

IMPORTANT NOTICE

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

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

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

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

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

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

The attached Offering Circular is not being distributed to, and must not be passed on to, the general public in the UK. Rather, the communication of the attached Offering Circular as a financial promotion is only being made to those persons falling within Article 19(5) or Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**), or to other persons to whom the attached Offering Circular may otherwise lawfully be distributed in accordance with the Financial Promotion Order. This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

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

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

OFFERING CIRCULAR



EMIRATE OF ABU DHABI Global Medium Term Note Programme

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

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

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

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

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

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

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

The Issuer has been rated AA by S&P Global Ratings Europe Limited (**S&P Ireland**), Aa2 by Moody’s Investors Service Singapore Pte. Ltd. (**Moody’s Singapore**) and AA by Fitch Ratings Limited (**Fitch UK**). Moody’s Singapore is not established in the European Economic Area (**EEA**) or the UK and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) or Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**), respectively. The rating assigned by Moody’s Singapore has been endorsed by Moody’s Deutschland GmbH (**Moody’s Germany**) and Moody’s Investors Service Ltd. (**Moody’s UK**) in accordance with the CRA Regulation and the UK CRA Regulation, respectively. The rating assigned by S&P Ireland has been endorsed by S&P Global Ratings UK Limited (**S&P UK**) and the rating assigned by Fitch UK has been endorsed by Fitch Ratings Ireland Limited (**Fitch Ireland**). Each of S&P Ireland, Moody’s Germany and Fitch Ireland is established in the EEA and is registered under the CRA Regulation. As such each of S&P Ireland, Moody’s Germany and Fitch Ireland is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Each of S&P UK, Moody’s UK and Fitch UK is established in the UK and is registered in accordance with the UK CRA Regulation. Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Series of Notes is rated, such rating will be disclosed in the Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts (if any) payable on Floating Rate Notes may be calculated by reference to EURIBOR or SOFR, as specified in the applicable Pricing Supplement. As at the date of this Offering Circular, the administrator of EURIBOR (European Money Markets Institute) is included in ESMA’s register of administrators (the **EU Benchmarks Register**) under Article 36 of Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**) and the FCA’s register of administrators (the **UK Benchmarks Register**) under Article 36 of Regulation (EU) No 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). As at the date of this Offering Circular, the administrator of SOFR (the Federal Reserve Bank of New York (the **FRBNY**)) is not included in the

EU Benchmarks Register or the UK Benchmarks Register. As far as the Issuer is aware, the FRBNY does not fall within the scope of the EU Benchmarks Regulation or the UK Benchmarks Regulation by virtue of Article 2 of the EU Benchmarks Regulation and the UK Benchmarks Regulation, respectively.

Arrangers and Dealers

BNP PARIBAS

Citigroup

**First Abu Dhabi
Bank**

HSBC

J.P. Morgan

**Standard
Chartered Bank**

The date of this Offering Circular is 22 April 2024.

The Issuer accepts responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Offering Circular is in accordance with the facts, and this Offering Circular does not omit anything likely to affect the import of such information.

Certain information under the headings “*Risk Factors*”, “*Overview of the Emirate of Abu Dhabi*”, “*Economy of Abu Dhabi*”, “*Balance of Payments and Foreign Trade*”, “*Monetary and Financial System*” and “*Book-Entry Clearance Systems*” has been extracted from information provided by sources identified therein. These sources include the Organisation of the Petroleum Exporting Countries, the Abu Dhabi Department of Finance, the Statistics Centre – Abu Dhabi, the UAE Federal Competitiveness and Statistics Authority, the UAE Central Bank, Abu Dhabi National Oil Company, the Abu Dhabi Securities Exchange, the Department of Culture and Tourism, the Telecommunications Regulatory Authority, the Regulation and Supervision Bureau for the Water, Wastewater and Electricity Sector in the Emirate of Abu Dhabi, Etihad Airways PJSC and the clearing systems referred to in “*Book-Entry Clearance Systems*”. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see “*Documents Incorporated by Reference*”), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular.

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

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

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

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

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers, the Arrangers and their affiliates do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers, the Arrangers or any of their affiliates which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the UK, the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre), the Abu Dhabi Global Market, the Dubai International Financial Centre, the Kingdom of Bahrain, the Kingdom of Saudi Arabia and Japan, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

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

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

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

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

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

target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Product Classification pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time – The Pricing Supplement in respect of any Notes may include a legend entitled “Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the SFA)” which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the SFA). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included on the applicable Pricing Supplement will constitute notice to “relevant persons” for purposes of section 309B(1)(c) of the SFA.

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

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to QIBs (as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

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

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together Legended Notes) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Subscription*

and Sale and Transfer and Selling Restrictions". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a foreign sovereign state outside the United States and the United Kingdom, and a substantial portion of the assets of the Issuer are located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States and/or the United Kingdom upon the Issuer or to enforce against it in the United States courts or courts located in the United Kingdom judgments obtained in United States courts or courts located in the United Kingdom, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States. The Notes are governed by English law and disputes in respect of the Notes may be settled under the Arbitration Rules of the London Court of International Arbitration in London, England. In addition, actions in respect of the Notes may be brought in the English courts.

A substantial part of the Issuer's assets are located in the Emirate of Abu Dhabi. In the absence of any bilateral treaty for the reciprocal enforcement of foreign judgments, the Abu Dhabi courts are unlikely to enforce a United States or English judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the Notes. Investors may have difficulties in enforcing any United States or English judgments or arbitration awards against the Issuer in the courts of Abu Dhabi. These factors create greater judicial uncertainty than would be expected in certain other jurisdictions. See "*Risk Factors—Factors Which are Material for the Purpose of Assessing the Market Risks Associated with Notes Issued Under the Programme—Risks relating to enforcement*".

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

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

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

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

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

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

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

NOTICE TO RESIDENTS OF ONTARIO

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105) or Ontario Instrument 33-507 (Exemption from Underwriting Conflicts Disclosure Requirements), the Arrangers and the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Notes under the Programme.

PRESENTATION OF STATISTICAL AND OTHER INFORMATION

Presentation of Statistical Information

The statistical information in this Offering Circular has been derived from different government and other identified sources and is made on the authority of a public official document or statement. Certain information (principally 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 (as defined under "*Certain Defined Terms and Conventions*" below) and prospective investors should treat it accordingly when considering such information, noting that the UAE is not an obligor of Notes, which are solely the obligations of the Issuer. 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 definitions and cut-off times. See "*Risk Factors—Factors That May Affect The Issuer's Ability To Fulfil Its Obligations Under Notes Issued Under The Programme—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*".

Efforts are being made by the UAE and its emirates (including Abu Dhabi (as defined under "*Certain Defined Terms and Conventions*" below)) to produce accurate and consistent social and economic data. For example, the UAE implemented the International Monetary Fund (the IMF)'s Enhanced General Data Dissemination System in 2018 and has an ongoing project to improve its balance of payments statistics using SWIFT transactions data.

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

- the most recent UAE census for which data was published was conducted in 2005. Population data included in this Offering Circular for later dates is either based on unpublished censuses (for example, a UAE census was held in 2011) or estimates based on such published or unpublished data;
- data in relation to Abu Dhabi's gross domestic product (GDP) for 2023 is a preliminary estimate. 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 on the basis of 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 is based on field surveys on a quarterly basis carried out for the first time in 2019 and extending to the second quarter of 2021. FDI data for Abu Dhabi is not published for any periods subsequent to the second quarter of 2021;
- data in relation to the UAE's balance of payments for 2022 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 and 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 2023 and 2024 is a budget. Actual outcomes for 2023 and 2024 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 years 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 in this Offering Circular for 2022 and for any period in 2023 or 2024 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.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in "*Terms and Conditions of the Notes*" or any other section of this Offering Circular. In addition, all references in this Offering Circular to:

- **Abu Dhabi** are to the Emirate of Abu Dhabi;
- **government** are to the government of Abu Dhabi; and
- **UAE** are to the United Arab Emirates.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this Offering Circular to **U.S. dollars**, **U.S.\$** and **\$** refer to United States dollars and to **dirham** and **AED** refer to UAE dirham. The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00. In addition, all references to **Sterling** and **£** refer to pounds sterling, **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended and **Renminbi**, **RMB** or **CNY** are to the lawful currency of the People's Republic of China (the **PRC**) which, for the purposes of this Offering Circular, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

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

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of law is a reference to that law as extended, amended or re-enacted.

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

The Notes may not be a suitable investment for all investors

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

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

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the sections entitled "*Risk Factors*", "*Overview of the Emirate of Abu Dhabi*", "*Economy of Abu Dhabi*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*", "*Public Finance*" and "*Indebtedness*" and other sections of this Offering Circular. The Issuer has based these forward-looking statements on its current view with respect to future events and financial results. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the uncertainties described below or otherwise identified in this Offering Circular materialises, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, events relating to the Issuer and the Issuer's actual results may be materially different from those expected, estimated or predicted.

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

External factors, such as:

- the impact of changes in the international prices of commodities, including in particular the prices of crude oil and natural gas;
- the impact of climate change concerns on global demand for hydrocarbon products and hydrocarbon-related products;
- geopolitical conditions and regional political developments, including conflicts in the Middle East;
- interest rates and inflation rates in financial markets outside 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.

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

STABILISATION

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

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OVERVIEW OF THE PROGRAMME

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

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

Issuer:	Emirate of Abu Dhabi
Legal entity identifier (LEI):	213800FER4348CINTA77
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
Description:	Global Medium Term Note Programme
Arrangers and Dealers:	BNP Paribas Citigroup Global Markets Limited First Abu Dhabi Bank PJSC HSBC Bank plc J.P. Morgan Securities plc Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement from time to time.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”) including the following restrictions applicable at the date of this Offering Circular. Notes having a maturity of less than one year Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”.
Principal Paying Agent, Exchange Agent and Transfer Agent:	The Bank of New York Mellon, London Branch
U.S. Paying Agent and Transfer Agent:	The Bank of New York Mellon, New York Branch
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch
Programme Size:	The Programme is unlimited in amount.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and, on redemption, will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate set out in the applicable Pricing Supplement.</p> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on the Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions: Notes having a maturity of less than one year</i>” above.</p>
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “ <i>Certain Restrictions: Notes having a maturity of less than one year</i> ” above, and save that the minimum denomination of each Note will be €100,000 (or, if the

Notes are denominated in a currency other than euro, the equivalent amount in such currency) and in the case of any Legended Notes, the minimum specified denomination shall be U.S.\$200,000 (or its foreign currency equivalent).

Taxation:..... All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction in accordance with Condition 8, unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:..... The terms of the Notes will contain a negative pledge provision as further described in Condition 4.

Cross Default:..... The terms of the Notes will contain a cross default provision as further described in Condition 10.

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

Meetings of Noteholders, Modification and Waiver: The terms of the Notes contain a “collective action” clause, which permits defined majorities to bind all Noteholders. If the Issuer issues debt securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Notes, the Notes would be capable of aggregation for voting purposes with any such debt securities, thereby allowing “cross-series” modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).

See Condition 15 and “*Risk Factors—Risks Related to the Notes Generally—The Conditions contain provisions which may permit their modification without the consent of all investors*”.

Rating: Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading: ... Application may be made for Notes issued under the Programme to be admitted to the Official List and to trading on the London Stock Exchange’s main market.

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading.

Clearing Systems: Clearstream, Luxembourg and Euroclear for Bearer Notes, Clearstream, Luxembourg, Euroclear and DTC for Registered

Notes and, in relation to any Tranche, any other clearing system as may be agreed between the Issuer, the Principal Paying Agent and the relevant Dealer. See “*Form of the Notes*”.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA, the UK, the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre), the Abu Dhabi Global Market, the Dubai International Financial Centre, Bahrain, the Kingdom of Saudi Arabia, Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale and Transfer and Selling Restrictions*”.

United States Selling Restrictions:

Regulation S Category 1, Rule 144A, TEFRA C, TEFRA D and/or TEFRA not applicable, as specified in the applicable Pricing Supplement.

Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor regulation in substantially the same form for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (**TEFRA D**) unless (i) the applicable Pricing Supplement state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor regulation in substantially the same form for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986 (**TEFRA C**) or (ii) the Notes have a term of one year or less (taking into account any unilateral right to extend or rollover the term).

RISK FACTORS

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

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

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

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

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

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 40.8 per cent. of Abu Dhabi's nominal GDP in 2023, compared to 48.0 per cent. in 2022, 40.9 per cent. in 2021, 31.5 per cent. in 2020 and 38.1 per cent. in 2019, 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.\$72.6 per barrel in 2018, U.S.\$66.6 per barrel in 2019, U.S.\$41.8 per barrel in 2020, U.S.\$68.0 per barrel in 2021, U.S.\$97.5 per barrel in 2022 and U.S.\$83.7 per barrel in 2023 (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 more recently 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. 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 indicates 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 in Israel and Gaza that commenced in October 2023, as well as the recent events between Israel and Iran in April 2024, could increase the risk of instability in the broader region and the situation remains highly volatile and uncertain. These recent and ongoing developments may have a material adverse effect or may be perceived to have material adverse effects 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 and Israel-Hamas conflicts, protectionist trade policies or threats thereof and global pandemics, such as COVID-19. 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 2023, the aggregate amount borrowed and outstanding by these entities was approximately U.S.\$113 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. Non-oil real GDP growth was flat in 2019, principally due to continued corporate restructuring, a slowdown in government investment, declining real estate prices and construction activity and tightening fiscal conditions, in part due to rising U.S. interest rates which strengthened the U.S. dollar. 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 and 9.1 per cent. in 2023 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 1.1 per cent. as the 12.5 per cent. increase in nominal non-oil GDP was more than offset by a 15.9 per cent. decline in nominal 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, 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 Singapore and a long-term foreign currency issuer default rating of "AA" with a stable outlook from Fitch.

S&P noted in its 24 November 2023 research update that it could consider lowering Abu Dhabi's rating if Abu Dhabi's strong government balance sheet and net external asset position deteriorate materially.

Fitch noted in its 2 August 2023 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.

Moody's noted in its 22 September 2023 credit opinion that the factors which could lead to a rating downgrade are (i) a prolonged period of significantly lower oil prices well below Moody's current baseline assumptions that resulted in a material weakening of Abu Dhabi's fiscal strength, (ii) an escalation in regional geopolitical tensions that materially threatened Abu Dhabi's ability to produce and export oil or to further develop its non-hydrocarbon economy being likely to create downward pressure on the rating and (iii) a sharp increase in contingent liabilities eroding confidence in the strength of the public sector balance sheet being likely to lead to a more negative assessment of Abu Dhabi's creditworthiness.

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, while FDI data for Abu Dhabi was published from 2019 to the second quarter of 2021, such data is no longer available for the periods subsequent to the second quarter of 2021. 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.

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

Risks related to the structure of a particular issue of Notes

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

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

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

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

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

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

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

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

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

Interest rates and indices which are deemed to be “benchmarks” (including the euro interbank offered rate (EURIBOR)) are the subject of ongoing national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. It prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

Regulatory reforms such as the UK Benchmarks Regulation and the EU Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of a benchmark are changed in order to comply with the requirements of such regulations. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the euro risk-free rate working group issued its final statement, announcing completion of its mandate.

It is not possible to predict with certainty whether, and to what extent, different benchmarks will continue to be supported going forwards. This may cause such benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation and/or the EU Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes referencing a benchmark.

Investors should be aware that in the case of Floating Rate Notes, the Conditions provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate such as EURIBOR, or SOFR Index or any other relevant reference rate, ceases to exist or be published or another Benchmark Event or SOFR Benchmark Transition Event, as applicable, occurs. In the case of Notes other than Floating Rate Notes where the Reference Rate is specified in the applicable Pricing Supplement as being SOFR Index, these fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate or the Alternative Rate (as the case may be), together with the making of certain Benchmark Amendments to the Conditions of such Notes, all as determined in the sole discretion of an Independent Adviser (acting in good faith and in a commercially reasonable manner). Any Adjustment Spread that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) may still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than such Notes would have performed if the relevant benchmark were to continue to apply in its current form. In the case of Floating Rate Notes where the Reference Rate is specified in the applicable Pricing Supplement as being SOFR Index, see *“The SOFR Index Benchmark Replacement is uncertain and any replacement is likely to be a relatively new market index”* below.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculating the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

The SOFR Index Benchmark Replacement is uncertain and any replacement is likely to be a relatively new market index

If the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement and the Issuer determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date,

the Issuer will determine a Benchmark Replacement in accordance with the benchmark transition provisions described in Condition 5.4. After such an event, interest on the relevant Notes will no longer be determined by reference to the Benchmark, but instead will be determined by reference to the applicable Benchmark Replacement.

The determination of a Benchmark Replacement, the calculation of the interest rate on the relevant Notes by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of such Notes in connection with a SOFR Benchmark Transition Event, could adversely affect the value of such Notes, the return on such Notes and the price at which such Notes can be sold. Any Benchmark Replacement will likely be a relatively new market index that may be altered or discontinued.

The Rate of Interest on Floating Rate Notes may be determined by reference to a Successor Rate or Alternative Rate, as applicable, even if the Original Reference Rate continues to be published

If a Benchmark Event occurs, the Rate of Interest on Floating Rate Notes may thereafter be determined by reference to the Successor Rate or Alternative Rate. A Benchmark Event includes, among other things, a public statement or publication of information by the regulatory supervisor for the administrator of an Original Reference Rate announcing that such Original Reference Rate is no longer representative or will no longer be representative. The Rate of Interest on the Notes may therefore cease to be determined by reference to such Original Reference Rate, and instead be determined by reference to the Successor Rate or Alternative Rate, as applicable, even if the Original Reference Rate continues to be published. Such replacement rate may be lower than the Original Reference Rate for so long as such Original Reference Rate continues to be published, and the value of and return on Floating Rate Notes may be adversely affected.

The composition and characteristics of SOFR are not the same as those of USD LIBOR, and SOFR is not expected to be a comparable replacement for USD LIBOR

In June 2017, the FRBNY Alternative Reference Rates Committee (the ARRC) announced SOFR as its recommended alternative to USD LIBOR. However, the composition and characteristics of SOFR are not the same as those of USD LIBOR. SOFR is a broad Treasury repo financing rate that represents overnight secured funding transactions and is not the economic equivalent of USD LIBOR. While SOFR is a secured rate, USD LIBOR is an unsecured rate. And, while SOFR is currently only an overnight rate, USD LIBOR is a forward-looking rate that represents interbank funding for a specified term. As a result, there can be no assurance that SOFR will perform in the same way as USD LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. For these reasons, SOFR is not expected to be a comparable replacement for USD LIBOR.

SOFR and the SOFR Index each have a very limited history, and the future performance of SOFR cannot be predicted based on historical performance

The publication of SOFR began in April 2018 and the SOFR Index began on 2 March 2020, and, therefore, each has a limited history. In addition, the future performance of SOFR cannot be predicted based on the limited historical performance. Prior observed patterns, if any, in the behaviour of market variables and their relation to SOFR, such as correlations, may change in the future. While as at the date of this Offering Circular some pre-publication historical data have been released by the FRBNY, such analysis inherently involves assumptions, estimates and approximations. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR may be inferred from any of the historical actual or historical performance data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR. Changes in the levels of SOFR will affect Compounded SOFR and the SOFR Index, and, therefore, the return on any related Notes and the trading price of such Notes, but it is impossible to predict whether such levels will rise or fall. There can be no assurance that Compounded SOFR or SOFR will be positive.

SOFR may be more volatile than other benchmark or market rates

Since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates, such as USD LIBOR, during corresponding periods, and SOFR may bear little or no relation to the historical actual or historical indicative data. In addition, although changes in Compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on and value of Floating Rate Notes linked to such rates may fluctuate more than floating rate securities that are linked to other rates.

The secondary trading market for securities linked to SOFR may be limited

Market terms for securities that are linked to SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions, may evolve over time, and as a result, trading prices of such Floating Rate Notes may be lower than those of later-issued securities that are based on SOFR. Investors in such Floating Rate Notes may not be able to sell them at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market and may consequently suffer from increased pricing volatility and market risk.

SOFR Index is relatively new in the marketplace

The interest payable on any Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement will be based on Compounded SOFR, which is calculated using the SOFR Index published by the FRBNY according to the specific formula described under Condition 5.2(b)(ii), not the SOFR rate published on or in respect of a particular date during any Interest Period or an arithmetic average of SOFR rates during such period. Since SOFR Index is a relatively new market rate, the relevant Notes may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. For this and other reasons, the interest rate on any such Notes during any Interest Period will not necessarily be the same as the interest rate on other SOFR-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the SOFR rate in respect of a particular date during an Interest Period is negative, its contribution to the SOFR Index will be less than one, resulting in a reduction to Compounded SOFR used to calculate the interest payable on the relevant Notes on the Interest Payment Date for such Interest Period.

Limited market precedent exists for securities that use SOFR as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. Investors should be aware that the market continues to develop in relation to risk free rates – such as SOFR – as reference rates in the capital markets for floating rate notes, and their adoption as alternatives to the relevant interbank offered rates. In August 2019 and May 2020, the ARRC released model interest rate conventions for SOFR-linked securities (including for the calculation of Compounded SOFR); however, there currently is no uniform market convention with respect to the calculation of Compounded SOFR or SOFR generally. In addition, the FRBNY only began publishing the SOFR Index on 2 March 2020. Accordingly, the use of the SOFR Index or the specific formula for the Compounded SOFR rate used in any relevant Notes may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of any such Notes.

The Rate of Interest on Floating Rate Notes determined by reference to Compounded SOFR will only be capable of being determined near the end of the relevant Interest Period and immediately prior to the related Interest Payment Date

Interest on Floating Rate Notes which references Compounded SOFR applicable to a particular Interest Period (including in the case of Floating Rate Notes for which the Reference Rate is specified as SOFR Index in the applicable Pricing Supplement) will be determined on the Interest Determination Date for such Interest Period.

Because each such date is near the end of such Interest Period, the amount of interest payable with respect to a particular Interest Period will not be known until shortly prior to the related Interest Payment Date and it may be difficult for investors to reliably estimate the amount of interest that will be payable on each such Interest Payment Date. Further, if any Notes become due and payable under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. In addition, some investors may be unwilling or unable to trade the relevant Notes without changes to their information technology systems, all of which could adversely impact the liquidity and trading price of any such Notes.

SOFR and the SOFR Index may be modified or discontinued

SOFR is a relatively new rate, and the FRBNY (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the SOFR Index is published by the FRBNY based on data received by it from other sources, and the Issuer has no control over its methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time. There can be no guarantee that SOFR or the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any relevant Notes.

If the manner in which SOFR or the SOFR Index is calculated is changed, that change may result in a reduction in the amount of interest payable on any relevant Notes, which may adversely affect the trading prices of such Notes. In addition, the FRBNY may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR or the published SOFR Index in its sole discretion and without notice, and has no obligation to consider the interests of holders of the relevant Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing the SOFR Index or other SOFR data. The interest rate for any Interest Period will not be adjusted for any modifications or amendments to SOFR or the SOFR Index, as applicable, that the FRBNY may publish after the Rate of Interest for that Interest Period has been determined.

Risks related to Notes denominated in Renminbi

Notes may be issued denominated in Renminbi (**Renminbi Notes**). An investment in Renminbi Notes involves particular risks, including:

Renminbi is not freely convertible, there are significant restrictions on the remittance of Renminbi into and out of the PRC and the liquidity of Renminbi Notes is subject to such restrictions

Renminbi is not freely convertible as of the date of this Offering Circular. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in the control by the PRC Government in recent years over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong and a number of other jurisdictions have been permitted to engage in the settlement of current account trade transactions in Renminbi; however, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are (as of the date of this Offering Circular) being developed.

Although Renminbi was added to the Special Drawing Rights basket of currencies, in addition to the U.S. dollar, euro, Japanese yen and Sterling, created by the IMF as an international reserve asset in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by The People's Bank of China (the **PBoC**) in 2018, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, or that new regulations in the PRC will not be promulgated in the future that have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be remitted out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Renminbi Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service such Renminbi Notes

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

As of the date of this Offering Circular, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. While the PBoC has entered into agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions in a number of financial centres and cities (the **RMB Clearing Banks**) including, but not limited to, Hong Kong, and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The relevant RMB Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of settling open positions of participating banks for

limited types of transactions. The relevant RMB Clearing Bank is not obliged to settle for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to settle such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended so as to have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of investments in the Renminbi Notes. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source Renminbi on satisfactory terms, if at all.

Although the Issuer's primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where a RMB Currency Event is specified as being applicable in the applicable Pricing Supplement, in the event that the Issuer determines, while acting in good faith that one of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 6.8) has occurred as a result of which, the Issuer is unable to make any payment in respect of the Renminbi Notes in Renminbi, the terms of such Renminbi Notes will permit the Issuer to make payment in U.S. dollars (or such other currency as may be specified in the applicable Pricing Supplement) converted using the Spot Rate for the relevant Determination Date, all as provided in Condition 6.8. The value of these Renminbi payments in U.S. dollar (or such other currency as may be specified in the applicable Pricing Supplement) terms may vary with the prevailing exchange rates in the market. If the value of the Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, then the value of an investor's investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

An investment in Renminbi Notes is subject to exchange rate risks

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. On 11 December 2015, the China Foreign Exchange Trade System (the CFETS), a sub-institutional organisation of the PBoC, published the CFETS Renminbi exchange rate index for the first time, which weighs the Renminbi based upon 13 currencies, to guide the market in order to measure the Renminbi exchange rate. Such change and others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies.

An investment in fixed rate Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. As Renminbi Notes may carry a fixed interest rate, the trading price of such Renminbi Notes will consequently vary with fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments in respect of Renminbi Notes will be made to investors in the manner specified in the Conditions

Investors might be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other RMB Settlement Centre(s) as may be specified in the applicable Pricing Supplement. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by Global Notes held with the common depository for Euroclear and Clearstream, Luxembourg or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or any such other RMB Settlement Centre(s) as may be specified in the applicable Pricing Supplement in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures or the rules and procedures of such alternative clearing system, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than as described in Condition 6.8, the Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

There might be PRC tax consequences with respect to investment in the Renminbi Notes

In considering whether to invest in Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws, as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of a Noteholder's investment in Renminbi Notes might be materially and adversely affected if that Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.

Risks related to the Notes generally

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

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

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their authority electronically, and including those Noteholders who voted in a manner contrary to the majority.

In addition, the Conditions permit "cross-series modifications" to be made to more than one series of debt securities, provided that each affected series of debt securities also contains a cross-series modification provision. Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the Conditions), such cross-series modification may be made to more than one series of debt securities with the approval of the applicable percentage of the aggregate principal amount of the outstanding debt securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of debt securities.

There is therefore a risk that the Conditions may be modified in circumstances where the holders of debt securities approving the modification may be holders of different series of debt securities and the majority of Noteholders would not necessarily have approved such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of debt securities may make the Notes less attractive to purchasers in the secondary market and adversely affect the market value of the Notes in circumstances where such modification or a proposal for such modification is expected to be made by the Issuer.

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

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

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

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

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

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

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

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

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

Risks related to the market generally

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

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

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

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

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

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

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

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

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

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes.

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

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

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

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 any arbitration 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 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.

A UAE court may consider the lack of mutuality in the unilateral option to litigate the Notes, the Agency Agreement, the Deed of Covenant and the Programme Agreement as being contrary to public policy in the UAE and, therefore, unenforceable. 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.

Waiver of immunity

Federal Law No. 11 of 1992 grants to the Issuer and its affiliates immunity in respect of its assets. The Issuer has waived its rights in relation to sovereign immunity (subject to Federal Law No. 11 of 1992 which cannot be waived by the Ruler or Government alone), however there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Notes, the Agency Agreement and the Programme Agreement (as defined in “*Subscription and Sale*”) are valid and binding under the laws of Abu Dhabi and, to the extent applicable therein, the federal laws of the UAE. If the waiver of immunity is not valid and binding, there is a risk that investors may not be able to enforce against the Issuer in the UAE.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Offering Circular:

- (a) the Terms and Conditions of the Notes contained on pages 31 to 63 (inclusive) in the Base Prospectus dated 18 April 2016 prepared by the Issuer in connection with the Programme (available at: http://www.rns-pdf.londonstockexchange.com/rns/5518V_-2016-4-18.pdf); and
- (b) the Terms and Conditions of the Notes contained on pages 35 to 67 (inclusive) in the Base Prospectus dated 2 October 2017 prepared by the Issuer in connection with the Programme (available at: http://www.rns-pdf.londonstockexchange.com/rns/4562S_-2017-10-2.pdf);
- (c) the Terms and Conditions of the Notes contained on pages 37 to 70 (inclusive) in the Base Prospectus dated 23 September 2019 prepared by the Issuer in connection with the Programme (available at: https://www.rns-pdf.londonstockexchange.com/rns/3012N_1-2019-9-23.pdf); and
- (d) the Terms and Conditions of the Notes contained on pages 45 to 91 (inclusive) in the Offering Circular dated 28 May 2021 prepared by the Issuer in connection with the Programme (available at: https://www.rns-pdf.londonstockexchange.com/rns/7389L_1-2021-9-14.pdf).

Following the publication of this Offering Circular a supplement may be prepared by the Issuer. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

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

Bearer Notes

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

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

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

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

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

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

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

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

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

Registered Notes

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

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

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

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

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

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

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available or (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in

such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

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

General

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

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00pm (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (such deed of covenant as amended and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 2 October 2017 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

APPLICABLE PRICING SUPPLEMENT

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

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

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

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the SFA) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Specified Investment Products (as defined in the Singapore Monetary Authority (the **MAS**) Notice SFA 04- N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

[Date]

EMIRATE OF ABU DHABI

Legal entity identifier (LEI): 213800FER4348CINTA77

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

PART A– CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [●] 2024 [and the supplement[s] to it dated [] [and []]] ([together,]the **Offering Circular**). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular in order to obtain all the relevant information. The Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [] [and the supplement to it dated []] which are incorporated

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

by reference in the Offering Circular dated []. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated [] [and the supplement[s] to it dated [] [and []]] ([together,]the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular, in order to obtain all the relevant information. The Offering Circular has been published on the website of the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.]]

1. Issuer: Emirate of Abu Dhabi
2. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about []][Not Applicable]]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
 - (a) Series: []
 - (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (a) Specified Denominations: []
- (b) Calculation Amount (in relation to calculation of interest in global form or Registered definitive see Conditions): []
7. (a) Issue Date: []
- (b) Interest Commencement Date: []/[Issue Date/Not Applicable]
8. Maturity Date: []/[Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] EURIBOR] +/- [[] per cent. Floating Rate]
[SOFR Index +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount
11. Change of Interest Basis [] [Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
[Not Applicable]
13. Status of the Notes: Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]²
- (c) Fixed Coupon Amount(s) (and in relation to Notes in global form or Registered definitive form see Conditions): [] per Calculation Amount³
- (d) Broken Amount(s) (and in relation to Notes in global form or Registered definitive form see Conditions): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
- (e) Day Count Fraction: [30/360]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)]⁴
- (f) Determination Date(s): [[] in each year] [Not Applicable]
15. Floating Rate Note Provisions [Applicable/Not Applicable]
- (a) Specified Period(s)/Specified Interest Payment Dates: [] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] (the **Calculation Agent**)
- (e) Screen Rate Determination:
- Reference Rate: [[] month [] EURIBOR]
[SOFR Index]
 - Interest Determination Date(s): []/[Second day on which T2 is open prior to the start of each Interest Period]
[As per Condition 5.2(b)(iii)]
 - Relevant Screen Page: []/[Not Applicable]
 - Specified Time: []/[Not Applicable]
 - p: [As per Conditions]/[Not Applicable]/[]

² For certain Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: “provided that if any Interest Payment Date falls on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day”.

³ For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005, being rounded upwards”.

⁴ Applicable to Renminbi denominated Fixed Rate Notes.

(NB: If the Reference Rate is SOFR Index, a minimum of five U.S. Government Securities Business Days should be specified unless otherwise agreed in writing with the Agent or the Calculation Agent, as applicable)

- (f) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
 - (g) Margin(s): [+/-] [] per cent. per annum
 - (h) Minimum Rate of Interest: [] per cent. per annum
 - (i) Maximum Rate of Interest: [] per cent. per annum
 - (j) Day Count Fraction: [[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA)]
- 16. Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (a) Accrual Yield: [] per cent. per annum
 - (b) Reference Price: []
 - (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
- [Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

- 17. Issuer Call:** [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount: [[] per Calculation Amount]
 - (c) If redeemable in part:
 - (i) Minimum Redemption Amount: [] per Calculation Amount
 - (ii) Maximum Redemption Amount: [] per Calculation Amount
 - (d) Notice period: Minimum period: [15] days
Maximum period: [30] days
- 18. Investor Put:** [Applicable/Not Applicable]
- (a) Optional Redemption Date(s): []
 - (b) Optional Redemption Amount: [[] per Calculation Amount]
 - (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
- 19. Final Redemption Amount:** [[] per Calculation Amount/specify other/see Appendix]
- 20. Early Redemption Amount payable on event of default:** [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: [Bearer Notes]
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
[Registered Notes:]
[Regulation S Global Note registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]
[Rule 144A Global Note registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]
22. Additional Financial Centre(s): [Not Applicable/give details]
23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
24. Provisions applicable to Renminbi Notes
- (a) RMB Currency Event: [Applicable/Not Applicable]
- (b) Party responsible for calculating the Spot Rate: [Give name (the **RMB Calculation Agent**)]
- (c) RMB Settlement Centre(s) [[]/Not Applicable]

THIRD PARTY INFORMATION

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

Signed on behalf of the Emirate of Abu Dhabi:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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

2. RATINGS

- Ratings: The Notes to be issued have been rated:
[The Notes to be issued [[have been]/[are expected to be]] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
[S&P Global Ratings Europe Limited: []]
[Moody's Investors Service Singapore Pte. Ltd.: []]
[Fitch Ratings Limited: []]

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

[Save for [any fees/the fees of [...]] payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

4. YIELD

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

5. OPERATIONAL INFORMATION

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

- (h) Any clearing system(s) other than DTC, Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable]/[]
- (i) Delivery: Delivery [against/free of] payment
- (j) Names and addresses of additional Paying Agent(s) (if any): []

6. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-syndicated]
- (b) If syndicated, names of Managers: [Not Applicable]/[]
- (c) Date of Subscription Agreement: []
- (d) Stabilisation Manager(s) (if any): [Not Applicable]/[]
- (e) If non-syndicated, name of relevant Dealer: [Not Applicable]/[]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category 1; Rule 144A; TEFRA D/TEFRA C/TEFRA not applicable]

TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a Series (as defined below) of Notes issued by the Emirate of Abu Dhabi (the **Issuer**) pursuant to the Agency Agreement (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 2 October 2017, as supplemented by the supplemental agency agreement dated 23 September 2019, the second supplemental agency agreement dated 28 May 2021 and the third supplemental agency agreement dated 22 April 2024 (as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, The Bank of New York Mellon, London Branch as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent and the U.S. Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, London Branch as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent), The Bank of New York Mellon, New York Branch as paying agent (the **U.S. Paying Agent**) and as transfer agent (together with the Principal Paying Agent, the **Transfer Agents**, which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar). If so specified in the applicable Pricing Supplement, the Issuer will appoint a calculation agent with respect to a Series (the **Calculation Agent**, which expression shall include any successor calculation agent).

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

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

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms

and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such deed of covenant as amended and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 2 October 2017 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

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

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

1. **FORM, DENOMINATION AND TITLE**

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

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

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

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

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

2. TRANSFERS OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

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

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Conditions 2.1 and 2.5, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

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

2.4 Costs of registration

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

2.5 Transfers of interests in Legended Notes

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

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

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

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

2.6 Definitions

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

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

QIB means a “qualified institutional buyer” within the meaning of Rule 144A;

Regulation S means Regulation S under the Securities Act;

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

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

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

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

3. STATUS OF THE NOTES

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

4. NEGATIVE PLEDGE

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In these Conditions, **Relevant Indebtedness** means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market and are denominated or payable, or which at the option of the relevant holder thereof may be payable, in a currency other than the lawful currency of the United Arab Emirates.

5. INTEREST

5.1 Interest on Fixed Rate Notes

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

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

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

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

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

Day Count Fraction means, in respect of the calculation of an amount of interest, in accordance with this Condition 5.1:

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

In these Conditions:

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

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

5.2 Interest on Floating Rate Notes

(a) *Interest Payment Dates*

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

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with

each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

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

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

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

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

(b) **Rate of Interest**

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

(i) *Screen Rate Determination for Floating Rate Notes not referencing SOFR Index*

Where the Reference Rate specified in the applicable Pricing Supplement is not SOFR Index, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00am (Brussels time) (the **Specified Time**) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal

to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 5.2(b)(i), the expression **Reference Banks** means the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Principal Paying Agent in consultation with the Issuer.

(ii) *Screen Rate Determination for SOFR Index Floating Rate Notes*

Where the Reference Rate specified in the applicable Pricing Supplement is SOFR Index, the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded SOFR rate on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

In this Condition 5.2(b)(ii):

Compounded SOFR means, with respect to an Interest Period, the percentage rate as determined by the Calculation Agent in accordance with the following formula (rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

where:

d_c is the number of calendar days in the relevant Observation Period;

SOFR Index_{Start} is the SOFR Index value for the first day of the relevant Observation Period;

SOFR Index_{End} is the SOFR Index value for the last day of the relevant Observation Period; and

Federal Reserve Bank of New York's Website means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source;

Interest Determination Date means the last day of the relevant Observation Period;

Observation Period means, in respect of any Interest Period, the period from (and including) the day that falls *p* U.S. Government Securities Business Days preceding the first day of such Interest Period to (but excluding) the day that falls *p* U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period or such other date on which the relevant payment of interest falls due (but

which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

p means two or such other number as is specified in the applicable Pricing Supplement;

Relevant Screen Page means the display page on the relevant service as specified in the applicable Pricing or such other page as may replace it on that information service, or such other equivalent information service as determined by the Calculation Agent for the purposes of displaying the SOFR Index;

SOFR means the daily secured overnight financing rate as published on the Federal Reserve Bank of New York's Website;

SOFR Index value means, in respect of any U.S. Government Securities Business Day:

- (A) the SOFR Index value published on such U.S. Government Securities Business Day as such value appears on the Relevant Screen Page or, if not so published or the Relevant Screen Page is unavailable, the Federal Reserve Bank of New York's Website, in each case at the Specified Time; or
- (B) if a SOFR Index value does not so appear at the Specified Time on such day, then:
 - (I) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date (each as defined in Condition 5.4) have not occurred with respect to SOFR, then Compounded SOFR for the relevant Interest Period shall be the rate determined pursuant to the provisions below; or
 - (II) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 5.4;

Specified Time means 3:00pm, New York City time or such other time as is specified in the applicable Pricing Supplement; and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which, due to a recommendation of the Securities Industry and Financial Markets Association (or its successor), the fixed income departments of its members are closed for the entire day for purposes of trading in U.S. government securities.

If, on any Interest Determination Date, a SOFR Index value does not appear on the Relevant Screen Page or, if not so published or the Relevant Screen Page is unavailable, the Federal Reserve Bank of New York's Website as provided above at the Specified Time on the relevant U.S. Government Securities Business Day for the determination of the SOFR Index_{Start} or the SOFR Index_{End} and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date (each as defined in Condition 5.4) have not occurred with respect to SOFR, **Compounded SOFR** means, for the relevant Interest Period for which such SOFR Index value is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and the definitions required for such formula, published at <https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information> (or any successor source). For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-

, 90- or 180- calendar days” shall be removed. If the daily SOFR (SOFRi) does not so appear for any day “i” in the Observation Period, SOFRi for such day “i” shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the Federal Reserve Bank of New York’s Website.

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

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

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

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

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

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

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

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

- (iii) if “Actual/365 (Sterling)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

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

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

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

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

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

D₂ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) ***Linear Interpolation***

Where Linear Interpolation is specified as being applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as notified to it by the Issuer.

Designated Maturity means the period of time designated in the Reference Rate.

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

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

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

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2, whether by the Principal Paying Agent or Calculation Agent, as applicable, shall (in the absence of wilful default, fraud or manifest or proven error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders and Couponholders and (in the absence of

wilful default or fraud) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Principal Paying Agent or Calculation Agent, as applicable, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Benchmark Discontinuation – Independent Adviser

(a) *Independent Adviser*

Notwithstanding the provisions of Condition 5.2, and except where the Reference Rate specified in the applicable Pricing Supplement is SOFR Index, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.3(b)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5.3(d)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5.3 shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Noteholders, for any determination made by it, pursuant to this Condition 5.

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

(b) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

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

(c) *Adjustment Spread*

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment

Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(d) ***Benchmark Amendments***

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

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

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

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

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

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

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

Without prejudice to the obligations of the Issuer under Condition 5.3(a), (b), (c) and (d), the Original Reference Rate and the fallback provisions provided for in Condition 5.3(b)(i) will continue to apply unless and until a Benchmark Event has occurred.

(g) ***Definitions***

As used in this Condition 5.3:

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

- (i) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt in relation to the replacement

of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;

- (ii) or (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;
- (iii) or (if the Independent Adviser determines that no such spread is customarily applied), the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (iv) or (if the Independent Adviser determines that no such spread is recognised or acknowledged), the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

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

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

Benchmark Event means:

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

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate or on which the Original Reference Rate is no longer representative, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement but the obligations of the Issuer in respect of the appointment of an Independent Adviser and determination by the Independent Adviser of a

Successor Rate, Alternative Rate, an Adjustment Spread and any Benchmark Amendments in accordance with this Condition 5.3 when any Rate of Interest (or any component part thereof) will remain to be determined by reference to the Original Reference Rate on or after the occurrence of the Benchmark Event will apply from the date following such public statement that it becomes reasonably practicable for such determination to be made.

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

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (provided that if, following one or more Benchmark Events, such originally-specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate).

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

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

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

5.4 Benchmark Discontinuation – ARRC SOFR

(a) ***ARRC SOFR***

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

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

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

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

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

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

Replacement Conforming Changes with effect from the date specified in such notice.

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

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

Any determination, decision or election that may be made by the Issuer pursuant to this Condition 5.4, including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (including with respect to any Benchmark Replacement Conforming Change), will be conclusive and binding on all parties absent manifest error and subject as provided in this Condition 5.4, may be made in the Issuer's sole discretion and, subject as provided in this Condition 5.4, shall become effective without consent from the Noteholders or any other party.

(e) ***Notice***

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

(f) ***Definitions:***

As used in this Condition 5.4:

Benchmark means, initially, Compounded SOFR; provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

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

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

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

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero)

that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

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

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

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

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

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

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

SOFR Benchmark Replacement Date means the earliest to occur of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

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

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

SOFR Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then current Benchmark (including the daily published component used in the calculation thereof):

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

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

5.5 Accrual of interest

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

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

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

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

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

6.2 Presentation of definitive Bearer Notes and Coupons

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

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

6.3 Payments in respect of Bearer Global Notes

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

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on

which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

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

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

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

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

6.5 General provisions applicable to payments

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

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.6 Payment Day

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation; and
 - (ii) in each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement;
- (b) if “T2” is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open;
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which T2 is open; and
- (d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.7 Interpretation of principal and interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

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

6.8 RMB Currency Event

If “RMB Currency Event” is specified as being applicable in the applicable Pricing Supplement and a RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer’s obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in U.S. dollars converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 14 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 6.8 and unless stated otherwise in the applicable Pricing Supplement:

Governmental Authority means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Rate Calculation Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

Rate Calculation Date means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

Renminbi, RMB and CNY means the lawful currency of the People’s Republic of China (the PRC), which (for the purposes of these Conditions) excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan;

RMB Currency Events means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

RMB Illiquidity means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

RMB Inconvertibility means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date in the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

RMB Non-Transferability means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

Spot Rate means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the RMB Calculation Agent at or around 11.00am (Hong Kong time) on the Rate Calculation Date, on a

deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the RMB Calculation Agent shall determine the rate taking into consideration all available information which the RMB Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

6.9 RMB account

All payments in respect of any Note or Coupon in Renminbi will be made solely by credit to a Renminbi account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Pricing Supplement as RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong or any relevant RMB Settlement Centre(s)).

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

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

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

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

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

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

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the

Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

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

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

7.4 Early Redemption Amounts

For the purpose of Condition 10:

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

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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

7.5 Purchases

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

7.6 Cancellation

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

7.7 Late payment on Zero Coupon Notes

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

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

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by, within or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

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

As used herein:

- (i) **Tax Jurisdiction** means the United Arab Emirates or the Emirate of Abu Dhabi or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date

on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

Notes (whether in bearer or registered form) and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT

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

- (a) the Issuer fails to pay the principal of, or any interest on, any of the Notes when due and such failure continues for a period of 14 days in the case of principal and 30 days in the case of interest; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other obligations or undertakings in respect of the Notes and either such default is not capable of remedy or such default (if capable of remedy) is not remedied within 45 days after written notice of such default shall have been given to the Issuer by any Noteholder; or
- (c) (i) the holders of any Relevant Indebtedness of the Issuer accelerate such Relevant Indebtedness or declare such Relevant Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment or pursuant to an option granted to the holders by the terms of such indebtedness), prior to the stated maturity thereof or (ii) the Issuer fails to pay in full any principal of, or interest on, any of its Relevant Indebtedness when due (after expiration of any applicable grace period) or any guarantee of any Relevant Indebtedness of others given by the Issuer shall not be honoured when due and called upon; provided that the aggregate amount of the relevant Relevant Indebtedness or guarantee in respect of which one or more of the events mentioned above in this paragraph (c) shall have occurred equals or exceeds U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or
- (d) the Issuer shall enter into an arrangement with its creditors generally for the rescheduling or postponement of its debts, or a moratorium on the payment of principal of, or interest on, all or any part of the Relevant Indebtedness of the Issuer shall be declared; or
- (e) the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes or as a result of any change in, or amendment to, the laws or regulations in the United Arab Emirates or the Emirate of Abu Dhabi, which change or amendment takes place on or after the date on which agreement is reached to issue the first Tranche of the Notes, (i) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement or (ii) any of such obligations becomes unenforceable or invalid,

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

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

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

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

12. AGENTS

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

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

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City.

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

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

13. EXCHANGE OF TALONS

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

14. NOTICES

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

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

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

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

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

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

- (a) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform). The Issuer will notify the Noteholders of the time, place (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform) and purpose of the meeting not less than 21 and not more than 45 days before the meeting.
- (b) The Issuer or the Principal Paying Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 15.9 below) have delivered a written request to the Issuer or the Principal Paying Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Principal Paying Agent will agree the time and place of the meeting (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform) with the Issuer promptly. The Issuer or the Principal Paying Agent, as the case may be, will notify the Noteholders within 10 days of receipt of such written request of the time and place of the meeting (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform), which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.
- (c) The Issuer (with the agreement of the Principal Paying Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Principal Paying Agent will agree such procedures as are customary in the market and in

such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt securities issued by it.

- (d) The notice convening any meeting will specify, *inter alia*;
 - (i) the date, time and location of the meeting (which need not be a physical place and instead may be by way of conference call, including by use of a videoconference platform);
 - (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (iv) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;
 - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;
 - (vi) whether Condition 15.2, or Condition 15.3, or Condition 15.4 shall apply and, if relevant, in relation to which other series of debt securities it applies;
 - (vii) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;
 - (viii) such information that is required to be provided by the Issuer in accordance with Condition 15.6;
 - (ix) the identity of the Aggregation Agent and the Claims Calculation Agent (each as defined in these Conditions), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 15.7; and
 - (x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities.
- (e) All information to be provided pursuant to Condition 15.1(d) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents (as defined in Condition 15.12).
- (f) A **record date** in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.
- (g) An **Extraordinary Resolution** means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (h) A **Written Resolution** means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

- (i) Any reference to **debt securities** means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.
- (j) **Debt Securities Capable of Aggregation** means those debt securities which include or incorporate by reference this Condition 15 and Condition 16 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

15.2 Modification of this Series of Notes only

- (a) Any modification of any provision of, or any action in respect of, the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (b) A **Single Series Extraordinary Resolution** means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Condition 15.1 by a majority of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the outstanding Notes.
- (c) A **Single Series Written Resolution** means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the outstanding Notes; or
 - (ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

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

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

15.3 Multiple Series Aggregation – Single limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
- (b) A **Multiple Series Single Limb Extraordinary Resolution** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).
- (c) A **Multiple Series Single Limb Written Resolution** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in

writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of debt securities.

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

15.4 Multiple Series Aggregation – Two limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Debt Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
 - (b) A **Multiple Series Two Limb Extraordinary Resolution** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Principal Paying Agent pursuant to Condition 15.1, as supplemented if necessary, which is passed by a majority of:
 - (i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
 - (c) A **Multiple Series Two Limb Written Resolution** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:
 - (i) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).
- Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Noteholders or one or more holders of each affected series of Debt Securities Capable of Aggregation.
- (d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Noteholders and holders of each other affected series of Debt Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.
 - (e) Any modification or action proposed under Condition 15.4(a) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 15.4 may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

15.5 Reserved Matters

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

- (a) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date

in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;

- (b) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
- (c) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;
- (d) to change this definition, or the definition of “Extraordinary Resolution”, “Single Series Extraordinary Resolution”, “Multiple Series Single Limb Extraordinary Resolution”, “Multiple Series Two Limb Extraordinary Resolution”, “Written Resolution”, “Single Series Written Resolution”, “Multiple Series Single Limb Written Resolution” or “Multiple Series Two Limb Written Resolution”;
- (e) to change the definition of “debt securities” or “Debt Securities Capable of Aggregation”;
- (f) to change the definition of “Uniformly Applicable”;
- (g) to change the definition of “outstanding” or to modify the provisions of Condition 15.9;
- (h) to change the legal ranking of the Notes;
- (i) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 10(a);
- (j) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer’s waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 21;
- (k) to impose any condition on or otherwise change the Issuer’s obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 15.5; or
- (m) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or
- (n) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:
 - (i) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or
 - (ii) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

15.6 Information

- (a) Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 15.2, Condition 15.3 or Condition 15.4, the Issuer shall publish in accordance with Condition 16, and provide the Principal Paying Agent with the following information:
- (b) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (c) if the Issuer shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (d) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and
- (e) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 15.1(d)(vii).

15.7 Claims Valuation

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

15.8 Manifest error, etc.

The Notes, these Conditions and the provisions of the Agency Agreement may be amended by the Issuer without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless, in the opinion of the Issuer, it is (i) of a formal, minor or technical nature or (ii) not materially prejudicial to the interests of the Noteholders.

15.9 Notes controlled by the Issuer

For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, the right to give an Electronic Consent, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 15 and (c) Condition 10, any Notes which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer or by any public body owned or controlled, directly or indirectly, by the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

In advance of any meeting of Noteholders, or in connection with any Electronic Consent or Written Resolution, the Issuer shall provide to the Principal Paying Agent a copy of the certificate prepared pursuant to Condition 16.5, which includes information on the total number of Notes which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer or by any public body owned or controlled, directly or indirectly, by the Issuer and, as such, such Notes shall be disregarded and

deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Noteholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Principal Paying Agent shall make any such certificate available for inspection during normal business hours at its Specified Office and, upon reasonable request, will allow copies of such certificate to be taken.

15.10 Publication

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

15.11 Exchange and Conversion

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, the Conditions may be implemented at the Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

15.12 Written Resolutions and Electronic Consents

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

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

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

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

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

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

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

- (b) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Note and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

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

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

16. AGGREGATION AGENT; AGGREGATION PROCEDURES

16.1 Appointment

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

respect of the terms and conditions or bond documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

16.2 Extraordinary Resolutions

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

16.3 Written Resolutions

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

16.4 Electronic Consents

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

16.5 Certificate

For the purposes of Condition 16.2 and Condition 16.3, the Issuer will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 15.2, Condition 15.3 or Condition 15.4, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

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

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

16.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 16 to be notified to the Principal Paying Agent and the Issuer as soon as

practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

16.7 Binding nature of determinations; no liability

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

16.8 Manner of publication

The Issuer will publish all notices and other matters required to be published pursuant to this Condition 16, including any matters required to be published pursuant to Condition 10, Condition 15 and Condition 17:

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

17. NOTEHOLDERS' COMMITTEE

17.1 Appointment

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

17.2 Powers

Such committee in its discretion may, among other things:

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

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

17.3 Engagement with the committee and provision of information

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

17.4 Certification

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

The certificate shall certify:

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

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

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

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the

committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes; provided that any additional Notes having the same CUSIP, ISIN or other identifying number of outstanding Notes or any Series must be fungible with such outstanding Notes for U.S. federal income tax purposes if either the outstanding Notes or the additional Notes were or are issued under Rule 144A.

19. CURRENCY INDEMNITY

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

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

21. GOVERNING LAW AND DISPUTE RESOLUTION

21.1 Governing law

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

21.2 Agreement to arbitrate

Subject to Condition 21.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes and/or the Coupons (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) shall be referred to and finally resolved by arbitration under the London Court of International Arbitration's (the **LCIA**) Rules (the **Rules**), which Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

- (a) the seat of arbitration shall be London;

- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and
- (c) the language of the arbitration shall be English.

21.3 Option to litigate

Notwithstanding Condition 21.2 above, any Noteholder or Couponholder may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any Noteholder or Couponholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 21.4 and, subject as provided below, any arbitration commenced under Condition 21.2 in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the relevant Noteholder or Couponholder must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before their appointment is terminated;
- (ii) their entitlement to be paid their proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

21.4 Effect of exercise of an option to litigate

In the event that a notice pursuant to Condition 21.3 is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;
- (b) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 21.4 is for the benefit of the Noteholders and the Couponholders only. As a result, and notwithstanding paragraph (a) above, to the extent allowed by law, any Noteholder or Couponholder may take proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, any Noteholder or Couponholder may take concurrent Proceedings in any number of jurisdictions.

21.5 Appointment of Process Agent

The Issuer irrevocably appoints First Abu Dhabi Bank PJSC, London Branch at 3rd Floor, 45 Cannon Street, London EC4M 5SB, United Kingdom as its agent for service of process, and agrees that, in the event of First Abu Dhabi Bank PJSC, London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

21.6 Waiver of immunity

To the extent that the Issuer may in any jurisdiction claim for itself or its revenues, assets or properties which consist of its public and private properties invested in financial, commercial or industrial activities or deposited in banks (**Sovereign Assets**) immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process, in all cases related to the Notes or the Coupons, and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the Issuer hereby irrevocably agrees for the benefit of the Noteholders and the Couponholders not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction. In addition, to the extent that the Issuer or any of its Sovereign Assets shall be entitled in any jurisdiction to any immunity from set-off or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer hereby irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with the Notes and the Coupons.

21.7 Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

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

OVERVIEW OF 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 Falah, 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 2005. Censuses in individual emirates, including Abu Dhabi in 2011, have subsequently been undertaken. Any Abu Dhabi population figures set out below after 2005 are estimates based on historic data, including the unpublished census results. The most recent estimate of population for the UAE as a whole was made by the UAE Federal Competitiveness and Statistics Centre (the **FCSC**), which estimated the registered resident population of the UAE to be approximately 9.3 million as at 31 December 2020. The most recent public estimate of population in Abu Dhabi was made by the Statistics Centre – Abu Dhabi (the **SCAD**), which estimated the usual resident population of Abu Dhabi to be approximately 2.9 million as at 30 June 2016. These estimates are subject to revision when the 2023 census results become publicly available.

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 and 2005.

Population of Abu Dhabi and the UAE

	<u>1985</u>	<u>1995</u>	<u>2005</u>	<u>2016</u>	<u>2020</u>
Abu Dhabi population.....	566,036	942,463	1,399,484	2,908,173 ⁽¹⁾	—
Total UAE population.....	1,379,303	2,411,041	2,106,427	9,121,167 ⁽²⁾	9,282,410 ⁽³⁾

Notes:

(1) SCAD estimate as at 30 June 2016.

(2) UAE Federal Competitiveness and Statistics Authority (the FCSA) estimate as at 31 December 2019.

(3) FCSC estimate as at 31 December 2020.

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

POPULATION OF ABU DHABI

The following table sets out the estimated population of Abu Dhabi as at 30 June in each of the years 2012 to 2016:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Abu Dhabi population.....	2,314,819	2,492,518	2,656,448	2,784,490	2,908,173

Source: SCAD estimate as at 30 June in each year.

Based on SCAD data, Abu Dhabi's population grew by 7.7 per cent. between 30 June 2012 and 30 June 2013, by 6.6 per cent. between 30 June 2013 and 30 June 2014, by 4.8 per cent. between 30 June 2014 and 30 June 2015 and by 4.4 per cent. between 30 June 2015 and 30 June 2016.

As at 30 June 2016 and based on SCAD estimates, Abu Dhabi had a predominantly young population with 0.9 per cent. being 65 and over and 16.6 per cent. being under the age of 15. The historic annual average growth rate of the population between 2010 and 2016 was 5.6 per cent., with the population of UAE citizens living in Abu Dhabi growing at an annual average rate of 3.9 per cent. and the non-national population growing at an annual average rate of 6.0 per cent. over the period. The population mix as at 30 June 2016 comprised 19.0 per cent. UAE nationals and 81.0 per cent. non-nationals. The majority of the non-national population is male (with a ratio of 2.01 males to 1 female at 30 June 2016), reflecting the fact that the population principally comprises male migrant workers.

Education and training are an important strategic focus for the emirate. Based on the latest available SCAD data, the literacy level at age 10 and over was estimated at 94.7 per cent. in 2022. A key government policy is the creation of jobs for the local population supported by initiatives to educate and motivate young nationals to join the workforce and the private sector. See “—*Strategy of Abu Dhabi*” below.

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;

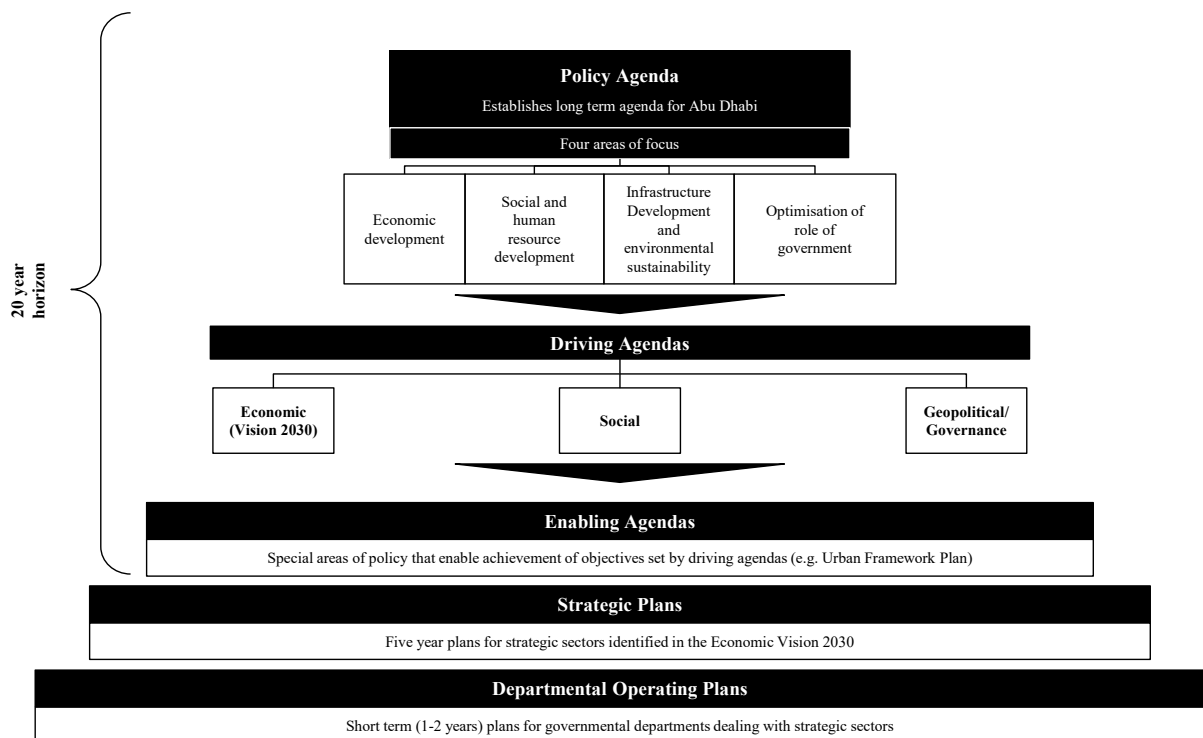
- Mubadala Investment Company (Mubadala), which was formed in early 2017 and is a global investment business focused on sustainable financial returns to help realise the government’s vision for a globally integrated and diversified economy; and
- Abu Dhabi Developmental Holding Company, which was established 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 2023, Mubadala had total assets of AED 511 billion.

ADQ

ADQ, established in 2018, is an Abu Dhabi-based investment and holding company mandated to accelerate the transformation of the emirate into a knowledge-based economy. As an asset owner and a sustainable investor, ADQ seeks out compelling opportunities across economic clusters that are critical to realising Abu Dhabi's economic vision. ADQ is focused on creating long-term value through strategic investments, driving asset transformation, and a commitment to a performance-driven culture.

ADQ's portfolio is focused on four priority economic clusters:

- **Energy & Utilities.** This cluster encompasses a portfolio of companies spanning the energy and utilities value chain. The key asset is a majority owned subsidiary, TAQA, an Abu Dhabi-based integrated power and water utilities company. The cluster also includes a number of 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 encompasses strategic investments in assets across the transport and logistics value chain. Its 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*") and ADQ Aviation and Aerospace Services LLC (which holds assets that provide aircraft maintenance, repair and overhaul services, ground handling and training services) as well as Wizz Air Abu Dhabi (a low-cost airline established in 2019 as a joint venture with Wizz Air Holdings). 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*".
- **Healthcare & Life Sciences.** This cluster comprises an integrated healthcare and life sciences portfolio that delivers a sustainable health system in Abu Dhabi with a focus on sustainable growth through clinical and pharmaceutical excellence to improve patient outcomes. ADQ's key assets include its wholly owned subsidiaries, Pharma Strategy Partners GmbH (which is headquartered in Switzerland and has operations in over 90 countries, and produces and markets pharmaceutical products in over 20 therapeutic areas) and Mefar International İlaç San. A.S. (which is headquartered in Istanbul and produces sterile injectable products), its majority-owned subsidiary Amoun Pharmaceutical Company S.A.E. (which is headquartered in Egypt and manufactures, distributes and exports branded pharmaceutical and animal health products), and its equity-accounted associate, PureHealth Holding LLC (which operates the largest vertically-integrated healthcare network in the UAE).
- **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 leading global producer and distributor of high-quality fresh fruit), its equity-accounted associates, Louis Dreyfus Company International Holding B.V. (a leading international agri-commodities and food company) and Lulu International Holdings Limited (a diversified, multinational conglomerate that 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).

ADQ also has three emerging clusters: Sustainable Manufacturing; Tourism, Entertainment & Real Estate; and Financial Services.

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 79th out of all 193 UN member states in the 2023 Sustainable Development Report with a score of 69.71, almost three points higher than the GCC 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 50 per cent. clean energy by 2030.

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.

ECONOMY OF ABU DHABI

INTRODUCTION

With approximately 7.2 per cent. of the world's proven oil reserves (which were 1,564 billion barrels according to OPEC, as at 31 December 2022) and approximately 3.9 per cent. of the world's natural gas reserves (which were 210,063 billion standard cubic metres according to OPEC, as at 31 December 2022), the UAE's hydrocarbon wealth, coupled with a small population, gives it a high GDP per capita ratio and the highest oil reserves per capita in the world based on OPEC data. In each of the six years from 2018 to 2023 (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 2023 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 2022 and earlier years may also be revised when nominal GDP information for subsequent years is published.

In 2019, Abu Dhabi's nominal GDP fell by 5.6 per cent. compared to 2018, principally as a result of lower average oil prices compared to 2018. In 2020, Abu Dhabi's nominal GDP fell by 22.9 per cent. compared to 2019, principally reflecting the impact of COVID-19 and the measures put in place to restrict its transmission, coupled with low oil prices for most of the year, with both oil and non-oil GDP falling significantly in nominal terms. 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 and oil prices continued to recover although nominal GDP remained below the level in 2019. 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. In 2023, Abu Dhabi's nominal GDP fell by 1.1 per cent. compared to 2022, principally reflecting the fact that non-oil GDP growth of 12.5 per cent. was more than offset by a decline in oil GDP of 15.9 per cent., which principally reflected lower oil prices in 2023 compared to 2022.

According to SCAD data, Abu Dhabi's nominal GDP was AED 880 billion in 2019, AED 679 billion in 2020, AED 870 billion in 2021, AED 1,113 billion in 2022 and AED 1,110 billion in 2023. The oil and gas

industry continues to be the major sector of Abu Dhabi's economy and contributed 40.8 per cent. to nominal GDP in 2023.

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.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022⁽¹⁾</u>	<u>2023⁽²⁾</u>
	(AED millions, except percentages)				
Abu Dhabi nominal GDP.....	880,203	678,841	869,485	1,112,507	1,100,104
Percentage change in Abu Dhabi nominal GDP	(5.6)	(22.9)	28.1	28.0	(1.1)
UAE nominal GDP	1,535,067	1,283,440	1,524,744	1,862,192	N/A
Abu Dhabi as a percentage of UAE	57.3	52.9	57.0	59.7	N/A

Notes:

(1) Preliminary estimate for the UAE data. No full year nominal GDP information for the UAE in 2023 has been published.

(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 38.1 per cent. in 2019, 31.5 per cent. in 2020, 40.9 per cent. in 2021, 48.0 per cent. in 2022 and 40.8 per cent. in 2023. 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 2019, 2020, 2021, 2022 and 2023 have been:

- construction (which accounted for 9.3 per cent. of Abu Dhabi's nominal GDP in 2023);
- financial and insurance activities (which accounted for 7.9 per cent. of Abu Dhabi's nominal GDP in 2023);
- manufacturing (which accounted for 7.5 per cent. of Abu Dhabi's nominal GDP in 2023);
- wholesale and retail trade, repair of motor vehicles and motorcycles (which accounted for 6.0 per cent. of Abu Dhabi's nominal GDP in 2023);
- public administration and defence, compulsory social service (which accounted for 5.9 per cent. of Abu Dhabi's nominal GDP in 2023); and
- electricity, gas and water supply; waste management (which accounted for 4.9 per cent. of Abu Dhabi's nominal GDP in 2023).

Together, these non-hydrocarbon sectors accounted for 41.8 per cent. in 2019, 46.2 per cent. in 2020, 40.5 per cent. in 2021, 35.6 per cent. in 2022 and 41.5 per cent. in 2023.

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

Sector	2019		2020		2021		2022		2023 ⁽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	6,872	0.8	7,659	1.1	8,685	1.0	8,461	0.8	8,632	0.8
Mining and quarrying ⁽²⁾	335,186	38.1	213,541	31.5	355,194	40.9	533,580	48.0	448,650	40.8
Manufacturing.....	58,063	6.6	40,404	6.0	53,226	6.1	67,997	6.1	82,721	7.5
Electricity, gas and water supply; waste management.....	37,815	4.3	36,577	5.4	44,424	5.1	49,380	4.4	53,790	4.9
Construction.....	87,897	10.0	77,596	11.4	80,959	9.3	89,409	8.0	101,858	9.3
Trade ⁽³⁾	47,428	5.4	43,522	6.4	50,454	5.8	59,559	5.4	66,142	6.0
Transportation and storage.....	10,952	1.2	6,870	1.0	7,334	2.4	25,710	2.3	30,851	2.8
Accommodation and food service.....	25,703	2.9	25,779	3.8	26,758	0.8	8,697	0.8	9,493	0.9
Information and communication.....	73,314	8.3	55,522	8.2	61,640	3.1	28,697	2.6	30,740	2.8
Financial and insurance.....	36,491	4.1	26,989	4.0	26,729	7.1	68,931	6.2	86,779	7.9
Real estate.....	21,599	2.5	16,448	2.4	19,293	3.1	30,362	2.7	32,104	2.9
Professional, scientific and technical.....	12,182	1.4	11,264	1.7	11,215	2.2	19,437	1.7	19,512	1.8
Administrative and support services.....	63,747	7.2	59,943	8.8	61,469	1.3	14,603	1.3	14,866	1.4
Public administration ⁽⁴⁾	13,454	1.5	13,288	2.0	13,741	7.1	61,182	5.5	64,529	5.9
Education.....	14,454	1.6	16,052	2.4	18,211	1.6	14,512	1.3	15,348	1.4
Human health and social work.....	2,552	0.3	1,909	0.3	2,156	2.1	21,794	2.0	23,536	2.1
Arts, recreation and other services.....	6,792	0.8	6,702	1.0	6,977	0.2	2,571	0.2	2,758	0.3
Activities of households as employers.....	6,872	0.8	7,659	1.1	8,685	0.8	7,625	0.7	7,795	0.7
Total GDP.....	880,203	100.0	678,841	100.0	869,485	100.0	1,112,507	100.0	1,100,104	100.0
Total non-oil GDP.....	545,017	61.9	465,300	68.5	514,292	59.1	578,927	52.0	651,453	59.2

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

Real GDP

All Abu Dhabi real GDP information for 2023 and all UAE real GDP information for 2022 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 for 2022, respectively, 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.

Abu Dhabi's real GDP grew at annual rates of minus 1.5 per cent. in 2019 and minus 7.7 per cent. in 2020. In 2021, 2022 and 2023, Abu Dhabi's real GDP grew at an annual rate of 3.4 per cent., 9.2 per cent. and 3.1 per cent., respectively.

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.

	2019	2020	2021	2022	2023 ⁽¹⁾
			(per cent.)		
Abu Dhabi hydrocarbon real GDP growth.....	(3.2)	(3.9)	(0.1)	9.2	(3.1)
Abu Dhabi non-hydrocarbon real GDP growth..	0.2	(11.5)	7.2	9.2	9.1
Abu Dhabi total real GDP growth.....	(1.5)	(7.7)	3.4	9.2	3.1

Note:

(1) Preliminary estimates.

Source: SCAD

Real growth in the hydrocarbon sector has been driven by production changes. The non-hydrocarbon sector of the economy grew by 0.2 per cent. in 2019, minus 11.5 per cent. in 2020, 7.2 per cent. in 2021, 9.2 per cent. in 2022 and 9.1 per cent. in 2023. The low growth rate in 2019 principally reflected continued corporate restructuring, a slowdown in government investment, declining real estate prices and construction activity and tightening fiscal conditions, in part due to rising U.S. interest rates which strengthened the U.S. dollar. 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 and 2023, the non-hydrocarbon sector grew strongly (by 9.2 per cent. in real terms in 2022 and by 9.1 per cent. in real terms in 2023, 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.

	2019	2020	2021	2022	2023
			(AED millions, except percentages)		
Abu Dhabi real GDP (constant 2014 prices)...	1,062,929	980,621	1,014,198	1,107,941	1,142,136
Percentage change in Abu Dhabi real GDP	(1.5)	(7.7)	3.4	9.2	3.1
UAE real GDP (constant 2010 prices).....	1,517,759	1,442,523	1,505,341	1,623,517	—
Abu Dhabi as a percentage of UAE.....	70.0	68.0	67.4	68.3	—

Note:

(1) Preliminary estimates. The UAE has not yet published full year real GDP information for 2023, although the UAE's real GDP for the six months ended 30 June 2023 was AED 852,507 million.

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

Abu Dhabi's real GDP experienced a compound annual growth rate of 1.45 per cent. between 2019 and 2023. The fastest growing sectors between 2019 and 2023 were:

- human health and social work, with a compound annual growth rate of 8.30 per cent.;
- information and communication, with a compound annual growth rate of 5.28 per cent.;
- activities of households as employers, with a compound annual growth rate of 4.57 per cent.;
- wholesale and retail trade, repair of motor vehicles and motorcycles, with a compound annual growth rate of 4.43 per cent.; and
- education, with a compound annual growth rate of 4.28 per cent.

Of the major sectors of the economy, in 2023 mining and quarrying had a compound annual growth rate of 0.32 per cent., manufacturing had a compound annual growth rate of 2.63 per cent., construction had a compound annual growth rate of 2.48 per cent., public administration had a compound annual growth rate of 2.57 per cent., financial and insurance had a compound annual growth rate of 2.42 per cent. and trade had a compound annual growth rate of 4.43 per cent.

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.

	2019			2020			2021		
	(AED millions)	Contribution	2018/17 Growth	(AED millions)	Contribution	2019/18 Growth	(AED millions)	Contribution	2020/19 Growth
		(per cent.)			(per cent.)			(per cent.)	
Agriculture, forestry and fishing	6,896	0.6	7.4	6,706	0.7	(2.8)	8,347	0.8	24.5
Mining and quarrying ⁽¹⁾	523,839	49.3	(3.2)	503,412	51.3	(3.9)	502,667	49.6	(0.1)
Manufacturing.....	88,501	8.3	7.6	68,610	7.0	(22.5)	82,826	8.2	20.7
Electricity, gas and water supply; waste management	20,110	1.9	13.1	17,093	1.7	(15.0)	17,952	1.8	5.0
Construction.....	85,938	8.1	(4.6)	76,758	7.8	(10.7)	79,965	7.9	4.2
Trade ⁽²⁾	50,484	4.7	(1.5)	48,393	4.9	(4.1)	52,566	5.2	8.6
Transportation and storage.....	24,528	2.3	(2.8)	13,643	1.4	(44.4)	16,774	1.7	23.0
Accommodation and food service.....	11,409	1.1	3.9	7,615	0.8	(33.3)	8,044	0.8	5.6
Information and communication	24,121	2.3	(1.6)	26,407	2.7	9.5	27,483	2.7	4.1
Financial and insurance.....	69,843	6.6	2.6	55,833	5.7	(20.1)	58,080	5.7	4.0
Real estate	40,970	3.9	0.4	31,514	3.2	(23.1)	31,421	3.1	(0.3)
Professional, scientific and technical activities	14,824	1.4	(24.2)	15,742	1.6	6.2	15,686	1.5	(0.4)
Administrative and support services	10,803	1.0	(2.5)	10,216	1.0	(5.4)	9,965	1.0	(2.5)
Public administration ⁽³⁾	55,003	5.2	(3.3)	60,368	6.2	9.8	60,260	5.9	(0.2)
Education	16,550	1.6	9.9	18,646	1.9	12.7	19,082	1.9	2.3
Human health and social work.....	11,114	1.0	5.7	11,398	1.2	2.5	14,416	1.4	26.5
Arts, recreation and other service.....	1,787	0.2	(22.1)	1,574	0.2	(11.9)	1,704	0.2	8.2
Activities of households as employers ..	6,209	0.6	22.2	6,693	0.7	7.8	6,961	0.7	4.0
Total GDP	1,062,929	100.0	(1.5)	980,621	100.0	(7.7)	1,014,198	100.0	3.4
Total non-oil GDP	539,090	50.7	0.2	477,209	48.7	(11.5)	511,532	50.4	7.2

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

	2022		2023 ⁽¹⁾	
	Contribution	2021/20 Growth	Contribution	2022/21 Growth
	(AED millions)	(per cent.)	(AED millions)	(per cent.)
Agriculture, forestry and fishing	7,438	0.7	7,538	0.7
Mining and quarrying ⁽²⁾	549,141	49.6	532,369	46.6
Manufacturing.....	96,114	8.7	100,781	8.8
Electricity, gas and water supply; waste management	20,027	1.81	21,130	1.9
Construction.....	85,854	7.7	97,137	8.5
Trade ⁽³⁾	58,123	5.25	62,709	5.5
Transportation and storage.....	20,661	1.97	24,197	2.1
Accommodation and food service.....	8,920	0.81	9,195	0.8
Information and communication	29,488	2.7	31,193	2.7
Financial and insurance.....	62,741	5.76	78,717	6.9
Real estate.....	36,273	3.3	38,360	3.4
Professional, scientific and technical activities	16,165	1.5	16,203	1.4
Administrative and support services	13,031	1.2	13,247	1.2
Public administration ⁽⁴⁾	59,281	5.4	62,433	5.5
Education	19,339	1.7	20,405	1.8
Human health and social work.....	15,694	1.4	16,558	1.4
Arts, recreation and other services	2,040	0.2	2,199	0.2
Activities of households as employers	7,608	0.7	7,766	0.7
Total GDP	1,107,941	100.0	1,142,137	100.0
Total non-oil GDP	558,799	50.4	609,768	53.4

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 38.1 per cent. of Abu Dhabi's nominal GDP in 2019, 31.5 per cent. in 2020, 40.9 per cent. in 2021, 48.0 per cent. in 2022 and 40.8 per cent. in 2023. Real GDP growth in the hydrocarbon sector was minus 3.2 per cent. in 2019, minus 3.9 per cent. in 2020, minus 0.1 per cent. in 2021, 9.2 per cent. in 2022 and minus 3.1 per cent. in 2023. The compound annual growth rate of real GDP in the hydrocarbon sector was 0.32 per cent. between 2019 and 2023. 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 2022, the UAE had the world's fifth 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 1,564,441 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 3.9 per cent. of OPEC's estimate for the world's total natural gas reserves (which was 210,063 billion standard cubic metres).

Oil

Abu Dhabi represents approximately 95 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 34–41 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 expects to fund the investment plan through a combination of its own funds and borrowings.

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.

Abu Dhabi Company for Onshore Oil Operations (**ADCO**) was incorporated on 8 October 1978 and, between February 1979 and 2013, was responsible for operations in the Abu Dhabi Petroleum Company concession area which, after relinquishments, covered more than 21,000 km² in 2013. ADCO acted on behalf of its shareholders to explore, develop and produce hydrocarbons within its area of operations.

ADCO's 40-year concession expired in 2013. At this time, ADNOC owned 60 per cent. of ADCO and international shareholders owned the remaining 40 per cent: Total S.A. (Total) owned 9.5 per cent., Exxon Mobil Corporation (**Exxon Mobil**) owned 9.5 per cent., Shell plc owned 9.5 per cent., BP plc (BP) owned 9.5 per cent. and Partex Oil and Gas Group owned 2 per cent.

A new concession was signed with effect from 1 January 2015 between ADNOC and six international shareholders. 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.

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 Mubarraz, 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 a new 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 Mubarraz 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 80 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 81 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 1,000 million SCF per day. In 2019, ADNOC Sour Gas increased its gas production capacity to 1,200 million SCF per day and aims to further increase its production capacity to 1,450 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 6.6 per cent. of Abu Dhabi's nominal GDP in 2019, 6.0 per cent. in 2020, 6.1 per cent. in 2021, 6.1 per cent. in 2022 and 7.5 per cent. in 2023. Real GDP growth in the manufacturing sector was 7.6 per cent. in 2019, minus 22.5 per cent. in 2020, 20.7 per cent. in 2021, 16.0 per cent. in 2022 and 4.9 per cent. in 2023. The compound annual growth rate for real GDP in the manufacturing sector was 2.63 per cent. between 2019 and 2023. 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.

In addition, the Khalifa Port and Industrial Zone (**KIZAD**) located at Al Taweelah is being developed by AD Ports Group. Situated midway between Abu Dhabi and Dubai, this facility capitalises on industrial activity across both emirates. The new port, which was inaugurated in 2012, has facilities that include container and general cargo terminals.

In December 2018, a new terminal and container freight station at Khalifa Port was inaugurated and in December 2022, a new multi-purpose general cargo terminal, South Quay, Khalifa Logistics Port and Abu Dhabi Terminals were inaugurated. These projects provided extended quay walls, additional berths, terminal land and land plots for customer usage and made major contributions to AD Ports Group's target of increasing handling capacity at Khalifa Port by 2030 to 15 million TEU per year, and general cargo handling capacity to 25 million tonnes.

KIZAD has attracted a range of companies in the aluminium, automotive, engineered metals, port logistics, food processing and other industries. The aluminium smelter referred to below under "*Metal Industries—Aluminium*" below is located at KIZAD. See also "*—Infrastructure—Ports and Airports*" and "*—Free zones and other specialised zones*" below.

A number of large-scale industrial investment projects have recently been completed or are under development in Abu Dhabi, including the projects discussed 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 expected to commence operations in 2025. As at 31 March 2023, the complex had a total polyolefins capacity of 5.0 million tonnes per year (**Mt/y**) (approximately 2.8 Mt/y of polyethylene and approximately 2.2 Mt/y of polypropylene). Following the offering, ADNOC owns 54.0 per cent. of Borouge and Borealis owns 36.0 per cent.

ADNOC's downstream portfolio also includes Fertiglobe, its fertiliser joint venture with OCI N.V. in which ADNOC holds 42 per cent. and OCI N.V. holds 58 per cent., 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.

The entire Ruwais complex is expected to be upgraded to produce greater volumes of higher-value petrochemicals and derivative products. The plans include building from a position of strength and securing world class facilities providing competitive feedstocks, infrastructure, utilities, logistics and services. Significant expansion already underway includes a carbon black unit, crude flexibility and the Borouge 4 petrochemical complex. ADNOC also plans to develop a new, large-scale, manufacturing ecosystem in Ruwais through the creation of new petrochemical derivatives and conversion parks, creating a focal point for the global petrochemicals industry. The derivatives park is expected to act as a prime catalyst for the next stage of petrochemical transformation by inviting partners to invest and produce new products and solutions from the growing range of feedstocks that are available in Ruwais. The new conversion park is expected to spur new business creation further down the value chain, manufacturing higher-value end products, including packaging materials, coatings, high voltage insulation and automotive composites.

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 three main zones:

- 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;
- the Ta'ziz Light Industrial Zone, which is intended to accommodate downstream conversion industries; and
- the Ta'ziz Industrial Services Zone, which is expected to include a new port, utilities, infrastructure, feedstock supply, and shared services that will be made available to new investors under a “plug and play” concept.

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 makes one in every 25 tonnes of aluminium made worldwide. It sold 2.72 million tonnes of cast metal in total in 2022 and its production makes the UAE the fifth largest primary aluminium producing country in the world.

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.

In 2021, EGA became the first company globally to produce aluminium commercially using solar power.

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. Emsteel is also the first steelmaker in the world to capture its carbon dioxide emissions and the first manufacturing company in the Middle East to be verified for (LEED) green building system documentation.

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.

The table below shows certain indicators relating to Abu Dhabi’s hotel establishments for each of the periods indicated.

	2019	2020	2021	2022	2023
Hotel establishments	168	165	170	170	173
Number of rooms	32,881	32,742	33,819	34,108	34,389
Number of guests (thousands)	5,490	3,328	3,331	4,334	5,504
Average length of stay (days)	2.6	3.3	3.5	3.0	2.7
Occupancy rate (yearly, %)	73	66	72	71	73

Source: DCT

In addition to supporting leisure tourism, the DCT also focuses on MICE (meetings, incentives, conferences and exhibitions) tourism, with more than 1,200 MICE events taking place in 2022 attracting over 600,000 MICE visitors.

The emirate continued to experience strong growth in hotel room supply and demand until early 2020 and the onset of the COVID-19 pandemic. The number of hotel guests was 5.1 million in 2019 while the number of hotel rooms was 32,881 in 2019, with an occupancy level of 73 per cent.

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. In 2020, the number of hotel guests in Abu Dhabi decreased by 39.4 per cent., or 2.2 million guests, compared to 2019.

In 2021, the hotel sector rebounded slightly, with the number of rooms increasing by 3.1 per cent. to 33,819 and the occupancy rate increasing from 66 per cent. to 72 per cent.

In 2022 and 2023, Abu Dhabi’s hotel sector continued to grow, with the number of rooms increasing 0.9 per cent. to 34,108 in 2022 and by 0.8 per cent. to 34,389 in 2023. In 2022 and 2023, Abu Dhabi’s hotels attracted 4.3 million and 5.5 million guests, respectively, and recorded occupancy levels of 71 per cent. and 73 per cent., respectively.

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; and
- UAE Giant Flagpole, a landmark viewing point overlooking the entire Corniche and Abu Dhabi skyline.

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;
- teamLab Phenomena, a 17,000-square-metre experiential art space, on Saadiyat Island;
- Surf Abu Dhabi, an artificial wave facility, on Hudayriyat 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 and was awarded the “World’s Leading Sports Tourism Destination” at the World Travel Awards in each year from 2013 to 2019. 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 10.0 per cent. of Abu Dhabi’s nominal GDP in 2019, 11.4 per cent. in 2020, 9.3 per cent. in 2021, 8.0 per cent. in 2022 and 9.3 per cent. in 2023.

The real estate sector, which principally comprises real estate sales and leasing, contributed 4.1 per cent. of Abu Dhabi’s nominal GDP in 2019, 4.0 per cent. in 2020, 3.1 per cent. in 2021, 2.7 per cent. in 2022 and 2.9 per cent. in 2023.

Real GDP growth in the construction sector was minus 4.6 per cent. in 2019, minus 10.7 per cent. in 2020, 4.2 per cent. in 2021, 7.4 per cent. in 2022 and 13.1 per cent. in 2023 and the compound annual growth rate of real GDP in the construction sector was 2.48 per cent. between 2019 and 2023. The negative rates of growth in the construction sector in 2019 and 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 0.4 per cent. in 2019, minus 23.1 per cent. in 2020, minus 0.3 per cent. in 2021, 15.4 per cent. in 2022 and 5.8 per cent. in 2023 and the compound annual growth rate of real GDP in the real estate sector was minus 1.31 per cent. between 2019 and 2023. The low rate of growth in 2019 principally reflected continued weak real estate markets. 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), the construction of ENEC’s nuclear plant (described under “—*Infrastructure—Energy and Water*” 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 and the third reactor at ENEC’s nuclear plant.

There are numerous significant private sector projects planned or under construction in Abu Dhabi, including housing projects on Yas Island and Jubail Island, new sporting and recreational facilities and new hotels and resorts.

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 8.3 per cent. of Abu Dhabi's nominal GDP in 2019, 8.2 per cent. in 2020, 7.1 per cent. in 2021, 6.2 per cent. in 2022 and 7.9 per cent. in 2023. In real terms, this sector grew by 2.6 per cent. in 2019, by minus 20.1 per cent. in 2020, by 4.0 per cent. in 2021, by 8.0 per cent. in 2022 and by 25.5 per cent. in 2023 and the compound annual growth rate of real GDP in the financial institutions and insurance sector was 2.42 per cent. between 2019 and 2023. 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 following the COVID-19 pandemic.

Following two significant bank mergers, there are now 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 5.9 per cent., 6.0 per cent., 2.8 per cent., 2.8 per cent. and 4.9 per cent., respectively, to Abu Dhabi's nominal GDP in 2023 and had compound annual real growth rates over the period between 2019 and 2023 of 2.57 per cent., 4.43 per cent., 5.28 per cent., minus 0.27 per cent. and 1.00 per cent., respectively. The agriculture, forestry and fishing sector contributed 0.7 per cent. to Abu Dhabi's nominal GDP in 2023 and had a compound annual real growth rate over the period between 2019 and 2023 of 1.80 per cent.

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 2018 to 2022 and for the nine months ended 30 September 2023.

	2018	2019	2020	2021	2022	2023 ⁽¹⁾
Consumer price index (2021 = 100).....	101.8	100.9	98.5	100.0	105.6	105.6
Consumer prices (percentage change, year on year)	3.3	(0.8)	(2.4)	1.5	5.6	0.0

Note:

(1) Nine months ended 30 September only.

Source: SCAD

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.

	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
Transportation....	(0.5)	9.8	13.8	17.9	18.4	34.3	37.4	15.1	1.8	(13.3)	(13.9)	(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)	4.5	28.5	9.0	7.7	9.6	8.8	6.2	8.4	(7.3)	(10.7)	(3.2)	3.9
Education	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
Hotels and restaurants	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
Insurance and financial services	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
Personal care, social protection and miscellaneous goods	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 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.

In 2018, the principal driver of the 3.3 per cent. increase in inflation was the impact of the introduction of a 5 per cent. rate of VAT from the start of 2018, which particularly impacted the transport; clothing and footwear; and recreation and culture components. This impact was partly offset by a fall in the housing, water, electricity, gas and other fuels component, driven by a continued decline in housing prices and rents.

In 2019, Abu Dhabi experienced deflation at a rate of 0.8 per cent. The principal contributor to this was the housing, water, electricity, gas and other fuels component due to a continuing decline in house prices and rents and declines in utilities prices. In addition, lower oil prices resulted in lower domestic fuel prices which impacted the transportation component and there was deflation in the food and beverages component.

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.

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.

Based on the most recently performed actuary review, the net asset value of the Pension Fund was AED 71.4 billion at 31 December 2019. As at the same date, the Pension Fund had an actuarial liability of AED 140.5 billion and an unfunded liability of AED 69.1 billion.

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. According to SCAD, as at 31 December 2019, the combined length of Abu Dhabi's internal and external road network was approximately 40,000 km.

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 22 million passengers in 2023 and served over 120 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 Corporation (Etisalat), 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 2023. In the UAE, TAQA owns majority interests in 12 operational gas-fired power generation and/or water desalination facilities and two renewable power generation facilities and has interests in a further 11 assets outside the UAE.

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 has a presence in over 40 countries and as at 31 March 2023 the total gross generation capacity of Masdar's operational, under construction and committed utility-scale renewable energy generation projects was 12,701 megawatts (MW) and its proportionate share of the capacity of those projects was 5,441 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 green hydrogen business aims to produce up to 1 million tonnes of green hydrogen per annum by 2030. According to its website, Masdar's installed and under-development projects around the world have the capacity to offset 30 million tonnes of carbon dioxide annually. 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. Transco, 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 two licensed distributors, each wholly-owned by TAQA, based in Abu Dhabi city and Al Ain, respectively.

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 near completion and expected to achieve commercial operations later in 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. Nuclear reactor construction projects are inherently complex and subject to uncertainties, therefore no assurance is given that the individual units will be brought into production when stated or at all. See "*Cautionary Statement Regarding Forward Looking Statements*" at the beginning of this Offering Circular.

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 18.9 GW, with a power mix largely based on combined cycle gas turbine plants (15.1 GW, or 80 per cent. of the total), with the remaining capacity being nuclear (2.8 GW, 15 per cent. of the total) and solar (1.0 GW, or 5 per cent. of the total). By 2030, the installed power capacity is projected to nearly double to 34 GW, with a further 5.9

GW either under construction or in planning. The largest growth is expected to come from solar generation, which is expected to reach 12 GW (or 35 per cent. of the capacity) and nuclear (which is expected to reach 5.6 GW, or 16 per cent. of the capacity). Abu Dhabi had a total power demand of 81 TWh in 2021, which is expected to grow to around 120 TWh by 2030. By 2030, the total Abu Dhabi energy demand is expected to be serviced by gas generation (43 per cent.), nuclear generation (40 per cent.) and solar generation (17 per cent.).

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 which are expected to reach 35 per cent. of the capacity mix by 2026. Currently three RO plants are in planning with an anticipated capacity of 290MIGD.

SWS Holding 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. SWS Holding 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. 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 clean energy in the total energy mix to 50 per cent. (of which 44 per cent. of the total energy mix is intended to be renewable energy and the remaining six per cent. of the total energy mix is intended to be nuclear energy). The remaining 50 per cent. is expected to comprise gas (38 per cent.) and clean coal (12 per cent.) The strategy also includes an ambition to reduce carbon dioxide emissions by 70 per cent. from 2017 levels and to increase the consumption efficiency of individuals and corporates by 40 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 new 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.

Data relating to FDI in Abu Dhabi is based on field surveys on a quarterly basis carried out for the first time in 2019 and extending to the second quarter of 2021. FDI data for Abu Dhabi is not published for any periods subsequent to the second quarter of 2021. The total stock of foreign direct investment (**FDI**) in Abu Dhabi was AED 101.3 billion in 2018, AED 102.2 billion in 2019, AED 101.7 billion in 2020 and AED 104.4 billion in 2021. FDI grew at rates of 1.4 per cent. in 2018, 0.9 per cent. in 2019, minus 0.5 per cent. in 2020 and 2.6 per cent. in 2021, in each case compared to the previous year.

The table below shows the stock of FDI in Abu Dhabi by economic activity for each of the years indicated.

	2018	2019	2020	2021
	(AED millions)			
Mining and quarrying ⁽¹⁾	20,918	21,563	22,268	20,836
Manufacturing.....	16,927	15,458	14,385	9,148
Utilities ⁽²⁾	13,847	12,815	12,827	12,681
Construction.....	3,006	6,103	6,766	7,309
Trade ⁽³⁾	1,913	2,106	2,313	2,171
Transportation and storage.....	1,218	1,317	1,571	2,214
Accommodation and food services	19	18	26	26
Information and communication.....	254	226	151	552

Financial and insurance.....	9,006	8,677	6,823	11,723
Real estate ⁽⁴⁾	30,278	30,303	30,544	32,911
Professional, scientific and technical	3,721	3,422	3,629	4,322
Administrative and support services	98	106	177	175
Education	53	46	204	185
Human health and social work.....	(4)	(1)	10	129
Total	101,253	102,159	101,695	104,383

Notes:

- (1) Includes crude oil and natural gas.
(2) Comprises electricity, gas and water supply; waste management.
(3) Comprises wholesale and retail trade; repair of motor vehicles and motorcycles.
(4) Includes real estate sales to non-residents.

Source: SCAD

In 2021, the sectors with the largest 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.

The table below shows the total stock of FDI in Abu Dhabi by the top 10 countries for each of the periods indicated.

	2018	2019	2020	2021
	(AED millions)			
United Kingdom	15,237	15,200	13,296	11,304
Austria	14,222	13,149	12,874	7,160
The Netherlands	2,215	2,456	2,130	5,244
France	6,083	6,850	6,042	4,589
Japan	7,401	6,657	4,736	4,096
Cayman Islands.....	6,094	5,434	5,252	3,857
United States of America	2,529	1,921	4,008	3,302
South Korea	2,400	2,597	4,074	2,743
Jordan.....	2,406	2,432	2,162	2,599
China (including Hong Kong and Macau) ...	1,340	1,076	1,238	2,523
Other ⁽¹⁾	41,326	44,387	45,254	56,966
Total	101,253	102,159	101,695	104,383

Notes:

(1) Includes real estate sales to non-residents and other countries.

Source: 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 per 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.

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 of the date of this Offering Circular, no balance of payments data for the UAE has yet been published in respect of any period after 2022.

	2018	2019	2020	2021	2022
	(AED billions)				
Current account balance	151.5	137.1	77.5	177.9	329.5
Trade balance (FOB).....	314.6	295.5	221.6	287.8	337.2
Total exports of the hydrocarbon sector.....	247.2	220.8	135.1	230.8	341.2
Non-hydrocarbon exports	410.6	415.0	394.5	415.0	438.8
Re-exports ⁽¹⁾	521.2	516.6	469.9	545.4	674.6
Total exports and re-exports (FOB)	1,179.0	1,152.4	999.5	1,191.2	1,454.6
Total imports (FOB)	(864.4)	(856.9)	(778.0)	(903.4)	(1,117.4)
Services (net)	(0.9)	7.6	59.7	98.6	211.2
Investment income (net).....	5.2	7.6	(6.9)	(2.7)	0.2
Transfers (net).....	(169.3)	(173.6)	(196.9)	(205.8)	(219.1)
Capital and financial account ⁽²⁾	(134.7)	(90.4)	(97.1)	(96.8)	(313.2)
Net errors and omissions.....	(3.8)	(11.3)	6.0	3.9	(5.6)
Overall balance	13.4	35.7	(13.1)	85.0	10.8

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 21.0 per cent. of its total exports and re-exports in 2018, 19.2 per cent. in 2019, 13.5 per cent. in 2020, 19.4 per cent. in 2021 and 23.5 per cent. in 2022. The UAE's re-exports accounted for 44.2 per cent. of its total exports and re-exports in 2018, 44.8 per cent. in 2019, 47.0 per cent. in 2020, 45.8 per cent. in 2021 and 46.4 per cent. in 2022. The UAE's non-hydrocarbon exports accounted for 34.8 per cent. of its total exports and re-exports in 2018, 36.0 per cent. in 2019, 39.5 per cent. in 2020, 34.8 per cent. in 2021 and 30.2 per cent. in 2022.

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.

The UAE's non-hydrocarbon exports increased by 1.1 per cent. in 2019 compared to 2018. In 2020, the UAE's non-hydrocarbon exports fell by 4.9 per cent. compared to 2019. The slowdown in the rate of increase in 2019 principally reflected a slowdown in global economic growth, including in the UAE's major export

destinations and the negative growth in 2020 reflected lower demand as a result of COVID-19. In 2021, the UAE's non-hydrocarbon exports increased by 5.2 per cent. compared to 2020 principally reflecting a recovery after the COVID-19 impacted 2020. In 2022, the UAE's non-hydrocarbon exports increased by 5.7 per cent. compared to 2021 primarily due to an increase in global demand and economic activity.

The UAE's imports declined by 0.9 per cent. in 2019 compared to 2018 and by 9.2 per cent. in 2020 compared to 2019. The UAE's imports grew by 15.3 per cent. in 2021 compared to 2020 and by 23.7 per cent. in 2022 compared to 2021.

The UAE's trade balance as a percentage of its nominal GDP was 20.3 per cent. in 2018, 19.1 per cent. in 2019, 17.5 per cent. in 2020, 19.0 per cent. in 2021 and 18.1 per cent. in 2022.

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 2019, the UAE recorded a net services surplus of AED 7.6 billion compared to AED 0.9 billion in 2018. The major components of travel and transport (which together represented 74.8 per cent. of credits and 55.1 per cent. of debits in 2019) increased in both the credit and debit sides of the services balance. This increase was in line with the increase in inbound tourism in the UAE during 2019. 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, the UAE's net services surplus increased to AED 211.2 billion. Travel and transport (which together represented 65.4 per cent. of credits and 45.1 per cent. of debits in 2022) increased in both the credit and debit sides of the services balance, in line with the continued increase in inbound tourism to the UAE during 2022.

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 2018, 2019, 2020, 2021 and 2022, equal to 9.7 per cent., 8.9 per cent., 6.0 per cent., 11.7 per cent., and 17.7 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 the period from 2018 to 2021 was private sector bank inflows and outflows. In each of 2018, 2019, 2020, 2021 and 2022, there were outflows of AED 76.5 billion, AED 31.5 billion, AED 42.4 billion, AED 21.2 billion and AED 229.4 billion, respectively. Other factors impacting the financial account balance during the period were outward flows by public sector entities, which were AED 16.7 billion in 2018, AED 15.4 billion in 2019, AED 22.1 billion in 2020, AED 29.9 billion in 2021 and AED 32.4 billion in 2022, and net direct investment flows, which were net outward flows of AED 17.2 billion in 2018 and AED 12.3 billion in 2019, a net inward flow of AED 3.4 billion in 2020, a net outward flow of AED 6.9 billion in 2021 and a net outward flow of AED 7.7 billion in 2022.

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 surplus of AED 13.0 billion in 2018, a surplus of AED 35.7 billion in 2019, a deficit of AED 13.1 billion in 2020, a surplus of AED 85.0 billion in 2021 and a surplus of AED 10.8 billion in 2022 equal to 0.8 per cent., 2.3 per cent., minus 1.0 per cent., 5.6 per cent. and 0.6 per cent., respectively, of the UAE's nominal GDP in 2018, 2019, 2020, 2021 and 2022.

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.

	2018	2019	2020	2021	2022
Crude oil production (million b/d)	3.0	3.1	2.8	2.7	3.1
Crude oil exports (million b/d) ⁽¹⁾	2.3	2.4	2.4	2.3	2.7
Crude oil exports (U.S.\$ billions) ⁽²⁾	34	30	21	32	53
Average selling price (U.S.\$ per barrel)	73	67	42	68	97

Notes:

(1) ADNOC and industry shareholders combined.

(2) ADNOC only.

Source: ADNOC

Abu Dhabi has exported approximately 80 per cent. of its total crude oil production over the five years from 2018.

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

	2019	2020	2021	2022
	(metric million British thermal units)			
Export traded liquids ⁽¹⁾	1,035	1,004	992	976
Sulphur ⁽²⁾	21	19	18	17
ADNOC LNG joint venture products share ⁽³⁾	269	263	273	252

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. This methodology was introduced in 2018 and the data for prior years has been revised to ensure consistency.

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.

	2018	2019	2020	2021	2022 ⁽¹⁾
	(AED millions)				
Non-oil exports	64,420	57,925	73,464	78,946	98,803
Re-exports.....	48,114	52,842	35,256	45,383	47,277
Imports.....	112,952	102,515	92,488	100,873	114,355
Total	225,486	213,282	201,208	225,203	260,435

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 22 per cent., 41 per cent. and 37 per cent., respectively, of the total in the month of December 2021 and 34 per cent., 36 per cent. and 30 per cent., respectively, of the total in the month of December 2022.

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

	2018		2019		2020		2021		2022 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Industrial supplies n.e.s. ⁽²⁾	49,651	77.1	45,065	77.8	61,756	84.1	64,353	81.5	82,350	83.3
Food and beverages	7,179	11.1	6,055	10.5	5,932	8.1	6,475	8.2	7,610	7.7
Consumer goods n.e.s. ⁽²⁾	3,930	6.1	3,437	5.9	3,354	4.6	4,248	5.4	4,673	4.7
Capital goods (except transport equipment)	2,577	4.0	2,338	4.0	1,405	1.9	2,576	3.3	2,768	2.8
Fuels and lubricants	380	0.6	327	0.6	340	0.5	697	0.9	594	0.6
Transport equipment and parts	676	1.0	694	1.2	642	0.9	585	0.7	674	0.7
Goods n.e.s. ⁽²⁾	27	0.0	9	0.0	34	0.0	13	0.0	135	0.1
Total.....	64,420	100.0	57,924	100.0	73,464	100.0	78,946	100.0	98,803	100.0

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 77.1 per cent. of Abu Dhabi's total non-hydrocarbon exports in 2018, 77.8 per cent. in 2019, 84.1 per cent. in 2020, 81.5 per cent. in 2021 and 83.3 per cent. in 2022.

Re-exports by broad economic category

	2018		2019		2020		2021		2022 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Transport equipment and parts	19,447	40.4	24,113	45.6	15,537	44.1	16,249	35.8	10,951	23.2
Consumer goods n.e.s. ⁽²⁾	9,708	20.2	10,131	19.2	5,617	15.9	9,736	21.5	11,253	23.8
Capital goods (except transport equipment)	8,951	18.6	9,797	18.5	7,343	20.8	8,465	18.7	11,177	23.6
Industrial supplies n.e.s. ⁽²⁾	6,387	13.3	5,381	10.2	3,346	9.5	7,283	16.0	8,122	17.2
Food and beverages.....	3,256	6.8	3,080	5.8	3,262	9.3	3,453	7.6	4,509	9.5
Fuels and lubricants.....	92	0.2	79	0.1	57	0.2	110	0.2	194	0.4
Goods n.e.s. ⁽²⁾	274	0.6	260	0.5	94	0.3	87	0.2	1,071	2.3
Total	48,114	100.0	52,841	100.0	35,256	100.0	45,383	100.0	47,277	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 92.5 per cent. of re-exports in 2018, 93.5 per cent. in 2019, 90.3 per cent. in 2020, 92.0 per cent. in 2021, and 87.8 per cent. in 2022.

Imports by broad economic category

	2018		2019		2020		2021		2022 ⁽¹⁾	
	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)	(AED millions)	(%)
Industrial supplies n.e.s. ⁽²⁾	46,699	41.3	43,007	42.0	38,347	41.5	46,566	46.2	48,672	42.6
Transport equipment and parts	30,276	26.8	24,615	24.0	19,089	20.6	22,337	22.1	29,130	25.5
Capital goods (except transport equipment)	19,023	16.8	16,101	15.7	20,510	22.2	15,937	15.8	19,237	16.8
Consumer goods n.e.s. ⁽²⁾	10,082	8.9	11,793	11.5	7,154	7.7	8,646	8.6	5,938	5.2
Food and beverages.....	6,184	5.5	6,154	6.0	6,829	7.4	6,720	6.7	7,968	7.0
Fuels and lubricants.....	601	0.5	568	0.6	442	0.5	498	0.5	722	0.6
Goods n.e.s. ⁽²⁾	87	0.1	275	0.3	117	0.1	169	0.2	2,688	0.4
Total	112,952	100.0	102,515	100.0	92,488	100.0	92,948	100.0	114,355	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 85.0 per cent. of imports in 2018, 81.7 per cent. in 2019, 84.3 per cent. in 2020, 84.1 per cent. in 2021 and 84.9 per cent. in 2022.

Key trade partners

Abu Dhabi's four major non-hydrocarbon trade partners are Saudi Arabia, Switzerland, the United States and China, based on 2022 data. According to SCAD data for 2022, these partners accounted for AED 58,237 million (or 22.4 per cent.), AED 20,460 million (7.9 per cent.), AED 19,708 million (or 7.6 per cent.) and AED 16,602 million (or 6.4 per cent.), respectively, of Abu Dhabi's combined non-hydrocarbon exports, re-exports and imports. In total, Abu Dhabi's top 10 trade partners accounted for 65.4 per cent. of its combined non-hydrocarbon exports, re-exports and imports in 2022.

In terms of Abu Dhabi's non-oil exports and non-oil re-exports combined, Saudi Arabia was the dominant trade partner in 2022, accounting for AED 42,734 million, with Switzerland accounting for AED 19,082 million and Kuwait accounting for AED 10,904 million. In terms of Abu Dhabi's non-oil imports, Saudi Arabia accounted for AED 15,503 million in 2022, the United States accounted for AED 14,233 million and China accounted for 12,909 million.

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 2019, 2020, 2021, 2022 and 2023.

	As at 31 December				
	2019	2020	2021	2022	2023
	<i>(AED billions, except percentages)</i>				
Currency in circulation outside banks	78.2	94.7	94.1	101.9	117.0
Money supply (M1) ⁽¹⁾	515.1	600.1	701.9	737.5	829.3
Private domestic liquidity (M2) ⁽²⁾	1,413.2	1,478.6	1,563.0	1,703.6	2,023.4
Overall domestic liquidity (M3) ⁽³⁾	1,717.5	1,769.4	1,856.9	2,107.2	2,445.2
Overall domestic liquidity (M3) to nominal UAE GDP ⁽⁴⁾	112.1%	134.3%	121.8%	112.8%	n/a
Government deposits ⁽⁵⁾	304.3	290.8	293.9	403.6	421.8
Domestic private sector credit.....	1,149.9	1,124.9	1,137.5	1,185.9	1,261.3
Domestic private sector credit to nominal UAE GDP ⁽⁴⁾ ..	75.1%	85.4%	74.6%	63.7%	n/a
Domestic bank credit.....	1,592.6	1,596.8	1,619.0	1,650.9	1,738.0
Domestic bank credit to nominal UAE GDP ⁽⁴⁾	103.9%	121.2%	106.2%	88.7%	n/a

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*”. n/a means UAE GDP data for 2023 has not yet been published.
- (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 6.1 per cent. in 2019, by 16.5 per cent. in 2020, by 17.0 per cent. in 2021, by 5.1 per cent. in 2022 and by 12.4 per cent. in 2023. The growth in M1 in 2019 through 2023 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 8.0 per cent. in 2019, by 4.6 per cent. in 2020, by 5.7 per cent. in 2021, by 9.0 per cent. in 2022 and by 18.8 per cent. in 2023. The growth in M2 in the periods discussed principally reflected changes in quasi-monetary deposits in 2019, 2022 and 2023 and changes in both monetary and quasi-monetary deposits in 2020 and 2021.

Overall domestic liquidity (**M3**), which comprises M2 plus long-term bank deposits, grew by 7.2 per cent. in 2019, by 3.0 per cent. in 2020, by 4.9 per cent. in 2021, by 13.1 per cent. in 2022 and by 16.0 per cent. in 2023.

In 2019, overall domestic liquidity expressed as a percentage of nominal UAE GDP was 112.1 per cent., principally due to growth in M2 and decline in nominal GDP. In 2020, overall domestic liquidity expressed as a percentage of nominal UAE GDP increased to 134.3 per cent., principally due to a significant decline in nominal UAE GDP in 2020 which was adversely affected by the measures implemented to contain the spread of COVID-19 and the associated slump in oil prices. In 2021, overall domestic liquidity expressed as a percentage of nominal UAE GDP declined to 121.8 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 112.8 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.

Government deposits grew 3.5 per cent. in 2019. In 2020, principally due to governmental support provided to alleviate the impact of restrictions imposed to combat COVID-19, government deposits declined by 4.4 per cent. compared to 2019 and in 2021 they 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.

The availability of domestic private sector credit remained flat at AED 1,149.9 in 2019, declined to AED 1,124.9 billion in 2020, increased to AED 1,137.5 billion in 2021, increased to AED 1,185.9 billion in 2022 and increased to AED 1,261.3 billion in 2023. Domestic private sector credit expressed as a percentage of nominal UAE GDP was 75.1 per cent. in 2019. In 2020, domestic private sector credit expressed as a percentage of nominal UAE GDP increased to 85.4 per cent., principally due to the significant decline in nominal UAE GDP in 2020. In 2021, domestic private sector credit expressed as a percentage of nominal UAE GDP declined to 74.6 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 63.7 per cent., principally due to the significant increase in nominal UAE GDP in 2022.

Domestic bank credit was AED 1,592.6 billion as at 31 December 2019, 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 and AED 1,738.0 billion as at 31 December 2023. Domestic bank credit expressed as a percentage of nominal UAE GDP was 103.9 per cent. in 2019. In 2020, domestic bank credit expressed as a percentage of nominal UAE GDP increased to 121.2 per cent., principally due to the decline in nominal UAE GDP in 2020. In 2021, domestic bank credit expressed as a percentage of nominal UAE GDP declined to 106.2 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 88.7 per cent., principally due to the significant increase in nominal UAE GDP in 2022.

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 2019, 2020, 2021, 2022 and 2023.

	As at 31 December				
	2019	2020	2021	2022	2023
	<i>(AED billions)</i>				
Gross international reserves	397.9	391.9	481.5	508.4	695.9
Current account balances and deposits with banks abroad.....	365.7	348.2	280.4	313.8	443.6
Foreign securities.....	9.3	4.0	135.9	134.5	187.2

	As at 31 December				
	2019	2020	2021	2022	2023
	<i>(AED billions)</i>				
IMF reserves position and SDR holdings	3.2	3.8	15.1	14.5	14.7
Other foreign assets	19.8	35.8	50.2	45.5	50.4
Foreign liabilities	(3.7)	(10.8)	(15.4)	(31.5)	(22.5)
Net international reserves	394.2	381.0	466.1	476.9	673.4

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 2018 to 2023). 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 397.9 billion in 2019. In 2020, the UAE Central Bank's gross international reserves fell by 1.5 per cent., principally reflecting lower current account balances and deposits with banks abroad as the funds were used to combat the impact of COVID-19 and low oil prices. 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.

BANKING AND FINANCIAL SERVICES

The financial institutions and insurance industry in Abu Dhabi contributed 8.3 per cent. of Abu Dhabi's nominal GDP in 2019, 8.2 per cent. in 2020, 7.1 per cent. in 2021, 6.2 per cent. in 2022 and 7.9 per cent. in 2023. Within the UAE as a whole, the financial and insurance activities sector was estimated to have contributed 8.0 per cent. of nominal GDP in 2018, 8.4 per cent. in 2019, 8.4 per cent. in 2020, 7.5 per cent. in 2021 and 6.6 per cent. in 2022, according to published FCSC data. There were 23 locally-incorporated licensed banks, 27 foreign commercial banks and 11 foreign licensed wholesale banks at 31 December 2023, serving a population estimated by the FCSC to be approximately 9.3 million at 31 December 2020.

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 and is expected to be issued by the end of March 2024. 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 2018, 2019, 2020, 2021, 2022 and as at 30 September 2023.

	2018	2019	2020	2021	2022	2023 ⁽¹⁾
Total number of banks (excluding wholesale banks)	49	48	48	49	50	50
Total number of branches	823	735	614	588	571	564
Total number of employees in banks	36,629	35,637	33,444	33,491	35,830	37,394
Total gross credit ⁽²⁾ (AED billions)	1,656.2	1,758.6	1,779.0	1,794.0	1,879.4	1,981.6
Total NPLs/total loans ⁽³⁾ (per cent.)	5.3	6.0	7.6	7.3	6.6	5.9
Total provisions ⁽⁴⁾ (AED billions)	96.3	103.1	121.2	121.2	118.6	118.2
Total provisions/total gross credit (per cent.)	5.8	5.9	6.8	6.8	6.3	6.0
Total assets (AED billions)	2,868.5	3,082.9	3,188.0	3,321.5	3,667.6	3,951.9
Total deposits (AED billions)	1,755.7	1,870.0	1,884.5	1,996.5	2,222.7	2,420.9
Lending to stable resources ratio ⁽⁵⁾ (per cent.)	82.3	81.0	77.6	77.3	75.6	76.5
Eligible liquid assets ratio ⁽⁶⁾ (per cent.)	17.5	18.1	18.4	19.6	19.1	20.7
Capital adequacy ratio ⁽⁷⁾ (per cent.)	17.5	17.7	18.1	17.2	17.4	18.5
Tier 1 capital ratio ⁽⁷⁾ (per cent.)	16.2	16.5	17.0	16.1	16.2	17.4
CET 1 capital ratio ⁽⁷⁾ (per cent.)	14.3	14.7	14.9	14.2	14.4	15.6

Notes:

- (1) Preliminary figures. As at 30 September 2023.
- (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 but excludes interest in suspense.
- (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 1,656.2 billion as at 31 December 2018, AED 1,758.6 billion as at 31 December 2019, 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 and AED 1,981.6 billion as at 30 September 2023. As at the same dates, the NPL portfolio of the UAE banks was AED 91.4 billion, AED 111.7 billion, AED 142.4 billion, AED 139.6 billion, AED 133.8 billion and AED 128.7 billion, respectively, and the total provisions

made by UAE banks were AED 96.3 billion, AED 103.1 billion, AED 121.2 billion, AED 121.2 billion, AED 118.6 billion and AED 118.2 billion, respectively. NPLs as a percentage of total loans were 5.3 per cent. as at 31 December 2018 and 6.0 per cent. as at 31 December 2019, reflecting the difficult economic conditions over the period. NPLs as a percentage of total loans were 7.6 per cent. as at 31 December 2020, with the increase in 2020 in part reflecting the impact of the COVID-19 pandemic and in part reflecting a significant default. 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 and 30 September 2023, NPLs as a percentage of total loans were 6.6 per cent. and 5.9 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 82.3 per cent. as at 31 December 2018, declining to 81.0 per cent. as at 31 December 2019, 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 and increasing to 76.5 per cent. as at 30 September 2023, 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 17.5 per cent. as at 31 December 2018, 18.1 per cent. as at 31 December 2019, 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 and 20.7 per cent. as at 30 September 2023. 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 1.5 per cent. The total capital adequacy ratio was 17.5 per cent. as at 31 December 2018, 17.7 per cent. as at 31 December 2019, 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 and 18.5 per cent. as at 30 September 2023. 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 31 December 2021.

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⁾	62	2017	37.8	1,168,633
Abu Dhabi Commercial Bank PJSC ⁽⁴⁾	55	2019	60.2	567,194
Abu Dhabi Islamic Bank PJSC	62	1997	0.00	192,827
Arab Bank for Investment and Foreign Trade	7	1976	0.00	21,191

Notes:

- (1) As at 31 December 2022.
- (2) Consolidated total assets as at 31 December 2023.
- (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 2023.

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 2018, 2019, 2020, 2021, 2022 and as at 30 September 2023.

	2018	2019	2020	2021	2022	2023⁽¹⁾
Total gross credit ⁽²⁾ (AED billions)	653.8	709.1	722.5	737.3	827.0	859.1
Total NPLs/total loans ⁽³⁾ (per cent.)	3.2	4.5	6.1	5.7	5.0	4.5

	2018	2019	2020	2021	2022	2023⁽¹⁾
Total provisions ⁽⁴⁾ (<i>AED billions</i>)	26.6	30.7	37.6	36.8	37.4	36.4
Total provisions/total gross credit (<i>per cent.</i>)	4.1	4.3	5.2	5.0	4.5	4.2
Total assets (<i>AED billions</i>)	1,244.5	1,318.4	1,373.6	1,458.9	1,683.4	1,790.7
Total deposits (<i>AED billions</i>)	751.9	803.5	790.8	852.5	994.3	1,059.5
Lending to stable resources ratio ⁽⁵⁾ (<i>per cent.</i>)	80.6	80.7	76.0	75.5	75.5	80.1
Eligible liquid assets ratio ⁽⁶⁾ (<i>per cent.</i>) ..	14.0	13.9	13.7	14.9	12.7	15.1
Capital adequacy ratio ⁽⁷⁾ (<i>per cent.</i>)	16.4	16.9	16.9	16.0	16.1	17.1
Tier 1 capital ratio ⁽⁷⁾ (<i>per cent.</i>)	15.1	15.6	15.7	14.9	15.0	16.0
CET 1 capital ratio ⁽⁷⁾ (<i>per cent.</i>)	12.7	13.3	13.4	12.8	13.0	14.1

Notes:

- (1) Preliminary figures. As at 30 September 2023.
- (2) Loans extended by Abu Dhabi Banks (National Banks) to residents and non-residents. Excludes loans to Other Depository Corporations (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 include loans to Other Depository Corporations (Banks).
- (4) Total specific provisions and other unallocated/collective provisions. Includes general provisions but excludes interest in suspense.
- (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

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 of 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 27 on Transparency International's Corruption Perceptions Index 2022, which ranks 178 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 a number of categories. As at 31 December 2023, there were 23 commercial banks, including three specialised digital banks, and one investment bank (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head offices or other banks and the financial markets) classified as domestic banks, also known as "national" banks.

Licensed foreign banks, of which there were 28 commercial banks and 11 wholesale banks at 31 December 2023, 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.

Recent Developments

Regulatory Developments

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 polices 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 17.2 per cent., 17.3 per cent., 17.9 per cent., 16.8 per cent., 16.9 per cent. and 18.5 per cent. as at 31 December in each of 2018, 2019, 2020, 2021 and 2022 and as at 30 September 2023, respectively. The Basel III total capital adequacy ratio of all Abu Dhabi banks was 16.4 per cent., 16.9 per cent., 16.9 per cent., 16.0 per cent., 16.1 per cent. and 17.1 per cent. as at 31 December 2018, 2019, 2020, 2021 and 2022 and as at 30 September 2023, respectively.

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. In addition, the UAE Central Bank is allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter allows any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased-in over a five-year period until 31 December 2024. Furthermore, the planned implementation of certain Basel III capital requirements was phased-in gradually in stages until 30 June 2022.

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 63.3 per cent. of total domestic deposits from residents and non-residents of the national banks in the UAE banking sector at 30 September 2023. Government deposits contributed 20.1 per cent. of the total domestic deposits from residents and non-residents of the national banks in the UAE banking sector at 30 September 2023.

Resident deposits and non-resident deposits contributed 92.7 per cent. and 7.3 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 30 September 2023.

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 2018, 2019, 2020, 2021 and 2022.

	2018	2019	2020	2021	2022
	<i>(AED billion, except where otherwise specified)</i>				
Policies written (<i>million</i>)	7.6	7.6	7.1	8.8	9.8
Average gross written premium per policy (<i>AED thousand</i>)	5.8	5.8	6.0	5.1	4.8
Gross written premiums	43.7	44.0	42.5	44.3	47.2
Gross incurred claims	30.8	31.8	31.6	29.8	23.6
Gross paid claims.....	29.4	27.7	30.4	26.6	27.7
Total invested assets	63.6	69.0	72.8	78.9	71.4
Total profit/(loss)	2.0	2.6	2.9	2.5	2.0

Source: UAE Central Bank

In 2022 and 2021, total invested assets for the insurance industry amounted to AED 71.4 billion and AED 78.9 billion, respectively. 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 2018, 2019, 2020, 2021 and 2022 amounted to AED 11.9 billion, AED 11.9 billion, AED 11.8 billion, AED 11.9 billion and AED 12.5 billion, respectively, with 2.3 million, 2.5 million, 1.5 million, 1.7 million and 1.7 million policies written, respectively. Gross paid claims in Abu Dhabi in each of 2018, 2019, 2020, 2021 and 2022 amounted to AED 9.2 billion, AED 8.0 billion, AED 11.0 billion, AED 7.4 billion and AED 7.4 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.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Number of listed companies ⁽¹⁾	70	76	82	89	96
Number of listed bonds ⁽¹⁾	1	1	32	39	48
Number of traded shares (millions)	15,526	22,040	60,796	80,666	58,236
Value of traded shares (AED millions)	56,818	72,780	369,513	450,584	309,867
Number of executed transactions	387,693	513,454	1,386,313	2,860,002	3,487,955

Note:

(1) As at 31 December.

Source: ADX

The market capitalisation of the ADX was AED 531 billion as at 31 December 2019, 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 and AED 2,964 billion as at 31 December 2023. 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.

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.

PUBLIC FINANCE

IMPACT OF RECENT EVENTS

Oil prices were significantly lower in 2020 than in 2019. 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 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 is based on an oil price assumption of approximately U.S.\$68.5 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.

In May 2018, the government announced plans to invest AED 50 billion over three years to stimulate growth, see “*Overview of the Emirate of Abu Dhabi—Emirate of Abu Dhabi—Strategy of Abu Dhabi*”. The government has also announced structural reforms to boost medium-term prospects and competitiveness, including amnesties on overdue license renewal fees, enhanced licensing systems, new initiatives to facilitate eco-tourism and accelerated settlement of all delayed payments to private sector contractors.

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 2023 and 2024.

	Outcome					Budget	
	2018	2019	2020	2021	2022	2023 ⁽¹⁾	2024 ⁽¹⁾
	<i>(AED millions)</i>						
Hydrocarbon revenues	192,294	169,136	109,479	151,196	269,378	172,700	149,000
Crude oil royalty and tax	184,663	163,327	105,712	142,319	257,707	162,700	140,000
LPG income tax	7,631	5,809	3,767	8,877	11,671	10,000	9,000
Dividends from SOEs	112,358	121,479	87,203	144,729	117,665	87,300	90,951
Other revenues	17,181	25,545	18,909	22,962	23,381	20,266	22,954
VAT and other taxes ⁽²⁾	—	9,635	5,980	7,306	6,748	5,547	7,137
Customs fees and tariffs	955	982	866	973	1,098	1,549	1,549
Other	16,226	14,928	12,063	14,682	15,535	13,170	14,268
Loan repayments	2,874	3,424	2,734	1,780	192	1,345	2,645
Total revenues	324,707	319,584	218,325	320,666	410,616	281,611	265,550
Recurrent expenditure	86,801	88,740	96,735	113,852	123,737	114,790	125,317
Executive & legislative affairs	9,202	7,918	6,246	8,702	6,245	6,322	8,183
Other general public services	11,039	8,041	10,711	14,223	15,219	26,034	28,852
Public order & safety	18,326	18,339	18,269	23,534	23,016	19,101	18,440
Economic affairs	6,213	6,928	5,662	6,955	9,369	9,916	10,892
Environmental protection	2,158	2,170	1,896	1,878	1,823	1,265	2,729
Housing and community affairs	5,390	5,885	6,792	6,659	7,133	7,564	8,343
Health	18,720	21,375	31,001	35,297	34,235	24,873	26,514
Recreation, sports, culture & religion ...	2,958	3,189	1,404	1,005	2,178	1,055	1,459
Education	10,688	10,780	10,450	10,922	11,540	12,787	13,206
Social affairs	2,107	4,115	4,304	4,676	12,980	5,872	6,698
Development project expenditure	11,500	14,344	13,025	12,740	14,763	17,023	18,041
Aid payments, grants and other transfers ⁽³⁾	54,809	56,866	37,511	32,712	22,912	25,495	31,860
Contribution to federal government	138,340	131,379	96,320	99,787	102,855	113,781	120,108
Loan advances	20,179	9,396	6,908	5,932	34	0	0
Total expenditure	311,629	300,725	250,499	265,023	264,302	271,089	295,326

	Outcome					Budget	
	2018	2019	2020	2021	2022	2023 ⁽¹⁾	2024 ⁽¹⁾
Surplus/(deficit).....	13,078	18,859	(32,174)	55,643	146,314	10,522	(29,777)

Notes:

- (1) The 2023 and 2024 budgets are based on assumed oil prices of U.S.\$70.0 per barrel (2023) and U.S.\$68.5 per barrel (2024) and both budgets are presented as first set by the government in 2022 and 2023, respectively.
- (2) Abu Dhabi's share of VAT for 2018 was AED 5,643 million but, reflecting the fact that 2018 was the first year of VAT implementation in the UAE, this amount was not received until 2019 and it was, therefore, included in the 2019 budget along with the government's actual VAT receipts for 2019.
- (3) 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 59.2 per cent., 52.9 per cent., 50.1 per cent., 47.2 per cent. and 65.6 per cent. of total revenues in each of 2018, 2019, 2020, 2021 and 2022, respectively. Hydrocarbon revenues are 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 12.0 per cent. in 2019 compared to 2018, principally reflecting a lower average selling price for oil (at U.S.\$67 per barrel in 2019 compared to U.S.\$73 per barrel in 2018) partially offset by higher production (at 3.1 million b/d in 2019 compared to 3.0 million b/d for 2018). 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 were budgeted to decrease by 35.9 per cent. in 2023 compared to actual hydrocarbon revenues in 2022, principally reflecting the fact that the budgeted average oil price of U.S.\$70 per barrel in 2023 was lower than the average oil price achieved in 2022, which was U.S.\$83.7 per barrel. Hydrocarbon revenues are budgeted to decrease by 13.7 per cent. in 2024 compared to budgeted hydrocarbon revenues in 2023, reflecting the lower average oil price assumed in the 2024 budget.

Dividends from SOEs

This line item principally comprises dividends declared by ADNOC and paid to the government and, in certain years including 2021 and 2022, 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.

Dividends from SOEs increased by 8.1 per cent. in 2019 compared to 2018, principally reflecting the underlying performance of the dividend paying SOEs. 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 were budgeted to be AED 87,300 million in 2023, reflecting a decrease of 25.8 per cent. compared to the dividends received in 2022. Dividends from SOEs are budgeted to be AED 90,951 million in 2024, reflecting an increase of 4.2 per cent. compared to the dividends budgeted in 2023.

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. Abu Dhabi received AED 5,643 million in VAT receipts for 2018, which, reflecting the fact that 2018 was the first year of VAT implementation in the UAE, was paid in 2019 and, in accordance with the cash basis of accounting, was recorded as revenue in 2019. Following the first payment, the government receives its share of VAT payments at periodic intervals.

In 2018, Abu Dhabi received one-off oil and gas concession fees in respect of concessions granted, renewed or extended, see “*Emirate of Abu Dhabi—Principal Sectors of the Economy—Oil and Gas—Structure of Abu Dhabi’s Oil Industry*”. The amount raised from those concessions was transferred to the general reserve account.

In 2018, other revenues were AED 17,181 million and, in 2019, other revenues were AED 25,545 million, with the increase principally reflecting Abu Dhabi’s share of VAT received in 2019. 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 were budgeted to be AED 20,266 million in 2023 and are budgeted to be AED 22,954 million in 2024, an increase of 13.4 per cent. compared to budgeted other revenues in 2023.

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 each of the years under review.

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 44.4 per cent. of Abu Dhabi’s total expenditure in 2018, 43.6 per cent. in 2019, 38.5 per cent. in 2020, 37.7 per cent. in 2021 and 38.9 per cent. in 2022. Contributions made by Abu Dhabi to the federal government were budgeted to comprise 42.0 per cent. of Abu Dhabi’s total expenditure in 2023 and are budgeted to comprise 40.7 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 27.9 per cent. of Abu Dhabi’s total expenditure in 2018, 29.5 per cent. in 2019, 38.6 per cent. in 2020, 43.0 per cent. in 2021 and 46.8 per cent. in 2022. Recurrent expenditure for 2023 was budgeted to be 42.3 per cent. of Abu Dhabi’s total expenditure and is budgeted to be 42.4 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 2.2 per cent. in 2019 compared to 2018, by 9.0 per cent. in 2020 compared to 2019, by 17.7 per cent. in 2021 compared to 2020 and by 8.7 per cent. in 2022 compared to 2021. Recurrent expenditure was budgeted to reduce by 7.2 per cent. in 2023 compared to actual recurrent expenditure in 2022 and is budgeted to increase by 9.2 per cent. in 2024 compared to budgeted recurrent expenditure in 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 17.6 per cent. of total expenditure in 2018, 18.9 per cent. in 2019, 15.0 per cent. in 2020, 12.3 per cent. in 2021 and 8.7 per cent. in 2022. Aid payments, grants and other transfers were budgeted to account for 9.4 per cent. of total expenditure in 2023 and are budgeted to account for 10.8 per cent. 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 3.7 per cent. of total expenditure in 2018, 4.8 per cent. in 2019, 5.2 per cent. in 2020, 4.8 per cent. in 2021 and 5.6 per cent. in 2022. Development project expenditure was budgeted to account for 6.3 per cent. of total expenditure in 2023 and is budgeted to account for 6.1 per cent. in 2024, although budgeted figures are indicative figures only as further development expenditure may be approved in the course of each year. As indicated above, 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 with the budgeted numbers for 2023 and 2024.

	Outcome					Budget	
	2018	2019	2020	2021	2022	2023	2024
	<i>(AED millions)</i>						
Agriculture.....	5	24	18	12	64	101	151
Electricity and water.....	—	—	—	32	45	30	3
Industry and commerce.....	11	8	6	—	—	—	—
Transport and communications.....	4,091	5,799	5,851	5,119	5,049	5,353	4,357
Housing and community centres.....	2,472	2,661	2,362	4,441	5,587	5,690	7,328
Sewage and sanitation.....	70	88	185	—	—	—	—
Sport, recreation and culture.....	2,177	2,798	940	1,035	2,173	2,330	2,616
General administration.....	156	619	1,059	314	226	152	159
Health.....	896	576	274	99	225	169	85
Education.....	1,484	1,523	1,973	1,354	1,15	1,775	1,842
Law and order.....	138	248	357	334	238	502	599
Budget reserve ⁽¹⁾	—	—	—	—	—	920	900
Total.....	11,500	14,344	13,025	12,740	14,763	17,023	18,041

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.

Expenditure on transport and communications accounted for 35.6 per cent. of development expenditure in 2018, 40.4 per cent. in 2019, 44.9 per cent. in 2020, 40.2 per cent. in 2021 and 34.2 per cent. in 2022. Expenditure on transport and communications was budgeted to account for 31.4 per cent. of development expenditure in 2023 and is budgeted to account for 24.2 per cent. in 2024.

Expenditure on housing and community centres accounted for 21.5 per cent. of development expenditure in 2018, 18.6 per cent. in 2019, 18.1 per cent. in 2020, 34.9 per cent. in 2021 and 37.8 per cent. in 2022. Expenditure on housing and community centres was budgeted to account for 33.4 per cent. of development expenditure in 2023 and is budgeted to account for 40.6 per cent. in 2024.

Expenditure on sports, recreation and culture accounted for 18.9 per cent. of development expenditure in 2018, 19.5 per cent. in 2019, 7.2 per cent. in 2020, 8.1 per cent. in 2021 and 14.7 per cent. in 2022. Expenditure on sports, recreation and culture was budgeted to account for 13.7 per cent. of development expenditure in 2023 and is budgeted to account for 14.5 per cent. in 2024.

Expenditure on education accounted for 12.9 per cent. of development expenditure in 2018, 10.6 per cent. in 2019, 15.1 per cent. in 2020, 10.6 per cent. in 2021 and 7.8 per cent. in 2022. Expenditure on education was budgeted to account for 10.4 per cent. of development expenditure in 2023 and is budgeted to account for 10.2 per cent. in 2024.

Budget Surplus or Deficit

In 2019, a surplus AED 18.9 billion was recorded, equal to 2.1 per cent. of Abu Dhabi's nominal GDP in that year. 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 is budgeted to be AED 10.5 billion, equal to 1.0 per cent. of Abu Dhabi's nominal GDP for 2023.

In 2019, total revenue decreased by 1.6 per cent. while total expenditure decreased by 3.5 per cent. In 2020, total revenue decreased by 31.7 per cent. while total expenditure decreased by 16.7 per cent. In 2021, total revenue increased by 46.9 per cent. while total expenditure increased by 5.8 per cent. In 2022, total revenue increased by 28.1 per cent. while total expenditure decreased by 0.3 per cent. In 2023, total revenue was budgeted to decrease by 7.2 per cent. compared to the outcome for 2022 while total expenditure was budgeted to increase by 2.6 per cent. compared to the budget for 2023 and total expenditure is budgeted to increase by 9.2 per cent. compared to the budget for 2023 and total expenditure is budgeted to increase by 8.9 per cent. compared to the budget for 2022.

In each of 2019, 2021 and 2022 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 2022) discloses that the 20-year and 30-year annualised returns of its portfolio, calculated on a point-to-point basis, as at 31 December 2022 were 7.1 per cent. (in the case of the 20-year return) and 7.0 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.

INDEBTEDNESS

The Abu Dhabi government had approximately U.S.\$37.8 billion outstanding in foreign indebtedness as at 31 December 2023, represented by:

- its U.S.\$2.5 billion 3.125 per cent. eurobonds due 2026, which were each issued in 2016;
- its U.S.\$4.0 billion 3.125 per cent. eurobonds due 2027 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, U.S.\$3.0 billion 2.125 per cent. eurobonds due 2024 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, its U.S.\$3.0 billion 3.125 per cent. eurobonds due 2030 and its U.S.\$3.0 billion 2.500 per cent. eurobonds due 2025, which were each issued in April and May 2020;
- 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.\$1.750 billion 1.875 per cent. eurobonds due 2031, which were issued in September 2021; and
- its U.S.\$200 million 3.125 per cent. eurobonds due 2026 and its U.S.\$100 million 3.125 per cent. eurobonds due 2027, which were each issued in June 2022.

As at 31 December 2023, the government had U.S.\$6.8 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				
	2019	2020	2021	2022	2023
	(USD billions)				
Bonds.....	25.0	40.0	42.5	39.8	37.8
Loans	4.4	3.9	4.4	6.0	6.8
Total.....	29.4	43.9	46.9	45.8	44.6

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 31 December 2023 was U.S.\$6.1 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.\$113 billion at 31 December 2023. 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 Executive Council.

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.

There is currently no domestic bond market in Abu Dhabi. In May 2022, the UAE government issued its first federal treasury bonds (**T-Bonds**), domestic bonds denominated in dirham. The primary objective of T-Bond 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 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.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a “banking organization” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants** and, together with Direct Participants, **Participants**). More information about DTC can be found at www.dtcc.com and www.dtc.org, but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **DTC Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct Participant’s and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations nor will the Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

Prospective purchasers of Notes are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence, ordinary residence or domicile, of a purchase of Notes, including, but not limited to, the consequences of receipt of payments under the Notes and their disposal or redemption.

United Arab Emirates and the Emirate of Abu Dhabi

The following summary of the anticipated tax treatment in the UAE in relation to payments on the Notes is based on the taxation law and practice in force at the date of this Offering Circular, and does not constitute legal or tax advice. Prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of the Notes and the receipt of payments with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation.

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Abu Dhabi taxation in respect of payments of principal or interest on the Notes. In the event of the imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject to certain limited exceptions, as described in Condition 8.

U.S. Federal Income Taxation

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder or Non-U.S. Holder (each as defined below). This summary deals only with purchasers of Registered Notes that are U.S. Holders or Non-U.S. Holders, acquire such Registered Notes at initial issuance at their issue price (as defined below), and will hold the Registered Notes as capital assets (generally, property held for investment).

The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organisations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders that have a functional currency other than the U.S. Dollar and (x) U.S. expatriates and former long-term residents of the United States) all of whom may be subject to tax rules that differ significantly from those summarised below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, Medicare contribution tax on net investment income considerations, special tax accounting rules as a result of which the timing of any item of gross income inclusions with respect to the Registered Notes may be accelerated to conform to an applicable financial statement or non-U.S., state or local tax considerations.

As used herein, the term **U.S. Holder** means a beneficial owner of Registered Notes that is for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or that is otherwise treated as a United States person. A **Non-U.S. Holder** is a beneficial owner of Notes that is neither a U.S. Holder nor a partnership.

If a partnership (or any other entity or arrangement treated as fiscally transparent for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership generally will depend upon the status of the partner and the activities of the partnership. Any such partner or partnership should consult their tax advisers as to the U.S. federal income tax consequences to them of the acquisition, ownership and disposition of Notes.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the **Code**), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect and all of which are subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code. This discussion does not address the consequences of the acquisition, ownership and disposition of Bearer Notes.

INVESTORS SHOULD CONSULT THEIR TAX ADVISERS TO DETERMINE THE TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF REGISTERED NOTES, INCLUDING THE APPLICATION TO THEIR PARTICULAR SITUATION OF THE U.S. FEDERAL INCOME TAX CONSIDERATIONS DISCUSSED BELOW.

The Issuer generally intends to treat Notes issued under the Programme as debt, unless otherwise indicated in the applicable Pricing Supplement.

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of U.S. tax consequences to holders between this Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular.

U.S. HOLDERS

Payment of Interest

General

Interest on a Note held by a U.S. Holder, including the payment of any additional amounts whether payable in U.S. dollars or a currency other than U.S. dollars (**foreign currency interest on a Foreign Currency Note**), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “*Original Issue Discount—General*”), will be taxable to such U.S. Holder as ordinary income at the time it is received or accrued, in accordance with the U.S. Holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount (**OID**), if any, accrued with respect to the Notes (as described below under “*Original Issue Discount—General*”) and payments of any additional amounts generally will constitute income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a U.S. Holder (and the limitations imposed thereon). Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of any foreign taxes with respect to the Notes (if applicable).

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences to a U.S. Holder of the ownership of Notes issued with OID. The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event that the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement will describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a **Short-Term Note**), will be treated as issued with OID (a **Discount Note**) if the excess of the Note’s “stated redemption price at maturity” (as defined below) over its issue price is at least a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an **instalment obligation**) generally will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the **issue price** of a Note under the applicable Pricing Supplement will be the first price at which a substantial amount of such Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations

acting in the capacity of underwriters, placement agents, or wholesalers. The **stated redemption price** at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A **qualified stated interest** payment generally is any one of a series of stated interest payments on a Note that are unconditionally payable in cash or in property (other than in debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “—*Variable Interest Rate Notes*”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless the U.S. Holder makes the election described below under “—*Election to Treat All Interest as Original Issue Discount*”. A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s *de minimis* OID by a fraction equal to the amount of the principal payment made divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or the portion of the taxable year in which the U.S. Holder holds the Discount Note (**accrued OID**). The daily portion is determined by allocating to each day in any accrual period a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Notes as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The **adjusted issue price** of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being **acquisition premium**) and that does not make the election described below under “—*Election to Treat All Interest as Original Issue Discount*”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under “—*General*”, with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under “—*Original Issue Discount—Notes Purchased at a Premium*”) or acquisition premium. If a U.S. Holder makes this election for the Note, then, when the constant yield method is applied, the issue price of the Note will equal the U.S. Holder’s adjusted basis immediately after its acquisition of the Note, the issue date of the Note will be the date of acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election generally will apply only to the Note with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service (the **IRS**). However, if the Note has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. If the election to apply the constant yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed below under “—*Market Discount*” to include market discount in income

currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates (**Variable Interest Rate Notes**) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A **qualified floating rate** is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An **objective rate** is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A **qualified inverse floating rate** is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A **current value** of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” generally will not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true”

discount (i.e. at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from a true discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and the qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate (other than a fixed rate for one year or less and a variable rate that are treated together as a single rate as described above), the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt instrument. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt may be more fully described in the applicable Pricing Supplement.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (calculated as set forth below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but should be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight line basis or, if the U.S. Holder so elects, under the constant yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or other disposition of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight line basis (or a constant yield basis if an election is made to accrue the OID under the constant yield method) through the date of sale or other disposition. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder

at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount

A Note, other than a Short-Term Note, that is not acquired at its original issue generally will be treated as purchased at a market discount (a **Market Discount Note**) if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's adjusted issue price, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes *de minimis* market discount.

Any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight line basis unless the U.S. Holder elects to accrue the market discount on a constant yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Special rules may limit the amount of bond premium that can be amortised during certain accrual periods in the case of Notes that are subject to optional redemption. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount—Election to Treat All Interest as Original Issue Discount*" above. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder's tax basis in a Note generally will be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and the tax basis of the Note. Except to the extent described above under "*Original Issue Discount—Market Discount*" or "*Original Issue Discount—Short-Term Notes*" or attributable to accrued but unpaid interest (which will be taxed as such) or changes in exchange rates (as discussed below), gain or loss recognised on the sale or other disposition of a Note will be capital gain or loss and generally will be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. In the case of a U.S. Holder that is an individual, estate or trust, the maximum marginal federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder may determine the amount of income recognised with respect to a Foreign Currency Note in accordance with either of two methods.

Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder will recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above under “*Foreign Currency Notes—Interest*”. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or other disposition of the Note), a U.S. Holder may recognise exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency.

On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount of the offset multiplied by the difference between the spot rate in effect on that date, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to amortise bond premium (other than acquisition premium) into account will recognise a capital loss when the Note matures.

Sale or Other Disposition of Notes

A U.S. Holder's tax basis in a Foreign Currency Note will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder generally will recognise gain or loss on the sale or other disposition of a Note equal to the difference between the amount realised on the sale or other disposition and its tax basis in the Note. The amount realised on a sale or other disposition for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or other disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or other disposition, or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realised only to the extent of total gain or loss realised on the sale or retirement.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Disclosure Requirements

U.S. Treasury regulations meant to require the reporting of certain tax shelter transactions (**Reportable Transactions**) could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the U.S. Treasury regulations, certain transactions with respect to the Notes may be characterised as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency Note. Persons considering the purchase of such Notes should consult with their tax advisers to determine the tax return obligations, if any, with respect to an investment in such Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Foreign Financial Asset Reporting

Certain U.S. Holders that own "specified foreign financial assets" that meet certain U.S. dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The Notes generally will constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. U.S. Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the Notes.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any payments on the Notes and gain from the sale, redemption or other disposition of the Notes unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States (and, if a treaty applies, such payment is attributable to the conduct of a trade or business through a permanent establishment or fixed base in the United States); or (ii) in the case of any gain realised on the sale or other disposition of a Note by an individual Non-U.S. Holder, that Holder is present in the United States for 183 days or more in the taxable year of the sale or other disposition and certain other conditions are met.

Backup Withholding and Information Reporting

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, Notes, payable to a U.S. Holder by a U.S. or certain U.S.-related paying agents or intermediaries will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments (including payments of OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise comply with the applicable backup withholding requirements.

Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS in the manner required. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting or backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and/or backup withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated programme agreement (such programme agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 22 April 2024, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilisation or other transactions. Such transactions, if commenced, may be discontinued at any time. Under the laws and regulations of the United Kingdom stabilisation activities may only be carried on by the Stabilisation Manager(s) named in the applicable Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) and only for a limited period following the Issue Date of the relevant Tranche of Notes.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (a) that either: (i) it is a QIB, purchasing the Notes for its own account or for the account of one or more QIBs, and it is aware, and any person on whose account it is acting has been advised, that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States;
- (b) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of Notes;
- (c) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (d) that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the

Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. state securities laws;

- (e) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (d) above, if then applicable;
- (f) that Notes initially offered and sold in the United States to QIBs in reliance on Rule 144A will be represented by one or more Rule 144A Global Notes and that Notes offered and sold outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (g) it understands that before any interest in Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, it will be required to provide to each of the Issuer and Principal Paying Agent and the Registrar a written confirmation substantially in the form set out in the Agency Agreement, amended as appropriate to the effect that such offer, sale, pledge or other transfer is being made in accordance with Regulation S;
- (h) that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect, subject as provided in Condition 2.5:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THIS SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES, OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 OF THE SECURITIES ACT FOR REALES AND OTHER TRANSFERS OF THIS SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED

SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)”;

- (i) if it is outside the United States, that if it should resell or otherwise transfer the Notes, it shall do so in accordance with all applicable securities laws of any state or other jurisdiction of the United States; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT”; and

- (j) that the Issuer, the Registrar, each Manager and their affiliates or, as the case may be, the relevant Dealer and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer and the Managers or, as the case may be, the relevant Dealer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) of Registered Notes.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year (taking into account any unilateral right to extend or rollover the term) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder (the **Code**).

In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement each Dealer will be required to represent, undertake and agree (and each additional Dealer appointed under the Programme will be required to represent, undertake and agree) that:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury regulation issued for the purposes of Section 4701 of the Code) (**TEFRA D**), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that

- such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;
- (c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6) (or any substantially identical successor regulations issued for the purposes of Section 4701 of the Code);
 - (d) with respect to each affiliate that acquires Bearer Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b) and (c); and
 - (e) it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any substantially identical successor United States Treasury regulation issued for the purposes of Section 4701 of the Code) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d) of this paragraph insofar as they relate to TEFRA D, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including TEFRA D.

In addition, to the extent that the Pricing Supplement or the subscription agreement relating to one or more Tranches of Bearer Notes specifies that the applicable TEFRA exemption is TEFRA C, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of such Notes, it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions, or otherwise involve its U.S. office in the offer or sale of such Notes. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations thereunder, including under TEFRA C.

Until 40 days after the commencement of the offering of any Tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States, other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate.

Public Offer Selling Restriction under the EU Prospectus Regulation

In relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision:

- (i) the expression **an offer of Notes to the public** in relation to any Notes in any Member State of the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (ii) the expression **EU Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

United Kingdom

Public Offer Selling Restriction under the UK Prospectus Regulation

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- (i) the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- (ii) the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an “Exempt Offer” in accordance with the Market Rules (MKT) Module of the Financial Services Regulatory Authority (the **FSRA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **DFSA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 8 of the “Rules on the Offer of Securities and Continuing Obligations” as issued by the Board of the Capital Market Authority of Saudi Arabia (the **CMA**) resolution number 3-123-2017 dated 27 December 2017, as amended by CMA resolution number 3-6-2024 dated 17 January 2024 (the **KSA Regulations**), made through an authorised person licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 of the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “institutional and qualified clients” under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the KSA Regulations but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes, except on a private placement basis to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an **accredited investor** means:

- (a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.\$1,000,000, excluding that person’s principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an “accredited investor” as defined in the Central Bank of Bahrain Rulebook.

PRC

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold and may not offer or sell any of the Notes, directly or indirectly, in the PRC, except as permitted by the securities laws of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and that it will not offer or sell any Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the applicable Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will (to the best of its knowledge and belief) comply in all material respects with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents and agrees that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issuance of Notes was duly authorised by the Supreme Council for Financial and Economic Affairs of the Emirate of Abu Dhabi on 22 April 2024.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's main market will be admitted separately as and when issued, upon submission to the FCA and the London Stock Exchange of the applicable Pricing Supplement and any other information required by the FCA and the London Stock Exchange subject only to the issue of one or more Global Notes initially representing the Notes of such Tranche. Application may be made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from <https://dof.abudhabi.ae/en>:

- (a) the Agency Agreement (including the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons) and the Deed of Covenant; and
- (b) a copy of this Offering Circular.

This Offering Circular, any future supplements and each Pricing Supplement for Notes that are listed on the Official List and admitted to trading on the regulated market of the London Stock Exchange will be published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN and if applicable, the FISN and the CFI, for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of such Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is Depository Trust Company, 55 Water Street, New York, New York 10041, United States of America.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant Change

There has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources and income and expenditure figures of the Issuer since 31 December 2023.

Litigation

The Issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have, or have had in such period, a significant effect on the financial position of the Issuer.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or the Issuer's affiliates in the ordinary course of business for which they may receive fees. They have received, or may in the future receive, customary fees and commission for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its agencies. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

Emirate of Abu Dhabi

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Abu Dhabi

United Arab Emirates

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REGISTRAR

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