germany and Iran that was reached in July 2015, reinstating U.S. nuclear sanctions on the Iranian regime. The United States also announced that it would not renew exceptional waivers for importing Iranian oil for several oil-importing countries. With regards to maritime security, tensions in the Gulf region remain, following several maritime provocations in the Strait of Hormuz. Any continuation or escalation of international or regional tensions regarding Iran, including further attacks on, or seizures of, oil tankers which disrupt international trade, including any impairment of trade flow through the Strait of Hormuz, or any military conflict, could have a destabilising impact on the Gulf region, including with respect to the UAE and its ability to export oil. The current tensions extend beyond the region, as they concern freedom of navigation, international maritime shipping and global energy supplies. The UAE continues to exercise de-escalation diplomacy and self-restraint.

More broadly, the current events involving Israel in Gaza that commenced in October 2023 and in Lebanon that commenced in mid-2024, the military action undertaken by Israel in Syria that commenced in late 2024 and the tensions between Israel and Iran (including Israel's strikes against a number of sites in Iran in June 2025, which were followed by Iranian retaliatory strikes against Israel and the United States' strikes on three nuclear sites in Iran) could increase the risk of instability in the broader region and the situation remains highly volatile and uncertain.

These conflicts continue to present geopolitical and security risks in the region, including the potential for further escalation or re-escalation and humanitarian impact, and there can be no assurance that the conflicts will be resolved. These recent and ongoing developments, including any resumption or escalation of such conflicts, may have a material adverse effect or may be perceived to have a material adverse effect on the UAE's, and Abu Dhabi's, security, attractiveness for foreign investment and capital, their ability to engage in international trade and, consequently, their economic, external and fiscal positions.

The UAE is affected by political developments in the wider MENA region and investors' reactions to such developments may affect the securities of issuers in other markets, including Abu Dhabi. Due to the risk from terrorism in the broader region, there can be no assurance that extremists or terrorist groups will not attempt to attack indiscriminately or commit or attempt to commit violent activities in the future. Terrorist incidents, including cyber-terrorism, in or

affecting the Gulf region could increase regional geopolitical instability may have a material adverse effect on the UAE's and Abu Dhabi's attractiveness for foreign investment and capital and expatriate labour, their ability to engage in international trade, their tourist industry and, consequently, their economic, external and fiscal positions.

Global financial conditions and rising protectionist policies may have an impact on Abu Dhabi's economic and financial condition

Abu Dhabi's economy may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, rising inflation in major economies, global monetary policies (and expectations thereof), trade disruptions, continued uncertainties with respect to geopolitical developments, such as the on-going Russia-Ukraine conflict, the conflicts in Israel, Lebanon, Iran and the Gaza strip and surrounding areas, protectionist trade policies or threats thereof and global pandemics, such as COVID-19. Trade tensions and unpredictable foreign trade policy, including uncertainty around trade policy among major economies, in particular the United States, China and India may have an adverse impact on the performance of companies in the UAE and Abu Dhabi. Trade disputes and protectionist measures, such as tariffs, anti-dumping duties and other trade barriers, may increase the costs, reduce the availability, or disrupt the supply chains of the raw materials, intermediate goods or finished products produced or used in Abu Dhabi and the UAE. Unpredictable tariff policy may also increase the volatility of the prices of commodities, raw materials, intermediate goods or finished products, and increase inflationary pressures. Additionally, a global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the UAE and Abu Dhabi. In addition, continuation or escalation of the Russia-Ukraine conflict or a future global economic downturn could impact global demand for oil and, in turn, oil prices. See “—*Abu Dhabi's economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices*” above. Increased financial market volatility could also affect investor sentiment and slow tourism, trade and investment in the UAE, which could, in turn, have an adverse effect on Abu Dhabi's non-oil sectors and the economy as a whole. Furthermore, because the UAE's currency is pegged at a fixed rate to the U.S. dollar, any significant appreciation in value of the U.S. dollar, whether driven by increasing U.S. interest rates or other factors, could result in Abu Dhabi's non-hydrocarbon exports becoming less competitive.

Should a future global economic downturn occur or the shift towards protectionist policies increase on a global scale, these factors could, together or individually, have a material adverse effect on Abu Dhabi's economy and financial position.

The COVID-19 pandemic caused significant disruption to both the global economy and Abu Dhabi's economy and a future pandemic could have a similar impact

The COVID-19 pandemic significantly affected investment sentiment, resulting in volatility in global capital markets, reducing international trade and impacting commodity prices. In addition, governments around the world imposed a range of measures at different times in 2020 and 2021 (some of which continued into 2023, notably in China) to try to reduce the spread of COVID-19, including restrictions on travel and public transport, restrictions on trade and transportation of goods and closures of workplaces.

COVID-19 severely disrupted the global economy in 2020, causing or contributing to (i) financial markets to decline materially and their volatility to increase to historically high levels, (ii) high levels of unemployment, (iii) a reduction in international trade and investment and (iv) a significant drop in oil prices, the effects of which are discussed under “—*Abu Dhabi's economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices*” above.

There can be no assurance that any future pandemic communicable diseases will not result in a prolonged or further decline in oil prices, or that they will not have a prolonged adverse effect on Abu Dhabi's economy and the tourism, aviation, hospitality and construction sectors in particular.

Although Abu Dhabi has low levels of direct debt, it is exposed to contingent liabilities through its ownership of significant companies and its position as the wealthiest emirate in the UAE

The government has in the past provided significant financial support to companies in which it has ownership interests and other systemically important entities, including, in the aftermath of the global financial crisis, AED 16 billion in capital injections to the then five major banks in the emirate. The government has also supported other emirates in the UAE and, through Abu Dhabi's wholly-owned companies, has provided restructuring support to significant companies such as National Central Cooling Company PJSC (**Tabreed**), Aldar Properties PJSC (**Aldar**) and Abu Dhabi National Energy Company PJSC (**TAQA**).

The government does not generally guarantee the obligations of any of Abu Dhabi's wholly-owned companies. As at 31 December 2024, the aggregate amount borrowed and outstanding by these entities was approximately U.S.\$134 billion. Global economic trends including significant volatility and relatively elevated levels of interest rates (including as a result of central bank policies in Europe and the United States) may impact the ability of these entities to rollover these obligations.

Abu Dhabi Law No. 1 of 2017 on the Financial System of Abu Dhabi Government, as amended by Law No. 1 of 2022 (the **Financial System Law**) states that while the government is directly liable for public debt (essentially comprising money borrowed by the government and its departments), it is not responsible for the liabilities of any government-related entity. The Financial System Law does not, however, prevent the government from providing support to its related entities and the government may decide to extend financial or other assistance to one or more such related entities, such as a government-owned company, as it has done from time to time in the past where necessary or desirable from Abu Dhabi's perspective. Although the government has no legal obligation to do so, it may, in the future, choose to provide additional financial support to other emirate governments and other government-owned or systemically important Abu Dhabi companies if they were faced with difficulties that threatened the reputation or economic health of Abu Dhabi or the UAE. Any such support could be significant in the context of Abu Dhabi's annual budget and entail substantial fiscal outflows. See further "*—Abu Dhabi's wholly-owned companies are not consolidated in its fiscal accounts and many of these companies are exposed to global economic trends*" below.

Abu Dhabi's efforts to diversify its economy may not be completely successful

Abu Dhabi's economy remains highly dependent on the oil industry. The government has a long-term strategy of diversifying Abu Dhabi's economy away from its reliance on oil and gas as the single major revenue source and a long-term vision to turn the emirate into a knowledge-based economy and reduce its dependence on the oil sector. See "*Overview of the Emirate of Abu Dhabi—Emirate of Abu Dhabi—Strategy of Abu Dhabi*". However, there can be no assurance that Abu Dhabi's efforts to diversify its economy and reduce its dependence on oil will be completely successful. The government may also decide, as it has done in the past, to further reduce government expenditures in light of the budgetary pressures caused by low or falling oil prices, which may in turn adversely impact the government's ability to invest in the diversification of Abu Dhabi's economy. In 2020, a number of non-oil sectors, such as tourism, aviation and real estate, were adversely affected by the COVID-19 pandemic resulting in a negative growth rate in non-oil real GDP of 11.5 per cent. Non-oil real GDP grew by 7.2 per cent. in 2021, 9.2 per cent. in 2022, 8.6 per cent. in 2023 and 6.2 per cent. in 2024 (preliminary

data for 2024) as the economy recovered from COVID-19 and benefitted from high oil prices in 2022 and to a lesser extent in 2023. Abu Dhabi's nominal GDP grew by 28.0 per cent. in 2022 compared to 2021, driven by a sharp increase in oil and gas prices following Russia's invasion of Ukraine in February 2022 and consistently high oil and gas prices for the remainder of the year. In 2023, Abu Dhabi's nominal GDP declined by 2.5 per cent. as the 11.8 per cent. increase in nominal non-oil GDP was more than offset by a 18.1 per cent. decline in nominal oil GDP. In 2024, Abu Dhabi's nominal GDP grew by 4.4 per cent, according to preliminary data, primarily driven by a 7.5 per cent. increase in non-oil GDP. There can be no assurance that Abu Dhabi's nominal GDP will grow in the future and Abu Dhabi's economy retains a significant degree of dependence on oil (including as a result of a significant capacity expansion by ADNOC). As a result, Abu Dhabi will continue to be significantly exposed to economic downturns driven by oil price volatility, see *“—Abu Dhabi's economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices”* above.

The UAE, including Abu Dhabi, is also dependent on expatriate labour (ranging from unskilled labourers to highly skilled professionals in a range of industry sectors) and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to Abu Dhabi and the rest of the emirates. There can be no assurance of the continued availability of expatriate labour with appropriate skills, and the continued availability of skilled labour is an important aspect to the delivery of Abu Dhabi's 2030 Economic Vision. See *“Overview of the Emirate of Abu Dhabi—Emirate of Abu Dhabi—Strategy of Abu Dhabi”*.

Abu Dhabi's budget is prepared on a cash basis, which means that Abu Dhabi's fiscal balance may not fully reflect all of the government's assets and obligations

Abu Dhabi's budget is prepared on a cash basis. This means that flows are recorded when cash is received or disbursed. Although non-monetary flows can be recorded, most accounting systems (including that used in Abu Dhabi) using the cash basis do not record non-monetary flows because the focus is on cash management rather than resource flows. In addition, with respect to accruals, the time of recording may diverge significantly from the time of the economic activities and transactions to which they relate. For example, the interest paid on a zero-coupon bond would not be recorded until the bond matures, which could be many years after the expense was incurred. Accordingly, actual government funding may not be completely reflected in the budget, as known liabilities to make payments in future years will not be reflected in the budgets for earlier years.

Abu Dhabi's wholly-owned companies are not consolidated in its fiscal accounts and many of these companies are exposed to global economic trends

With the exception of dividends that it receives from ADNOC, ADQ, Abu Dhabi Investment Authority (ADIA) and other government-related entities, the activities of the government's wholly-owned companies are not recorded in its budget. Many of these companies are exposed to global economic trends through significant investments made by them abroad. Global economic trends including, but not limited to, volatility in asset prices and financial markets, volatility in commodity prices (both hydrocarbon and non-hydrocarbon), increasing and historically high inflation rates, significant liquidity constraints and rapid changes in interest rates (including as a result of central bank policies in Europe and the United States) may impact the asset values, revenues and results of these companies. If and to the extent that operational challenges or periods of significant capital expenditure result in increased funding being required by any of these companies or reduce the funds available to the government (whether via taxes and royalties or dividends), it could have a significant negative impact on the government's fiscal balance, particularly if these needs arise at times of economic difficulty when the government's own finances are also likely to be under pressure, which would especially be the case if the economic difficulty results from a lengthy period of low oil prices.

Abu Dhabi's credit ratings may change, and any ratings downgrade could adversely affect the value of Notes issued under the Programme

Abu Dhabi has a long-term foreign currency debt rating of "AA" with a stable outlook from S&P, a government bond rating of "Aa2" with a stable outlook from Moody's and a long-term foreign currency issuer default rating of "AA" with a stable outlook from Fitch.

S&P noted in its 26 May 2025 report that it could consider lowering Abu Dhabi's rating if Abu Dhabi's strong government balance sheet and net external asset position deteriorate materially. It also noted that measures to improve the effectiveness of monetary policy in the emirate, such as establishing deep domestic capital markets, could be positive for the ratings. However, there can be no assurance that such positive events will materialise or that, if they materialise, that this will result in a positive effect on Abu Dhabi's ratings.

Moody's noted in its 26 March 2025 credit opinion that downward pressure on Abu Dhabi's rating could develop if there were (i) a prolonged period of significantly lower oil prices, well below Moody's current baseline assumption, resulting in a material erosion of the government's balance sheet, (ii) a significant escalation of regional geopolitical tensions materially and durably threatening Abu Dhabi's ability to produce and export oil or to further develop its non-hydrocarbon economy or (iii) a sharp increase in contingent liabilities and the likelihood of their crystallisation on the government's balance sheet. It also noted that factors such as a material increase in Abu Dhabi's resilience to carbon transition scenarios, particularly through greater diversification of its economy and fiscal revenue sources, greater transparency around the fiscal policy framework, material improvements in data disclosure practices, and a significant and durable decline in regional geopolitical risks could lead to an upgrade. However, there can be no assurance that such positive events will materialise or that, if they materialise, that this will result in a positive effect on Abu Dhabi's ratings.

Fitch noted in its 5 August 2025 report that the factors that could, individually or collectively, lead to a negative rating action/downgrade are (i) a substantial erosion of Abu Dhabi's fiscal and external positions, for example due to a sustained decline in oil prices, or a materialisation of contingent liabilities or (ii) a geopolitical shock that negatively affects economic, social or political stability in Abu Dhabi. It also noted that improvement in structural factors, such as a reduction in oil dependence, a strengthening in governance and a reduction in geopolitical risk while maintaining strong fiscal and external balance sheets could, individually or collectively, lead to a positive rating action/upgrade. However, there can be no assurance that such positive events will materialise or that, if they materialise, that this will result in a positive effect on Abu Dhabi's ratings.

Any future downgrade or withdrawal at any time of a credit rating assigned to Abu Dhabi 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 Notes issued under the Programme and cause trading in such Notes to be volatile. Furthermore, unsolicited ratings may not benefit from government input but could also negatively impact Abu Dhabi's cost of borrowing.

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 other factors that may affect the value of Notes issued under the Programme.

Abu Dhabi 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 judgment, circumstances in the future so warrant.

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

Investing in securities involving emerging markets, such as Abu Dhabi, generally involves a higher degree of risk than investments in securities of issuers from more developed countries. In the case of Abu Dhabi, these higher risks include those discussed elsewhere in this section. In addition, there can be no assurance that the market for securities bearing emerging market risk, such as any Notes issued under the Programme, 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 is disfavoured by such investors. If such a "contagion" effect were to occur and impact Abu Dhabi, the trading price of Notes issued under the Programme could be adversely affected by negative economic or financial developments in other emerging market countries over which the government has no control.

In addition, the economies of emerging markets are more susceptible to influence by macroeconomic and central bank policy decisions of developed countries than the economies of 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. No assurance can be given that this will not be the case in the future.

As a consequence, an investment in Notes issued under the Programme 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 Abu Dhabi, including elements of information provided in this Offering Circular, see "*—The statistical information included in this Offering Circular comes from a variety of sources and is subject to certain limitations and may be materially adjusted or revised in the future as further information becomes available*" below. Prospective investors should also note that emerging economies, such as Abu Dhabi's, are subject to rapid change and that the information set out in this 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. Prospective investors are urged to consult with their own legal and financial advisers before making an investment decision.

Any adjustment to, or ending of, the UAE's currency peg could negatively affect Abu Dhabi

Since November 1980, the dirham has been pegged to the U.S. dollar at a rate of AED 3.6725 = U.S.\$1.00. The maintenance of this peg is a firm policy of the UAE Central Bank. See "*Monetary and Financial System—Monetary and Exchange Rate Policy*". However, although there are substantial reserves available to defend the peg, there is no assurance that the UAE Central Bank will be able to, or choose to, continue to maintain the peg in the future. If the UAE Central Bank cannot maintain a stable exchange rate or the peg to the U.S. dollar, it could reduce confidence in the UAE's economy, reduce foreign direct investment and adversely affect the UAE's finances and economy, as well as those of the individual emirates within the UAE, including Abu Dhabi.

In addition, because of the peg to the U.S. dollar, the UAE Central Bank does not have any flexibility to devalue the dirham to stimulate Abu Dhabi's exports market, and the UAE Central Bank's ability to independently manage interest rates is constrained, which may impair its ability to respond to financial crises or downturns. For example, if, when the U.S. Federal Reserve

increases interest rates, the UAE Central Bank delays significantly in increasing its own rates this could result in significant pressure on the peg. This lack of flexibility could have an adverse effect on the UAE's foreign trade and, in turn, on its economy and those of the individual emirates within the UAE. See “—*A slowdown in the economies of Abu Dhabi's key trading partners and an appreciation of the U.S. dollar could each adversely affect Abu Dhabi's economy*” below.

Abu Dhabi, its wholly-owned companies and other entities in Abu Dhabi and the UAE have in the aggregate a significant amount of debt denominated in U.S. dollars. Any negative variation of the peg would increase the burden of servicing and repaying this debt, which could also increase Abu Dhabi's exposure to contingent liabilities. See “—*Although Abu Dhabi has low levels of direct debt, it is exposed to contingent liabilities through its ownership of significant companies and its position as the wealthiest emirate in the UAE*” above. Abu Dhabi does not control the UAE Central Bank, which is a federal institution that has regard to the interests of the UAE as a whole and not those of any particular emirate.

A slowdown in the economies of Abu Dhabi's key trading partners and an appreciation of the U.S. dollar could each adversely affect Abu Dhabi's economy

Abu Dhabi has strong trading relationships with many countries. In particular, countries in the Far East, including Japan, are significant markets for Abu Dhabi's crude oil exports. In terms of non-hydrocarbon trade, Saudi Arabia is the major trade partner with China and the United States being the second and third most important partners, see “*Balance of Payments and Foreign Trade—Foreign Trade—Key trade partners*”.

Any sustained market and economic downturn or geopolitical uncertainties in any of Abu Dhabi's key trading partners may materially impact Abu Dhabi's trade with those countries and could have a negative impact on Abu Dhabi's foreign trade and balance of payments.

Furthermore, because the UAE's currency is pegged at a fixed rate to the U.S. dollar, any significant appreciation in value of the U.S. dollar, whether driven by increasing U.S. interest rates or other factors, could result in Abu Dhabi's non-hydrocarbon exports becoming less competitive. See “—*Any adjustment to, or ending of, the UAE's currency peg could negatively affect Abu Dhabi*” above.

The extensive production, processing, storage and shipping of hydrocarbons in Abu Dhabi gives rise to risks associated with hazardous materials

The sizeable oil and gas sector in Abu Dhabi 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 hazardous materials which have the potential to harm or damage property, production facilities, people and the environment. A disaster involving hydrocarbons, such as a significant oil spill or catastrophic explosion, however caused, could have a materially adverse effect on Abu Dhabi's revenue 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, unmitigated environmental damage and reputational damage. Abu Dhabi cannot guarantee that such an event will not occur in the future.

Abu Dhabi could be exposed if global decarbonisation efforts are accelerated to meet net zero emissions targets sooner than currently expected

If global decarbonisation efforts are accelerated to meet net zero emissions targets, declining oil demand could drive future oil prices and production to low levels, with notable long-term direct and indirect macroeconomic and financial implications for Abu Dhabi and other major oil producers.

In particular:

- fiscal revenue and financial buffers would be increasingly strained, which would limit Abu Dhabi's ability to grow and diversify, erode its resilience to shocks, and foster adverse debt dynamics;
- external balances would weaken through lower oil prices and production and declining global trade in fossil fuels, while financial flows could also be affected. In addition to lower oil exports, reduced foreign oil demand would also depress upstream investment;
- there would be increasing pressure to end the currency peg over the longer-term, as the non-hydrocarbon sector could be supported by a more flexible exchange rate; and
- the financial system would face challenges from deteriorating asset quality linked to carbon-intensive activities and weaker overall growth, potentially resulting in stranded assets and further erosion of financial wealth.

These factors would be likely to reduce Abu Dhabi's ability to service its debt and could result in reduced ratings.

The statistical information included in this Offering Circular comes from a variety of sources and is subject to certain limitations and may be materially adjusted or revised in the future as further information becomes available

The statistical information included in this Offering Circular has been derived from a number of different identified sources. Certain information (for example, information relating to the balance of payments and information under the heading "*Monetary and Financial System*") is only available on a federal basis relating to the entire UAE. All statistical information provided in this Offering Circular may differ from that produced by other sources for a variety of reasons, including the use of different methodologies, definitions and cut-off times.

Although efforts are being made by the UAE and its emirates to produce accurate and consistent social and economic data, investors should be aware that there is still significant scope for improving fiscal, external and labour statistics, and timely publication of data such as FDI and GDP. For example, data in relation to FDI in Abu Dhabi has been significantly revised and is currently limited in scope to annual changes in the total stock of inward foreign investment. For a discussion of certain limitations relating to the statistics included in this document, see "*Presentation of Statistical and Other Information—Presentation of Statistical Information*". The statistical data appearing in this Offering Circular may also 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 other jurisdictions. 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 Offering Circular are as accurate or as reliable as those published by other countries.

The official financial and economic statistics of Abu Dhabi and the UAE are subject to review as part of a regular confirmation process. Accordingly, financial and economic information may differ from previously published figures, or figures published in the future, and may be subsequently adjusted or revised. No assurance can be given that material changes will not be made.

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

The information on the UAE's oil and gas reserves contained in this Offering Circular is based on figures published by OPEC. The information on Abu Dhabi's oil and gas reserves is based on

estimates of Abu Dhabi's share of the UAE's reserves. Neither Abu Dhabi nor the Arrangers have engaged an independent consultant or any other person to conduct a review of the UAE's or Abu Dhabi's natural gas or crude oil reserves in connection with this Offering Circular. All UAE reserve estimates presented herein are based on data collected and maintained by OPEC and may differ materially from actual figures. No assurance can be given that material changes will not be made. Potential investors should also note that the methodology used by OPEC to calculate the UAE's reserves figures may differ from the methodology used by other hydrocarbon producers and may also differ from the standards of reserves measurement prescribed by the U.S. Securities and Exchange Commission.

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 judgment. 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 following text replaces the entirety of the section "*Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issues under the Programme – Risks relating to enforcement*", which starts on page 32 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

"Risks relating to enforcement

Enforcement of arbitral awards in Abu Dhabi

The Notes, the Agency Agreement, the Deed of Covenant and the Programme Agreement (as defined in "*Subscription and Sale and Transfer and Selling Restrictions*") are governed by English law and the parties to such documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the London Court of International Arbitration, with the seat of any such arbitration to be London, England.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the **New York Convention**) entered into force in the UAE on 19 November 2006. Accordingly, it is expected that an arbitral award obtained in a London-seated arbitration should be enforceable in Abu Dhabi in accordance with the terms of the New York Convention. In this regard, it should be noted that recognition and enforcement of an arbitral award may be refused by the Abu Dhabi courts on the grounds set out in Article V of the New York Convention. However, there is no established track record to demonstrate how the provisions of the New York Convention will be applied by the Abu Dhabi courts in practice and whether the Abu Dhabi courts will enforce a foreign arbitral award in accordance with the New York Convention (or any other applicable multilateral or bilateral enforcement treaties). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards have been refused.

Federal Decree Law No. 42 of 2022 regarding the Law of Civil Procedure (the **Civil Procedure Law**) also governs the enforcement of foreign arbitral awards in the UAE. Article 223 of the Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE subject to the conditions provided under Article 222 of the Civil Procedure Law. Article 225 of the Civil Procedure Law provides that the rules on enforcement of foreign arbitral

awards shall not prejudice the provisions of treaties for the enforcement of foreign judgments, orders and instruments with foreign states, which, by virtue of the operation of Article 223 of the Civil Procedure Law, should also apply in respect of arbitral awards, and accordingly include the New York Convention. However, there is no established track record to demonstrate how the Abu Dhabi courts will apply the Civil Procedure Law alongside the provisions of such treaties in practice.

In addition, Federal Law No. 6 of 2018 (the **UAE Arbitration Law**) provides certain conditions to the enforcement of domestic arbitral awards in the UAE. There is no established track record to demonstrate how the Abu Dhabi courts will apply the UAE Arbitration Law in practice and there is a risk that, notwithstanding the Civil Procedure Law or the terms of applicable enforcement treaties, the Abu Dhabi courts may also apply such conditions to the enforcement of foreign arbitral awards in the UAE.

Accordingly, there is a risk that an arbitral award obtained in a London-seated arbitration will be refused enforcement by the Abu Dhabi courts.

Enforcement of foreign judgments in Abu Dhabi

Under the Notes, the Agency Agreement, the Deed of Covenant and the Programme Agreement, at the option of the Noteholders, Agents or the Dealers, as the case may be, any dispute may be referred to the courts of England which shall have exclusive jurisdiction to settle any dispute arising from the relevant document.

A judgment or order of a foreign court may be enforced in the UAE, subject to the conditions provided under Article 222 of the Civil Procedure Law. However, there is no established track record to demonstrate how the Abu Dhabi courts will apply the Civil Procedure Law in practice. The Abu Dhabi courts are unlikely to enforce an English or a United States court judgment without re-examining the merits of the claim.

The Abu Dhabi courts may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with that of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE. In practice, the UAE courts may seek to interpret English law governed documents as if they were governed by UAE law.

There have been conflicting decisions of the onshore UAE courts with respect to the validity of asymmetrical dispute resolution clauses which provide one party with the option to choose the applicable dispute resolution forum. Accordingly, there is a risk that the Abu Dhabi courts may find that the unilateral option to litigate in the Agency Agreement, the Deed of Covenant and the Programme Agreement (the "**Transaction Documents**") and the Notes is invalid, that its inclusion invalidates the arbitration agreement in the dispute resolution provisions thereof, or otherwise does not deprive the Abu Dhabi courts of jurisdiction in respect of any dispute thereunder. This gives rise to a risk that the Abu Dhabi courts may accept jurisdiction in contravention of the dispute resolution provisions of the Transaction Documents and the Notes, or potentially refuse to enforce an arbitral award or court judgment obtained pursuant to the dispute resolution provisions thereof. Moreover, claims may become time-barred or become subject to a counterclaim. This creates further uncertainty with respect to enforcement.

The UAE is a civil law jurisdiction and judicial precedents in Abu Dhabi have no binding effect on subsequent decisions. In addition, there is no formal system of reporting decisions of the Abu Dhabi courts. These factors create greater judicial uncertainty. The enforcement of a foreign judgment or arbitral award may be a lengthy process in the UAE."

(4) *Overview of the Emirate of Abu Dhabi*

The following text replaces the entirety of the section “*Overview of the Emirate of Abu Dhabi*”, which starts on page 90 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“OVERVIEW OF THE EMIRATE OF ABU DHABI

INTRODUCTION

Abu Dhabi is one of seven emirates that comprise the federation that is the UAE. The federation was established on 2 December 1971. On formation, the federation comprised Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Qaiwain and Fujairah. Ras Al Khaimah joined the UAE in February 1972. Abu Dhabi city is the capital city of Abu Dhabi as well as of the UAE. The President of the UAE is Sheikh Mohammed bin Zayed Al Nahyan who is also the Ruler of Abu Dhabi.

LOCATION AND GEOGRAPHY



Abu Dhabi is the largest emirate in the UAE occupying nearly 87 per cent. of the UAE’s total area. Mainland Abu Dhabi covers an area of 67,340 square kilometres (**km²**) and borders Saudi Arabia to the south and west, Oman to the east and Dubai to the northeast, with the Arabian Gulf forming its northern border. The UAE is located at the tip of the Arabian Peninsula at a latitude of approximately 23° north and a longitude of approximately 54° east.

Sabkha (salt flats) line much of Abu Dhabi’s coastline, but inland the emirate comprises sand and gravel desert. To the south, the dunes of the Rub al-Khali (Empty Quarter), the largest sand sea in the world, rise from the flats and stretch for hundreds of miles across Saudi Arabia. Mountainous terrain in the east of Abu Dhabi runs along the Oman border. There are more than 200 islands off Abu Dhabi’s coastline, including the island on which Abu Dhabi city is located.

The emirate's other principal city is Al Ain, which is based around seven oases on the Oman border.

Abu Dhabi's climate is very dry, with minimal rainfall during winter months. During those months, the temperature averages 26° Celsius, although during the summer the temperature can reach the high forties Celsius with 90 per cent. humidity, particularly on the coast.

HISTORY

The region in which the UAE is located has a long history. Stone tools from the Early Stone Age have been found along the edge of the Hajar Mountains. Prior to this, the earliest known human occupation for which there is significant evidence dated from the Neolithic period, 5,500 BC, when the climate was wetter and food resources were abundant.

By the end of the second millennium BC, the region had become more settled following the discovery of new irrigation techniques which made possible the extensive watering of agricultural areas.

By the first century AD, overland caravan traffic between Syria and cities in southern Iraq, followed by seaborne travel to the port of Omana (probably present-day Umm al-Qaiwain) and then to India, was an alternative to the Red Sea route used by the Romans.

The arrival of envoys from the Prophet Muhammad in 630 AD heralded the conversion of the region to Islam. The Portuguese arrival in the Gulf in the 16th century adversely affected the Arab residents of Julfar (Ras Al Khaimah) and east coast ports like Dibba, Bidiya, Khor Fakkan and Kalba. However, while European powers competed for regional supremacy, a local power, the Qawasim, was gathering strength. At the beginning of the 19th century the Qawasim had built up a fleet of over 60 large vessels and could put nearly 20,000 sailors to sea, eventually provoking a British offensive to control the maritime trade routes between the Gulf and India.

Inland, the arc of villages at Liwa were the focus of economic and social activity for the Bani Yas tribe from before the 16th century. By the early 1790s, the town of Abu Dhabi had become such an important pearling centre that the political leader of all the Bani Yas groups, the Sheikh of the Al Bu Falah (Al Nahyan family) moved there from Liwa. Early in the 19th century, members of the Al Bu Falasah, a branch of the Bani Yas, settled by the Creek in Dubai and established Maktoum rule in that emirate.

Following the defeat of the Qawasim, the British signed a series of agreements with the sheikhs of the individual emirates that, later augmented with treaties on preserving a maritime truce, resulted in the area becoming known as "The Trucial States".

The pearling industry thrived during the 19th and early twentieth centuries, providing both income and employment to the people of the Gulf coast. Many of the inhabitants were semi-nomadic, pearling in the summer months and tending to their date gardens in the winter. The First World War had a severe impact on the pearling industry, but it was the economic depression of the late 1920s and early 1930s, coupled with the Japanese invention of the cultured pearl, that damaged it irreparably. The industry eventually faded away just after the Second World War, when the newly independent government of India imposed heavy taxation on pearls imported from the Gulf. As a result, the population faced considerable hardship with little opportunity for education and no roads or hospitals.

In the 1930s and 1940s, oil was discovered in Kuwait, Qatar and Saudi Arabia, adding to that already found in Iran, Iraq and Bahrain. In 1958, oil was found off the shore of Abu Dhabi. The first commercial oil discovery was made onshore at Bab in 1960 and the first cargo of crude oil was exported from Abu Dhabi in 1963. With revenues growing as oil production increased, Sheikh Zayed bin Sultan Al Nahyan, who was chosen as Ruler of Abu Dhabi, began a programme of construction of schools, housing, hospitals and roads.

The British remained in the area until their withdrawal in 1971. Steps were then taken by the rulers of the seven emirates, under the guidance of Sheikh Zayed bin Sultan Al Nahyan, to bring

the individual sheikhdoms together into a single federation. This resulted in the formation by six of the seven emirates of the UAE in December 1971, with Ras Al Khaimah joining in February 1972.

In May 1976, the seven emirates agreed to merge their armed forces. In 1979, the Ruler of Dubai, Sheikh Rashid bin Said Al Maktoum, became Prime Minister of the UAE. Sheikh Zayed bin Sultan Al Nahyan served as President of the UAE from 1971 until his death in November 2004. His son, Sheikh Khalifa, succeeded him as Ruler of Abu Dhabi and President of the UAE until his death in May 2022. The current Ruler of Abu Dhabi and President of the UAE is Sheikh Mohammed bin Zayed Al Nahyan.

POPULATION

The most recent UAE census for which data has been published was conducted in 2023. Based on the results of this census, the UAE Federal Competitiveness and Statistics Centre (the FCSC) estimated the resident population of the UAE to be approximately 10.7 million as at 31 December 2023 and the Statistics Centre – Abu Dhabi (the SCAD) estimated the total population of Abu Dhabi to be 3.8 million as at 30 September 2023.

The populations of both the UAE and Abu Dhabi have grown significantly since 1985, reflecting an influx of foreign labour, principally from Asia, as the emirates have developed. The table below illustrates this growth since 1985, using census data for each of 1985, 1995, 2005 and 2023.

Population of Abu Dhabi and the UAE

	1985	1995	2005	2023
Abu Dhabi population ⁽¹⁾	566,036	942,463	1,399,484	3,789,860
UAE population ⁽²⁾	1,379,303	2,411,041	4,585,428	10,678,556

Notes:

(1) Abu Dhabi data as at 30 June in 1985, 1995 and 2005 and as at 30 September 2023, based on the Abu Dhabi census 2023 revised in accordance with Abu Dhabi's revision policy.

(2) UAE data as at 31 December. UAE data as at 31 December 2023 is an estimate.

Sources: SCAD (Abu Dhabi population figures) and FCSA (UAE population figures).

POPULATION OF ABU DHABI

Based on SCAD data, Abu Dhabi's population was 4,135,985 as at 30 September 2024. As at 30 September 2024, the population was 66.9 per cent. male and 33.1 per cent. female, with 1.9 per cent. of the population being 65 years and older, 83.6 per cent. being between 15 and 64 years, and 14.5 per cent. being 14 years and under.

GOVERNANCE, LEGISLATION AND JUDICIARY

Federalism

The relationship between the federal government and the government of each emirate is laid down in the constitution of the UAE (the **Constitution**) and allows for a degree of flexibility in the distribution of authority. The Constitution states that each emirate shall exercise all powers not assigned to the federation. Each emirate has its own local government, consisting of departments or authorities, so that each emirate retains significant political and financial autonomy.

Abu Dhabi enjoys good relations with each of the other emirates in the UAE. Each emirate manages its own budget on an independent basis and no emirate has any obligation to contribute to the budget of any other emirate. Each of Abu Dhabi and Dubai make contributions to the federal budget in agreed amounts. In addition, Abu Dhabi makes contributions to the federal budget to fund security and defence, which are federal responsibilities but are managed by Abu

Dhabi, see “*Public Finance—Government Finance—Abu Dhabi Government Budget—Expenditure*”.

UAE Constitution

The original Constitution was initially provisional and provided the legal framework for the federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996 (which also confirmed the city of Abu Dhabi as the permanent capital of the UAE).

The key principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was assigned exclusively to the federal government, but the local governments of the seven emirates were authorised to regulate those matters that were not the subject of legislation by the federal government. Article 3 of the Constitution states that “the member Emirates shall exercise sovereignty over their own territories and territorial waters in all matters not within the jurisdiction of the Union as assigned in this Constitution”.

Article 122 of the Constitution states that “the Emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles”. Pursuant to Articles 120 and 121 of the Constitution and subject as set out below, the federal government is responsible for foreign affairs; national security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft and a number of other matters including labour relations; banking; the delimitation of territorial waters; and the extradition of criminals. Federal matters are conducted through federal ministries, including the Ministries of Foreign Affairs, Defence, Justice, Finance and Economy. These ministries are in the city of Abu Dhabi. The UAE’s monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank, which is also based in the city of Abu Dhabi. See “*Monetary and Financial System—Monetary and Exchange Rate Policy*”.

The individual emirates are given flexibility in the governance and management of their own emirates. The Constitution also permits individual emirates to elect to maintain their own competencies in certain sectors. Based on this flexibility, Abu Dhabi has elected to assume responsibility for its own education, public health and judicial systems. The natural resources and wealth in each emirate are the public property of that emirate. See “*—Emirate of Abu Dhabi*” below.

FEDERAL SUPREME COUNCIL

The UAE is governed by the Supreme Council of the Rulers of all the emirates (the **Supreme Council**). This is the highest federal governing body and consists of the Rulers of the seven emirates. The Supreme Council elects from its own membership the President and the Vice President of the UAE (who may serve for an unlimited number of renewable five-year terms). Resolutions of the Supreme Council on substantive matters are passed if five or more members vote in favour, provided that the votes of both Abu Dhabi and Dubai are included in the majority. Resolutions on procedural matters are passed by a simple majority.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

The then Ruler of Abu Dhabi, Sheikh Zayed bin Sultan Al Nahyan, was elected by the Supreme Council as the first President of the UAE in 1971 and was re-elected as President for successive five-year terms until his death in November 2004. The then Ruler of Dubai, Sheikh Rashid bin Said Al Maktoum, was elected as the first Vice-President of the UAE and continued as Vice-President until his death in 1990. Both were succeeded by their Crown Princes, who became Rulers of their emirates and were elected by the members of the Supreme Council to become President, for the Ruler of Abu Dhabi, and Vice-President, for the Ruler of Dubai.

Following the death of the Ruler of Abu Dhabi in May 2022, the Crown Prince of Abu Dhabi became the new Ruler of Abu Dhabi and President of the UAE.

Federal Council of Ministers

The Federal Council of Ministers (the **Cabinet**) is described in the Constitution as “the executive authority” for the federation and is responsible for implementing policy decisions of the Supreme Council. This cabinet of ministers is the principal executive body of the federation, is based in the city of Abu Dhabi and is headed by the Prime Minister. The members of the Cabinet are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister. The Constitution defines the responsibilities of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual federal budget.

Federal National Council

The Federal National Council (the **FNC**) is a parliamentary body which comprises 40 members who are nationals of the UAE. Each emirate appoints members for a particular number of seats based on population and size. Abu Dhabi and Dubai have eight members each, Sharjah and Ras Al Khaimah have six members each and the other emirates have four members each. The nomination of representative members is left to the discretion of each emirate and, according to the Constitution, the members’ legislative term is four calendar years. The members represent the UAE rather than their individual emirates.

The FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the FNC is to discuss the annual budget of the UAE. Although the FNC can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself and its amendments to, or rejection of, draft legislation placed before it can ultimately be overridden by the Supreme Council.

The inaugural FNC elections were held in December 2006, following reforms to enhance public participation in the electoral process. Under these reforms, the Ruler of each emirate selected an electoral college numbering approximately 100 times the number of FNC members for the relevant emirate. The members of each electoral college elected half of the FNC members for their emirate, with the remainder being appointed by the Ruler.

The most recent elections for the 20 elected positions on the FNC were held in October 2023, with a voter turnout across the UAE of 175,487, or 44.0 per cent. of the electoral college of 398,879.

Legal and Court System

There are three primary sources of law in the UAE: federal laws and decrees which are applicable in all seven emirates; local laws and decrees which apply only in the emirate enacting them; and Shari’ah (Islamic) law. The secondary form of law is trade custom or practice. In accordance with the Constitution, in the absence of federal legislation on areas specifically reserved to federal authority, the Ruler or local government of each emirate will apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between the federal government and the emirate governments.

In accordance with the Constitution, three of the seven emirates (Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective emirates.

The Abu Dhabi judicial system comprises three tiers: courts of first instance, courts of appeal and a court of cassation, which is a further appeal court that has the power to determine conflicts of jurisdiction between the different courts of the emirate.

In 2020, the UAE passed reforms that were driven by the UAE's leadership focus on creating a tolerant environment that is accommodating to the different cultures in the UAE and on moving the UAE towards becoming a world-class legal system, which acts as an attractive platform for international talent, businesses and investors. Key areas covered in the reforms include:

- decriminalising the consumption of alcohol;
- decriminalising cohabitation between consenting adults;
- applying the law of the country of origin on personal status matters for non-UAE-nationals (including marriage, divorce, child custody, wills and inheritance);
- abolishing honour killings as a mitigating factor;
- introducing a good Samaritan law;
- strengthening the rights of an accused in a criminal proceeding;
- mandating the presence of translators for defendants and witnesses during any questioning by law enforcement officers; and
- requiring law enforcement officers to recite rights upon arrest (commonly known as Miranda rights) and clarify the offence under which the arrest is made.

In 2022, additional extensive reforms took place with 40 new laws passed and updates of existing laws covering areas of business, labour, family, personal status, crime, intellectual property and e-commerce.

In addition, the UAE has also announced that certain non-Emiratis may be eligible for a UAE passport in limited circumstances in a move aimed at attracting additional talent to the UAE.

In addition, the Abu Dhabi Global Market (the **ADGM**) was established in 2013 by a federal decree as a financial free zone in Abu Dhabi with its own civil and commercial laws and an independent legal system and regulatory regime. The ADGM courts apply an independent common law framework to adjudicate civil and commercial disputes and are broadly based on the English judicial system. ADGM judges are drawn from leading common law jurisdictions. The foundation of the civil and common law in the ADGM, as applied by the ADGM courts, is English common law, including the rules and principles of equity.

EMIRATE OF ABU DHABI

Executive authority in Abu Dhabi is derived from the Ruler, Sheikh Mohammed bin Zayed Al Nahyan. The Abu Dhabi Executive Council (the **Executive Council**) is the principal executive authority below the Ruler and comprises members appointed by the Ruler.

The Executive Council, which is chaired by the Crown Prince of Abu Dhabi, consists of the Abu Dhabi Executive Office (the **Executive Office**), the Executive Committee and the subcommittees. The role of the Executive Office is to support the Executive Council and its committees. The Executive Committee is tasked with deciding on the projects submitted to the Executive Council. The subcommittees comprise the Economic Development subcommittee, the

Social Development subcommittee, the Security, Justice and Safety subcommittee and the Infrastructure and Environment subcommittee.

Abu Dhabi's National Consultative Council (the **National Consultative Council**) undertakes a role similar to that of the FNC, questioning officials and examining and endorsing legislation. The National Consultative Council is chaired by a speaker and has 40 members selected from among the emirate's main tribes and families.

Departments, authorities and councils are established by Emiri Decree and are subject to the authority of the Ruler or the Executive Council, as the case may be. Departments manage administration within the emirate and each department manages a specific portfolio. Departments include, for example, the Department of Finance (the **DoF**), the Department of Energy, the Department of Municipalities and Transport, the Department of Health, the Department of Economic Development, the Department of Education and Knowledge and the Department of Culture and Tourism. Authorities manage the emirate's resources and strategies and include the Accountability Authority and the Abu Dhabi Creative Media Authority. Councils act as controlling bodies for certain government initiatives, projects and industry sectors by setting and monitoring policies, regulations and standards and include the Council for Economic Development. The DoF reports directly to the Ruler.

Law No. 24 of 2020 established the Supreme Council for Financial and Economic Affairs (the **SCFEA**). The SCFEA was established to set public policy for financial, investment, economic, petroleum and natural resources affairs in the emirate, enhancing their importance, preserving gains and supporting Abu Dhabi's future growth. The SCFEA assumed all the competencies and powers previously exercised by the Executive Council in relation to ADIA, ADNOC, Mubadala, ADQ (as defined below) and, upon designation by a resolution of the chairman of the board of the SCFEA, other governmental entities, institutions and companies in which the government holds a stake. The Supreme Petroleum Council's regulatory powers in respect of the petroleum industry were transferred to the SCFEA. The law stipulates that the Chairman of the SCFEA is the Ruler of Abu Dhabi, and the Vice-Chairman is the Crown Prince of Abu Dhabi.

Abu Dhabi owns or has significant shareholdings in a number of companies. The most important companies wholly owned by Abu Dhabi are:

- ADNOC, which manages all aspects of the emirate's oil and gas industry;
- ADIA, which is the vehicle through which the government has historically invested its surplus hydrocarbon revenues;
- Mubadala Investment Company (Mubadala), which was formed in early 2017 and is a global investment business focused on sustainable financial returns to help realise the government's vision for a globally integrated and diversified economy; and
- Abu Dhabi Developmental Holding Company, which was established in 2018 and rebranded as ADQ in 2019 (**ADQ**), which is an investment holding company mandated to accelerate the transformation of the emirate into a knowledge-based economy.

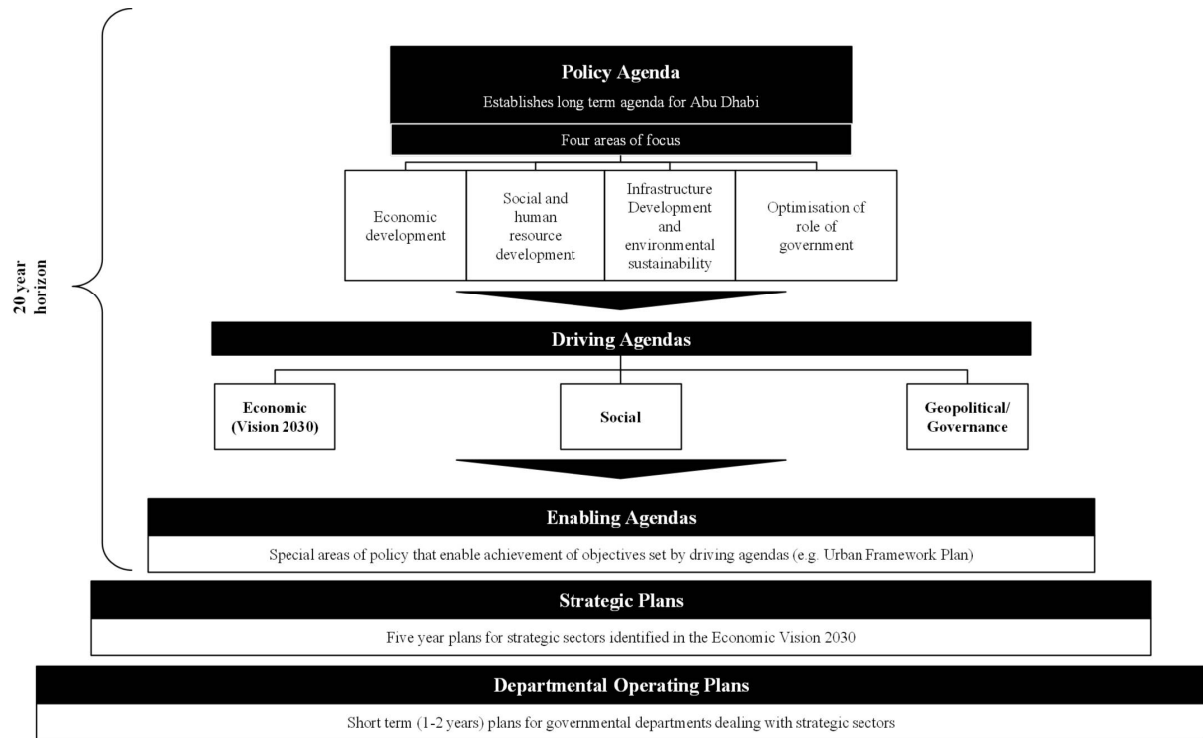
Each of these companies is wholly-owned by Abu Dhabi. Further information on ADNOC is available under "*Economy of Abu Dhabi—Principal Sectors of the Economy—Oil and Gas—Structure of Abu Dhabi's Oil Industry*". Further information on Mubadala and ADQ is available under "*—Strategy of Abu Dhabi—Implementation of the Strategy*" below. In addition, see "*Public Finance—Government Finance—Abu Dhabi Government Budget*" and, for further information on ADIA, "*Public Finance—Principal Investments*".

STRATEGY OF ABU DHABI

Abu Dhabi's leaders have a long-term strategy of diversifying Abu Dhabi's economy away from its reliance on oil and gas as the single major revenue source and with a view to creating conditions that allow Emiratis to participate fully in the wealth of Abu Dhabi. The strategy

envisages the government moving away from being a supplier of goods and services, limiting the role of the government to that of a facilitator and an investor in the public facilities and infrastructure needed to fulfil its vision. Accordingly, the private sector and Abu Dhabi-owned investment entities like Mubadala are driving the process of diversification.

The government's strategy was prepared using both a top down and a bottom-up approach as illustrated in the diagram below:



From a top down perspective, the government published its Policy Agenda 2007-2008 (the **Policy Agenda**) which established overall, long-term policy agendas to drive economic, social and geopolitical/governance change. The Policy Agenda established four priority areas of focus aimed at ensuring that the high-level guidelines for Abu Dhabi's socio-economic development are met:

- economic development;
- social and human resources development;
- infrastructure development and environmental sustainability; and
- optimisation of the role of government in the future of the emirate.

These priority areas formed the basis of the enabling agendas identified in the diagram above.

Drawing on the Policy Agenda, in January 2009 the government published its Abu Dhabi Economic Vision 2030 (the **2030 Economic Vision**) which developed the government's strategic vision in relation to economic change over the period to 2030 in line with the vision articulated in the Policy Agenda. Similar strategies were also developed in relation to the agendas for social and geopolitical/governance change identified in the Policy Agenda. Abu Dhabi also benefits from and is aligned with the UAE's broader socio-economic advancement. For example, the UAE ranked tenth of 64 countries in the IMD World Competitiveness Index 2023. This ranking analyses and ranks countries according to how they manage their competencies to achieve long-term value creation.

The government also adopted certain enabling agendas to ensure that the policy goals set out in the Policy Agenda are achieved. The enabling agendas focused on, among other things, fiscal and monetary policy and trade, human capital, infrastructure and utilities, and services. The Plan Capital 2030: Urban Structure Framework Plan prepared by the Abu Dhabi Urban Planning Council (the **Abu Dhabi Urban Structure Plan**) set out the enabling agenda for infrastructure and utilities for the city of Abu Dhabi and its surrounding areas. Similar plans were also prepared in relation to the emirate's other two regions, the eastern region (Al Ain and its surroundings) and the western region (known as Al Gharbia).

Enabling agendas in turn set the framework for medium-term (5 year) strategic plans prepared in relation to each of the strategic sectors identified in the 2030 Economic Vision (see “—2030 Economic Vision” below) and for each of the principal government departments responsible for those sectors. The strategic plans for each sector were prepared on the basis of a bottom-up approach following in depth analysis of each sector and consultations with the key enterprises involved in each sector. These medium-term plans are reviewed regularly to ensure that they adapt to changing circumstances and, in turn, allow the development of short-term (1–2 year) operating plans by the relevant governmental departments.

The principal vehicles for implementing the Policy Agenda and the 2030 Economic Vision are Abu Dhabi's wholly-owned companies including, in particular, Mubadala and, more recently, ADQ. The government believes that the use of Abu Dhabi's wholly-owned companies to implement its strategy has multiple benefits, including higher levels of accountability as the companies are required to adopt high corporate governance standards, cost effectiveness as the companies have been able to raise significant funds from the private sector and significant knowledge transfer and employment opportunities for UAE nationals from the joint ventures entered into by these companies with foreign partner companies.

Abu Dhabi's strategy is flexible and can be adapted to changes in the macro-economic environment. The most recent example of this was the government's accelerator programme, Ghadan 21, an AED 50 billion, three-year accelerator programme created to enhance the competitiveness of Abu Dhabi, which was initiated in 2018. Ghadan 21 focused on investing in initiatives in three areas:

- communities, where Ghadan 21 supported the wellbeing of Abu Dhabi's people through investment in job creation, infrastructure, healthcare, education, culture and the environment. Among other outcomes, 56 social enterprises focused on supporting people of determination, mental well-being, family cohesion, the environment, and senior citizens were launched, 14,064 housing loans were offered between 2019 and 2020 amounting to AED 22.3 billion, 130 projects to beautify public spaces were initiated and 32 new charter and affordable schools were opened providing nearly 49,672 new school places;
- the economy, where Ghadan 21 invested in initiatives that enhanced ease of doing business through simplified licencing, incentive packages, reduced tariffs and flexible regulations, creating opportunities for the private sector – in particular startups and SMEs – and increasing local value and investment. Among other outcomes, changes to the government's tender processes resulted in more than 1,500 private sector jobs being created for Emiratis and around AED 44 billion being brought back into Abu Dhabi's economy, as well as AED 5 billion in financing being provided for 271 SMEs and healthcare providers; and
- knowledge, where Ghadan 21 invested in developing advanced infrastructure for a technology-enabled future and incentivising innovation-led industries. This included investments in research and development, as well as in technology-focused companies in high growth areas and boosting digital skills. For example, Hub 71, launched in March 2019, incubated more than 100 startups in sectors crucial to Abu Dhabi's growth such as artificial intelligence, space technology, financial technology, agricultural technology

and cyber security which raised more than AED 1.4 billion. In addition, AED 297 million funding was awarded to 114 research projects.

An agile investment programme, Ghadan 21 also responded quickly to the circumstances presented by COVID-19, providing financial relief, ensuring continuous fiscal growth, preserving economic gains, and propelling the emirate towards a knowledge-enabled future. While the Ghadan 21 programme has achieved its goals, many of its key initiatives continue to be implemented by government entities.

In addition, ADNOC has introduced an In-Country Value (ICV) programme for its suppliers. This procurement-led initiative aims to boost ADNOC's ICV contribution by focusing on local supplier selection, development of UAE nationals and the localisation of critical functionalities in the oil and gas industry. The ICV programme aims to support the economy through diversification, building additional industrial clusters, Emiratisation and strategic localisation of its supply chain. ADNOC's ICV programme is a five-year plan and is expected to localise around 40 per cent. of its total awarded contracts, which are estimated to be approximately U.S.\$132 billion in total, reflecting the expected investment in downstream and capacity expansion projects, which amounts are expected to be funded through a combination of ADNOC's own funds and borrowings. It aims to create opportunities for both international and local businesses to further participate in ADNOC's projects and revitalise the domestic non-oil sector. It is also an extension of ADNOC 2030 strategy discussed under "*Economy of Abu Dhabi—Principal Sectors of the Economy—Oil and Gas—Structure of Abu Dhabi's Oil Industry—ADNOC*".

Set out below is a summary of the Policy Agenda, the 2030 Economic Vision and the Abu Dhabi Urban Structure Plan and a section providing further detail and examples of the way the strategy is being implemented.

Policy Agenda

The Policy Agenda was published by the Executive Council and outlines the key goals and government initiatives in development across a range of authority and departmental portfolios in the emirate. It identifies the role public and private entities will play in the further social and economic development of the emirate and identifies opportunities for the private sector to engage with the public sector. To this end, the Policy Agenda sets out the four priority areas of focus listed above: economic development; social and human resources development; infrastructure development and environmental sustainability; and optimisation of the role of government in the future of the emirate. The last of these has been completed. Each of these priority areas is underpinned by nine pillars of policy intended to form the architecture of the emirate's social, political and economic future. These nine pillars are:

- establishing a large empowered private sector;
- developing a sustainable knowledge-based economy;
- creating an optimal and transparent regulatory framework;
- continuing the emirate's strong and diverse international relationships;
- optimising the emirate's resources;
- establishing a premium educational, healthcare and infrastructure asset base;
- ensuring international and domestic security;
- maintaining Abu Dhabi's values, culture and heritage; and

- contributing in a significant and ongoing manner to the federation of the UAE.

Economic Development: The strategy for economic development focuses on three core areas:

- an economy-wide effort to raise productivity, including expansion of the private sector through privatisation and public private partnerships, the adoption of asset-clustering strategies, whereby a sector will be supported by a cluster of goods and services providers within and around the sector to help the development and success of the sector, to help achieve an efficient and diversified economy (the initial clusters being basic industries and petrochemicals, real estate and tourism, aviation and logistics) and the establishment of ZonesCorp (now part of Abu Dhabi Ports Company PJSC (**AD Ports Group**)) to promote and manage specialised economic and industrial zones and provide infrastructure to stimulate non-oil economic sectors. Two examples of significant achievements in this area include the establishment of Emirates Aluminium Park, an aluminium-related cluster at Al Taweelah of which Emirates Global Aluminium PJSC (**EGA**) and Al Taweelah Alumina are major elements, see “*Implementation of the Strategy—Mubadala*” below;
- diversifying the energy sector and the economy, with a focus on strengthening downstream (refining, transportation and distribution) capabilities through the application of better processes, products and technologies, expanding the proportion of value-added exports such as refined and semi-refined products in the petrochemicals sector in particular, pursuing geographic diversification through strategic investments in upstream and downstream hydrocarbon assets outside the UAE, and leveraging Abu Dhabi’s activities in the hydrocarbon sector to diversify into new industrial activities. In addition, Emirates Nuclear Energy Corporation (**ENEC**), a wholly-owned government company, operates a nuclear power station in Abu Dhabi, see “*Economy of Abu Dhabi—Infrastructure—Energy and Water*”; and
- development of a high-end tourism market. The Abu Dhabi tourism strategy is being implemented by the Department of Culture and Tourism. The strategy focuses on three main areas: marketing Abu Dhabi globally as a tourist destination; developing a tourism infrastructure and upgrading the emirate’s tourist attractions and services; and overseeing the tourism sector including in terms of licensing and quality control. Etihad is a key facilitator of this strategy. See “*Economy of Abu Dhabi—Principal Sectors of the Economy—Tourism*”.

Social and Human Resources: The government is focusing on developing its human and social capital through improvements in education and healthcare, effective management of labour resources, raising standards in the civil service, increasing the awareness of UAE nationals of their culture and heritage and improvements in food safety, hygiene and quality. Mubadala has a significant role in the education and healthcare sectors and ADQ has a significant role in the healthcare sector. See further, “*Implementation of the Strategy—Mubadala*” and “*Implementation of the Strategy—ADQ*” below.

Infrastructure and the Environment: The government is also focusing on improvements particularly in the fields of urban planning, transport, the environment, health and safety, municipal affairs and police and emergency services.

2030 Economic Vision

Based on the principles set out in the Policy Agenda, in January 2009, the government announced a long- term vision to turn the emirate into a knowledge-based economy and reduce its dependence on the oil sector. The 2030 Economic Vision was designed as a comprehensive plan to diversify the emirate’s economy and grow the contribution of the non-oil sector significantly by 2030. It examined the then current economic environment in Abu Dhabi and identified key areas for improvement in order to achieve the goals laid out in the Policy Agenda.

The 2030 Economic Vision identified two underlying economic policy priorities: the need to build a sustainable economy and the need to ensure that social and regional development is balanced to bring the benefits of economic growth and well-being to the entire population of the emirate.

For both of these economic policy priorities, a number of specific core economic objectives have been identified. These include enhancing competitiveness, productivity and diversification which is intended to reduce the volatility of growth; enlarging the enterprise base by encouraging entrepreneurs, small enterprises and foreign direct investment; and enabling the development of new national champion enterprises to act as economic anchors. In addition, to ensure that social and regional development reaches all sections of society, the 2030 Economic Vision envisaged action to enable the emirate's youth to enter the workforce, to maximise the participation of women and to continue to attract skilled labour from abroad.

In addition to the economic policy priorities and the core economic objectives, seven areas of specific economic focus have been identified, each having additional specific objectives that must be achieved in order for the government's stated economic vision to be realised. The seven areas of economic focus are:

- building an open, efficient, effective and globally integrated business environment;
- adopting a disciplined fiscal policy that is responsive to economic cycles;
- establishing a resilient monetary and financial market environment with manageable levels of inflation;
- driving significant improvements in the labour market;
- developing a sufficient and resilient infrastructure capable of supporting the anticipated economic growth;
- developing a highly skilled and highly productive workforce; and
- enabling financial markets to become the key financiers of economic sectors and projects.

The 2030 Economic Vision aims to achieve its goals by focusing resources on 12 sectors to drive Abu Dhabi's future growth. These sectors are:

- oil and gas;
- petrochemicals;
- metals;
- aviation, aerospace and defence;
- tourism;
- telecommunication services;
- financial services;
- education;
- healthcare equipment and services;
- pharmaceuticals, biotechnology and life sciences;

- transportation, trade and logistics; and
- media.

The 2030 Economic Vision seeks to grow Abu Dhabi's GDP significantly. This growth is not expected to be consistent throughout the period as different economic cycles and the fluctuation in oil prices will mean that rates of growth will vary from time to time and such variations may be material from one economic period to another. The government also intends to foster non-oil GDP growth. These economic gains are expected to be achieved with the support of a sound monetary and fiscal policy designed to support Abu Dhabi's businesses in increasingly competitive global markets. However, no assurance can be given that these economic gains will be achieved as anticipated or at all. See "*Cautionary Statement Regarding Forward Looking Statements*" at the beginning of this Offering Circular.

The 2030 Economic Vision is also intended to evolve as the government assesses the completion of its goals and the adapts the objectives from time to time in line with its economic policy priorities and core economic objectives.

Urban Structure Plans

In September 2007, the Executive Affairs Authority published the Abu Dhabi Urban Structure Plan, a significant urban planning initiative intended to articulate an urban plan to guide the evolution of the city of Abu Dhabi to the year 2030. The Abu Dhabi Urban Structure Plan set an environmental context within which urban development should be undertaken, confirmed an urban structure of land use, transportation, open space, built form and national capital arrangements. It did not provide specifications for any particular site, but rather guiding principles for the overall development of the city of Abu Dhabi. Similar plans have also been prepared for the eastern and western regions of Abu Dhabi. Together, these plans cover the entire emirate.

The Abu Dhabi Urban Structure Plan anticipated two distinct phases of development. The initial phase focused on establishing the structural framework for future growth, such as transit and infrastructure, and addressed areas of acute pressure. The two principal developments undertaken in this phase were the Abu Dhabi Global Market development on Al Maryah Island and the development of the Capital District, both of which have been completed. The second phase extends from 2015 to 2030 and is principally concerned with accommodating an expanding economy and population through the development of higher density housing and the expansion of development within the industrial areas.

The Abu Dhabi Urban Structure Plan recommended supplementing existing areas of the city with a number of new, distinct zones and expanding the city's transport system into a multi-layered network that connects the downtown core with new growth nodes and the developed islands. The aim of the Abu Dhabi Urban Structure Plan was to allow the city to expand through sustainable development, with controlled growth and coordinated development. Sustainability under the Abu Dhabi Urban Structure Plan was envisaged to revolve around the natural environment, economic development and cultural heritage.

Although the emirate has an abundance of fossil fuels, the Abu Dhabi Urban Structure Plan recognised this as a finite resource and regarded diversification of the economy as necessary. The Abu Dhabi Urban Structure Plan promoted capitalising on the region's natural supply of solar and wind power to augment its fossil fuel driven economy. It also sought to monitor carefully the balance between supply and demand of real estate in order to try to avoid sudden market corrections.

Implementation of the Strategy

The government's strategy is principally being implemented through wholly owned companies, the principal examples of which are Mubadala and ADQ.

Mubadala

In January 2017, Mubadala was established as a company that is wholly owned by Abu Dhabi pursuant to Law no. (2) of 2017 issued by the Ruler of Abu Dhabi. This law also effected the transfer of Abu Dhabi's 100 per cent. shareholdings in each of Mamoura Diversified Global Holding PJSC (previously known as Mubadala Development Company PJSC) and International Petroleum Investment Company PJSC to Mubadala. Mubadala is a global investment business focused on sustainable financial returns to help realise the government's vision for a globally integrated and diversified economy.

Mubadala and its subsidiaries operate and make investments through four investment platforms as follows:

- **UAE Investments**. This platform aims to accelerate the transformation of the UAE's economy by investing in national world class champions, fostering vibrant industrial and commercial clusters and partnering with world-class global entities. The platform's key portfolio assets include: (i) its investments in subsidiaries such as Mubadala Energy, Al Yah Satellite Communications Corporation PJSC, Strata Manufacturing PJSC, Sanad Aerotech and the sustainable real estate business carved out of Abu Dhabi Future Energy Company (**Masdar**) at the end of 2022; (ii) associates such as Aldar, Tabreed and GM HealthCare Limited; and (iii) joint ventures such as EGA and Masdar. The aspiration is to grow these assets and incubate new initiatives aimed at attracting investment partners to cultivate these sectors further and establish additional clusters in the UAE for profitable and sustainable growth.
- **Direct Investments**. This platform executes global direct investments and actively manages a portfolio targeting high-growth, highly profitable companies across a range of sectors with strong fundamentals including energy & sustainability, technology, life sciences, consumer, industrials & business services, and financial services. The platform's primary geographical focus is North America, Europe and Asia. Key portfolio assets include: (i) subsidiaries such as GLOBALFOUNDRIES Inc. (GF) and NOVA Chemicals Corporation; (ii) joint ventures such as Compañía Española de Petróleos S.A.U., and (iii) its investments in Reliance Retail Ventures Limited, PCI Pharma Services, Envirotainer Holdings AB, Avalara Inc., Medallia Inc., Culligan International Co., Independent Vetcare Limited trading under the name IVC Evidensia and Truist Insurance Holdings, LLC.
- **Diversified Investments (previously named Disruptive Investments)**. This platform encompasses: (i) investments in next-generation high growth companies that are pioneering breakthrough solutions across a wide range of sectors and geographies; (ii) credit investments primarily in the form of direct lending in North America, Western Europe and the Asia Pacific region and across different asset classes and industries, (iii) investments in special opportunities across a wide range of sectors and geographies (including the management of certain of the platform's key portfolio assets and undertaking co-investment activities) and (iv) Mubadala Capital, a wholly-owned asset management subsidiary. The platform's key portfolio assets include its investments in Silver Lake Partnership, Softbank Vision Fund 1, Getir, ARM, Waymo LLC, Bpifrance's LAC I Fund, and direct lending programmes with Apollo Global Management, Ares Management Corporation, BlackRock and Kohlberg Kravis Roberts & Co. L.P.

- Real Estate and Infrastructure Investments. This platform deploys capital into international real estate, and traditional and digital infrastructure assets that offer long-term stable and predictable cash flows across business cycles. The platform partners with best-in-class investment managers and capital partners, governments and investment leaders to deliver vital real estate and infrastructure in countries to create long-term sustainable value. The platform is geographically diversified across North America, Europe and Asia. The platform's key portfolio assets include its investments in Jio Platforms, Connect Infrastructure Topco Limited, Princeton Digital Group, Calisen Group (Holdings) Limited, Tata Power Renewable Energy Limited, Terminal Investment Limited Holding SA, Skyborn Renewables GmbH, Nordic Connectivity AB (which owns GlobalConnect Group), Aligned Energy Holdings LP, Rio Grande LNG LLC, Zenobe Energy Limited and Aramco Oil Pipelines Company. The real estate portfolio is heavily focused on the logistics, residential, healthcare/life sciences and credit sectors, with investment managers such as 3650 REIT, Crow Holdings, Barings, Starz Real Estate, Logos and CBC Group.

As at 30 June 2024, Mubadala had total investments of AED 89 billion (U.S.\$24 billion) and total assets under management of AED 1,111 billion (U.S.\$302 billion).

ADQ

Established in 2018, ADQ is an active sovereign investor with a focus on critical infrastructure and global supply chains. As a strategic partner to the Government of Abu Dhabi, ADQ invests in the growth of business platforms anchored in the emirate that deliver value to local communities and long-term financial returns to its shareholder. ADQ's rapidly expanding portfolio encompasses companies across core sectors of the economy, including energy and utilities, transport and logistics, food and agriculture, and healthcare and life sciences. ADQ's growth has been driven both by the contribution of a wide range of independently operating businesses by its indirect shareholder and asset management actions taken by ADQ with a focus on driving synergies and value in and amongst its portfolio of largely UAE-based companies.

ADQ's portfolio is structured into eight economic clusters:

- Energy & Utilities. This cluster manages a portfolio spanning the energy and utilities value chain. ADQ's key Energy & Utilities assets include its majority owned subsidiary, TAQA, an Abu Dhabi-based integrated power and water utilities company, and its wholly owned subsidiaries, including Emirates Water and Electricity Company (the sole procurer of water and electricity in Abu Dhabi), Emirates Nuclear Energy Corporation PJSC (ENEC) (the developer and operator of the UAE's first nuclear energy plant) and Abu Dhabi Waste Management Company (**Tadweer**) (the company that manages the waste value chain in Abu Dhabi), see "*Economy of Abu Dhabi—Infrastructure—Energy and Water*".
- Transport & Logistics. This cluster strategic investments in assets across the transport and logistics value chain. ADQ's key assets in the aviation sector include its wholly owned subsidiaries, Etihad Airways Group (EAG) (a national flag carrier of the UAE that connects passengers and cargo across the world), Abu Dhabi Airports PJSC (**Abu Dhabi Airports**) (the owner and operator of the emirate's five airports, see "*Economy of Abu Dhabi—Infrastructure—Ports and Airports*"), its majority owned subsidiary, Abu Dhabi Aviation PJSC (which owns and operates helicopters and fixed wing aircraft and provides charter, commercial, air cargo and related services as well as maintenance, repair and overhaul and ground handling services). ADQ's key asset in the ports and free zone sector is its majority-owned subsidiary, AD Ports Group (which owns and operates ports, economic zones, maritime, logistics and digital businesses), see "*Economy of Abu Dhabi—Principal Sectors of the Economy—Manufacturing and Industry*", "*Economy of Abu Dhabi—Infrastructure—Ports and Airports*" and "*Economy of Abu Dhabi—Foreign Direct Investment and Free Zones*" and its key rail asset is its

associate, Etihad Rail Company PJSC (which operates the UAE’s national freight railway network and intends to commence the provision of passenger services in the near future), see “*Economy of Abu Dhabi—Infrastructure—Rail*”.

- Food & Agriculture. This cluster comprises assets spanning the full value chain, aiming to scale local production sustainably, preserve essential supplies and diversify food sources. ADQ’s key assets include its majority-owned subsidiaries, Agthia Group PJSC (which manufactures and sells essential food and beverage products, including water, flour and animal feed), Silal Food and Technology LLC (a company facilitating the production, sourcing and distribution of essential foods in the UAE) and Unifrutti Investments Limited (a global producer and distributor of high-quality fresh fruit), its equity-accounted associates, Louis Dreyfus Company International Holding B.V. (an international agri-commodities and food company) and Lulu International Holdings Limited (a diversified, multinational conglomerate that operates a chain of hypermarkets and retail companies) and its equity-accounted joint venture, Al Dahra Holding Company LLC (which cultivates, produces and trades animal feed and essential food commodities).
- Healthcare & Life Sciences. This cluster comprises an integrated healthcare and life sciences portfolio that delivers a sustainable health system with a focus on world-class clinical and pharmaceutical excellence to improve patient outcomes. ADQ’s key assets include (i) its wholly owned subsidiary, Arcera Life Sciences OPC LLC (**Arcera**), previously known as Q Life Sciences LLC. Arcera consolidates ADQ’s shareholdings in Pharma Strategy Partners GmbH (which produces pharmaceutical products in over 20 therapeutic areas), BMG (which produces sterile injectable products) and Amoun Pharmaceutical Company S.A.E. (which manufactures and sells pharmaceutical and animal health products) and (ii) its equity-accounted associate, PureHealth (which operates the largest vertically integrated healthcare network in the UAE and has operations in both the United Kingdom and the United States).
- Financial Services. This cluster comprises investments that help position the UAE as an attractive global hub for market-leading financial services companies, contributing to a competitive and resilient economy. ADQ’s key Financial Services assets include its subsidiary, Abu Dhabi Securities Exchange (**ADX**) (the second largest stock exchange in the Middle East by market capitalisation, demonstrating the strength and attractiveness of Abu Dhabi as an international capital market) and its joint venture, Wio Bank PJSC (the region’s first digital platform bank bringing together the capabilities of digital banking applications, embedded finance, and banking-as-a-service).
- Infrastructure & Critical Minerals. Established towards the end of 2024, this cluster includes investments that aim to support the creation of world-class platforms essential to the operation of diverse sectors of the economy, as well as those that safeguard the supply of essential metals and minerals, supporting ADQ’s mission to invest in the establishment of global supply chains. The Infrastructure & Critical Minerals cluster is expected to play a significant role across ADQ’s portfolio in the future, acting as a catalyst for the execution of projects in other markets and unlocking synergies as companies expand outside the UAE. ADQ’s key Infrastructure & Critical Minerals assets include its joint ventures OMF (ME) JV LP (which aims to invest in metals and mining companies in various geographies across a range of strategic metals and minerals), Plenary Group Holding Pty Limited (an independent long-term investor, developer and manager of public infrastructure) and Plenary Middle East (which is a co-development and investment platform whose focus is high impact public and social infrastructure opportunities with lasting socio-economic benefits, particularly in sectors such as education, transportation and healthcare, in target regions across the Middle East and Central Asia) and its associate, Alpha Dhabi Construction Holding LLC (which

owns Trojan Construction Group, a company leading large-scale construction and infrastructure projects across the UAE).

- Real Estate Investments (previously Tourism, Entertainment & Real Estate). This cluster is developing a diversified portfolio of real estate assets in the UAE and growth markets internationally to help build resilient economies. ADQ's key Real Estate Investments assets include its subsidiary Ras El Hekma Urban Development Project Company S.A.E (**REH Project Co.**) (which owns a significant plot of land at Ras El-Hekma on the north coast of Egypt) and its associate, Modon Holding (which operates in four segments: real estate, hospitality, labour accommodation and investments and has been appointed as the master developer for the first phase of 50 million m2 of the land owned by REH Project Co.).
- Sustainable Manufacturing. This cluster manages investments that support a thriving industrial sector and manufacturing base, enabling the economic transformation of Abu Dhabi. It is committed to scaling assets sustainably to become integrated national and regional champions. ADQ's key Sustainable Manufacturing assets include its majority owned subsidiaries, Emsteel Building Material PJSC (which is the UAE's largest steel and building materials manufacturer and produces homegrown high-quality products, premium cement, blocks, pipes and dry mortar) and E7 Group, formerly UPP (which provides comprehensive security printing and identity management solutions, packaging, printing, publishing and logistics services to national and global clients) and its joint ventures, TA'ZIZ (which aims to boost the UAE's industrial competitiveness, enhance local content, and drive economic diversification and value creation), Dubai Cable Company (Private) Limited (which provides high-quality copper and aluminium industrial products, offers turnkey high voltage cable system solutions and is one of the world's most respected cable suppliers) and Al Gharbia Pipe Company LLC (which manufactures large diameter welded steel pipes for the oil, gas, power generation and construction industries).

In addition, ADQ has an Alternative Investments reporting segment which invests in, and manages, equity and debt securities, funds and other securities, mainly through third parties.

Environmental, social and governance (ESG) standards

The UAE and its emirates, including Abu Dhabi, are committed to meeting the highest ESG standards. The UAE also strongly supports the UN's Sustainable Development Goals and has established a National Committee on SDGs to develop a national implementation plan that aligns and integrates the SDGs with the UAE's development agenda. The UAE ranked 80th out of all 167 ranked countries in the 2025 Sustainable Development Report with a score of 69.8, 4.2 points higher than the regional (Middle East and North Africa) average.

In support of the broader UAE Energy Strategy 2050, see "*Economy of Abu Dhabi—Infrastructure—Energy and Water*", Abu Dhabi adopted a 2030 Environment Vision which focuses on five key priorities: climate change; clean air and noise pollution; water resources; biodiversity, habitats and cultural heritage; and waste management. In addition, Abu Dhabi has committed to use 60 per cent. total clean energy, being renewable and nuclear, by 2035.

To achieve its clean energy ambition, Abu Dhabi is principally pursuing both solar photovoltaic (PV) and nuclear power projects, for example, the Noor Solar PV Plant in Abu Dhabi is one of the largest in operation globally with capacity of 1.2 GW and the Al Dhafra Solar PV Plant in Abu Dhabi, which was inaugurated in November 2023 and in which TAQA owns 40 per cent. and Masdar owns 20 per cent., is the largest globally at 1.5 GW capacity. In addition, see "*Economy of Abu Dhabi—Infrastructure—Energy and Water*" for discussions of Masdar's

involvement in a range of clean energy projects worldwide and Abu Dhabi's nuclear programme.

International Relations

The foreign policy of the UAE is based upon a set of guiding principles laid down by the UAE's first President, H.H. Sheikh Zayed bin Sultan Al Nahyan. He derived these principles from his belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non-interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolution of disputes, together with support for international institutions, such as the United Nations.

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance cooperation and to resolve disagreement through the pursuit of dialogue and peaceful means of diplomacy. Thus, one of the central pillars of the UAE's foreign policy has been the development of closer ties with its neighbours in the Arabian Peninsula. The Cooperation Council for the Arab States of the Gulf (also known as the Gulf Cooperation Council, or the **GCC**), which comprises the UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, was founded at a summit conference held in Abu Dhabi in May 1981.

In the Arab world, the UAE is committed to promoting common goals and, to this end, has supported the strengthening of common regional institutions, such as the League of Arab States and the GCC.

Beyond the Arab world, the UAE has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. In August 2020, the UAE and Israel signed an historic peace accord to normalise their relations. The UAE also maintains cordial relations with other regional states and has established good relations with the United States, the United Kingdom and the European Union as well as with African, Asian and Latin American states and many of the countries of the former Soviet Union. In December 2009, the UAE entered into a bilateral agreement with the United States for peaceful nuclear cooperation which establishes the legal framework for commerce in civilian nuclear energy between the two countries.

Since its establishment, the UAE has played an active role in the provision of financial aid to developing countries and has been a contributor of emergency relief to countries and areas affected by conflict and natural disasters. The policy formalises the key principles guiding the long-term plan for UAE foreign assistance, which are:

- supporting partner governments and communities to achieve their priority sustainable development goals;
- collaborating with other donors and development organisations;
- addressing neglected issues and under-supported communities;
- building on the UAE's unique characteristics and capabilities by prioritising technical assistance;
- utilising sustainable approaches; and
- making aid transparent, accountable and focused on results.

The UAE is also an active participant in multi-lateral aid-giving institutions and, as a global donor, the UAE's aid programme encompasses a wide geographic reach through its global thematic programmes, humanitarian assistance, support to multilateral organisations, and engagement with the private sector.

The UAE has had an ongoing dispute with Iran since 1971 over the three occupied islands of Abu Musa and Greater and Lesser Tunb. The UAE has consistently exercised self-restraint in relation to Iran's occupation of the UAE islands and has repeatedly called for the peaceful resolution of the issue.

Following the signing of the Al-Ula declaration in early January 2021, each of the UAE, Saudi Arabia and Bahrain have announced the restoration of diplomatic relations with Qatar. The UAE fully supports the provisions of the Al-Ula declaration, which emphasise the importance of respect for sovereignty and good neighbourly conduct, the joint efforts to counter extremism and terrorism, and the condemnation of any interference in the internal affairs of other Arab states.

From 2015 to July 2019, the UAE was a member of a military force led by Saudi Arabia (and supported by the U.S.) to support the internationally recognised government in Yemen against an insurgency led by the Houthi movement. After having successfully accomplished its objectives, the UAE withdrew its troops from Yemen in July 2019."

(5) *Economy of Abu Dhabi*

The following text replaces the entirety of the section "*Economy of Abu Dhabi*", which starts on page 105 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

"ECONOMY OF ABU DHABI

INTRODUCTION

With approximately 7.2 per cent. of the world's proven oil reserves (which were 1,567 billion barrels according to OPEC, as at 31 December 2024) and approximately 3.9 per cent. of the world's natural gas reserves (which were 208,892 billion standard cubic metres according to OPEC, as at 31 December 2024), the UAE's hydrocarbon wealth, coupled with a small population, gives it a high GDP per capita ratio and the second highest oil reserves per capita in the world based on OPEC data. In each of the six years from 2018 to 2024 (inclusive) Abu Dhabi produced on average between 2.7 and 3.1 million b/d.

Since it first began exporting oil in the 1960s, Abu Dhabi has accumulated significant income from hydrocarbon exports, much of which is invested by ADIA. See "*Public Finance—Principal Investments*". The government has in the past also committed significant funds to its wholly-owned companies. Income earned by ADIA and these other companies and investments made or disposed of by them are not included in the public finance statistical information published by Abu Dhabi. See "*Public Finance—Government Finance—Abu Dhabi Government Budget*".

Abu Dhabi's long-term economic development strategy (as articulated in the 2030 Economic Vision) envisages a process of diversification away from reliance on crude oil exports and includes substantial new investment in both the oil and gas sector as well as in a range of other industries and sectors listed in the 2030 Economic Vision.

In addition to a number of ongoing upstream and downstream hydrocarbon projects, the government, principally through Mubadala, ADQ and other wholly-owned companies, has made significant investments in international oil and gas assets, in the aluminium and steel industries, in the aerospace industry, in the semiconductor manufacturing industry, in energy and other utilities, in mobility and logistics, in healthcare and life sciences, in food and agriculture, in financial services, in information, communications and technology and in tourism, real estate and entertainment, among other sectors. Investment in these sectors is ongoing, adapted to the substantial completion of certain key investments and the maturing of certain of these sectors from an initial investment phase to ongoing operations of key assets and infrastructure.

In addition, a number of large-scale tourism and culture development projects have been completed or are ongoing. See “—Principal Sectors of the Economy—Tourism” below. These projects are being served by an improved transport infrastructure, including the recently-completed Terminal A building for Zayed International Airport in Abu Dhabi and a cruise ship terminal at Mina Zayed. See “—Infrastructure—Ports and Airports” below.

GROSS DOMESTIC PRODUCT

Nominal GDP

All Abu Dhabi and UAE nominal GDP information for 2024 in this document is a preliminary estimate and may be revised in the future. Nominal GDP figures for Abu Dhabi in 2023 and the UAE in 2023 and earlier years may also be revised when nominal GDP information for subsequent years is published.

In 2021, Abu Dhabi’s nominal GDP grew by 28.1 per cent. compared to 2020 as the economy recovered from the impact of COVID-19 observed in 2020 and oil prices continued to recover. In 2022, Abu Dhabi’s nominal GDP grew by 28.0 per cent. compared to 2021, principally reflecting higher oil prices resulting from international sanctions imposed on Russia following its invasion of Ukraine, with non-hydrocarbon GDP growing by 12.6 per cent. According to SCAD data, in 2023, Abu Dhabi’s nominal GDP fell by 2.5 per cent. compared to 2022, principally reflecting the fact that non-oil GDP growth of 11.8 per cent. was more than offset by a decline in oil GDP of 18.1 per cent., which principally reflected lower oil prices in 2023 compared to 2022. Based on preliminary estimates by SCAD, in 2024, Abu Dhabi’s nominal GDP increased by 4.4 per cent. compared to 2023, principally reflecting non-oil GDP growth of 7.5 per cent., driven by strong growth in transportation and storage, financial and insurance activities and construction.

According to SCAD data, Abu Dhabi’s nominal GDP was AED 679 billion in 2020, AED 870 billion in 2021, AED 1,113 billion in 2022, AED 1,085 billion in 2023 and AED 1,133 billion in 2024 (estimated). The oil and gas industry continues to be the major sector of Abu Dhabi’s economy and contributed 38.5 per cent. to nominal GDP in 2024.

The table below shows Abu Dhabi’s nominal GDP, its percentage growth rate, the UAE’s nominal GDP and the percentage contribution of Abu Dhabi’s nominal GDP to the UAE’s nominal GDP for each of the years indicated.

	2020	2021	2022	2023	2024 ^{(1),(2)}
	(AED millions, except percentages)				
Abu Dhabi nominal GDP.....	678,841	869,485	1,112,507	1,084,611	1,132,652
Percentage change in Abu Dhabi nominal GDP.....	(22.9)	28.1	28.0	(2.5)	4.4
UAE nominal GDP.....	1,311,677	1,551,416	1,878,129	1,919,330	2,028,413
Abu Dhabi as a percentage of UAE.....	51.8	56.0	59.2	56.5	55.8

Notes:

(1) Preliminary estimate for the UAE data.

(2) Preliminary estimate for Abu Dhabi data.

Sources: SCAD (for Abu Dhabi nominal GDP) and FCSA (for UAE nominal GDP only)

Abu Dhabi’s GDP is generated principally by the hydrocarbon sector (mining and quarrying), which contributed 31.5 per cent. in 2020, 40.9 per cent. in 2021, 48.0 per cent. in 2022, 40.3 per cent. of its nominal GDP in 2023, and 38.5 per cent. in 2024. The contribution of the hydrocarbon sector in nominal terms is materially affected by the prevailing level of oil prices as well as by varying oil and gas production volumes. Outside the hydrocarbon sector, the principal contributors to Abu Dhabi’s nominal GDP in each of 2020, 2021, 2022, 2023 and 2024 have been:

- construction (which accounted for 10.8 per cent. of Abu Dhabi's nominal GDP in 2024);
- financial and insurance activities (which accounted for 7.9 per cent. of Abu Dhabi's nominal GDP in 2024);
- manufacturing (which accounted for 8.1 per cent. of Abu Dhabi's nominal GDP in 2024);
- wholesale and retail trade, repair of motor vehicles and motorcycles (which accounted for 5.9 per cent. of Abu Dhabi's nominal GDP in 2024);
- public administration and defence, compulsory social service (which accounted for 5.8 per cent. of Abu Dhabi's nominal GDP in 2024); and
- electricity, gas and water supply; waste management (which accounted for 5.0 per cent. of Abu Dhabi's nominal GDP in 2024).

Together, these non-hydrocarbon sectors accounted for 46.2 per cent. in 2020, 40.5 per cent. in 2021, 35.6 per cent. in 2022, and 41.4 per cent. in 2023 and 42.7 per cent. in 2024 of Abu Dhabi's nominal GDP.

The following table shows Abu Dhabi's nominal GDP by economic activity and by percentage contribution for each of the years indicated.

Sector	2020		2021		2022		2023		2024 ⁽¹⁾	
	(AED millions)	(per cent.)	(AED millions)	(per cent.)	(AED millions)	(per cent.)	(AED millions)	(per cent.)	(AED millions)	(per cent.)
Agriculture, forestry and fishing	7,659	1.1	8,685	1.0	8,461	0.8	8,791	0.8	9,488	0.8
Mining and quarrying ⁽²⁾	213,541	31.5	355,194	40.9	533,580	48.0	437,100	40.3	436,297	38.5
Manufacturing	40,404	6.0	53,226	6.1	67,997	6.1	86,691	8.0	91,438	8.1
Electricity, gas and water supply; waste management	36,577	5.4	44,424	5.1	49,380	4.4	54,312	5.0	56,586	5.0
Construction	77,596	11.4	80,959	9.3	89,409	8.0	101,413	9.4	113,199	10.0
Trade ⁽³⁾	43,522	6.4	50,454	5.8	59,559	5.4	63,975	5.9	66,304	5.9
Transportation and storage	6,870	1.0	7,334	2.4	25,710	2.3	31,718	2.9	36,399	3.2
Accommodation and food service	25,779	3.8	26,758	0.8	8,697	0.8	9,510	0.9	10,398	0.9
Information and communication	55,522	8.2	61,640	3.1	28,697	2.6	29,783	2.7	31,735	2.8
Financial and insurance	26,989	4.0	26,729	7.1	68,931	6.2	79,403	7.3	88,985	7.9
Real estate	16,448	2.4	19,293	3.1	30,362	2.7	34,242	3.2	36,052	3.2
Professional, scientific and technical	11,264	1.7	11,215	2.2	19,437	1.7	20,023	1.8	21,670	1.9
Administrative and support services	59,943	8.8	61,469	1.3	14,603	1.3	15,676	1.4	16,376	1.4
Public administration ⁽⁴⁾	13,288	2.0	13,741	7.1	61,182	5.5	63,135	5.2	66,118	5.8
Education	16,052	2.4	18,211	1.6	14,512	1.3	15,056	1.4	15,689	1.4
Human health and social work	1,909	0.3	2,156	2.1	21,794	2.0	22,659	2.1	24,259	2.1
Arts, recreation and other services	6,702	1.0	6,977	0.2	2,571	0.2	3,095	0.3	3,328	0.3
Activities of households as employers	7,659	1.1	8,685	0.8	7,625	0.7	8,029	0.7	8,331	0.7
Total GDP	678,841	100.0	869,485	100.0	1,112,507	100.0	1,084,611	100.0	1,132,652	100.0
Total non-oil GDP	465,300	68.5	514,292	59.1	578,927	52.0	8,791	59.7	696,355	61.48

Notes:

(1) Preliminary estimates.

(2) Includes crude oil and natural gas.

(3) Wholesale and retail trade; repair of motor vehicles and motorcycles.

(4) Public administration and defence; compulsory social security.

Source: SCAD

Real GDP

All Abu Dhabi and UAE real GDP information for any period in 2024 and 2025 in this document is a preliminary estimate and may be revised in the future. GDP figures for Abu Dhabi and the UAE for 2023 and earlier years may also be revised in the future.

In common with general practice among hydrocarbon-producing countries, Abu Dhabi's real GDP is calculated using hydrocarbon prices from a base year (in Abu Dhabi's case, 2014) and adjusted by the GDP deflator for the year concerned, which is calculated by weighting inflation in different sectors of the economy. The use of constant hydrocarbon prices eliminates the effect of volatile price changes in hydrocarbon products on real hydrocarbon GDP and instead shows only the effects of production changes. The production figures that are included in the calculation of hydrocarbon real GDP include both oil and gas production, as well as the production of certain related products. Certain production information is set out under "*Balance of Payments and Foreign Trade—Foreign Trade—Hydrocarbon Exports*", although this data does not necessarily cover all items that are included in Abu Dhabi's hydrocarbon real GDP calculations.

According to SCAD data, Abu Dhabi's real GDP grew at annual rate of minus 7.7 per cent. in 2020 and in 2021, 2022, 2023 and 2024, Abu Dhabi's real GDP grew at an annual rate of 3.4 per cent., 9.2 per cent., 2.4 per cent. and 3.8 per cent., respectively.

According to SCAD data, Abu Dhabi's real GDP grew at an annual rate of 3.4 per cent. during the first quarter of 2025. The table below shows the year-on-year growth rates in Abu Dhabi's real GDP by the hydrocarbon sector and the non-hydrocarbon sector for each of the years indicated.

	2020	2021	2022	2023	2024 ⁽¹⁾
	(per cent.)				
Abu Dhabi hydrocarbon real GDP growth.....	(3.9)	(0.1)	9.2	(3.8)	1.1
Abu Dhabi non-hydrocarbon real GDP growth.....	(11.5)	7.2	9.2	8.6	6.2
Abu Dhabi total real GDP growth.....	(7.7)	3.4	9.2	2.4	3.8

Note:

(1) Preliminary estimates.

Source: SCAD

Real growth in the hydrocarbon sector has been driven by production changes. In 2020, the non-hydrocarbon sector of the economy was impacted by restrictions imposed to combat COVID-19, including lockdowns and travel restrictions, as well as the slump in oil prices in mid-year and only a gradual recovery during the second half of 2020. In 2021, the non-hydrocarbon sector began to recover as COVID-19 restrictions were eased, oil prices generally recovered and the world economy grew. In 2022, 2023 and 2024, the non-hydrocarbon sector grew strongly (by 9.2 per cent. in real terms in 2022, by 8.6 per cent. in real terms in 2023 and by 6.2 per cent. in real terms in 2024, in each case compared to the previous year) as economic recovery continued.

The table below shows Abu Dhabi's real GDP, its percentage growth rate, the UAE's real GDP and the percentage contribution of Abu Dhabi's real GDP to the UAE's real GDP for each of the years indicated.

	2020	2021	2022	2023	2024 ⁽¹⁾
	(AED millions, except percentages)				
Abu Dhabi real GDP (constant 2014 prices).....	980,621	1,014,198	1,107,941	1,135,084	1,178,445
Percentage change in Abu Dhabi real GDP.....	(7.7)	3.4	9.2	2.4	3.8
UAE real GDP (constant 2010 prices).....	1,457,042	1,523,378	1,637,852	1,708,299	1,776,491

Abu Dhabi as a percentage of UAE.....	67.3	66.6	67.6	66.4	66.3
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Note:

(1) Preliminary estimates.

Sources: SCAD (for Abu Dhabi real GDP) and FCSA (for UAE real GDP only)

Real GDP growth was 3.8 per cent. in 2024 which was held back by oil production, which dropped moderately. The non-hydrocarbon sector, which grew at 6.2 per cent., the fastest growing sectors of Abu Dhabi's real GDP in 2024 were:

- construction, as benefitting from infrastructure projects, with a growth rate of 11.3 per cent. in 2024;
- transportation and storage, through tourism and port traffic, with a growth rate of 16.9 per cent. in 2024;
- financial and insurance activities, with a growth rate of 10.7 per cent. in 2024;
- information and communication, with a growth rate of 6.6 per cent. in 2024; and
- arts, recreation and other service activities, with a growth rate of 7.2 per cent. in 2024.

The following tables show Abu Dhabi's real GDP by economic activity and by percentage contribution, as well as the annual growth rate, for each of the years indicated.

	2020			2021			2022		
	2020/19		Contribution	2021/2020		Contribution	2022/21		Contribution
	Contribution	Growth		Contribution	Growth		Contribution	Growth	
	(AED millions)	(per cent.)		(AED millions)	(per cent.)		(AED millions)	(per cent.)	
Agriculture, forestry and fishing.....	6,706	0.7	(2.8)	8,347	0.8	24.5	7,438	0.7	(10.9)
Mining and quarrying ⁽¹⁾	503,412	51.3	(3.9)	502,667	49.6	(0.1)	549,141	49.6	9.2
Manufacturing.....	68,610	7.0	(22.5)	82,826	8.2	20.7	96,114	8.7	16.0
Electricity, gas and water supply; waste management.....	17,093	1.7	(15.0)	17,952	1.8	5.0	20,027	1.81	11.6
Construction.....	76,758	7.8	(10.7)	79,965	7.9	4.2	85,854	7.7	7.4
Trade ⁽²⁾	48,393	4.9	(4.1)	52,566	5.2	8.6	58,123	5.25	10.6
Transportation and storage.....	13,643	1.4	(44.4)	16,774	1.7	23.0	20,661	1.97	23.2
Accommodation and food service.....	7,615	0.8	(33.3)	8,044	0.8	5.6	8,920	0.81	10.9
Information and communication.....	26,407	2.7	9.5	27,483	2.7	4.1	29,488	2.7	7.3
Financial and insurance.....	55,833	5.7	(20.1)	58,080	5.7	4.0	62,741	5.76	8.0
Real estate.....	31,514	3.2	(23.1)	31,421	3.1	(0.3)	36,273	3.3	15.4
Professional, scientific and technical activities.....	15,742	1.6	6.2	15,686	1.5	(0.4)	16,165	1.5	3.1
Administrative and support services.....	10,216	1.0	(5.4)	9,965	1.0	(2.5)	13,031	1.2	30.8
Public administration ⁽³⁾	60,368	6.2	9.8	60,260	5.9	(0.2)	59,281	5.4	(1.6)
Education.....	18,646	1.9	12.7	19,082	1.9	2.3	19,339	1.7	1.3
Human health and social work.....	11,398	1.2	2.5	14,416	1.4	26.5	15,694	1.4	8.9
Arts, recreation and other service.....	1,574	0.2	(11.9)	1,704	0.2	8.2	2,040	0.2	19.7
Activities of households as employers.....	6,693	0.7	7.8	6,961	0.7	4.0	7,608	0.7	9.3
Total GDP	980,621	100.0	(7.7)	1,014,198	100.0	3.4	1,107,941	100.0	9.2
Total non-oil GDP	477,209	48.7	(11.5)	511,532	50.4	7.2	558,799	50.4	9.2

Notes:

(1) Includes crude oil and natural gas.

(2) Wholesale and retail trade; repair of motor vehicles and motorcycles.

(3) Public administration and defence; compulsory social security.

Source: SCAD

	2023			2024 ⁽¹⁾		
	Contribution	2023/22 Growth		Contribution	2024/23 Growth	
	(AED millions)	(per cent.)		(AED millions)	(per cent.)	
Agriculture, forestry and fishing.....	7,506	0.7	0.9	7,612	0.6	1.4
Mining and quarrying ⁽²⁾	528,431	46.6	(3.8)	534,113	45.3	1.1
Manufacturing.....	108,644	9.6	13.0	111,595	9.5	2.7
Electricity, gas and water supply; waste management	20,948	1.8	4.6	21,595	1.8	3.1
Construction.....	96,493	8.5	12.4	107,425	9.1	11.3
Trade ⁽³⁾	61,375	5.4	5.6	62,737	5.3	2.2
Transportation and storage.....	23,755	2.1	15.0	27,776	2.4	16.9
Accommodation and food service.....	9,429	0.8	5.7	9,896	0.8	5.0
Information and communication.....	30,240	2.7	2.6	32,234	2.7	6.6
Financial and insurance.....	70,239	6.2	12.0	77,766	6.6	10.7
Real estate.....	40,047	3.5	10.4	41,747	3.5	4.2
Professional, scientific and technical activities..	16,959	1.5	4.9	18,259	1.5	7.7
Administrative and support services.....	14,024	1.2	7.6	14,567	1.2	3.9
Public administration ⁽⁴⁾	60,522	5.3	2.1	63,059	5.4	4.2
Education.....	19,936	1.8	3.1	20,435	1.7	2.5
Human health and social work.....	16,375	1.4	4.3	17,043	1.4	4.1
Arts, recreation and other services.....	2,462	0.2	20.7	2,638	0.2	7.2
Activities of households as employers.....	7,699	0.7	1.2	7,948	0.7	3.2
Total GDP	1,135,084	100.0	2.4	1,178,445	100.0	3.8
Total non-oil GDP	606,652	53.4	8.6	644,332	54.7	6.2

Notes:

(1) Preliminary estimates.

(2) Includes crude oil and natural gas.

(3) Wholesale and retail trade; repair of motor vehicles and motorcycles.

(4) Public administration and defence; compulsory social security.

Source: SCAD

PRINCIPAL SECTORS OF THE ECONOMY

Oil and Gas

The hydrocarbon sector contributed 31.5 per cent. of Abu Dhabi's nominal GDP in 2020, 40.9 per cent. in 2021, 48.0 per cent. in 2022, 40.3 per cent. in 2023, and 38.5 per cent. in 2024. Real GDP growth in the hydrocarbon sector was minus 3.9 per cent. in 2020, minus 0.1 per cent. in 2021, 9.2 per cent. in 2022, minus 3.8 per cent. in 2023 and 1.1 per cent. in 2024. Changes in the rates of growth of the hydrocarbon sector principally reflect oil and gas production changes over the period as adjusted by the GDP deflator for the year concerned, which is calculated by weighting inflation in different sectors of the economy.

As at 31 December 2024, the UAE had the world's sixth largest proven crude oil and seventh largest proven natural gas reserves according to OPEC data. As at the same date, OPEC estimated the UAE's crude oil reserves to be 113,000 million barrels, equal to 7.2 per cent. of OPEC's estimate for the world's total proven crude oil reserves (which was 1,569,515 million barrels), and its natural gas reserves to be 8,210 billion standard cubic metres (or approximately 290 trillion standard cubic feet (SCF)), equal to 4.0 per cent. of OPEC's estimate for the world's total natural gas reserves (which was 206,434 billion standard cubic metres). Abu Dhabi manages approximately 96 per cent. of the UAE's total crude oil and natural gas reserves.

Oil

Abu Dhabi represents approximately 96 per cent. of the UAE's total crude oil reserves, giving it conventional reserves of approximately 108 billion barrels and 22 billion barrels of unconventional recoverable oil. At the current Field Sustainable Oil Production Rate (**FSOPR**), Abu Dhabi's oil reserves are expected to last in excess of 80 years. In terms of production capacity, Abu Dhabi's onshore facilities currently exceed its offshore facilities. Abu Dhabi's extraction costs are considered to be low.

Abu Dhabi's oil is considered light, with gravities in the 33.9–41 degree American Petroleum Institute gravity range. Murban, a blend from the onshore fields, is its major export crude.

Abu Dhabi continues to invest in capacity growth, driven by a long-standing growth strategy. With a target capacity of 5.0 million b/d by 2027, capacity increases at both ADNOC onshore and ADNOC offshore fields are critical to achieving the government's goal for an increase in crude capacity beyond 4.0 million b/d over the near term. The capacity of crude production was 4.2 million b/d in 2022, up from 4.1 million b/d in 2021 and 4.0 million m/pd in 2020.

Structure of Abu Dhabi's Oil Industry

SCFEA

Until 2021, concessions for Abu Dhabi were awarded by the Supreme Petroleum Council (the **SPC**). The SPC's responsibilities included formulating and implementing policy and objectives in all sectors of the petroleum industry as well as exercising control and management of ADNOC, which manages all aspects of Abu Dhabi's oil and gas industry. In December 2020, the SCFEA was established and the SPC's regulatory powers were transferred to the SCFEA.

ADNOC

ADNOC is governed by a board of directors chaired by HH Sheikh Mohammed. The Board was established by the Ruler of Abu Dhabi in his capacity as chairman of the SCFEA. The establishment of the ADNOC board was intended to modernise ADNOC's governance and provides it with the corporate autonomy to develop and execute its strategies.

ADNOC has announced a 2030 Strategy which aims to sustainably maximise government contribution by leveraging ADNOC's competitive advantages to extract the maximum value from its resources. The strategy focuses on four strategic priorities:

- accelerating the monetisation of ADNOC's resources;
- stretching the value of the barrel;
- building international business platforms; and
- accelerating low carbon solutions and new energies.

The strategy is underpinned by four enablers: (i) an engaged and capable workforce, (ii) efficient governance, (iii) operational excellence and value-focused partnerships, and (iv) a high-quality health, safety and environment culture and performance record.

ADNOC operates across the entire hydrocarbon value chain, from upstream oil and gas exploration and production to downstream operations such as distribution, storage, refining, petrochemical products and trading. ADNOC is also working towards reducing its carbon footprint, increasing its production of sustainable hydrogen, and supporting a national renewables champion.

ADNOC has numerous operating companies and subsidiaries, each of which is specialised in its field, and many of which are joint ventures with major international oil companies. In its upstream oil business, ADNOC's operating companies include ADNOC Onshore, ADNOC Offshore, Al Yasat Petroleum and the emerging Al Dhafra Petroleum, each of which is described below.

In November 2022, the ADNOC Board approved a five-year, U.S.\$150 billion investment plan between 2023 and 2027 aimed at accelerating ADNOC's growth strategy, increasing the UAE's oil and gas production capacity and expanding its downstream value chain while delivering against ADNOC's ambition to achieve net zero by 2045 and goal to reduce carbon intensity by 25 per cent. by 2030. As part of its accelerated growth strategy, ADNOC accelerated its plan to produce 5 million b/d to 2027 from 2030.

ADNOC's principal upstream joint venture companies are described below.

ADNOC Onshore

The first commercial oil discovery in Abu Dhabi was made onshore at Bab in 1960 by a subsidiary of Iraq Petroleum Company pursuant to a concession granted to it to search for oil. The first oil exports were made from Abu Dhabi's Jebel Dhanna terminal on 14 December 1963. In 1962, the company which had discovered the oil was renamed the Abu Dhabi Petroleum Company. On 1 January 1973, the government acquired a 25 per cent. interest in Abu Dhabi Petroleum Company which was increased to 60 per cent. on 1 January 1974. The government's interest is now held by ADNOC.

A concession was signed with effect from 1 January 2015 between ADNOC and six international shareholders, replacing prior arrangements that had expired. ADNOC owns 60 per cent. of Abu Dhabi Company for Onshore Petroleum Operations Limited (**ADNOC Onshore**) with the balance being owned by Total (10 per cent.), BP (10 per cent.), China National Petroleum Corporation (**CNPC**) (8 per cent.), Japan Oil Development Co., Ltd. (**JODCO**) (5 per cent.), Zhen Hua (4 per cent.) and GS Energy Corporation (**GS Energy**) (3 per cent.).

ADNOC Onshore currently produces crude from its main assets, Bab, Bu Hasa, North East Bab and South East fields. These fields are linked to the storage and shipping facilities of two main terminals, at Jebel Dhanna and a deep water port in Fujairah, where tankers load crude oil for export.

ADNOC Offshore

ADMA-OPCO, then a joint venture between ADNOC and Abu Dhabi Marine Areas Limited (**ADMA**), and Zakum Development Company (**ZADCO**) merged to create ADNOC Offshore in 2017. ADMA-OPCO held a 65-year concession that ended in March 2018. BP, Total and JODCO owned 14.67 per cent., 13.33 per cent. and 12.0 per cent., respectively, of ADMA-OPCO which developed and operated the Umm Shaif, Lower Zakum, Nasr and Umm LuLu offshore fields as concessions and the SARB offshore field as sole risk. In 2018, the former ADMA-OPCO concessions were renegotiated as follows:

- Lower Zakum – a 40-year concession with ADNOC Offshore (60 per cent.), CNPC, Falcon Oil & Gas and JODCO (each holding 10 per cent.) and Total and ENI S.p.A. (**ENI**) (each holding 5 per cent.);
- Umm Shaif and Nasr – a 40-year concession with ADNOC Offshore (60 per cent.), Total (20 per cent.) and CNPC and ENI (each holding 10 per cent.); and
- SARB and Umm LuLu – a 40-year concession with ADNOC Offshore (60 per cent.) and OMV AG and CEPSA (each holding 20 per cent.). In the second quarter of 2023, Total acquired CEPSA's 20 per cent. share in SARB and Umm LuLu. In May 2024, SOCAR acquired a 3 per cent. share in SARB and Umm LuLu from ADNOC.

ADNOC Offshore currently produces crude from its main assets, which are the Satah, Umm Al Dalk, Sarb, Nasr and Umm LuLu fields. Operations extend across several oil operation centres, six artificial islands and four offshore super-complexes. Crude oil from the fields is transferred to Zirku Island and Das Island for further processing, storage and export.

Upper Zakum

The Upper Zakum oil field started development in 1978. The joint venture partners were ADNOC (88 per cent.) and JODCO (12 per cent.). In 2006, Exxon Mobil became a joint venture partner in the development of the Upper Zakum oil field with a 28 per cent. share in the joint venture relating to that field which it acquired from ADNOC.

Satah and Umm Al Dalkh

The Satah and Umm Al Dalkh concession, re-awarded in 2018, is a partnership between ADNOC (60 per cent.) and JODCO (40 per cent.).

Al Dhafra Petroleum

Al Dhafra Petroleum is a joint venture, which was established in 2012, between ADNOC, Korea National Oil Corporation (KNOC) and GS Energy, where ADNOC owns 60 per cent., and KNOC and GS Energy share the remaining 40 per cent. under the representation of Korea Abu Dhabi Oil Corporation. Al Dhafra Petroleum holds a concession that covers 11,599 km² comprising three areas:

- Area 1 located onshore, South-East of Abu Dhabi city; and
- Area 2 located onshore, South-West of Abu Dhabi city; and
- Area 3 located offshore, North-West of Abu Dhabi city.

The first oil was spud from Area 1 in June 2019. Areas 2 and 3 were released from the concession in 2019.

Al Yasat Company for Petroleum Operations LLC (Al Yasat Petroleum)

Al Yasat Petroleum is a joint venture, which was established in 2013, between ADNOC (60 per cent.) and CNPC International (Hong Kong) Ltd (40 per cent.). Al Yasat Petroleum holds a concession that covers 8,425 km² comprising two areas:

- Area 1 located onshore in Western Abu Dhabi; and
- Area 2 located offshore, North-West of Abu Dhabi city.

Other Minor Oil Producers

There are two other minor oil producing companies operating in Abu Dhabi. These are:

- Abu Dhabi Oil Co. Ltd. (**ADOC**), which is owned by a consortium of Japanese oil companies and operates four offshore oil fields at Mubarras, Umm Al Anbar, Neewat Al Ghalan and Hail. ADOC's concession was renewed in 2012 for 30 years; and
- Bunduq Company Limited (**Bunduq**), which operates an oil field that straddles the maritime border between Abu Dhabi and Qatar. In May 1969, Abu Dhabi and Qatar agreed to share revenues accruing from the field's oil production on an equal basis. Bunduq's concession is with United Petroleum Development Co. Ltd.

Exploration

ADNOC seeks to build and maintain a robust, sustainable portfolio of exploration opportunities representing a comprehensive assessment of the full conventional resource potential of Abu Dhabi in line with its 2030 strategy.

In 2018, ADNOC launched an exploration strategy of competitive exploration block bid rounds for the first time in its history. The new strategy represents a major advance to de-risk exploration activities and enable Abu Dhabi to unlock new opportunities and maximise value from its hydrocarbon resources. It is also consistent with ADNOC's approach to expand its strategic partnerships across all areas of its business.

Abu Dhabi's first competitive block bid round in 2018 resulted in the award of five geographical areas named Offshore Blocks 1 and 2 and Onshore Blocks 1, 3 and 4. In 2019, ADNOC launched a second block bid round covering five additional blocks: Onshore Blocks 2 and 5 and Offshore Blocks 3, 4 and 5. Two blocks were awarded in 2020 and early 2021 and one more was awarded in September 2021. Onshore Block 2 was withdrawn due to encouraging unconventional exploration results and the block is expected to be incorporated with unconventional resources for future block bid rounds.

In total, nine exploration blocks were awarded as part of these first two competitive block bid rounds, with the successful bidders committing foreign direct investment of between U.S.\$1.47 billion and U.S.\$1.84 billion, of which U.S.\$1.05 billion had been spent by the end of 2023. The exploration activities in these blocks have resulted in the discovery of over 2 billion barrels of oil equivalent of oil and gas and the first oil was achieved in early 2023.

Refining

ADNOC Refining Company is a joint venture owned by ADNOC (65 per cent.), ENI (20 per cent.) and OMV AG (15 per cent.). The joint venture operates Ruwais refinery which has a crude processing capacity of 837,000 b/d. Production of refined products and base chemicals at Ruwais, surplus to domestic demand, is mainly exported to Asia, Europe and other destinations. See further "*—Manufacturing and Industry—Petrochemicals*" below.

Transportation

Abu Dhabi's oil exports are principally shipped on tankers that load oil from Jebel Dhanna port and from facilities located on the Das, Zirku and Mubarras islands. These tankers ship their

cargoes through the Arabian Gulf. In addition, Abu Dhabi also exports oil from Fujairah through an onshore pipeline which provides a link between Abu Dhabi's onshore oil fields and an oil export terminal at a deep-water port located in Fujairah on the Indian Ocean, thus allowing crude oil exports to bypass the Strait of Hormuz. It helps to mitigate the risk of suspension of crude oil exports in the event of a closure of, or disruption to, the Strait of Hormuz. The deep-water port in Fujairah is also more cost-effective since, unlike Abu Dhabi's ports on the Arabian Gulf, it can accommodate very large crude carriers. The oil export terminal in Fujairah has a total storage capacity of up to 8 million barrels of crude oil. ADCOP is fully operational and can carry 1.5 million b/d of crude oil, providing diversification of export routes extending over 3,300 kilometres.

Other oil-related businesses

ADNOC also wholly owns or has shareholdings in a number of operating companies and subsidiaries that specialise in upstream and downstream oil and gas operations, as well as distribution, shipping and all other aspects of the hydrocarbon industry. For example, it has substantial interests in:

- the domestic retailing of refined products, through ADNOC Distribution (a public listed company which is 77 per cent. owned by ADNOC), and natural gas and LNG, through ADNOC City Gas;
- the trading of crude oil through ADNOC Trading, a wholly owned subsidiary, and refined products and feedstock through ADNOC Global Trading (a joint venture between ADNOC (65 per cent.), ENI (20 per cent.) and OMV AG (15 per cent.)); and
- other hydrocarbon-related businesses through ADNOC Logistics and Services (public listed company which is 77 per cent. owned by ADNOC and which is the largest fully integrated shipping and logistics company in the UAE and supports the entire oil and gas supply chain through three major business segments: shipping, integrated logistics and marine services), National Drilling Company, Borouge plc (a public listed company which is 54 per cent. owned by ADNOC), Borealis (a global leader in providing ground-breaking chemical and polyolefin solutions based in Austria which is 25 per cent. owned by ADNOC) and Fertigllobe (see “—*Manufacturing and Industry—Petrochemicals*” below).

Gas

Abu Dhabi represents approximately 95 per cent. of the UAE's natural gas reserves, giving it conventional reserves of approximately 7.8 trillion standard cubic metres, or approximately 278 trillion SCF, and unconventional recoverable resources in excess of 4.5 trillion standard cubic metres, or approximately 160 trillion SCF.

Total natural gas production in Abu Dhabi was 11.5 billion SCF per day in each of 2023 and 2022 and 11.3 billion SCF per day in 2021.

Structure of Abu Dhabi's Gas Industry

ADNOC Onshore

ADNOC Onshore is also involved in the development of gas fields. ADNOC Onshore presently recovers gas from the Asab and Bab fields that is transported to ADNOC Gas Processing for further processing.

ADNOC Offshore

ADNOC Offshore is also involved in the development of gas fields and presently recovers gas from the Umm Shaif, Sarb and ABK fields.

ADNOC Sour Gas

ADNOC Sour Gas, which is 60 per cent. owned by ADNOC and 40 per cent. owned by Occidental Petroleum, was established to develop the Arab A, B, C and D sour gas reservoirs located in the Shah field, onshore Abu Dhabi. The Shah field was developed in 2015 with the capacity to produce 1,300 million SCF per day.

Ghasha concession

In late 2018, ADNOC signed a 40-year concession agreement with ENI (25 per cent.), Wintershall Holding GmbH (10 per cent.) and OMV AG (5 per cent.). During 2019, ADNOC transferred 5 per cent. from its holding to Lukoil. The Ghasha Concession covers the Hail, Ghasha, Hail Dalma, Satah, Bu Haseer, Nasr, Sarb, Mubarraz and Shuwaihat sour gas fields.

The Ghasha concession field development projects include the construction and operation of all facilities required to produce, process, transfer and transport the natural gas, from the production wells to the delivery points in Ruwais as well as oil production to the main oil line tie in point.

The project is expected to produce over 1.5 billion SCF of gas per day in phases when it comes on stream. Currently the first gas, from the Dalma development, is estimated to be delivered in 2025. The Hail and Ghasha developments are expected to produce approximately one billion cubic feet of raw gas per day and over 120,000 b/d of oil and high value condensates gradually from 2027.

Oil and gas projects are inherently complex and subject to uncertainties, so no assurance is given that the Ghasha concession production, or any other estimated production referred to, will commence when stated or at all. See “*Cautionary Statement Regarding Forward Looking Statements*” at the beginning of this Offering Circular.

Ruwais concession

In late 2018, ADNOC signed a 40-year concession agreement with Total (40 per cent.) to explore, develop and produce unconventional gas in the Ruwais Area in order to achieve gas self-sufficiency. A pilot project commenced production in 2020. In 2023, the concession was amended, with ADNOC now owning 90 per cent. and Total owning 10 per cent. The full commissioning of the concession is expected by 2028.

Gas Processing

ADNOC Gas is a world-scale gas processing, operations and marketing company that was formed on 1 January 2023 through the combination of ADNOC Gas Processing and ADNOC LNG businesses. ADNOC Gas, which was listed on the Abu Dhabi Securities Exchange (the **ADX**) in March 2023, is one of the world’s largest gas processing entities, with capacity of approximately 10 billion SCF per day of gas. It serves a wide range of domestic and international customers with an expanding portfolio of products and is a key enabler of ADNOC’s ambitious strategy for the gas sector, supporting UAE gas self-sufficiency, industrial expansion and economic growth and expanding export capacity to meet growing global demand.

Gas processing and liquefied natural gas (LNG) extraction is carried out in plants operated by ADNOC Gas. Feedstock for these plants is provided by ADNOC Offshore and ADNOC Onshore. In addition to exporting these products, certain raw materials are also transferred to local petrochemical plants operated by ADNOC Refining for further processing into a range of refined products.

ADNOC Gas operates:

- gas processing facilities fed by gas from ADNOC's onshore and offshore production operations, producing a mixture of sales gas, NGLs, condensate and sulfur. Onshore, the facilities include one of the world's largest gas processing plants, the five plants of the vast Habshan Complex which has 14 processing trains and a 6.1 billion SCF per day capacity. Further onshore facilities are located at Asab, Buhasa and Bab as well as the UAE's only natural gas liquid fractionation plant. Offshore, the associated and non-associated gas from the upstream facilities is processed for liquefaction, with a proportion also sent onshore by pipeline to Habshan;
- liquefaction facilities on Das Island, with a 6 million tonnes per year liquefaction capacity supplying LNG from gas produced in ADNOC's offshore operations for export to utilities and industrial customers around the globe;
- industrial gas facilities, located at Al Ruwais Industrial City and Mirfa, dedicated to the production of industrial gases for the oil, gas and other industry sectors in Abu Dhabi and elsewhere in the UAE. These facilities produce gaseous and liquid nitrogen, liquid oxygen and by-products that include krypton and xenon; and
- around 3,000 kilometres of pipelines (which are fully owned by ADNOC) which supply sales gas to multiple customers throughout the country.

Carbon capture utilisation and storage

ADNOC's commitment towards environmental stewardship is reflected in its sustainability and carbon capture utilisation and storage (CCUS) strategy that calls for a reduction of greenhouse gas emissions intensity by 25 per cent. by 2030, reinforcing ADNOC's position as one of the least carbon-intensive oil and gas producers in the world. ADNOC is also committed to achieving zero methane emissions by 2030 and net zero carbon emissions by 2045.

ADNOC's CCUS activities started in 2009 when it initiated the first CO₂ capture pilot in the region. In 2016, it initiated the world's first commercial scale CCUS facility which captured CO₂ from the iron and steel industry and currently captures 800,000 tonnes per annum. ADNOC's plan is to increase its CO₂ capturing capacity to more than 10 million tonnes per annum by 2030.

Dolphin Gas Project

The Dolphin Gas project is a regional strategic energy initiative and the first cross-border natural gas project of its kind in the Middle East. It comprises both upstream and midstream elements. The upstream portion of the Dolphin Gas Project consists of the production of natural gas and associated hydrocarbons from fields in Qatar's offshore North Field and its processing for sale. A 51 per cent. share of upstream revenues earned from the operation of the fields are allocated to Mubadala (through a wholly owned subsidiary). The Dolphin block's proven reserves are estimated to be substantially in excess of the 18.25 trillion SCF permitted to be extracted under the 25-year production sharing agreement, which expires in 2032 (with a renewal option for a further five-year period, subject to satisfaction of certain terms and conditions to be agreed upon by the parties at the time).

Once the wet gas is extracted from the fields, it is then transported to a gas processing plant in Ras Laffan in Qatar, one of the largest gas processing plants in the Middle East. The 730 billion SCF of dry gas produced annually by the plant is sold to Dolphin Energy Limited (**Dolphin Energy**), a joint venture company in which Mubadala has a 51.0 per cent. interest, pursuant to a 25-year escalating fixed price contract. The ethane produced by the plant is committed for sale to Qatar Petroleum under a 25-year escalating fixed price contract, and the remaining associated products (propane and butane, condensate (an ultralight oil) and sulphur) are sold through Qatar Petroleum.

The midstream portion of the Dolphin Gas Project is managed and operated by Dolphin Energy and involves the transportation of the dry gas produced in Qatar to Abu Dhabi through a 364-kilometre 48-inch subsea export pipeline constructed by Dolphin Energy and which has a design capacity of 3.2 billion SCF per day. Once the dry gas reaches the Taweelah receiving facilities in Abu Dhabi, it is then distributed by Dolphin Energy to its customers in Abu Dhabi, Dubai, the Northern Emirates and Oman through an onshore gas distribution network. In addition to the gas distribution facilities (which are leased from ADNOC under a long-term agreement), Dolphin Energy has also constructed gas pipelines from Taweelah to the Emirate of Fujairah in order to give flexibility to increase the gas volume delivered to the east coast of the UAE.

The main customers for the dry gas are the Emirates Water and Electricity Company (**EWEC**), the Dubai Supply Authority (**DUSUP**) and the Oman Oil Company (**OOC**). Each of them has a long-term fixed price contract in place with Dolphin Energy for the supply of approximately 93 per cent. of the Dolphin Project's upstream gas production. Gas has been provided to EWEC and DUSUP since July 2007 and OOC since October 2008.

Manufacturing and Industry

The manufacturing economic sector contributed 6.0 per cent. of Abu Dhabi's nominal GDP in 2020, 6.1 per cent. in 2021, 6.1 per cent. in 2022, 8.0 per cent. in 2023 and 8.1 per cent. in 2024. Real GDP growth in the manufacturing sector was minus 22.5 per cent. in 2020, 20.7 per cent. in 2021, 16.0 per cent. in 2022, 13.0 per cent. in 2023 and 2.7 per cent. in 2024. Abu Dhabi's manufacturing sector is dominated by refining and petrochemical production, which both experience volatility in demand and output.

A significant element of Abu Dhabi's long-term economic strategy involves expansion of the emirate's industrial base. Specific strategic priorities include the promotion of specialised economic zones and the development of public-private partnerships as a means of encouraging and increasing private sector participation. A number of specialised economic zones, including the Industrial City of Abu Dhabi, have been established. See "*Foreign Direct Investment and Free Zones*" below.

Petrochemicals

In addition to its upstream exploration, drilling, production and transportation of crude oil activities, Abu Dhabi also has a number of major downstream petrochemical complexes.

Borouge is a joint venture between ADNOC and Borealis AG (**Borealis**) and was listed on the ADX in 2022 following an initial public offering by ADNOC and Borealis of 10 per cent. of Borouge's shares. Borouge produces premium polyethylene and polypropylene solutions for the agriculture, infrastructure, energy, advanced packaging, mobility and healthcare industries. Its petrochemical production plant is a fully integrated production complex in Ruwais which consists of an original plant to which four subsequent expansions have been added and a fifth (**Borouge 4**) is currently being constructed and is scheduled to be completed in late 2026.

ADNOC's downstream portfolio also includes Fertiglobe, its fertiliser joint venture with OCI N.V. in which ADNOC holds 86.2 per cent. (with the remaining 13.8 per cent. being free float on the ADX), which started trading in late 2019 and is the world's largest nitrogen fertiliser exporting company with an annual production capacity of 5 million tonnes of urea and 1.5 million tonnes of ammonia. Fertiglobe is headquartered in the Abu Dhabi Global Market.

Abu Dhabi is planning to grow its petrochemicals sector, both as a result of the projects described in this section and, potentially, through the establishment of new projects to produce petrochemicals used in a range of industries, such as the packaging, construction and automotive industries. These projects are expected to be undertaken with partners who have appropriate

technologies and market know-how in order to stimulate the development of these industries in Abu Dhabi.

In this connection, ADNOC announced plans to accelerate its downstream expansion and create an advanced integrated petrochemicals complex in Ruwais, increasing the range and volume of its high-value downstream products, securing better access to growth markets around the world, and creating a manufacturing ecosystem.

ADNOC has also launched a strategic partnership with ADQ. Known as Ta'ziz, the joint venture investment platform intends to fund and develop chemical projects within the Ruwais Derivative Park.

Ta'ziz is expected to comprise of the Ta'ziz Industrial Chemicals Zone, which is intended to host world-scale chemicals production facilities. Potential anchor projects in the Ta'ziz Industrial Chemicals Zone (with an anticipated U.S.\$4.4 billion total potential investment) include the large-scale production of chemicals such as methanol, ammonia, chlor-alkali, and ethylene dichloride.

Metal Industries

Aluminium

EGA is a joint venture equally owned by Mubadala and the Investment Corporation of Dubai. EGA's principal assets are aluminium smelters at Al Taweelah in Abu Dhabi and Jebel Ali in Dubai, Guinea Alumina Corporation, Ltd. (GAC), a bauxite mine and associated export facilities in the Republic of Guinea, and an alumina refinery at Al Taweelah in Abu Dhabi which commenced operations in 2019.

EGA owns and operates the Al Taweelah aluminium smelter located in the Khalifa Port and Industrial Zone in Taweelah, Abu Dhabi and the Jebel Ali aluminium smelter in Dubai.

GAC owns and operates a bauxite mine in Guinea. Bauxite ore from GAC is sold by EGA to customers around the world.

EGA also operates an alumina refinery located close to the Al Taweelah smelter. The refinery produces approximately 40 per cent. of the EGA smelters' alumina needs and also sources bauxite from Guinea under a long-term off take contract with Compagnie des Bauxites de Guinée.

Steel and building materials

Emirates Steel Arkan PJSC (**Emsteel**) is a public joint stock company and the UAE's largest listed steel and building materials manufacturer. Emsteel leverages cutting-edge rolling mill technologies to supply the domestic and international markets with high quality finished products, including wire rods, rebars, heavy sections and sheet piles. Additionally, Emsteel produces premium cement, blocks, pipes and dry mortar, creating a one-stop shop for the manufacturing and construction sectors.

Emsteel is the largest producer of heavy and jumbo sections and the only producer of hot rolled sheet piles in the MENA region and the fourth steelmaker in the world to receive the ASME accreditation to produce nuclear grade rebar.

Tourism

As one of 12 strategic sectors identified in the 2030 Economic Vision, tourism plays a central role in the emirate's plan to diversify its economy. The Department of Culture and Tourism (the **DCT**) is mandated with preserving, protecting, managing and promoting the cultural heritage of, and achieving tourism development in, the emirate.

The DCT manages the emirate's tourism sector and markets it internationally through a range of marketing and promotional activities and events. The DCT also ensures that it preserves Abu Dhabi's cultural heritage, particularly its historic and archaeological sites, while overseeing the development of landmark museums in Abu Dhabi's Saadiyat Island Cultural District, which houses the Louvre Abu Dhabi (which opened in November 2017) and will house the Zayed National Museum (which is expected to open in 2025) and the Guggenheim Abu Dhabi (which is also expected to open in 2025). The DCT is also committed to supporting an ongoing programme of leisure, culture and heritage events and intellectual and artistic activities aimed at nurturing a cultural environment that is intended to be enriching for residents and visitors alike.

In addition to supporting leisure tourism, the DCT also focuses on MICE (meetings, incentives, conferences and exhibitions) tourism.

The tourism sector was severely affected by the COVID-19 pandemic. A global reduction in cross-border movement, as well as measures taken by the government of the UAE to combat the outbreak of the pandemic, including visa and travel restrictions, resulted in a significant reduction in tourist numbers.

The completion of Zayed International Airport's new Terminal A in late 2023 is expected to facilitate increased tourism in the emirate. The new terminal is part of an expansion project to increase the annual passenger capacity of the airport to 45 million passengers.

Etihad, a national flag carrier of the UAE, is based in Abu Dhabi and is a key facilitator of the government's tourism strategy. Etihad was established by Emiri Decree in July 2003 and is wholly owned by the government through ADQ.

Abu Dhabi has invested, and expects to continue to invest, in creating facilities to attract tourists, including:

- SeaWorld Abu Dhabi on Yas Island, a marine life theme park and animal research, rescue and rehabilitation centre, which opened in May 2023;
- Abrahamic Family House, an inter-faith complex on Saadiyat Island;
- Louvre Abu Dhabi, an art museum, on Saadiyat Island;
- Al Qana, a waterfront destination including restaurants and the Middle East's largest aquarium;
- the new Abu Dhabi Cruise Terminal, the cornerstone for the expansion of Abu Dhabi's ambition to become a regional hub for Arabian Gulf cruise tourism;
- Sir Bani Yas Island, an environmental and tourist destination, offering nature and wildlife drives, guided tours, kayaking, mountain biking, horse riding and a range of marine activities;
- eco-tourism developments such as the Al Wathba Wetland Reserve and Eastern Mangrove Park and Al Marzoum;
- Um Al Emarat Park, a city centre family and leisure destination;
- the Sheikh Zayed Desert Learning Centre, an exhibition and exploration of the natural and cultural history of the Arabian deserts at Al Ain Zoo;
- Al Maryah Island's Galleria Mall, a leisure tourism proposition for the emirate's financial central business district hub;
- Emirates Park Zoo's leisure and accommodation destination;

- The museum of Qasr Al Muwaiji, birthplace of HH Sheikh Khalifa, President of the UAE, and UNESCO Heritage Site of Al Ain experience centre;
- UAE Giant Flagpole, a landmark viewing point overlooking the entire Corniche and Abu Dhabi skyline;
- teamLab Phenomena, a 17,000-square-metre experiential art space, on Saadiyat Island; and
- Surf Abu Dhabi, an artificial wave facility, on Hudayriyat Island.

In addition, Abu Dhabi continues to develop tourism assets to complement its existing tourism offering and attract visitors and investors. Key developments in the pipeline include:

- Zayed National Museum on Saadiyat Island;
- Guggenheim Abu Dhabi on Saadiyat Island;
- Natural History Museum on Saadiyat Island;
- Velodrome Abu Dhabi, an indoor cycling track, on Hudayriyat Island;
- Hudayriyat urban park, a 2.25 million square metre urban park, on Hudayriyat Island;
- Ramhan Island, a development project with plans for villas, a luxury hotel, marina apartment residencies, retail stores, marina berths, and other leisure amenities;
- Jubail Island, a development project aimed at creating low-impact, luxurious sustainable living with low-rise, low-density, luxurious residential properties and other leisure amenities; and
- Mina Zayed redevelopment, a three million square metre project which aims to create a blended housing, tourism and entertainment destination.

Significant investments have also taken place on Saadiyat Island and Yas Island in particular. Saadiyat Island currently houses a number of five-star hotels, a luxury beach club, the Louvre Abu Dhabi, a cultural arts exhibition centre, a public beach, the region's first ocean golf course, a state-of-the-art wellness and medical facility and an up-market shopping precinct. Yas Island, which is promoted as Abu Dhabi's entertainment district, has the region's first links golf course; seven hotels; a Formula One racetrack; Ferrari World Abu Dhabi and Warner Bros. World, which are both among the world's largest indoor theme parks; SeaWorld Abu Dhabi; Yas Waterworld; a public beach; Etihad Arena, the Middle East's largest indoor entertainment venue; a dedicated super yacht berths and leisure venues at Yas Marina, Yas Bay and Yas Mall, the emirate's largest shopping centre.

Abu Dhabi has also focused on developing sports tourism. Abu Dhabi's sporting calendar and accolades include:

- the Etihad Airways Abu Dhabi Formula 1 Grand Prix, held in November each year since 2009 at the purpose-built Yas Marina circuit;
- the Abu Dhabi HSBC Golf Championship, held since 2006 and now established as the season opening European Tour event and the Abu Dhabi Invitational hosted by Gary Player at the Yas Links Golf Club;
- the ITU World Triathlon Series, established as the opening event of the international triathlon season since 2015;

- the opening race of the Red Bull Air Race World Championship, which was held in Abu Dhabi in 2019 for the 12th consecutive season;
- the Special Olympics World Games, which were hosted in Abu Dhabi in March 2019 for the first time in the Middle East and North Africa region since the movement's founding over 50 years ago; and
- the inaugural UAE Tour cycling race in 2019, being a merger of the previously separate Abu Dhabi and Dubai tours.

Abu Dhabi has also sought to build its international presence through high-profile sports sponsorships, including its status as Official Destination Partner for the English football team, Manchester City.

In addition, Abu Dhabi focuses on promoting heritage festivals and themed events celebrating its culture and attracting low season visitors. These include food and handicrafts festivals, a three-month summer season programme of activities and events designed to stimulate tourism in the low season, and the Abu Dhabi Classics season, part of ADTCA's music programme which seeks to attract leading international and regional classical performers. Further, Abu Dhabi seeks to promote international awareness through product-themed destination activities, including golf, conventions, cruising, the Indian wedding market and halal tourism.

Construction and Real Estate

The construction sector contributed 11.4 per cent. of Abu Dhabi's nominal GDP in 2020, 9.3 per cent. in 2021, 8.0 per cent. in 2022, 9.4 per cent. in 2023 and 10.0 per cent. in 2024.

The real estate sector, which principally comprises real estate sales and leasing, contributed 4.0 per cent. of Abu Dhabi's nominal GDP in 2020, 3.1 per cent. in 2021, 2.7 per cent. in 2022, 3.2 per cent. in 2023 and 3.2 per cent. in 2024.

Real GDP growth in the construction sector was minus 10.7 per cent. in 2020, 4.2 per cent. in 2021, 7.4 per cent. in 2022, 12.4 per cent. in 2023 and 11.3 per cent. in 2024. The negative rate of growth in the construction sector in 2020 reflected a combination of the supply of new buildings being higher than demand, the impact of the measures imposed to restrict the COVID-19 pandemic and the related slump in oil prices in 2020. The growth in the construction sector in 2022 and 2023 principally reflected the continued economic recovery after the COVID-19 pandemic.

Real GDP growth in the real estate sector was minus 23.1 per cent. in 2020, minus 0.3 per cent. in 2021, 15.4 per cent. in 2022, 10.4 per cent. in 2023 and 4.2 per cent. in 2024. The negative rates of growth in 2020 and 2021 principally reflected the impact of the measures imposed to restrict the COVID-19 pandemic and the related slump in oil prices in 2020. In 2022 and 2023, the growth in the real estate sector reflected the continuing recovery in the economy and the real estate market.

The major ongoing public sector construction projects in Abu Dhabi include the continuing development of Khalifa Port and expansion of Zayed International Airport (both of which are described under "*—Infrastructure—Ports and Airports*" below) and the development of Saadiyat Island (referred to under "*—Tourism*" above). Recently completed major public sector construction projects include significant elements of the Khalifa Port and Zayed International Airport projects. The construction of the fourth and final unit of ENEC's nuclear plant was completed in December 2023 and the unit was commissioned and became operational in September 2024.

Since mid-2019, non-nationals are permitted to own land and property within designated investment areas in Abu Dhabi on a freehold basis. The investment areas include Al Raha Beach, Al Reem Island, Al Reef and other areas. UAE companies are responsible for

construction and development of properties in these areas in coordination with relevant government departments.

Financial Institutions and Insurance

The financial and insurance sector (which principally reflects the activities of banks) contributed 8.2 per cent. of Abu Dhabi's nominal GDP in 2020, 7.1 per cent. in 2021, 6.2 per cent. in 2022, 7.3 per cent. in 2023 and 7.9 per cent. in 2024. In real terms, this sector grew by minus 20.1 per cent. in 2020, by 4.0 per cent. in 2021, by 8.0 per cent. in 2022, by 12.0 per cent. in 2023 and by 10.7 per cent. in 2024. The high negative rate of growth in 2020 principally reflected the impact of the measures imposed to restrict the spread of COVID-19 in 2020 which particularly impacted banks through relief granted to borrowers in distress. Since 2021, the growth in the financial and insurance sector has reflected continuing economic recovery.

There are two principal banking groups and one Islamic bank operating in Abu Dhabi, being First Abu Dhabi Bank (a merger between National Bank of Abu Dhabi and First Gulf Bank, which was completed in April 2017), Abu Dhabi Commercial Bank (which merged with Union National Bank and acquired Al Hilal Bank in May 2019) and Abu Dhabi Islamic Bank. These banks provide a full range of banking services. The banking sector in Abu Dhabi is described in more detail under "*Monetary and Financial System—Banking and Financial Services—Principal Banks in Abu Dhabi*" below.

Other Economic Sectors

Other significant economic sectors in Abu Dhabi include public administration and defence and compulsory social security; wholesale and retail trade and repair of motor vehicles and motorcycles; information and communication; transportation and storage; and electricity, gas and water supply and waste management. These sectors contributed 5.2 per cent., 5.9 per cent., 2.7 per cent., 2.9 per cent. and 5.0 per cent., respectively, to Abu Dhabi's nominal GDP in 2023. The agriculture, forestry and fishing sector contributed 0.8 per cent. to Abu Dhabi's nominal GDP in 2023.

INFLATION

The tables below show the consumer price index (CPI) and the percentage change, year on year, of consumer prices in Abu Dhabi in each of the years 2020 to 2024.

	2020	2021	2022	2023	2024 ⁽¹⁾
Consumer price index (2021 = 100).....	98.5	100.0	105.6	105.6	106.1
Consumer prices (percentage change, year on year).	(2.4)	1.5	5.6	0.0	0.5

Note:

(1) Preliminary data.

Source: SCAD

The consumer price index for the six months ended 30 June 2025 was 105.5, according to SCAD data.

The table below shows the principal components of the Abu Dhabi CPI in each quarter from 1 January 2021 to 31 December 2023, the percentage change on an annual basis and the index weighting of each component. The data is not seasonally adjusted. Starting in 2024, SCAD resumed publishing Abu Dhabi CPI data on a monthly basis and ceased publishing such data on a quarterly basis.

	Change ⁽¹⁾ (%)												Index weight ⁽²⁾ (%)
	2021				2022				2023				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Food and beverages	(0.5)	0.6	2.5	3.4	3.8	6.8	7.5	4.1	5.6	4.1	1.8	0.0	12.0
Tobacco	(1.1)	(1.1)	1.1	1.7	0.8	0.3	(1.1)	(0.9)	(0.4)	(0.8)	(0.6)	(0.7)	0.2
Clothing and footwear	0.4	(9.9)	(7.3)	1.3	0.2	2.2	1.9	1.1	1.8	2.2	2.7	(0.8)	4.9
Housing and fuels ⁽³⁾	0.3	0.1	0.1	0.1	(0.3)	(0.4)	(0.5)	(0.3)	(0.4)	0.0	1.0	1.4	33.6
Fixtures and household ⁽⁴⁾	(1.0)	1.2	2.2	2.1	(1.3)	(1.1)	(1.0)	(1.2)	0.4	0.6	1.9	1.5	6.4
Health	1.0	0.7	0.6	0.3	4.3	6.2	6.2	6.2	1.6	0.0	5.6	5.6	2.2
										(13.3	(13.9		
Transportation	(0.5)	9.8	13.8	17.9	18.4	34.3	37.4	15.1	1.8			(1.6)	14.0
Communication	1.8	(0.5)	(0.5)	0.0	0.0	0.5	0.6	(0.2)	0.4	0.5	0.6	0.5	5.7
Recreation and culture	(17.3										(10.7		
Education	)	4.5	28.5	9.0	7.7	9.6	8.8	6.2	8.4	(7.3)		(3.2)	3.9
Hotels and restaurants	1.0	1.0	1.0	0.6	1.6	1.5	2.6	2.6	1.7	1.7	1.7	1.7	7.6
Insurance and financial services	2.0	2.8	2.5	2.2	8.5	8.6	8.8	13.6	15.2	14.1	12.1	6.5	3.6
Personal care, social protection and miscellaneous goods	1.0	(1.0)	(1.0)	(1.0)	(1.8)	(2.5)	(3.4)	(4.1)	(1.1)	(2.3)	0.0	4.0	1.2
	1.0	(1.0)	(1.0)	(1.0)	0.7	1.0	2.5	2.2	2.0	2.5	1.7	1.9	4.6

Notes:

(1) Change versus same quarter in the previous year. All data based on 2021=100.

(2) 2019 base year for weights and 2021 for prices.

(3) Housing and fuels, water, electricity, gas and other fuels.

(4) Fixtures and fittings, household equipment and routine maintenance.

Source: SCAD

The table below shows the principal components of the Abu Dhabi CPI in each month from 1 January 2024 to 30 June 2025, the percentage change on an annual basis and the index weighting of each component. The data is not seasonally adjusted.

	Change ⁽¹⁾ (%)																		Index weight ⁽²⁾ (%)	
	2024												2025							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		Jul
Food and beverages....	0.1	(0.1)	(0.2)	0.5	0.6	(0.8)	1.1	1.2	(0.3)	0.1	(0.1)	(0.1)	(0.1)	(1.4)	(0.2)	0.0	(0.2)	0.4	(0.4)	12.0
Tobacco...	(0.5)	0.0	(0.1)	(0.1)	0.6	1.8	(0.2)	(0.1)	(0.4)	0.2	0.3	(0.1)	(0.1)	0.2	0.0	0.0	(0.3)	(0.1)	1.1	0.2
Clothing and footwear.....	3.0	0.1	0.1	(0.1)	0.4	0.6	(0.9)	1.2	0.1	(0.1)	0.4	(0.2)	(0.5)	0.1	0.0	0.1	(1.2)	(5.0)	(2.1)	4.9
Housing and fuels ⁽³⁾	(0.2)	(0.8)	0.0	0.0	0.0	0.3	0.0	1.1	0.2	0.1	0.0	0.0	0.0	0.3	0.2	0.2	0.1	0.3	0.4	33.6
Fixtures and household ⁽⁴⁾	(2.4)	(0.1)	0.8	(4.1)	0.1	(0.2)	(0.6)	0.7	(0.3)	0.0	(0.8)	0.6	(0.2)	0.0	0.1	0.4	(0.2)	(1.0)	3.7	6.4
Health.....	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
Transportation.....	(2.4)	0.6	2.8	2.3	3.3	(3.5)	(2.5)	1.0	(4.0)	(4.7)	1.8	(1.9)	0.0	3.5	(1.4)	(3.1)	(0.4)	0.1	3.6	14.0
Communication.....	(0.5)	(0.2)	0.3	(0.7)	0.7	(0.2)	0.1	0.4	(0.2)	0.0	0.2	(0.1)	0.1	(0.1)	0.0	0.0	(0.5)	0.0	0.0	5.7
Recreation and culture...	6.0	3.8	(4.0)	3.4	(2.9)	3.4	5.2	(4.9)	6.8	(1.2)	3.0	0.7	(4.5)	4.0	(6.6)	6.3	5.5	(8.0)	2.2	3.9
Education...	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.6
Hotels and restaurants...	1.6	(0.2)	(0.3)	(0.5)	0.0	(0.2)	0.1	0.1	0.3	0.8	(0.1)	0.3	(0.3)	(0.2)	(0.2)	2.1	1.2	(0.9)	(0.2)	3.6
Insurance and financial services.....	0.2	0.9	(3.6)	(0.8)	0.8	8.0	(1.4)	0.0	0.2	0.0	0.0	0.0	0.0	6.2	0.0	0.2	0.0	0.0	0.2	1.2
Personal care, social protection and miscellaneous goods.....	1.8	0.7	(0.3)	0.2	(0.1)	(0.5	4.0	(2.8)	3.1	0.9	(0.2)	(0.6)	0.9	0.1	(0.9)	0.7	(1.1)	0.4	1.3	4.6

Notes:

(1) Change versus same quarter in the previous year. All data based on 2021=100.

(2) 2019 base year for weights and 2021 for prices.

(3) Housing, water, electricity, gas and other fuels.

(4) Furnishings, household equipment and routine household maintenance.

Source: SCAD

The Abu Dhabi CPI has 13 expenditure groups. The four groups with the largest weighting in the Abu Dhabi CPI are (i) housing, water, electricity, gas and other fuels (33.6 per cent.); (ii) transportation (14.0 per cent.); (iii) food and beverages (12.0 per cent.); and (iv) education (7.6 per cent.). Together, these four groups account for 67.2 per cent. of the CPI.

The CPI fell by 2.4 per cent. in 2020. This principally reflected lower recreation and culture prices, lower housing, water, electricity, gas and fuel prices and lower transport prices. These decreases were partially offset by an increase in food and beverage prices.

In 2021, the CPI increased by 1.5 per cent., principally reflecting higher transport prices that were driven by higher oil prices.

In 2022, the CPI increased by 5.6 per cent. Prices during 2022 were affected by geopolitical developments taking place in several regions of the world, which put pressure on supply chains, driving up international commodity prices, particularly oil, raw materials and food prices.

In 2023, the CPI was stable compared to 2022 reflecting general stability in economic indicators. Within the individual components, some (for example, restaurants and hotels, food and beverages and health) increased while others (for example transportation and recreation and culture) decreased.

In 2024, the CPI increased by 0.5 per cent. compared to 2023, reflecting general stability in economic indicators. Within the individual components, clothing and footwear, insurance and health led increases, offset by decreases in transportation.

EMPLOYMENT AND WAGES

The most recently available data regarding the labour force in Abu Dhabi is from 2019. SCAD has not published any labour force data for the years after 2019. Based on SCAD estimates for the fourth quarter of 2019, the labour force (comprising the employed and unemployed population from age 15 and above, both nationals and non-nationals) in Abu Dhabi comprised 62.9 per cent. of the total population and 77.2 per cent. of the population aged 15 and above. The unemployment rate in Abu Dhabi was estimated at 6.9 per cent. of the labour force in 2019.

The principal sectors for employment in Abu Dhabi in 2019 were activities of households as employers, undifferentiated goods and services (at 20.8 per cent. of the employed population), construction (at 14.1 per cent.), public administration (at 9.2 per cent.), administrative and support services (at 8.3 per cent.), manufacturing (at 7.2 per cent.), accommodation and food service activities (at 5.5 per cent.), trade (at 4.7 per cent.), education (at 4.5 per cent.) and agriculture, forestry and fishing (at 4.0 per cent.).

One of the key challenges for the emirate is the creation of jobs for nationals, supported by initiatives to educate and motivate young Emiratis to join the workforce and, in particular, the private sector. According to SCAD, the labour force survey for the fourth quarter of 2019 showed that 81.0 per cent. of employed nationals worked in the government sector with only 4.9 per cent. working in the private sector. The government is supporting the private sector by initiating educational and training programmes as well as schemes to identify deficiencies among public sector workers with a view to providing appropriate retraining. Specifically, in the education arena, the government is outsourcing the management of schools to private operators and initiating partnerships with internationally respected universities and schools with a view to increasing the quality of education offered. It is also a requirement for companies in the UAE to maintain defined proportions of Emirati employees in their workforce (known as Emiratisation).

Unemployment in Abu Dhabi, based on labour force surveys, is low with the SCAD estimating unemployment rates (comprising those persons registered as unemployed divided by the total labour force) of 3.7 per cent. in 2015, 4.4 per cent. in 2016, 5.0 per cent. in 2017, 5.2 per cent. in 2018 and 6.9 per cent. in 2019.

Unemployment benefits are payable to nationals only and the responsibility for the payment lies with the federal government.

The Abu Dhabi Retirement Benefits and Pension Fund (the **Pension Fund**) was created in June 2000 to provide pensions to all nationals employed in government and the private sector in Abu Dhabi. The Pension Fund provides a percentage of the average basic salary of the final three years of employment for those in the government sector and the average of the final six years of employment for those in the private sector, plus the last pensionable allowance as required by law, which ranges from 48 per cent. after 15 years employment to 80 per cent. after 25 years employment. Monthly contributions are made to the pension fund both by employers (at a rate of 15 per cent.) and by employees (at a rate of 5 per cent.) based on the employee's monthly pensionable salary. The government contributes an additional sum of 6 per cent. of the insured's pensionable salary.

Separate social security provision is made for all members of the military and the police force and this provision is funded by Abu Dhabi through the contributions it makes to the federal government budget in this respect.

Non-nationals are not entitled to government pensions but are legally entitled to end-of-service benefits based on the length of service and in accordance with the terms of their employment contracts.

The Thiqa Health Insurance Program was launched in Abu Dhabi in May 2008 as part of the implementation of Abu Dhabi Health Insurance Law No. 23 of 2005 and is provided by the National Health Insurance Company, Daman, which is partly owned by ADQ. The Thiqa Health Insurance Program covers all UAE nationals working and residing in Abu Dhabi. The Abu Dhabi government funds the costs of the programme to the extent that it is provided free to UAE nationals in Abu Dhabi. Non-nationals are required to take out health insurance which is paid for by their employers.

INFRASTRUCTURE

Roads and Highways

Abu Dhabi has an extensive network of roads connecting the emirate with Saudi Arabia in the west, Oman in the east and Dubai in the north. Over the past two decades, a network of roads has been built up both within urban areas and connecting various towns and villages in the emirate.

Rail

Etihad Rail was established in June 2009 under Federal Law No. 2 with the mandate to manage the development, construction and operation of the UAE's national freight and passenger railway network. The 1,200 kilometre railway network is complete and operational and extends across the UAE from the border with Saudi Arabia at Ghuwaifat, connecting the emirates via Abu Dhabi, KIZAD, Khalifa Port, Jebel Ali Port, Dubai, Sharjah, Ras al-Khaimah and Fujairah on the UAE's east coast. Etihad Rail is party to a joint venture that will design, build and operate a railway network to connect Sohar Port in Oman with the UAE's rail network.

Etihad Rail's passenger fleet is still under construction and travel by rail is expected to significantly reduce travel times for passengers between the cities served compared to road transport. The railway network will form part of the planned railway network across the GCC.

Ports and Airports

The Khalifa Port in the city of Abu Dhabi is the emirate's main general cargo port and is the first semi-automated container port in the GCC and one of the most technologically advanced ports in the world. The port was officially inaugurated in December 2012. Upon completion, Khalifa Port took over the existing container operations of Mina (Port) Zayed, which had previously been the emirate's principal cargo port, and has since been redeveloped to include a major

luxury cruise ship terminal. Terminals at Jebel Dhanna and Das, Zirku and Mubarraz islands handle a significant proportion of the emirate's crude oil and gas exports. In addition, Abu Dhabi has a number of other general cargo and community ports.

Abu Dhabi Airports, which is owned by ADQ, has had, since it was established in 2006, overall responsibility for the operation, maintenance and redevelopment of Abu Dhabi's airports. Abu Dhabi Airports operates five airports: Zayed International Airport, Al Ain International Airport, Al Bateen Executive Airport, Delma Island Airport and Sir Bani Yas Airport.

Zayed International Airport in Abu Dhabi handled more than 29 million passengers in 2024 and served over 125 passenger destinations. Abu Dhabi Airports has recently completed a multi-billion dirham project to develop a new 742,000 square metre Terminal A building, which has the capacity to handle 45 million passengers per year. Completion of this long-term airport expansion project is therefore expected to facilitate increased tourism in the emirate. Abu Dhabi Airports also owns and operates Abu Dhabi Airports Free Zone that can facilitate rapid movement of air cargo from the markets of Abu Dhabi, Al Ain and other emirates through Zayed International Airport.

Telecommunications

The UAE has a well-developed, technologically-advanced telecommunications infrastructure and has high mobile telephone penetration. Since 1976, the majority federal government-owned telecommunications company, Emirates Telecommunications Group Company PJSC (e&), has operated, maintained and developed the national and international fixed-line network, mobile telephony, Internet access and cable TV services.

In mid-2004, the federal government announced plans to end the monopoly of Etisalat. A regulator, now known as the Telecommunications and Digital Government Regulatory Authority (**TDRA**), was formed to oversee the process and, in 2006, it granted a licence to Emirates Integrated Telecommunications Company (EITC), a new telecom provider, operating under the brand name "du". A third mobile provider, Virgin Mobile (owned by EITC), began providing subscription-based services in September 2017. EITC is partly owned by the Abu Dhabi government through Mubadala.

Energy and Water

The Abu Dhabi electricity and water sector comprises the production, transmission, distribution and supply of electricity and potable water to customers. In 1998, the Abu Dhabi Water and Electricity Authority (**ADWEA**) was formed by the government of Abu Dhabi to assume responsibility for the water and electricity sector in Abu Dhabi. ADWEA was the majority shareholder of TAQA and also, through Abu Dhabi Power Company (**AD Power**), owned the electricity and water transmission and distribution companies in Abu Dhabi. In 2018, the government established the Department of Energy (the **DoE**) as a replacement and legal successor to ADWEA. In 2019, the government transferred various assets then held by the DoE, including its shareholdings in Abu Dhabi Power Company and TAQA, to ADQ. In 2020, a reorganisation took place and the Abu Dhabi transmission and distribution companies were transferred to TAQA and TAQA became a direct 98.6 per cent.-owned subsidiary of AD Power, although it retains its listing on the ADX.

TAQA is a leading integrated utilities group headquartered in Abu Dhabi, with power generation and oil and gas assets in 11 countries (excluding operations conducted through Masdar) and is a key driver of the energy transition in Abu Dhabi and one of the largest listed integrated utility companies in the Europe, Middle East and Africa regions by total asset value as at 31 December 2024. In the UAE, TAQA has ownership interests in nine operating gas-fired power and water co-generation, two renewable and one reverse osmosis desalination plant in the emirates of Abu Dhabi and Fujairah, which, in 2024, supplied most of the power and nearly all of desalinated water to Abu Dhabi's power and water grids in addition to varying levels of power and water

supply to the other emirates. TAQA has interests in a further seven operational power generation assets outside the UAE, with two further assets under construction.

Masdar, which is indirectly wholly owned by the Government through TAQA (which owns 43 per cent.), Mubadala (33 per cent.) and ADNOC (24 per cent.), is undertaking the Masdar Initiative which aims to support and capitalise on the UAE government's energy policy targets to source 44 per cent. of local energy consumption from renewable energy and cut carbon dioxide emissions by 70 per cent. by 2050. Masdar had a presence in over 40 countries and as at 31 December 2024 the total gross generation capacity of Masdar's operational, under construction and committed utility-scale renewable energy generation projects was 32,717 MW and its proportionate share of the capacity of those projects was 18,346 MW as at the same date. Masdar's generation portfolio covers solar, wind, waste-to-energy, geothermal and energy storage and its strategy is to grow to 100 GW of gross capacity by 2030. In addition, Masdar's aims to be a leading producer of green hydrogen by 2030. Masdar's Green Finance Framework has been assigned a Sustainability Quality Score of SQS1 (Excellent) by Moody's Investor Services. Electricity in Abu Dhabi is generated in predominantly gas-fired power stations, many of which also produce water through associated water desalination plants and which are majority owned by TAQA and located throughout the emirate. TAQA Transmission, a subsidiary of TAQA, owns and operates the high voltage transmission lines and mains water pipelines that connect the major centres of generation and demand. Electricity and water are distributed to customers through low voltage distribution networks and water distribution pipeline networks by TAQA Distribution, a subsidiary of TAQA.

In December 2009, the Abu Dhabi government established ENEC as the entity responsible for developing nuclear power plants in the UAE. ENEC's project is located at Barakah in Abu Dhabi, approximately 53km west-southwest of Ruwais. The Barakah project comprises four APR 1,400 nuclear reactors with a capacity of 1,4 GW each. In April 2021, Unit 1 achieved commercial operations making Barakah the first commercially operated nuclear power plant in the Arab world. In March 2022, Unit 2 achieved commercial operations, with Unit 3 achieving commercial operation in February 2023, and Unit 4 became operational in September 2024. The Barakah plant is being operated by a joint venture with the Korea Electric Power Corporation (**KEPCO**), with KEPCO being a minority shareholder in Nawah and Barakah One Company (BOC), the joint venture subsidiary companies of ENEC.

ENEC is regulated by the Federal Authority for Nuclear Regulation, an independent federal agency charged with regulation and licensing of all nuclear energy activities in the UAE with public safety as its primary objective. ENEC is also regulated by the Environment Agency – Abu Dhabi, and works closely with the International Atomic Energy Association.

Based on information on EWEC's website, Abu Dhabi has an installed power capacity of 21.85 GW, with a power mix largely based on combined cycle gas turbine plants (14.06 GW), with the remaining capacity being nuclear (5.2 GW) and solar and wind (2.59). Power capacity under construction represents an additional 3.9 GW. EWEC's target for solar generation capacity is at least 10 GW by 2030.

Abu Dhabi's installed capacity for water desalination is 960 MIGD, of which 100 MIGD (or 10 per cent.) is from energy efficient reverse-osmosis (**RO**) plants and the remainder is from multi-stage flash desalination /multiple effect distillation plants. Installed capacity is expected to grow to 1,160 MIGD by 2026, with all of the growth driven by RO plants.

TAQA Water Solutions, a subsidiary of TAQA, is responsible for collecting and treating the wastewater that gets discharged from all residential, commercial and industrial customers located in Abu Dhabi. It has wastewater treatment facilities in Abu Dhabi city and Al Ain, as well as smaller facilities located in remote and less densely populated areas. Its wastewater collection network comprises extensive underground pipelines and above-ground pumping stations to facilitate smooth flow. TAQA Water Solutions manages both recycled wastewater and sludge, with a large amount of the recycled water being provided to local municipalities for irrigation purposes.

The UAE government announced its 2050 Energy Strategy in 2017 and further updated it in 2023. The strategy targets an energy mix that puts emphasis and focus on clean and renewable energy to advance the country's requirements and environmental goals. The strategy envisages increasing the contribution of installed clean energy in the total energy mix to 30 per cent. by 2030. In the first phase, which will run to 2030, the strategy aims to support the target of reaching 0 per cent. contribution of clean coal in the energy mix. The strategy also includes an ambition to achieve net zero emissions reduction by 2050 and to increase the consumption efficiency of individuals and corporates by 42-45 per cent.

FOREIGN DIRECT INVESTMENT AND FREE ZONES

Foreign Direct Investment

The government has sought to establish favourable conditions and to enhance investor confidence in Abu Dhabi's economy. A transparent tax structure, with a supporting judicial system, investment encouraging business legislation and the establishment of industrial and free zones are all part of this effort. For further information on these initiatives, including a new law which permits non-nationals to own land and property within designated investment areas on a freehold basis, see "*Principal Sectors of the Economy—Construction and Real Estate*" above. A federal law on Foreign Direct Investment, issued in November 2018, provides a framework for the Cabinet to allow increased foreign ownership in selected sectors and sets out a process for applying for majority foreign ownership.

In 2021, the sectors with the largest foreign direct investment (FDI) stock in Abu Dhabi were real estate (which includes real estate sales to non-residents) at 31.5 per cent. of the total stock, mining and quarrying (including crude oil and natural gas) at 20.0 per cent., electricity, gas, water supply and waste management at 12.1 per cent. and financial and insurance at 11.2 per cent.

According to SCAD data, the total stock of inward foreign investment (which includes real estate sales to non-residents) was AED 693,005 million in 2020, AED 758,347 million in 2021, AED 831,528 million in 2022 and AED 904,576 million in 2023, evidencing growth rates of 19.6 per cent. in 2020, 9.4 per cent. in 2021, 9.7 per cent. in 2022 and 8.8 per cent. in 2023, in each case compared to the previous year. No sectoral or geographic breakdowns of inward foreign investment for these years have been published by SCAD.

Excluding real estate sales to non-residents (which are classified as other), four European countries appear in the top 10 source countries for FDI in Abu Dhabi, accounting for 27.1 per cent. of the total FDI stock in 2021. Other significant source countries are Japan, which accounted for 3.9 cent. of the total stock of FDI in 2021, and the Cayman Islands and the United States, which accounted for 3.7 per cent. and 3.2 per cent., respectively, of the total stock of FDI in 2022. There is a large percentage of FDI from other countries (55.0 per cent. in 2021), in large part reflecting the fact that for the geographical presentation real estate sales to non-residents are all counted as other.

Free zones and other specialised zones

In the UAE, foreign corporate entities can freely operate in free zones and free zone entities can be 100 per cent. foreign-owned. Free zone entities are exempt from paying corporate tax for 15 years, renewable for an additional 15 years, and individuals are exempt from paying income tax. There are no currency restrictions levied on the capital or the profits of free zones entities and 100 per cent. of their capital and/or profit can be repatriated. In addition, there is an easily available and relatively inexpensive workforce, no restrictions on the issuance of work permits and residence visas, availability of plots of land, prebuilt warehouses and offices on an annual lease basis, affordable workers' accommodation and minimal legal and administrative procedures to commence operations.

Through Khalifa Economic Zones Abu Dhabi Group (KEZAD Group), AD Ports Group operates 12 economic zones with a total area of 550 km², including 100km² designated as free zones as at 31 December 2022. In addition, the Masdar Initiative includes a free zone, Abu Dhabi Airports operates a free zone at Zayed International Airport and the Abu Dhabi Global Market is a financial free zone.”

(6) *Balance of Payments and Foreign Trade*

The following text replaces the entirety of the section “*Balance of Payments and Foreign Trade*”, which starts on page 131 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“BALANCE OF PAYMENTS AND FOREIGN TRADE

As Abu Dhabi does not prepare separate balance of payment statistics, this section describes the UAE’s balance of payments generally, although the discussion of foreign trade focuses on Abu Dhabi’s trade rather than that of the UAE.

The UAE has traditionally pursued a free-trade policy for deeper integration into the global trading system. The UAE pursues a free-trade policy by liberalising its trade regime through free-trade agreements (FTAs) with other countries and organisations. As a member of the GCC, the UAE’s trade policy is closely linked to the trade policy of the other GCC member countries reflecting, among other things, the GCC Economic Agreement of 2002, which calls for a collective negotiation strategy in the conduct of FTAs with major trading partners, and the establishment of the GCC Customs Union in 2003, which was aimed at enhancing economic unity amongst the member states and allowing the member states to engage in FTA negotiations as a unified trading bloc. Data on non-trade flows into and out of the UAE is not complete and is routinely subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones.

BALANCE OF PAYMENTS

Current Account

The table below shows the balance of payments for the UAE for each of the years indicated. As at the date of this Offering Circular, no balance of payments data for the UAE has yet been published in respect of any period after 2023.

	2020	2021	2022	2023
	(AED billions)			
Current account balance	77.5	177.9	240.5	192.7
Trade balance (FOB).....	221.6	287.8	255.4	210.7
Total exports of the hydrocarbon sector.....	135.1	230.8	341.2	318.5
Non-hydrocarbon exports.....	394.5	415.0	368.4	423.6
Re-exports ⁽¹⁾	469.9	545.4	640.1	713.5
Total exports and re-exports (FOB).....	999.5	1,191.2	1,349.7	1,455.6
Total imports (FOB).....	(778.0)	(903.4)	(1,094.3)	(1,245.0)
Services (net).....	59.7	98.6	211.1	208.8
Investment income (net).....	(6.9)	(2.7)	0.2	14.1
Transfers (net).....	(196.9)	(205.8)	(226.2)	(240.8)
Capital and financial account⁽²⁾	(97.1)	(96.8)	(313.2)	2.5
Net errors and omissions.....	6.0	3.9	1.3	(1.7)
Overall balance	(13.1)	85.0	10.8	196.5

Notes:

- (1) Including re-exports of non-monetary gold.
(2) Standalone capital account data not available due to the fact that the UAE does not distinguish between cash and non-cash investment inflows.

Source: UAE Central Bank

The UAE has a long history of positive trade balances reflecting both the importance of its hydrocarbon exports and its significant volumes of non-hydrocarbon exports and re-exports. The UAE's hydrocarbon exports accounted for 13.5 per cent. of its total exports and re-exports in 2020, 19.4 per cent. in 2021, 25.3 per cent. in 2022 and 21.9 per cent. in 2023. The UAE's re-exports accounted for 47.0 per cent. of its total exports and re-exports in 2020, 45.8 per cent. in 2021, 47.4 per cent. in 2022 and 49.0 per cent. in 2023. The UAE's non-hydrocarbon exports accounted for 39.5 per cent. of its total exports and re-exports in 2020, 34.8 per cent. in 2021, 27.3 per cent. in 2022 and 29.1 per cent. in 2023.

The value of the UAE's hydrocarbon exports, the vast majority of which are made by Abu Dhabi, can be volatile as they depend on prevailing oil prices and agreed OPEC production quotas. Crude oil makes up the majority of the UAE's hydrocarbon exports, accounting for 48.5 per cent. in 2020, 52.1 per cent. in 2022 and 47.3 per cent. in 2023.

The UAE's non-hydrocarbon exports increased by 5.2 per cent. in 2021 compared to 2020 principally reflecting a recovery after the COVID-19 impacted 2020. In 2022, the UAE's non-hydrocarbon exports decreased by 11.2 per cent. in 2022 compared to 2021. In 2023, the UAE's non-hydrocarbon exports increased by 15.0 per cent. compared to 2022.

The UAE's imports grew by 15.3 per cent. in 2021 compared to 2020 and by 21.1 per cent. in 2022 compared to 2021. The UAE's imports increased by 13.8 per cent. in 2023 compared to 2022.

The UAE's trade balance as a percentage of its nominal GDP was 17.5 per cent. in 2020, 19.0 per cent. in 2021, 13.8 per cent. in 2022 and 11.2 per cent. in 2023.

Data on non-trade flows into and out of the UAE is not complete and is routinely subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones. In general, however, the UAE tends to have a non-trade balance deficit reflecting services outflows underlining the UAE's dependence on foreign services for the development of its industrial and services sectors. In addition, there are significant levels of current transfers out of the UAE principally reflecting expatriate workers' remittances.

In 2020, the UAE recorded a net services surplus of AED 59.7 billion. Travel and transport (which together represented 52.4 per cent. of credits and 40.0 per cent. of debits in 2020) reduced in both the credit and debit sides of the services balance, in line with the decrease in inbound tourism to the UAE during 2020 due to the impact of restrictions imposed around the world to combat the COVID-19 pandemic. In 2021, the UAE's net services surplus increased to AED 98.6 billion. Travel and transport (which together represented 57.5 per cent. of credits and 45.0 per cent. of debits in 2021) increased in both the credit and debit sides of the services balance, in line with the increase in inbound tourism to the UAE during 2021 as COVID-19 travel and other restrictions eased. In 2022 and 2023, the UAE recorded net services surpluses of AED 211.1 billion and AED 208.8 billion, respectively. The major components of travel and transport (which together represented 65.4 per cent. and 66.2 per cent. of credits in 2022 and 2023, respectively, and 45.1 per cent. and 46.2 per cent. of debits in 2022 and 2023, respectively) increased in both the credit and debit sides of the services balance. This increase reflected increases in inbound tourism in the UAE in each year.

Although there is a high level of current transfers, these have not outweighed the trade surplus in recent years, resulting in a positive current account balance in each of 2020, 2021, 2022 and 2023, equal to 6.0 per cent., 11.7 per cent., 13.0 per cent. and 10.2 per cent., respectively, of the UAE's nominal GDP in each of these years.

Capital and Financial Accounts

No separate data is released on the UAE's capital account as the UAE does not distinguish between cash and non-cash investment inflows.

In general, the size of the UAE's trade and current account surpluses, coupled with the limited capacity of the local economy to absorb capital, ensure that net foreign capital flows have, historically, generally been outward, preserving the UAE's position as a net international creditor and foreign investor. Most capital outflows have been directed towards the U.S. and European capital markets although more recently there has also been an increase in direct investment in Europe, Asia and the Middle East.

The principal factor impacting the financial account balance in 2020 to 2023 was private sector bank inflows and outflows. In each of 2020, 2021, 2022 and 2023, there were outflows of AED 42.4 billion, AED 21.2 billion, AED 229.4 billion and AED 89.3 billion, respectively. Other factors impacting the financial account balance during the period were flows by public sector entities, which were net outward flows of AED 22.1 billion in 2020, AED 29.9 billion in 2021 and AED 32.4 billion in 2022 and net inward flows of AED 61.1 billion in 2023, and net direct investment flows, which were a net inward flow of AED 3.4 billion in 2020, a net outward flow of AED 6.9 billion in 2021, a net outward flow of AED 7.7 billion in 2022 and a net inward flow of AED 30.7 billion in 2023.

As a result of movements in the capital and financial account, and after taking into account errors and omissions, the UAE's balance of payments showed a deficit of AED 13.1 billion in 2020, a surplus of AED 85.0 billion in 2021, a surplus of AED 10.8 billion in 2022 and a surplus of AED 196.5 billion in 2023, equal to minus 1.0 per cent., 5.6 per cent., 0.6 per cent. and 10.4 per cent., respectively, of the UAE's nominal GDP in 2020, 2021, 2022 and 2023.

As at 31 December 2023, the UAE's official foreign reserves (in the form of the UAE Central Bank's holdings of foreign assets other than its IMF reserves position and SDR holdings) amounted to AED 681.2 billion, compared to AED 493.9 billion as at 31 December 2022, AED 466.4 billion, or 6.2 months of imports as at 31 December 2021 and AED 388.1 billion, or 6.0 months of imports, as at 31 December 2020.

FOREIGN TRADE

Hydrocarbon Exports

The table below shows Abu Dhabi's crude oil production (including condensates), exports and average selling prices for each of the years indicated.

	2020	2021	2022	2023	2024
Crude oil production (million b/d).....	2.8	2.7	3.1	3.0	2.9
Crude oil exports (million b/d) ⁽¹⁾	2.4	2.3	2.7	2.7	2.7
Crude oil exports (U.S.\$ billions) ⁽²⁾	21	32	53	44	43
Average selling price (U.S.\$ per barrel).....	42	68	97	83	81

Notes:

(1) ADNOC and industry shareholders combined.

(2) ADNOC only.

Source: ADNOC

Abu Dhabi has exported approximately 80 to 85 per cent. of its total crude oil production over the five years from 2020.

In addition to crude oil, the principal hydrocarbon products produced and exported by Abu Dhabi include natural gas liquids (NGLs), LNG and sulphur. The table below shows production figures for Abu Dhabi's principal non-oil hydrocarbon products in each of the years indicated.

Production

	2020	2021	2022	2023	2024
	(metric million British thermal units)				
Export traded liquids ⁽¹⁾	1,004	992	976	994	1,010
Sulphur ⁽²⁾	19	18	17	16	15
ADNOC LNG joint venture products share ⁽³⁾	263	273	252	241	268

Notes:

(1) Products comprise C+ components of NGLs (propane, butane and naphtha) and condensate.

(2) Sulphur production from ADNOC Gas facilities only.

(3) Reflects ADNOC Gas share (70 per cent.) of LNG and C+ components of LNG from ADNOC LNG.

Source: ADNOC

Non-oil exports and imports

The non-oil merchandise trade statistics presented in this section comprise trade in goods, which entered or exited the territory of the emirate through its ports (comprising air, sea and land ports). The foreign trade data presented in this section do not cover non-oil exports, re-exports and imports through the ports of the other emirates in the UAE.

As a significant proportion of Abu Dhabi's non-oil exports and imports are made through free zones in Dubai, this data does not present a complete picture of Abu Dhabi's trade flows. The tables demonstrate considerable volatility from year to year in particular items exported and imported and the destinations and sources of exports and imports. This volatility is a function of the data captured and not captured and may reflect products being routed from neighbouring emirates through Abu Dhabi or vice versa or other factors of a one-off nature.

The table below shows Abu Dhabi's non-oil exports and its re-exports and imports in each of the years indicated.

	2020	2021	2022	2023	2024 ⁽¹⁾
	(AED millions)				
Non-oil exports	73,464	78,946	98,803	93,059	107,793
Re-exports	35,256	45,383	47,277	52,394	58,093
Imports	92,488	100,873	114,355	136,450	140,161
Total	201,208	225,203	260,435	281,903	306,047

Note:

(1) Preliminary data.

Source: SCAD and Abu Dhabi Customs

For the purposes of these statistics:

- imports are non-oil goods that enter Abu Dhabi's customs and economic district from various parts of the world, excluding other emirates in the UAE, and receive customs clearance. Goods are considered imports regardless of whether they enter the emirate directly or are retrieved from customs warehouses, temporary entry areas or free zones inside the country. These goods receive customs clearance in order to become part of Abu Dhabi's merchandise balance;
- re-exports represent non-oil goods that are imported from abroad, enter Abu Dhabi's customs and economic district and become part of the emirate's merchandise balance. These goods are then re-exported as they are, without any modification, outside the emirate; and
- exports comprise non-oil goods that are entirely produced locally or in whose production process local resources are used. Non-oil exports through the ports of Abu Dhabi include goods that were produced in other emirates in the UAE. Hydrocarbons are excluded from these goods. These goods leave Abu Dhabi's customs and economic district to the outside world, reducing the emirate's non-oil merchandise trade deficit.

The principal channels for Abu Dhabi's non-oil foreign merchandise trade are air, land and sea transport, which accounted for 27.4 per cent., 39.2 per cent. and 33.4 per cent., respectively, of the total in 2024.

The tables below provide information on Abu Dhabi's principal non-oil exports, re-exports and imports by broad economic category in each of the years and periods indicated.

Non-oil exports by broad economic category

	2020		2021		2022		2023 ⁽¹⁾		2024 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Industrial supplies n.e.s. ⁽²⁾	61,756	84.1	64,353	81.5	82,350	83.3	76,129	81.8	87,568	81.2
Food and beverages	5,932	8.1	6,475	8.2	7,610	7.7	7,678	8.3	8,504	7.9
Consumer goods n.e.s. ⁽²⁾	3,354	4.6	4,248	5.4	4,673	4.7	4,719	5.1	5,929	5.5
Capital goods (except transport equipment)	1,405	1.9	2,576	3.3	2,768	2.8	3,085	3.3	3,830	3.6
Fuels and lubricants	340	0.5	697	0.9	594	0.6	532	0.6	574	0.5
Transport equipment and parts	642	0.9	585	0.7	674	0.7	771	0.8	1,183	1.1
Goods n.e.s. ⁽²⁾	34	0.0	13	0.0	135	0.1	144	0.2	205	0.2
		100.		100.		100.		100.		100.
Total	73,464	0	78,946	0	98,803	0	93,059	0	107,793	0

Notes:

(1) Preliminary data.

(2) n.e.s. means not elsewhere specified.

Source: SCAD

Abu Dhabi's principal non-hydrocarbon export by broad economic category is industrial supplies, principally those derived from hydrocarbons, such as plastics, and base metal products, including aluminium and steel produced by EGA and Emirates Steel Arkan. These products accounted for 84.1 per cent. in 2020, 81.5 per cent. in 2021, 83.3 per cent. in 2022, 81.8 per cent. in 2023 and 81.2 per cent. in 2024.

Re-exports by broad economic category

	2020		2021		2022		2023 ⁽¹⁾		2024 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Transport equipment and parts	15,537	44.1	16,249	35.8	10,951	23.2	10,054	19.2	12,136	20.9
Consumer goods n.e.s. ⁽²⁾	5,617	15.9	9,736	21.5	11,253	23.8	16,568	31.6	16,908	29.1
Capital goods (except transport equipment)	7,343	20.8	8,465	18.7	11,177	23.6	10,204	19.5	11,564	19.9
Industrial supplies n.e.s. ⁽²⁾	3,346	9.5	7,283	16.0	8,122	17.2	9,187	17.5		18.6

									10,781	
Food and beverages	3,262	9.3	3,453	7.6	4,509	9.5	4,854	9.3	5,086	8.8
Fuels and lubricants	57	0.2	110	0.2	194	0.4	220	0.4	233	0.4
Goods n.e.s. ⁽²⁾	94	0.3	87	0.2	1,071	2.3	1,307	2.5	1,386	2.4
Total	35,256	100.0	45,383	100.0	47,277	100.0	52,394	100.0	58,093	100.0

Notes:

(1) Preliminary data.

(2) n.e.s. means not elsewhere specified.

Source: SCAD

Abu Dhabi's principal re-exports by broad product type are transport equipment and parts (principally vehicles and aircraft parts), consumer goods (including electrical machinery), capital goods (excluding transport equipment) and industrial supplies. Together these products accounted for 90.3 per cent. in 2020, 92.0 per cent. in 2021, 87.8 per cent. in 2022, 87.8 per cent. in 2023 and 88.5 per cent. in 2024.

Imports by broad economic category

	2020		2021		2022		2023 ⁽¹⁾		2024 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Industrial supplies n.e.s. ⁽²⁾	38,347	41.5	46,566	46.2	48,672	42.6	56,626	41.5	55,507	39.6
Transport equipment and parts	19,089	20.6	22,337	22.1	29,130	25.5	34,265	25.1	27,988	20.0
Capital goods (except transport equipment)	20,510	22.2	15,937	15.8	19,237	16.8	26,810	19.6	31,679	22.6
Consumer goods n.e.s. ⁽²⁾	7,154	7.7	8,646	8.6	5,938	5.2	6,674	4.9	7,457	5.3
Food and beverages	6,829	7.4	6,720	6.7	7,968	7.0	8,373	6.1	13,524	9.6
Fuels and lubricants	442	0.5	498	0.5	722	0.6	485	0.4	472	0.3
Goods n.e.s. ⁽²⁾	117	0.1	169	0.2	2,688	0.4	3,217	2.4	3,534	2.5
Total	92,488	100.0	92,948	100.0	114,355	100.0	136,450	100.0	140,161	100.0

Notes:

(1) Preliminary data.

(2) n.e.s. means not elsewhere specified.

Source: SCAD

Abu Dhabi's principal imports by broad product type are industrial supplies (including raw materials for its industrial and petrochemical plants), transport equipment and parts (including vehicles, aircraft and spacecraft parts and marine vessels) and capital goods (except transport equipment), including nuclear equipment. Together these three product types accounted for 84.3 per cent. in 2020, 84.1 per cent. in 2021, 84.9 per cent. in 2022, 86.3 per cent. in 2023 and 82.2 per cent. in 2024.

Key trade partners

In 2024, Abu Dhabi's four major non-hydrocarbon trade partners in terms of exports were Saudi Arabia, Switzerland, India and the United States, which accounted for 66.9 per cent. of Abu Dhabi's total non-hydrocarbon exports. In 2024, Abu Dhabi's four major non-hydrocarbon trade partners in terms of re-exports were Saudi Arabia, Qatar, Kuwait and Bahrain, which accounted

for 62.9 per cent. of Abu Dhabi's total non-hydrocarbon re-exports. In 2024, Abu Dhabi's four major non-hydrocarbon trade partners in terms of imports were China, Saudi Arabia, the United States and Japan, which accounted for 37.7 per cent. of Abu Dhabi's total non-hydrocarbon imports.

In terms of Abu Dhabi's non-oil exports and non-oil re-exports combined, Saudi Arabia was the dominant trade partner in 2024, accounting for AED 46,473 million, with Switzerland accounting for AED 24,738 million and Qatar accounting for AED 10,635 million. In terms of Abu Dhabi's non-oil imports, China accounted for 15,260 million in 2024, with Saudi Arabia accounting for AED 13,602 million and the United States accounting for AED 13,293 million."

(7) Monetary and Financial System

The following text replaces the entirety of the section "*Monetary and Financial System*", which starts on page 137 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

"MONETARY AND FINANCIAL SYSTEM

As Abu Dhabi does not have a separate monetary or financial system, this section describes the UAE's monetary and financial system generally, although certain sections focus specifically on Abu Dhabi where information is available.

MONETARY AND EXCHANGE RATE POLICY

The UAE's monetary and exchange rate policy is managed by the UAE Central Bank. The principal objective of the UAE's monetary policy is to maintain the UAE dirham as a stable and convertible currency within the framework of the monetary system. The UAE Central Bank is responsible for determining the objectives of monetary policy and the structure of the monetary system, as well as monetary policy (liquidity management) tools and related operations, including policies relating to management of the exchange rate of the national currency and money markets in the UAE. In common with most other GCC countries and reflecting the fact that oil and gas revenues are priced in U.S. dollars, the UAE dirham is linked to the U.S. dollar. In the case of the UAE, the exchange rate has been pegged at AED 3.6725 = U.S.\$1.00 since 22 November 1980. There are no exchange controls in the UAE and the UAE dirham is freely convertible.

The UAE authorities have expressed publicly their commitment to the UAE dirham/U.S. dollar peg, which has served the UAE well over time, with relatively stable growth and moderate inflation. Given the track record of the peg and the significant reserves available to back it, the UAE Central Bank's firm policy is to maintain this peg. See "*Risk Factors—Factors that May Affect the Issuer's Ability to Fulfil Its Obligations Under Notes Issued Under the Programme—Any adjustment to, or ending of, the UAE's currency peg could negatively affect Abu Dhabi*". Reflecting this policy, the UAE Central Bank has limited scope to use interest rates as a monetary tool, but employs macro-prudential measures, such as additional capital requirements, lending and exposure limits, to manage credit growth. Liquidity risk and asset concentration in the economy.

During 2020, the UAE Central Bank endorsed a new dirham monetary framework to enhance the formulation and implementation of its monetary policy. This framework has four pillars:

- **Standing facilities and base rate:** On-demand facilities, which address both overnight and intraday money market conditions, are divided into three categories: overnight deposit, intraday liquidity, and overnight lending. A new overnight deposit facility (**ODF**) for UAE banks replaced the one-week certificates of deposit in 2020 as the prime facility for managing surplus liquidity in the UAE banking sector. The UAE Central Bank signals its monetary policy stance through the ODF interest rate (the **Base Rate**) – the UAE Central Bank's main policy rate. The Base Rate is aligned with the U.S. Federal Reserve's Interest

on Excess Reserves and provides the effective interest rate floor for overnight money market rates. The ODF supports banks operating in the UAE to proactively manage their day-to-day liquidity by aligning overnight money market rates with the Base Rate.

- **Open market operations:** Open market operations play an important role in the implementation of monetary policy by (i) managing liquidity in the domestic market and (ii) steering short-term market interest rates to the policy rate in response to unexpected liquidity fluctuations. This helps minimise the gap between the UAE Central Bank's base rate and overnight interbank rates, such as the Dirham Overnight Index Average (**DONIA**), which was developed in 2020. The daily publication of DONIA, based on actual overnight interbank transactions, provides market participants with data pertinent to the overall state of the interbank market and provides a solid basis for banks in determining their fixings for the Emirates Interbank Offered Rate (**EIBOR**) and overnight EIBOR.
- **Liquidity insurance:** Liquidity insurance refers to liquidity assistance that could be provided during times of actual or prospective stress. The circumstances could be market-wide or idiosyncratic, where deposit-taking licensed financial institutions need additional liquidity at extended terms, to be executed on a contingent basis and at the UAE Central Bank's discretion. New liquidity insurance and liquidity provision facilities were introduced in 2020 while also improving existing facilities. This included the introduction of an Intraday Liquidity Facility to provide eligible counterparties with daily access to dirham liquidity to ensure payments are settled in real-time and increased efficiency of payments through the UAE Funds Transfer System. In addition, a contingency liquidity insurance facility (in dirham) and a U.S. dollar liquidity facility (against high quality collateral) were established in 2022.
- **Statutory reserve requirements:** Statutory reserves are used primarily for liquidity management purposes, such as drawing against reserves, and to provide protection against both liquidity and solvency risks. Regulations on reserve requirements for deposit-taking licensed financial institutions were introduced in 2020 to make reserve management more flexible. The duration of the reserve maintenance period was extended from seven to 14 days, incentivising institutions to manage their day-to-day liquidity more efficiently to take advantage of the reserve averaging mechanism. Additionally, deposit-taking licensed financial institutions may draw on the UAE Central Bank-held reserve balances – up to 100 per cent. on any day – for daily settlement purposes, to deal with swings in overnight money market rates. Institutions must meet the average daily reserve requirement over a 14-day reserve maintenance period.

In line with the UAE Central Bank's commitment to providing a holistic solution to manage liquidity within the UAE banking sector, a new Monetary Bills (**M-Bills**) securities issuance programme was launched in 2020. M-Bills facilitate the establishment of robust infrastructure to manage liquidity, to ensure the maintenance of the currency cover ratio threshold (minimum 70 per cent.) and to provide a stable collateralised source of funds to UAE banks and financial institutions. These securities are auctioned and traded through Bloomberg's primary and secondary market solutions and settled through a local platform. The UAE Central Bank expects M-Bills to promote development of a local market for dirham-denominated securities while improving market transparency. Building on this development, the UAE Central Bank also partnered with the Federal Ministry of Finance to establish the infrastructure that enabled the first sovereign issuance of dirham debt securities in May 2022. Subsequently, the UAE government debt issuance programme was expanded to also include shariah-compliant issuance in the form of sukuk. Gradually, with regular activity of benchmark size, the UAE Central Bank expects a robust sovereign curve to be developed, on which pricing of UAE bank and corporate issuances can be based. The UAE Central Bank is currently completing the dirham monetary framework by finalising the implementation of a buy-back programme for M-Bills as well as fine-tuning open market operations by means of a two-way repo facility for UAE government

securities (matched transactions of securities) and a term liquidity facility to anchor DONIA to the Base Rate.

LIQUIDITY AND MONEY SUPPLY

The table below shows certain liquidity indicators for the UAE as at 31 December in each of 2020, 2021, 2022, 2023 and 2024.

	As at 31 December				
	2020	2021	2022	2023	2024
<i>(AED billions, except percentages)</i>					
Currency in circulation outside banks.....	94.7	94.1	101.9	117.0	133.2
Money supply (M1) ⁽¹⁾	600.1	701.9	737.5	829.3	946.3
Private domestic liquidity (M2) ⁽²⁾	1,478.6	1,563.0	1,703.6	2,022.9	2,315.2
Overall domestic liquidity (M3) ⁽³⁾	1,769.4	1,856.9	2,107.2	2,444.5	2,776.6
Overall domestic liquidity (M3) to nominal UAE GDP ⁽⁴⁾	134.9%	119.7%	112.2%	127.4%	136.9%
Government deposits ⁽⁵⁾	290.8	293.9	403.6	421.6	461.4
Domestic private sector credit.....	1,124.9	1,137.5	1,185.9	1,260.9	1,357.8
Domestic private sector credit to nominal UAE GDP ⁽⁴⁾	85.8%	73.3%	63.1%	65.7%	66.9%
Domestic bank credit.....	1,596.8	1,619.0	1,650.9	1,737.7	1,843.0
Domestic bank credit to nominal UAE GDP ⁽⁴⁾	121.7%	104.4%	87.9%	90.5%	90.9%

Notes:

- (1) Comprises currency in circulation plus cash at banks and monetary deposits.
- (2) Comprises M1 plus quasi-monetary deposits (being savings accounts, time deposits, and all deposits in foreign money). Also known as broad money.
- (3) Comprises M2 plus government deposits at banks (including the UAE Central Bank). Government deposits comprises deposits from the federal and individual emirate governments and the companies owned by them.
- (4) For UAE GDP data, see “*Economy of Abu Dhabi—Gross Domestic Product*”.
- (5) Government deposits comprises deposits from the federal and individual emirate governments and the companies owned by them.

Source: UAE Central Bank

Money supply (**M1**), which comprises currency in circulation outside banks and monetary deposits, grew by 17.0 per cent. in 2021, by 5.1 per cent. in 2022, by 12.4 per cent. in 2023 and by 14.1 per cent. in 2024. The growth in M1 in 2021 through 2024 principally reflected changes in monetary deposits.

Private domestic liquidity (**M2**), which comprises M1 plus quasi-monetary deposits (being foreign currency and dirham deposits at banks), grew by 5.7 per cent. in 2021, by 9.0 per cent. in 2022, by 18.7 per cent. in 2023 and by 14.4 per cent. in 2024. The growth in M2 in the periods discussed principally reflected changes in quasi-monetary deposits in 2022, 2023 and 2024 and changes in both monetary and quasi-monetary deposits in 2021.

Overall domestic liquidity (**M3**), which comprises M2 plus long-term bank deposits, grew by 4.9 per cent. in 2021, by 13.1 per cent. in 2022, by 16.0 per cent. in 2023 and by 13.6 per cent. in 2024.

In 2021, overall domestic liquidity expressed as a percentage of nominal UAE GDP declined to 119.7 per cent., principally due to a significant increase in nominal UAE GDP in 2021 as the economy recovered once COVID-19 restrictions were lifted and oil prices increased. In 2022, overall domestic liquidity expressed as a percentage of nominal UAE GDP declined to 112.2 per cent., principally due to a significant increase in nominal UAE GDP in 2022 driven by higher oil prices, mainly in response to the Russian invasion of Ukraine. In 2023 and 2024, overall domestic liquidity expressed as a percentage of nominal UAE GDP increased to 127.4 per cent.

and 136.9 per cent., respectively, mainly reflecting the significant increases in M2 and M3 which were proportionately greater than the increase in the UAE's nominal GDP.

In 2021, government deposits grew by 1.1 per cent. compared to 2020, although they remained well below the level in 2019. In 2022, government deposits increased by 37.3 per cent. compared to 2021, driven by the positive impact of higher oil prices on government revenue. In 2023, government deposits increased by 4.5 per cent. In 2024, government deposits increased by 9.4 per cent.

The availability of domestic private sector credit increased to AED 1,137.5 billion in 2021, increased to AED 1,185.9 billion in 2022, AED 1,260.9 billion in 2023 and AED 1,357.8 billion in 2024. Domestic private sector credit expressed as a percentage of nominal UAE GDP was 85.4 per cent. in 2020. In 2021, domestic private sector credit expressed as a percentage of nominal UAE GDP declined to 73.3 per cent., principally due to a significant increase in nominal UAE GDP as the economy recovered in 2021. In 2022, domestic private sector credit expressed as a percentage of nominal UAE GDP declined to 63.1 per cent., principally due to the significant increase in nominal UAE GDP in 2022. In 2023 and 2024, domestic private sector credit expressed as a percentage of nominal UAE GDP increased to 65.7 per cent. and 66.9 per cent., respectively, mainly reflecting higher domestic private sector credit which was proportionately greater than the increase in the UAE's nominal GDP.

Domestic bank credit was AED 1,596.8 billion as at 31 December 2020, AED 1,619.0 billion as at 31 December 2021, AED 1,650.9 billion as at 31 December 2022, AED 1,737.7 billion as at 31 December 2023 and AED 1,843.0 billion as at 31 December 2024. Domestic bank credit expressed as a percentage of nominal UAE GDP was 121.2 per cent. 2020. In 2021, domestic bank credit expressed as a percentage of nominal UAE GDP declined to 104.4 per cent., principally due to the significant increase in nominal UAE GDP as the economy recovered in 2020. In 2022, domestic bank credit expressed as a percentage of nominal UAE GDP declined to 87.9 per cent., principally due to the significant increase in nominal UAE GDP in 2022. In 2023 and 2024, domestic bank credit expressed as a percentage of nominal UAE GDP increased to 90.5 per cent. and 90.9 per cent., respectively, reflecting the proportionately greater increase in domestic bank credit than in the UAE's nominal GDP.

RESERVES

The table below shows the composition of the gross and net international reserves of the UAE Central Bank as at 31 December in each of 2020, 2021, 2022, 2023 and 2024.

	As at 31 December				
	2020	2021	2022	2023	2024
	<i>(AED billions)</i>				
Gross international reserves	391.9	481.5	508.4	695.9	874.7
Current account balances and deposits with					
banks abroad.....	348.2	280.4	313.8	443.6	581.8
Foreign securities.....	4.0	135.9	134.5	187.2	218.9
IMF reserves position and SDR holdings.....	3.8	15.1	14.5	14.7	14.3
Other foreign assets.....	35.8	50.2	45.5	50.4	59.8
Foreign liabilities	(10.8)	(15.4)	(31.5)	(22.5)	(26.0)
Net international reserves	381.0	466.1	476.9	673.4	848.7

Source: UAE Central Bank

The UAE Central Bank's reserves are managed in line with the IMF's guidelines for foreign exchange reserve management and best practice at peer central banks in a well-diversified portfolio of money market and capital market assets. The reserves are invested in accordance with the strategic asset allocation and risk budget approved by the Board of the UAE Central

Bank and also include holdings of gold. The money market assets consist of deposits with major central banks and commercial banks and also include short-term bonds. The capital market assets are invested in a portfolio of global investment grade bonds. The currency risk is hedged to the U.S. dollar in line with the pegged exchange rate policy in the UAE.

The international reserves are subjected to an annual reserve adequacy assessment and have been found to be adequate to meet the objectives against which they are held in each year from 2020 to 2024). The international reserves cover more than 90 per cent. of the monetary base compared to the legal requirement of a 70 per cent. cover ratio against the monetary base.

The official reserves figures excludes the stock of publicly controlled foreign assets held in other accounts in investment bodies controlled by individual emirates, such as ADIA in Abu Dhabi.

The UAE Central Bank's gross international reserves were AED 481.5 billion in 2020. In 2021, the UAE Central Bank's gross international reserves grew by 22.9 per cent., principally reflecting significant growth in highly liquid debt securities issued by non-UAE issuers. In 2022, the UAE Central Bank's gross international reserves grew by 5.6 per cent., principally reflecting higher current account balances and deposits with banks abroad. In 2023, the UAE Central Bank's gross international reserves grew by 36.9 per cent., principally reflecting higher current account balances and deposits with banks abroad and foreign securities. In 2024, the UAE Central Bank's gross international reserves grew by 25.7 per cent, principally reflecting higher current account balances and deposits with banks abroad.

BANKING AND FINANCIAL SERVICES

The financial institutions and insurance industry in Abu Dhabi contributed 8.2 per cent. of Abu Dhabi's nominal GDP in 2020, 7.1 per cent. in 2021, 6.2 per cent. in 2022, 7.3 per cent. in 2023 and 7.9 per cent. in 2024. Within the UAE as a whole, the financial and insurance activities sector was estimated to have contributed 11.0 per cent. in 2020, 9.7 per cent. in 2021, 9.2 per cent. in 2022, 9.9 per cent. in 2023 and 10.2 per cent. in 2024, according to published FCSC data (preliminary data for 2024). There were 23 locally-incorporated licensed banks, 27 foreign commercial banks and 11 foreign licensed wholesale banks as at 31 December 2024, according to the UAE Central Bank.

Banks in the UAE remain exposed to the real estate sector. The UAE Central Bank enhanced its framework for the oversight of banks' real estate exposures with new standards for bank real estate exposures taking effect on 30 December 2021, starting with an observation period, during which banks will be required to implement the framework.

The new standards cover all types of on-balance sheet loans and investments and all off-balance sheet exposures to the real estate sector. This reflects the deepening of financial markets, with bank real estate exposures occurring through a broader range of financial instruments, including off-balance-sheet instruments, in addition to conventional real estate lending. They also require banks to review and improve their internal policies to enhance sound underwriting, valuation and collateral management and general risk management for their real estate exposures. In terms of governance, banks' internal policies related to real estate exposures must be approved by their board of directors or relevant board committee. The standards also introduced a new risk-based threshold to measure banks' exposure concentration to real estate, based on credit risk-weighted assets. Banks with higher risk-weighted real estate exposures in their portfolios will be subject to a more extensive supervisory review of their underwriting and risk management practices in this segment.

In 2022, the UAE Central Bank published two major regulations for the UAE insurance sector. A new corporate governance regulation sets out the core duties and responsibilities of insurance company boards and senior management and establishes minimum requirements for insurance company internal structures and processes, including the composition of boards, senior management and key control functions. A new risk management and internal controls regulation sets requirements for board and senior management oversight and the management of risk in

insurance companies, as well as standards for implementing risk, compliance and internal audit functions.

In 2023, work continued on proposed recovery and resolution frameworks for banks and insurance companies operating in the UAE. A recovery planning regulation was issued in 2023. Following significant consultation with banks, the resolution framework is being finalised. A new credit risk regulation was developed in 2023.

Statistical Analysis of the UAE Banking Sector

The table below provides a statistical analysis of the UAE banking sector as at 31 December in each of 2020, 2021, 2022, 2023 and 2024.

	2020	2021	2022	2023	2024 ⁽¹⁾
Total number of banks (excluding wholesale banks)	48	49	50	50	50
Total number of branches	614	588	571	561	557
Total number of employees in banks	33,444	33,491	35,830	38,168	39,046
Total gross credit ⁽²⁾ (AED billions)	1,779.0	1,794.0	1,879.4	1,991.3	2,180.8
Total NPLs/total loans ⁽³⁾ (per cent.)	7.6	7.3	6.6	5.3	4.1
Total provisions ⁽⁴⁾ (AED billions)	154.9	156.3	156.6	140.8	128.8
Total provisions/total gross credit (per cent.)	8.7	8.7	8.3	7.1	5.9
Total assets (AED billions)	3,188.0	3,321.5	3,667.6	4,071.1	4,559.1
Total deposits (AED billions)	1,884.5	1,996.5	2,222.2	2,521.9	2,847.0
Lending to stable resources ratio ⁽⁵⁾ (per cent.)	77.6	77.3	75.6	73.9	72.2
Eligible liquid assets ratio ⁽⁶⁾ (per cent.)	18.4	19.6	19.1	20.4	21.3
Capital adequacy ratio ⁽⁷⁾ (per cent.)	18.1	17.2	17.4	17.9	17.8
Tier 1 capital ratio ⁽⁷⁾ (per cent.)	17.0	16.1	16.2	16.6	16.4
CET 1 capital ratio ⁽⁷⁾ (per cent.)	14.9	14.2	14.4	14.9	14.7

Notes:

- (1) Preliminary figures.
- (2) Credit extended by banks to residents and non-residents. Excludes due from other banks.
- (3) Financial Soundness Indicator data variables are revised and calculated in compliance with the latest Financial Soundness Indicators Compilation Guide (2019 FSI Guide) issued by the IMF. NPLs are net of interest in suspense. For the NPL ratio calculation, gross loans includes loans to Other Depository Corporations (Banks).
- (4) Total specific provisions and other unallocated/collective provisions. Includes general provisions.
- (5) Calculated as total banks' advances (net lending plus net financial guarantees and standby letters of credit plus interbank placements of more than 3 months duration) divided by the sum of net free capital funds and other stable resources.
- (6) Calculated as total banks' eligible liquid assets (which comprise cash in hand, liquid assets at the UAE Central Bank and eligible bonds/sukuk as prescribed by Regulation 33/2015 and Basel principles but exclude interbank positions) divided by total liabilities (which comprise balance sheet total assets minus the sum of (i) capital and reserves, (ii) all provisions and interest in suspense except staff benefit provisions, (iii) refinancing and (iv) subordinated borrowings and deposits).
- (7) Basel III.

Source: UAE Central Bank

According to the UAE Central Bank, the total gross credit extended to residents and non-residents of the UAE by UAE banks was AED 1,779.0 billion as at 31 December 2020, AED 1,794.0 billion as at 31 December 2021, AED 1,879.4 billion as at 31 December 2022, AED 1,991.3 billion as at 31 December 2023 and AED 2,180.8 billion as at 31 December 2024. As at the same dates, the NPL portfolio of the UAE banks was AED 142.4 billion, AED 139.6 billion, AED 133.8 billion, AED 116.3 billion and AED 100.1 billion, respectively, and the total provisions made by UAE banks were AED 154.9 billion, AED 156.3 billion, AED 156.6 billion, AED 140.8 billion and AED 128.8 billion, respectively. NPLs as a percentage of total loans

were 7.6 per cent. as at 31 December 2020. As at 31 December 2021, NPLs as a percentage of total loans had reduced to 7.3 per cent. and as at 31 December 2022, 2023 and 2024, NPLs as a percentage of total loans were 6.6 per cent., 5.3 per cent. and 4.1 per cent., respectively, in each case reflecting improved economic conditions.

Financial soundness indicators for UAE banks remain healthy, with the lending to stable resources ratio, which was 77.6 per cent. as at 31 December 2020, 77.3 per cent. as at 31 December 2021, 75.6 per cent. as at 31 December 2022, 73.9 per cent. as at 31 December 2023 and 72.2 per cent. as at 31 December 2024, in each case reflecting higher stable resources compared to credit growth at banks. The eligible liquid assets ratio remained comfortably above the regulatory threshold of 10 per cent., being 18.4 per cent. as at 31 December 2020, 19.6 per cent. as at 31 December 2021, 19.1 per cent. as at 31 December 2022, 20.4 per cent. as at 31 December 2023 and 21.3 per cent. as at 31 December 2024. The total capital adequacy ratio also remained comfortably above the regulatory threshold of 13.0 per cent. (including the capital conservation buffer of 2.5 per cent.). The domestic systemically important banks are obliged to hold an additional buffer of 0.5 per cent. to 2.5 per cent. The total capital adequacy ratio was 18.1 per cent. as at 31 December 2020, 17.2 per cent. as at 31 December 2021, 17.4 per cent. as at 31 December 2022, 17.9 per cent. as at 31 December 2023 and 17.8 per cent. as at 31 December 2024. As part of the TESS, banks in the UAE were able to utilise 100 per cent. of their domestic systemically important bank buffer and 60 per cent. of their capital conservation buffer without supervisory consequences until 30 June 2022.

All the banking sector data sourced to the UAE Central Bank in this section is calculated by the UAE Central Bank on the basis on parent bank only reports submitted to it and, accordingly, excludes the effect of any consolidation by those banks of the results of their subsidiaries.

Principal Banks in Abu Dhabi

The table below provides summary information for each of the four banking groups currently established in Abu Dhabi.

Bank name	Number of UAE branches⁽¹⁾	Year established	Government ownership (per cent.)	2023 assets⁽²⁾ (AED million)
First Abu Dhabi Bank PJSC ⁽³⁾	63	2017	37.9	1,213,247
Abu Dhabi Commercial Bank PJSC ⁽⁴⁾	52	2019	60.7	652,814
Abu Dhabi Islamic Bank PJSC	60	1997	0.00	225,910
Arab Bank for Investment and Foreign Trade	5	1976	0.00	24,652

Notes:

- (1) As at 31 December 2024.
- (2) Consolidated total assets as at 31 December 2024.
- (3) First Abu Dhabi Bank PJSC is the product of a merger between National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC with effect from April 2017. Government share ownership is through Mubadala and is as at 31 December 2023.
- (4) Abu Dhabi Commercial Bank PJSC merged with Union National Bank PJSC and acquired 100 per cent. of the share capital in Hilal Bank PJSC with effect from May 2019. Government share ownership is through Mubadala and is as at 31 December 2024.

Sources: UAE Central Bank for branches, published financial statements for total assets figures and bank websites for Government ownership.

The table below provides a statistical analysis of the Abu Dhabi banking sector (National Banks) as at 31 December in each of 2020, 2021, 2022, 2023 and 2024.

	2020	2021	2022	2023	2024
Total gross credit ⁽¹⁾ (AED billions)	748.0	761.5	850.5	915.9	1,026.8
Total provisions ⁽²⁾ (AED billions)	49.1	50.4	52.1	49.0	47.7

	2020	2021	2022	2023	2024
Total provisions/total gross credit (<i>per cent.</i>)	6.6	6.6	6.1	5.3	4.6
Total assets (<i>AED billions</i>)	1,427.2	1,515.9	1,758.7	1,948.9	2,169.3
Total deposits (<i>AED billions</i>)	823.0	886.4	1,043.7	1,164.6	1,302.6
Lending to stable resources ratio ⁽³⁾ (<i>per cent.</i>)	75.5	74.8	74.1	74.2	73.4
Eligible liquid assets ratio ⁽⁴⁾ (<i>per cent.</i>)	14.7	16.1	14.4	16.2	16.8
Capital adequacy ratio ⁽⁵⁾ (<i>per cent.</i>)	17.3	16.3	16.4	17.4	17.3
Tier 1 capital ratio ⁽⁵⁾ (<i>per cent.</i>)	16.0	15.1	15.3	16.0	15.6
CET 1 capital ratio ⁽⁵⁾ (<i>per cent.</i>)	13.8	13.1	13.4	14.0	13.7

Notes:

- (1) Loans extended by Abu Dhabi Banks (National Banks) to residents and non-residents. Excludes loans to Other Depository Corporations (Banks).
- (2) Total specific provisions and other unallocated/collective provisions. Includes general provisions.
- (3) Calculated as total banks' advances (net lending plus net financial guarantees and standby letters of credit plus interbank placements of more than 3 months duration) divided by the sum of net free capital funds and other stable resources.
- (4) Calculated as total banks' eligible liquid assets (which comprise cash in hand, liquid assets at the UAE Central Bank and eligible bonds/sukuk as prescribed by Regulation 33/2015 and Basel principles but exclude interbank positions) divided by total liabilities (which comprise balance sheet total assets minus the sum of (i) capital and reserves, (ii) all provisions and interest in suspense except staff benefit provisions, (iii) refinancing and (iv) subordinated borrowings and deposits).
- (5) Basel III.

Source: UAE Central Bank

The UAE Central Bank

The UAE Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE and, since 2021, all insurance companies operating in the UAE. Federal Law No. 14 of 2018, as amended (the **2018 Law**) empowers the UAE Central Bank to license and regulate banks and non-banking financial institutions under the 2018 Law's objective of contributing to the promotion and protection of the stability of financial system in the UAE. The other objectives set out in the 2018 Law, as amended, are:

- maintaining stability of the dirham within the framework of the monetary system;
- prudently managing the UAE Central Bank's foreign reserves; and
- providing an appropriate environment to develop and enhance the role of the insurance industry in insuring people, property and responsibilities against risks to protect the national economy, encourage fair and effective competition, provide the best insurance services at competitive prices and coverage and localise jobs in the insurance market.

The 2018 Law requires the UAE Central Bank to:

- draw up and implement monetary policy while considering the UAE's general strategy;
- exercise the privilege of currency issuance;
- organise licensed financial activities, establish the foundations for carrying them on and determine the standards required for developing and promoting prudential practices in accordance with the provisions of 2018 Law and international standards;

- establish appropriate regulations and standards for the protection of consumers of licensed financial institutions;
- monitor the credit condition in the UAE in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base in accordance with the 2018 Law;
- regulate, develop, oversee and maintain the soundness of the financial infrastructure systems in the UAE, including electronic payment systems, digital currency and stored value facilities;
- regulate, develop and oversee the insurance sector and business, and propose and implement regulating legislation in this regard;
- receive requests for establishing and opening branches and representative offices for insurance and reinsurance companies, insurance agents and the professions associated with them, and issuing the necessary licenses for them in accordance with the regulating legislation;
- protect the rights of the insured and the beneficiaries of the insurance business and monitor the financial solvency of insurance companies to provide adequate insurance coverage to protect these rights; and
- work to raise the performance and efficiency of insurance companies and ensure their compliance with the rules and ethics of the profession to increase their ability to provide better services to the beneficiaries of insurance, and to achieve positive competition among insurance companies.

The UAE Central Bank is also empowered to determine any measures and actions necessary for the protection of financial institutions and their depositors in order to minimise the effect that a deficiency in their financial position may have on the financial system as a whole.

As part of its strategy for 2023-2026, the UAE Central Bank has launched its Financial Infrastructure Transformation Programme (FIT programme) to accelerate the digital transformation in the financial services sector. The FIT Programme aims to support the financial services sector, promote digital transactions, and enable the UAE to become a financial and digital payment hub and a centre of excellence for innovation and digital transformation. The FIT Programme comprises the implementation of nine key initiatives, including a series of digital payment infrastructures and services such as the launch of a card domestic scheme, an instant payments platform, and the pilot issuance of central bank digital currency for cross-border and domestic uses. These digital infrastructures will improve regulatory compliance, reduce the cost of operation, enhance innovation and customer experience, and most importantly, strengthen security and operational resilience. Each transformation project under the FIT programme has clear, well-defined goals, targets and key performance indicator benchmarks, and aims to incorporate best-in-class technical solutions, and robust business cases and design principles.

Bank supervision in the UAE

The UAE Central Bank's supervisory objective, consistent with the Basel Committee for Banking Supervision's core principles for effective banking supervision, is to promote the safety and soundness of licensed institutions as well as the banking and financial market. In so doing, the UAE Central Bank aims to protect the rights of depositors, promote transparency and fair

dealing by financial institutions in relation to their customers and counterparties and ensure effective market discipline.

Using a risk-based supervision approach, the UAE Central Bank assesses the risk management policies and practices used by licensed institutions to control, reduce and mitigate risk. Risk-based supervision focuses the level of supervisory attention on those risk areas that pose the greatest risk to the banks' safety and soundness. It also supports the UAE Central Bank in achieving its regulatory objectives, while considering the need to employ its resources in the most efficient and effective manner.

Through a mix of on-site and off-site supervision, the UAE Central Bank seeks to evaluate the condition of licensed institutions, their risk profile, their risk management processes, their internal control environment and the corrective measures necessary to address any supervisory concerns. The specific mix between on-site and off-site supervision is determined by the condition of the licensed institution, the quality of the prudential data reported for off-site supervision, and the significance of the institution to the financial stability of the banking and financial market. As the maturity of the management and quality in reporting of the licensed institutions increases, the UAE Central Bank aims to place increased reliance on off-site monitoring, although the overall supervision strategy is set for each licensed institution based on its complexity, risk profile and potential impact on the safety and soundness of the financial system as well as any impact on the supervisory objectives.

The UAE Central Bank is also tasked with sponsoring anti-money laundering activities in the UAE. The UAE financial intelligence unit, known as the Financial Intelligence Department, is located within the UAE Central Bank and the Governor of the UAE Central Bank is also the chairman of the National Anti-Money Laundering and Combating Financing of Terrorism Committee in the UAE. Anti-money laundering (AML) and counter-terrorism financing (CTF) legislation in the UAE was amended in November 2018 and the UAE Central Bank enhanced the risk-based AML/CTF supervision of banks and exchange houses and is increasing its efforts to ensure licensed financial institutions desist from dealing with sanctioned individuals and monitor and report execution of suspicious transactions.

In April 2020, the Financial Action Task Force (the **FATF**) issued its Mutual Evaluation Report (MER) on the UAE's AML/CFT measures. Based on an assessment conducted in 2019, the MER analyses the level of the UAE's compliance with the FATF 40 recommendations and the effectiveness of its AML/CTF system and provides recommendations on how the system could be strengthened. Based on the MER, the UAE's National Strategy has been revised in line with the risks identified in the MER and the UAE's National Risk Assessment. As at July 2023, the UAE was compliant with 15 of the 40 recommendations, largely compliant with 24 recommendations and partially compliant with one recommendation. In February 2024, the FATF announced at its plenary meeting that the UAE had successfully been removed from its "grey" list.

The UAE ranks 26 on Transparency International's Corruption Perceptions Index 2023, which ranks 180 countries in terms of their perceived level of public sector corruption.

All regulated banks in the UAE are required to present their financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

General Characteristics of the Banking System

The UAE banks are predominantly focused on the domestic market. With much of the economy directly or indirectly dependent on the oil sector, the UAE banks are vulnerable during long periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity. There is a high degree of state involvement in the UAE banking sector, with several banks being controlled by the governments and/or ruling families of individual emirates.

Additionally, several banks in the UAE serve customers who wish to observe Shari'ah principles, including the prohibition on the charging of interest on any financial transaction. These institutions offer a range of products, which broadly correspond to conventional banking transactions but are structured to ensure that Shari'ah principles are complied with. The principal Abu Dhabi-based Islamic banks are Abu Dhabi Islamic Bank and Al Hilal Bank, which is a wholly owned subsidiary of Abu Dhabi Commercial Bank.

Structure of the Banking System

Banking institutions in the UAE fall into several categories. As at 31 December 2024, there were 23 commercial banks, including three specialised digital banks, and one investment bank (an institution which may not accept deposits with maturities of less than two years but which may borrow from its head office or other banks and the financial markets) classified as domestic banks, also known as “national” banks.

Licensed foreign banks, of which there were 27 commercial banks and 11 wholesale banks as at 31 December 2024, function in a similar manner to commercial banks, except that they are prohibited from accepting deposits from individuals.

In addition, there are other financial institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits and financial and monetary intermediaries (such as money and stock brokers), known as finance companies.

Regulatory Reform

The strategic objective of the UAE Central Bank is to ensure that the regulatory framework for financial institutions under its supervision is designed to foster sound and robust financial institutions, protect consumers and enable the financial sector to develop with prudence. The UAE Central Bank is continuing with a significant regulatory reform programme which has been underway for a number of years to ensure the regulatory framework is in line with international best practice and takes into account the specifics of the structure of the UAE economy and market.

The regulatory reforms introduced by the Basel Committee for Banking Supervision under the Basel III framework (Basel III) have guided the development of the capital and liquidity regulations for banks operating in the UAE. See “—*Capital*” and “—*Liquidity*” below. Enhancing consumer protection is also a priority for the UAE Central Bank in the development of the regulatory framework. Given the regional importance and recent growth of the financial services industry in the UAE, the UAE Central Bank seeks to prioritise the adoption of internationally agreed regulatory standards. The UAE Central Bank is fully committed to strengthening the regulation, supervision and practices of banks in line with international regulatory standards.

The UAE Central Bank has a reform agenda based around five pillars: (i) risk management, (ii) Basel III, (iii) controls/compliance, (iv) bank recovery and resolution and (v) market development, along with an overarching governance framework. The risk management pillar was completed in 2018 with the issue of a new risk management framework for banks, comprising five regulations covering overall risk management, operational risk, market risk, interest rate risk and country and transfer risk. The Basel III pillar has also been completed and is discussed below, see “—*Capital*” and “—*Liquidity*” below.

The controls and compliance pillar is also completed. In 2018, new regulations on internal controls, compliance and internal audit, and on financial reporting and external audit were issued. In addition, a new regulation on dormant accounts establishing a general framework for the control of dormant accounts in banks and protection of customers' rights has been put in place. In parallel, the AML/CFT regulatory framework for financial institutions was also

updated with the issuance of the new UAE AML/CFT Law and implementing regulation which were issued in 2019. Regulations for banks on major acquisitions and significant ownership transfers were issued in early 2020. In 2021, a new regulatory framework for outsourcing activities by banks was established and a new regulation was issued covering this area.

Within the market development pillar, the UAE Central Bank has published regulations relating to non-bank financial institutions and digital payments and is working on further regulations relating to payments and financial technology (fintech). A regulation covering short term credit products such as ‘buy now pay later’ products was issued in May 2023. A regulation covering guidance for licensed financial institutions on risks related to virtual assets and virtual asset service providers was published on 20 February 2023. A new stored value facilities regulation was issued in November 2020. Regulations on large value and retail payments systems and retail payment activities were issued in 2021. Regulatory guidance in relation to enabling technologies in the financial sector was also issued in conjunction with the other UAE on shore and financial free zone regulatory authorities. A new crowd lending regulation was issued in November 2020. In addition, in 2021 the UAE Central Bank issued a new SME market conduct regulation to support the financing of SMEs within a holistic SME strategy in coordination with other UAE authorities. In the interest of further developing the financial sector in the UAE, the UAE Central Bank issued a specialised bank regulation in 2021 to accommodate the establishment of new small banks in the UAE focusing on retail community banking services.

New consumer protection regulations were published in early 2021 and a Market Conduct Supervision Department was established in 2022 to ensure industry compliance with consumer protection regulations and standards. Consultation on a new regulatory framework for Islamic finance in the UAE was completed in 2020 and a number of new regulations giving effect to the framework were issued in 2020. A new liquidity standard for Islamic banks was completed in 2021.

A new corporate governance framework for banks operating in the UAE was put in place in 2019. The new Corporate Governance Regulation and accompanying standards were published in August 2019. The framework introduces sector-wide policies in line with international best practices, such as the inclusion of independent directors in banks’ boards and mandatory committees, the reinforcement of the fit-and-proper process for members of boards and senior management and the introduction of minimum disclosure requirements in banks’ annual governance reports. In 2022, the UAE Central Bank issued new corporate governance and risk management and internal controls regulations for the insurance sector.

In 2020, the UAE Central Bank developed a fintech strategy to underpin the Federal government’s drive to establish the UAE as a leading global fintech hub. The strategy aims to stimulate innovation and collaboration within a culture of robust risk management. To ensure effective fintech strategy implementation, the UAE Central Bank has launched a dedicated fintech office and initiatives including the development of a common fintech regulatory framework, the establishment of co-sandboxing arrangements among regulatory authorities to facilitate faster technological developments and streamline regulatory approval processes, the development of an electronic know your customer protocol to enable non-face-to-face and digital on-boarding processes, the implementation of a distributed ledger technology-based trade finance platform to reduce the risk of trade fraud and the creation of a fintech talent development programme.

Capital

The UAE Central Bank requires that the capital adequacy of all banks operating in the UAE is in line with the rules outlined by the Basel Committee on Banking Supervision in Basel III, a global regulatory framework for more resilient banks and banking systems. The Basel III capital framework imposes a minimum Common Equity Tier 1 (CET 1) capital requirement of 7 per cent., a Tier 1 capital requirement of 8.5 per cent. and a total capital requirement of 10.5 per cent. Basel III also imposes three capital buffer requirements on top of the minimum capital

requirements, that must be fulfilled with CET1 capital. These requirements are the capital conservation buffer at 2.5 per cent. of risk-weighted assets, surcharges for domestic systemically important banks and a countercyclical buffer. The calculation of capital adequacy ratios in the UAE follows the Bank for International Settlements minimum standards. In particular, claims on or guaranteed by GCC central governments and central banks are risk weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 100 per cent.

Banks in the UAE are required to transfer 10 per cent. of profit each year into a statutory reserve until this reaches 50 per cent. of capital. Distributions cannot be made from this reserve, except in special legally defined circumstances.

The Basel III total capital adequacy ratio of all UAE national banks was 17.9 per cent., 16.8 per cent., 16.9 per cent., 17.4 per cent. and 17.3 per cent. as at 31 December in each of 2020, 2021, 2022, 2023 and 2024, respectively. The Basel III total capital adequacy ratio of all Abu Dhabi banks was 16.9 per cent., 16.0 per cent., 16.1 per cent., 17.4 per cent. and 17.3 per cent. as at 31 December 2020, 2021, 2022, 2023 and 2024, respectively.

Liquidity

Most UAE banks are funded through on-demand, time or savings customer deposits made by UAE private individuals or UAE non-governmental entities. Together, these deposits constituted 67.5 per cent. of total deposits of the UAE banking sector as at 31 December 2024. Government deposits contributed 17.5 per cent. of the total domestic deposits from residents of the national banks in the UAE banking sector as at 31 December 2024.

Resident deposits and non-resident deposits contributed 92.2 per cent. and 7.80 per cent., respectively, of total domestic and non-resident deposits (excluding inter-bank deposits) of the national banks in the UAE banking sector as at 31 December 2024.

There is currently no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the authorities and, in May 2011, Dubai Bank was taken over by the government of Dubai. In addition, following the impact of the global financial crisis the UAE Central Bank and the Ministry of Finance provided in aggregate AED 70 billion through a range of liquidity support facilities that banks in the UAE could avail by various means. This support included the Ministry of Finance placing deposits, which were later converted into subordinated debt that qualified as Tier 2 capital. Many Abu Dhabi banks replaced these notes through the issuance of Tier 2 notes in 2013.

Additionally, the government injected AED 16 billion into the capital of five Abu Dhabi banks in February 2009. This latter injection came in the form of Tier 1 perpetual capital notes.

In order to enhance the prudential liquidity framework for banks operating in the UAE (except those larger banks required to apply the Basel III LCR and net stable funding ratio (NSFR) regulatory framework), the UAE Central Bank requires each bank to hold at least 10 per cent. of its liabilities in eligible liquid assets that are of high quality to ensure that they will be able to meet their individual liquidity needs on an on-going basis. The liquidity coverage ratio (LCR) with a required level of 100 per cent. has been in place since 1 January 2019. The lending to stable resources ratio of banks should not exceed 100 per cent. Banks approved to apply the Basel III liquidity standards have also been required to have a NSFR of at least 100 per cent. since 1 January 2018.

Significant liquidity and funding support was also provided to the banking sector in response to COVID-19 under the TESS. The key TESS measures in this area included prudential relief measures on liquidity and stable funding requirements, reduction in reserve requirements and the collateralised zero-cost funding facility.

Large exposures

The UAE Central Bank has adopted certain rules designed to ensure that banks' credit policies are sound and that undue risks do not arise from excessive concentration of credit to a single borrower or a group of related borrowers, thereby safeguarding the relevant bank's solvency.

The UAE Central Bank issued an updated Large Exposures Regulation in 2023. This sets percentage limits for banks' maximum exposures relative to the size of their Tier 1 capital base to specified entities. These entities or groups include the UAE federal and local governments and their commercial and non-commercial entities, single borrowers or groups of related borrowers and inter-bank exposures. Large exposures include funded and unfunded exposures and unused commitment lines (based on cash conversion factors) to a single borrower or group (including government-related entities) which exceed 10 per cent. of a bank's Tier 1 capital base subject to a maximum limit of 25 per cent. A bank's aggregate exposure to each emirate in the UAE is not allowed to exceed 150 per cent. of its Tier 1 capital base. Claims on the UAE Central Bank, the IMF and other similar entities may be excluded from large exposure calculations. Large exposures are monitored by the UAE Central Bank through quarterly returns.

NPLs and provisions

In order to ensure that banks correctly classify their loans and thus accurately report their profit or loss, the UAE Central Bank issued Circular No 28/2010 in November 2010 (the **Loan Classification Circular**). Under the Loan Classification Circular, banks are required to classify their loans and advances into five main categories: normal loans, watch-list loans, sub-standard loans, doubtful loans and loss loans. Subject to the detailed guidelines in the Loan Classification Circular, the first two categories represent performing loans and generally no specific provisions are required in respect of them. Banks are required to make a specific provision of 25 per cent. of the balance outstanding for sub-standard loans, 50 per cent. for doubtful loans and 100 per cent. for loss loans. In order to strengthen the capital position of banks, they are additionally required to make a general provision of 1.5 per cent. of their total credit risk-weighted assets.

The UAE Central Bank enhanced its reporting of non-performing loans for the UAE banking system in the first quarter of 2019, to align its methodology with international best practices.

Banks in the UAE are also required to follow International Financial Reporting Standard 9 in addition to the guidelines issued by the UAE Central Bank for classifying their loans and making provisions.

As part of the UAE Central Bank's stimulus package in response to COVID-19, banks are able to apply a prudential filter to IFRS 9 expected loss provisions as discussed under "*Capital*" above.

Money Exchanges

In January 2014, the UAE Central Bank issued new regulations in relation to the licensing and monitoring of money exchange businesses and these regulations have been amended since then. Under the regulations, exchange houses dealing exclusively in cash and traveller's cheques are required to have a minimum paid-up capital of AED 2 million, while exchange houses offering remittance services inside and outside the UAE and the payment of wages through the Wages Protection System are required to have a minimum paid-up capital of AED 10 million, in each case, with unlimited liability. Exchange houses operating with limited liability are required to have a minimum paid-up capital of AED 50 million. Exchange houses must be at least 60 per cent. owned by Emirati investors.

Credit Information Agency

In May 2010, the federal government appointed the Al Etihad Credit Bureau (**AECB**) as the official body for providing credit information services. AECB is responsible for collecting, storing, analysing and disseminating credit information. Additionally, in February 2011, the UAE Central Bank issued new regulations in relation to the retail banking sector, aimed at controlling lending activities and excessive charges by banks, while also protecting banks by regulating lending and encouraging banks to carry out proper due diligence on potential borrowers.

Insurance

The insurance sector in the UAE contributes both directly to the economy and indirectly by facilitating the operation of other sectors such as logistics, services, health and transport. The investment of premiums by the insurance sector in the UAE economy supports economic development and maintains positive competitiveness between insurance companies.

Since 2021, the UAE Central Bank has assumed supervisory and regulatory responsibility for the insurance sector in the UAE following the merger of the Insurance Authority into the UAE Central Bank pursuant to Federal Law No. 25 in 2020. This law states that the UAE Central Bank shall assume the regulatory, supervisory, licensing and enforcement functions of the insurance sector and shall monitor the financial solvency of insurance companies, ensure ethical conduct of firms and protect the rights of the insured. In January 2021, the Governor of the UAE Central Bank announced that the UAE Central Bank's vision is to build a prosperous insurance sector that protects the interests of the policyholders and ensures adequate supervision and regulation, characterised by financially strong and properly managed insurance market participants who follow the highest standards of market conduct.

According to the UAE Central Bank, there were 60 insurance companies in the UAE as at 31 December 2023, of which 23 were national traditional insurance companies, 10 were national takaful insurance companies and 27 were foreign insurance companies.

The principal categories of insurance written in the UAE are health insurance, property and liability insurance (mainly motor and transportation; fire; engineering, construction and energy; and marine and aviation) and life insurance of persons.

The table below shows certain statistical information relating to the insurance sector in the UAE in each of 2020, 2021, 2022 and 2023. Similar data is not available for 2024 as at the date of this Offering Circular.

	2020	2021	2022	2023
	<i>(AED billion, except where otherwise specified)</i>			
Policies written (<i>million</i>).....	7.1	8.8	9.8	15.6
Average gross written premium per policy (<i>AED thousand</i>).....	6.0	5.1	4.8	3.4
Gross written premiums	42.5	44.3	47.2	53.4
Gross incurred claims	31.6	29.8	23.6	36.6
Gross paid claims.....	30.4	26.6	27.7	31.6
Total invested assets	72.8	78.9	71.4	77.2
Total profit/(loss)	2.9	2.5	2.0	2.5

Source: UAE Central Bank

In 2023, 2022, 2021 and 2020, total invested assets for the insurance industry amounted to AED 77.2 billion, AED 71.4 billion, AED 78.9 billion, AED 72.8 billion and AED 69.0 billion, respectively. In 2023, 42.6 per cent. was invested in equity and debt securities, 28.9 per cent. in cash and deposits, 4.0 per cent. in A-rated loans, 5.7 per cent. in real estate investments and 18.3

per cent. in other invested assets. In 2022, 41.9 per cent. was invested in equity and debt securities, 28.0 per cent. in cash and deposits, 4.6 per cent. in A-rated loans, 5.9 per cent. in real estate investments and 18.7 per cent. in other invested assets. In 2021, 43.0 per cent. was invested in equity and debt securities, 25.4 per cent. in cash and deposits, 5.4 per cent. in A-rated loans, 5.2 per cent. in real estate investments and 21.0 per cent. in other invested assets. In 2020, 39.7 per cent. was invested in equity and debt securities, 26.5 per cent. in cash and deposits, 5.7 per cent. in real estate assets, 5.7 per cent. in A-rated loans, deposits and other investments and 22.3 per cent. in other invested assets.

Within Abu Dhabi, gross written premiums in each of 2020, 2021, 2022 and 2023 amounted to AED 11.8 billion, AED 11.9 billion, AED 12.5 billion and AED 14.8 billion, respectively, with 2.5 million, 1.5 million, 1.7 million, 1.7 million and 3.3 million policies written, respectively. Gross paid claims in Abu Dhabi in each of 2020, 2021, 2022 and 2023 amounted to AED 11.0 billion, AED 7.4 billion, AED 7.4 billion and AED 9.2 billion, respectively.

CAPITAL MARKETS

The capital markets in the UAE are regulated by a number of entities including the Emirates Securities and Commodities Authority (the **SCA**), which licenses intermediaries to trade on the ADX and the Dubai Financial Market. The SCA is a federal government organisation but has financial, legal and administrative independence.

The other significant stock exchange in the UAE is Nasdaq Dubai (formerly known as the Dubai International Financial Exchange) which commenced operations in September 2005 and, as an entity based in the Dubai International Financial Centre, is separately regulated.

Abu Dhabi Securities Exchange

The ADX was established by the government in November 2000 as an independent entity and operates as a market for trading securities, including shares issued by public joint stock companies, bonds issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the SCA.

The table below shows the number of listed companies and bonds, the number of traded shares, the value of traded shares and the number of executed transactions for the years indicated.

	2020	2021	2022	2023	2024
Number of listed companies ⁽¹⁾	76	82	89	96	100
Number of listed bonds ⁽¹⁾	1	32	39	48	64
Number of traded shares (billions).....	22	61	81	58	90
Value of traded shares (AED billions)...	73	370	451	320	342
Number of executed transactions	513,454	1,386,313	2,860,002	3,487,955	4,655,223

Note:

(1) As at 31 December.

Source: ADX

The market capitalisation of the ADX was AED 743 billion as at 31 December 2020, AED 1,626 billion as at 31 December 2021, AED 2,625 billion as at 31 December 2022, AED 2,964 billion as at 31 December 2023 and AED 3,003 billion as at 31 December 2024. This reinforces Abu Dhabi's and ADX's strength as an attractive trading and investment gateway for companies, investors and businesses. In 2023, ADX listed six IPOs raising a total of U.S.\$5.57 billion, of which three were ranked in the global top 20 IPOs of 2023. With a 364 per cent. increase in the value and volume of exchange traded funds (ETF) traded in 2023, ADX became the most active and liquid ETF market in the Middle East and North Africa region. In 2024, the ADX experienced mixed performance in 2024. While the FTSE ADX General Index declined by 2 per cent., the number of trades increased by 33.4 per cent. Net institutional investments reached AED 3.51 billion, with total trading volume rising by 7.0 per cent. to AED 342.4 billion. Foreign investors accounted for approximately 40 per cent. of trading activity. The ADX continued to

expand its exchange-traded fund (ETF) market, listing 15 ETFs with a total trade value of AED 2 billion. Additionally, the ADX launched the FTSE ADX 15 Islamic Index to meet growing demand for Sharia-compliant investment products, with a market value exceeding AED 2.6 trillion.

ADX is classified an ‘Emerging Market’ by each of MSCI index (Morgan Stanley Capital International), S&P Dow Jones, FTSE, S&P and Russell Investments.

ADX has the authority to establish centres and branches outside the emirate of Abu Dhabi. To date it has done so in Sharjah.

To expand Abu Dhabi’s trading connectivity, ADX collaborates with ICE Global Network to offer direct market access to global institutional investors, the first initiative of its kind for a financial market in the Middle East. By leveraging the ICE Global Network, ADX aims to expand its global investor base by facilitating real-time access to market data and order entry.

In November 2023, ADX and the New York Stock Exchange formed a partnership to enable dual listings of companies in both markets, providing companies listed in Abu Dhabi with greater global visibility and access to a larger pool of investment. During the same month, ADX and FTSE Russell launched the FTSE ADX ESG Screened Index, an ESG benchmark index, to foster sustainable business practices among ADX-listed companies, attract greater investments into responsible companies and provide retail investors with a transparent and tradable benchmark to make informed investments.

ADX continues to implement initiatives aimed at encouraging retail investor engagement through initiating investor surveys, educational initiatives, and research campaigns on investor outlook and increasing the variety of securities, financial products and services available.”

(8) Public Finance

The following text replaces the entirety of the section “*Public Finance*”, which starts on page 151 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“PUBLIC FINANCE

Oil prices have a significant effect on the economy of Abu Dhabi. See “*Risk Factors—Factors that May Affect the Issuer’s Ability to Fulfil Its Obligations Under Notes Issued Under the Programme—Abu Dhabi’s economy is significantly affected by volatility in international oil prices and its economy has in the past been, and is likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices*”. In part driven by, and combined with the other effects of, the COVID-19 pandemic, the drop in oil prices in 2020 caused significant disruption to the global economy in 2020, including the economy of Abu Dhabi.

The 2020 budget was based on an oil price assumption of approximately U.S.\$50 per barrel. However, due to the combined effects of the COVID-19 pandemic (which led to countermeasures being imposed by governments around the world which, among other things, significantly reduced global demand for oil) and the outcome of the OPEC+ meeting on 6 March 2020, oil prices fell significantly, with the Murban Price, which was U.S.\$67.80 in January 2020 and U.S.\$56.10 in February 2020, falling to U.S.\$35.58 in March 2020 and U.S.\$17.64 in April 2020. The Murban Price subsequently recovered to an extent in 2020, giving an annual average Murban Price of U.S.\$41.84 for the year. Due to its substantial reliance on the hydrocarbon sector and the low oil price environment in 2020, the government implemented measures to control the budget deficit, including reducing government expenditure in the areas of non-core investments abroad and aid payments, grants and other transfers, and increased reliance on cash reserves, external debt issuances and increased dividends from SOEs.

The 2021 budget was based on an oil price assumption of approximately U.S.\$46 per barrel and the annual average Murban Price for 2021 was U.S.\$68 per barrel.

The 2022 budget was based on an oil price assumption of approximately U.S.\$50 per barrel. However, following the Russian invasion of Ukraine in early 2022 and the sanctions subsequently imposed on Russia by countries around the world, oil prices increased significantly and remained high for most of 2022. As a result, the average Murban Price for 2022 was U.S.\$97.5 per barrel.

The 2023 budget was based on an oil price assumption of approximately U.S.\$70 per barrel. Reflecting changes to the sanctions regime in relation to Russian oil at the end of 2022 and generally lower demand in 2023, the average Murban Price for 2023 was U.S.\$83.7 per barrel.

The 2024 budget was based on an oil price assumption of approximately U.S.\$68.5 per barrel. The average Murban Price for 2024 was U.S.\$80.93 per barrel.

The 2025 budget was based on an oil price assumption of approximately U.S.\$65 per barrel.

GOVERNMENT FINANCE

Abu Dhabi Government Budget

Abu Dhabi's Financial System Law aims to clarify and codify its financial policy framework by, among other things, stipulating the general principles of management of public funds and promoting efficiency, transparency and accountability. It states that budgets of government-owned companies are separate from the government budget. The Financial System Law charges the DoF with, among other things:

- implementing the government's fiscal policy in coordination with the appropriate authorities;
- preparing and implementing Abu Dhabi's budget and managing public debt and government guarantees;
- recommending to the Executive Council rules for its government-owned companies to regulate the preparation of the ownership policy, statement of financial performance intent, increase of capital, borrowing and issuance of debt guarantees;
- monitoring the financial performance of government-owned companies and other government investments (including evaluating their financial position when they face financial difficulties and making appropriate recommendations); and
- managing and supervising the government's general reserve account into which cash surpluses of the government and its related entities are to be transferred in accordance with the instructions issued by the DoF. The general reserve account may be used to finance any government budget deficit, finance government investments and for any other purpose proposed by the DoF and approved by the Executive Council or the SCFEA, as applicable.

The Abu Dhabi government budget incorporates revenues, recurrent expenditure, development expenditure and the contribution to the federal government, as well as aid and grant payments, including foreign aid. The government budget also includes financing items such as loans to government-owned companies and repayments by them, equity investments in such companies and repayments by the government of its borrowings. Government borrowings are not included in its budgets as the proceeds are transferred to the government reserve fund which is used as one of the sources for deficit financing.

The budget consolidates the individual budgets of a number of departments and other administrative units of the government that report to the Executive Council or the SCFEA, as applicable. Each of these units is established and assigned with specific responsibilities by Emiri Decrees or directives by the Executive Council. See *“Overview of the Emirate of Abu Dhabi—Emirate of Abu Dhabi”*.

Save to the limited extent described below, the government budget does not consolidate any revenues or expenditures of its wholly-owned companies. These companies include ADNOC, ADIA, Mubadala and ADQ. Accordingly, these and other wholly-owned companies comprise the principal off balance sheet items for the government budget.

The principal sources of government revenue are (i) the royalty and tax payments that the government receives from crude oil and LPG production and (ii) dividends and transfers from the government’s wholly-owned companies (included in the budget under the “Dividends from SOEs” line item). Royalties and taxes are paid in accordance with the terms stated in the concession agreements. Each partner in these agreements, including ADNOC, pays its own share of the amounts due from the relevant joint venture. The Dividends from SOEs budget line principally comprises dividends from ADNOC and in some recent years also includes dividends from ADIA, Mubadala and ADQ.

The government conducts regular reviews of its spending plans, as well as the scope and implementation of ongoing and proposed major projects.

Abu Dhabi’s budget is prepared on a cash basis of accounting.

The Abu Dhabi government budget preparation process is coordinated by the DoF and typically commences in June of each year when individual departments and other administrative units are requested to submit their draft budgets. These budgets are usually received in July and August and are consolidated by the DoF. Since revenues from crude oil and gas typically comprise a significant proportion of total government revenues, a rough estimate of this item is obtained from ADNOC and an outline budget is prepared. Meetings are then held with the various departments and other administrative units in October and November to discuss and finalise their revenue projections and expenditure needs. Upon completion of this exercise, a final draft of the consolidated government budget is prepared and submitted to the SCFEA for discussion and approval. Under the Financial System Law, this draft is required to be submitted to the SCFEA by no later than 30 November.

The approved budget is typically announced to the departments at the beginning of the fiscal year (which is the same as the calendar year) and is entered in the computerised accounting system by the DoF for control and monitoring. The performance of the budget is overseen by the individual spending departments and monitored by the DoF.

The recurrent expenditure budget is controlled through a computerised system which, in 2024, covered 61 departments. Any proposed spending beyond the allocated budget requires justification and approval. There is flexibility to spend beyond each individual line item in the budget, provided that total spending for a department does not exceed the total recurrent budget allocated for that department.

Development expenditure requires approval at an individual project basis by the Executive Council or its sub-committee or the chairman of the relevant department, in accordance with limits established by the Executive Council.

Cash contributions to the federal government are made periodically in accordance with the approved budget. Spending in relation to those federal services which are managed by Abu Dhabi, principally security and defence, is controlled in the same manner as other recurrent expenditure described above.

Payments of domestic and foreign aid grants are made in accordance with the directives of the Ruler or the Crown Prince, including through the Abu Dhabi Fund for Development (**ADFD**), a

foreign aid agency established by the government in 1971. ADFD aims to help developing countries to achieve sustainable socio-economic growth; through financial assistance in the forms of concessionary loans, managing government grants and equities.

Loan advances and equity participation payments to state-owned companies are made in accordance with the decisions of the Executive Council or the SCFEA, as applicable or as stated in an Emiri Decree.

The government prepares annual financial statements which are audited by the Abu Dhabi Accountability Authority. This body issues its audit report to the Chairman of the Executive Council. Neither the report nor the financial statements are published.

Fiscal developments

Since 2017, the government has moved forward with the introduction of excise duties and, as part of a federal programme, the introduction of VAT, to diversify revenues. In 2023, a federal corporate tax on business profits was introduced, effective from the financial year beginning 1 June 2023. It is not yet known whether the proceeds of the tax will be shared among the emirates or the basis on which it will be shared.

Looking forward, the government plans a comprehensive review of all government fees with a view to rationalising them. Its general fiscal policy remains to diversify its revenue sources whilst increasing its spending efficiency.

The table below shows a summary of the Abu Dhabi fiscal accounts (as prepared on a cash basis) for each of the years indicated together with the budgeted numbers for 2025.

	Outcome					Budget
	2020	2021	2022	2023	2024 ⁽¹⁾	2025
	(AED millions)					
Hydrocarbon revenues.....	109,479	151,196	269,378	256,839	279,635	214,000
Crude oil royalty and tax.....	105,712	142,319	257,707	246,993	267,058	214,000
LPG income tax.....	3,767	8,877	11,671	9,846	12,577	0
Dividends from SOEs.....	87,203	144,729	117,665	63,973	51,510	30,500
Other revenues.....	18,909	22,962	23,381	28,462	32,057	25,084
VAT and other taxes ⁽²⁾	5,980	7,306	6,748	8,017	8,878	8,345
Customs fees and tariffs.....	866	973	1,098	1,573	1,884	0
Other.....	12,063	14,682	15,535	18,872	21,295	16,739
Loan repayments.....	2,734	1,780	192	10,156	162	767
Total revenues.....	218,325	320,666	410,616	359,430	363,364	270,351
Recurrent expenditure.....	96,735	113,852	123,737	127,695	126,196	132,946
Executive & legislative affairs.....	6,246	8,702	6,245	7,954	8,177	8,489
Other general public services.....	10,711	14,223	15,219	16,353	19,514	23,462
Public order & safety.....	18,269	23,534	23,016	19,924	18,236	18,797
Economic affairs.....	5,662	6,955	9,369	9,597	10,737	15,572
Environmental protection.....	1,896	1,878	1,823	2,095	2,745	2,338
Housing and community affairs.....	6,792	6,659	7,133	7,843	8,388	9,168
Health.....	31,001	35,297	34,235	42,139	33,639	33,877
Recreation, sports, culture & religion.....	1,404	1,005	2,178	1,544	1,590	1,805
Education.....	10,450	10,922	11,540	12,356	13,258	7,918
Social affairs.....	4,304	4,676	12,980	7,890	9,911	11,520
Development project expenditure.....	13,025	12,740	14,763	16,242	18,651	18,391
Aid payments, grants and other transfers ⁽²⁾	37,511	32,712	22,912	24,757	28,493	31,686
Contribution to federal government.....	96,320	99,787	102,855	106,482	113,138	128,126
Loan advances.....	6,908	5,932	34	997	1,162	0
Total expenditure.....	250,499	265,023	264,302	276,174	287,639	311,149
Budget Reserve.....						21,302
Surplus/(deficit).....	-32,174	55,643	146,314	83,256	75,724	-62,099

Notes:

- (1) Provisional, unaudited and subject to changes.
- (2) Includes subsidy payments in respect of water and electricity tariff support.

Source: DoF

Revenues

Hydrocarbon Revenues

Abu Dhabi's revenues are principally derived from the hydrocarbon sector and hydrocarbon revenues principally comprise royalties and taxes levied on crude oil production. Royalties on crude oil production are levied at 20 per cent. of the gross revenue derived from the crude oil that is extracted. Tax, ranging between 55 per cent. and 85 per cent., is charged on formula-computed profits and after deducting the cost of production and royalty. In addition, LPG producers pay income tax on the actual profits earned by them from LPG production.

Hydrocarbon revenues (excluding Dividends from SOEs which are also largely hydrocarbon-derived) accounted for 50.1 per cent. of total revenues in 2020, 47.2 per cent. in 2021, 65.6 per cent. in 2022, 71.5 per cent. in 2023 and 77.0 per cent. in 2024. Hydrocarbon revenues were budgeted to account for 61.3 per cent. of total revenues in 2023 and 56.1 per cent. of total revenues in 2024, reflecting assumptions that production would be 3 million b/d in both years and the average prices achieved would be U.S.\$70 per barrel in 2023 and U.S.\$68.5 per barrel in 2024.

Hydrocarbon revenues fell by 35.3 per cent. in 2020 compared to 2019, principally reflecting a lower average selling price per barrel (at U.S.\$42 per barrel) than the U.S.\$67 average price per barrel realised in 2019 as well as reduced production in the second half of 2020 in line with OPEC+ commitments (production in 2020 was 2.8 million b/d). Hydrocarbon revenues increased by 38.1 per cent. in 2021 compared to 2020, principally reflecting a higher average selling price for oil (at U.S.\$68 per barrel in 2021), with production remaining at 2.8 million b/d in 2021. Hydrocarbon revenues increased by 78.2 per cent. in 2022 compared to 2021, principally reflecting a higher average selling price for oil (at U.S.\$97.5 per barrel in 2022) coupled with higher production (at 3.1 million b/d in 2022) in line with OPEC+ commitments.

Hydrocarbon revenues fell by 4.7 per cent. in 2023 compared to 2022, principally reflecting a lower average selling price for oil (at U.S.\$84 per barrel in 2023 compared to U.S.\$97.5 per barrel in 2022). Hydrocarbon revenues increased by 8.9 per cent. in 2024 compared to 2023, principally reflecting changes in the tax code relating to listed ADNOC companies which resulted in some revenues ceasing to be classified as dividends from SOEs and becoming classified as hydrocarbon revenues and the optimisation of sales channels and trading arms. The average selling price for oil was largely unchanged at U.S.\$81 per barrel in 2024 compared to U.S.\$84 per barrel in 2023.

Dividends from SOEs

This line item principally comprises dividends declared by ADNOC and paid to the government and, in certain years also comprises dividends from ADIA, Mubadala and ADQ.

Profits earned by ADNOC, after payment to the government of its share of royalty and tax on the crude oil produced by the operating companies in which it participates (which are recorded in the budget under hydrocarbon revenues), are retained by ADNOC. During each year ADNOC pays periodic dividends to the government.

In 2020, dividends from SOEs fell by 28.2 per cent., principally reflecting lower oil prices and the impact of COVID-19 on the global economy. In 2021, dividends from SOEs increased by 66.0 per cent., principally reflecting higher oil prices and the recovery of the economy. In 2022, dividends from SOEs decreased by 18.7 per cent., principally reflecting the fact that certain non-recurring dividends had been paid by ADNOC in 2021. Dividends from SOEs fell by 45.6 per cent. in 2023 compared to 2022, principally reflecting a decline in dividends from ADNOC driven by increased ADNOC capital expenditure and a drop in the average oil selling price. Dividends from SOEs fell by 19.5 per cent. in 2024 compared to 2023, principally reflecting a decline in ADNOC dividends driven by increased ADNOC capital expenditure and other funding needs and the change in tax code that resulted in certain revenues being reclassified as hydrocarbon revenues referenced above.

Other Revenues

Abu Dhabi's other revenues are derived from a range of sources including customs and excise duties, its share of UAE VAT receipts, interest payments on cash deposits and loans made by it, charges for goods and services supplied (including fees for granting licences and permits and rental income received) and transfers from other departments in respect of revenue generated by them.

On 1 January 2018, the UAE implemented VAT at the rate of 5 per cent. of the collected VAT revenue in each year, 30 per cent. is allocated to the federal government with the balance being for the emirate governments. The government receives its share of VAT payments at periodic intervals.

In 2020, other revenues were AED 18,909 million, with the fall compared to 2019 principally reflecting measures taken in the second quarter of 2020 to combat the impact of COVID-19, including several government stimulus measures in the form of fee waivers. In 2021, other revenues were AED 22,962 million, with the increase compared to 2020 principally reflecting the economic recovery in 2021. In 2022, other revenues were AED 23,381 million, with the increase compared to 2022 principally reflecting continued economic recovery. Other revenues increased by 21.7 per cent. in 2023 compared to 2022 and by 12.6 per cent. in 2024 compared to 2023, in each case principally reflecting increased returns on deposits and loans and strong economic growth boosting fees.

Loan Repayments

This line item reflects repayments to the government of loans made by it to both domestic and foreign counterparties. The advance of such loans is recorded as expenditure and the government has been a net maker of loans in 2020, 2021 and 2022. In 2023, loan repayments exceeded loans advanced by AED 9.2 billion.

Expenditure

Abu Dhabi's expenditures principally comprise its contribution to the federal government budget and its own current and development expenditure as well as domestic loans and equity investments made by it and aid payments, grants and other transfers made by it. Reflecting the impact of the COVID-19 pandemic and low oil prices, the government sought significant expenditure savings during 2020, particularly in items where the expenditure allows a degree of discretion.

Contributions to federal government

Contributions made by Abu Dhabi to the federal government comprised 38.5 per cent. of Abu Dhabi's total expenditure in 2020, 37.7 per cent. in 2021, 38.9 per cent. in 2022, 37.5 per cent. in 2023 and 36.4 per cent. in 2024. The contributions are made in the form of a cash contribution and payment by Abu Dhabi of certain federal government services expenditure, principally comprising security and defence expenditure for which Abu Dhabi bears almost all of the cost. The amount (if any) of the cash contribution to the federal budget made by each emirate is determined by the Ruler of each emirate at the time the federal budget is prepared and is approved by the Supreme Council. Contributions to the federal government may be impacted by various internal and external developments. These include the implementation of VAT in the UAE, following which Abu Dhabi decreased the amount of grants it was providing to the federal government to offset the new VAT income the federal government was receiving. It is possible that the imposition of a 9 per cent. corporate tax in the UAE for accounting periods commencing after 30 June 2023 may have a similar impact, although the precise allocation of this tax is not yet known.

Recurrent expenditure

The government's recurrent expenditure comprised 38.6 per cent. of Abu Dhabi's total expenditure in 2020, 43.0 per cent. in 2021, 46.8 per cent. in 2022, 47.3 per cent. in 2023 and 46.6 per cent. in 2024. Recurrent expenditures principally comprise wages and salaries of the staff employed by, and payments for goods and services used by, the various government departments.

Recurrent expenditure increased by 9.0 per cent. in 2020 compared to 2019, by 17.7 per cent. in 2021 compared to 2020, by 8.7 per cent. in 2022 compared to 2021, 5.5 per cent. in 2023 compared to 2020 and by 1.2 per cent. in 2024 compared to 2023.

Aid payments, grants and other transfers

Aid payments, grants and other transfers (which include government spending on the wellbeing of the national population, water and electricity tariff subsidies, foreign aid payments and grants to the government's wholly-owned companies) comprised 15.0 per cent. of total expenditure in 2020, 12.3 per cent. in 2021, 8.7 per cent. in 2022, 9.0 per cent. in 2023 and 10.0 per cent. in 2024. Due to lower contributions to the federal government and reduced aid payments and grants, in order to compensate for the higher than budgeted recurrent expenditure due to a one-off increase in health care spending, the total government expenditure was 4 per cent. lower than budgeted in 2024. Spending on the wellbeing of the national population as well as foreign aid payments and grants to wholly-owned companies fluctuate from year to year and tend to be higher in cash rich years and lower at times when the government is seeking to make expenditure savings, such as in 2020 and 2021 in response to the impact of the COVID-19 pandemic. In 2022, COVID-19 payments fell significantly, and the government also stopped providing foreign aid in the form of grants in that year.

Development project expenditure

Development project expenditure in Abu Dhabi comprised 5.2 per cent. of total expenditure in 2020, 4.8 per cent. in 2021, 5.6 per cent. in 2022, 5.9 per cent. in 2023 and 6.6 per cent. in 2024. No breakdown of development expenditure is currently available for 2023 or 2024. Development expenditure is required to be approved at an individual project level by the Executive Council before being incurred.

The table below shows a breakdown of the principal categories of development expenditure for each of the years indicated together. As noted above, similar data for 2023 and 2024 is not available as at the date of this Offering Circular.

	2020	2021	2022
		(AED millions)	
Agriculture.....	18	12	64
Electricity and water.....	—	32	45
Industry and commerce.....	6	—	—
Transport and communications.....	5,851	5,119	5,049
Housing and community centres.....	2,362	4,441	5,587
Sewage and sanitation.....	185	—	—
Sport, recreation and culture.....	940	1,035	2,173
General administration.....	1,059	314	226
Health.....	274	99	225
Education.....	1,973	1,354	1,15
Law and order.....	357	334	238
Budget reserve ⁽¹⁾	—	—	—
Total	13,025	12,740	14,763

Note:

(1) Principally comprises a contingency reserve which may or may not be spent in any year.

Source: DoF

The principal items of development project expenditure are transport and communications, housing and community centres, sport, recreation and culture, and education. In line with Abu Dhabi's strategy, most of the transport and communications and housing and community centres expenditure has focused on municipal development, whilst expenditure on sport, recreation and culture supports Abu Dhabi's tourism sector, which is a priority sector under Abu Dhabi's 2030 Economic Vision and education is another priority sector under the 2030 Economic Vision. The low or zero levels of expenditure on electricity and water; industry and commerce; sewage and sanitation; and health reflect the fact that the government's interests in the sectors are managed by entities such as ADQ and MIC.

Budget Surplus or Deficit

In 2020, a deficit of AED 32.2 billion was recorded, equal to 4.7 per cent. of Abu Dhabi's nominal GDP in that year, and principally reflecting the significant slump in oil prices in 2020 and the effects on the economy of the measures taken around the world to combat the COVID-19 pandemic. In 2021, as oil prices continued to recover and the economy rebounded from the effects of COVID-19, a surplus of AED 55.6 billion was recorded, equal to 6.4 per cent. of Abu Dhabi's nominal GDP in that year. In 2022, with the significant increase in oil prices in early 2022 following international sanctions imposed on Russia after its invasion of Ukraine in February 2022 and generally high oil prices for most of the year, a surplus of AED 146.3 billion was recorded, equal to 13.2 per cent. of Abu Dhabi's nominal GDP in that year. The 2023 surplus amounted to AED 83.3 billion, equal to 7.7 per cent. of Abu Dhabi's nominal GDP for 2023. The 2024 surplus amounted to AED 75.7 billion, equal to 6.7 per cent. of Abu Dhabi's nominal GDP for 2024.

In each of 2021, 2022, 2023 and 2024 the surpluses recorded were partially transferred to (i) the general reserve account referred to under "*—Abu Dhabi Government Budget*" above and (ii) state-owned entities for investment. In 2020, the deficit was financed by borrowings.

PRINCIPAL INVESTMENTS

The Abu Dhabi government has direct investments in a number of wholly-owned companies, including, in particular, ADNOC, ADIA, Mubadala and ADQ.

ADNOC is the company which manages and operates all aspects of Abu Dhabi's oil and gas industry and is described under "*Economy of Abu Dhabi—Principal Sectors of the Economy—Oil and Gas*".

ADIA is an investment arm of the Abu Dhabi government. ADIA was established in 1976 in order to invest the Abu Dhabi government's oil-generated surpluses across various asset classes (including equities, fixed income, financial alternatives, private equity, real estate and infrastructure) in countries around the world, excluding the UAE. In 2009, ADIA co-chaired the International Working Group of sovereign wealth funds that developed 26 principles, known as the Santiago Principles, which re-affirmed the basis on which sovereign wealth funds should invest. Following the publication of the Santiago Principles, ADIA confirmed its compliance with them and, in 2010, published its first annual review, with a view to enhancing understanding of ADIA in key areas such as governance, investment strategy, portfolio, structure, its approach to risk and its people.

As a matter of policy, the government of Abu Dhabi discloses only limited information in relation to the investment portfolio of ADIA. The most recently published ADIA annual review (for 2023) discloses that the 20-year and 30-year annualised returns of its portfolio, calculated on a point-to-point basis, as at 31 December 2023 were 6.4 per cent. (in the case of the 20-year return) and 6.8 per cent. (in the case of the 30-year return).

Each of Mubadala and ADQ is described under "*Overview of the Emirate of Abu Dhabi—Emirate of Abu Dhabi—Strategy of Abu Dhabi—Implementation of the Strategy*".

The Abu Dhabi government's shareholdings are generally strategic investments. Investments held by ADIA may be strategic or held on a portfolio basis.

The Abu Dhabi government, directly or indirectly, also owns significant shareholdings in major Abu Dhabi banks such as First Abu Dhabi Bank and Abu Dhabi Commercial Bank, see "*Monetary and Financial System—Banking and Financial Services—Principal Banks in Abu Dhabi*". This section is not a complete

list of companies in which the Abu Dhabi government holds shares and, in particular, does not include all of the companies in which entities such as ADIA, ADNOC, Mubadala and ADQ hold shares. All the shareholdings described above are fully paid up and unencumbered.”

(9) Indebtedness

The following text replaces the entirety of the section “*Indebtedness*”, which starts on page 162 of the Offering Circular, and that section of the Offering Circular shall be deemed to be updated accordingly:

“INDEBTEDNESS

The Abu Dhabi government had approximately U.S.\$37.3 billion outstanding in foreign indebtedness as at 30 June 2025, represented by:

- its U.S.\$2.5 billion 3.125 per cent. eurobonds due 2026 (which were increased to U.S.\$2.7 billion by a tap issue of U.S.\$200 million in May 2022), which were issued in 2016;
- its U.S.\$4.0 billion 3.125 per cent. eurobonds due 2027 (which were increased to U.S.\$4.1 billion by a tap issue of U.S.\$100 million in April 2022) and its U.S.\$3.0 billion 4.125 per cent. eurobonds due 2047, which were each issued in 2017;
- its U.S.\$4.0 billion 3.125 per cent. eurobonds due 2049 and its U.S.\$3.0 billion 2.500 per cent. eurobonds due 2029, which were each issued in 2019;
- its U.S.\$4.0 billion 3.875 per cent. eurobonds due 2050 and its U.S.\$3.0 billion 3.125 per cent. eurobonds due 2030, which were each issued in April and May 2020;
- its U.S.\$1.5 billion 2.700 per cent. eurobonds due 2070 and its U.S.\$1.5 billion 1.700 per cent. eurobonds due 2031, which were each issued in August 2020;
- its U.S.\$2.0 billion 1.625 per cent. eurobonds due 2028, which were issued in June 2021;
- its U.S.\$1.25 billion 3.000 per cent. eurobonds due 2051 and its U.S.\$1.75 billion 1.875 per cent. eurobonds due 2031, which were issued in September 2021;
- its U.S.\$1.75 billion 4.875 per cent. eurobonds due 2029 (which were increased to U.S.\$2.0 billion by a tap issue of U.S.\$250 million in August 2025), its U.S.\$1.5 billion 5.000 per cent. eurobonds Notes due 2034, and its U.S.\$1.75 billion 5.500 per cent. eurobonds due 2054, which were each issued in April 2024; and
- its U.S.\$510 million trust certificates due 2040, which were issued in April 2025.

As at 30 June 2025, the government had U.S.\$14.7 billion of domestic indebtedness in the form of loans from local banks.

The table below provides a summary of the Abu Dhabi government’s total indebtedness as at 31 December in each of the years indicated.

	As at 31 December				
	2020	2021	2022	2023	2024
	(USD billions)				
Bonds.....	40.0	42.5	39.8	37.8	39.8
Loans.....	3.9	4.4	6.0	6.8	13.8
Total	43.9	46.9	45.8	44.6	53.6

The Abu Dhabi government has guaranteed certain indebtedness incurred by Abu Dhabi Commercial Bank, Waha Aerospace, ENEC, two other entities and a guarantee scheme for small and medium enterprises. The

principal amount of these guarantees outstanding as at 30 June 2025 was U.S.\$7 billion. Abu Dhabi has never defaulted on its public debt.

The Abu Dhabi government has also provided other forms of credit support to Abu Dhabi entities including liquidity commitments and letters of comfort and the amount of these commitments is not quantified. Further, the Abu Dhabi government has, in the past, provided significant financial support to certain strategic entities including Aldar, Tabreed and a number of Abu Dhabi-based banks.

Certain companies wholly-owned by the Abu Dhabi government, including ADNOC, Mubadala and ADQ, also have borrowings. The aggregate amount borrowed and outstanding by the Abu Dhabi government's wholly-owned companies was approximately U.S.\$134 billion at 31 December 2024. This figure excludes shareholder loans made by the Abu Dhabi government to these entities.

Abu Dhabi's public debt office (the **PDO**), which is part of the DoF, is responsible for, among other things, managing all aspects of borrowing by the government, including new issuances and risk management. The PDO also coordinates the borrowing activities of government-owned and certain other government-related enterprises and monitors the level of their borrowing. In addition, the PDO is responsible for managing the government's relationships with bond rating agencies.

The Financial System Law defines the frameworks for public debt, government borrowing and guarantees, the extent of the government's responsibility for debt incurred by it or on its behalf and the granting of authority to incur debt on behalf of the government. It stipulates that the government may only incur debt for limited purposes, including to finance budget deficits, finance investments, stimulate capital markets and support monetary policy, or for other purposes approved by the SCFEA.

The Financial System Law grants authority to the DoF, as the representative of the government in its capacity as owner of a government-company, to monitor the financial performance of government-owned companies and other government investments and entrusts the DoF with passing rules to regulate the increase of capital, borrowing, the giving of guarantees and money lending by such entities.

The Financial System Law also regulates borrowings by government-related entities and states that while the government is directly liable for public debt, it is not responsible for the non-guaranteed liabilities of any government-related entity.

Based on the Ministry of Finance's website, the UAE government had one series of federal treasury bonds (**T-Bonds**) and six series of federal treasury sukuk (**T-Sukuk**) denominated in dirham and issued in the domestic market outstanding as at 3 September 2025. These securities had a total outstanding amount of AED 23,550 million as at the same date and will mature between 11 May 2026 and 22 May 2030. The primary objective of T-Bond and T-Sukuk issuances is to develop the UAE yield curve which plays an important role in providing a benchmark and reference index for various financing operations of the federal government, including long term mortgage interest rates and capital projects. T-Bond and T-Sukuk issuances are also expected to help diversify funding sources and minimise dependency on the foreign capital markets; expand the investor base for local currency bonds which helps reduce exposure to rollover and foreign exchange fluctuation risks; provide local investors with an opportunity to invest in federal government securities; and provide alternative financing resources for the private sector, as well as banks and financial institutions in the UAE."

General Information

Save as disclosed in this Supplement, 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 and income and expenditure figures of the Issuer since the date of the Offering Circular.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular since the publication of the Offering Circular.