

## IMPORTANT NOTICE

**THE ATTACHED BASE PROSPECTUS MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S ("REGULATION S")) UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) AND WHO ARE OUTSIDE OF THE UNITED STATES.**

**IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to the base prospectus attached to this electronic transmission and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached base prospectus (the "**Base Prospectus**"). In accessing the Base Prospectus, 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 FAB Sukuk Company Limited (the "**Trustee**") or the Bank (as defined below) as a result of such access.

**Restrictions:** NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY SECURITIES 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, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE ARRANGERS AND THE DEALERS (EACH AS DEFINED IN THE BASE PROSPECTUS) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS 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 SECURITIES LAWS OF OTHER JURISDICTIONS.

UNDER NO CIRCUMSTANCES SHALL THE BASE PROSPECTUS CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

ANY SECURITIES DESCRIBED IN THE BASE PROSPECTUS WHICH DO NOT CONSTITUTE "ALTERNATIVE FINANCE INVESTMENT BONDS" ("**AFIBS**") WITHIN THE MEANING OF ARTICLE 77A OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (REGULATED ACTIVITIES) (AMENDMENT) ORDER 2010 WILL REPRESENT INTERESTS IN A COLLECTIVE INVESTMENT SCHEME (AS DEFINED IN THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE "**FSMA**")) WHICH HAS NOT BEEN AUTHORISED, RECOGNISED OR OTHERWISE APPROVED BY THE UNITED KINGDOM FINANCIAL CONDUCT AUTHORITY. ACCORDINGLY, THE BASE PROSPECTUS IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM.

THE DISTRIBUTION IN THE UNITED KINGDOM OF THE BASE PROSPECTUS, ANY FINAL TERMS OR PRICING SUPPLEMENT, AS THE CASE MAY BE, AND ANY OTHER MARKETING MATERIALS RELATING TO THE SECURITIES IS BEING ADDRESSED TO, OR DIRECTED AT: (A) IF THE DISTRIBUTION OF THE SECURITIES (WHETHER OR NOT SUCH SECURITIES ARE AFIBS) IS BEING EFFECTED BY A PERSON WHO IS NOT AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS WHO ARE INVESTMENT PROFESSIONALS AS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**FINANCIAL PROMOTION ORDER**"); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF PERSONS DESCRIBED IN ARTICLE 49 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE FINANCIAL PROMOTION ORDER; AND (III) ANY OTHER

PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE IN ACCORDANCE WITH THE FINANCIAL PROMOTION ORDER; AND (B) IF THE SECURITIES ARE NOT AFIBS AND THE DISTRIBUTION IS EFFECTED BY A PERSON WHO IS AN AUTHORISED PERSON UNDER THE FSMA, ONLY THE FOLLOWING PERSONS: (I) PERSONS FALLING WITHIN ONE OF THE CATEGORIES OF INVESTMENT PROFESSIONALS AS DEFINED IN ARTICLE 14(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (PROMOTION OF COLLECTIVE INVESTMENT SCHEMES) (EXEMPTIONS) ORDER 2001 (THE "**PROMOTION OF CISS ORDER**"); (II) PERSONS FALLING WITHIN ANY OF THE CATEGORIES OF PERSONS DESCRIBED IN ARTICLE 22 (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE PROMOTION OF CISS ORDER; AND (III) ANY OTHER PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE PROMOTED.

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.

**Confirmation of Your Representation:** By accessing the Base Prospectus you confirm to the Arrangers and the Dealers and the Trustee, as issuer of the Certificates (as defined in the Base Prospectus), that: (i) you understand and agree to the terms set out herein; (ii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of any U.S. person, and that you are not in the United States, its territories and possessions; (iii) you consent to delivery of the Base Prospectus by electronic transmission; (iv) you will not transmit the Base Prospectus (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 prior written consent of the Arrangers and the Dealers; and (v) you acknowledge that you will make your own assessment regarding any Shari'a, credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Certificates.

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

If you received the Base Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your email software, will be ignored or rejected. If you received the Base Prospectus by e-mail, your use of this email 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.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Trustee in such jurisdiction.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the attached document who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus.

The Arrangers, the Dealers, the Delegate and the Agents (each as defined in the Base Prospectus) have not independently verified the information contained in the Base Prospectus. Accordingly, none of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective directors, affiliates, advisers or agents make any representation or warranty or accept any liability in relation to the information contained or incorporated by reference in the Base Prospectus or for any other information provided by the Trustee or the Bank in connection with the programme described in the Base Prospectus (the "**Programme**") nor is any responsibility or liability accepted by them as to the accuracy or completeness of the information contained in the Base Prospectus or any responsibility for any acts or omissions of the Trustee, the Bank or

any other person (other than the relevant Dealer) in connection with the Base Prospectus or the issue and offering of Certificates under the Programme. To the fullest extent permitted by law, none of the Arrangers, the Dealers, their respective directors, affiliates, advisers and agents and the Delegate and the Agents accepts any responsibility for the contents of the Base Prospectus and accordingly each disclaims all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of the Base Prospectus.

The Base Prospectus 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 Trustee, First Abu Dhabi Bank PJSC (the "**Bank**"), the Arrangers, the Dealers or any person who controls or is a director, officer, employee or agent of the Trustee, the Bank, the Arrangers or the Dealers nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Arrangers or the Dealers.

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Trustee, the Bank, the Arrangers and the Dealers to inform themselves about, and to observe, any such restrictions.



**FAB SUKUK COMPANY LIMITED**

*(incorporated in the Cayman Islands as an exempted company with limited liability)*

**U.S.\$5,000,000,000**

**Trust Certificate Issuance Programme**

Under this U.S.\$5,000,000,000 trust certificate issuance programme (the "**Programme**"), FAB Sukuk Company Limited (in its capacities as issuer and as trustee, the "**Trustee**") may, subject to compliance with all relevant laws, regulations and directives, from time to time issue trust certificates (the "**Certificates**") in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as provided in the Programme Agreement described herein), subject to increase as described herein.

Certificates may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional dealer(s) appointed under the Programme from time to time by the Trustee (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Certificates.

**The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".**

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) an amended and restated master declaration of trust dated 30 January 2024 (the "**Master Declaration of Trust**") entered into between the Trustee, First Abu Dhabi Bank PJSC (the "**Bank**" or "**FAB**") and Citicorp Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**") in relation to the relevant Tranche (as defined herein). Certificates of each Series confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**") over the relevant Trust Assets (as defined herein).

This Base Prospectus has been approved as a base prospectus by the Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"). The FCA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee or the Bank or of the quality of the Certificates that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Certificates.

Application has been made to the FCA for Certificates issued under the Programme (other than Exempt Certificates (as defined below)) during the period of 12 months from the date of this Base Prospectus 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 Certificates to be admitted to trading on the London Stock Exchange's main market. References in this Base Prospectus to Certificates being "**listed**" (and all related references) shall mean that such Certificates 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 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 Certificates will be delisted from the Official List and/or on other or further stock exchanges or markets following the occurrence of a Tangibility Event (as defined herein), see Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Certificates which are to be admitted to trading on a regulated market in the United Kingdom. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.**

The Bank has been assigned ratings of AA- with a stable outlook by Fitch Ratings Ltd. ("**Fitch**"), Aa3 with a stable outlook by Moody's Investors Service Cyprus Limited ("**Moody's Cyprus**") and AA- with a stable outlook by S&P Global Ratings Europe Limited ("**S&P**"). The Emirate of Abu Dhabi has been assigned ratings of AA by Fitch, Aa2 by Moody's Investors Service Singapore Pte. Ltd. ("**Moody's Singapore**") and AA by S&P, each with a stable outlook. The United Arab Emirates has been assigned a rating of Aa2 with a stable outlook by Moody's Singapore.

Each of Moody's Cyprus and S&P is established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Moody's Cyprus and S&P are included in the list of credit rating agencies published by European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation. Neither Moody's Cyprus nor S&P are established in the United Kingdom and neither has applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Moody's Singapore is not established in the EEA or in the United Kingdom and has not applied for registration under the CRA Regulation or the UK CRA Regulation. Accordingly, the ratings issued by Moody's Cyprus and Moody's Singapore have been endorsed by Moody's Investors Service Ltd ("**Moody's**") and the ratings issued by S&P have been endorsed by S&P Global Ratings UK Limited, respectively in accordance with the UK CRA Regulation and have not been withdrawn. Each of Moody's and S&P Global Ratings UK Limited are established in the United Kingdom and registered under the UK CRA Regulation.

Fitch is established in the United Kingdom and is registered under the UK CRA Regulation. Fitch is not established in the EEA and has not applied for registration under the CRA Regulation. Accordingly, the ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited in accordance with the CRA Regulation and have not been withdrawn. Fitch Ratings Ireland Limited is established in the EEA and registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/credit-rating-agencies/cra-authorisation>) in accordance with the CRA Regulation.

Where a Series of Certificates is rated, such rating will be specified in the applicable Final Terms (or, in the case of Exempt Certificates, the applicable Pricing Supplement (as defined herein)). 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.

The Programme also permits Certificates to be issued on the basis that they will not be admitted to listing, trading on (i) a regulated market for the purposes of Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, "**MiFID II**") in the EEA or (ii) a UK regulated market for the purposes of UK MiFIR in the United Kingdom and/or quotation by any competent authority, stock exchange and/or quotation system ("**Exempt Certificates**") or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems (which, for the avoidance of doubt, shall exclude a regulated market for the purposes of MiFID II) as may be agreed with the Trustee and the Bank. No base prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000 ("**FSMA**"), respectively, for the issue of Exempt Certificates and, accordingly, the Exempt Certificates issued are not required for, and do not, comply with the

Prospectus Regulation or the FSMA. The FCA has neither reviewed nor approved the information contained in this Base Prospectus in relation to the Exempt Certificates.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Internal Shariah Supervision Committee of the Bank, the Shariah Advisory Board of Citi Islamic Investment Bank E.C., the Internal Shariah Supervisory Committee of Dubai Islamic Bank PJSC, the Global Shariah Supervisory Committee of Standard Chartered Bank and the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited, as, in their view, complying with the *Shari'a* principles as applicable to, and interpreted by, them. Prospective investors should not rely on the approvals referred to above in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approvals referred to above, including the tradability of the Certificates on any secondary market, is in compliance with *Shari'a* principles (including, without limitation, their individual standards of compliance relating hereto) (see "*Risk Factors – Additional risks – Investors must make their own determination as to Shari'a compliance*"). None of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate and any of the Agents or any of their respective affiliates makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof (including, without limitation, any future trading of the Certificates on the secondary market) and none of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents or any of their respective affiliates shall be liable to any Certificateholder or any other person in respect thereof. Prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* advisers.

Amounts payable on Floating Rate Certificates will be calculated by reference to one of EURIBOR, SHIBOR, HIBOR, SIBOR, EIBOR, SAIBOR, BBSW, PRIBOR, CNH HIBOR, TLREF, TIBOR, BKBM, MIBOR, SOFR, SONIA or €STR as specified in the applicable Final Terms or (in the case of Exempt Certificates) the relevant Pricing Supplement, as the case may be. As at the date of this Base Prospectus, the administrators of EURIBOR, SIBOR, SAIBOR and PRIBOR are included in the FCA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrators of SHIBOR, HIBOR, EIBOR, BBSW, CNH HIBOR, TLREF, TIBOR, BKBM, MIBOR, SOFR, SONIA and €STR are not included in the FCA's register of administrators under the UK Benchmarks Regulation. As far as the Bank is aware, (a) SHIBOR, SOFR, SONIA, €STR and EIBOR do not fall within the scope of the UK Benchmarks Regulation by virtue of Article 2 of that regulation; and (b) the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Treasury Markets Association of Banks, Borsa Istanbul, the JBA TIBOR Administration, the New Zealand Financial Markets Association and the Financial Benchmarks India Private Ltd. are not currently required to obtain authorisation/registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).

*Arrangers*

**First Abu Dhabi Bank**

**Standard Chartered Bank**

*Dealers*

**Citigroup  
First Abu Dhabi Bank**

**Dubai Islamic Bank  
HSBC**

**Standard Chartered Bank**

The date of this Base Prospectus is 30 January 2024

## IMPORTANT NOTICES

**This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation and for the purpose of giving information with regard to the Trustee, the Bank and the Certificates which, according to the particular nature of the Trustee, the Bank and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Bank.**

The Trustee and the Bank accept responsibility for the information contained in this Base Prospectus, the applicable Final Terms (as defined below) or (in the case of Exempt Certificates) the applicable Pricing Supplement (as defined below) for each Tranche of Certificates issued under the Programme. To the best of the knowledge of each of the Trustee and the Bank the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information.

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 Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the FCA.

Where information has been sourced from a third party, the Bank 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 such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

Each Tranche of Certificates will be issued on the terms set out herein under "*Terms and Conditions of the Certificates*" (the "**Conditions**") as supplemented by a document specific to such Tranche called the applicable final terms (the "**Final Terms**") or (in the case of Exempt Certificates) the applicable pricing supplement (the "**Pricing Supplement**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms, Pricing Supplements and Drawdown Prospectuses*" in this Base Prospectus. In the case of a Tranche of Certificates which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise.

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

No person has been authorised by the Trustee or the Bank to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme any information supplied by the Trustee or the Bank or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or any of the Agents.

The Arrangers, the Dealers, the Delegate and the Agents (each as defined herein) have not independently verified the information contained herein. Accordingly, none of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective directors, affiliates, advisors or agents make any representation or warranty or accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Trustee or the Bank in connection with the Programme, nor is any responsibility or liability accepted by them as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or omissions of the Trustee, the Bank or any other person (other than the relevant Dealer) in connection with this Base Prospectus or the issue and offering of Certificates under the Programme. To the fullest extent permitted by law, none of the Arrangers, the Dealers, their respective directors, affiliates, advisers and agents and the Delegate and the Agents accepts any responsibility for the contents of this Base Prospectus and accordingly each disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Certificate shall, in any

circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Trustee or the Bank since the date hereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Arrangers, the Dealers, the Delegate and the Agents expressly do not undertake to review the financial condition or affairs of the Trustee or the Bank during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

**EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER, BUSINESS ADVISER AND *SHARI'A* ADVISER AS TO TAX, LEGAL, BUSINESS, *SHARI'A* AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.**

No comment is made or advice given by, the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents in respect of taxation or *Shari'a* matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Trustee, the Bank, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Certificates, see "*Subscription and Sale*". In particular, the Certificates have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**Regulation S**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States. The Trustee, the Bank, the Arrangers, the Dealers, the Delegate and the Agents do not represent that this Base Prospectus may be lawfully distributed, or that any Certificates 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.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Certificates and should not be considered as a recommendation by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Certificates. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and the Bank.

The maximum aggregate face amount of Certificates outstanding at any one time under the Programme will not exceed U.S.\$5,000,000,000 (and for this purpose, any Certificates denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Certificates (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate face amount of Certificates which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

The Certificates may not be a suitable investment for all investors. Each potential investor in the Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in this Base Prospectus;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including where the currency of payment is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets;
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and
- (f) be able to evaluate the compliance of the Certificates with *Shari'a* principles (including, without limitation, their individual standards of compliance relating thereto).

Some Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall investment portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or the review of such laws and regulations by certain governmental or regulatory authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent: (i) the Certificates constitute legal investments for it; (ii) the Certificates can be used as collateral for various types of borrowing; and (iii) other restrictions apply to any purchase or pledge of any Certificates by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules and regulations. In addition, potential investors should consult their own tax advisers on how the rules relating to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**") may apply to payments they receive under the Certificates.

The requirement to publish a base prospectus under the Prospectus Regulation only applies to Certificates which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The requirement to publish a prospectus under the FSMA only applies to Certificates which are admitted to trading on a UK regulated market as defined in UK MiFIR and/or offered to the public in the United Kingdom other than in circumstances where an exemption is available under section 86 of the FSMA. References in this Base Prospectus to "**Exempt Certificates**" are to Certificates issued by the Trustee for which no base prospectus is required to be published under the Prospectus Regulation and the FSMA. Exempt Certificates do not form part of this Base Prospectus for the purposes of the Prospectus Regulation and the FSMA and the FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Certificates.

None of the Arrangers, the Dealers, the Delegate or the Agents or any of their respective directors, affiliates, advisers or agents make any representation or provide any assurance as to the suitability of any Sustainable Certificates (as defined herein), including the listing or admission to trading thereof on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market, or to fulfil any green, environmental, sustainability or social criteria required by any prospective investors. None of the Trustee, the Arrangers, the Dealers, the Delegate or the Agents or any of their respective directors, affiliates, advisers or agents has undertaken, nor are they responsible for, any assessment of the eligibility criteria for Eligible Projects (as defined herein), any verification of whether the Eligible Projects meet such criteria, the monitoring of the use of proceeds of any Sustainable Certificates (or amounts equal thereto) or the allocation of the proceeds by the Bank to particular Eligible Projects. Each prospective investor should have regard to the information set out in "*Description of the*



*Group – Sustainability Policy – Sustainable Finance Framework*" below and determine for itself the relevance of such information for the purposes of an investment in Sustainable Certificates, together with any other investigation it deems necessary. None of the Trustee, the Arrangers, the Dealers, the Delegate or the Agents or any of their respective directors, affiliates, advisers or agents make any representation as to the suitability or contents of the Sustainable Finance Framework (as defined herein), any second party opinion delivered in respect thereof or any public reporting by or on behalf of the Bank in respect of the application of the proceeds of any issue of Sustainable Certificates, none of which are, nor shall they be deemed to be, incorporated in and/or form part of this Base Prospectus.

No assurance or representation is or can be given by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, any Agent or any other person that Eligible Projects will meet investor expectations or requirements regarding "green", "environmental", "sustainable", "social" or similar labels (including, without limitation, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy**") or Regulation (EU) 2020/852 as it forms part of domestic law by virtue of the EUWA), as regards any investment criteria or guidelines with which such investor or its investments are required to comply or that any adverse environmental and/or other impacts will not occur during the implementation of any projects funded by or related to any Eligible Projects. Each prospective investor should have regard to the factors described in the Sustainable Finance Framework and the relevant information contained in this Base Prospectus and the applicable Final Terms and seek advice from their independent financial adviser or other professional adviser regarding its purchase of the Sustainable Certificates before deciding to invest. None of the Arrangers, the Dealers, the Delegate or the Agents nor any of their respective directors, affiliates, advisers or agents shall be responsible for (a) the suitability of any Sustainable Certificates to fulfil environmental, social and/or sustainability criteria required by prospective investors, (b) whether the proceeds of any Sustainable Certificates will be used to finance Eligible Projects, (c) any assessment of the Eligible Projects, or (d) the ongoing monitoring of the use of proceeds in respect of any such Sustainable Certificates.

## **PRESENTATION OF INFORMATION**

### **Presentation of Financial Information**

This Base Prospectus incorporates by reference the following financial statements of FAB, together with its subsidiaries (the "**Group**"):

- the unaudited condensed consolidated interim financial information of the Group as at and for the nine months ended 30 September 2023 which include unaudited comparative financial information for the nine months ended 30 September 2022, together with the notes thereto (the "**Interim Financial Information**");
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 (the "**2022 Financial Statements**"); and
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2021 (the "**2021 Financial Statements**" and, together with the 2022 Financial Statements, the "**Annual Financial Statements**", and the Annual Financial Statements together with the Interim Financial Information, the "**Financial Statements**").

The Interim Financial Information have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "*Interim Financial Reporting*" and have been reviewed by PricewaterhouseCoopers Limited Partnership - Abu Dhabi ("**PwC**") in accordance with the International Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as stated in their review report incorporated by reference in this Base Prospectus.

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board (the "**IASB**"). The Annual Financial Statements have been audited without qualification by KPMG Lower Gulf Limited ("**KMPG**") in accordance with International Standards on Auditing ("**ISA**") as stated in their audit reports incorporated by reference herein.

The Financial Statements incorporated by reference in this Base Prospectus should be read in conjunction with the respective notes thereto.

The 2022 Financial Statements were adopted by the shareholders of FAB at an annual general meeting of FAB held on 28 February 2023, and the 2021 Financial Statements were adopted by the shareholders of FAB at an annual general meeting of FAB held on 28 February 2022. The Annual Financial Statements have also been approved by the Central Bank of the UAE (the "**UAE Central Bank**").

The Group's financial year ends on 31 December and, unless the context otherwise requires, references in this Base Prospectus to 2022 and 2021 are to the 12-month period ending on 31 December in each year.

The financial information regarding the Group included in this Base Prospectus:

- (i) as at and for the nine months ended 30 September 2023 has been derived from the Interim Financial Information;
- (ii) as at and for the year ended 31 December 2022 has been derived from the 2022 Financial Statements except for "Investment in associates" and "Non trading investment securities" which were subsequently reclassified and hence are extracted or derived from the unaudited comparative column of the Interim Financial Information (see "*Reclassification of certain financial information*" below for further detail);
- (iii) as at and for the year ended 31 December 2021 has been derived from the 2021 Financial Statements; and
- (iv) for the nine months ended 30 September 2022 has been derived from the Interim Financial Information.

Certain numerical figures set out in this Base Prospectus, including financial and operating data, have been rounded. Therefore, the sums of amounts given in some columns or rows in the tables and other lists presented in this Base Prospectus may slightly differ from the totals specified for such columns or rows. Similarly, some percentage values presented in the tables in this Base Prospectus have been rounded and the totals specified in such tables may not add up to 100 per cent.

#### ***Reclassification of certain financial information***

Certain comparative figures as at 31 December 2022 have been reclassified, where appropriate, to conform to the presentation adopted in the Interim Financial Information. This comprises "Investment in associates" (AED 1.6 billion as at 31 December 2022) previously classified within "Non trading investment securities" which are now presented separately in the Interim Financial Information.

Interest income on fair value through profit or loss bonds (AED 135 million for the nine months ended 30 September 2022) was previously classified within "Interest income" has now been reclassified to "Net gain on investments and derivatives" in the statement of profit or loss in the Interim Financial Information. Additionally, "foreign currency translation adjustments" (AED 3,736 million for the nine months ended 30 September 2022) that were included within adjustments for operating activities, have now been reclassified to the end of the cash flow statement and disclosed separately in the Interim Financial Information.

#### **Alternative Performance Measures**

Certain financial measures presented by FAB in this Base Prospectus are not defined in accordance with IFRS accounting standards. FAB believes that the alternative performance measures (as defined in the European Securities and Markets Authority guidelines (the "**ESMA Guidelines**") on Alternative Performance Measures ("**APMs**")) included in this Base Prospectus provide useful supplementary information to both investors and to FAB's management, as they facilitate the evaluation of underlying business performance across financial reporting periods. However, investors are cautioned not to place undue reliance on this information and should note that, since not all companies calculate financial measurements such as the APMs presented by FAB in this Base Prospectus in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by FAB in this Base Prospectus are unaudited and have not been prepared in accordance with IFRS or any other accounting standards. Accordingly, these financial measures should

not be seen as a substitute for measures defined according to IFRS. FAB considers that the following metrics (which are set out below along with their reconciliation, to the extent that such information is not defined according to IFRS and not included in the Financial Statements incorporated by reference into this Base Prospectus) presented in this Base Prospectus constitute APMs for the purposes of the ESMA Guidelines:

<b>APM</b>	<b>Definition/method of calculation</b>	<b>Reconciliation with Financial Statements/accounting records</b>
Return on tangible equity	Financial measure to express efficiency at generating profits from every unit of shareholders' tangible equity and is calculated as profit for the period attributable to shareholders of FAB after deduction of interest due (accrual basis) on Tier 1 capital notes divided by average total shareholder tangible equity, with average shareholder tangible equity calculated as the sum of shareholder tangible equity at the beginning and end of the period under calculation divided by two. For the nine months ended 30 September 2023, the average balance is calculated based on the sum of balances at the beginning (31 December 2022) and end (30 September 2023) of the period divided by two. Shareholder tangible equity is calculated as the total equity less the sum of non-controlling interest, Tier 1 capital notes and intangibles (assets).	<p>Profit for the period attributable to shareholders of FAB is as set out in the consolidated statement of profit or loss in the Financial Statements.</p> <p>Interest due (accrual basis) on Tier 1 capital notes is derived from the Group's internal accounting records (and is a Bank management calculated number).</p> <p>Total equity is as set out in the consolidated statement of financial position in the Financial Statements.</p> <p>Non-controlling interest is as set out in the consolidated statement of financial position in the Financial Statements.</p> <p>Tier 1 capital notes are as set out in the consolidated statement of financial position in the Financial Statements.</p> <p>Intangibles are as set out in the consolidated statement of financial position in the Financial Statements.</p>
Cost to income ratio	Financial measure to express operating efficiency and is calculated as general, administrative and other operating expenses divided by operating income.	<p>General, administrative and other operating expenses are as set out in the consolidated statement of profit or loss in the Financial Statements.</p> <p>Operating income is as set out in the consolidated statement of profit or loss in the Financial Statements.</p>
Loan to deposit ratio	Liquidity measure to express a bank's ability to fund its loan book through its deposit base and is calculated as loans, advances and Islamic financing	Loans, advances and Islamic financing are as set out in the consolidated statement of financial position in the Financial Statements.

<u>APM</u>	<u>Definition/method of calculation</u>	<u>Reconciliation with Financial Statements/accounting records</u>
	divided by customer accounts and other deposits.	Customer accounts and other deposits are as set out in the consolidated statement of financial position in the Financial Statements.
Non-performing loans, advances and Islamic financing ("NPL") ratio	Financial measure to express loan asset quality and is calculated as NPLs net of interest suspended as a percentage of gross loans, advances and Islamic financing net of interest suspended.	<p>NPLs are the Stage 3 loans, advances and Islamic financing along with Stage 3 loans, advances and Islamic financing which are part of purchased originally credit impaired loans, advances and Islamic financing considered by the Group as par to NPLs, each as set out in Note 30 (<i>Financial risk management</i>) to the Interim Financial Information.</p> <p>Interest suspended is as set out in Note 7 (<i>Loans, advances and Islamic financing</i>) to the Interim Financial Information.</p> <p>Gross loans, advances and Islamic financing are as set out in Note 7 (<i>Loans, advances and Islamic financing</i>) to the Interim Financial Information.</p>
Provision coverage ratio	Financial measure to provide an indication of the level of provisioning vis-à-vis the NPLs net of interest suspended and is calculated as impairment allowances as a percentage of NPLs.	<p>Impairment allowances are total provisions in respect of loans, advances and Islamic financing and total provisions in respect of unfunded exposure, each as set out in Note 30 (<i>Financial risk management</i>) to the Interim Financial Information, together with the specific and collective IFRS standard 9 "<i>Financial Instruments</i>" ("<b>IFRS 9</b>") reserve as set out in Note 17 (<i>Capital and reserves</i>) to the Interim Financial Information.</p> <p>NPLs are the Stage 3 loans, advances and Islamic financing along with loans, advances and Islamic financing which are part of purchased or originally credit impaired loans, advances and Islamic financing considered by the Group as par to NPLs, each as set out in Note 30 (<i>Financial</i></p>

<u>APM</u>	<u>Definition/method of calculation</u>	<u>Reconciliation with Financial Statements/accounting records</u>
		<p><i>risk management</i>) to the Interim Financial Information.</p> <p>Interest suspended is as set out in Note 7 (<i>Loans, advances and Islamic financing</i>) to the Interim Financial Information.</p>

### Certain Defined Terms

Capitalised terms which are used but not defined in any section of this Base Prospectus will have the meaning attributed thereto in the Conditions or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

- references to "**Abu Dhabi**" are to the Emirate of Abu Dhabi;
- references to the "**Effective Date**" are to 30 March 2017 (being the date on which the Merger became effective);
- references to "**FGB**" are to First Gulf Bank PJSC;
- references to "**GCC**" are to the Gulf Co-operation Council;
- references to the "**Government**" are to the government of Abu Dhabi;
- references to the "**Group**" are to FAB, together with its subsidiaries;
- references to "**IFRS 9**" are to IFRS standard 9 "*Financial Instruments*";
- references to a "**Member State**" are to a Member State of the European Economic Area;
- references to the "**Merger**" are to the merger of NBAD and FGB which was effected on the Effective Date;
- references to "**NBAD**" are to National Bank of Abu Dhabi P.J.S.C.;
- references to "**OPEC**" are to the Organization of Petroleum Exporting Countries, "**OPEC plus**" are to the group of OPEC countries and other non-OPEC countries, including Russia, so designated and "**OPEC Reference Basket**" are to the reference basket data published on the OPEC website;
- references to the "**TESS**" are to the UAE Central Bank's Targeted Economic Support Scheme, effective from 15 March 2020, as amended from time to time; and
- references to the "**UAE**" are to the United Arab Emirates.

### Certain Conventions

Certain figures and percentages included in this Base Prospectus 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 Base Prospectus to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars being the legal currency for the time being of the United States of America and all references in this Base Prospectus to "**dirham**", "**UAE dirham**" and "**AED**" refer to UAE dirham being the legal currency for the time being of the UAE.

The dirham has been pegged to the U.S. dollar since 22 November 1980. The midpoint between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00.

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

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

#### **MIFID II PRODUCT GOVERNANCE / TARGET MARKET**

The Final Terms in respect of any Certificates (or Pricing Supplement, in the case of Exempt Certificates) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (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 Certificates (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 Certificates is a manufacturer in respect of such Certificates, 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 Final Terms in respect of any Certificates (or Pricing Supplement, in the case of Exempt Certificates) will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a "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 Certificates (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 Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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

Unless otherwise stated in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Certificates) all Certificates 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 MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **VOLCKER RULE**

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from: (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a

"banking entity" as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding: (a) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes); or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

#### NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("AFIBs") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "FSMA")) which has not been authorised, recognised or otherwise approved by the FCA. Accordingly, this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms or Pricing Supplement, as the case may be, and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 (*High net worth companies, unincorporated associations, etc.*) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Promotion of CISs Order"); (ii) persons falling within any of the categories of person described in Article 22 (*High net worth companies, unincorporated associations, etc.*) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be promoted. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or Pricing Supplement, as the case may be, or any other marketing materials in relation to any Certificates.

Prospective investors in the United Kingdom in any Certificates are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

#### NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to any member of the public in the Cayman Islands to subscribe for any Certificates and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Certificates.

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

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Prospectus 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 the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

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

The CBB has not reviewed, approved or registered this Base Prospectus or any related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Base Prospectus 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 MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Bank and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

#### 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 advisor.

#### STABILISATION

In connection with the issue of any Tranche of Certificates, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may effect transactions with a view to supporting the market price of the Certificates 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 Issue Date (as defined herein) of the relevant Tranche of Certificates, 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 Certificates. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or



**persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the unaudited condensed consolidated interim financial information of the Group as at and for the nine months ended 30 September 2023 and the independent auditors' review report thereon (<https://www.bankfab.com/v1/-/media/fabgroup/home/about-fab/investor-relations/pdfs/investor-relations/2023/fab-fs-q3-2023-english.pdf?view=1>);
- (b) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2022 and the independent auditors' report thereon (<https://www.bankfab.com/v1/-/media/fabgroup/home/about-fab/investor-relations/pdfs/investor-relations/2022/fab-fs-q4-2022-english.pdf?view=1>);
- (c) the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2021 and the independent auditors' report thereon (<https://www.bankfab.com/-/media/fabgroup/home/about-fab/investor-relations/pdfs/investor-relations/2021/fab-fs-q4-2021-english.pdf?view=1>);
- (d) the Terms and Conditions of the Certificates contained on pages 40 to 74 (inclusive) in the base prospectus dated 24 January 2023 prepared by the Trustee and the Bank in connection with the Programme (<https://www.bankfab.com/v1/-/media/fabgroup/home/about-fab/investor-relations/debt-investor-information/prospectuses/2023/fab-sukuk-programme-update-2023--base-prospectus-final--edisclaimer.pdf?view=1>);
- (e) the Terms and Conditions of the Certificates contained on pages 37 to 71 (inclusive) in the base prospectus dated 24 January 2022 prepared by the Trustee and the Bank in connection with the Programme (<https://www.bankfab.com/-/media/fabgroup/home/about-fab/investor-relations/debt-investor-information/prospectuses/fabsukukusd5b.pdf?view=1>);
- (f) the Terms and Conditions of the Certificates contained on pages 35 to 66 (inclusive) in the base prospectus dated 5 January 2021 prepared by the Trustee and the Bank in connection with the Programme (<https://www.bankfab.com/-/media/fabgroup/home/about-fab/investor-relations/debt-investor-information/prospectuses/fabsukukusd3-5b.pdf?view=1>);
- (g) the Terms and Conditions of the Certificates contained on pages 34 to 65 (inclusive) in the base prospectus dated 9 January 2020 prepared by the Trustee and the Bank in connection with the Programme (<https://www.bankfab.com/-/media/fabgroup/home/about-fab/investor-relations/debt-investor-information/prospectuses/fab-sukuk-base-prospectus.pdf?view=1>); and
- (h) the Terms and Conditions of the Certificates contained on pages 38 to 69 (inclusive) in the base prospectus dated 3 January 2019 prepared by the Trustee and the Bank in connection with the Programme (<https://www.bankfab.com/-/media/fabgroup/home/about-fab/investor-relations/debt-investor-information/prospectuses/3-sukuk-1-may-2018.pdf?view=1>).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Only certain parts of the documents referred to above are incorporated by reference in this Base Prospectus. The non-incorporated parts of the documents referred to above are either not relevant for investors or are covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Trustee and the Bank and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. 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 Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Certificates, is supplemented by the applicable Final Terms or, in the case of Exempt Certificates, the applicable Pricing Supplement.*

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Commission Delegated Regulation (EU) No. 2019/980 as it forms part of domestic law by virtue of the EUWA.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this overview.

**Trustee:** FAB Sukuk Company Limited, as trustee for and on behalf of the Certificateholders and as issuer of the Certificates, an exempted company with limited liability incorporated on 1 June 2011 in accordance with the laws of, and formed and registered in, the Cayman Islands with registered number 257247 with its registered office at the offices of MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.

The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party. FAB Sukuk Company Limited shall on each Issue Date issue the Certificates to the Certificateholders and act as Trustee in respect of the Trust Assets for the benefit of the Certificateholders.

**Trustee's Legal Entity Identifier:** 549300JEV79SSEDKS489.

**Bank:** First Abu Dhabi Bank PJSC.

**Ownership of the Trustee:** The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held by MaplesFS Limited, with registered office at P.O. Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands on trust for charitable purposes.

**Administration of the Trustee:** The affairs of the Trustee are managed by MaplesFS Limited (the "**Trustee Administrator**"), who provide, *inter alia*, corporate administrative services and director services and act as share trustee for and on behalf of the Trustee pursuant to the corporate services agreement (as amended and restated from time to time) made between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**").

**Arrangers:** First Abu Dhabi Bank PJSC and Standard Chartered Bank.

**Dealers:** Citigroup Global Markets Limited, Dubai Islamic Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, Standard Chartered Bank and any other Dealer appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Certificates.

**Delegate:** Citicorp Trustee Company Limited.

**Principal Paying Agent, Calculation Agent and Transfer Agent:** Citibank N.A., London Branch.

<b>Registrar:</b>	Citibank Europe plc.
<b>Initial Programme Amount:</b>	Up to U.S.\$5,000,000,000 (or its equivalent in other currencies) aggregate face amount of Certificates outstanding at any one time. The amount of the Programme may be increased in accordance with the terms of the Programme Agreement.
<b>Issuance in Series:</b>	The Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates of each Series will have the same terms and conditions (which will be completed in the applicable Final Terms) or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
<b>Distribution:</b>	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal and/or regulatory and/or central bank requirements, any currency agreed between the Trustee, the Bank and the relevant Dealer.
<b>Maturities:</b>	The Certificates will have such maturities as may be agreed between the Trustee, the Bank 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 Trustee or the relevant Specified Currency (as defined in the applicable Final Terms).
<b>Issue Price:</b>	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Bank and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Status of the Certificates:</b>	Each Certificate will represent an undivided <i>pro rata</i> ownership interest in the Trust Assets of the relevant Series, will be a limited recourse obligation of the Trustee and will rank <i>pari passu</i> , without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

In respect of each Series, the Trustee shall hold the relevant Trust Assets for such Series upon trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder of the relevant Series of Certificates. The "**Trust Assets**" of the relevant Series will comprise: (i) all of the cash proceeds of the issue of the Certificates, pending the application thereof in accordance with the terms of the Transaction Documents; (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Portfolio; (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents or the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust); (iv) all moneys standing to the credit

of the Transaction Account from time to time; and (v) all proceeds of the foregoing.

**Periodic Distribution Amounts:** Certificateholders are entitled to receive Periodic Distribution Amounts, out of amounts transferred to the Transaction Account pursuant to the terms of the relevant Transaction Documents, calculated on the basis specified in the applicable Final Terms.

**Fixed Rate Certificates:** Fixed Rate Certificates will bear profit on their outstanding face amount at such fixed rate per annum and on such date or dates as may be agreed between the Trustee, the Bank and the relevant Dealer(s) calculated in accordance with such Day Count Fraction (but only if the profit is to be calculated in respect of a period of less than a full Return Accumulation Period) as may be agreed between the Trustee, the Bank and the relevant Dealer(s).

**Floating Rate Certificates:** Floating Rate Certificates will bear profit on their outstanding face amount at such floating rate per annum on the basis of the relevant Reference Rate as adjusted for any applicable Margin.

The Margin (if any) relating to such Floating Rate Certificates will be agreed between the Trustee, the Bank and the relevant Dealer(s).

Floating Rate Certificates may also have a maximum profit rate, a minimum profit rate or both. Unless otherwise stated in the applicable Final Terms the minimum profit rate for a Floating Rate Certificate shall be deemed to be zero.

**Benchmark Discontinuation:** In the event that a Benchmark Event occurs, such that any Profit Rate (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Final Terms then the Trustee and the Bank may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Certificates and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) for further information.

**Cross-Default:** The Certificates will have the benefit of a cross-default provision, as described in Condition 15 (*Dissolution Events*).

**Negative Pledge:** The Certificates will have the benefit of a negative pledge granted by the Bank, as described in Condition 5 (*Negative Pledge*).

**Dissolution on the Scheduled Dissolution Date:** Unless the Certificates are previously redeemed or purchased and cancelled in full, each Certificate shall be finally redeemed at its Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on the Scheduled Dissolution Date specified in the applicable Final Terms.

**Dissolution Amount:** Means, in relation to each Certificate, as the case may be:

- (a) the Dissolution Distribution Amount, being;
  - (i) the sum of: (A) the outstanding face amount of such Certificate; and (B) any accrued but

- unpaid Periodic Distribution Amounts relating to such Certificate; or
- (ii) such other amount specified in the applicable Final Terms as being payable upon any relevant Dissolution Date; or
- (b) the Early Dissolution Amount (Tax); or
- (c) the Optional Dissolution Amount; or
- (d) the Certificateholder Put Option Dissolution Amount; or
- (e) the Tangibility Event Dissolution Amount.

**Dissolution Events:**

The Dissolution Events are described in Condition 15 (*Dissolution Events*). Following the occurrence of a Dissolution Event which is continuing, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on any Dissolution Event Redemption Date. See Condition 15 (*Dissolution Events*).

**Early Dissolution for Tax Reasons:**

Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 12 (*Taxation*) or the Trustee has received notice from the Bank that the Bank has or will become obliged to pay any additional amounts in respect of amounts payable under the Transaction Documents, in each case, as a result of a change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the relevant Series and such obligation cannot be avoided by the Trustee or the Bank, as applicable, taking reasonable measures available to it, the Trustee will, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to Certificateholders (which notice shall be irrevocable), redeem the Certificates in whole but not in part at the relevant Early Dissolution Amount (Tax) on any Early Tax Dissolution Date subject to and in accordance with Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*).

**Optional Dissolution Right:**

If so specified in the applicable Final Terms, the Bank may, in accordance with Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), require the Trustee, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to the Certificateholders (which notice shall be irrevocable) to redeem all or, if so specified in such notice, some of the Certificates only on any Optional Dissolution Date subject to and in accordance with Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*). Any such redemption of Certificates shall be at the relevant Optional Dissolution Amount.

**Certificateholder Put Option:**

If so specified in the applicable Final Terms, the Trustee shall, at the option of the holder of any Certificates, upon the holder of such Certificates giving not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in

the applicable Final Terms) to the Trustee, redeem such Certificates on any Certificateholder Put Option Date at the relevant Certificateholder Put Option Dissolution Amount subject to and in accordance with Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*).

**Tangibility Event Put Option**

Following the occurrence of a Tangibility Event, the Trustee shall, at the option of the holder of any Certificates, upon the holder of such Certificates giving notice to the Trustee within the Tangibility Event Put Option Period, redeem such Certificates on the Tangibility Event Put Option Date at the relevant Tangibility Event Dissolution Amount subject to and in accordance with Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

Following the occurrence of a Tangibility Event, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

On the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing.

**Clean Up Call Right:**

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 11 (*Capital Distributions of the Trust*) and/or Condition 14 (*Purchase and Cancellation of Certificates*), as the case may be, the Bank may, in accordance with Condition 11(f) (*Capital Distributions of the Trust – Clean Up Call Right*) require the Trustee, on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period (each as specified in the applicable Final Terms) to the Certificateholders (which notice shall be irrevocable) to redeem the Certificates in whole but not in part at the Dissolution Distribution Amount on the relevant Clean Up Call Dissolution Date, subject to and in accordance with Condition 11(f) (*Capital Distributions of the Trust – Clean Up Call Right*).

**Total Loss Event:**

To the extent applicable pursuant to the Service Agency Agreement and Condition 11(g) (*Dissolution following a Total Loss Event*), following the occurrence of a Total Loss Event, save where the Real Estate Assets forming part of the relevant Wakala Portfolio have been replaced in accordance with the Service Agency Agreement, the Certificates of the relevant Series will be redeemed in full on the Total Loss Dissolution Date at the relevant Dissolution Distribution Amount subject to and in accordance with Condition 11(g) (*Dissolution following a Total Loss Event*).

If, as a result of a Total Loss Event the ratio of (a) the aggregate value of the Financing Assets, the Real Estate Assets (which for this purpose shall exclude any such Real Estate Assets subject to a Total Loss Event) and/or the Tangible Part of Sukuk forming part of the Wakala Portfolio relating to such Series to (b) the value of the Wakala Portfolio relating to such Series, falls below 33 per cent., from the date of the Trading Notice and until any further notice from the Trustee stating otherwise, in consultation with the Internal Shariah Supervision Committee of the Bank, the



Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

**Cancellation of Certificates held by the Bank and/or any of its Subsidiaries:**

Pursuant to Condition 14 (*Purchase and Cancellation of Certificates*), the Bank and/or any of its subsidiaries may at any time purchase Certificates in the open market or otherwise. If the Bank wishes to cancel such Certificates purchased by it and/or any of its subsidiaries (the "**Cancellation Certificates**"), the Bank may surrender such Certificates for cancellation in accordance with the Conditions and the Master Declaration of Trust, and following the service of a cancellation notice by the Bank to the Trustee pursuant to the Master Declaration of Trust, require the Trustee, any time prior to the Scheduled Dissolution Date, to cancel any Certificates surrendered to it by the Bank for cancellation.

**Limited Recourse:**

Each Certificate of a particular Series will represent an undivided *pro rata* ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.

Certificateholders will otherwise have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Bank (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or the Delegate or any Agent or any of their respective affiliates in respect of any shortfall in the expected amounts due from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee and the Bank shall be extinguished. See Condition 4(b) (*Status and Limited Recourse – Limited Recourse*).

**Denomination of Certificates:**

The Certificates will be issued in such denominations as may be agreed between the Trustee, the Bank and the relevant Dealer(s) and as specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The minimum denomination of each Certificate (other than an Exempt Certificate) will be €100,000 (or, if the Certificates are denominated in a currency other than euro, the equivalent amount in such currency as at the Issue Date of such Certificates).

**Form and Delivery of the Certificates:**

The Certificates will be issued in registered form only. The Certificates will be represented on issue by beneficial interests in a global certificate (the "**Global Certificate**"), which will be deposited with, and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. See the section entitled "*Form of the Certificates*". Certificates in definitive form evidencing holdings of Certificates ("**Definitive Certificates**") will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances.

**Clearance and Settlement:**

Certificateholders must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg (or any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Trustee and the Bank). Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

**Withholding Tax:**

Subject to Condition 10(b) (*Payment – Payments subject to Applicable Laws*), all payments by the Trustee in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, Taxes imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts as shall be necessary in order that the net amounts received by the Certificateholder after such withholding or deduction shall equal the respective amounts due and payable to any Certificateholder which would have otherwise been receivable in the absence of such withholding or deduction, except in circumstances set out in Condition 12 (*Taxation*).

Further, in accordance with the Master Declaration of Trust, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12 (*Taxation*), pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or an account of Taxes) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to Condition 12 (*Taxation*).

The Transaction Documents to which it is a party provide that payments by the Bank thereunder shall be made free and clear of, and without withholding or deduction for, or on account of, any taxes unless such withholding or deduction is required by law and, in such case, provide for the payment by the Bank of all additional amounts as will result in the receipt by the Trustee of such net amount as would have been receivable by it if no withholding or deduction had been made.

**Listing and Trading:**

Application has been made to the FCA for the Certificates (other than Exempt Certificates) to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the London Stock Exchange's main market.

Certificates may also be issued and listed (or admitted to trading, as the case may be), on other or further stock exchanges or markets (which, for the avoidance of doubt, shall exclude a regulated market for the purposes of MiFID II) agreed between the Trustee, the Bank and the relevant Dealer in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms or (in the case of Exempt Certificates) the applicable Pricing Supplement will state whether or not the

relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Certificateholder Meetings:** A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 19 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*).

**Tax Considerations:** See the section entitled "*Taxation*" for a description of certain tax considerations applicable to the Certificates.

**Governing Law and Dispute Resolution:** The Certificates and any non-contractual obligations arising out of or in connection with the Certificates will be governed by, and construed in accordance with, English law. Each Transaction Document (other than the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement will be governed by the laws of Abu Dhabi and, to the extent applicable in Abu Dhabi, the federal laws of the UAE or the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE, as the case may be.

In respect of any dispute under any Transaction Document to which it is a party (other than the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement), the Bank has agreed to arbitration in London under the Arbitration Rules of the London Court of International Arbitration (the "**Rules**"). The Bank has also agreed to submit to the exclusive jurisdiction of the courts of England or the courts of the Abu Dhabi Global Market (the "**ADGM**") in respect of any dispute under such Transaction Document, subject to the right of the Trustee and/or the Delegate (as applicable) to require any dispute to be resolved by any other court of competent jurisdiction.

In respect of any dispute under any of the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement, the Bank has agreed to submit to the exclusive jurisdiction of the courts of Abu Dhabi or Dubai, as the case may be.

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

**Transaction Documents:** The Transaction Documents in relation to each Series shall comprise the Master Purchase Agreements, as supplemented by each relevant Supplemental Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, any Sale Agreement, the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series), the Master Declaration of Trust, as supplemented by each relevant Supplemental Declaration of Trust, the Agency Agreement and

the relevant Certificates (each a "**Transaction Document**" and, together, the "**Transaction Documents**").

**Rating:**

The rating(s) of any Series of Certificates to be issued under the Programme which is to be rated will be specified in the applicable Final Terms.

A 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. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (or are endorsed by an EEA-registered credit rating agency certified in accordance with the CRA Regulation). Investors regulated in the United Kingdom are subject to similar restrictions under the UK CRA Regulation and, as such, are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation (or endorsed by a United Kingdom registered credit rating agency or issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation).

**Selling and Transfer Restrictions:**

There are restrictions on the distribution of this Base Prospectus and the offer, sale or transfer of Certificates in the United States of America, the European Economic Area, the United Kingdom, Hong Kong, Japan, Malaysia, Singapore, the United Arab Emirates (excluding the Abu Dhabi Global Market (the "**ADGM**") and the Dubai International Financial Centre (the "**DIFC**")), the ADGM, the DIFC, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the Cayman Islands and such other restrictions as may be required in connection with the offering and sale of the Certificates. See "*Subscription and Sale*".

**United States Selling Restrictions:**

Regulation S, Category 2.

## RISK FACTORS

*Each of the Trustee and the Bank believes that the following factors may affect its ability to fulfil its obligations relating to Certificates issued under the Programme. Most of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.*

*Each of the Trustee and the Bank believes that the factors described below represent the principal risks inherent in investing in the Certificates issued under the Programme, but the inability of the Trustee to pay Periodic Distribution Amounts, Dissolution Amounts or other amounts on or in connection with any Certificates or to pay any amount in respect of the relevant Dissolution Amounts or other amounts on or in connection with any Certificates may occur for other reasons which may not be considered significant risks by the Trustee or the Bank based on information currently available to them or which they may not currently be able to anticipate.*

*Although the Trustee and the Bank believe that the various structural elements described in this Base Prospectus lessen some of these risks for Certificateholders, there can be no assurance that these measures will be sufficient to ensure payment to Certificateholders of any Periodic Distribution Amount or the relevant Dissolution Amounts in respect of the Certificates of any Series on a timely basis or at all.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this section.*

### **Risk factors relating to the Trustee**

The Trustee was incorporated under the laws of the Cayman Islands on 1 June 2011 as an exempted company with limited liability and has a limited operating history. The Trustee has not and will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including the obligation of the Bank to make payments to the Trustee under the relevant Transaction Documents.

The ability of the Trustee to pay amounts due on the Certificates will primarily be dependent upon receipt by the Trustee from the Bank of all amounts due under the Transaction Documents to which it is a party (which in aggregate may not be sufficient to meet all claims under the relevant Certificates and the Transaction Documents in the event that the Bank does not fully perform its obligations thereunder). As a result, the Trustee is subject to all the risks to which the Bank is subject, to the extent such risks could limit the Bank's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents*" for a further description of these risks.

### **Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party**

#### ***Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect the Group's business, results of operations, financial condition and prospects***

The Group, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. As at the date of this Base Prospectus, the performance of global debt, equity and commodity markets has been volatile, reflecting the ongoing volatility in the macro-economic climate which has had, and which continues to have, a material adverse effect on the world's economies, including the economies of the UAE and other GCC states.

### *Oil price volatility*

The UAE economy as a whole, and the economies of other countries in the GCC, are exposed to oil price volatility (see further "*Risks relating to the UAE and the Middle East—The UAE's economy is highly dependent upon its oil revenue*").

International oil prices have been volatile in the past three years, with the monthly OPEC Reference Basket price reaching U.S.\$70.78 in April 2019, decreasing sharply to U.S.\$17.66 in April 2020 amid the COVID-19 pandemic and recovering to U.S.\$82.11 in October 2021. Monthly average OPEC Reference Basket prices exceeded U.S.\$100 for most of 2022 due to greater demand forecasts and geopolitical tensions around the full-scale Russia-Ukraine conflict which commenced in late February 2022. The monthly price per barrel of Arabian Light Crude Oil has also moved in line with these trends.

OPEC member countries produce approximately 40 per cent. of the world's crude oil (according to the World Economic Forum) and, as such, targets set by OPEC to manage oil production in its member countries can affect oil prices. Historically, the announcement of production cuts by OPEC has led to oil price rises in the short- to medium-term. While efforts have been made by OPEC and non-OPEC oil producing countries participating in the Declaration of Cooperation to control oil price volatility by agreeing staged reductions in oil production since 2020, there can be no assurance that such collaboration will achieve its stated goals or influence oil prices beyond the short-term.

While the Group's direct exposure to the crude oil, gas, mining and quarrying sectors is not significant (with 7.4 per cent. of its gross loans, advances and Islamic financing being to customers in the energy industry as at 30 September 2023), low oil prices and low demand for crude oil may have a material adverse effect on the UAE's economy and cause a reduction in government spending, which may exacerbate the impact on the UAE economy as a whole leading to deterioration in other industries. This may thereby affect the Group's business, results of operations, financial condition and prospects and FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

### *Fiscal reforms*

Additionally, in the UAE, the significant fiscal reforms implemented by the federal government in response to the low oil price environment since 2015 have had, and are expected to continue to have, a significant effect on the UAE economy. The UAE federal government has scaled back capital transfers to government-related entities, reduced government investment, raised electricity and water tariffs and removed fuel subsidies. Lower oil prices and the COVID-19 pandemic resulted in the UAE cutting its federal spending for 2021 by approximately 5.3 per cent. as compared to 2020. Further, with effect from 1 January 2018, the UAE federal government introduced a value-added tax ("**VAT**") regime at a rate of 5 per cent. as part of a broader GCC-wide agreement. Bahrain joined the GCC VAT regime on 1 January 2019 and Oman implemented VAT on 16 April 2021. Qatar is expected to introduce VAT in 2023 and Kuwait is expected to introduce VAT in the near future. Saudi Arabia, which implemented VAT on 1 January 2018 at the rate of 5 per cent., increased the rate to 15 per cent. effective from 1 July 2020. The resulting stress on the UAE retail markets (which represents one of the Group's core businesses) may have a negative impact on the Group's business, results of operations and financial condition and could thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

On 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax (the "**CIT**") on business profits, which comes into effect for accounting periods beginning on or after 1 June 2023. Thus, the CIT would apply to FAB from 1 January 2024. The CIT will impact the Group's future tax charge. The CIT will apply on the taxable net profits of a business. It will not apply to taxable profits up to AED 375,000 and will apply at a standard statutory tax rate of nine per cent. to taxable profits in excess thereof.

In the UAE, these measures have become an integral part of a broader federal government strategy aimed at rationalising fiscal expenditure generally and reducing fiscal dependency on hydrocarbon related revenues. When taken in totality with the ongoing oil price volatility, the diversion of significant fiscal revenues to the Saudi Arabian-led military intervention in Yemen since 2015 and domestic job losses in both the private and public sectors across the UAE (and particularly within Abu Dhabi) along with the COVID-19 pandemic, the impact on the UAE economy in recent years has been significant.

Moreover, in respect of the Group's Abu Dhabi-based Government-related customers, legislation including Abu Dhabi Executive Council Circular No. 11 of 2015 and Abu Dhabi Executive Council Circular No. 1 of 2017 (together, the "**Abu Dhabi Public Debt Laws**"), requires any company owned by the Government which has received a copy of such circulars, to obtain the approval of the Abu Dhabi Executive Council for it or any of its subsidiaries to enter into any transaction for borrowing or issue of debt (with an additional requirement to co-ordinate with the Public Debt Office of Abu Dhabi if such borrowing is to be guaranteed by the Government). In practice, it is unclear how the application of the Abu Dhabi Public Debt Laws has impacted the Group's Abu Dhabi-based Government-related customers. If the provisions of the Abu Dhabi Public Debt Laws start to be applied more strictly and require the Group's Abu Dhabi-based Government-related customers to obtain Abu Dhabi Executive Council approval each time they contract with the Group, it is possible that the Group may experience a decline in (and/or a delay in execution of) lending activity to customers within this sector.

The measures taken by the UAE federal government to counter the impact of the oil price volatility since 2015 have created significant stress in UAE retail markets (which represents one of the Group's core businesses). In the event that macro-economic conditions do not improve in the UAE and the challenges faced by the retail sector were to spread to the Group's corporate customers, this could have a material adverse effect on the Group's business, results of operations and financial condition and could thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

#### *Financial markets*

During events of extreme volatility witnessed in financial markets since 2014 there have been periods of reduced liquidity, widening credit spreads and a lack of price transparency in credit and capital markets. These adverse market conditions have impacted investment markets both globally and in the UAE, through increased volatility in asset prices, commodity prices, interest rates and exchange rates.

Furthermore, many of the world's economies are experiencing high levels of inflation. According to the IMF, global inflation is projected at 6.6 per cent. in 2023. However, considerable uncertainty surrounds these inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict which has caused an increase in the oil price (as discussed above) and to food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilizers). In addition, while demand grew rapidly in 2021, various bottlenecks held back supply, including outbreak-induced factory closures, restrictions at ports, congested shipping lanes, container shortfalls and worker shortages because of quarantines. Although supply bottlenecks are generally anticipated to ease as production responds to higher prices, recurrent lockdowns in China as a result of the zero-COVID-19 strategy, the Russia-Ukraine conflict and widespread sanctions on Russian persons, entities and institutions are likely to prolong disruptions in some sectors into 2023. Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate debt, which could have negative implications for equity and real estate markets) and the Group's customers and counterparties (leading to lower recoverability) which in turn could affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

As a result of market conditions prevailing as at the date of this Base Prospectus, companies to which FAB has directly extended or continues to extend credit have experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to FAB.

These extremely volatile market conditions have resulted in reduced liquidity, widening of credit spreads and lack of price transparency in credit and capital markets. The adverse market conditions have impacted investment markets both globally and in the UAE, with increased volatility in interest rates and exchange rates. The U.S. Federal Reserve raised U.S. overnight interest rates by 25 basis points in March 2022, 50 basis points in May 2022, 75 basis points in each of June 2022, July 2022, September 2022 and November 2022, 50 basis points in December 2022, 25 basis points in February 2023, 25 basis points in March 2023, 25 basis points in May 2023 and 25 basis points in July 2023. In line with such increase, the UAE Central Bank raised the base rate on the overnight deposit facility by 25 basis points in March 2022, 50 basis points in May 2022, 75 basis points in each of June 2022, July 2022, September 2022 and November 2022, 50 basis points in December 2022 and 25 basis points in each of February 2023, March 2023, May 2023 and July 2023.

Future movements in such rates may adversely impact the Group's margins, borrowing costs and capital if it is unable to adjust to the volatile interest rate environment. The business, results of operations, financial condition and prospects of FAB have been materially adversely affected by these trends and may be further materially adversely affected by future periods of unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

### *COVID-19*

In 2020 and 2021, the macro-economic environment (both globally and within the UAE) was materially affected by the novel coronavirus which causes the disease known as **COVID-19**. On 11 March 2020, the World Health Organization officially declared COVID-19 a global pandemic. Almost all countries that were significantly affected introduced measures to try to contain the spread of the virus, including border closures and restricting the movement of their citizens. These measures resulted in the closure of numerous businesses in those countries (particularly those related to the travel and hospitality industries) and widespread job losses. The COVID-19 pandemic negatively impacted the global economy, disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets and may lead to lower economic growth in the GCC region and globally. The ultimate impact of COVID-19 on global and local economies (including on the price of oil) is unclear. The duration, impact and severity of the COVID-19 pandemic cannot be predicted as future variants may be identified that could cause more severe disease than those of currently known variants.

### ***Credit risks***

Credit risk is the risk that the Group's counterparties will fail to discharge their obligations on maturity or in a timely manner, causing the Group to incur a financial loss. Credit risks could materially adversely affect the Group's business, results of operations, financial condition and prospects. Some of the credit risks facing the Group are set out below.

*If the Group is unable to effectively monitor and control the level of, or, where required, successfully restructure, its NPLs with debtors in financial distress, or its allowance for impairment are insufficient to cover credit losses, the Group's financial condition and results of operations would be adversely affected*

In common with other banks in the GCC, as a result of adverse economic and political developments in recent years, including the outbreak of COVID-19, adverse changes in consumer confidence levels, consumer spending, liquidity levels, bankruptcy rates and commercial and residential real estate prices, among other factors, have impacted the Group's credit portfolio. See further "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect the Group's business, results of operations, financial condition and prospects*".

This volatile economic environment and the likely impact on the level of economic activity in Abu Dhabi and the UAE is expected to continue to have an adverse effect on the Group's credit risk profile. Although the Group regularly reviews its credit exposures and has re-priced a portion of its credit portfolio and restructured some of its credit-impaired loans, advances and Islamic financing, customer defaults may continue to occur. The occurrence of these events has affected, and could continue to materially adversely affect, the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

As at 30 September 2023, the Group had NPLs of AED 19.2 billion and, for the nine months ended 30 September 2023, carried impairment allowances of AED 18.6 billion. In accordance with IFRS, the Group is required to reflect the impairment calculated (which is established based on its best estimates of recoveries and judgments leading to calculation of probable losses) as an upfront charge to the statement of profit or loss. This is written back to the statement of profit or loss as and when interest or principal (as appropriate) on the debt is received. The Group's management believes that the levels of impairment allowances for impaired loans, advances and Islamic financing as at 30 September 2023 were sufficient to cover the Group's potential credit losses as at that date. However, there is no guarantee that the impairment charge recognised by the Group will be sufficient to cover its actual credit losses. As at 30 September 2023, the Group had a provision coverage ratio of 97 per cent.



The Group regularly reviews and monitors compliance with lending limits to individual financial institutions and country limits. See further "*Risk Management*". Further, the Group Credit Committee is responsible for the formulation of credit policies and processes in line with growth, risk management and strategic objectives and FAB's management believes that the systems in place to implement the Group's restructuring of loans, advances and Islamic financing and impairment allowances are adequate as at each reporting date. This may thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

If the Group fails to appropriately restructure or monitor and control the levels of, and adequately provide for, its impaired loans and loans under stress, the Group may need to make further impairment charges and its business, results of operations, financial condition and prospects could be materially adversely affected.

*The Group's loan and investment portfolios and deposit base are concentrated by geography, sector and client*

The Group's credit and investment portfolios are concentrated, geographically, in the UAE. As a result, any deterioration in general economic conditions in the UAE or any failure of the Group to effectively manage its geographic, sectoral and client risk concentrations could have a material adverse effect on its business, results of operations, financial condition and prospects which could, thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

Together, the Group's loans, advances and Islamic financing and investment securities portfolios (investment securities portfolio is defined as Investments at fair value through profit or loss, Non trading investment securities and Investment in associates) (net of provisions) totalled AED 693.2 billion, or 58.4 per cent. of its total assets, as at 30 September 2023. Of the Group's total gross loans, advances and Islamic financing extended to customers as at 30 September 2023, real estate accounted for 17.4 per cent., personal loans and credit cards accounted for 10.2 per cent. and energy accounted for 7.4 per cent.

The Group's investment securities portfolio comprised AED 171.1 billion (or 79.6 per cent.) non-trading investments as at 30 September 2023. The Group's non-trading debt investments portfolio has significant exposure to the Middle East and North Africa ("**MENA**") region issuers which are principally government and public sector entities. As at 30 September 2023, the Group's non-trading investment securities portfolio had an exposure of AED 27.8 billion (or 16.3 per cent.) to the UAE while exposure to the GCC, excluding the UAE, was AED 29.9 billion (or 17.5 per cent.).

Further, the majority of the population in the UAE is comprised of non-nationals who require a renewable work permit sponsored by their employer to work and reside in the UAE. Therefore, a significant portion of the Group's customer base and retail portfolio is comprised of UAE-based expatriates. FAB is exposed to a "skip risk" that such customers may leave the UAE without making repayments on their loans. Although the Group takes overseas enforcement action against "skip" borrowers in certain countries, regularly reviews its credit exposures and has in place systems for assessing the financial condition and creditworthiness of its debtors, its failure to do so accurately or effectively may result in an increase in the rate of default for the Group's credit portfolio, which could have a material adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*A substantial increase in new impairment allowances or credit losses greater than the level of previously recorded impairment allowances for credit losses would adversely affect FAB's results of operations and financial condition*

In connection with lending activities, FAB periodically establishes impairment allowances for credit losses, which are recorded in its statement of profit or loss. FAB's overall level of impairment allowances is based upon its assessment of prior loss experience along with expected credit loss, which takes into account the volume and type of financing being conducted, collateral held, industry standards, past due financing, economic conditions and other factors related to the recoverability of various financial assets. Although the Group endeavours to establish an appropriate level of impairment allowances based on its best estimate of the amount of incurred credit loss, it might be possible, for example, due to economic stress situations or changes in the regulatory environment, that the Group has to significantly increase its impairment allowances for credit losses. Any significant increase in impairment allowances or a significant change in the Group's estimate of the risk of credit loss inherent in its credit portfolio, as well as the occurrence of credit losses in excess of the impairment allowances allocated with respect thereto, would have an adverse

effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an 'expected credit loss' model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. See further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Provisions for loan losses*" and "*The United Arab Emirates Banking Sector and Regulations – COVID-19*".

Any mandatory change to the Group's impairment calculation models imposed as a result of further accounting standards or regulatory changes may adversely impact impairment allowances established by the Group which would have an adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The Group may be materially adversely affected by a loss of business from key clients that represent a significant portion of its net operating income*

The Group generates a significant proportion of its net operating income from certain key clients, including Government-controlled and Government-related entities, members of the ruling family of Abu Dhabi and other high net worth individuals (including the controlled/affiliated entities of these individuals). The loss of all or a substantial portion of the business provided by one or more of these clients could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

In addition, the financial condition and ongoing profitability of Government-controlled or Government-related entities largely depends upon Government spending and policy. Therefore, the Group is exposed to shifts in Governmental spending and policy and its impact on the level of economic activity in Abu Dhabi and the UAE over which it has no control and the effect of such shifts on the Group may be difficult to predict. See further "*– Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect FAB's business, results of operations, financial condition and prospects*".

The Group's failure to adequately foresee and assess such shifts may have an adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

### ***Liquidity risks***

Liquidity risk is the risk that the Group will be unable to meet the payment obligations associated with its financial liabilities when they fall due and/or replace funds when they are withdrawn. Liquidity risks could materially adversely affect the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. Some of the liquidity risks facing the Group are set out below.

*The Group's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations*

If the Group's cash flow from its operations is not sufficient to meet its short- and medium-term contractual and contingent payment obligations coming due, it could experience liquidity issues. Such liquidity issues could occur if the Group's available liquidity is not sufficient to enable it to service its debt, fulfil loan commitments or meet other on or off-balance sheet payment obligations on specific dates, even if the Group continues to receive new deposits from customers, proceeds from new financings or its future revenue streams. Such liquidity issues could also arise if there is an unexpected outflow of customer accounts and other deposits, if there is a material decline in the value of the Group's liquid securities portfolio or if the Group is unable to secure short-term funding at commercially acceptable rates to bridge this funding gap.

The Group Assets and Liability Committee sets and monitors liquidity ratios and regularly updates the Group's liquidity management policies and seeks to ensure that the Group is in a position to meet its obligations as they fall due. See further "*Risk Management*". Further, the Group conducts analysis of maturities of assets and liabilities on a periodic basis to determine its ongoing funding needs and to ensure adequate liquidity is maintained across the defined time horizon. The Group Risk Committee receives

regular updates on the Group's liquidity under both normal and stressed market conditions, as well as developing strategies to ensure liquidity is available for defined time horizons under stress scenarios. As at 30 September 2023, the Group had cash and balances with central banks of AED 268.2 billion.

The UAE Central Bank adopted a policy of a gradual, phased introduction of the capital and liquidity standards for credit institutions, approved by the Basel Committee on Banking Supervision (the "**Basel Committee**") in response to the 2008 global financial crisis ("**Basel III**"). As part of this gradual introduction of Basel III in the UAE, the UAE Central Bank informed certain banks in the UAE that they are obliged to report the Basel III Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**") to the UAE Central Bank.

The LCR is a metric introduced by the Basel Committee as part of Basel III to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking a financial institution's stock of unencumbered high-quality liquid assets ("**HQLAs**") – which include low-risk, highly marketable asset classes, designed to provide significant sources of liquidity in such a stress scenario – and dividing it by its projected net cash outflows over the immediately following 30-day period. The LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. Basel III requires that the minimum value of the ratio is 100 per cent. (i.e., an institution's stock of HQLAs should at least equal total net cash outflows) while the UAE Central Bank introduced LCR for the relevant UAE banks in a phased manner, setting an initial benchmark of 60 per cent. upon commencement of LCR compliance, increasing to 100 per cent. as of 1 January 2019. As at 30 September 2023, the Group held a portfolio of HQLAs valued at AED 420.68 billion and had a LCR of 146 per cent.

By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, FAB may be at a competitive disadvantage to its peer UAE-based financial institutions who are not required to monitor liquidity through LCR which may have a material adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The Group maintains short-term demand and time deposits as sources of funding for medium- and long-term assets, which results in a contractual asset-liability maturity gap*

In common with other banks in the UAE, the Group's liabilities include short-term demand and time deposits. A portion of the Group's short-term demand and time deposits fund assets that are medium to long-term (such as loans and mortgages). Mismatches between the maturities of the Group's assets and liabilities could lead to liquidity risk if the Group is incapable of rolling over existing deposits, raising new deposits or obtaining alternative sources of funding for the existing or future credit portfolio or if the cost of obtaining these deposits or funding differs from market prices.

Although the Group has accessed wholesale funding markets (through bilateral or syndicated borrowings and international bond markets) in order to diversify and increase the maturity of its funding sources, such borrowings have not eliminated contractual asset-liability maturity gaps.

If a substantial portion of the Group's depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, or the Group fails to refinance some of its large short- to medium-term borrowings, the Group may need to access more expensive sources to meet its funding requirements. No assurance can be given that the Group will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Group's inability to refinance or replace such deposits with alternative funding could materially adversely affect the Group's liquidity, business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The Group has significant off-balance sheet credit-related commitments that may lead to potential losses*

As part of its normal banking business, the Group issues revocable and irrevocable commitments to extend credit, guarantees, letters of credit and other financial facilities and makes commitments to invest in securities before such commitments have been fully funded. All of these are accounted for off-balance sheet until such time as they are actually funded or cancelled. Although these commitments are contingent and therefore off-balance sheet, they nonetheless subject the Group to related credit, liquidity and market risks. Credit-related commitments are subject to the same credit approval terms and compliance procedures as

loans, advances and Islamic financing extended to customers, and commitments to extend credit are contingent on customers maintaining required credit standards. Although the Group anticipates that not all of its obligations in respect of these commitments will be triggered, it may have to make payments in respect of a substantial portion of such commitments, which could have a material adverse effect on its financial position, and in particular its liquidity position and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. As at 30 September 2023, the Group had AED 230.3 billion in such contingent liabilities.

### ***Market risks***

The Group's business exposes it to market risk, which is the risk that changes in market prices, such as interest rates, equity prices, commodity prices, foreign exchange rates and credit spreads will affect the Group's income or the fair value of its holdings of financial instruments. Market risks could adversely affect the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. Some of the market risks facing the Group are set out below.

*Changes in interest rate levels may affect the Group's net interest margins and borrowing costs, and the value of assets sensitive to interest rates and spread changes may be adversely affected*

The Group's operations are affected by, among other factors, fluctuations in interest rates. In particular, the Group's activities depend on the Group's interest rate risk management, as well as the connections between market rates and interest margins. The Group's net interest income largely depends on the level of the Group's interest-bearing assets and liabilities, as well as the average interest rate on interest-bearing assets and liabilities.

Any shortage of liquidity in markets that are sources of funding for the Group could contribute to an increase in the Group's marginal borrowing costs. Similarly, any increase or changes in benchmark reference rates could also affect the value of certain assets that are sensitive to changes in applicable interest rates.

A fundamental reform of major interest rate benchmarks is being undertaken globally, replacing some interbank offered rates ("**IBORs**") with alternative risk-free benchmark reference rates. The Group had significant exposure to certain IBORs on its financial instruments which have been reformed as part of these market-wide initiatives. As at 30 September 2023, IBOR reform in respect of currencies to which the Group had exposure has been completed (see Note 3 (*Significant accounting policies*) to the Interim Financial Information). In line with the regulatory guidance, the Group has successfully transitioned all London Interbank Offered Rate ("**LIBOR**") products to suitable alternatives or to synthetic LIBOR, where applicable. While synthetic LIBOR is being used temporarily for certain products, FAB is actively working on transitioning these to their permanent risk-free rate alternatives prior to the expiration of synthetic LIBOR.

Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, such as the UAE Central Bank and the U.S. Federal Reserve, political factors and domestic and international economic conditions (see further "*Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect the Group's business, results of operations, financial condition and prospects*").

If benchmark reference rates rise, the interest payable on the Group's floating rate borrowings increases. Additionally, in a rising interest rate environment, the Group's interest expense can increase significantly as a result of the higher interest rates payable on the Group's existing time deposits. The Group's marginal cost of funding may increase as a result of a variety of factors, including the deterioration of conditions in the financial markets or the loss of confidence by and between financial institutions. If benchmark reference rates lower, the Group's ability to price its current and saving account deposits and time deposits at a rate lower than the benchmark reference rate may be adversely impacted. As a result, the Group's marginal cost of funding compared to benchmark reference rates may increase. If the Group fails to pass on such changes in funding cost to its customers in a timely manner or at all due to market, competitive or other conditions, such changes in funding cost could have a material adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*Changes in equity and debt securities prices may affect the values of the Group's investment portfolios*

The Group holds investment securities. Instability in the international debt and equity capital markets could have a material adverse impact on the Group's investment portfolios. As at each reporting period, the Group records: (a) realised gains or losses on the sale of any investment securities; (b) unrealised fair value gains or losses in respect of any investment securities as at the end of the period on a mark to market basis; and (c) impairment where there is a credit detrition and are measured on a probability weighted estimate basis.

The amounts of such gains and losses may fluctuate considerably from period to period. The level of fluctuation depends, in part, upon the market value of the securities, which in turn may vary considerably, and the Group's investment policies. FAB cannot predict the amount of realised or unrealised gain or loss for any future period, and variations from period to period are not indicative of future performance. Gains on the Group's investment portfolio may not continue to contribute to net income at levels consistent with those from recent periods or at all.

Any decrease in realised or unrealised investment gains, or increase in realised or unrealised investment losses, in the value of the Group's investment portfolios could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

***Operational risks***

The Group defines operational risk as the risk of loss from inadequate or failed internal processes, people, systems or external events. Operational risks and losses may arise from various causes such as fraud, error by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, the failure of internal systems, equipment and external systems and the occurrence of natural disasters. Although the Group has implemented comprehensive risk controls and loss mitigation strategies and substantial resources are devoted to developing efficient procedures, it is not possible to eliminate any of the operational risks entirely, which could have a material adverse effect on its financial condition and results of operations and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. Some of the operational risks facing the Group are set out below.

*The Group's risk management policies and internal controls may not be effective in all circumstances and may leave it exposed to unidentified or unanticipated risks, which could result in material losses*

In the course of its business activities, the Group is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk and operational risk. See further "*Risk Management*". Investors should note that any failure to adequately control these risks could result in material adverse effects on the Group's business, results of operations, financial condition and prospects, as well as its general reputation in the market and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

The Group's risk management techniques may not be fully effective or consistently implemented in mitigating its exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some of the Group's methods of managing risk are based upon its use of historical market behaviour which, as evidenced by events caused by the global financial crisis and global macro-economic volatility in more recent times, may not always accurately predict future risk exposures and could be significantly greater than such historical measures indicate. Other risk management practices, including "know your client" ("**KYC**") practices, depend upon evaluation of information regarding the markets in which the Group operates, its clients or other matters that are publicly available or information otherwise accessible to the Group.

There is a lack of publicly available information and financial data regarding debtors' credit and payment histories in the GCC (primarily due to borrowers' limited credit histories and inability (and, in certain cases, unwillingness) to provide the quality and quantity of information sought by lenders and the fact that credit bureaus in the UAE are in their infancy). Although the establishment of the Al Etihad Credit Bureau has improved the quality of credit information available to UAE banks, the credit bureau remains in a developing stage. See further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Establishing a credit bureau in the UAE*". Accordingly, the Group, in common with other

UAE banks, is frequently required to make risk management assessments in the absence of the quality and quantity of information available to lenders in other, more developed markets.

As such practices are less developed in the GCC than they are in other markets and may not have been consistently and thoroughly implemented in the past, this information may not be accurate, complete, up-to-date or properly evaluated in all cases.

There can be no assurance that the Group's risk management and internal control policies and procedures will fully control, or protect the Group against, all credit, liquidity, market and other risks. In addition, certain risks could be greater than the Group's empirical data would otherwise indicate. The Group also cannot give assurance that all of its staff have adhered, or will adhere, to its risk policies and procedures. Any material deficiency in the Group's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*If the Group is unable to retain key members of its senior management and/or remove underperforming staff and/or hire new qualified personnel in a timely manner, this could have an adverse effect on the business of the Group*

The Group's ability to maintain and grow its business will depend, in part, on its ability to continue to recruit, retain and ensure the performance and contribution of qualified and experienced financial services and leadership personnel. In common with other banks in the UAE, the Group can experience a shortage of qualified employees residing in the UAE, which may require it to recruit from outside the UAE. In addition, even after hiring its employees, the Group may face challenges in retaining such employees due to the continued recruitment efforts of its competitors.

Additionally, with the strong growth that the Group has continued to deliver post-Merger, the Group may need to continue to increase its number of employees. The Group is guided in its human resources ("HR") decisions by the UAE federal government's recommended policy that companies operating in the UAE recruit UAE nationals in accordance with the target set by the UAE Central Bank's nationalisation directive.

While the Group believes that it has effective staff recruitment, retention, development and rewards programmes in place, its failure to recruit, train and/or retain necessary personnel or the shortage of qualified UAE nationals or other nationals prepared to relocate to the UAE, could have a material adverse effect on its business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The Group's business is dependent on its information and technology systems which are subject to potential cyber-attack*

In common with other financial institutions based in the GCC and elsewhere in the world, cyber-security has become an increasingly important consideration for financial institutions. The quantity of sensitive financial and personal identifiable information stored by financial institutions globally makes them potential targets of cyber-attacks. In common with other financial institutions, the Group recognises the need to protect itself from the threat to security of its information and customer data from cyber-attacks. Risks to technology and information systems change rapidly and require continued focus and investment and the Group acts accordingly and takes appropriate steps on an ongoing basis to combat such threats and minimise such risks by implementing cyber-security controls. Given the increasing sophistication and scope of potential cyber-attacks, it is however possible that future attacks may lead to significant breaches of security. To actively pre-empt this, the Group has implemented defence in depth security architecture with a variety of preventative and detective technical security controls, which are periodically reviewed and assessed, both internally and externally. However, failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could adversely affect the Group's reputation, business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

### ***Regulatory risks***

Regulatory risk is the risk of loss or reputational damage resulting from an inability to maintain compliance with the prudential and regulatory controls established in the jurisdictions in which the Group operates.

Regulatory risks could adversely affect the Group's business, results of operations and financial condition and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. Some of the regulatory risks currently facing the Group are set out below.

*The Group is highly regulated and changes to applicable laws or regulations, the interpretation or enforcement of such laws or regulations or the failure to comply with such laws or regulations could have an adverse impact on the Group's business*

The Group is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic, social and other objectives and limit their exposure to risk. See further "*The United Arab Emirates Banking Sector and Regulations*". These regulations include UAE federal laws and regulations (particularly those of the UAE federal government and the UAE Central Bank), as well as the laws and regulations of the other countries in which the Group operates. In particular (but without limitation), the Group is subject to restrictions on credit limits in respect of real estate and construction financing, major shareholders or to a single customer (based on the Group's customer deposits and/or capital and reserves as prescribed by the UAE Central Bank).

Such regulations may limit the Group's ability to increase its credit portfolio or raise capital or may increase the Group's cost of doing business. Any further changes in laws or in central bank regulations or policy and/or the manner in which they are interpreted or enforced may affect the Group's reserves, revenues and performance and may have a material adverse effect on the Group's business, results of operations, financial condition and prospects, including its ability to compete successfully in the geographies in which it operates and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party. Furthermore, non-compliance with regulatory guidelines could expose the Group to potential liabilities and fines. Although the Group works closely with its regulators and continually monitors compliance with central bank regulations and policy (particularly the UAE Central Bank), future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

*If the Group fails to comply with applicable anti-money laundering, counter-terrorism financing, proliferation financing sanctions and other related regulations, it could face enforcement actions, fines and/or damage to its reputation*

In order to carry out and expand its businesses, it is necessary for the Group to maintain or obtain a variety of licences, permits, approvals and consents from various regulatory, legal, administrative, tax and other governmental authorities and agencies. The processes for obtaining these licences, permits, approvals and consents are often lengthy, complex, unpredictable and costly. If the Group is unable to maintain or obtain the relevant licences, permits, approvals and consents, its ability to achieve its strategic objectives could be impaired.

The Group is also required to comply with applicable anti-money laundering ("AML") and counter-terrorism financing ("CTF") laws, economic and trade sanctions, anti-bribery and corruption ("ABC"), and other local regulations in the jurisdictions in which it operates, including sanctions administered, enacted or enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury, the United Nations Security Council ("UNSC"), the European Union and His Majesty's Treasury of the United Kingdom, applicable local sanctions, and anti-corruption laws in the jurisdictions in which it conducts business.

These laws and regulations require the Group, among other things, to adopt and enforce KYC policies and procedures, to report suspicious activities and transactions to the applicable regulatory authorities and to freeze assets of persons designated by UNSC and/or local regulator where applicable.

The Group has established a Financial Crime Compliance program including but not limited to AML and CTF (KYC, transaction monitoring and suspicious transaction reporting), Sanctions and ABC policies and procedures and reviews them regularly in light of any relevant regulatory and market developments.

To the extent that the Group fails or is perceived to fail to fully comply with applicable laws and regulations, the relevant government agencies have the power and authority to commence enforcement actions against the Group and/or impose fines and other penalties on the Group.

Furthermore, the UAE has committed to address strategic deficiencies in its AML and CTF regimes and is working with the Financial Action Task Force ("FATF"), an inter-governmental body which sets international standards for AML and CTF compliance, to identify and resolve such issues swiftly. Although

the Group continually monitors compliance with regulatory and market standards regarding AML and CTF, the Group's business and reputation could suffer if the UAE's AML and CTF regulations and policies are seen to fall short of international standards.

In addition, the Group's business and reputation could suffer if customers use the Group's products and services for money laundering, sanctions evasion activities or other illegal purposes. As a result, any such failure to adhere to applicable AML, CTF, ABC, sanctions and other related laws and regulations may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

### ***Risks relating to the UAE and the Middle East***

#### *The UAE's economy is highly dependent upon its oil revenue*

The UAE's economy, and the economy of Abu Dhabi in particular, is highly dependent upon oil revenue. While Abu Dhabi is actively promoting tourism and real estate and undertaking several large-scale development projects, the hydrocarbon sector (mining and quarrying, including crude oil and natural gas) dominates Abu Dhabi's economy and contributed approximately 34.1 per cent. to Abu Dhabi's nominal gross domestic product ("**GDP**") in 2017, 41.7 per cent. in 2018 and (as a preliminary estimate) 40.8 per cent. in 2019 (*source*: Abu Dhabi Statistics Centre (the "**Statistics Centre**") Statistical Yearbook 2020).

The Group has historically received significant funding and other support from the Government and the UAE federal government. In the case of the Government, such funding and other support has been largely derived from the Government's significant oil revenues.

According to OPEC data, as at 31 December 2022, the UAE had approximately 7.2 per cent. of the world's proven crude oil reserves (giving it the fifth largest oil reserves in the world) (*source*: OPEC Annual Statistical Bulletin 2023) while, according to preliminary data produced by the Federal Competitiveness and Statistics Centre (the "**FCSA**"), the hydrocarbon sector (mining and quarrying, including crude oil and natural gas) accounted for 17.2 per cent. of the UAE's nominal GDP in 2020 and crude oil revenues accounted for 41.4 per cent. of total public revenues in 2020. According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. See further "*Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect the Group's business, results of operations and financial condition*" above.

With this backdrop, oil prices are expected to continue to fluctuate in the future in response to changes in many factors over which the Group has no control. Factors that may affect the price of oil include, but are not limited to:

- (in the near- to medium-term) the effect of COVID-19 and the efficacy and availability of COVID-19 vaccines on global economic activity and the demand for oil and gas;
- economic and political developments in oil producing regions, particularly in the Middle East;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil products;
- 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 regulations designed to reduce carbon emissions;
- other actions taken by major crude oil producing or consuming countries;
- prices and availability of alternative fuels, global economic and political conditions, prices and availability of new technologies using alternative fuels; and
- global weather and environmental conditions.



If the international prices for hydrocarbon products were to materially fall from their current levels and remain there for a significant period of time into the future this could have a material adverse effect on the UAE's economy which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The Group is subject to political and economic conditions in Abu Dhabi, the UAE and the Middle East*

The majority of the Group's current operations and interests are located in the UAE. The Group's results of operations are, and will continue to be, generally affected by financial, economic and political developments in or affecting Abu Dhabi, the UAE and the Middle East and, in particular, by the level of economic activity in Abu Dhabi, the UAE and the Middle East which, in turn, is affected by the prevailing level of global crude oil prices. It is not possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of such occurrences, and no assurance can be given that FAB would be able to sustain the operation of its business if adverse political events or circumstances were to occur. A general downturn or instability in certain sectors of the UAE or the regional economy could have an adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments both within and outside the Middle East because of interrelationships within the global financial markets. In addition, the implementation by the Government or the UAE federal government of restrictive fiscal or monetary policies or regulations, including changes with respect to interest rates, new legal interpretations of existing regulations or the introduction of a broad taxation regime (extending beyond VAT, which was introduced in the UAE with effect from 1 January 2018 and the corporate income tax that came into effect on 1 June 2023) or exchange controls could have a material adverse effect on the Group's business, financial condition and results of operations and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in many of the MENA region countries, including Libya, Lebanon, the Republic of Yemen, the Republic of Iraq (Kurdistan), Syria and Palestine.

FAB is in the process of closing its Qatar branch. In Libya, FAB has a 50:50 investment in First Gulf Libyan Bank, with the Economic and Social Development Fund of Libya.

These situations have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on the UAE.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the Middle East and, in particular, could impact the numbers of tourists that choose to visit the UAE and the number of businesses interested in doing business in the UAE and, consequently, could have an adverse effect on the Group's business, results of operations, financial condition and prospects, and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*Neither the Government nor the UAE federal government is under any obligation to continue to invest in or otherwise engage in business with FAB and either or both may alter their respective relationships with FAB at any time and for any reason*

As at the date of this Base Prospectus, FAB's principal shareholder is the Government, which indirectly holds approximately 37.9 per cent. of the issued and outstanding shares of FAB through the wholly-owned

Mubadala Investment Company ("MIC").<sup>1</sup>

The Government was instrumental in the founding of NBAD and in supporting the Merger, with each of NBAD and FGB maintaining very strong working relationships with the Government and Government-related entities. For example, during the period between 2008 and 2009, the Government (through its purchase of Tier 1 notes issued by each of NBAD and FGB) provided a total of AED 4.0 billion in Tier 1 capital to each of NBAD and FGB. Despite the Government's and the UAE federal government's past investments in and deposits with the Group and its predecessor entities and funding support, neither the Government nor the UAE federal government are under any obligation to continue to invest in, make deposits with, do business with or otherwise support the Group. The Government and the UAE federal government may, whether directly or through government-owned entities, at any time and for any reason, dispose of its investments in, withdraw its deposits from, cease to do business with or otherwise cease to support the Group. The reduction or elimination of government support could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The interests of FAB's largest shareholder may conflict with the commercial interests of FAB, which may also conflict with the interests of the Certificateholders*

By virtue of the Government's ownership interest in FAB's share capital, the Government has the ability to block actions or resolutions proposed at FAB's annual or extraordinary general meetings. Accordingly, the Government could prevent FAB from pursuing transactions, making dividend payments or other distributions or payments to shareholders or undertaking other actions, which may be contrary to the commercial interests of FAB. Such actions could have a material adverse effect on the Group's business, results or operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*The increasingly competitive environment in the UAE banking industry may adversely affect FAB's business and results of operations*

The Group faces competition within the UAE for all of its products and services. The Group competes primarily with a large number of other domestic banks in the UAE, some of which are also owned, directly or indirectly, by the governments of the relevant Emirates, government-related entities or members of the ruling families of the relevant Emirates. As at 30 September 2023, there were a total of 50 commercial banks registered in the UAE (*source*: UAE Central Bank Monthly Statistical Bulletin September 2023). The Group's main domestic competitors in terms of size of banking franchise and product and customer segments are Abu Dhabi Commercial Bank PJSC, Abu Dhabi Islamic Bank PJSC, Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, HSBC Bank plc, Mashreqbank psc and Standard Chartered Bank. In the UAE market, as at 30 September 2023, and according to the Interim Financial Information and the publicly available financial statements of the Group's main domestic competitors for the nine months ended 30 September 2023, the Group is the largest bank in the UAE by total assets. There can be no assurance that FAB will be able to maintain its current market share in the future.

In addition to the local commercial banks in the UAE, the Group competes with a number of international banks in investment advisory, investment banking, corporate advisory, finance and other services. In the large corporate and government client segments, the Group faces competition from international banks and such competition is expected to increase in the UAE over time. Although the Group seeks to cooperate with some of the top-tier international banks, especially in securities underwriting and distribution, it will also compete with them in other areas, particularly in corporate advisory and treasury operations in which these banks have a long history of successful operations in other regions.

Further, the UAE could be viewed as an over-banked market, even by regional standards, with 50 different commercial banks (comprising 22 locally incorporated commercial banks and 28 foreign commercial banks) licensed to operate inside the UAE as at 30 September 2023 (excluding the DIFC) (*source*: UAE Central Bank Monthly Statistical Bulletin September 2023), serving a population estimated to be in the region of approximately 9.9 million people at the end of 2022 (*source*: OPEC Annual Statistical Bulletin

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<sup>1</sup> With effect from September 2021, MIC holds FAB's shares through One Hundred and Fifteenth Investment Company – Sole Proprietorship L.L.C. (which is a wholly-owned subsidiary of MIC). Prior to September 2021, MIC held FAB's shares through ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC) (each of which was a wholly-owned subsidiary of MIC).

2023). There has traditionally been little impetus for consolidation. However, the Merger has stimulated further movement towards greater consolidation amongst UAE banks. This has already been observed in the three-way merger between Abu Dhabi Commercial Bank PJSC, Al Hilal Bank P.J.S.C. and Union National Bank P.J.S.C. which was completed on 1 May 2019. In addition, in January 2020, Dubai Islamic Bank PJSC completed the acquisition of Noor Bank PJSC. While such continued consolidation would increase the level of concentration in the domestic banking sector, it would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as information technology ("IT") system development. See further *"The United Arab Emirates Banking Sector and Regulations – Characteristics of the banking system – Historic lack of consolidation"*.

If the Group is unable to compete successfully, it could adversely impact the Group's business, results of operations, financial condition and prospects and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

*A negative change in FAB's credit rating could limit its ability to raise funding and may increase its borrowing costs*

FAB has a long-term foreign currency issuer default rating of AA- with stable outlook from Fitch, a long-term bank deposits rating of Aa3 with stable outlook from Moody's and an issuer credit rating of AA- with stable outlook from S&P. These ratings, which are intended to measure FAB's ability to meet its debt obligations as they mature, are an important factor in determining the Group's cost of borrowing funds.

There is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be lowered or withdrawn entirely if circumstances in the future so warrant. A downgrade of FAB's credit ratings, or a negative change in their outlook, may:

- limit the Group's ability to raise funding;
- increase the Group's cost of borrowing; and
- limit the Group's ability to raise capital,

each of which could adversely affect its business, financial condition and results of operations. Moreover, actual or anticipated changes in FAB's credit rating may affect the market value of any Certificates issued under the Programme.

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

*Any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham or other regional currencies at a fixed exchange rate to the U.S. dollar will expose FAB to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies*

The Group maintains its accounts, and reports its results, in UAE dirham. The UAE dirham has been pegged to the U.S. dollar since 22 November 1980 and remains pegged as at the date of this Base Prospectus. Additionally, the following oil producing GCC countries have their currencies pegged to the U.S. dollar as at the date of this Base Prospectus: Saudi Arabia; Oman; Bahrain; and Qatar. In response to the volatility of oil prices internationally through 2015, oil producing countries with currencies that had been traditionally pegged to the U.S. dollar, faced pressure to de-peg and, in certain cases, did de-peg their currencies. For example, Kazakhstan de-pegged the Kazakhstani tenge from the U.S. dollar on 20 August 2015, which was followed on 21 December 2015 by the removal of the U.S. dollar peg against the Azerbaijani manat.

There is a risk that additional countries may choose to unwind their existing currency peg to the U.S. dollar, both in the GCC and the wider region. While the long-term impacts of such actions are uncertain, it is likely that any such de-pegged currency would face a de-valuation against the U.S. dollar immediately post-removal of the peg. Given the levels of exposure amongst regional financial institutions to other pegged currencies, it is also likely that such currency de-valuation(s) would pose a systemic risk to the regional

banking systems in the UAE and across the wider GCC, thereby impacting the open cross-currency positions held by regional banks, including FAB.

While the UAE Central Bank has re-iterated its intention to retain the UAE dirham peg against the U.S. dollar, there can be no assurance that the UAE dirham will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that adversely affects the Group's result of operations and financial condition. Additionally, any such de-pegging either in the UAE or across the wider region, particularly if such de-pegging is accompanied by the anticipated currency de-valuations against the U.S. dollar (as described above), could have an adverse effect on the Group's business, results of operations, financial condition and prospects, and thereby affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

#### *Tax changes in the GCC may have an adverse effect on the Group*

As at the date of this Base Prospectus, FAB is not currently subject to corporation tax (or any other analogous UAE direct tax) on its earnings within the UAE. However, on 31 January 2022, the UAE Ministry of Finance announced the introduction of a CIT on business profits, which will come into effect for accounting periods beginning on or after 1 June 2023. Thus, the CIT would apply to FAB from 1 January 2024.

Investors should be aware that with effect from 1 January 2018, certain of the GCC states (including the UAE and the Kingdom of Saudi Arabia) have implemented a VAT regime at a rate of 5 per cent. The Kingdom of Saudi Arabia increased the rate to 15 per cent. effective from 1 July 2020. Bahrain joined the GCC VAT regime on 1 January 2019 and Oman implemented VAT on 16 April 2021. Qatar and Kuwait are expected to introduce VAT in the near future.

The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017) and, on 28 November 2017, the UAE Ministry of Finance published accompanying VAT implementing regulations.

On 11 May 2020, the UAE Ministry of Finance stated that there were no immediate plans to increase the rate of VAT in the UAE.

The above position might be also affected following introduction by the Organization for Economic Cooperation and Development ("**OECD**") of the Pillar 2 model rules (the Global Anti-Base Erosion Proposal, or "**GloBE**"). The Group is within the rules' scope and required to calculate their GloBE effective tax rate for each jurisdiction where they operate. In principle, the ultimate parent entity of a multinational group would be liable for any top-up tax in respect of low-taxed jurisdictions (i.e., jurisdictions with an effective tax rate below 15 per cent.) and such top-up tax would be payable to the local tax authorities in the jurisdiction of the ultimate parent entity. These Pillar 2 rules are intended to be implemented as part of a common approach, as agreed by the OECD, and were to be brought into domestic legislation by various countries from 2023. The UAE is working to implement Pillar 2 proposals and further announcements on how these rules will be embedded into UAE corporate income tax regime will be made in due course.

The implementation of tax regimes or the amendment of existing tax regimes in the GCC may have a material adverse effect on the Group's business, results of operations and financial condition, which in turn could affect FAB's ability to perform its obligations in respect of the Transaction Documents to which it is a party.

#### **Risks factors relating to the Wakala Assets**

##### ***Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Declaration of Trust***

The Bank has undertaking in the Purchase Undertaking and the Master Declaration of Trust that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, First Abu Dhabi Bank PJSC remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets, as the case may be; and

- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (a) and (b) as described above, if the Bank fails to pay the Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 15 (*Dissolution Events*) and the terms of the Master Declaration of Trust, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Declaration of Trust against the Bank by commencing arbitral or legal proceedings.

However, investors should note that, in the event that First Abu Dhabi Bank PJSC does not remain in actual or constructive possession, custody or control of, all or any part of the relevant Wakala Assets at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking (for any reason whatsoever, including, without limitation, it is not legally possible for First Abu Dhabi Bank PJSC so to maintain actual or constructive possession, custody or control in the view of a court), the condition in (a) as described above will not be satisfied and, therefore, no amounts will be payable by the Bank under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the the Trustee, the Dealers, the Delegate or the Agents as to whether First Abu Dhabi Bank PJSC has or will remain in actual or constructive possession, custody or control of any Wakala Assets.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Bank in order to prove for damages. Such breach of contract may be due to: (i) a breach by the Bank of the requirement to purchase the Trustee's rights, title, interest, benefits and entitlements in, to and under the relevant Wakala Assets on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by the Bank of its undertaking to maintain actual or constructive possession, custody or control of all of the Wakala Assets comprised in the Wakala Portfolio at all times during the Wakala Ownership Period, provided that (a) it is legally possible for the Bank so to maintain; and (b) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the relevant Exercise Price, Certificateholder Put Option Exercise Price or Tangibility Event Exercise Price, as the case may be, and in turn, the amount payable to the Certificateholders upon redemption.

### ***Ownership of the Wakala Assets***

In order to comply with the requirements of *Shari'a*, an ownership interest in the Wakala Assets comprised within the relevant Wakala Portfolio should pass to the Trustee under the relevant Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, the "**Purchase Agreement**"). The Trustee will declare a trust in respect of the Wakala Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust. Accordingly, from a *Shari'a* perspective, Certificateholders should, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Wakala Assets.

Limited investigation or enquiry will be made by the Dealers and limited due diligence will be conducted by the Dealers in respect of any Wakala Assets. No due diligence will be conducted by the Dealers (a) in respect of any Asset Contracts and whether the terms thereof prevent First Abu Dhabi Bank PJSC from maintaining actual or constructive possession, custody or control of the Wakala Assets or (b) whether it is legally possible for First Abu Dhabi Bank PJSC to maintain actual or constructive possession, custody or control of any Wakala Assets. The Wakala Assets will be selected by the Bank, and the Certificateholders,

the Trustee, the Dealers, the Delegate and the Agents will have no ability to influence such selection. Only limited representations will be obtained from the Bank in respect of the Wakala Assets. In particular, the precise terms of the Wakala Assets will not be known (including whether there are any restrictions on transfer or any further obligations required to be performed by the Bank to give effect to the transfer of the Wakala Assets). No steps are intended to be taken to perfect the legal transfer of the ownership interest (including registration, if necessary) in the Wakala Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof. Therefore, other than from a Shari'a perspective, Certificateholders shall not have any interest in any Wakala Assets which require perfection in order to legally transfer any ownership interest therein.

#### ***Transfer, possession, custody or control of the Wakala Assets***

Limited investigation has been or will be made by the Trustee, the Bank, the Arrangers, the Dealers or the Delegate as to whether any interest in any Wakala Assets may be transferred as a matter of the law governing the contracts (if any) underlying such Wakala Assets, the law of the jurisdiction where such assets are located or any other relevant law and no investigation has been or will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether the Bank is in actual or constructive possession, custody or control of any Wakala Assets. In addition, limited investigation will be made by the Trustee, the Bank, the Arrangers, the Dealers or the Delegate to determine if any Purchase Agreement will have the effect of transferring an interest in the relevant Wakala Assets.

#### ***The occurrence of a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates***

Following the occurrence of a Tangibility Event, the Certificateholders will be promptly notified that: (a) that a Tangibility Event has occurred; (b) that, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (c) that, on the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing; and (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates. Upon receipt of such notice, the Certificateholders may elect, within the Tangibility Event Put Option Period, for all or any of their Certificates to be redeemed in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates.

#### **Risk factors relating to the Certificates**

##### ***Absence of secondary market/limited liquidity***

There is no assurance that a secondary market for the Certificates of any Series will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of such Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Certificates.

An application has been made for the listing of the Certificates on the London Stock Exchange but there can be no assurance that any such listing will occur on or prior to the date of this Base Prospectus or at all, if it does occur, that it will enhance the liquidity of the Certificates.

Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

##### ***The Certificates are limited recourse obligations***

The Certificates are not debt obligations of the Trustee. Instead, each Certificate represents solely an undivided *pro rata* ownership interest in the relevant Trust Assets relating to that Series. Recourse to the Trustee is limited to the relevant Trust Assets of the relevant Series and the proceeds of the relevant Trust Assets of the relevant Series are the sole source of payments on the Certificates of that Series. Upon receipt by the Trustee of a Dissolution Notice in accordance with the terms of Condition 15 (*Dissolution Events*),

the sole rights of each of the Trustee and/or the Delegate (acting on behalf of the Certificateholders) as applicable, will be (subject to Condition 16 (*Enforcement and Exercise of Right*)) against the Bank to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will otherwise have no recourse to any assets of the Trustee (other than the Trust Assets) or the Delegate in respect of any shortfall in the expected amounts due on the Certificates. The Bank is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Trustee and/or the Delegate will have direct recourse against the Bank to recover such payments due to the Trustee pursuant to the Transaction Documents.

Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Bank shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

After enforcing the relevant Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 6(b) (*Trust – Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished.

#### ***The Certificates may be subject to early dissolution***

In certain circumstances, the Certificates may be subject to early dissolution. An early dissolution feature of any Certificate is likely to limit its market value. During any period when the Trustee may (acting on the instructions of the Bank) elect to redeem any Certificates, the market value of those Certificates generally will not rise substantially above the relevant Dissolution Amount payable. This also may be true prior to any dissolution period.

The Trustee may (acting on the instructions of the Bank) be expected to redeem the Certificates when the Bank's cost of financing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

#### ***Profit rate risks***

Investment in Fixed Rate Certificates involves the risk that if market interest or profit rates subsequently increase above the Profit Rate paid on the Fixed Rate Certificates, this will adversely affect the value of the Fixed Rate Certificates. Certificates with variable Profit Rates can be volatile investments. If they are structured to include caps or floors or a combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

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

Reference rates and indices which are deemed to be "benchmarks" are the subject of 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 Certificates referencing such a benchmark.

Regulation (EU) 2016/1011 (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 European Union (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 United Kingdom. Similarly, it prohibits the use in the United Kingdom by United Kingdom supervised entities of benchmarks of administrators that are not authorised

by the FCA or registered on the FCA register (or, if non-United Kingdom based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Certificates linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. 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.

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 Certificates linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk free rates recommended the new Euro short-term rate ("€STR") as the new risk free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The Conditions provide that, where the applicable Final Terms specifies that Condition 9(f)(1) (*Floating Periodic Distribution Provisions – Benchmark Replacement – Independent Adviser*) is applicable, there are certain fallback arrangements in the event that a Benchmark Event occurs, including if an original Reference Rate and/or any page on which an original Reference Rate may be published (or any other successor service) becomes unavailable, or a Benchmark Event otherwise occurs.

Such fallback arrangements include the possibility that the Profit Rate (or the relevant component part thereof) could be set by reference to a Successor Rate or an Alternative Reference Rate with or without the application of an Adjustment Spread and may include amendments to the Conditions, the Master Declaration of the Trust, and/or any other Transaction Document to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser acting in good faith and following consultation with the Trustee and the Bank, or the Bank (acting in good faith and in a commercially reasonable manner), as applicable, and without the requirement for the consent or sanction of Certificateholders. An Adjustment Spread, if applied, is (i) a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference 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 Reference Rate with the Successor Rate by any Relevant Nominating Body; or (ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and the Bank) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the original Reference Rate; or (iii) (if the Independent Adviser (following consultation with the Trustee and the Bank) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and the Bank) 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 Reference Rate, as the case may be; or (iv) (if the Independent Adviser (following consultation with the Trustee and the Bank) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and the Bank) or the Bank (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate. Accordingly, the application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Profit Rate) than they would do if the original Reference Rate were to continue to apply in its current form. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Profit Rate (or the relevant component part thereof). The use of a Successor Rate or Alternative Reference Rate (including with or without the application of an Adjustment Spread) may still result in any Certificates linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Profit Rate) than they would if the original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of the calculation of the Profit Rate (or the relevant component part thereof) for the relevant immediately following Return Accumulation Period may result in the Profit Rate (or the relevant component part thereof) for the last preceding Return Accumulation Period being used. This may result in the effective application of a fixed rate for Floating Rate Certificates based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Where the applicable Final Terms specifies that Condition 9(f)(2) (*Floating Periodic Distribution Provisions – Benchmark Replacement – ARRC*) is applicable, if the Trustee and the Bank determines that a Benchmark Transition Event and its related Benchmark Replacement Date has occurred, the then-current Benchmark will be replaced by a Benchmark Replacement (determined by the Trustee and the Bank in accordance with the Conditions) for all purposes relating to the relevant Certificates in respect of all determinations on such date and for all determinations on all subsequent dates. The Trustee and the Bank will have to exercise its discretion to determine (or to elect not to determine) a Benchmark Replacement and, if applicable, a Benchmark Replacement Adjustment, in a situation in which it is presented with a conflict of interest.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Certificates in making any investment decision with respect to any Certificates referencing a benchmark.

***The market continues to develop in relation to risk free rates (including overnight rates) which are possible reference rates for Floating Rate Certificates***

Investors should be aware that the market continues to develop in relation to risk free rates, such as SONIA, the Secured Overnight Financing Rate ("SOFR") and €STR, as reference rates in the capital markets for sterling, U.S. dollar or euro bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SOFR, SONIA and €STR reference rates (which seek to measure the market's forward expectation of an average SOFR, SONIA or €STR over a designated term). The continued development of risk free reference rates for the Eurobond markets, as well as the continued development of SOFR, SONIA and €STR based rates and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Certificates.

The substance of the calculation of, and the adoption of market infrastructure for the issuing and trading of Eurobonds referencing, SOFR, SONIA and €STR continues to develop. In particular, investors should be aware that several different SOFR methodologies have been used in securities referencing SOFR issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Conditions and used in relation to Floating Rate Certificates that reference a risk free rate issued under this Base Prospectus. The development of risk free rates for the Eurobond markets could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Certificates that reference a risk free rate issued under the Programme from time to time. In addition, the manner of adoption or application of risk free rates in the Eurobond markets may differ materially compared with the application and adoption of risk free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Certificates referencing such risk free rates.

Investors should consider these matters when making their investment decision with respect to any such Floating Rate Certificates.

***Risk free rates differ from interbank offered rates in a number of material respects and have a limited history***

Risk free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by, in most cases, being backwards looking, calculated on a compounded or weighted average basis and risk free overnight rates, whereas such interbank offered rates are generally expressed on the basis of a forward looking term and include a risk element based on interbank lending. As such, investors should be aware that interbank offered rates and any risk free rates may behave materially differently as reference rates for the Certificates.

Profit on Certificates which reference a backwards looking risk free rate is only capable of being determined immediately prior to or on the relevant Periodic Distribution Date. It may be difficult for investors in Certificates which reference such risk free rates to reliably estimate the amount of profit which will be payable on such Certificates and some investors may be unable or unwilling to trade such Certificates without changes to their IT systems, both of which could adversely impact the liquidity of such Certificates. Further, in contrast to Certificates referencing interbank offered rates, if the Certificates become due and payable as a result of a Dissolution Event under Condition 15 (*Dissolution Events*), the Profit Rate payable shall be determined on the date the Certificates became due and payable and shall not be reset thereafter. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Certificates.

The use of risk free rates as a reference rate for Eurobonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such risk free rates.

Certificates referencing risk free rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing such risk free rates, such as the spread over the index reflected in profit rate provisions, may evolve over time, and trading prices of such Certificates may be lower than those of subsequently issued indexed debt securities as a result. Further, if the relevant risk free rates do not prove to be widely used in securities like the Certificates, the trading price of such Certificates linked to such risk free rates may be lower than those of Certificates referencing indices that are more widely used. Investors in such Certificates may not be able to sell such Certificates at all or may not be able to sell such Certificates 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.

Investors should consider these matters when making their investment decision with respect to any Floating Rate Certificates.

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

The Bank of England, the Federal Reserve, the Bank of New York or the European Central Bank (or their respective successors), as administrators of SOFR, SONIA and €STR, respectively, may make methodological or other changes that could change the value of SOFR, SONIA or €STR, including changes

related to the method by which SOFR, SONIA or €STR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, SONIA or €STR, or timing related to the publication of SOFR, SONIA or €STR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR, SONIA or €STR (in which case a fallback method of determining the Profit Rate on the Certificates will apply). The administrator has no obligation to consider the interests of Certificateholders when calculating, adjusting, converting, revising or discontinuing SOFR, SONIA or €STR. Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, any Certificates which reference SOFR, SONIA or €STR.

***The use of proceeds of the Certificates of any Tranche identified as Sustainable Certificates in the applicable Final Terms may not meet investor expectations or requirements or be suitable for an investor's investment criteria***

The Bank has stated that it intends to use the net proceeds from the issue of the Certificates of each Tranche identified as Sustainable Certificates in the applicable Final Terms to fund, in whole or in part, Eligible Projects set out in the Sustainable Finance Framework. See "*Description of the Group – Sustainability Policy – Sustainable Finance Framework*".

The Bank will exercise its judgement and sole discretion in determining the businesses and projects that will be funded from the proceeds of Sustainable Certificates. If the use of the proceeds of Sustainable Certificates is a factor in any prospective investor's decision to invest in Sustainable Certificates, that investor should carefully consider the disclosure in "*Use of Proceeds*" and "*Description of the Group – Sustainability Policy – Sustainable Finance Framework*", consult with its legal or other advisers and make any other investigation such investor deems necessary before making an investment in Sustainable Certificates. In particular, no assurance is given by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any other person that the use of the proceeds of Sustainable Certificates for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. In addition, the Sustainable Finance Framework is subject to change at any time without notice.

Furthermore, notwithstanding the Bank's intention stated above, prospective investors should be aware that any failure by the Bank to use the proceeds of Sustainable Certificates as stated or to provide the relevant reports will not constitute a Dissolution Event under Condition 15 (*Dissolution Events*) with respect to any Sustainable Certificates but may affect the value and/or the trading price of such Sustainable Certificates and/or have adverse consequences for certain investors with portfolio mandates to invest in green, environmental, sustainable or social assets.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "environmental", "sustainable", "social" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green", "environmental", "sustainable", "social" or such other equivalent label and no assurance can be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not change significantly.

The EU Taxonomy, which is subject to a phased implementation, may provide some definition for "green", "environmental", "sustainable", "social" or other such topics in the European Union or the United Kingdom. However, the full scope and applicability of the EU Taxonomy, as well as exactly when it will take effect, remains uncertain. Accordingly, no assurance is or can be given (whether by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any other person) to investors that: (a) any projects or uses the subject of, or related to, any Eligible Projects will meet any or all investor expectations regarding such "green", "environmental", "sustainable", "social" or other equivalently labelled performance objectives; (b) any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Projects; or (c) the Sustainable Finance Framework will be aligned with the EU Taxonomy or any other present or future sustainability framework or guidelines.

None of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, any Agent or any other person makes any representation or gives any assurance as to the Sustainable Finance Framework's compliance or alignment with any of the International Capital Market Association's Green Bond Principles, Social Bond Principles and/or Sustainability Bond Guidelines (each as amended from time to time). Each of these

principles and guidelines may be subject to change at any time without notice. Furthermore, none of the Sustainable Finance Framework or the aforementioned International Capital Market Association principles and guidelines, nor any associated reports, verification assessments or the contents of the same are incorporated in and/or form part of this Base Prospectus.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Bank) which may or may not be made available in connection with the issue of any Sustainable Certificates and in particular with any of the businesses and projects funded with the proceeds of such Sustainable Certificates to fulfil any green, environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should it be deemed to be, a recommendation by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any other person to buy, sell or hold Sustainable Certificates. Any such report, assessment, opinion or certification is only current as at the date that report, assessment, opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in Sustainable Certificates. The providers of such reports, assessments, opinions and certifications are not currently subject to any specific regulatory or other regime or oversight. Furthermore, any such report, assessment, opinion or certification of any third party (whether or not solicited by the Bank) may not reflect the potential impact of all the risks related to the structure or market, or the additional risk factors discussed herein or the other factors that may affect the value of the Sustainable Certificates or the projects financed thereby, in an amount corresponding to an amount at least equal to the net proceeds of the relevant issue of Sustainable Certificates.

If Sustainable Certificates are at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from any Sustainable Certificates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, the Agents or any other person that any such listing or admission to trading will be obtained in respect of any Sustainable Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Certificates concerned.

Whilst it is the Bank's intention to apply the proceeds of any Sustainable Certificates in the manner described in "*Description of the Group – Sustainability Policy – Sustainable Finance Framework*" and to obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in "*Description of the Group – Sustainability Policy – Sustainable Finance Framework*" and "*Use of Proceeds*", there can be no assurance (whether by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate, any Agent or any other person) that the Bank will be able to do this. Nor can there be any assurance that any Eligible Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Bank.

Any such event as described in the last sentence of the preceding paragraph or failure by the Bank to apply the proceeds of any Sustainable Certificates for any Eligible Projects or to obtain and publish any such reports, assessments, opinions and certifications, will not give rise to any claim in contract of a holder of Sustainable Certificates against the Trustee, the Bank, the Arrangers, the Dealers, the Delegate any Agent or any other person and, as mentioned above, will not constitute a Dissolution Event under Condition 15 (*Dissolution Events*) with respect to any Sustainable Certificates. The withdrawal of any such report, assessment, opinion or certification, or any report, assessment, opinion or certification attesting that the Bank is not complying in whole or in part with any matters for which that report, assessment, opinion or certification is reporting, assessing, opining or certifying, and/or Sustainable Certificates no longer being

listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Sustainable Certificates concerned and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

An Eligible Project may no longer satisfy the eligibility criteria set out in the Sustainable Finance Framework during the life of the project, due to changes of the Sustainable Finance Framework and/or circumstances of the project and/or any other reasons. The reallocation of such proceeds to new Eligible Project may not be possible or may be delayed. No representation or assurance is given or made by the Trustee, the Bank, the Arrangers, the Dealers, the Delegate any Agent or any other person that the amount used for financing or funding of Eligible Projects will always satisfy the eligibility criteria.

#### ***Certificates where denominations involve integral multiples: Definitive Certificates***

In relation to any issue of Certificates 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 Certificates 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 a face amount of less than the minimum Specified Denomination would need to purchase an additional face amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a Definitive Certificate.

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

#### **Risk factors relating to taxation**

##### ***Taxation risks on payments***

Payments made by the Bank to the Trustee under the Transaction Documents to which it is a party or by the Trustee in respect of the Certificates could become subject to taxation. The Transaction Documents to which it is a party require the Bank (acting in its relevant capacity thereunder), to pay additional amounts in the event that any withholding or deduction is required by law to be made in respect of payments made by it to the Trustee which are intended to fund Periodic Distribution Amounts and Dissolution Amounts. Condition 12 (*Taxation*) provides that the Trustee is required to pay additional amounts in respect of any such withholding or deduction imposed by a Relevant Jurisdiction in certain circumstances. In the event that the Trustee fails to pay any such additional amounts pursuant to Condition 12 (*Taxation*), the Bank has (pursuant to the Master Declaration of Trust) unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for, or an account of Taxes) equals any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 12 (*Taxation*).

#### **Risk factors relating to enforcement**

##### ***Claims for specific enforcement***

In the event that the Bank fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the Bank's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement of a contractual obligation, which is a discretionary matter for the relevant court.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Bank to perform its obligations set out in the Transaction Documents to which it is a party.

***Investors may experience difficulties in enforcing arbitral awards and foreign judgments in Abu Dhabi***

The payments under the Certificates are dependent upon the Bank making payments in the manner contemplated under the Transaction Documents. If the Bank fails to do so, it may be necessary for an investor to bring an action against the Bank to enforce its obligations (subject to the provisions of the Conditions), which may be costly and time consuming.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

The Bank has irrevocably agreed that certain of the Transaction Documents to which it is a party are governed by English law and that any dispute arising from any Transaction Document to which it is a party (other than the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement) will, unless the option to litigate is exercised, be referred to arbitration under the Rules with an arbitral tribunal with its seat in London. Under the Conditions, any disputes arising from the Conditions will, unless the option to litigate is exercised, be referred to arbitration in London under the Rules.

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

Federal Decree Law No. 42 of 2022 regarding the Law of Civil Procedure (the **Civil Procedure Law**) also governs the enforcement of foreign arbitral awards in the UAE. Article 223 of the Civil Procedure Law provides that arbitral awards issued in a foreign state may be enforced in the UAE subject to the conditions provided under Article 222 of the Civil Procedure Law. Article 225 of the Civil Procedure Law provides that the rules on enforcement of foreign arbitral awards shall not prejudice the provisions of treaties for the enforcement of foreign judgments, orders and instruments with foreign states, which, by virtue of the operation of Article 223 of the Civil Procedure Law, should also apply in respect of arbitral awards, and accordingly include the New York Convention. However, there is no established track record to demonstrate how the Abu Dhabi courts will apply the Civil Procedure Law alongside the provisions of such treaties in practice.

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

Under the Conditions and the relevant Transaction Documents, at the option of the Trustee or the Delegate, any dispute may also be referred to the courts in England or the courts of the ADGM which shall have exclusive jurisdiction to settle any dispute arising from such Transaction Documents.

Where an English judgment has been obtained, there is no assurance that the Bank has or would at the relevant time have sufficient assets in the UK against which such a judgment could be enforced. The Bank is incorporated in and has its operations and the majority of its assets located in the UAE. 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.

Under current UAE federal law, the courts in the UAE are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the parties' choice of English law as the governing law of the relevant Transaction Documents or the Certificates. 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 the interpretation 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. In addition, even if English law is accepted as the governing law, this will only be applied to the extent that it is compatible with the laws of Abu Dhabi and the UAE, and public policy, order or morals in the UAE. This may mean that the UAE courts may seek to interpret English law governed Transaction Documents as if they were governed by UAE law and there can therefore be no certainty that in those circumstances the UAE courts would give effect to such Transaction Documents in the same manner as the parties may intend.

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

In the case of any dispute under the Conditions and/or the relevant Transaction Documents, which, at the option of the Trustee or the Delegate, has been referred to the ADGM courts in accordance with Article 13(7) of Abu Dhabi Law No. 12 of 2020 (the "**Amendment to the ADGM Founding Law**") and Section 16(2)(e) of the ADGM Courts, Civil Evidence, Judgments, Enforcement and Judicial Appointments Regulations 2015 (the "**ADGM Courts Regulations**"), any judgment, decision or order made by the ADGM courts in favour of the Delegate (on behalf of the Certificateholders) should, upon application by the Delegate directly to the Abu Dhabi execution courts or to the ADGM courts be enforced against the Bank and/or its assets situated in Abu Dhabi (either by the execution court of the Abu Dhabi courts or, in the case of an application to the ADGM courts, a deputised enforcement judge of the Abu Dhabi courts) without re-examination of the merits of the case provided that the procedure for enforcement is adhered to, as further described in Article 15 of the Amendment to the ADGM Founding Law.

The Amendment to the ADGM Founding Law and the ADGM Courts Regulations provide for the jurisdiction of the ADGM courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the ADGM courts, even where such parties are unconnected to the ADGM. None of the Trustee, the Bank or the Delegate are connected to the ADGM.

Prospective investors should note, however, that, as at the date of this Base Prospectus, there is no established track-record as to how the Amendment to the ADGM Founding Law and the ADGM Courts Regulations will be interpreted and applied in practice and there is therefore no certainty as to how the ADGM courts intend to exercise their jurisdiction under this law should any party dispute the right of the ADGM courts to hear a particular dispute, where any party is unconnected to the ADGM, nor is there any certainty that the Abu Dhabi courts will enforce the judgment of the ADGM courts without reconsidering the merits of the case.

#### **Additional risks**

##### ***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to the Certificates. 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 Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, 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 third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency being included in such list as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the United Kingdom are subject to similar restrictions under the UK CRA Regulation. As such, in general, United Kingdom regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the United Kingdom and registered under the UK CRA Regulation. However, in the case of ratings issued by third country non-United Kingdom credit rating agencies, these ratings can either be: (a) endorsed by a United Kingdom 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 United Kingdom 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 Certificates 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 United Kingdom, as applicable, and the Certificates may have a different regulatory treatment, which may impact the value of the Certificates and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

### ***Change of law***

The conditions of the Certificates and the Transaction Documents are based on English law, the laws of Abu Dhabi and, to the extent applicable in Abu Dhabi, the federal laws of the UAE and the laws of Dubai, and, to the extent applicable in Dubai, the federal laws of the UAE, and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English or administrative practice after the date of this Base Prospectus nor whether any such change could adversely affect the ability of the Trustee to comply with its obligations and make payments under the Certificates or the Bank to comply with its obligations and make payments under the Transaction Documents to which it is a party.

### ***Investors must make their own determination as to Shari'a compliance***

The Internal Shariah Supervision Committee of the Bank, the Shariah Advisory Board of Citi Islamic Investment Bank E.C., the Internal Shariah Supervisory Committee of Dubai Islamic Bank PJSC, the Global Shariah Supervisory Committee of Standard Chartered Bank and the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited have confirmed that the Certificates and the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars or that they would deem the issue or trading of any of the Certificates (including without limitation, any future trading of the Certificates on the secondary market) to be *Shari'a* compliant. None of the Trustee, the Bank, the Arrangers, the Dealers, the Delegate and the Agents makes any representation as to the *Shari'a* compliance of any Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements and prospective investors are reminded that, as with any *Shari'a* views, differences in opinion are possible and different *Shari'a* standards may be applied by different *Shari'a* boards. In addition, none of the Arrangers, the Dealers, the Delegate and the Agents will have any responsibility for monitoring or ensuring compliance with any *Shari'a* principles of debt trading referred to in Conditions 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*) or 11(g) (*Dissolution following a Total Loss Event*) nor shall it be liable to any Certificateholder or any other person in respect thereof. Prospective investors should not rely on the above pronouncements in deciding whether to make an investment in the



Certificates and should obtain their own independent *Shari'a* advice as to whether the Transaction Documents, the Certificates and the issue and trading of the Certificates will comply with *Shari'a* standards (including without limitation, their individual standards of compliance) and make their own determination as to the future tradability (including, without limitation, in compliance with *Shari'a* principles of debt trading) of the Certificates on any secondary market. Questions as to the *Shari'a* compliance of the Transaction Documents or the *Shari'a* permissibility of the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents (other than the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement) would be, if in dispute, the subject of arbitration in London under the Rules. The Bank has also agreed under the Transaction Documents to which it is a party (other than the Master Purchase Agreements, each Supplemental Purchase Agreement and each Sale Agreement) to submit to the exclusive jurisdiction of the courts of England or the ADGM courts, at the option of the Trustee or the Delegate. In such circumstances, the arbitrator or judge (as applicable) should apply the governing law of the relevant Transaction Document in determining the obligations of the parties.

#### ***Reliance on Euroclear and Clearstream, Luxembourg procedures***

The Certificates of each Series will be represented on issue by a Global Certificate that will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in the Global Certificate. While the Certificates of any Series are represented by the Global Certificate, investors will be able to trade their ownership interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

While the Certificates of any Series are represented by the Global Certificate, the Trustee will discharge its payment obligation under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, ownership interests in a Global Certificate.

Holders of ownership interests in a Global Certificate will not have a direct right to vote in respect of the Certificates 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.

#### ***Exchange rate risks and exchange controls***

The Trustee will pay Periodic Distribution Amounts and Dissolution Amounts on the Certificates and the Bank will make any payments under the Transaction Documents 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 which could adversely affect an applicable exchange rate.

Neither the Trustee nor the Bank have any control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency equivalent yield on the Certificates; (ii) the Investor's Currency equivalent value of the face amount payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Trustee or the Bank to make payments in respect of the Certificates or Transaction Documents (as applicable). As a result, investors

may receive lower Periodic Distribution Amounts or amounts in respect of the face amount of such Certificates than expected, or no such Periodic Distribution Amount or face amount.

***Consents in relation to the variation of the Transaction Documents and other matters***

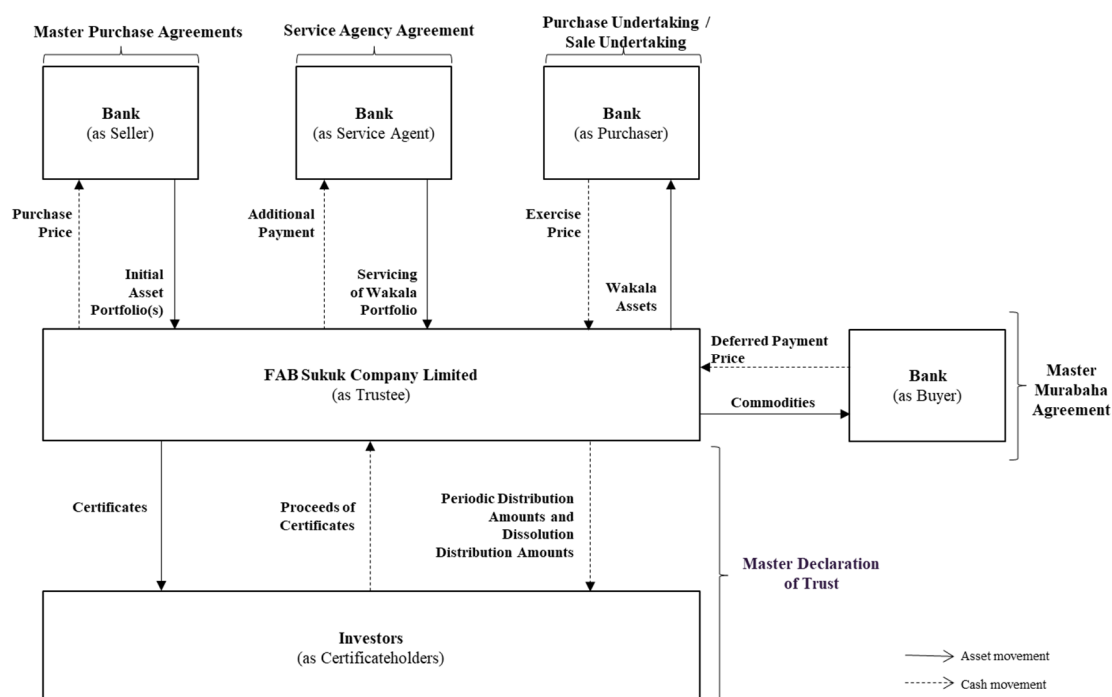
The Master Declaration of Trust and the Conditions of the Certificates contain provisions for calling meetings (including by way of conference call or by use of videoconferencing platform) of Certificateholders of a Series to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders of such a Series including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Master Declaration of Trust contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Declaration of Trust or any Transaction Document if, in the opinion of the Delegate, such modification: (a) is of a formal, minor or technical nature; (b) is made to correct a manifest error; or (c) is not materially prejudicial to the interests of the Certificateholders and is other than in respect of a Reserved Matter (as defined in the Master Declaration of Trust). Unless the Delegate otherwise agrees, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

## STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series to be issued under the Programme. Prospective investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

### Structure Diagram



### Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Certificates, the Certificateholders will pay the issue price in respect of the Certificates (the "**Issue Price**") to the Trustee, and the Trustee will apply as follows:

- (a) all or a portion of the proceeds of the relevant Issue Price to the Bank (in its capacity as seller, the "**Seller**") as the purchase price payable for the purchase from the Bank of all its rights, title, interests, benefits and entitlements in, to and under the following assets (in the case of the first Tranche of the relevant Series of Certificates, the "**Initial Asset Portfolio**" or, in the case of each subsequent Tranche of such Series, the "**Additional Assets**") of (i) real estate assets located in Abu Dhabi (excluding the ADGM) and/or the Emirate of Dubai ("**Dubai**") (excluding the DIFC), as the case may be, and/or other tangible assets located in Abu Dhabi, in each case in relation to which the Bank or any person on its behalf has entered into financing contracts (the "**Financing Assets**") provided, however, that each such Financing Asset is in existence on the date on which it initially forms part of the relevant Wakala Portfolio (as defined below), (ii) real estate assets (other than plots of land) located in Abu Dhabi (excluding the ADGM) and/or Dubai (excluding the DIFC), as the case may be, which are currently leased or currently intended to be leased (other than on the basis of a finance lease) by the Seller to third parties (the "**Real Estate Assets**"), and (iii) sukuk that (A) has associated with it underlying assets and all or some of such underlying assets are comprised of tangible assets, and (B) in the opinion of the Internal Shariah Supervision Committee of the Seller, meets the *Shari'a* requirements issued by the Higher Sharia Authority of the UAE Central Bank in relation to sukuk certificates which financial institutions regulated by the UAE Central Bank may invest in and/or otherwise hold (the "**Sukuk**"), in each case pursuant to the relevant Purchase Agreement(s); and

- (b) the remaining portion (if any) of the proceeds of the relevant Issue Price (the "**Murabaha Investment Amount**"), to purchase certain *Shari'a* compliant commodities (the "**Commodities**") through the Commodity Agent and the Trustee will sell such Commodities to the Bank (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in an offer notice (the "**Deferred Payment Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shari'a* compliant commodities by the Trustee to the Buyer the "**Commodity Murabaha Investment**") pursuant to the Master Murabaha Agreement,

provided that:

- (i) an amount as specified in the applicable Final Terms, which shall be equal to no less than 55 per cent. of the aggregate face amount of the relevant Certificates, shall be used to purchase Financing Assets, Real Estate Assets and/or the Tangible Part (as defined below) of Sukuk comprising the Initial Asset Portfolio or Additional Assets, as the case may be; and
- (ii) an amount as specified in the applicable Final Terms, which shall be no more than 45 per cent. of the relevant aggregate face amount of the Certificates, shall be used to purchase: (A) (to the extent applicable) the Intangible Part (as defined below) of any Sukuk comprising the Initial Asset Portfolio or Additional Assets, as the case may be; and (B) any Commodities in connection with a Commodity Murabaha Investment.

In relation to a Series, the Initial Asset Portfolio, if applicable, the Additional Assets and, if applicable, each Commodity Murabaha Investment and all other rights arising under or with respect thereto (including the right to receive payment of profit, rental, Deferred Payment Price and any other amounts due in connection therewith) shall comprise the "**Wakala Portfolio**" in respect of such Series, and any Financing Assets, Real Estate Assets and/or Sukuk comprised in such Portfolio from time to time, the "**Wakala Assets**".

#### **Periodic Distribution Payments**

In relation to a Series, all revenues from the Wakala Portfolio (including all profit, rental and other amounts (other than any amounts in the nature of capital or principal)) payable in respect of the Wakala Assets and, if applicable, all instalment profit amounts comprising the Deferred Payment Price payable in respect of the Commodity Murabaha Investment (the "**Wakala Portfolio Income Revenues**" and, together with any amounts payable in respect of the Wakala Assets comprising the relevant Wakala Portfolio in the nature of capital or principal, the "**Wakala Portfolio Revenues**") will be recorded by the Service Agent in a book-entry ledger account (the "**Income Collection Account**"). On each Wakala Distribution Determination Date, the Service Agent shall pay into the relevant Transaction Account amounts standing to the credit of the Income Collection Account, which is intended to fund an amount equal to the aggregate of the Periodic Distribution Amounts payable by the Trustee under the Certificates of the relevant Series on the immediately following Periodic Distribution Date (the "**Required Amount**") and such Required Amount will be applied by the Trustee for that purpose.

In the event that the Wakala Portfolio Income Revenues are greater than the Required Amount, the amount of any excess shall be credited by the Service Agent to a separate book-entry ledger account (the "**Reserve Account**"). If the amount standing to the credit of the Transaction Account on a Wakala Distribution Determination Date is insufficient to fund the Required Amount, the Service Agent shall apply amounts standing to the credit of the Reserve Account towards such shortfall, by paying an amount *equal* to the same into the Transaction Account. If having applied such amounts from the Reserve Account, there remains a shortfall, the Service Agent may, in its sole discretion, provide either:

- (a) *Shari'a* compliant funding to the Trustee itself; or
- (b) *Shari'a* compliant funding from a third party to be paid to the Trustee,

in each case, in an amount equal to the shortfall remaining (if any) on terms that such funding is repayable from Wakala Portfolio Revenues received in respect of a subsequent period or on the relevant Dissolution Date on which the Certificates of the relevant Series are redeemed in full (each a "**Liquidity Facility**").

## Dissolution Payments

On the business day prior to the relevant Scheduled Dissolution Date in relation to each Series:

- (a) the aggregate amounts of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Bank to purchase all of its rights, title, interests, benefits and entitlements in, to and under Wakala Assets at the relevant Exercise Price,

and such amounts are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the Scheduled Dissolution Date.

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the relevant Scheduled Dissolution Date for the following reasons, in the case of each of (ii) and (iii), if so specified in the applicable Final Terms: (i) for taxation reasons, (ii) at the option of the Bank, (iii) at the option of the Certificateholders, (iv) at the option of the Certificateholders following a Tangibility Event, (v) at the option of the Bank if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled; (vi) to the extent applicable pursuant to the Service Agency Agreement and Condition 11(g) (*Dissolution following a Total Loss Event*), unless the Real Estate Assets forming part of the relevant Wakala Portfolio have been replaced in accordance with the Service Agency Agreement, following a Total Loss Event, and (vii) following a Dissolution Event.

In the case of each of (iii), (iv) and (vii) above such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Dissolution Distribution Amount on the Scheduled Dissolution Date save for, on (or, in the case of (iii) above, the business day prior to) the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of Deferred Payment Price then outstanding, if any, becoming immediately due and payable; and
- (b) the Trustee having the right under the Purchase Undertaking to require the Bank to purchase all (or the applicable portion thereof, as the case may be) of its rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Certificateholder Put Option Exercise Price, Tangibility Event Exercise Price or Exercise Price, as the case may be.

In the case of each of (i), (ii) and (v) above, on the business day prior to the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of the Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Bank will have the right under the Sale Undertaking to require the Trustee to sell all (or the applicable portion thereof, as the case may be) of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Exercise Price or Optional Dissolution Exercise Price, as the case may be,

and such amounts are intended to fund the relevant Dissolution Amount payable by the Trustee under the Certificates of the relevant Series on the relevant Dissolution Date.

In the case of (vi) above, on the Total Loss Dissolution Date:

- (a) the aggregate amounts of Deferred Payment Price then outstanding, if any, shall become immediately due and payable; and
- (b) the Trustee will have the right under the Service Agency Agreement to receive all insurance proceeds relating to the Real Estate Assets,

and such amounts are intended to fund the relevant Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the Total Loss Dissolution Date.

*For Shari'a reasons, the Optional Dissolution Right and the Certificateholder Put Option cannot both be specified as applicable in the applicable Final Terms in respect of any single Series.*

## TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates which, subject to completion and as supplemented by the applicable Final Terms or, as applicable, the applicable Pricing Supplement (as defined below) will be incorporated by reference into each Global Certificate and Definitive Certificate, in the case of Definitive Certificates only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Trustee and the Bank at the time of issue but, if not so permitted and agreed, each Definitive Certificate will have endorsed thereon or attached thereto such terms and conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Certificate and Definitive Certificate. Reference should be made to "Applicable Final Terms" for a description of the content of the Final Terms which will specify which of such terms are to apply in relation to the relevant Certificates.

In the case of a Tranche of Certificates which will not be admitted to listing, trading on (i) a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU, as amended) in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and/or quotation by any competent authority, stock exchange and/or quotation system ("**Exempt Certificates**") and, accordingly, for which no base prospectus is required to be published under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or the Financial Services and Markets Act 2000 ("**FSMA**"), respectively, a pricing supplement (a "**Pricing Supplement**") will be issued describing the final terms of such Tranche of Exempt Certificates. Each reference in these terms and conditions to "**Final Terms**" shall, in the case of a Tranche of Exempt Certificates, be read and construed as a reference to such Pricing Supplement unless the context requires otherwise.

FAB Sukuk Company Limited (in its capacities as issuer and as trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**" and each a "**Certificate**") in a maximum aggregate face amount of U.S.\$5,000,000,000 as may be increased in accordance with the terms of the Master Declaration of Trust (as defined below).

The final terms for a Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms endorsed on a Certificate which supplement and complete these terms and conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of each Series. References to the "**applicable Final Terms**" are to the final terms (or the relevant provisions thereof) endorsed on each Certificate.

Each Certificate will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (as defined below) held on trust by the Trustee (the "**Trust**") for the holders of such Certificates pursuant to: (i) an Amended and Restated Master Declaration of Trust (the "**Master Declaration of Trust**") dated 30 January 2024 and entered into by the Trustee, First Abu Dhabi Bank PJSC (the "**Bank**") and Citicorp Trustee Company Limited as the Trustee's delegate (the "**Delegate**"); and (ii) a Supplemental Declaration of Trust in respect of the relevant Tranche (the "**Supplemental Declaration of Trust**").

The Certificates of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Certificates of each Series and, in these Conditions, the expressions "**Certificates**", "**Certificateholders**" and related expressions shall be construed accordingly.

In these Conditions, references to "**Certificates**" shall be references to the Certificates (whether in global form as a global Certificate (a "**Global Certificate**") or in definitive form as definitive Certificates (each a "**Definitive Certificate**")) which are the subject of the applicable Final Terms.

These Conditions include summaries of, and are subject to, the detailed provisions of the Master Declaration of Trust as supplemented by each relevant Supplemental Declaration of Trust and the other Transaction Documents. Payments relating to the Certificates will be made pursuant to an Amended and Restated Agency Agreement dated 30 January 2024 (the "**Agency Agreement**") made between, *inter alios*, the Trustee, the Delegate, the Bank, Citibank N.A., London Branch as principal paying agent (in such capacity, the "**Principal Paying Agent**" and, together with any further or other paying agents appointed from time to time in respect of the Certificates, the "**Paying Agents**"), calculation agent (together with any further or other calculation agents appointed from time to time in respect of the Certificates, in such capacity, the "**Calculation Agent**"), Citibank N.A., London Branch as transfer agent (together with any

further or other transfer agents appointed from time to time in respect of the Certificates, in such capacity, the "**Transfer Agent**") and Citibank Europe plc as registrar (in such capacity, a "**Registrar**"). The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent are together referred to in these Conditions as the "**Agents**". References to the Agents or any of them shall include their successors.

The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of the following documents, copies of which are available for inspection and/or collection during usual business hours at the registered office of the Trustee (presently at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands) and at the specified office of the Principal Paying Agent:

- (a) an Amended and Restated Abu Dhabi Master Purchase Agreement between the Trustee and the Bank dated 24 January 2023 (the "**Abu Dhabi Master Purchase Agreement**") and, in respect of each Tranche, (if applicable) the Supplemental Purchase Agreement with respect thereto (the "**Abu Dhabi Supplemental Purchase Agreement**") having the details set out in the applicable Final Terms;
- (b) a Dubai Master Purchase Agreement between the Trustee and the Bank dated 24 January 2022 (the "**Dubai Master Purchase Agreement**" and, together with the Abu Dhabi Master Purchase Agreement, the "**Master Purchase Agreements**" and each a "**Master Purchase Agreement**") and, in respect of each Tranche, (if applicable) the Supplemental Purchase Agreement with respect thereto (the "**Dubai Supplemental Purchase Agreement**" and, together with the Abu Dhabi Supplemental Purchase Agreement, the "**Supplemental Purchase Agreements**" and each a "**Supplemental Purchase Agreement**") having the details set out in the applicable Final Terms;
- (c) an Amended and Restated Service Agency Agreement between the Trustee and the Bank dated 30 January 2024 (the "**Service Agency Agreement**");
- (d) an Amended and Restated Purchase Undertaking executed by the Bank in favour of the Trustee and the Delegate dated 24 January 2022 (the "**Purchase Undertaking**");
- (e) an Amended and Restated Sale Undertaking executed by the Trustee in favour of the Bank dated 24 January 2022 (the "**Sale Undertaking**");
- (f) an Amended and Restated Master Murabaha Agreement dated 30 January 2024 between the Trustee, the Bank and the Delegate (the "**Master Murabaha Agreement**");
- (g) the Master Declaration of Trust and, in respect of each Tranche, the applicable Supplemental Declaration of Trust with respect thereto;
- (h) the Agency Agreement;
- (i) an amended and restated corporate services agreement dated 17 January 2022 between MaplesFS Limited (as provider of corporate services to the Trustee) and the Trustee (the "**Corporate Services Agreement**"); and
- (j) in respect of each Tranche, the applicable Final Terms,

as each may be amended and restated and/or supplemented from time to time.

Each Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed, in respect of each Series, to authorise and direct the Trustee on behalf of the Certificateholders, to: (i) apply the proceeds of the issue of the Certificates in accordance with the terms of the Transaction Documents; and (ii) enter into, and perform its obligations under and in connection with, each Transaction Document, subject to the terms and conditions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust and these Conditions.

## 1. INTERPRETATION

Words and expressions defined in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between



any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

**"Accountholder"** means each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as entitled to a particular face amount of the Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

**"Additional Business Centre(s)"** means the city or cities specified as such in the applicable Final Terms;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the applicable Final Terms;

**"Bank Event"** has the meaning given to it in Condition 15 (*Dissolution Events*);

**"Broken Amount"** has the meaning given to it in the applicable Final Terms;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant Specified Currency and in each (if any) Additional Business Centre;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the applicable Final Terms and, if so specified in the applicable Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided that:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Amount**" has the meaning given to it in the applicable Final Terms;

"**Cancellation Notice**" means a cancellation notice in substantially the form of schedule 6 to the Master Declaration of Trust;

"**Certificateholder**" means a person in whose name a Certificate is registered in the Register (or in the case of joint holders, the first named thereof) save that, for so long as the Certificates of any Tranche are represented by a Global Certificate, each Accountholder shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, for the purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Trustee, solely in the registered holder of such Global Certificate in accordance with and subject to the terms of the Master Declaration of Trust as supplemented by the relevant supplemental Declaration of Trust and such Global Certificates, and the expressions "**holder**" and "**holder of Certificates**" and related expressions shall (where appropriate) be construed accordingly;

"**Certificateholder Put Option**" means the right specified in Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*);

"**Certificateholder Put Option Date**" means, in relation to the exercise of the Certificateholder Put Option, the date specified as such in the applicable Final Terms;

"**Certificateholder Put Option Dissolution Amount**" means, in relation to each Certificate to be redeemed on the relevant Certificateholder Put Option Date, the aggregate of:

- (a) the face amount of such Certificate; plus
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; plus
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Certificateholder Put Option Date (if any);

"**Clearstream, Luxembourg**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount for any period of time (the "**Calculation Period**", as the same will be adjusted in accordance with any relevant Business Day Convention), such day count fraction as may be specified in these Conditions or the applicable Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and

- (B) where the Calculation Period is longer than one Regular Period, the sum of:
- (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year; and
  - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of: (i) the actual number of days in such Regular Period; and (ii) the number of Regular Periods in any year;
- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

"**Delegation**" has the meaning given to it in Condition 20 (*The Delegate*);

"**Dispute**" has the meaning given to it in Condition 23 (*Governing Law and Dispute Resolution*);

"**Dissolution Amount**" means, in relation to each Certificate, as the case may be:

- (a) the Dissolution Distribution Amount;
- (b) the Early Dissolution Amount (Tax);
- (c) the Optional Dissolution Amount;
- (d) the Certificateholder Put Option Dissolution Amount; or
- (e) the Tangibility Event Dissolution Amount;

"**Dissolution Distribution Amount**" means, in relation to each Certificate, either:

- (a) the sum of:
  - (i) the outstanding face amount of such Certificate; and
  - (ii) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; or
- (b) such other amount specified in the applicable Final Terms as being payable upon any relevant Dissolution Date (if any) (and any other amount payable following a Total Loss Event pursuant to the Service Agency Agreement);

"**Dissolution Date**" means, as the case may be:

- (a) the Scheduled Dissolution Date;
- (b) any Early Tax Dissolution Date;
- (c) any Optional Dissolution Date;

- (d) any Certificateholder Put Option Date;
- (e) any Tangibility Event Put Option Date;
- (f) any Clean Up Call Dissolution Date;
- (g) any Total Loss Dissolution Date;
- (h) any Dissolution Event Redemption Date; or
- (i) such other date as specified in the applicable Final Terms for the redemption of Certificates and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

**"Dissolution Event"** has the meaning given to it in Condition 15 (*Dissolution Events*);

**"Dissolution Event Redemption Date"** has the meaning given to it in Condition 15 (*Dissolution Events*);

**"Dissolution Request"** has the meaning given to it in Condition 15 (*Dissolution Events*);

**"Early Dissolution Amount (Tax)"** means, in respect of any Certificate, the Dissolution Distribution Amount or such other amount specified in the applicable Final Terms payable on any Early Tax Dissolution Date;

**"Early Tax Dissolution Date"** has the meaning given to it in Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

**"Euroclear"** has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Exercise Notice"** means an exercise notice delivered pursuant to the terms of the Purchase Undertaking or the Sale Undertaking, as the context so requires;

**"Extraordinary Resolution"** has the meaning given to it in schedule 4 (*Provisions for Meetings of Certificateholders*) to the Master Declaration of Trust;

**"Fixed Amount"** has the meaning given to it in the applicable Final Terms;

**"Fixed Rate Certificates"** means a Series in respect of which Fixed Periodic Distribution Provisions is specified as applicable in the applicable Final Terms;

**"Floating Rate Certificates"** means a Series in respect of which Floating Periodic Distribution Provisions is specified as applicable of the applicable Final Terms;

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**"Intangible Asset Percentage"** means the percentage specified as such in the applicable Final Terms which shall be no more than 45 per cent. of the outstanding face amount of the Certificates of the relevant Tranche;

**"Issue Date"** has the meaning given to it in the applicable Final Terms;

**"Liability"** means, in respect of any person, any actual loss, damage, cost (excluding cost of funding and opportunity costs), fee, charge, award, claim, demand, expense, judgment, action, proceeding or other liability whatsoever and including any value added tax or similar tax charged or chargeable in respect of any sums referred to in this definition and legal or other fees and expenses on a full indemnity basis and references to **"Liabilities"** shall mean all of these;

**"London Business Day"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"Margin"** has the meaning gives to it in the applicable Final Terms;

**"Maximum Notice Period"** has the meaning given to it in the applicable Final Terms;

**"Maximum Optional Dissolution Amount"** means the amount specified as such in the applicable Final Terms;

**"Minimum Notice Period"** has the meaning given to it in the applicable Final Terms;

**"Minimum Optional Dissolution Amount"** means the amount specified as such in the applicable Final Terms;

**"Minimum Total Loss Requirement"** has the meaning given to it in the Service Agency Agreement;

**"Optional Dissolution Amount"** means, in relation to each Certificate to be redeemed on the relevant Optional Dissolution Date, the aggregate of:

- (a) the face amount of such Certificate; plus
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; plus
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Optional Dissolution Date (if any);

**"Optional Dissolution Date"** means, in relation to the exercise of an Optional Dissolution Right, the date specified as such in the applicable Final Terms;

**"Optional Dissolution Right"** means the right specified in Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*);

**"Payment Business Day"** means: (i) in the case where presentation and surrender of a Definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of a Definitive Certificate are open for presentation and payment of registered securities and for dealings in foreign currencies; and (ii) in the case of payment on a Global Certificate, by transfer to an account, if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Periodic Distribution Amount"** has the meaning given to it in Conditions (*Fixed Periodic Distribution Provisions – Periodic Distribution Amount*) or 8(b) (*Floating Periodic Distribution Provisions – Periodic Distribution Amount*), as the case may be;

**"Periodic Distribution Date"** means the date or dates specified as such in the applicable Final Terms and if a Business Day Convention is specified in the applicable Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the applicable Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Return Accrual Commencement Date (in the case of the first Periodic Distribution Date) or the previous Periodic Distribution Date (in any other case);

**"Permitted Reorganisation"** means:

- (a) any solvent winding up or dissolution of a Principal Subsidiary where the remaining assets of such Principal Subsidiary are distributed to the Bank or any wholly owned Subsidiary of the Bank;
- (b) any disposal by any Subsidiary (including, but not limited to, on its solvent winding up) of the whole or a substantial part of its business, undertaking or assets to the Bank or any wholly owned Subsidiary of the Bank;
- (c) any amalgamation, consolidation or merger of a Subsidiary with any other Subsidiary or any other wholly owned Subsidiary of the Bank; or
- (d) any amalgamation, consolidation, restructuring, merger or reorganisation on terms previously approved by a modification made by Extraordinary Resolution of the Certificateholders pursuant to Condition 19 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*);

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Potential Dissolution Event"** means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided that:

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and;
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, respectively;

**"Principal Subsidiary"** means any Subsidiary of the Bank: (i) whose assets from time to time represent not less than 15 per cent. of the consolidated assets of the Bank, or whose revenues from time to time represent not less than 15 per cent. of the consolidated revenues of the Bank, as shown in the Bank's most recent audited consolidated annual financial statements (or, if more recent, consolidated interim financial statements); or (ii) to which is transferred all or substantially all of the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary;

**"Proceedings"** has the meaning given to it in Condition 23 (*Governing Law and Dispute Resolution*);

**"Profit Rate"** means, in relation to a particular Tranche, the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms for such Tranche and calculated or determined in accordance with these Conditions and/or the applicable Final Terms;

**"Profit Rate Determination Date"** has the meaning specified in the applicable Final Terms;

**"Real Estate Assets"** has the meaning given to it in the Service Agency Agreement;

**"Record Date"** has the meaning given to it in Condition 10(a) (*Payment – Payments in respect of Certificates*);

**"Reference Banks"** means the four major banks selected by the Bank in the market that is most closely connected with the Reference Rate;

**"Register"** has the meaning given to it in Condition 2(a) (*Form, Denomination and Title – Form and Denomination*);

**"Regular Period"** means:

- (a) in the case of Certificates where Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including the Return Accrual Commencement Date to but excluding the first Periodic Distribution Date and each successive period from and including one Periodic Distribution Date to but excluding the next Periodic Distribution Date;
- (b) in the case of Certificates where, apart from the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Periodic Distribution Date falls; and
- (c) in the case of Certificates where, apart from one Return Accumulation Period other than the first Return Accumulation Period, Periodic Distribution Amounts are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Periodic Distribution Date falls other than the Periodic Distribution Date falling at the end of the irregular Return Accumulation Period;

**"Relevant Date"** has the meaning given to it in Condition 12 (*Taxation*);

**"Relevant Financial Centre"** has the meaning given to it in the applicable Final Terms;



**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other similar instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

**"Relevant Jurisdiction"** has the meaning given to it in Condition 12 (*Taxation*);

**"Relevant Powers"** has the meaning given to it in Condition 20 (*The Delegate*);

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given to it in the applicable Final Terms;

**"Return Accrual Commencement Date"** means the Issue Date or such other date as any be specified in the applicable Final Terms;

**"Return Accumulation Period"** means the period from (and including) a Periodic Distribution Date (or, in the case of the first Return Accumulation Period, the Return Accrual Commencement Date) to (but excluding) the next (or, in the case of the first Return Accumulation Period, the first) Periodic Distribution Date;

**"Rules"** has the meaning given to it in Condition 23 (*Governing Law and Dispute Resolution*);

**"Sale Agreement"** means any sale agreement entered into in connection with the Purchase Undertaking or the Sale Undertaking, as the context so requires;

**"Scheduled Dissolution Date"** means, in respect of each Series, the date specified as such in the applicable Final Terms;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Series"** means a Tranche of Certificates together with any additional Tranche or Tranches of Certificates 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 Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue;

**"Service Agent"** means First Abu Dhabi Bank PJSC acting in its capacity as service agent pursuant to the Service Agency Agreement;

**"Specified Currency"** has the meaning given to it in the applicable Final Terms;

**"Specified Denomination(s)"** has the meaning given to it in the applicable Final Terms;

**"Specified Period"** has the meaning given to it in the applicable Final Terms;

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**T2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system;

"**Tangibility Event Dissolution Amount**" means, in relation to each Certificate to be redeemed on the relevant Tangibility Event Put Option Date, the aggregate of:

- (a) the face amount of such Certificate; plus
- (b) any accrued but unpaid Periodic Distribution Amounts relating to such Certificate; plus
- (c) without duplication or double-counting, such other amount specified in the applicable Final Terms as being payable upon any Tangibility Event Put Option Date (if any);

"**Tangibility Event Put Option**" means the right specified in Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*);

"**Tangible Asset Percentage**" means the percentage specified as such in the applicable Final Terms which shall be no less than 55 per cent. of the outstanding face amount of the Certificates of the relevant Tranche;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tax Event**" has the meaning given to it in Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*);

"**Taxes**" has the meaning given to it in Condition 12 (*Taxation*);

"**Tranche**" means Certificates which are identical in all respects (including as to listing and admission to trading);

"**Transaction Account**" means, in relation to each Series, the non-interest bearing account in London in the Trustee's name maintained with the Principal Paying Agent, details of which are specified in the applicable Final Terms;

"**Transaction Documents**" means, in relation to each Series, the Master Purchase Agreements, each relevant Supplemental Purchase Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, any Sale Agreement, the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series), the Master Declaration of Trust, each relevant Supplemental Declaration of Trust, the Agency Agreement and the relevant Certificates;

"**Trust Assets**" has the meaning given to it in Condition 6(a) (*Trust – Trust Assets*);

"**Trustee Administrator**" means MaplesFS Limited; and

"**Wakala Portfolio**" has the meaning given to it in the Service Agency Agreement.

All references in these Conditions to "**U.S. dollars**", "**USD**", "**U.S.\$**" and "**\$**" are to the lawful currency of the United States of America. All references to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Union, as amended.

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

### (a) **Form and Denomination**

The Certificates are issued in registered form in the Specified Denomination(s). A Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the "**Register**") which the Trustee will cause to be kept by the Registrar outside the Cayman Islands and the United Kingdom in accordance with the provisions of the Agency Agreement.

Upon issue, Certificates will be represented by beneficial interests in one or more Global Certificates, in fully registered form, which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants.

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

### (b) **Title**

Title to the Certificates passes only by registration in the Register. Subject to the terms of any relevant Global Certificate and/or the definition of "**Certificateholders**", the registered holder of any Certificate will (except as otherwise required by law) be treated as the absolute owner of the Certificates represented by the Certificate for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate) and no person will be liable for so treating the holder of any Certificate. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

The Trustee and the Delegate may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to any Certificateholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of Euroclear or Clearstream, Luxembourg or any other relevant clearing system to the effect that at any particular time or throughout any particular period any particular person is, was or will be shown in its records as having a particular nominal amount of Certificates credited to his or her securities account.

## 3. **TRANSFERS OF CERTIFICATES**

### (a) **Transfers**

Subject to Condition 3(d) (*Transfers of Certificates – Closed Periods*), Condition 3(f) (*Transfers of Certificates – Regulations*), the limitations as to transfer set out in Condition 2(b) (*Form, Denomination and Title – Title*) and the provisions of the Agency Agreement, a Certificate may be transferred in whole or in an amount equal to the Specified Denomination(s) or any integral multiple thereof by depositing the Certificate, with the form of transfer on the back, duly completed and signed, at the specified office of the Transfer Agent together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the individuals who have executed the forms of transfer.

Transfers of interests in the Certificates represented by a Global Certificate will be effected in accordance with the rules of the relevant clearing system through which the interest is held.

(b) **Delivery of New Certificates**

Each new Certificate to be issued upon any transfer of Certificates will, within three business days of receipt by the Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Certificates in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Certificates not so transferred will, within five business days of receipt by the Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

Except in the limited circumstances described in each Global Certificate, owners of interests in a Global Certificate will not be entitled to receive physical delivery of Certificates.

(c) **Formalities Free of Charge**

Registration of any transfer of Certificates will be effected without charge on behalf of the Trustee by the Registrar or the Transfer Agent but upon payment (or the giving of such indemnity as the Trustee, Registrar or Transfer Agent may reasonably require) by the transferee in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(d) **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of fifteen days ending on (and including) the due date for any payment of the Dissolution Amount or any Periodic Distribution Amount as specified in the applicable Final Terms) or any other date on which payment of the face amount or payment of any profit in respect of a Certificate falls due as specified in the applicable Final Terms.

(e) **Exercise of Options or Partial Dissolution in Respect of Certificates**

In the case of an exercise of the Bank's or a Certificateholder's option in respect of, or a partial redemption of, a holding of Certificates, the Registrar will update the entries on the Register accordingly and, in the case of Definitive Certificates, new Definitive Certificates shall be issued to the Certificateholders to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. New Definitive Certificates shall only be issued against surrender of the existing Definitive Certificates to the Registrar or any Transfer Agent.

(f) **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

Unless otherwise requested by him, each Certificateholder shall be entitled to receive, in accordance with Condition 2(b) (*Form, Denomination and Title – Title*), only one Certificate in respect of his or her entire holding of Certificates. In the case of a transfer of a portion of the face amount of a Certificate, a new Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3(b) (*Transfers of Certificates – Delivery of New Certificates*).

#### 4. STATUS AND LIMITED RECOURSE

##### (a) Status

Each Certificate will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and will be a limited recourse obligation of the Trustee. Each Certificate will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

*The payment obligations of the Bank (acting in any capacity) under the Transaction Documents to which it is a party will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (Negative Pledge)) unsecured obligations of the Bank and shall at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Bank, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.*

##### (b) Limited Recourse

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. Save as provided in this Condition 4 (*Status and Limited Recourse*), Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Bank, any of the Agents or any of their respective affiliates. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 16 (*Enforcement and Exercise of Right*), Certificateholders acknowledge that, by subscribing for or acquiring Certificates, they will not have any claim against the Trustee (and/or its directors, officers or shareholders), the Bank (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates, or against any of their respective assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee (and/or its directors), the Bank (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

The Bank is obliged to make payments under the relevant Transaction Documents to which it is a party directly to the Trustee, the Delegate (acting in the name and on behalf of the Trustee) and/or the Agents. The Delegate will, as delegate of the Trustee for the Certificateholders, have direct recourse against the Bank to recover payments due to the Trustee from the Bank pursuant to such Transaction Documents. None of the Trustee, the Delegate and the Agents shall be liable for the late, partial or non-recovery of any such payments from the Bank save in the case of its wilful default, actual fraud or gross negligence.

##### (c) Agreement of Certificateholders

By subscribing for or acquiring Certificates, each Certificateholder is deemed to have agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by any of the Trustee (acting in any capacity), the Delegate or any of their respective shareholders, directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledges and agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or

based upon the Transaction Documents, against the Trustee (acting in any capacity), the Delegate or any of their respective directors, officers, employees or agents to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee (acting in any capacity) and the Delegate shall be extinguished;

- (ii) it will not petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors);
- (iii) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with any Transaction Document to which it is a party by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent, director or corporate services provider of the Trustee in its capacity as such for any breaches by the Trustee and any and all personal liability of every such shareholder, officer, employee, agent, director or corporate services provider in its capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law. The obligations of the Trustee hereunder or any other Transaction Document to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents, directors or corporate services provider of the Trustee (in their capacity as such), save in the case of their wilful default or actual fraud; and
- (iv) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of any sums due under the Transaction Documents with respect to any liability owed by it to the Trustee or claim any lien or other rights over any property held by it on behalf of the Trustee.

## 5. **NEGATIVE PLEDGE**

So long as any Certificate remains outstanding, the Bank shall not, and shall procure that none of its Subsidiaries will create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of the Bank or Guarantee (by the Bank) of Relevant Indebtedness of others, other than a Permitted Security Interest, without: (a) at the same time or prior thereto securing all amounts (that are in the nature of profit and principal (corresponding to Periodic Distribution Amounts and the Dissolution Amount payable by the Trustee under the Certificates)) payable by the Bank (acting in any capacity) under the Transaction Documents to which it is a party equally and rateably therewith; or (b) providing such other security for the amounts so payable by the Bank as: (i) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of the Certificateholders; or (ii) as may be approved by an Extraordinary Resolution of Certificateholders.

In this Condition 5 (*Negative Pledge*):

**"Indebtedness"** means any present or future indebtedness of any person for or in respect of any money borrowed or raised including (without limitation) any liability arising under bonds, sukuk or other securities or any moneys raised under any transaction having the commercial effect of borrowing or raising money including any *Shari'a* compliant alternative of the foregoing;

**"Non-recourse Project Financing"** means any Indebtedness incurred in connection with the financing of all or part of the costs of the acquisition, construction or development of any project, provided that: (i) any Security Interest given by the Bank or the relevant Subsidiary is limited solely to assets of the project; (ii) the Person or Persons providing such financing expressly agrees to limit their recourse to the project financed and the revenues derived from such project as the

principal source of repayment for the moneys advanced; and (iii) there is no other recourse to the Bank or the relevant Subsidiary in respect of any default by any Person under the financing;

"**Permitted Security Interest**" means, for the purposes of this Condition 5 (*Negative Pledge*):

- (a) any Security Interest created or outstanding with the approval of an Extraordinary Resolution;
- (b) any Security Interest arising by operation of law, provided that such Security Interest is discharged within 30 days of arising;
- (c) any Security Interest arising in the ordinary course of banking transactions (such as sale and repurchase transactions and share, loan and bonding lending transactions) provided that the Security Interest is limited to the assets which are the subject of the relevant transaction;
- (d) any Security Interest on assets or property existing at the time the Bank or any Subsidiary acquired such assets or property provided that such Security Interest was not created in contemplation of such acquisition and does not extend to other assets or property (other than proceeds of such acquired assets or property), provided that the maximum amount of Indebtedness thereafter secured by such Security Interest does not exceed the purchase price of such property or the Indebtedness incurred solely for the purpose of financing the acquisition of such property;
- (e) any Security Interest securing Indebtedness of a Person and/or its Subsidiaries existing at the time that such Person is merged into or consolidated with the Bank or a Subsidiary, provided that such Security Interest was not created in contemplation of such merger or consolidation and does not extend to any other assets or property of the Bank or any Subsidiary;
- (f) any Security Interest created in connection with any Non-recourse Project Financing;
- (g) any other Security Interest provided that the aggregate outstanding amount secured by that Security Interest and any other Security Interest permitted to be created and in effect under this Condition 5 (*Negative Pledge*) does not, at any time, exceed 10 per cent. of the aggregate share capital and reserves of the Bank as shown in its most recent audited consolidated (if then prepared by the Bank) or non-consolidated (if consolidated financial statements are not then prepared by the Bank) financial statements prepared in accordance with International Financial Reporting Standards;
- (h) any Security Interest existing on the date on which agreement is reached to issue the first Series; and
- (i) any renewal of or substitution for any Security Interest permitted by any of subparagraphs (a) to (h) above (inclusive) so long as the Relevant Indebtedness secured by such Security Interest is for an amount not materially greater than the principal (and any capitalised interest and fees) of such Relevant Indebtedness and the Security Interest does not extend to any additional property or assets (other than the proceeds of such assets).

## 6. TRUST

### (a) Trust Assets

Pursuant to the Master Declaration of Trust, as supplemented by the relevant Supplemental Declaration of Trust for the relevant Tranche, the Trustee holds the Trust Assets for each Series on trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to the face amount of Certificates held by each holder. The term "**Trust Assets**" in respect of each Series means the following:

- (i) all of the cash proceeds of the issue of the Certificates, pending the application thereof in accordance with the terms of the Transaction Documents;
- (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Portfolio;
- (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents or the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust);
- (iv) all moneys standing to the credit of the Transaction Account from time to time; and
- (v) all proceeds of the foregoing.

(b) **Application of Proceeds from Trust Assets**

On each Periodic Distribution Date, any Dissolution Date or on any earlier date specified for the dissolution of the Trust for each Series, the relevant Paying Agent will apply the moneys standing to the credit of the Transaction Account in the following order of priority:

- (i) *first*, (to the extent not previously paid) to pay the Delegate all amounts owing to it under the Transaction Documents in its capacity as Delegate and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust;
- (ii) *second*, (to the extent not previously paid) to pay *pro rata* and *pari passu*: (A) the Trustee in respect of all amounts properly incurred and documented (each in the opinion of the Delegate) owing to it under the Transaction Documents in its capacity as Trustee; (B) the Trustee Administrator in respect of all amounts owing to it under the Corporate Services Agreement in its capacity as Trustee Administrator; and (C) each Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any liability properly incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
- (iii) *third*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts accrued but unpaid;
- (iv) *fourth*, only if such payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment of the relevant Dissolution Amount; and
- (v) *fifth*, only if such payment is made on a Dissolution Date, payment of any residual amount to the Bank in its capacity as Service Agent as an additional payment under the Service Agency Agreement.

7. **COVENANTS**

The Trustee covenants that, among other things, for so long as any Certificate is outstanding (as defined in the Master Declaration of Trust), it shall not:

- (a) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;



- (b) create any Security Interest over any of its present or future indebtedness for borrowed money or upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) (other than under or pursuant to any of the Transaction Documents));
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (d) subject to Condition 19 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;
- (e) except as provided in the Master Declaration of Trust as supplemented by any relevant Supplemental Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly permitted or required thereunder or engage in any business or activity other than:
  - (i) as provided for or permitted in the Transaction Documents;
  - (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
  - (iii) such other matters which are incidental thereto.

## 8. **FIXED PERIODIC DISTRIBUTION PROVISIONS**

### (a) **Application**

This Condition 8 (*Fixed Periodic Distribution Provisions*) is applicable to the Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

### (b) **Periodic Distribution Amount**

Subject to Conditions 6(b) (*Trust – Application of Proceeds from Trust Assets*) and 10 (*Payment*) a distribution shall be made to holders *pro rata* to their respective holdings out of amounts transferred to the Transaction Account pursuant to the terms of the relevant Transaction Documents on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date. A "**Periodic Distribution Amount**" means, in respect of each Certificate and each Return Accumulation Period, the amount of profit distribution payable in respect of the outstanding face amount of that Certificate

for that Return Accumulation Period, which may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with these Conditions.

(c) **Determination of Periodic Distribution Amount**

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate for any Return Accumulation Period shall be the Fixed Amount and, if the Certificates are in more than one Specified Denomination, shall be the Fixed Amount as specified in the applicable Final Terms in respect of the relevant Specified Denomination. Payments of Periodic Distribution Amounts on any Periodic Distribution Date as specified in the applicable Final Terms may, if so specified in the applicable Final Terms, amount to the Broken Amount as specified in the applicable Final Terms.

If any Periodic Distribution Amount is required to be calculated for a period other than a Return Accumulation Period or if no relevant Fixed Amount or Broken Amount is specified in the applicable Final Terms, such Periodic Distribution Amount shall be calculated by applying the Profit Rate to the Calculation Amount, multiplying the product by the applicable Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the relevant Specified Currency (half of any such sub-unit being rounded upwards) and multiplying such rounded figure by a figure equal to the Specified Denomination of the relevant Certificate divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

9. **FLOATING PERIODIC DISTRIBUTION PROVISIONS**

(a) **Application**

This Condition 9 (*Floating Periodic Distribution Provisions*) is applicable to the Certificates only if the Floating Periodic Distribution Provisions is specified in the applicable Final Terms as being applicable.

(b) **Periodic Distribution Amount**

Subject to Conditions 6(b) (*Trust – Application of Proceeds from Trust Assets*) and 10 (*Payment*), a distribution shall be made to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account pursuant to the terms of the relevant Transaction Documents on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

"**Periodic Distribution Amount**" means, in respect of each Certificate and each Return Accumulation Period, the amount of profit distribution payable in respect of the outstanding face amount of that Certificate for that Return Accumulation Period at the rate per annum (expressed as a percentage) equal to the Profit Rate.

Such Periodic Distribution Date(s) is/are either shown in the applicable Final Terms as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are shown in the applicable Final Terms, "**Periodic Distribution Date**" shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the Periodic Distribution Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accrual Commencement Date

(c) **Screen Rate Determination for Floating Rate Certificates not Referencing SOFR, SONIA or €STR**

If Screen Rate Determination not Referencing SOFR, SONIA or €STR is specified in the applicable Final Terms for Certificates not referencing SOFR, SONIA or €STR as the manner in which the Profit Rate(s) is/are to be determined, the Profit Rate applicable to

the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as of the Relevant Time on the relevant Profit Rate Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page (or such replacement page on that service which displays the information) as of the Relevant Time on the relevant Profit Rate Determination Date;
- (iii) if, in the case of paragraph (i) above, such rate does not appear on that page or, in the case of paragraph (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Profit Rate Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Profit Rate for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, and provided further that such failure is not due to the occurrence of a Benchmark Event, the Profit Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period.

If the Profit Rate cannot be determined because of the occurrence of a Benchmark Event, the Profit Rate shall be calculated in accordance with the terms of Condition 9(f) (*Benchmark Replacement*).

In the Conditions, "**Reference Rate**" means one of the following benchmark rates (as specified in the applicable Final Terms) in respect of the currency and period specified in the applicable Final Terms:

- (i) Euro interbank offered rate ("**EURIBOR**");
  - (ii) Shanghai interbank offered rate ("**SHIBOR**");
  - (iii) Hong Kong interbank offered rate ("**HIBOR**");
  - (iv) Singapore interbank offered rate ("**SIBOR**");
  - (v) Emirates interbank offered rate ("**EIBOR**");
  - (vi) Saudi Arabia interbank offered rate ("**SAIBOR**");
  - (vii) Australia Bank Bill Swap ("**BBSW**");
  - (viii) Prague interbank offered rate ("**PRIBOR**");
  - (ix) CNH Hong Kong interbank offered rate ("**CNH HIBOR**");
  - (x) Turkish Lira Overnight Reference Rate ("**TLREF**");
  - (xi) Tokyo interbank offered rate ("**TIBOR**").
  - (xii) Mumbai interbank offered rate ("**MIBOR**");
  - (xiii) New Zealand bank bill benchmark ("**BKBM**");
  - (xiv) SOFR;
  - (xv) SONIA; and
  - (xvi) €STR.
- (d) **Screen Rate Determination for Floating Rate Certificates Referencing SOFR, SONIA or €STR (other than where in the applicable Final Terms the Reference Rate is specified as being SONIA and the Calculation Method is specified as being "SONIA Index")**

Where Screen Rate Determination Referencing SOFR, SONIA or €STR is specified in the applicable Final Terms as the manner in which the Profit Rate is to be determined and the Reference Rate specified in the applicable Final Terms is SOFR, SONIA or €STR (other than where the Calculation Method is specified as being "SONIA Index"):

- (i) where the Calculation Method in respect of the relevant Series of Floating Rate Certificates is specified in the applicable Final Terms as being "Compounded Daily", the Profit Rate for each Return Accumulation Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent, where:

**"Compounded Daily Reference Rate"** means, with respect to a Return Accumulation Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in

the applicable Final Terms and further provided for below) as the reference rate for the calculation of profit) and will be calculated by the Calculation Agent on the Profit Rate Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

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

where:

**"Applicable Period"** means,

- (a) where **"Lag"**, **"Lock-out"** or **"Payment Delay"** is specified as the Observation Method in the applicable Final Terms, the relevant Return Accumulation Period; and
- (b) where **"Observation Shift"** is specified as the Observation Method in the applicable Final Terms, the Observation Period relating to such Return Accumulation Period;

**"Business Day"** or **"BD"**, in this Condition means (i) where **"SOFR"** is specified as the Reference Rate, a U.S. Government Securities Business Day, (ii) where **"SONIA"** is specified as the Reference Rate, a London Banking Day or (iii) where **"€STR"** is specified as the Reference Rate, a TARGET Settlement Day;

**"D"** is the number specified in the applicable Final Terms;

**"d"** means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

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

**"Effective Periodic Distribution Date"** means any date or dates specified as such in the applicable Final Terms;

**"€STR"** means, in respect of any Business Day, a reference rate equal to the daily euro short term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the European Central Bank's Website, in each case, on or before 9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day;

**"European Central Bank's Website"** means the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank;

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

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

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

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

**"Observation Period"** means, in respect of a Return Accumulation Period, the period from and including the date falling "p" Business Days prior to the first day of the relevant Return Accumulation Period and ending on, but excluding, the date which is "p" Business Days prior to the Periodic Distribution Date for such Return Accumulation Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Certificates become due and payable);

**"p"** means, for any Return Accumulation Period:

- (a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (or, if no such number is specified two Business Days);
- (b) where "Lock-out" or "Payment Delay" is specified as the Observation Method in the applicable Final Terms, zero; or
- (c) where "Observation Shift" or "SOFR Index" is specified as the Observation Method in the applicable Final Terms, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms (which shall not be less than two Business Days without the consent of the Calculation Agent);

**"r"** means:

- (a) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- (b) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- (c) where in the applicable Final Terms "€STR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day;
- (d) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:

- (i) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Profit Rate Determination Date);
- (e) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (i) in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Profit Rate Determination Date);
- (f) where in the applicable Final Terms "€STR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (i) in respect of any Business Day "i" that is a Reference Day, the €STR in respect of the Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the €STR in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Profit Rate Determination Date);
- (g) where in the applicable Final Terms "SOFR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Scheduled Dissolution Date or the date fixed for redemption, as applicable, "r" shall be the SOFR in respect of the Rate Cut-off Date;
- (h) where in the applicable Final Terms "SONIA" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the

Scheduled Dissolution Date or the date fixed for redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date; and

- (i) where in the applicable Final Terms "€STR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Scheduled Dissolution Date or the date fixed for redemption, as applicable, "r" shall be the €STR in respect of the Rate Cut-off Date;

**"Rate Cut-off Date"** has the meaning given in the applicable Final Terms;

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

**" $r_{i-pBD}$ "** means the applicable Reference Rate as set out in the definition of "r" above for, (i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, (ii) otherwise, the relevant Business Day "i";

**"SOFR"** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Fed's Website, in each case on or about 5:00 p.m. (New York City Time) on the Business Day immediately following such Business Day (the **"SOFR Determination Time"**);

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

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

- (ii) where the Calculation Method in respect of the relevant Series of Floating Rate Certificates is specified in the applicable Final Terms as being "Weighted Average", the Profit Rate for each Return Accumulation Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the Profit Rate Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards, where:

**"Lock-out Period"** has the meaning set out in paragraph (i) above;



"**Observation Period**" has the meaning set out in paragraph (i) above;

"**Reference Day**" has the meaning set out in paragraph (i) above;

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

- (A) where "Lag" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and
- (B) where "Lock-out" is specified as the Observation Method in the applicable Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Return Accumulation Period, calculated by multiplying each relevant Reference Rate by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Return Accumulation Period, provided however that for any calendar day of such Return Accumulation Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day;
- (iii) where the Calculation Method in respect of the relevant Series of Floating Rate Certificates is specified in the applicable Final Terms as being "SOFR Index", the Profit Rate for each Return Accumulation Period will, subject as provided below, be Compounded SOFR (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin and will be calculated by the Calculation Agent on the Profit Rate Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**Compounded SOFR**" means:

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

where "d<sub>c</sub>" is the number of calendar days from (and including) SOFR Index<sub>Start</sub> to (but excluding) SOFR Index<sub>End</sub> (the number of calendar days in the relevant Observation Period);

"**SOFR Averages**" shall mean the computation bearing the same name as published on the New York Fed's Website;

"**SOFR Index**" with respect to any U.S. Government Securities Business Day, means:

- (a) the SOFR Index value as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) as such index appears on the New York Fed's Website at 5.00 p.m. (New York City time) on such U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (b) if a SOFR Index value does not so appear as specified in paragraph (i) above at the SOFR Determination Time, then:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to the then-current Benchmark, Compounded SOFR shall be the SOFR Index Unavailable value; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, then Compounded SOFR shall be the rate determined pursuant to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*);

"**SOFR Index<sub>End</sub>**" is the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the Periodic Distribution Date relating to such Return Accumulation Period;

"**SOFR Index<sub>Start</sub>**" is the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the first date of the relevant Return Accumulation Period;

"**SOFR Index Unavailable**" means if a SOFR Index<sub>Start</sub> or SOFR Index<sub>End</sub> is not published on the associated Profit Rate Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to the then-current Benchmark, "Compounded SOFR" means, for the relevant Return Accumulation Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Federal Reserve's Website at <https://www.newyorkfed.org/markets/treasury-repo-reference-ratesinformation>;

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 does not so appear for any day, "i" in the Observation Period, SOFR 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 New York Federal Reserve's Website;

- (iv) where "SONIA" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SONIA (as defined in paragraph (i) above) is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall be:

- (A) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Business Day; plus (ii) the mean of the spread of SONIA to the Bank Rate over the previous five days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
- (B) subject to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), if such Bank Rate is not available, the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors),

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

- (v) where "SOFR" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, SOFR (as defined in paragraph (i) above), is not available, subject to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the New York Fed's Website (as defined in paragraph (i) above) and "r" shall be interpreted accordingly;
- (vi) where "€STR" is specified as the Reference Rate in the applicable Final Terms, if, in respect of any Business Day, €STR (as defined in paragraph (i) above), is not available, subject to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), such Reference Rate shall be the €STR for the first preceding Business Day on which €STR was published on the European Central Bank's Website (as defined in paragraph (i) above) and "r" shall be interpreted accordingly; and
- (vii) in the event that the Profit Rate cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), the Rate shall be that determined as at the last preceding Profit Rate Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Periodic Distribution Period from that which applied to the last preceding Periodic Distribution Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Periodic Distribution Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Periodic Distribution Period) or (ii) if there is no such preceding Profit Rate Determination Date, the initial Profit Rate which would have been applicable to such Series of Certificates for the first Return Accumulation Period had the Certificates been in issue for a period equal in duration to the scheduled first Return Accumulation Period but ending on (and excluding) the Return Accrual Commencement Date (but applying the Margin and any Maximum Profit Rate or Minimum Profit Rate applicable to the first Return Accumulation Period).

If the relevant Series of Certificates become due and payable in accordance with Condition 15 (*Dissolution Events*), the final Profit Rate Determination Date

shall, notwithstanding any Profit Rate Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Certificates became due and payable and the Profit Rate on such Certificates shall, for so long as any such Certificate remains outstanding, be that determined on such date.

- (viii) For the purposes of this Condition 9(d) (*Floating Periodic Distribution Provisions – Screen Rate Determination for Floating Rate Certificates Referencing SOFR, SONIA or €STR (other than where in the applicable Final Terms the Reference Rate is specified as being SONIA and the Calculation Method is specified as being "SONIA Index")*):

If "Payment Delay" is specified in the applicable Final Terms as being applicable, all references in these Conditions to profit on the Certificates being payable on a Periodic Distribution Date shall be read as references to profit on the Certificates being payable on an Effective Periodic Distribution Date instead.

- (e) **Screen Rate Determination for Floating Rate Certificates Referencing SOFR, SONIA or €STR (other than where in the applicable Final Terms the Reference Rate is specified as being SONIA and the Calculation Method is specified as being "SONIA Index")**

Where Screen Rate Determination Referencing SOFR, SONIA or €STR is specified in the applicable Final Terms as the manner in which the Profit Rate is to be determined, the Reference Rate specified in the applicable Final Terms is SONIA, and the Calculation Method specified in the applicable Final Terms is "SONIA Index", the Profit Rate for each Return Accumulation Period will, subject as provided below, be the Compounded Daily SONIA Rate (as defined below) plus or minus (as indicated in the applicable Final Terms) the Margin, all as determined by the Calculation Agent.

"**Compounded Daily SONIA Rate**" means, with respect to a Return Accumulation Period, as determined by reference to the screen rate or index for compounded daily SONIA administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the relevant Profit Rate Determination Date, as further specified in the applicable Final Terms (the "**SONIA Compounded Index**") and in accordance with the following formula:

$$\text{Compounded Daily SONIA Rate} = \left( \frac{\text{SONIA Compounded Index}_{\text{End}}}{\text{SONIA Compounded Index}_{\text{Start}} - 1} \right) \times \frac{365}{d}$$

and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards, where:

"**d**" is the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

"**Relevant Number**" is as specified in the applicable Final Terms (or, if no such number is specified, five);

"**SONIA Compounded Index<sub>Start</sub>**" means, with respect to a Return Accumulation Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to the first day of the relevant Return Accumulation Period; and

"**SONIA Compounded Index<sub>End</sub>**" means, with respect to a Return Accumulation Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of London Banking Days prior to (A) the Periodic Distribution Date for such Return Accumulation Period, or (B) such other date on which the relevant payment of profit falls due (but which by its definition or the operation of the relevant provisions is excluded from such Return Accumulation Period).

- (i) In the event that the Profit Rate cannot be determined in accordance with the foregoing provisions (unless the Calculation Agent has been notified of any Successor Rate or Alternative Reference Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) below, if applicable), the Profit Rate shall be determined in accordance with Condition 9(d)(iv).
- (ii) If the Certificates become due and payable in accordance with Condition 15 (*Dissolution Events*), the final Profit Rate shall be calculated for the Return Accumulation Period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the date on which the Certificates become so due and payable, and such Profit Rate shall continue to apply to the Certificates for so long as profit continues to accrue thereon as provided in Condition 9(b) (*Floating Periodic Distribution Provisions – Periodic Distribution Amount*).

(f) **Benchmark Replacement**

- (1) Independent Adviser

Notwithstanding the other provisions of this Condition 9 (*Floating Periodic Distribution Provisions*) but subject, in the case of Certificates linked to SONIA, to Condition 9(d)(iv)(a) above or Condition 9(e) (*Floating Periodic Distribution Provisions – Screen Rate Determination for Floating Rate Certificates where in the applicable Final Terms the Reference Rate is specified as being SONIA and the relevant Calculation Method is specified as being "SONIA Index"*) above, as applicable, taking precedence, if the Trustee and the Bank, following consultation with the Calculation Agent, determine that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Profit Rate (or the relevant component part thereof) applicable to the Certificates for any Return Accumulation Period remains to be determined by such Reference Rate, then the following provisions shall apply (other than where in the applicable Final Terms "Condition 9(f)(2) (*ARRC*) is applicable" is specified for the Benchmark Replacement fall back):

- (i) the Trustee and the Bank shall use their reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than five Business Days prior to the relevant Profit Rate Determination Date relating to the next succeeding Return Accumulation Period (the "**IA Determination Cut-Off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case, if applicable, an Adjustment Spread for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates;
- (ii) if (A) the Trustee and the Bank are unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Trustee and the Bank fails to determine a Successor Rate or, failing which, an Alternative Reference Rate

and, in either case, an Adjustment Spread in accordance with this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) prior to the relevant IA Determination Cut-Off Date, then the Bank (acting in good faith and in a commercially reasonable manner) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread itself for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) applying *mutatis mutandis* to allow such determinations to be made by the Bank without consultation with the Independent Adviser);

- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Return Accumulation Periods in respect of such Certificates (subject to the subsequent operation of, and to adjustment as provided in, this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*));
- (iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread), shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) provided however, that if the Independent Adviser (following consultation with the Trustee and the Bank), or the Bank (acting in good faith and in a commercially reasonable manner), fails to determine the Adjustment Spread in accordance with this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) prior to the relevant Profit Rate Determination Date then the Successor Rate or Alternative Reference Rate as determined in accordance with this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) will apply without an Adjustment Spread;
- (v) if any Successor Rate, Alternative Reference Rate or Adjustment Spread is determined in accordance with this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) and the Independent Adviser (following consultation with the Trustee and the Bank) or the Bank (acting in good faith and in a commercially reasonable manner), as applicable, determines: (A) that amendments to these Conditions, the Master Declaration of Trust and/or any of the Transaction Document (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Profit Rate Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and (B) the terms of the Benchmark Amendments, then, at the direction and expense of the Bank and subject to delivery of a notice in accordance with Condition 9(f)(vi): (x) the Trustee and the Bank shall vary these Conditions, the Master Declaration of Trust and/or any of the Transaction Document, to give effect to such Benchmark Amendments with effect from the date specified in such notice; and (y) the Delegate and the Agents shall (at the Bank's expense), without any requirement for the consent or sanction of Certificateholders, be obliged to concur with the Trustee and the Bank in

effecting such Benchmark Amendments, provided that none of the Delegate nor any Agent shall be required to effect any such Benchmark Amendments if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

Prior to any such Benchmark Amendments taking effect, the Bank shall provide a certificate signed by two authorised signatories of the Bank to the Trustee, the Delegate and the Principal Paying Agent, certifying that such Benchmark Amendments are: (x) in the Bank's reasonable opinion (following consultation with the Trustee and the Independent Adviser), necessary to give effect to any application of this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*); and (y) in each case, have been drafted solely to such effect, and the Trustee, the Delegate and the Agents shall be entitled to rely on such certificates without further enquiry or liability to any person. For the avoidance of doubt, none of the Delegate or any Agent shall be liable to the Certificateholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Certificateholder or person.

- (vi) the Trustee (failing which, the Bank) shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Delegate and, in accordance with Condition 18 (*Notices*), the Certificateholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*). Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.
- (vii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Profit Rate (or the relevant component thereof) on the immediately following Profit Rate Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Profit Rate (or the relevant component part thereof) shall be determined as at the last preceding Profit Rate Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Return Accumulation Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Return Accumulation Period). For the avoidance of doubt, this Condition 9(f)(vii) shall apply to the relevant immediately following Return Accumulation Period only and any subsequent Return Accumulation Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*); and

- (viii) the Independent Adviser appointed pursuant to this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) shall act and make all determinations pursuant to this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*) in good faith and the Independent Adviser shall act as an expert. In the absence of bad faith, wilful default or fraud, neither the Independent Adviser, the Trustee nor the Bank shall have any liability whatsoever to the Certificateholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to the Bank in connection with any determination made by the Bank pursuant to this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*).

**"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 Reference 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 Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and the Bank) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (iii) (if the Independent Adviser (following consultation with the Trustee and the Bank) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and the Bank) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (iv) (if the Independent Adviser (following consultation with the Trustee and the Bank) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and the Bank) or the Bank (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate;

**"Alternative Reference Rate"** means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Trustee and the Bank) determines, in accordance with this Condition 9(f) (*Floating Periodic Distribution Provisions – Benchmark Replacement*), is customarily applied in international debt capital markets transactions for the purposes of determining rates of profit (or the relevant component part thereof) in the same Specified Currency as the Certificates or, if the Independent Adviser or the Bank (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Bank (as applicable) determines in their sole discretion is most comparable to the relevant Reference Rate;

**"Benchmark Event"** means: (i) the relevant Reference Rate ceasing to be published as a result of such benchmark ceasing to be calculated or administered or ceasing to exist for



at least five Business Days; or (ii) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will, by a specified future date, cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will be, by a specified future date, permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which, by a specified future date, the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Certificates; or (v) a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is or will be (or is or will be deemed by such supervisor to be), by a specified future date, no longer representative of an underlying market; or (vi) it has become unlawful for the Trustee and the Bank, the Calculation Agent or any Paying Agent to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate, provided that, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) and (v) above and the relevant specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date;

**"Financial Stability Board"** means the organisation established by the Group of Twenty (G20) in April 2009;

**"Independent Adviser"** means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Trustee and the Bank at the Bank's expense;

**"Relevant Nominating Body"** means, in respect of a Reference Rate: (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; 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 Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof; and

**"Successor Rate"** means the rate that the Independent Adviser (in consultation with the Trustee and the Bank) or the Bank, as applicable, determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

(2) *ARRC*

This Condition 9(f)(2) (*ARRC*) shall apply, in the case of Certificates for which the Specified Currency specified in the applicable Final Terms is U.S. dollars and the Reference Rate specified in the applicable Final Terms is SOFR, if in the applicable Final Terms "Condition 9(f)(2) (*ARRC*) is applicable" is specified for the Benchmark Replacement fall back.

If the Trustee and the Bank determine on or prior to the relevant Reference Time that a Benchmark Transition Event and its related 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 Certificates in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Trustee and the Bank will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of Certificateholders. The Delegate and each of the Agents shall, at the discretion and expense of the Bank effect such consequential amendments to these Conditions, the Master Declaration of Trust and the other Transaction Documents as may be required to give effect to this Condition 9(f)(2) (*Floating Periodic Distribution Provisions – Benchmark Replacement – ARRC*), provided that none of the Delegate nor any Agent shall be required to effect any such amendments if the same would impose, in its opinion, more onerous obligation upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

Any determination, decision or election that may be made by the Trustee and the Bank pursuant to this Condition 9(f)(2) (*ARRC*), including any determination with respect to a 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:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Trustee and the Bank; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Certificates, shall become effective without consent from the holders of the Certificates or any other party.

**"Benchmark"** means, initially, SOFR, provided that if the Trustee and the Bank determine on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR (or the published daily SOFR used in the calculation thereof), as the case may be, or the then-current Benchmark, then **"Benchmark"** shall mean the applicable Benchmark Replacement;

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

- (i) the sum of: (a) the alternate rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (a) the alternate rate that has been selected by the Trustee and the Bank as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities 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 Trustee and the Bank as of the 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, 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 Trustee and the Bank giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of profit, rounding of amounts or tenors, and other administrative matters) that the Trustee and the Bank decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Trustee and the Bank decide that adoption of any portion of such market practice is not administratively feasible or if the Trustee and the Bank determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Trustee and the Bank determine is reasonably necessary);

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

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

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

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

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

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

**"ISDA"** means the International Swaps and Derivative Association, Inc.;

**"ISDA Definitions"** means either the 2006 ISDA Definitions, as published by ISDA and as amended and updated as at the Issue Date of the first Tranche of the Certificates, or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Certificates, as applicable;

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

**"ISDA Fallback Rate"** means the rate that would apply for derivatives 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 (i) if the Benchmark is SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not SOFR, the time determined by the Trustee and the Bank after giving effect to 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; and

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

Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under this Condition 9(f)(2) (*ARRC*) will be notified promptly by the Trustee to the Delegate and the Agents and, in accordance with Condition 18 (*Notices*) the Certificateholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Certificateholders of the same, the Bank shall deliver to the Delegate a certificate signed by two authorised signatories of the Bank:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 8(f)(2) (*Floating Periodic Distribution Provisions – ARRC*); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

(g) **Maximum or Minimum Profit Rate**

If any Maximum Profit Rate or Minimum Profit Rate is specified in the applicable Final Terms, then the Profit Rate shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise specified in the Final Terms, the Minimum Profit Rate for Floating Rate Certificates shall be zero.

(h) **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Profit Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount shall be calculated by applying the Profit Rate for such Return Accumulation Period to the Calculation Amount, multiplying the product by the applicable Day Count Fraction, and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Certificate divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(i) **Calculation of other amounts**

If the applicable Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the applicable Final Terms.

(j) **Publication**

The Calculation Agent will cause each Profit Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents as soon as practicable after such determination but (in the case of each Profit Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given by the Trustee or the Bank to the Certificateholders in accordance with Condition 18 (*Notices*) and each competent authority, stock exchange and/or quotation system (if any) by which the Certificates have been admitted to listing, trading and/or quotation. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Periodic Distribution Amount but instead may

publish only the Calculation Amount and the Periodic Distribution Amount in respect of a Certificate having the minimum Specified Denomination.

(k) **Notifications etc.**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 9(k) (*Floating Rate Note Provisions – Notifications etc.*) by the Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Bank, the Delegate, the Agents, the Certificateholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(l) **Linear Interpolation**

Where Linear Interpolation is specified as applicable in respect of a Return Accumulation Period in the applicable Final Terms, the Profit Rate for such Return Accumulation Period shall be calculated by the Calculation Agent 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 Return Accumulation 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 Return Accumulation 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 shall determine such rate at such time and by reference to such sources as it determines appropriate.

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

In the case of Exempt Certificates which are also Floating Rate Certificates, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate in respect of such Exempt Certificates will be determined as provided in the applicable Pricing Supplement.

10. **PAYMENT**

(a) **Payments in respect of Certificates**

Subject to Condition 10(b) (*Payment – Payments subject to Applicable Laws*), payment of each Periodic Distribution Amount and the relevant Dissolution Amount will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Certificateholder. Payments of the relevant Dissolution Amount will only be made against surrender of the relevant Certificate, where the Certificate is in definitive form, at the specified office of the relevant Paying Agent. Payments of the relevant Dissolution Amount and each Periodic Distribution Amount in respect of the Global Certificate will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of these Conditions:

- (i) a Certificateholder's **"registered account"** means an account denominated in the Specified Currency maintained by or on behalf of it with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;
- (ii) a Certificateholder's **"registered address"** means its address appearing on the Register at that time; and
- (iii) **"Record Date"** means:

- (A) in the case of the payment of a Periodic Distribution Amount, the close of business on the day prior to the relevant Periodic Distribution Date; and
- (B) in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date or other due date for payment of the relevant Periodic Distribution Amount.

(b) **Payments subject to Applicable Laws**

All payments are subject in all cases to: (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Condition 10 (*Payment*) and Condition 12 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

(c) **Payment only on a Payment Business Day**

Payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated by the relevant Paying Agent, on the due date for payment or, in the case of a payment of the relevant Dissolution Amount, if later, on the Business Day on which the relevant Certificate is surrendered at the specified office of the relevant Paying Agent.

Certificateholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Amount or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the relevant Certificateholder is late in surrendering his Certificate (if required to do so).

If the relevant Dissolution Amount or any Periodic Distribution Amount is not paid in full when due, the relevant Registrar will annotate the Register with a record of the amount actually paid.

(d) **Payment in Arrear**

Subject to Condition 10(e) (*Payment – Cessation of Profit Entitlement*), 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), and Condition 15 (*Dissolution Events*) below, and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Certificates in arrear on each Periodic Distribution Date specified in the applicable Final Terms.

(e) **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including (a) the relevant Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount and, as a result, a Sale Agreement has not been executed in accordance with the Purchase Undertaking or the Sale Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 10 to the earlier of (i) the Relevant Date; or (ii) the date on which a Sale Agreement is executed in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be; and (b) the date on which a Total Loss Event occurs.

(f) **Agents**

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided in the Master Declaration of

Trust and the Agency Agreement) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders or any other party to the Transaction Documents.

The names of the initial Agents and their initial specified offices are set out in this Condition. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and/or to appoint additional or other Agents provided that: (i) it will at all times maintain a Principal Paying Agent and a Registrar (which may be the same entity); and (ii) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any such change or any change of any Specified Office shall be given to the Trustee, the Delegate and the Certificateholders in accordance with the provisions of the Agency Agreement.

The name and specified office of the Principal Paying Agent, Calculation Agent and Transfer Agent:

Citibank N.A., London Branch  
Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

The name and specified office of the Registrar:

Citibank Europe plc  
1 North Wall Quay  
Dublin 1  
Ireland

## 11. CAPITAL DISTRIBUTIONS OF THE TRUST

### (a) **Dissolution on the relevant Scheduled Dissolution Date**

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Certificates at the relevant Dissolution Distribution Amount and the Trust will be dissolved by the Trustee on the relevant Scheduled Dissolution Date as specified in the applicable Final Terms, following the payment of such amount in full.

### (b) **Early Dissolution for Tax Reasons**

If a Tax Event occurs, where "**Tax Event**" means:

- (i) (A) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series; and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (ii) (A) the Trustee has received notice from the Bank that it has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the relevant Series; and



(B) such obligation cannot be avoided by the Bank taking reasonable measures available to it,

the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, redeem the Certificates in whole, but not in part, (a) at any time (if the Floating Rate Certificate Provisions are specified in the applicable Final Terms as being not applicable); or (b) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable) (such dissolution date being an "**Early Tax Dissolution Date**"), on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period notice to the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable) at the relevant Early Dissolution Amount (Tax) if the Trustee satisfies the Delegate immediately before the giving of such notice of the occurrence of such a Tax Event provided, however, that no such notice of dissolution shall be given earlier than 90 days prior to the earliest date on which (in the case of paragraph (i) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due, or (in the case of paragraph (ii) above) the Bank would be obliged to pay such additional amounts if a payment to the Trustee under the relevant Transaction Document was then due.

Prior to the publication by or on behalf of the Trustee of any notice to Certificateholders pursuant to this Condition 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*), the Bank shall deliver to the Trustee and the Delegate: (i) a certificate signed by two directors of the Bank stating that the Trustee is entitled to effect such redemption and settling forth a statement of facts showing that the conditions precedent to the right of the Trustee so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect either that the Trustee or the Bank, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice to Certificateholders as is referred to above and payment in full of the relevant Early Dissolution Amount (Tax) to Certificateholders, the Trustee shall be bound to dissolve the Trust.

(c) **Dissolution at the Option of the Bank**

If the Optional Dissolution Right is specified in the applicable Final Terms, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period to the relevant Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), redeem all or, if so specified in such notice, some only of the Certificates at the relevant Optional Dissolution Amount on the Optional Dissolution Date specified in such notice in accordance with this Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*).

Any such redemption or exercise must relate to Certificates of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed (in each case as specified in the applicable Final Terms).

If all (and not some only) of the Certificates are to be redeemed on any Optional Dissolution Date in accordance with this Condition 11(c) (*Capital Distributions of the Trust – Dissolution at the Option of the Bank*), upon payment in full of the relevant Optional Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

In the case of a partial redemption, the notice to the relevant Certificateholders shall also specify the face amount of Certificates drawn and the holder(s) of such Certificates to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject

to compliance with any applicable laws and stock exchange or other relevant authority requirements.

The Optional Dissolution Right and the Certificateholder Put Option may not both be specified as applicable in the applicable Final Terms in respect of any Series.

(d) **Certificateholder Put Option**

If the Certificateholder Put Option is specified in the applicable Final Terms, the Trustee shall, (unless, prior to the delivery of the Certificateholder Put Option Notice (as defined below) in accordance with this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), the Trustee has given notice of redemption, in whole, but not in part, in accordance with Conditions 11(b) (*Capital Distributions of the Trust – Early Dissolution for Tax Reasons*) or 11(f) (*Capital Distributions of the Trust – Clean Up Call Right*)), at the option of any Certificateholder, upon such holder giving not less than the Minimum Notice Period nor more than the Maximum Notice Period notice to the Trustee, upon the expiry of such notice, redeem such Certificates on the Certificateholder Put Option Date at the relevant Certificateholder Put Option Dissolution Amount. If all (and not some only) of the Certificates are to be redeemed on any Certificateholder Put Option Date in accordance with this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), upon payment in full of the relevant Certificateholder Put Option Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*) the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deposit its Certificate(s), on any business day in the city of the specified office of the Principal Paying Agent falling within the notice period, with the Principal Paying Agent, giving notice to the Principal Paying Agent of such exercise (a "**Certificateholder Put Option Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). If Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, then in order to exercise the option in this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*), a Certificateholder must, within the notice period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Certificateholder Put Option Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent) and, if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

Any Certificateholder Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificates pursuant to this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*) shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 15 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11(d) (*Capital Distributions of the Trust – Certificateholder Put Option*).

The Certificateholder Put Option and the Optional Dissolution Right may not both be specified in the applicable Final Terms in respect of any Series.

(e) **Tangibility Event Put Option**

The Trustee shall, upon receipt of a Tangibility Event Trustee Notice from the Bank in accordance with the Service Agency Agreement, promptly give notice (a "**Tangibility**

**Event Notice**") to the Delegate and the Certificateholders in accordance with these Conditions specifying:

- (i) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (ii) that, as determined in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the Shari'a principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (iii) that, on the date falling 15 days following the Tangibility Event Put Option Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing or, if such date is not a business day, the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and
- (iv) the Tangibility Event Put Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates.

Upon receipt of the Tangibility Event Notice, Certificateholders may elect, within the Tangibility Event Put Option Period, for all or any of their Certificates to be redeemed.

If any Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), the Trustee shall redeem such Certificates on the Tangibility Event Put Option Date at the relevant Tangibility Event Dissolution Amount. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Put Option Date in accordance with this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), upon payment in full of the relevant Tangibility Event Dissolution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deposit its Certificate(s), on any business day in the city of the specified office of the Principal Paying Agent falling within the Tangibility Event Put Option Period, with the Principal Paying Agent, giving notice to the Principal Paying Agent of such exercise (a "**Tangibility Event Put Option Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable). If Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, then in order to exercise the option in this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*), a Certificateholder must, within the Tangibility Event Put Option Period, give notice to a Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Tangibility Event Put Option Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent) and, if this Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to a Paying Agent for notation or entry in the Register accordingly.

Any Tangibility Event Put Option Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificates pursuant to this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*) shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 15 (*Dissolution Events*), in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given

pursuant to this Condition 11(e) (*Capital Distributions of the Trust – Tangibility Event Put Option*).

In these Conditions:

a "**Tangibility Event**" means if, at any time, the Tangibility Ratio, other than as a result of the occurrence of a Total Loss Event, falls below 33 per cent.;

"**Tangibility Event Put Period**" means a period of 30 days commencing on the date that a Tangibility Event Notice is given;

"**Tangibility Event Put Option Date**" means the first Business Day falling 75 days following the expiry of the Tangibility Event Put Period;

"**Tangibility Event Trustee Notice**" has the meaning given to it in the Service Agency Agreement; and

"**Tangibility Ratio**" has the meaning given to it in the Service Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading referred to in paragraph (ii) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

(f) **Clean Up Call Right**

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 11 (*Capital Distributions of the Trust*) and/or Condition 14 (*Purchase and Cancellation of Certificates*), as the case may be, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Bank in accordance with the Sale Undertaking, and on giving notice not less than the Minimum Notice Period nor more than the Maximum Notice Period to the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the Certificates at the relevant Dissolution Distribution Amount on the date specified in such notice (such dissolution date being a "**Clean Up Call Dissolution Date**"). Upon payment in full of the relevant Dissolution Distribution Amount to the Certificateholders, the Trustee shall be bound to dissolve the Trust.

(g) **Dissolution following a Total Loss Event**

This Condition 11(g) is applicable to the Certificates only if, at any time while any Certificates remain outstanding, the Minimum Total Loss Requirement corresponding to the Certificates is satisfied.

The Trustee shall, upon receipt of notice from the Bank or otherwise becoming aware of the occurrence of a Total Loss Event, unless the Real Estate Assets forming part of the relevant Wakala Portfolio have been replaced in accordance with the Service Agency Agreement, redeem the Certificates in whole, but not in part, by no later than the close of business on the 61st day after the occurrence of the Total Loss Event (the "**Total Loss Dissolution Date**") at the relevant Dissolution Distribution Amount.

For the avoidance of doubt, if this Condition 11(g) is ever applicable to the Certificates at any time then this Condition 11(g) shall cease to apply to the Certificates immediately upon the Minimum Total Loss Requirement corresponding to the Certificates no longer being satisfied and shall immediately apply again if and for so long as the Minimum Total Loss Requirement corresponding to the Certificates is satisfied.

If, as a result of a Total Loss Event the ratio of (a) the aggregate Value of the Financing Assets, the Real Estate Assets (which for this purpose shall exclude any such Real Estate Assets subject to a Total Loss Event) and/or the Tangible Part of Sukuk forming part of the Wakala Portfolio relating to such Series to (b) the Wakala Portfolio Value relating to

such Series, the Service Agent shall promptly notify the Trustee and the Delegate of the same and the Trustee shall, following receipt of such notice from the Service Agent, promptly deliver a notice to the Certificateholders (the "**Trading Notice**") in accordance with Condition 18 (*Notices*) specifying (a) the occurrence of such event; and (b) that, from the date of the Trading Notice, and until any further notice from the Trustee, in consultation with the Internal Shariah Supervision Committee of the Bank, the Certificates should be tradable only in accordance with the *Shari'a* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

Following delivery of a Trading Notice to the Certificateholders in accordance with Condition 18 (*Notices*) and upon replacement of the Real Estate Assets subject to a Total Loss Event in accordance with the Service Agency Agreement, the Service Agent shall notify the Trustee and the Delegate of the same and the Trustee shall promptly, following receipt of such notice from the Service Agent and in consultation with the Internal Shariah Supervision Committee of the Service Agent, deliver a notice to the Certificateholders in accordance with Condition 18 (*Notices*) that from the date of that notice the Certificates may be traded at any price.

In these Conditions:

"**Financing Asset**" has the meaning given to it in the Abu Dhabi Master Purchase Agreement or the Dubai Master Purchase Agreement, as the context so requires;

"**Real Estate Asset**" has the meaning given to it in the Abu Dhabi Master Purchase Agreement or the Dubai Master Purchase Agreement, as the context so requires;

"**Sukuk**" has the meaning given to it in the Abu Dhabi Master Purchase Agreement;

"**Tangible Part**" has the meaning given to it in the Service Agency Agreement;

"**Total Loss Event**" means, in relation to the Real Estate Assets forming part of the relevant Wakala Portfolio, the total loss or destruction of, or damage to the whole of such Real Estate Assets or any event or occurrence that renders the whole of such Real Estate Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of such Real Estate Assets) the repair or remedial work in respect thereof is wholly uneconomical;

"**Value**" has the meaning given to it in the Service Agency Agreement; and

"**Wakala Portfolio Value**" has the meaning given to it in the Service Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'a* principles of debt trading referred to above nor shall it be liable to any Certificateholder or any other person in respect thereof.

(h) **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event which is continuing, the Certificates may be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date, if the conditions set out in Condition 15 (*Dissolution Events*) are satisfied, and the Trust will be dissolved by the Trustee.

(i) **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust otherwise than as provided in this Condition 11 (*Capital Distributions of the Trust*), Condition 14 (*Purchase and Cancellation of Certificates*) and Condition 15 (*Dissolution Events*).

(j) **Effect of payment in full of Dissolution Amount**

Upon payment in full of all amounts due and payable in respect of the Certificates of any Series and the dissolution of the Trust as provided for in this Condition 11 (*Capital Distributions of the Trust*) or Condition 15 (*Dissolution Events*) (as applicable), such Certificates shall cease to represent interests in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

12. **TAXATION**

All payments in respect of the Certificates shall be made free and clear of, and 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 or on behalf of any Relevant Jurisdiction ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts as shall be necessary in order that the net amounts received by the Certificateholder after such withholding or deduction shall equal the respective amounts due and payable to any Certificateholder which would have otherwise been receivable in the absence of such withholding or deduction, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate presented for payment (where presentation is required):

- (a) by or on behalf of a holder who is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate; or
- (b) more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days.

In these Conditions:

**"Relevant Date"** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the relevant Paying Agent or the Trustee or the Registrar on or before the due date, it means the date on which the full amount of the money having been so received, notice to that effect shall have been duly given to Certificateholders by the Trustee in accordance with Condition 18 (*Notices*); and

**"Relevant Jurisdiction"** means the Cayman Islands and the United Arab Emirates or any Emirate therein or, in either case, any political subdivision or authority thereof or therein having the power to tax.

*The Transaction Documents provide that payments thereunder by the Bank shall be made without any withholding or deduction for, or on account of, any present or future taxes, unless such withholding or deduction is required by law and, in such case, provide for the payment by the Bank of all additional amounts as will result in the receipt by the Trustee of such net amount as would have been receivable by it if no withholding or deduction had been made.*

*Further, in accordance with the Master Declaration of Trust, the Bank has unconditionally and irrevocably undertaken to (irrespective of the payment of any fee), as a continuing obligation, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to this Condition 12 (Taxation), pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or on account of Taxes) equals any and all additional amounts, required to be paid by it in respect of the Certificates pursuant to Condition 12 (Taxation).*

If the Trustee or the Bank becomes subject to any taxing jurisdiction other than the Cayman Islands, the United Arab Emirates, or any Emirate therein, references in these Conditions to the Cayman Islands, United Arab Emirates, or any Emirate therein, shall be construed as references to the

Cayman Islands, the United Arab Emirates, or any Emirate therein, and/or such other jurisdiction, as the case may be.

13. **PRESCRIPTION**

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within a period of ten years (in the case of the Dissolution Amount) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

14. **PURCHASE AND CANCELLATION OF CERTIFICATES**

(a) **Purchases**

The Bank and/or any Subsidiary may at any time purchase Certificates at any price in the open market or otherwise at any price. Such Certificates may be held, re-sold or, at the option of the Bank, surrendered to the Registrar for cancellation in accordance with Condition 14(b) (*Purchase and Cancellation of Certificates – Cancellation of Certificates held by the Bank and/or any of its Subsidiaries*).

(b) **Cancellation of Certificates held by the Bank and/or any of its Subsidiaries**

If the Bank wishes to cancel any of the Certificates purchased by it and/or any Subsidiary pursuant to Condition 14(a) (*Purchase and Cancellation of Certificates – Purchases*), the Bank shall deliver a Cancellation Notice to the Trustee in accordance with the terms of the Master Declaration of Trust and require the Trustee to cancel such Certificates.

(c) **Dissolution of the Trust upon cancellation of all outstanding Certificates in a Series**

In the event the Bank and/or any of its Subsidiaries purchase all the outstanding Certificates in a Series pursuant to this Condition 14 (*Purchase and Cancellation of Certificates*) and all such Certificates are subsequently cancelled by the Trustee, the relevant Trust will be dissolved by the Trustee and such Certificates shall cease to represent interests in the relevant Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

15. **DISSOLUTION EVENTS**

If, upon the occurrence of any of the following events (each a "**Dissolution Event**"):

- (a) default is made in the payment of the relevant Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven days and, in the case of a Periodic Distribution Amount, such default continues unremedied for a period of 14 days; or
- (b) the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under the Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or (if capable of remedy (in the opinion of the Delegate)) is not remedied within 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) a Bank Event occurs; or
- (d) the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (e) at any time it is or will become unlawful or impossible for the Trustee (by way of insolvency or otherwise) to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

- (f) either: (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

provided however that in the case of the occurrence of any of the events described in paragraphs (b) and (e) above, the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates, the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), subject to it having been notified in writing of the occurrence of such Dissolution Event, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 18 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. If so requested in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Series outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (a "**Dissolution Request**") it shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Trustee, the Bank and the Certificateholders in accordance with Condition 18 of the Dissolution Request whereupon the Certificates shall be immediately redeemed at the relevant Dissolution Distribution Amount on the date specified in such notice (the "**Dissolution Event Redemption Date**") and the Trust shall be dissolved by the Trustee on the day after the last outstanding Certificate has been redeemed.

Upon payment in full of such amounts and dissolution of the Trust as aforesaid, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of this Condition, a "**Bank Event**" will occur if one or more of the following events occurs:

- (a) *Non-payment*: the Bank (acting in any capacity) fails to pay any amount in the nature of principal (corresponding to the relevant Dissolution Amount payable by the Trustee under the Certificates) payable by it pursuant to any Transaction Document on the due date for payment thereof and such failure has continued for a period of seven days, or fails to pay any amount in the nature of profit (corresponding to the Periodic Distribution Amounts payable by the Trustee under the Certificates) payable by it pursuant to any Transaction Document on the due date for payment thereof and such failure has continued for a period of 14 days; or
- (b) *Breach of other obligations*: the Bank, acting in any capacity, (i) delivers a notice to the Trustee and the Delegate pursuant to clause 3.1(o)(v) of the Service Agency Agreement; or (ii) defaults in the performance or observance of any of its other obligations in relation to the Certificates under the Transaction Documents to which it is a party (other than its obligations as set out in (A) clause 3.1(d) of the Service Agency Agreement (save for the delivery of the Tangibility Event Trustee Notice); and (B) clause 3.1(o) of the Service Agency Agreement) and such default remains unremedied for a period of 30 days after written notice of such default shall have been given to the Bank by the Delegate (acting on behalf of the Trustee) (except where such default is, in the opinion of the Delegate, based on information received by the Delegate (as applicable) from the Bank and/or the Trustee (as applicable), not capable of remedy in which case no such notice of default shall be required); or



- (c) *Cross-default:*
- (i) any Indebtedness of the Bank or any Principal Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;
  - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Bank or (as the case may be) any of its Principal Subsidiaries or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
  - (iii) the Bank or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness,

provided that such an event listed in paragraphs (i), (ii) and/or (iii) shall not constitute a Bank Event unless the aggregate amount of all such Indebtedness either alone or when aggregated with all other Indebtedness in respect of which such an event shall have occurred and be continuing shall be more than U.S.\$50,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount in excess of U.S.\$50,000,000 (or its equivalent in any other currency or currencies) is rendered against the Bank or any Principal Subsidiary and continue(s) unsatisfied and unstayed for a period of 30 days following the service by the Delegate on the Bank or any Principal Subsidiary of notice requiring the same to be paid / remedied; or
- (e) *Security enforced:* a secured party takes possession of, or a receiver, manager or other similar officer is appointed in respect of the whole or (in the opinion of the Delegate, based on information received by the Delegate from the Bank and/or the Trustee) any substantial part of the undertaking, assets and revenues of the Bank or any Principal Subsidiary; or
- (f) *Insolvency, etc.:* (i) the Bank or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator is appointed (or application for any such appointment is made) of the Bank or any Principal Subsidiary in respect of the whole or (in the opinion of the Delegate, based on information received by the Delegate from the Bank and/or the Trustee) any substantial part of the undertaking, assets and revenues of the Bank or any Principal Subsidiary; (iii) the Bank or any Principal Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or (iv) the Bank or any Principal Subsidiary ceases or threatens to cease to carry on all or any substantial part of its business save in connection with a Permitted Reorganisation; or
- (g) *Winding up, etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Bank or any Principal Subsidiary save in connection with a Permitted Reorganisation; or
- (h) *Analogous event:* any event occurs which under the laws of the United Arab Emirates has an analogous effect to any of the events referred to in paragraphs (d) to (g) inclusive above; or
- (i) *Unlawfulness:* it is or will become unlawful for the Bank to perform or comply with any of its obligations under or in respect of the Transaction Documents to which it is a party,

provided however that in the case of the occurrence of any of the events described in paragraphs (b) or (i) or (in respect of a Principal Subsidiary only), (e) to (h) inclusive, the Delegate shall have certified in writing to the Bank that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates.

## 16. ENFORCEMENT AND EXERCISE OF RIGHTS

- (a) Upon the occurrence of a Dissolution Event, to the extent any amount payable in respect of the Certificates has not been paid in full, the Trustee (or the Delegate, acting on behalf of the Trustee), (subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction), may (acting for the benefit of the Certificateholders) take one or more of the following steps:
  - (i) enforce the Bank's obligations under the Transaction Documents to which the Bank is a party; and/or
  - (ii) take such other steps as the Trustee or the Delegate (acting in the name and on behalf of the Trustee) may consider necessary to recover amounts due to the Certificateholders.
- (b) Following the enforcement, realisation of the Certificates and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificates to the Certificateholders in accordance with these Conditions and the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the obligations of the Trustee in respect of the Certificates shall be satisfied and the right of the Certificateholders to receive any further sums shall be extinguished and neither the Trustee nor the Delegate shall be liable for any such sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate, the Agents or any other person (including the Bank) to recover any such sum or asset in respect of the relevant Certificates or the Trust Assets. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.
- (c) No Certificateholder shall be entitled to proceed directly against the Trustee or the Bank under any Transaction Document to which either of them is a party unless the Delegate, having become so bound to proceed: (i) fails to do so within a reasonable period; or (ii) is unable by reason of an order of a court having competent jurisdiction, and the failure or inability shall be continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Bank shall be to enforce their respective obligations under the Transaction Documents.
- (d) Subject to paragraph (b) above, neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against (as applicable) the Trustee and/or the Bank under any Transaction Document to which either of the Trustee or the Bank is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 20 per cent. of the then outstanding aggregate face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable and provided that the Delegate shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Certificateholders.

## 17. REPLACEMENT OF CERTIFICATES

If any Definitive Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee may reasonably require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

18. **NOTICES**

Save as provided in this Condition 18 (*Notices*) all notices regarding the Certificates will be in the English language and will be deemed to be validly given if published in a leading English language daily newspaper published in London which is expected to be the Financial Times, or if such publication is not practicable, in a leading English language newspaper having general circulation in Europe. The Trustee 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 Certificates are for the time being listed or by which they have been admitted to trading. 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. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any Definitive Certificates are issued, there may, so long as the Global Certificate representing the Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Certificates. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with the relevant Certificate or Certificates, with the Principal Paying Agent.

19. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

- (a) The Master Declaration of Trust contains provisions for convening meetings (including by way of conference call or by use of videoconference platform) of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of these Conditions or the provisions of the Master Declaration of Trust or any other Transaction Document. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Trustee and shall be convened by it upon the request in writing of Certificateholders holding not less than one-tenth of the aggregate face amount of the Certificates of a Series. The quorum at any meeting for passing an Extraordinary Resolution will be one or more Certificateholders, proxies or representatives holding or representing in the aggregate more than half of the then outstanding aggregate face amount of the Certificates (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series) or at any adjourned such meeting one or more Certificateholders, proxies or representatives (whatever the outstanding face amount of the Certificates of all the relevant Series held or represented by him/ her or them), provided however that any meeting the business of which includes the modification of certain provisions of the Certificates (including, among others, modifying the relevant Scheduled Dissolution Date, reducing or cancelling any amount payable in respect of the Certificates, altering the currency of payment of the Certificates or amending any of the Bank's covenants to make a payment under any Transaction Document), the quorum shall be one or more Certificateholders, proxies or representatives holding or representing in the aggregate at least three-quarters of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series) or at any adjourned such meeting one or more Certificateholders, proxies or representatives holding or representing not less than one quarter of the then aggregate outstanding face amount of the Series (or, in the case of a meeting called in respect of more than one Series, the then outstanding aggregate face amount of the Certificates of all the relevant Series). To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the persons voting on a show of hands or, if a poll is duly demanded, a majority of not less than three-quarters of the votes cast on such poll and, if duly passed, will be binding on all Certificateholders, whether or not they are present at the meeting and whether or not voting.

- (b) The Master Declaration of Trust provides that a resolution in writing signed by or on behalf of all the holders of the Certificates outstanding who for the time being are entitled to receive notice of a meeting in accordance with schedule 4 to the Master Declaration of Trust shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.
- (c) The Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document and the Trustee's memorandum and articles of association may only be amended by the Trustee with the consent of the Delegate and the Delegate may agree, without the consent or sanction of the Certificateholders, to any modification of any of the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association if, in the opinion of the Delegate: (i) such modification is of a formal, minor or technical nature; (ii) such modification is made to correct a manifest error; or (iii) such modification is not materially prejudicial to the interests of the outstanding Certificateholders and is other than in respect of a Reserved Matter or any provisions of the Master Declaration of Trust referred to in the definition of a Reserved Matter. Any such modification may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding on the Certificateholders and, unless the Delegate otherwise decides, shall be notified by the Trustee to the Certificateholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.
- (d) The Delegate may, without the consent or sanction of the Certificateholders and without prejudice to its rights in respect of any subsequent breach from time to time and at any time: (i) give its consent under the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association and agree to waive or to authorise any breach or proposed breach of any provision of the Master Declaration of Trust, any Supplemental Declaration of Trust, any other Transaction Document or the Trustee's memorandum and articles of association; or (ii) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such, provided that: (A) in the opinion of the Delegate, such waiver, authorisation or determination is not materially prejudicial to the interests of the outstanding Certificateholders; and (B) the Delegate will not do so in contravention of an express direction given by Extraordinary Resolution or a request made pursuant to Condition 15 (*Dissolution Events*). No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Certificateholders and unless the Delegate otherwise requires, shall be notified by the Trustee to the Certificateholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.
- (e) In connection with the exercise by it of any of its powers, trusts, authorities and discretions under the Master Declaration of Trust (including, without limitation, any modification), the Delegate shall have regard to the general interests of the Certificateholders as a class (except where the context otherwise requires (as determined by the Delegate in its absolute discretion)) and shall not have regard to any interest arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Certificateholders (whatever their number) resulting from them being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof or taxing jurisdiction and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate, the Bank or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders (except, in the case of the Trustee and the Bank, to the extent already provided for in Condition 12 (*Taxation*)).

## 20. THE DELEGATE

The Trustee has in the Master Declaration of Trust irrevocably and unconditionally appointed the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider to be necessary or desirable in order, and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Trustee under any of the Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, (together the "**Delegation**" of the "**Relevant Powers**"), provided that in no circumstances will such Delegation result in the Delegate holding on trust or otherwise managing the relevant Trust Assets and provided further that such Delegation and the Relevant Powers shall not include any obligation, duty, liability or covenant of the Trustee pursuant to the Master Declaration of Trust or any other Transaction Document or any duty, power, trust, authority or discretion to dissolve the trusts constituted by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master Declaration of Trust contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Master Declaration of Trust, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 16 (*Enforcement and Exercise of Right*), and then only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Bank under the Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Bank but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Delegate may rely without liability to Certificateholders on a report, confirmation, certificate or any advice of any accountants, financial advisers, financial institution, auditors, insolvency officials or any other expert (whether or not addressed to the Delegate and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Delegate or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise) in accordance with or for the purposes of the Master Declaration of Trust or the other relevant Transaction Documents. The Delegate may accept and shall be entitled to rely on any such report, confirmation or certificate or advice as sufficient evidence of the facts stated therein and such report, confirmation, certificate or advice shall be binding on the Trustee, the Delegate and the Certificateholders. The Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

Each of the Trustee and the Delegate is exempted from: (a) any liability in respect of any loss or theft of the Trust Assets or any cash; (b) any obligation to insure the Trust Assets (other than, with respect to the Trustee, in accordance with the Transaction Documents) or any cash; and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of the Trustee's or the Delegate's own gross negligence, wilful default or fraud, as the case may be.

Nothing shall, in any case where the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Master Declaration of Trust conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Master Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any liability for gross negligence, wilful default or fraud of which either of them may be guilty in relation to their duties under the Master Declaration of Trust.

21. **FURTHER ISSUES**

In respect of any Series, the Trustee may from time to time (but subject always to the provisions of the Master Declaration of Trust) without the consent of the Certificateholders create and issue additional Certificates having the same terms and conditions as the outstanding Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue, and so that the same shall be consolidated and form a single Series with the outstanding Certificates of such Series. Any additional Certificates which are to form a single Series with the outstanding Certificates of a particular Series shall be constituted by a deed supplemental to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. References in these Conditions to the Certificates include (unless the context requires otherwise) any other Certificates issued pursuant to this Condition and forming a single Series with such Certificates.

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

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

23. **GOVERNING LAW AND DISPUTE RESOLUTION**

(a) **Governing law**

The Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust (including these Conditions), and the Certificates and any non-contractual obligations arising out of or in connection with the same (including the remaining provisions of this Condition 23 (*Governing Law and Dispute Resolution*)) are and shall be governed by, and construed in accordance with, English law.

(b) **Agreement to arbitrate**

Subject to Condition 23(c) (*Governing Law and Dispute Resolution – Option to litigate*), any dispute, claim, difference or controversy arising out, relating to or having any connection with the Master Declaration of Trust and/or the Certificates (including any dispute as to the existence, validity, interpretation, performance, breach or termination or the consequences of any nullity thereof and any dispute relating to any non-contractual obligations arising out of or in connection with them) ("**Dispute**") shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 23 (*Governing Law and Dispute Resolution*). For these purposes:

- (i) the seat or legal place of arbitration shall be London;

- (ii) 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
- (iii) the language of the arbitration shall be English.

(c) **Option to litigate**

Notwithstanding Condition 23(b) (*Governing Law and Dispute Resolution – Agreement to arbitrate*), the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Bank:

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

require that a Dispute be heard by a court of law. If such notice is given, the Dispute to which such notice refers shall be determined in accordance with Condition 23(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) and subject as provided below, any arbitration commenced under Condition 23(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration (other than the Delegate whose costs will be borne by the Bank) will bear its own costs in relation to the terminated arbitration.

If any notice to exercise the option to litigate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, as the case may be, 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 his appointment is terminated;
- (ii) his entitlement to be paid his 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.

(d) **Effect of exercise of option to litigate**

In the event that a notice pursuant to Condition 23(c) (*Governing Law and Dispute Resolution – Option to litigate*) is issued, the following provisions shall apply:

- (i) subject to paragraph (iii) below, the courts of England or the courts of the Abu Dhabi Global Market ("ADGM"), at the option of the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, shall have exclusive jurisdiction to settle any Dispute and the Trustee submits to the exclusive jurisdiction of such courts;
- (ii) the Trustee agrees that the courts of England or the ADGM, as the case may be, at the option of the Delegate or any Certificateholder, as the case may be, are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(iii) this Condition 23(d) (*Governing Law and Dispute Resolution – Effect of exercise of option to litigate*) is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraphs (i) and (ii) above, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder, may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate or, but only where it is permitted to take action in accordance with the terms of the Master Declaration of Trust, any Certificateholder may take concurrent Proceedings in any number of jurisdictions.

(e) **Process agent**

The Trustee agrees that the documents which start any Proceedings and any other documents required to be served in relation to the London branch of the Bank at First Abu Dhabi Bank PJSC, London Branch, 3<sup>rd</sup> Floor, 45 Cannon Street, London EC4M 5SB, United Kingdom or at any other address for the time being at which process may be served on it in accordance with Section 1139 of the Companies Act 2006 (as modified or re-enacted from time to time). If the Bank ceases to have a London branch which can accept service of process on the Trustee's behalf, the Delegate shall be entitled to appoint such a person by written notice addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent. Nothing in this Condition shall affect the right of any party to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.



## FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. Certificates will be issued outside the United States in reliance on Regulation S under the Securities Act.

### Global Certificates

Each Tranche of Certificates will initially be represented by a global trust certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited with a common depository (the "**Common Depository**") for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depository. Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form.

### Payments to registered Holder

Payments of any amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown in the Register as the registered Holder of the Certificates represented by a Global Certificate at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business. None of the Trustee, the Delegate, the Bank, 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 ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 10(a) (*Payment – Payments in respect of Certificates*)) immediately preceding the due date for payment in the manner provided in that Condition.

### Exchange for definitives

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates of a particular Series only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. For these purposes, an "**Exchange Event**" will occur if: (a) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and no successor clearing system is available; or (b) any of the circumstances described in Condition 15 (*Dissolution Events*) occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any other person acting on their behalf, as the case may be, (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any Certificate is represented by a Global Certificate held on behalf of Euroclear and/or 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 face amount of such Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificate 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 as the holder of such face amount of such Certificate for all purposes other than with respect to any payment on such face amount of such Certificate, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee and their respective agents as the holder of such face amount of such Certificate in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly.

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Certificates of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

**[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 Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (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 Certificates (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 Certificates has led to the conclusion that: (i) the target market for the Certificates is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (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 is responsible for undertaking its own target market assessment in respect of the Certificates (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 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA")** – [Notice to be included if classification of the Certificates is not "prescribed capital markets products", pursuant to Section 309B of the SFA.]

#### **APPLICABLE FINAL TERMS**

*Set out below is the form of Final Terms which will be completed for each Tranche of Certificates issued under the Programme.*

Final Terms dated [Date]

#### **FAB Sukuk Company Limited**

**Legal entity identifier (LEI): 549300JEV79SSEDKS489**

**Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] [to be consolidated and form a single series with the existing [Aggregate Face Amount of Tranche] [Title of Certificates] issued on [•] (the "Original Certificates")]**

**under the U.S.\$5,000,000,000**

#### **Trust Certificate Issuance Programme**

#### **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 30 January 2024 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the UK Prospectus Regulation. This document constitutes the Final Terms relating to the issue of Certificates described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus, in order to obtain all the relevant information.

The Base Prospectus has been published on the market news section of the London Stock Exchange website ([http: www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](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 Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]] which are incorporated by reference in the Base Prospectus dated 30 January 2024. This document constitutes the Final Terms relating to the issue of the Certificates described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 30 January 2024 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information.

The Base Prospectus has been published on the market news section of the London Stock Exchange website ([http: www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)).

- |    |   |  |
|----|---|--|
| 1. | (i) Trustee:  | FAB Sukuk Company Limited  |
|    | (ii) Bank:  | First Abu Dhabi Bank PJSC  |
| 2. | (i) Series Number:  | [•]  |
|    | (ii) Tranche Number:  | [•]  |
|    | (iii) Date on which the Certificates will be consolidated and form a single Series: | [The Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] on [insert date/the Issue Date]/Not Applicable]   |
| 3. | Specified Currency:   | [•]  |
| 4. | Aggregate Face Amount:  |  |
|    | (i) Series:   | [•]  |
|    | (ii) Tranche:   | [•]  |
| 5. | (i) Issue Price:  | [•] per cent. of the Aggregate Face Amount [plus [Specified Currency][•] in respect of [•] days of accrued Periodic Distribution Amounts from (and including) [the issue date of the Original Certificates] to (but excluding) the Issue Date] |
|    | (ii) Tangible Asset Percentage:   | [•]  |
|    | (iii) Intangible Asset Percentage:  | [•]  |
| 6. | (i) Specified Denominations:  | [•]  |
|    | (ii) Calculation Amount:  | [•]  |
| 7. | Issue Date:   | [•]  |
| 8. | (i) Return Accrual Commencement Date:   | [•]/[Issue Date]   |

- (ii) Scheduled Dissolution Date: [•]
9. Periodic Distribution Amount Basis: [[•] per cent. Fixed Periodic Distribution Amount]  
[[•] +/- [•] per cent. Floating Periodic Distribution Amount]  
(see paragraph [14]/[15] below)
10. Dissolution Basis: Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed at [100] per cent. of their Aggregate Face Amount
11. Call Option: [Not Applicable] [Optional Dissolution Right]  
[Certificateholder Put Option]
12. Date of [Board] approval for issuance of Certificates obtained: [•] in the case of the Trustee  
[•] in the case of the Bank
13. Status: Senior

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE**

14. Fixed Periodic Distribution Provisions [Applicable/Not Applicable]
- (i) Profit Rate[(s)]: [•] per cent. per annum [payable [annually/semi-annually/ quarterly/ monthly] in arrear]
- (ii) Periodic Distribution Date(s): [•] in each year up to and including the Scheduled Dissolution Date
- (iii) Fixed Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in]/[on] [•]/Not Applicable]
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]
- (vi) Profit Rate Determination Date(s): [[•] in each year/Not Applicable]
15. Floating Periodic Distribution Provisions: [Applicable/Not Applicable]
- (i) Specified Period: [•]
- (ii) Specified Periodic Distribution Dates: [•] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (iv) Additional Business Centre(s): [[•]/Not Applicable]
- (v) Manner in which the Profit Rate(s) is/are to be determined: [Screen Rate Determination not Referencing SOFR, SONIA or €STR/Screen Rate]

- Determination Referencing SOFR, SONIA or €STR]
- (vi) Party responsible for calculating the Profit Rate(s) and Periodic Distribution Amount(s) (if not the Principal Paying Agent): [[•] shall be the Calculation Agent]
- (vii) Screen Rate Determination not Referencing SOFR, SONIA or €STR: [Applicable/Not Applicable]
- Reference Rate: [EURIBOR/SHIBOR/HIBOR/SIBOR/EIBOR/SAIBOR/BBSW/PRIBOR/CNH HIBOR/TIBOR or TLREF/MIBOR/BKBM]
  - Profit Rate Determination Date(s): [•]
  - Relevant Screen Page: [•]
  - Relevant Time: [[•]/Not Applicable]
  - Relevant Financial Centre: [[•]/Not Applicable]
- (viii) Screen Rate Determination Referencing SOFR, SONIA or €STR: [Applicable/Not Applicable]
- Reference Rate: [SOFR/SONIA/€STR]
  - Profit Rate Determination Date(s): [[•]/The date falling [•] Business Days prior to the first day of each Return Accumulation Period/First day of each Return Accumulation Period/The [•][*first, second, third etc.*] Business Day immediately preceding the Periodic Distribution Date for each Return Accumulation Period (or immediately preceding such earlier date, if any, on which the Certificates are due and payable).][*provide details*]/The Periodic Distribution Date at the end of each Return Accumulation Period; provided that the Periodic Distribution Date with respect to the last Return Accumulation Period prior to the Scheduled Dissolution Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only*]]
  - Calculation Method: [Weighted Average/Compounded Daily/SOFR Index/SONIA Index]
  - Observation Method: [Lag/Lock-out/Observation Shift/Payment Delay/Not Applicable]
  - Observation Look-Back Period: [[•]/Not Applicable]
  - Effective Periodic Distribution Payment Date: [The date falling [•] Business Days following each Periodic Distribution Date, provided that the Effective Periodic Distribution Date with respect to the last Applicable Period will be the Scheduled Dissolution Date or, if the Trustee elects to redeem the Certificates before the Scheduled Dissolution Date, the date fixed for

redemption - used for Payment Delay only]/[Not Applicable]

- Rate Cut-off Date: [The date falling [•] Business Days prior to the Scheduled Dissolution Date or the date fixed for redemption, as applicable – used for Payment Delay only]/[Not Applicable]
- Relevant Number: [Insert number being [two] or greater/Not Applicable]
- D: [365/360/[•]]
- Relevant Screen Page: [•]
- Relevant Time: [•]
- Relevant Financial Centre: [•]
- (ix) Margin(s): [•] per cent. per annum
- (x) Minimum Profit Rate: [•] per cent. per annum
- (xi) Maximum Profit Rate: [•] per cent. per annum
- (xii) Day Count Fraction: [Actual/365 (Fixed)]  
[Actual/360]  
[30/360]  
[30E/360]  
[Eurobond basis]  
  
[with the Calculation Period being [subject to adjustment in accordance with the Business Day Convention set out in (iii) above]/[not subject to adjustment in accordance with any Business Day Convention]]
- (xiii) Linear Interpolation: [Not Applicable/Applicable – the Profit Rate for the [long/short] [first/last] Return Profit Accumulation Period shall be calculated using Linear Interpolation]
- (xiv) Benchmark Replacement fall back: [Condition 9(f)(1) (*Independent Adviser*) is applicable/Condition 9(f)(2) (*ARRC*) is applicable]

## PROVISIONS RELATING TO DISSOLUTION

16. Optional Dissolution Right: [Applicable/Not Applicable]
- (i) Optional Dissolution Amount(s) of each Certificate: [Dissolution Distribution Amount/[•] per Calculation Amount]
  - (ii) Optional Dissolution Date(s): [•]
  - (iii) If redeemable in part:
    - (A) Minimum Optional Dissolution Amount: [•]

- (B) Maximum Optional [•]  
Dissolution Amount:
- (iv) Notice period: Minimum Notice Period: [•] days  
Maximum Notice Period: [•] days
17. Certificateholder Put Option: [Applicable/Not Applicable]
- (i) Certificateholder Put Option Date(s): [•]
- (ii) Certificateholder Put Option [Dissolution Distribution Amount/[•] per  
Dissolution Amount(s) of each Calculation Amount]  
Certificate:
- (iii) Notice period: Minimum Notice Period: [•] days  
Maximum Notice Period: [•] days
18. Tangibility Event Dissolution Amount of each [Dissolution Distribution Amount/[•] per  
Certificate: Calculation Amount]
19. Dissolution Distribution Amount of each [•] per Calculation Amount  
Certificate:
20. Early Dissolution Amount (Tax) of each [Dissolution Distribution Amount/[•] per  
Certificate (following early dissolution for tax Calculation Amount]  
reasons):
21. Notice period for early dissolution for tax or Minimum Notice Period: [•] days  
clean-up reasons: Maximum Notice Period: [•] days

#### **GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

22. Form of Certificates: Registered Certificates  
Global Certificate exchangeable for  
Certificates in definitive registered form in the  
limited circumstances specified in the Global  
Certificate
23. Additional Financial Centre(s) relating to [Not Applicable]  
payment:
24. Details of Transaction Account: FAB Sukuk Company Limited Transaction  
Account No; [•] for Series No.: [1]/[2]/[3]/[•]

#### **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. The Trustee and the Bank confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading./Not Applicable.]



Signed on behalf of  
**FAB SUKUK COMPANY LIMITED**

By: .....  
*Duly authorised*

Signed on behalf of  
**FIRST ABU DHABI BANK PJSC**

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the London Stock Exchange's main market with effect from [•].] [Application is expected to be made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the London Stock Exchange's main market with effect from [•].]
- (ii) Estimate of total expenses related to admission to trading: [•]

### 2. RATINGS

- Ratings: [The Certificates to be issued have not been rated/The Certificates to be issued have been rated:
- [Fitch: [•]]
- [Moody's Cyprus: [•]]
- [insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].*
- [Each of [•] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

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

### 4. RATE

- [Indication of profit rate: [•]
- The profit rate is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

### 5. SUSTAINABLE CERTIFICATES AND USE OF PROCEEDS

- (i) Use of proceeds: [See "Use of Proceeds" in the Base Prospectus]/[•]
- (ii) Estimated amount of net proceeds: [•]
- (iii) Sustainable Certificates: [Yes/No]

6. **OPERATIONAL INFORMATION**

- (i) ISIN: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•]]
- (ii) Common Code: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•]]
- (iii) CFI: [[See/[include code], 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]
- (iv) FISN: [[See/[include code], 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]
- (v) Names and addresses of additional Paying Agent(s) or Calculation Agent (if any): [[•]/Not Applicable]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]
- (vii) Delivery: Delivery [against/free of] payment

7. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (A) If syndicated, names of Managers: [Not Applicable/[•]]
- (B) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
- (ii) If non-syndicated, name of relevant Dealer: [Not Applicable/[•]]
- (iii) Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]

[MiFID II/UK MiFIR product governance / target market - [appropriate target market legend to be included].]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA") – [Notice to be included if classification of the Certificates is not "prescribed capital markets products" pursuant to Section 309B of the SFA.]]

#### APPLICABLE PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement for use in connection with each Tranche of Exempt Certificates, whatever the denomination of those Certificates, issued by the Trustee under the Programme.

Pricing Supplement dated [•]

The Financial Conduct Authority has neither approved nor reviewed the information contained in this Pricing Supplement.

#### FAB Sukuk Company Limited

Legal entity identifier (LEI): 549300JEV79SSEDKS489

Issue of [Aggregate Face Amount of Tranche] [Title of Certificates] [to be consolidated and form a single series with the existing [Aggregate Face Amount of a Tranche] [Title of Certificate] issued on [•] (the "Original Certificates")]

under the U.S.\$5,000,000,000

#### Trust Certificate Issuance Programme

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 30 January 2024 [and the supplemental Base Prospectus dated [•]]. This document constitutes the Pricing Supplement relating to the issue of Certificates described herein and must be read in conjunction with the Base Prospectus [and its supplement(s)]. This Pricing Supplement must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Trustee, the Bank and the Certificates is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>).

Any person making or intending to make an offer of the Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Bank or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

- |    |      |                 |                           |
|----|------|-----------------|---------------------------|
| 1. | (i)  | Trustee:        | FAB Sukuk Company Limited |
|    | (ii) | Bank:           | First Abu Dhabi Bank PJSC |
| 2. | (i)  | Series Number:  | [•]                       |
|    | (ii) | Tranche Number: | [•]                       |

(iii)	Date on which the Certificates will be consolidated and form a single Series:	[The Certificates will be consolidated and form a single Series with [ <i>identify earlier Tranche(s)</i> ] on [ <i>insert date/the Issue Date</i> ]/Not Applicable]
3.	Specified Currency:	[•]
4.	Aggregate Face Amount of Series:	[•]
	(i) Series:	[•]
	(ii) Tranche:	[•]
5.	(i) Issue Price:	100 per cent. of the Aggregate Face Amount [plus [ <i>Specified Currency</i> ][•] in respect of [•] days of accrued Periodic Distribution Amounts from (and including) [ <i>the issue date of the Original Certificates</i> ] to (but excluding) the Issue Date]
	(ii) Tangible Asset Percentage:	[•]
	(iii) Intangible Asset Percentage:	[•]
6.	(i) Specified Denominations:	[•]
	(ii) Calculation Amount:	[•]
7.	Issue Date:	[•]
8.	(i) Return Accrual Commencement Date:	[[•]/Issue Date]
	(ii) Scheduled Dissolution Date:	[•]
9.	Periodic Distribution Amount Basis:	[[•] per cent. Fixed Periodic Distribution Amount] [[•] +/- [•] per cent. Floating Periodic Distribution Amount] (see paragraph [14]/[15] below)
10.	Dissolution Basis:	Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed at [100] per cent. of their Aggregate Face Amount
11.	Call Option:	[Not Applicable] [Optional Dissolution Right] [Certificateholder Put Option]
12.	Date [Board] approval for issuance of Certificates obtained:	[•] in the case of the Trustee [•] in the case of the Bank
13.	Status:	Senior

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE**

14. Fixed Periodic Distribution Provisions [Applicable/Not Applicable]
- (i) Profit Rate[(s)]: [•] per cent. per annum [payable [annually/ semi-annually/ quarterly/ monthly] in arrear]
  - (ii) Periodic Distribution Date(s): [•] in each year up to and including the Scheduled Dissolution Date
  - (iii) Fixed Amount[(s)]: [•] per Calculation Amount
  - (iv) Broken Amount(s): [[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in]/[on] [•]/Not Applicable]
  - (v) Day Count Fraction: [30/360/Actual/Actual (ICMA)]
  - (vi) Profit Rate Determination Date(s): [[•] in each year/Not Applicable]
15. Floating Periodic Distribution Provisions: [Applicable/Not Applicable]
- (i) Specified Period: [•]
  - (ii) Specified Periodic Distribution Dates: [•] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
  - (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
  - (iv) Additional Business Centre(s): [[•]/Not Applicable]
  - (v) Manner in which the Profit Rate(s) is/are to be determined: [Screen Rate Determination not Referencing SOFR, SONIA or €STR/Screen Rate Determination Referencing SOFR, SONIA or €STR]
  - (vi) Party responsible for calculating the Rate(s) and Periodic Distribution Amount(s) (if not the Principal Paying Agent): [[•] shall be the Calculation Agent]
  - (vii) Screen Rate Determination not Referencing SOFR, SONIA or €STR: [Applicable/Not Applicable]
    - Reference Rate: [EURIBOR/SHIBOR/HIBOR/SIBOR/EIBOR/ SAIBOR/BBSW/PRIBOR/CNH HIBOR/TIBOR or TLREF/MIBOR/BKBM]
    - Profit Rate Determination Date(s): [•]
    - Relevant Screen Page: [•]
    - Relevant Time: [[•]/Not Applicable]
    - Relevant Financial Centre: [[•]/Not Applicable]

- (viii) Screen Rate Determination Referencing SOFR, SONIA or €STR: [Applicable/Not Applicable]
- Reference Rate: [SOFR/SONIA/€STR]
  - Profit Rate Determination Date(s): [[•]/The date falling [•] Business Days prior to the first day of each Return Accumulation Period/First day of each Return Accumulation Period/The [•][*first, second, third etc.*] Business Day immediately preceding the Periodic Distribution Date for each Return Accumulation Period (or immediately preceding such earlier date, if any, on which the Certificates are due and payable).][*provide details*]/The Periodic Distribution Date at the end of each Return Accumulation Period; provided that the Periodic Distribution Date with respect to the last Return Accumulation Period prior to the Scheduled Dissolution Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only*]
  - Calculation Method: [Weighted Average/Compounded Daily/SOFR Index/SONIA Index]
  - Observation Method: [Lag/Lock-out/Observation Shift/Payment Delay/Not Applicable]
  - Observation Look-Back Period: [[•]/Not Applicable]
  - Effective Periodic Distribution Payment Date: [The date falling [•] Business Days following each Periodic Distribution Date, provided that the Effective Periodic Distribution Date with respect to the last Applicable Period will be the Scheduled Dissolution Date or, if the Trustee elects to redeem the Certificates before the Scheduled Dissolution Date, the date fixed for redemption - *used for Payment Delay only*]/[Not Applicable]
  - Rate Cut-off Date: [The date falling [•] Business Days prior to the Scheduled Dissolution Date or the date fixed for redemption, as applicable - *used for Payment Delay only*]/[Not Applicable]
  - Relevant Number: [Insert number being [two] or greater/Not Applicable]
  - D: [365/360/[•]]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
- (ix) Margin(s): [•] per cent. per annum

- (x) Minimum Profit Rate: [•] per cent. per annum
- (xi) Maximum Profit Rate: [•] per cent. per annum
- (xii) Day Count Fraction: [Actual/365 (Fixed)]  
[Actual/360]  
[30/360]  
[30E/360]  
[Eurobond basis]  
  
[with the Calculation Period being [subject to adjustment in accordance with the Business Day Convention set out in (iii) above]/[not subject to adjustment in accordance with any Business Day Convention]]
- (xiii) Linear Interpolation: [Not Applicable/Applicable – the Profit Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation]
- (xiv) Benchmark Replacement fall back: Condition 9(f)(1) (*Independent Adviser*) is applicable/Condition 9(f)(2) (*ARRC*) is applicable

**PROVISIONS RELATING TO DISSOLUTION**

- 16. Optional Dissolution Right: [Applicable/Not Applicable]
  - (i) Optional Dissolution Amount of each Certificate: [Dissolution Distribution Amount/[•] per Calculation Amount]
  - (ii) Optional Dissolution Date: [Any Periodic Distribution Date/[•]]
  - (iii) If redeemable in part:
    - (A) Minimum Optional Dissolution Amount: [•]
    - (B) Maximum Optional Dissolution Amount: [•]
  - (iv) Notice period: Minimum Notice Period: [•] days  
Maximum Notice Period: [•] days
- 17. Certificateholder Put Option: [Applicable/Not Applicable]
  - (i) Certificateholder Put Option Date(s): [•]
  - (ii) Dissolution Amount(s) of each Certificate: [Dissolution Distribution Amount/[•] per Calculation Amount]
  - (iii) Notice period: Minimum Notice Period: [•] days  
Maximum Notice Period: [•] days



18. Tangibility Event Dissolution Amount – each Certificate: [Dissolution Distribution Amount/[•] per Calculation Amount]
19. Dissolution Distribution Amount of each Certificate: [•] per Calculation Amount
20. Early Dissolution Amount (Tax) of each Certificate (following early dissolution for tax reasons): [Dissolution Distribution Amount/[•] per Calculation Amount]
21. Notice period for early dissolution for tax or clean-up reasons: Minimum Notice Period: [•] days  
Maximum Notice Period: [•] days

**GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

22. Form of Certificates: Registered Certificates  
  
Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
23. Additional Financial Centre(s) relating to payment: [Not Applicable]
24. Details of Transaction Account: FAB Sukuk Company Limited Transaction Account No; [•] for Series No.: [1]/[2]/[3]/[•]

Signed on behalf of  
**FAB SUKUK COMPANY LIMITED**

By: .....  
*Duly authorised*

Signed on behalf of  
**FIRST ABU DHABI BANK PJSC**

By: .....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the [Other] with effect from [•].]  
[Application is expected to be made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on the [Other] with effect from [•].]

[Not Applicable]

- (ii) Estimate of total expenses related to admission to trading; [•]

### 2. RATINGS

Ratings: [The Certificates to be issued have not been rated/The Certificates to be issued have been rated:

[Fitch: [•]]

[Moody's Cyprus: [•]]

[insert details]] by [insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms].

[Each of [•] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended).]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

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

### 4. RATE

[Indication of profit rate: [•]

The profit rate is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

### 5. OPERATIONAL INFORMATION

- (i) ISIN: [[•]/Until the Certificates are consolidated, become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary ISIN [•]. After that, the Certificates will have the same ISIN as the Original Certificates, which is [•]]

- (ii) Common Code: [[•]/Until the Certificates are consolidated,

become fungible with and form a single series with the Original Certificates, the Certificates will have the temporary Common Code [•]. After that, the Certificates will have the same Common Code as the Original Certificates, which is [•]

- (iii) CFI: [[See/[include code], 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]
- (iv) FISN: [[See/[include code], 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]
- (v) Names and addresses of additional Paying Agent(s) or Calculation Agent (if any): [[•]/Not Applicable]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/[•]]
- (vii) Delivery: Delivery [against/free of] payment

6. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
  - (A) If syndicated, names of Managers: [Not Applicable/[•]]
  - (B) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
- (ii) If non-syndicated, name of relevant Dealer: [Not Applicable/[•]]

7. **THIRD PARTY INFORMATION**

[[•] has been extracted from [•]. The Trustee and the Bank confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading./Not Applicable.]

8. **SUSTAINABLE CERTIFICATES**

Sustainable Certificates: [Yes/No]

## USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Certificates will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents (i) towards the purchase from the Bank of all of its rights, title, interests, benefits and entitlements in, to and under (in the case of the first Tranche of the relevant Series of Certificates) the relevant Initial Asset Portfolio or (in the case of any subsequent Tranche of such Series) the relevant Additional Assets, as the case may be, pursuant to the relevant Purchase Agreement(s); and (ii) (to the extent applicable) towards the purchase of the Commodities to be sold to the Bank pursuant to the Master Murabaha Agreement.

The amounts subsequently received by the Bank in consideration for the transactions entered into with the Trustee as set out above, including with respect to the proceeds received from the on-sale of the commodities by the Bank, shall be invested in the Bank's Islamic finance business including, in respect of Sustainable Certificates, *Shari'a* compliant Eligible Projects.

In relation to each Tranche of Sustainable Certificates, see "*Description of the Group – Sustainability Policy – Sustainable Finance Framework*".

## DESCRIPTION OF THE TRUSTEE

### General

FAB Sukuk Company Limited, a Cayman Islands exempted company with limited liability, was incorporated on 1 June 2011 under the Companies Act (As Revised) of the Cayman Islands with company registration number 257247. The Trustee was established as a company for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at the offices of MaplesFS Limited at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, and its telephone number is +1 345 945 7099.

Pursuant to a special resolution dated 6 December 2017, the Trustee changed its name from "FGB Sukuk Company Limited" to "FAB Sukuk Company Limited" with effect from 6 December 2017.

The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 ordinary shares of a par value of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 8 July 2011 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Declaration of Trust). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit a Qualified Charity (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to such Qualified Charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

### Business of the Trustee

The business of the Trustee has been limited to issuing Certificates under the Programme and performing its obligations under the Transaction Documents. The Trustee has no substantial liabilities other than in connection with the Certificates to be issued under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 1 June 2011.

### Financial Statements

Since its date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

### Directors of the Trustee

The Directors of the Trustee are as follows:

<u>Name</u>	<u>Function at the Trustee</u>	<u>Other appointments outside Trustee</u>
Stacy Bodden	Director	Vice President at MaplesFS Limited
Norbert Neijzen	Director	Regional Head of Fiduciary, Middle East at Maples Fund Services (Middle East) Limited

The business address for Stacy Bodden is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The business address for Norbert Neijzen is c/o Maples Fund Services (Middle East) Limited, Office 1407, Level 14, Burj Daman, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates.

The Trustee has no subsidiaries, employees or non-executive directors.

## **Conflicts**

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Trustee.

## **The Trustee Administrator**

MaplesFS Limited acts as the corporate administrator of the Trustee (in such capacity the "**Trustee Administrator**"). The office of the Trustee Administrator serves as the registered office of the Trustee. Through the office, and pursuant to the terms of an amended and restated corporate services agreement dated 17 January 2022 entered into between the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator performs in the Cayman Islands, the United Arab Emirates and/or such other jurisdictions as may be agreed by the Trustee and the Trustee Administrator from time to time, various administrative functions on behalf of the Trustee, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee Administrator also provides registered office facilities for the Trustee. In consideration of the foregoing, the Trustee Administrator receives various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement provide that either party may terminate the agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations thereunder.

The Trustee Administrator is subject to the overview of the Trustee's Board of Directors. The Corporate Services Agreement may be terminated, (other than as stated above) by either the Trustee or the Trustee Administrator giving the other party at least three months' written notice.

The Trustee Administrator's principal office is at P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof.

## DESCRIPTION OF THE GROUP

### Overview

FAB is a public joint stock company and is the result of the Merger of NBAD and FGB which was effected on the Effective Date. The Merger was effected in accordance with the provisions of Article 291 of the UAE Federal Law No. 2 of 2015 Concerning Commercial Companies (the "CCL"), pursuant to which FGB was dissolved and its shares were delisted from the Abu Dhabi Securities Exchange ("ADX") on the Effective Date. NBAD, as the surviving corporate entity and the legal successor of FGB, automatically assumed all assets and liabilities of FGB with effect from the Effective Date.

On 24 April 2017, the shareholders of NBAD passed the necessary resolutions at its general assembly meeting to approve a change in its registered name to "First Abu Dhabi Bank PJSC". On 25 April 2017, the requisite regulatory approvals to effect the change of name were received by NBAD from the UAE Securities and Commodities Authority (the "SCA"). Accordingly, the change of name to "First Abu Dhabi Bank PJSC" became effective from 25 April 2017.

As at the date of this Base Prospectus, FAB's principal shareholder was the Government, which indirectly held approximately 37.9 per cent. of the issued and outstanding shares of FAB through the wholly-owned MIC.<sup>2</sup>

The Group is a full-service bank and its core businesses include consumer, wholesale, treasury and Islamic banking capabilities. The Group is primarily a regionally focussed banking group, offering its consumer, wholesale, treasury and Islamic banking products and services within the UAE and the wider MENA region. Additionally, as at the date of this Base Prospectus, the Group has an international presence across five continents through its subsidiaries or affiliate entities and its branches and representative offices.

As at the date of this Base Prospectus, FAB has been assigned long-term credit ratings of AA- with stable outlook by Fitch, AA- with stable outlook by S&P and Aa3 with stable outlook by Moody's.

As at 30 September 2023, and according to the Interim Financial Information and the publicly available financial statements of the Group's main domestic and regional competitors for the nine months ended 30 September 2023, the Group is the largest bank in the UAE, in addition to being the second largest bank in the GCC, in each case by total assets. As at 30 September 2023, the Group had total assets of AED 1,186.3 billion, net loans, advances and Islamic financing of AED 478.3 billion and total customer accounts and other deposits of AED 785.2 billion. For the nine months ended 30 September 2023, the Group's profit for the period was AED 12.4 billion.

The Group operates under the following business segments for financial reporting purposes:

- **Investment Banking:** the Investment Banking segment focuses on the Group's institutional clients. For the nine months ended 30 September 2023, AED 8.8 billion, or 42.7 per cent. of the Group's operating income, and AED 6.5 billion, or 52.6 per cent. of the Group's net profit for the period, was attributable to the Investment Banking segment;
- **Corporate and Commercial Banking:** the Corporate and Commercial Banking segment focuses on large corporate, medium and small entities. For the nine months ended 30 September 2023, AED 5.2 billion, or 25.3 per cent. of the Group's operating income, and AED 3.6 billion, or 29.4 per cent. of the Group's net profit for the period, was attributable to the Corporate and Commercial Banking segment;
- **Consumer Banking:** the Consumer Banking segment manages all consumer and elite customers. For the nine months ended 30 September 2023, AED 2.8 billion, or 13.8 per cent. of the Group's operating income for the period and AED 0.7 billion, or 5.5 per cent. of the Group's net profit for the period, was attributable to the Consumer Banking segment;

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<sup>2</sup> With effect from September 2021, MIC holds FAB's shares through One Hundred and Fifteenth Investment Company – Sole Proprietorship L.L.C. (which is a wholly-owned subsidiary of MIC). Prior to September 2021, MIC held FAB's shares through ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC) (each of which was a wholly-owned subsidiary of MIC).

- **Global Private Banking:** the Global Private Banking segment manages high net worth clients, delivering service and products and providing global wealth solutions to clients. For the nine months ended 30 September 2023, AED 0.8 billion, or 4.3 per cent. of the Group's operating income and AED 0.4 billion, or 3.5 per cent. of the Group's net profit for the period, was attributable to the Global Private Banking segment; and
- **Head Office:** the Head Office segment provides centralised HR, IT, operations, finance, strategy, investor relations, risk management, credit management, corporate communications, legal and compliance, internal audit, procurement, treasury operations, integration management office and administrative support to all of the Group's distinct businesses units. For the nine months ended 30 September 2023, AED 2.8 billion, or 13.8 per cent. of the Group's operating income, and AED 1.1 billion, or 9.0 per cent. of the Group's net profit before the deduction of minority interests for the period, was attributable to the Head Office segment.

For further details on the Group's reporting segments, see "*Description of the Group – Strategy*".

FAB is registered in accordance with the CCL and is licensed to operate as a commercial bank in the UAE and is regulated by the UAE Central Bank. FAB's registered office is at FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, UAE and its telephone number is +971 (0) 2 305 3012.

The Group operates branches and pay offices and a network of automated teller machines in the UAE, with the majority located in Abu Dhabi and Dubai. Additionally, as at 30 September 2023, the Group had an international presence across five continents through its subsidiaries or affiliate entities and its branches and representative offices. The Group also offers services to individuals and corporate customers through a diverse range of alternate distribution channels including its internet banking, phone and SMS (short message service) banking systems and through the Group's mobile apps.

## Recent Developments

### *International presence*

In March 2022, the Group opened a branch in Shanghai with a focus on bridging trade and investment flows between the UAE and the MENA region with mainland China. In March 2022, the Group also announced the opening of a representative office in Iraq, serving as a strategic addition to the Group's geographical footprint as one of the UAE's most important trading partners.

In November 2021, FAB sold its operations in Sudan (comprising two branches).

In May 2021, FAB completed the acquisition of Bank Audi SAE (Egypt) ("**Bank Audi**") from Bank Audi SAL (Lebanon). The acquisition was effected to accelerate the Group's expansion in a high-potential market. It will significantly increase the size, scale and experience of the Group in Egypt, adding greater depth and reach to customers both locally and globally. See Note 32 (*Business Combination*) of the Interim Financial Information for further details. The legal merger completed in June 2022 and the Group commenced operating under a newly introduced brand identity "FABMisr". By November 2022, Bank Audi and the Group's existing operations in Egypt had been fully integrated and operate under the single "FABMisr" brand.

### *Magnati*

In April 2021, FAB completed the carve-out of its existing payments business into a fully owned and operational subsidiary, Magnati Sole Proprietorship LLC ("**Magnati**"). The Magnati platform enables clients to grow their core businesses by monetising data and using next generation technologies such as application programming interface, artificial intelligence and machine learning capabilities to deliver improved experiences and increased efficiency. In February 2022, FAB signed an agreement to sell 60 per cent. of Magnati to Brookfield Business Partners (BCP V Growth Aggregator LP) with an implied value for 100 per cent. of Magnati of up to U.S.\$1.15 billion. The remaining 40 per cent. stake is retained by FAB as a strategic investment and is now accounted for as an "investment in associate". See Note 22 (*Gain on disposal of stake in subsidiary and fair gain on retained interest*) of the Interim Financial Information for further details. FAB believes this sale will allow Magnati to move quickly to capture market opportunities



and utilise Brookfield Business Partners' international and global connections to accelerate Magnati's business.

In June 2023, Brookfield Asset Management agreed to buy the credit card processor Network International and intends to combine this business with Magnati. Brookfield Asset Management's bid was backed by a consortium of investors, including FAB.

#### *Wio Bank*

In October 2020, FAB announced that its ownership of its legacy FGB banking license would be transferred to Abu Dhabi Developmental Holding Company PJSC ("**ADQ**") in exchange for 10 per cent. of a new entity's share capital (ADQ's new digital bank), and preferential access to another 10 per cent. of the shares in the event of an initial public offering. Wio Bank, an Abu Dhabi-based digital lender, commenced operations in September 2022. Wio Bank plans to focus on small and medium enterprises in its first year of operations with the intention to expand its operations to retail customers in 2023.

#### *FAB Properties*

In September 2023, FAB announced that it signed an agreement with Aldar Properties for the sale of FAB Properties to Aldar Estates, subject to regulatory approvals. The sale of FAB Properties is in line with FAB Group's strategy to leverage strategic partnerships to create value and to enhance specialised service offerings. This transaction is not expected to have a material impact on the Group's financial performance for the full year 2023.

### **Strengths**

#### ***Largest bank in the UAE and one of the largest in the GCC with a dominant market position***

As at 30 September 2023, the Group had total assets of AED 1,186.3 billion, total net loans, advances and Islamic financing of AED 478.3 billion and customer accounts and other deposits to AED 785.2 billion, making the Group the largest financial institution in the UAE and the second largest in the GCC according to the Interim Financial Information and publicly available financial statements of the Group's main domestic and regional competitors for the nine months ended 30 September 2023..

In the UAE, the Group has a broad portfolio of conventional and Islamic consumer and wholesale products, an extensive distribution network and well-established relationships with its broad client base. The Group has one of the largest customer bases in the UAE and maintains one of the largest domestic distribution networks. This distribution network offers significant opportunities to attract additional clients and further expand the Group's range of products and services to existing clients.

The Group's dominant market position throughout the UAE and wider GCC region reflects the Group's focus on high quality customer service, creation of innovative products and services, in addition to, the strength of its offering and its established track record in both consumer and wholesale banking.

#### ***Broad regional and international network***

The Group has an international presence across five continents through its subsidiaries or affiliate entities and its branches and representative offices. This broad geographical footprint provides opportunities for FAB to grow its product and service offering, in addition to developing its existing client base and leveraging off the Group's well established domestic operations.

#### ***Strong capital base and liquidity***

As at 30 September 2023, the Group had a total capital adequacy ratio of 17.2 per cent., a Tier 1 capital adequacy ratio of 16.1 per cent. and a Tier 2 capital adequacy ratio of 1.1 per cent., calculated in each case in accordance with UAE Central Bank guidelines.

As part of the gradual introduction of Basel III in the UAE, and pursuant to the "Regulations re Capital Adequacy" published by the UAE Central Bank in the UAE official gazette (the "**Official Gazette**") issue 612, which were effective from 1 February 2017, (the "**February 2017 Regulations**") and the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank on 12 November 2020 by virtue of Notice No.

CBUAE/BSN/2020/4980, FAB is required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 14.5 per cent. Included within this UAE Central Bank prescribed minimum total capital adequacy ratio, FAB, as a domestically systemic important bank ("**D-SIB**"), is required, effective from 1 January 2019 to maintain a D-SIB buffer of 1.50 per cent of Common Equity Tier 1. A capital conservation buffer of 2.5 per cent. of Common Equity Tier 1 is also included within this minimum total capital adequacy ratio of 14.5 per cent. In addition to this minimum capital adequacy ratio, a counter-cyclical buffer is applicable to FAB, which is determined on the basis of the geographical distribution of assets and the counter-cyclical capital buffer applicable in such jurisdictions.

In addition, the UAE Central Bank vide Notice no. CBUAE/BSN/2020/2016 dated 22 April 2020 will allow banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow any increase in IFRS 9 (Stages 1 and 2 only) 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 has been phased in gradually in stages from 31 March 2021 to 30 June 2022. See further "*The United Arab Emirates Banking Sector and Regulations – COVID-19*".

The Group's capital adequacy ratio has been bolstered by the issuance by each of NBAD and FGB of AED 4.0 billion of Tier 1 capital notes in February 2009 and FAB's issuance of U.S.\$750 million perpetual additional Tier 1 capital securities in October 2020, which are accounted for as equity in accordance with IAS 32 "*Financial Instruments – Presentation*". The Group also maintains a strong liquidity position with a LCR of 146 per cent. and loan to deposit ratio of 60.9 per cent. as at 30 September 2023. As at 30 September 2023, the Group had cash and balances with central banks of AED 268.2 billion.

The LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. Basel III requires that the minimum value of the ratio is 100 per cent. (i.e., an institution's stock of HQLAs should at least equal total net cash outflows) while the UAE Central Bank introduced LCR for the relevant UAE banks in a phased manner, setting an initial benchmark of 60 per cent. upon commencement of LCR compliance, increasing to 100 per cent. as of 1 January 2019. As at 30 September 2023, the Group held a portfolio of net HQLAs valued at AED 420.68 billion and had a LCR of 146 per cent. FAB believes that its adherence to the LCR criteria will ensure that it is well equipped to absorb any unanticipated systemic shocks to the UAE or MENA economies or banking sectors. See also "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Liquidity risks – The Group's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations*" and "*The United Arab Emirates Banking Sector and Regulations – COVID-19*".

FAB believes that the benefits of its strong capital and liquidity profile will, principally, be two-fold; with its sound capital base and a well-diversified business mix and funding profile better positioning the Group to meet increasing regulatory demands, while the Group's larger capital base and increased underwriting capacity will enable it to better serve UAE corporates with international ambitions and to better support international companies operating in the UAE.

### ***Supportive principal shareholder***

As at the date of this Base Prospectus, FAB's principal shareholder was the Government, which indirectly held approximately 37.9 per cent. of the issued and outstanding shares of FAB through MIC.<sup>3</sup>

The Government was instrumental in the founding of NBAD and in supporting the Merger, with each of NBAD and FGB maintaining very strong working relationships with the Government, a situation which has continued post-Merger. Government support for the Group (and, historically, for NBAD and FGB) has typically manifested itself in many ways such as Government controlled entities engaging the Group (and, formerly, NBAD and FGB) in new business opportunities and remaining as long-standing clients of each institution. Furthermore, in common with other regional governments, the Government provided financial support to its local banks, including each of NBAD and FGB, during the 2008 global financial crisis which

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<sup>3</sup> With effect from September 2021, MIC holds FAB's shares through One Hundred and Fifteenth Investment Company – Sole Proprietorship L.L.C. (which is a wholly-owned subsidiary of MIC). Prior to September 2021, MIC held FAB's shares through ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC) (each of which was a wholly-owned subsidiary of MIC).

helped domestic banks to maintain liquidity and achieve a high capital adequacy ratio, well above the UAE Central Bank guidelines. The historic financial support and continued strong business relationships with the Government has, historically, helped to stabilise the performance of each of NBAD and FGB in turbulent economic periods and to enhance customer and market confidence in these institutions.

Although there can be no assurance that the Government will continue to support the Group in the same manner as it has done historically (including, prior to the Merger, each of NBAD and FGB), the Group's management believes that the Group's relationship with the Government remains strong and is unlikely to change in the foreseeable future.

### ***Full service offering of conventional and Islamic products***

The Group provides a comprehensive range of both conventional and Islamic banking products and services to its customer base, therefore diversifying income sources as well as offering the Group the opportunity to grow its balance sheet and strengthen its position in its core UAE market. As a full-service bank, the Group has wider access to a more diverse customer base than its domestic competitor banks that offer either purely conventional products or, as the case may be, purely Islamic products. This product flexibility provides the Group with a greater ability to cross-sell an enhanced product and service offering than many of its domestic competitors, providing a strong platform from which the Group can continue to drive revenue growth and increased profitability.

### ***Experienced Board and executive management team with proven track record in the banking industry***

FAB believes that it has a strong and experienced Board (as defined in "Management") and a long-serving executive team with a proven track record in the UAE and international banking sectors.

The Group's strategy is supported by the executive management team's broad expertise in the region, proven record for implementing industry leading initiatives, and by its focus on best practices and customer service. See further "Description of the Group – Strategy". The Group benefits from continuity of personnel within its executive management team, with the experienced management team being drawn from the legacy NBAD and FGB executive management and having extensive experience in the financial services sector in the UAE, the MENA region and internationally. Additionally, the Board is also largely drawn from the former NBAD and FGB boards of directors with a similarly strong track record in the banking industry. Further details of the Board and executive management are set out under "Management".

### ***Prudent risk management culture***

The Group has a well-diversified loan portfolio and limited foreign exchange risk. It has invested, and continues to invest, significantly in improving its risk management procedures. Post-Merger, and as a function of the size and financial strength of the Group, the Group's management plans to commit even greater resources and investment to the internal risk management, compliance and control functions. As at 30 September 2023, the Group had NPLs of AED 19.2 billion and, for the nine months ended 30 September 2023, carried impairment allowances of AED 18.6 billion<sup>4</sup>. As at 30 September 2023, the Group's NPL ratio was 3.9 per cent.

The group's management believes that the levels of impairment allowances for impaired loans as at 30 September 2023 were sufficient to cover the Group's potential credit losses as at that date. As at 30 September 2023, the Group's provision coverage ratio was 97 per cent.

### ***Strategy***

As the largest full-service bank in the UAE by total assets, customer loans, advances and deposits, the Group offers an extensive range of products and services to meet the banking needs of its wholesale and retail banking customers.

As part of its overarching strategic goal, FAB aims to defend and grow its dominant position in the UAE market as well as continue to strengthen its international network. It aims to offer diversified product solutions to be able to fulfil the financial needs of all its customer segments. Further, in order to future proof its growth ambitions, FAB is focused on digital transformation as part of its long-term development plans.

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<sup>4</sup> The Group carries impairment allowance in the statement of financial position included in its Financial Statements.

In addition, FAB wants to partner with its clients and play a pivotal role in driving the transition to a safe and sustainable future.

The Group has four distinctive business lines to create a differentiated and distinct experience for its customers:

- **Investment Banking:** the Investment Banking segment focuses on institutional clients and offers banking and financing solutions, including corporate & Islamic finance, capital markets, transaction banking, trade, liquidity and cash management services along with a broad range of risk management solutions across credit, rates, foreign exchange and money market products;
- **Corporate and Commercial Banking:** the Corporate and Commercial Banking segment focuses on large corporates, and small and medium-sized enterprises ("SMEs") across industries, with a diversified product offering that includes transaction banking (cash management and trade finance), lending and market products;
- **Consumer Banking:** the Consumer Banking business provides retail banking and wealth management products to customers across mass market, mass affluent and affluent segments, across both conventional and Islamic products. The product ranges include everyday banking products such as current/savings accounts, deposits, loans (personal, mortgage and auto), credit cards and wealth products; and
- **Global Private Banking:** the Global Private Banking segment services high net-worth and ultra high net-worth customers across the conventional and Islamic banking sector. The product ranges offered include everyday banking products as well as sophisticated investment solutions, brokerage and securities services.

#### **Islamic banking business**

As at the date of this Base Prospectus, the Group's Islamic banking offering primarily comprises the Group's Islamic banking window which operates under the "**FAB Islamic**" brand.

The Group will continue to operate FAB Islamic and offer Islamic banking products and services across FAB's business segments. As at 30 September 2023, FAB Islamic was one of the largest Islamic banking windows in the UAE in terms of asset size.

The Group believes that FAB Islamic is well positioned and will enable the Group to capitalise on opportunities arising from the growth in the domestic and regional Islamic banking sector.

#### **Subsidiaries**

FAB's principal subsidiary entities operate across real estate management, brokerage and fund management, and include the following subsidiaries: Mismak, FAB Securities, FGLB and FABMISR.

- **Mismak**

The Group's real estate investment and development activities are contained within Mismak Properties Co. LLC ("**Mismak**"). Mismak and First Merchant International LLC are legacy FGB subsidiaries and are wholly-owned subsidiaries of FAB.

Mismak provides asset management and advisory services in circumstances where a client is in default and the Group's real estate subsidiaries (including Mismak) take over the management of real estate assets which have been pledged as collateral.

- **FAB Securities**

FAB Securities Sole Proprietorship LLC ("**FAB Securities**") is the Group's securities brokerage firm, licensed by SCA. FAB Securities is one of the leading brokerage service providers in the UAE operating through two active branches across the UAE in addition to its own dedicated e-trading platform. FAB Securities trades across the ADX, the Dubai Financial Market, selected

markets in the GCC and other international markets. FAB Securities offers clients access to various asset classes including equities and fixed income. In addition to securities trade execution, FAB Securities provides market research and coverage for its institutional and qualified individual clients.

- ***FGLB***

First Gulf Libyan Bank ("**FGLB**") is a fully fledged commercial bank in Tripoli, Libya and was established following the signing of a memorandum of understanding between FAB and the Economic & Social Development Fund Libya, on 4 September 2007. FGLB is owned equally by FAB and Alenmaa for Financial Investment Holding Company ("**AFIHC**"), Libya with each holding 50 per cent. of FGLB's shares. The paid-up capital of FGLB is 260 million Libyan Dinar. The FGLB board consists of a total of seven members with a majority (four members) from FAB, and FGLB is fully managed by FAB as per the agreement signed between FAB and AFIHC. Therefore, FGLB is classified as a subsidiary of FAB.

- ***FABMISR***

First Abu Dhabi Bank Misr S.A.E. ("**FABMISR**") is a subsidiary of the Group and one of the largest foreign banks operating in Egypt. Its local network operates through 62 branches, as at 30 September 2023, where it provides banking products and services that cater to all customer segments. In April 2021, FAB acquired 100 per cent. of Bank Audi sae (Egypt), which was an Egyptian subsidiary of Lebanon-based Bank Audi. Post-acquisition, FAB Audi sae (Egypt) was merged with FAB's existing Egyptian operations, with the legal merger completed in June 2022 and the resultant entity rebranded as 'FABMISR'. The integration process was completed in October 2022.

## **Capital Structure and Shareholders**

FAB's share capital is listed on the ADX and, as at 30 September 2023, had a market capitalisation of U.S.\$41 billion. As at 30 September 2023, FAB's authorised, issued and paid-up share capital comprised 11,047,612,000 shares with a nominal value of AED 1 each.

As at the date of this Base Prospectus, FAB's principal shareholder was the Government, which indirectly held approximately 37.9 per cent. of the issued and outstanding shares of FAB through MIC.<sup>5</sup>

## **Financial Performance**

### ***Statement of profit or loss***

The Group reported profit for the period of AED 12.4 billion for the nine months ended 30 September 2023, while total net interest income and income from Islamic financing and investing was AED 13.4 billion for the same period. Net fee and commission income was AED 2.3 billion for the nine months ended 30 September 2023, with operating income of AED 20.5 billion and general, administration and other operating expenses of AED 5.2 billion for the same period. Annualised return on tangible equity for the nine months ended 30 September 2023 was 18.3 per cent. and the cost to income ratio for the nine months ended 30 September 2023 was 25.4 per cent.<sup>6</sup>

The following table shows the breakdown, by the division indicated, of FAB's net profit for the nine months ended 30 September 2023:

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<sup>5</sup> With effect from September 2021, MIC holds FAB's shares through One Hundred and Fifteenth Investment Company – Sole Proprietorship L.L.C. (which is a wholly-owned subsidiary of MIC). Prior to September 2021, MIC held FAB's shares through ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC) (each of which was a wholly-owned subsidiary of MIC).

<sup>6</sup> Cost-to-income ratio excluding Magnati-related gains.

	<b>Net profit for the nine months ended 30 September 2023</b>
	<i>(AED millions)</i>
Investment Banking .....	6,526.9
Corporate and Commercial Banking Group.....	3,646.9
Consumer Banking .....	679.8
Global Private Banking.....	440.5
Head office.....	1,121.3
<b>Total</b> .....	<b>12,415.4</b>

### ***Statement of financial position***

The Group's net loans, advances and Islamic financing portfolio was AED 478.3 billion as at 30 September 2023. The distribution of the Group's financing portfolio across economic sectors is oriented towards real estate, energy, other financial institutions, transport and communication, and trading, which is in line with the domestic economy.

The following table provides a breakdown of the Group's gross loans, advances and Islamic financing by counterparty as at 30 September 2023:

	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
Government sector.....	56,303.6
Public sector.....	83,516.1
Banking sector .....	22,098.2
Corporate/private sector.....	257,359.5
Personal/retail sector.....	80,346.3
<b>Gross loans, advances and Islamic financing</b> .....	<b>499,623.7</b>
Less: interest suspended .....	(7,163.9)
Less: expected credit losses .....	(14,192.5)
<b>Net loans, advances and Islamic financing</b> .....	<b>478,267.4</b>

The Group's loans, advances and Islamic financing portfolio contains a high proportion of loans, advances and Islamic financing to the government and public sector entities. As at 30 September 2023, 28.0 per cent. of gross loans, advances and Islamic financing were to government and public sector entities. This concentration of lending reflects the historically close relationship between each of NBAD and FGB and government and public sector entities.

Approximately 9.9 per cent. of the Group's loans and advances portfolio was denominated in foreign currency (excluding U.S. dollars) as at 30 September 2023. The Group has implemented risk management methods to mitigate and control these foreign currency risks along with other market risks to which the Group is exposed. See further "*Risk Management*".

The Group maintains a securities portfolio (both trading and investment) of high credit quality. The Group has a Board approved comprehensive risk appetite for these portfolios and they are managed and limited by value-at-risk ("**VaR**"), notional exposure, credit spread and interest rate sensitivities, geographic and single name exposure concentrations. See further "*Risk Management*".

The Group has no direct exposure to collateralised debt obligations, structured investment vehicles and other sub-prime related issues. The securities portfolios are concentrated in the European and MENA markets. The trading portfolio mainly comprises debt instruments and a managed portfolio of funds and equities. The held-to-maturity portfolio comprises of debt issuances by sovereigns, corporates and financial institutions.

The following table provides a breakdown of the Group's securities portfolio as at 30 September 2023:

	As at 30 September 2023
	(AED millions)
<b>Investments at fair value through profit or loss</b> .....	<b>42,294.8</b>
<b>Non-trading investment securities</b>	
Fair value through other comprehensive income .....	166,765.0
Amortised cost .....	4,353.6
Expected credit loss .....	(1.7)
Investments in associates .....	1,511.3
<b>Total Group's securities portfolio</b> .....	<b>214,922.9</b>

### *Capital adequacy*

See "Description of the Group – Strengths – Strong capital base and liquidity" for a description of the capital requirements applicable to the Group and the Group's capital ratios.

The Group's capital management is aimed at maintaining an optimum level of capital to enable it to pursue strategies that build long-term shareholder value, whilst always meeting minimum regulatory capital adequacy ratio requirements. The principal difference between the UAE Central Bank's guidelines and Bank of International Settlements requirements is that, under the UAE Central Bank's guidelines, GCC government exposure denominated in their respective domestic currencies is risk weighted at zero per cent. whereas, under FAB of International Settlements guidelines, GCC government exposure is risk weighted, according to the relevant country's credit rating. However, GCC government exposure denominated in their respective domestic currencies can be assigned a lower risk weight under FAB of International Settlements guidelines, provided that the local regulator applies such risk weight. Details of the Group's risk weighted assets as at 30 September 2023, calculated in accordance with UAE Central Bank guidelines, are set out in the table below.

	As at 30 September 2023
	(AED millions)
<b>Tier 1 capital:</b>	
<b>CET 1 capital</b>	
Share capital .....	11,047.6
Share premium .....	53,557.6
Eligible reserves .....	8,243.6
Retained earnings .....	33,187.2
Non-controlling interest .....	22.8
<b>Total CET 1 capital prior to deduction (A)</b> .....	<b>106,058.8</b>
Goodwill and intangible assets .....	22,046.0
Other deductions from CET 1 capital .....	644.5
<b>Total CET 1 capital after deductions</b> .....	<b>83,368.3</b>
Additional Tier 1 capital:	10,754.8
Eligible AT1 capital (after grandfathering) .....	10,754.8
<b>Total Tier 1 capital (B)</b> .....	<b>94,123.1</b>
<b>Tier 2 capital:</b>	
Undisclosed reserves/general provisions .....	6,348.1
Subordinated term loans .....	120.3
<b>Total Tier 2 capital (C)</b> .....	<b>6,468.4</b>
<b>Total capital base (B + C)</b> .....	<b>100,591.5</b>
<b>Risk weighted assets:</b>	
Credit risk .....	507,849.6

**As at 30 September  
2023**

	<i>(AED millions)</i>
Market risk .....	45,151.3
Operational risk .....	32,974.6
<b>Total risk weighted assets .....</b>	<b>585,975.5</b>

**As at 30 September  
2023**

	<i>(%)</i>
<b>CET 1 ratio .....</b>	<b>14.2</b>
<b>Tier 1 capital adequacy ratio .....</b>	<b>16.1</b>
<b>Total capital adequacy ratio .....</b>	<b>17.2</b>

### **Equity**

The Group's total equity (which comprises, amongst other things, its issued share capital of AED 11.0 billion as at 30 September 2023 and its retained earnings of AED 33.2 billion as at 30 September 2023) amounted to AED 120.2 billion as at 30 September 2023.

Of the Group's reserves, the most significant are the statutory reserve and the special reserve into which, under the CCL and FAB's articles of association, 10.0 per cent. of net profit each year must be contributed until each reserve reaches 50.0 per cent. of the nominal value of FAB's paid up share capital. Eligible reserves also include accumulated other comprehensive income and other disclosed reserves. These reserves on a combined basis amounted to AED 13.1 billion as at 30 September 2023.

As at 30 September 2023, shareholders' equity includes AED 4.0 billion Tier 1 capital notes issued by FGB in February 2009 to the Government and AED 4.0 billion Tier 1 capital notes issued by NBAD in March 2009 to the Government, which are accounted for as equity in accordance with IAS 32 (*Financial Instruments – Presentation*). On 17 June 2020, FAB called its U.S.\$750 million perpetual Tier 1 capital securities and replaced it with its U.S.\$750 million perpetual additional Tier 1 capital securities on 5 October 2020.

### **Funding**

As at 30 September 2023, the Group had customer accounts and other deposits which totalled AED 785.2 billion. The Group's customer accounts and other deposits contain a high proportion of deposits from government and public sector entities, again reflecting the linkage between NBAD, FGB and these governmental and government-related entities. As at 30 September 2023, 27.0 per cent. of the Group's customer accounts and other deposits were from government entities and a further 9.4 per cent. were from public sector entities. The Group's funding needs are also met by equity reserves and retained earnings, interbank lines of credit and repurchase agreements. Additionally, and prior to the Merger, the legacy NBAD and FGB entities accessed wholesale funding markets (through bilateral or syndicated loans and international bond markets) in order to diversify and increase the maturity of their funding sources. The Group intends to continue to utilise the following debt capital markets funding platforms as a key source of funding:

- the U.S.\$5,000,000,000 trust certificate issuance programme (i.e. this Programme);
- the U.S.\$20,000,000,000 euro medium term note programme;
- the U.S.\$3,500,000,000 euro commercial paper programme;
- the A\$2,000,000,000 Australian domestic debt issuance programme;
- the U.S.\$10,000,000,000 U.S. commercial paper programme;



- the EUR3,000,000,000 French certificates de depot programme;
- the First Abu Dhabi Bank USA N.V., Curacao, acting through its Washington, D.C. branch U.S.\$3,000,000,000 U.S. certificate of deposit programme;
- the HKD5,000,000,000 certificate of deposit programme;
- the GBP10,000,000,000 certificate of deposit programme;
- the NBAD Americas N.V. certificate of deposit programme;
- the MYR3,000,000,000 medium term note and trust certificate issuance programme; and
- the U.S.\$1,000,000,000 certificate of deposit programme.

As at the date of this Base Prospectus, FAB also has the following outstanding standalone debt capital markets instruments:

- the U.S.\$750,000,000 4.50 per cent. Additional Tier 1 capital securities;
- the (NBAD issued) AED 4,000,000,000 6 month Emirates Interbank Offered Rate ("**EIBOR**") plus 2.3 per cent. per annum Tier 1 capital notes;
- the (FGB issued) AED 4,000,000,000 6 month EIBOR plus 2.3 per cent. per annum Tier 1 capital notes;
- the JPY10,000,000,000 2.60 per cent. "Samurai" bond due 2026; and
- the U.S.\$1,000,000,000 fixed rate resettable Tier 2 capital securities due 2034.

The following table shows the sources of the Group's funding as at 30 September 2023:

	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
Due to banks and financial institutions .....	71,084,616
Repurchase agreements .....	23,565,340
Commercial paper.....	16,259,896
Derivative financial instruments.....	65,225,609
Customer accounts and other deposits .....	785,195,175
Term borrowings.....	60,741,305
Subordinated notes.....	375,950
Other liabilities .....	43,595,915
Total equity .....	120,245,101
	<b>1,186,288,907</b>

## Competition

As at 30 September 2023, the UAE banking sector comprised 50 commercial banks, including eight standalone Islamic banks (16 Islamic windows of conventional banks), and branches or subsidiaries of 28 foreign commercial banks (*source*: UAE Central Bank Monthly Statistical Bulletin September 2023 and UAE Islamic Finance Report 2023). The licensed foreign bank branches and subsidiaries focus mainly on consumer banking, trade finance, foreign currency operations and government-related business. Foreign bank participation in public sector financing has had a significant downward effect on margins in this area. The UAE banking market is becoming increasingly competitive and challenging, with the consummation of the Merger stimulating further movement towards greater consolidation amongst UAE banks.

With effect from 1 January 2018, certain of the GCC states have implemented a VAT regime (with the UAE implementing this at a rate of 5 per cent.). On 11 May 2020, the UAE Ministry of Finance stated that there were no immediate plans to increase the rate of VAT in the UAE. As at the date of this Base Prospectus, FAB is not currently subject to corporation tax (or any other analogous UAE direct tax) on its earnings within the UAE. However, on 31 January 2022, the UAE Ministry of Finance announced the introduction of a CIT, which came into effect on 1 June 2023. See also "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Risks relating to the UAE and the Middle East – Tax changes in the GCC may have an adverse effect on the Group*" and "*Taxation – United Arab Emirates*".

## **Employees**

As at 30 September 2023, the Group employed 6,729 staff. These staff members do not include the 3,394 members of the Group's outsourced workforce (who principally work within the consumer areas of sales, collections, call centre operations and credit card processing).

The Group's human resources policy is aligned to its strategic vision and ambitious growth plans and is designed to attract, retain and motivate high-calibre, professional, skilled and knowledgeable employees. The Group strives to foster a transparent working environment and invests significant resource in the provision of employee training and development schemes, in addition to providing a competitive remuneration and compensation structure.

### *Emiratisation*

From 2022, UAE banks have been instructed by the UAE Central Bank to increase the representation of UAE nationals in their organisations with a focus on the representation of UAE nationals in critical roles and senior management. The UAE Central Bank has also mandated banks to hire graduating UAE nationals each year to support the employment of university graduates. The representation of UAE nationals and graduate hire requirements ("**Emiratisation**") are set by the UAE Central Bank for each organisation and are based on a number of factors. If a bank is unable to achieve their targets for recruiting or progressing UAE nationals through the organisation, they will be subject to penalties.

As at 30 September 2023, FAB's Emiratisation percentage stood at 42.6 per cent. of its workforce in the UAE, equating to 1,558 UAE nationals employed in positions at different levels across FAB.

In line with the UAE Central Bank's Emiratisation requirements, FAB has made a commitment to employing and training UAE nationals. FAB's Emiratisation strategy supports FAB's position as a nationalisation leader across the UAE.

## **Property**

The Group's principal fixed assets include its head office building in Abu Dhabi and its other branch buildings and offices. Such property and equipment had a net book value of AED 5.4 billion as at 30 September 2023.

As at 30 September 2023, the value of the Group's investment properties, stated at fair value and representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, was AED 6.6 billion.

The fair value of the Group's investment properties is based on valuations performed by third party valuers. The valuers are accredited with recognised and relevant professional qualification and with recent experience in the location and category of investment properties being valued. The fair values have been determined based on varying valuation models depending on the intended use of the investment properties in accordance with the Royal Institution of Chartered Surveyors Valuation Standards. The property rental income earned by the Group from its investment properties that are leased out under operating leases, amounted to AED 113.8 million for the nine months ended 30 September 2023.

## **Group Technology**

The Group Technology department manages the Group's information assets and technology services and is focused on utilising modern IT systems and processes to serve the Group's customers and ensure that all systems operate within strict service level agreements and customers' data is well protected and secured.

The Group Technology business systems allow the Group to offer innovative digital services to its customers across all geographies in which the Group operates. As part of the Group's investment in its technology systems, it has invested in the public cloud, big data and a modern set of core banking platforms and in its state-of-the-art owned data centres. It continuously reviews and aligns its technology strategy to its business strategy, ensuring its digital innovation and investments fit with its architectural blueprint and security standards.

## **Litigation**

In March 2018, the Qatar Financial Centre Regulatory Authority (the "QFCRA") began an investigation into the alleged manipulation of the Qatari riyal, Qatari government backed securities and associated derivatives by FAB (the "QFCRA Investigation"). In April 2019, the State of Qatar commenced a lawsuit in New York state court based on a similar allegation (the "NY Litigation"). The State of Qatar's claims against FAB in the NY Litigation were dismissed with prejudice in March 2022.

FAB considers the QFCRA Investigation to be baseless and it has made good faith efforts to resolve the matter with the QFCRA. However, in August 2019, the QFCRA announced that it had fined FAB QAR200 million (approximately U.S.\$55 million) for allegedly obstructing the QFCRA Investigation and, in February 2020, the Qatar Financial Centre Court ordered this fine payable by FAB as a judgment debt. In November 2020, the QFCRA commenced legal proceedings in New York state court to enforce the Qatar Financial Centre Court's order for the payment of this fine, and in December 2023, the New York state court dismissed these enforcement proceedings. FAB is vigorously defending any attempts to enforce this fine. See further "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Risks relating to the UAE and the Middle East – The Group is subject to political and economic conditions in Abu Dhabi, the UAE and the Middle East*".

As at the date of this Base Prospectus, FAB is not involved in any pending or, to the best of FAB's knowledge, threatened litigation or arbitration proceedings which would have a material adverse effect on the Group's financial position. Therefore, no material provision has been made as at 30 September 2023 regarding any outstanding legal proceedings. Pending legal proceedings are reviewed on an ongoing basis and, where required, provisions are made at the end of each fiscal quarter subject to appropriate internal approvals.

## **Insurance**

The Group has various insurance policies in place, including a banker's blanket bond insurance policy. The Group's insurance covers, among other risks, loss of its property whilst on the Group's premises and whilst in transit; forgery of cheques, securities and other documents; and employee frauds, errors and negligence. The Group believes that these insurance policies provide it with adequate insurance coverage against the various risks to which the Group is exposed.

## **Sustainability Policy**

The Group is committed to taking a strategic approach to managing sustainability through its organisational culture and conducting business in a responsible way. In this context, the term "sustainability" refers to ensuring long-term business success while creating economic, environmental and social value for generations to come through the identification of new opportunities and the active management of current and future risks. Sustainability is a central factor in the Group's long-term profitability and growth and is integral to its success and ability to meet the needs and expectations of its stakeholders.

Undertaking business in a responsible way is an important focus for the Group.

In 2021, the Group launched its new Group Environmental, Social and Governance ("ESG") Strategy designed to accelerate growth in areas that are most pertinent to emerging sustainability opportunities and challenges. The Group has committed to lend, invest and facilitate over U.S.\$135 billion by 2030 in sustainable and transition financing. In 2022, the Group established baselines for financed emissions and set reduction targets to achieve a net zero target by 2050. These targets are vital to the long-term economic interests of the Group's stakeholders and the communities in which it operates. At the heart of the Group's strategy lies its commitment to transitioning to a net zero economy in line with the UAE 2050 Strategic Initiative for Net Zero. In 2022, FAB became the first bank in the UAE and the GCC to join the United Nations Environment Programme Finance Initiative's ("UNEP FI") Net Zero Banking Alliance ("NZBA").

The Group supports the country's sustainability objectives to which the UAE federal government is committed, including:

- UAE Vision 2021;
- UAE Net Zero by 2050 strategic initiative;
- UAE Green Agenda 2015-2030;
- Abu Dhabi Economic Vision 2030; and
- United Nations Sustainable Development Goals ("**SDGs**") 2030.

The Group focuses its sustainability efforts on the issues that it considers most material and implements international frameworks and recognised standards to ensure strong sustainability management and impact reduction across its sustainability priorities. The Group references the United Nations SDGs and aligns its business practices and sustainability performance to the relevant SDGs.

In response to changing international requirements and the UAE federal government's commitment to adapt and mitigate climate change, the Group has committed to implement the recommendations of the Task Force on Climate Related Financial Disclosure and is the first financial institution in the MENA region to make this commitment to managing climate change risks.

In its lending, FAB is a signatory to the Equator Principles, a risk management framework adopted by financial institutions for determining, assessing and managing environmental and social risks in projects intended to support responsible risk decision-making. FAB is the only UAE bank that is a signatory to the Equator Principles.

In the management of its own carbon disclosures, the Group submits an annual response to CDP (formerly the Carbon Disclosure Project).

The Group also discloses its alignment with the most widely adopted and accepted international sustainability frameworks and guidelines. These reports are available on FAB's website and include:

- *ESG Reports*: disclosures on FAB's ESG achievements and progress against ESG strategy implementation and targets for the reporting year. These reports are prepared in line with the Global Reporting Initiative (GRI) Standards 2021 and the Abu Dhabi Stock Exchange (ADX) ESG Disclosure Guidance requirements
- 2021 for Listed Companies in the UAE.
- *Principles for Responsible Banking (PRB) Reports*: details FAB's progress against the six main Principles for Responsible Banking (PRB). FAB became a signatory of PRB in 2021.
- *Sustainable Finance Reports*: prepared annually to provide an update on FAB's green bond issuances and other sustainable finance products. This includes a summary on the use of proceeds and the associated environmental impacts of FAB's outstanding green bonds and green private placements. This report is in line with FAB's latest sustainable finance framework's reporting requirements and ICMA's guidelines on green bond issuances.
- *Equator Principles Reports*: details FAB's implementation of the EP in lending to projects that are part of EP's scope for the reporting year. FAB has been a member of EP since 2015.
- *FAB's Pathway to Net Zero Report*: includes FAB's progress against the net zero commitments set out for 2050, as required by the Net Zero Banking Alliance (NZBA). FAB became a signatory of NZBA in 2021 and published its inaugural report in 2023. The report includes a detailed explanation of the methodology used to estimate FAB's current financed emissions and targets.

The Group's recent ESG reports can be found at the following website: <https://www.bankfab.com/en-ae/about-fab/sustainability/reports-policy-frameworks#current-reports>.

The Group is an active participant and contributor to a number of national sustainability committees and taskforces, such as:

- the UAE Climate Change and Environment Council;
- the UAE Private Sector Advisory Council on the SDGs;
- the Abu Dhabi Sustainable Finance Declaration;
- the ADGM Consultative Working Group on Sustainable Finance;
- the ADGM Sustainable Finance Forum Advisory Group;
- the World Future Energy Summit Technical Advisory Committee;
- the EAD (Environment Agency Abu Dhabi) Declaration on Cleaning the Marine Environment;
- the Dubai Declaration on Sustainable Finance; and
- UNEP FI's NZBA.

The Group's approach to corporate social responsibility reflects what the Group does to voluntarily contribute to the communities in which it operates. It is designed to inspire its staff while building rewarding relationships with its communities beyond its core business activities. The Group works on strengthening its relationship with non-profits and non-governmental organisations and acting based on their needs. In 2020, FAB partnered with various non-profit organisations including Emirates Red Crescent, Emirates Foundation, the Special Olympics, the United Nations and SOS, with the aim of:

- supporting families and students affected by COVID-19;
- empowering women in the community to be financially independent and supported their families; and
- contributing in developmental programmes for people of determination.

Enhancing the Group's community partnerships with the aim of championing local causes, FAB also re-launched its volunteering programme in 2020, spreading awareness on the importance of volunteerism through different opportunities.

The Group is included in the MSCI Emerging Markets ESG Leaders Index and, in 2022, the Group was rated as 'A'. The Group is also the fourth largest MENA constituent on the FTSE4Good Emerging Markets Index.

Following FAB's issuance of the first public green bond out of the UAE in March 2017, the Group has continued to build its green financing platform and as at 30 September 2023, FAB had issued 16 green bonds and sukuks across six different currencies, which includes one green bond that matured in 2022.

Additionally, FAB has also acted as the joint bookrunner and/or joint lead manager on several green sukuk and bonds issued by the Group's clients including the first socially responsible sukuk issued by International Finance Facility Immunisation Company. In 2019, in alignment with the Group's commitment to finance and support social projects, FAB led the structuring of the first sustainable development goals loan transaction within the MENA region and in the same year, the Group reached and exceeded its target to finance U.S.\$10 billion worth of sustainable projects over 10 years (six years ahead of schedule).

By 30 September 2023, the Group had made significant progress to deliver its ESG agenda. In the nine months ended 30 September 2023, the Group facilitated over U.S.\$18 billion in sustainable financing taking

the Group's total to U.S.\$27 billion as at 30 September 2023 (achieving 36 per cent. of the Group's 2030 target). Furthermore, it signed the UAE Climate Responsible Companies Pledge in 2023.

### ***Sustainable Finance Framework***

As part of the Group's commitment to scale up the financing for sustainable development, the Group decided to expand its Green Bond Framework to create a Sustainable Finance Framework in 2022. The "FAB Sustainable Finance Framework" applies to any type of sustainable financing transaction that will be used to fund activities and products aimed at addressing environmental and socially responsible issues.

From time to time and pursuant to the Programme, FAB intends to issue securities ("**sustainable bonds**") whose net proceeds would be used to fund or refinance, in whole or in part, *Shari'a* compliant eligible projects (the "**Eligible Projects**") within eligible categories set out under the "Dedicated Financing" section in the "FAB Sustainable Finance Framework". For the avoidance of doubt, finance provided to any business or project that is not eligible under the criteria set out in the "FAB Sustainable Finance Framework" will not be considered as the use of proceeds of a sustainable bond issued under the "FAB Sustainable Finance Framework".

The FAB Sustainable Finance Framework was developed in alignment with market best practice standards reflected in the International Capital Market Association's Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines.

The Group has broadly defined the eligible categories in accordance with the Green Bond Principles and Social Bond Principles publicised by the International Capital Market Association. Eligible categories include:

- renewable energy;
- energy efficiency;
- green buildings;
- pollution prevention and control;
- sustainable management of living natural resources and land use;
- terrestrial and aquatic biodiversity conservation;
- clean transportation;
- sustainable water and wastewater management;
- climate change adaptation;
- affordable basic infrastructure;
- access to essential services;
- affordable housing;
- employment generation;
- socio-economic advancement and empowerment;
- circular economy; and
- food security and sustainable food systems.

Where feasible and possible, the Group will endeavour to allocate the use of proceeds to new eligible projects. Up to 100 per cent. of the proceeds of any sustainable bond issue may be applied to refinance existing eligible projects within the eligible categories. Proceeds used for refinancing eligible projects will be substituted out of any sustainable bond in favour of funding new eligible projects within eligible sectors as and when these become funded by the Group.

FAB expects that the proceeds of each sustainable bond will be allocated within 24 months of each issue to eligible projects within the Middle East region. However, given the global nature of the Group's business and the international operations of many of the Group's clients, the proceeds of any sustainable bond issue may be applied globally without geographical restriction. Unallocated proceeds from sustainable bond issuances will be temporarily invested in sustainable bond issued by non-financial entities in domestic or international markets, money market instruments with a solid credit rating and market liquidity held in cash or cash equivalents until qualifying eligible projects are available.

## SELECTED FINANCIAL INFORMATION

*The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements. See also "Presentation of Information – Presentation of Financial Information".*

The following tables set out certain consolidated statement of financial position and consolidated statement of profit or loss financial information of the Group as at and for the nine months ended 30 September 2023 (as extracted from the Interim Financial Information) and as at and for the financial years ended 31 December 2022 and 31 December 2021.

### Consolidated Statement of Financial Position

	As at 30 September 2023	As at 31 December 2022	As at 31 December 2021
	<i>(AED millions)</i>		
<b>Assets</b>			
Cash and balances with central banks .....	268,174.4	228,368.8	258,732.8
Investments at fair value through profit or loss.....	42,294.8	31,816.8	45,572.3
Due from banks and financial institutions.....	23,174.0	24,887.0	19,318.8
Reverse repurchase agreements.....	68,869.7	69,106.1	46,260.6
Derivative financial instruments.....	63,718.3	58,873.8	24,273.8
Loans, advances and Islamic financing.....	478,267.4	459,593.3	409,589.9
Non-trading investments.....	171,116.8	172,349.8 <sup>(1)</sup>	145,411.7
Investment in associates .....	1,511.3	1,559.3 <sup>(1)</sup>	75.7
Investment properties.....	6,625.8	7,168.1	6,962.6
Property and equipment.....	5,435.2	5,795.2	5,965.3
Intangibles.....	20,185.1	20,332.2	20,535.1
Other assets .....	36,916.0	30,205.7	18,397.4
<b>Total assets.....</b>	<b>1,186,288.9</b>	<b>1,110,056.1</b>	<b>1,001,096.1</b>
<b>Liabilities</b>			
Due to banks and financial institutions .....	71,084.6	61,560.3	56,985.2
Repurchase agreements .....	23,565.3	39,004.5	55,074.5
Commercial paper.....	16,259.9	31,738.4	39,664.3
Derivative financial instruments.....	65,225.6	62,024.5	28,395.1
Customer accounts and other deposits .....	785,195.2	700,573.4	614,669.9
Term borrowings.....	60,741.3	62,635.1	71,643.8
Subordinated notes.....	376.0	420.6	448.9
Other liabilities .....	43,595.9	37,049.0	21,567.0
<b>Total liabilities.....</b>	<b>1,066,043.8</b>	<b>995,005.9</b>	<b>888,448.7</b>
<b>Equity</b>			
Share capital.....	11,047.6	11,047.6	10,920.0
Share premium.....	53,557.6	53,557.6	53,557.6
Treasury shares .....	(6.5)	(6.5)	(6.4)
Statutory and special reserves.....	13,084.3	13,084.3	10,920.0
Other reserves .....	(1,708.2)	(835.5)	3,569.2
Tier 1 capital notes.....	10,754.8	10,754.8	10,754.8
Share based payment .....	249.8	249.8	249.8
Retained earnings.....	33,243.0	27,185.7	22,667.1
<b>Total equity attributable to shareholders of the Group .....</b>	<b>120,222.3</b>	<b>115,037.8</b>	<b>112,632.0</b>



	As at 30 September 2023	As at 31 December 2022	As at 31 December 2021
	<i>(AED millions)</i>		
Non-controlling interest.....	22.8	12.5	15.4
<b>Total equity.....</b>	<b>120,245.1</b>	<b>115,050.2</b>	<b>112,647.4</b>
<b>Total liabilities and equity .....</b>	<b>1,186,288.9</b>	<b>1,110,056.1</b>	<b>1,001,096.1</b>

<sup>(1)</sup> The balances as at 31 December 2022 for "Non trading investment securities" and "Investment in associates" have been extracted from the unaudited comparative column of the Interim Financial Information, following the reclassification of these balances as set out in Note 32 in the Interim Financial Information.

## Consolidated Statement of Profit or Loss

	Nine months ended 30 September 2023	Nine months ended 30 September 2022	Year ended 31 December 2022	Year ended 31 December 2021
	<i>(AED millions)</i>			
Interest income.....	42,337.7	17,344.0	28,247.9	16,240.6
Interest expense.....	(29,358.9)	(8,050.0)	(14,788.1)	(5,561.2)
<b>Net interest income .....</b>	<b>12,978.9</b>	<b>9,294.0</b>	<b>13,459.8</b>	<b>10,679.4</b>
Income from Islamic financing and investing products.....	2,238.0	1,444.9	2,025.0	1,843.2
Distribution on Islamic deposits.....	(1,808.0)	(696.7)	(1,098.9)	(864.4)
<b>Net income from Islamic financing and investing products.....</b>	<b>430.0</b>	<b>748.3</b>	<b>926.1</b>	<b>978.8</b>
<b>Total net interest income and income from Islamic financing and investing products .....</b>	<b>13,408.9</b>	<b>10,042.3</b>	<b>14,385.9</b>	<b>11,658.1</b>
Fee and commission income.....	3,205.7	3,004.0	3,975.9	4,894.4
Fee and commission expense .....	(939.1)	(905.6)	(1,195.3)	(1,859.8)
<b>Net fee and commission income.....</b>	<b>2,266.6</b>	<b>2,098.4</b>	<b>2,780.5</b>	<b>3,034.5</b>
Net foreign exchange gain.....	1,749.2	399.6	1,776.7	692.3
Net gain on investment and derivatives .....	2,993.6	2,220.0	2,149.2	6,484.8
Other operating income/(loss) .....	119.9	168.5	(252.1)	(188.6)
<b>Operating income.....</b>	<b>20,538.3</b>	<b>14,928.7</b>	<b>20,840.2</b>	<b>21,681.3</b>
Gain on disposal of stake in subsidiary and fair value gain on retained interest.....	-	3,093.7	3,093.7	-
<b>Total income including gain on disposal of stake in subsidiary and fair value gain on retained interest.....</b>	<b>20,538.3</b>	<b>18,022.4</b>	<b>23,933.9</b>	<b>21,681.3</b>
General, administration and other operating expenses.....	(5,225.6)	(4,704.6)	(6,704.8)	(5,836.5)
<b>Profit before net impairment charge and taxation .....</b>	<b>15,312.7</b>	<b>13,317.8</b>	<b>17,229.1</b>	<b>15,844.8</b>
Net impairment charge .....	(2,079.3)	(1,733.3)	(2,839.4)	(2,658.2)
<b>Profit before taxation .....</b>	<b>13,233.4</b>	<b>11,584.5</b>	<b>14,389.7</b>	<b>13,186.5</b>
Income tax expense.....	(818.0)	(629.1)	(967.6)	(644.3)
<b>Profit for the period.....</b>	<b>12,415.4</b>	<b>10,955.4</b>	<b>13,422.1</b>	<b>12,542.3</b>

## Related Party Transactions

Certain related parties (principally the major shareholders, associated companies, directors and executive management of the Group and companies of which they are principal owners) are customers of the Group in the ordinary course of business. The transactions with these parties were made on substantially the same terms, including interest and commission rates and the requirements for collateral, as those prevailing at the same time for comparable transactions with unrelated parties and did not involve an amount of risk which was more than the amount of risk relating to such comparable transactions. All loans, advances and Islamic financing to related parties are performing advances and are free of any provision for impaired loans, advances and Islamic financing.

As at 30 September 2023, the Group had financial liabilities to related parties totalling AED 32.4 billion and financial assets to related parties totalling AED 38.3 billion. The Group also had contingent liabilities with related parties in the amount of AED 10.4 billion as at 30 September 2023. See Note 29 (*Related parties*) to the Interim Financial Information.

## RISK MANAGEMENT

### Overview

In common with other financial institutions, the Group faces a range of risks in its business and operations including: (a) credit risk; (b) market risk (including interest rate risk in the trading book, currency risk, equity risk in the trading book); (c) liquidity risk; (d) interest rate risk in the banking book; (e) operational risk (including risk of fraud); (f) legal and compliance risk; and (g) ESG risks.

Efficient and timely management of the risks involved in the Group's activities is critical to its financial soundness and profitability. Risk management involves identifying, measuring, monitoring, controlling and reporting these risks on a regular basis. The objective of risk management is to protect the Group's capital and achieve a return on capital that is commensurate with the risks assumed.

### Risk Management Structure

The overall responsibility for risk management lies with the Board. The principal role of the Board is to oversee implementation of the Group's strategic initiatives and its functioning within the agreed framework in accordance with relevant statutory and regulatory guidelines. Several Board level committees and management level committees form part of the overall risk management structure within the Group. The Board level committees include:

- the Board Management Committee (the "**BMC**"), which is responsible for overseeing of the Group's overall business strategy and ensuring that the business policies and practices are in line with the overall strategy and in alignment with sound corporate governance and related regulatory requirements and guidelines;
- the Board Risk and ESG Committee (the "**BRESGC**"), which is responsible for maintaining oversight over current and potential risk exposures across the Group and direction on risk strategy, frameworks, risk appetite, tolerance and culture;
- the Board Audit Committee (the "**BAC**"), which has overall responsibility for assessing the internal audit findings, directing the implementation of audit recommendations and overseeing the internal audit activities being undertaken; and
- the Board Remuneration and Nomination Committee (the "**REMCO**"), which is responsible for overseeing the appointment of the Board and executive management and ensuring that they discharge their responsibilities in the interests of the shareholders and the Group as well as overseeing the overall compensation and reward mechanism of the Group.

The Group Executive Committee (the "**EXCO**") is the Group's most senior management level committee and it operates under a delegated authority from the Board. The EXCO has established management committees to help execute the agreed objectives and to assist in running, controlling and monitoring the business of the Group efficiently and effectively.

Other management committees include:

- the Group Risk Committee for overseeing the Group-wide risk strategy and exposures to enable integrated and effective risk management;
- the Group Compliance Committee for overseeing the Group's regulatory responsibilities and compliance with applicable laws and regulations issued by the various regulatory authorities;
- the Group Credit Committee, which has principal responsibility for the overall credit oversight of the Group;
- the Group Asset and Liability Committee, which has principal responsibility for the Group's asset and liability management process;

- the Human Resources Steering Committee for assisting the EXCO and the REMCO to implement strategic and operational HR initiatives;
- the Group Technology Steering Committee to assist in fulfilling EXCO's corporate governance and oversight responsibilities of all technology and information systems across the Group and to support the work of the BRESGC in its oversight of the Group IT governance framework;
- the Group Operational and Fraud Risk Committee for assisting the BRESGC in fulfilling its objective of overseeing the Group's operational and fraud risk management related responsibilities;
- the Group Technology Risk and Information Security Committee to assist the BRESGC in overseeing, reviewing and taking decisions on the implementation of the Group's technology and information security, data privacy and business continuity related risk responsibilities;
- the Group ESG Committee to oversee the Group's ESG strategy, risks and culture and promote awareness of ESG across the Group; and
- the Internal Shari'a Supervision Committee which has principal responsibility for ensuring compliance with the Islamic Shari'a related regulations.

The Group Chief Risk Officer is responsible for risk management for the Group's centralised risk management function.

The Group has also established an independent risk management unit, responsible for continuous monitoring identification, measurement, control, mitigation and reporting of risks arising out of the Group's activities. The risk management unit also monitors compliance with regulatory policies and procedures. The Group Chief Risk Officer is responsible for day-to-day risk management for the Group. The risk management unit has separate sub-units responsible for management of enterprise risk, credit risk, market and liquidity risk, operational and fraud risk, legal risk, corporate governance, information security and data privacy, business continuity, credit recovery and Group ESG.

The Group's treasury, under the strategic direction of the Group Asset and Liability Committee, is responsible for managing the Group's assets and liabilities and its overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Group. Risk management processes throughout the Group are audited on an annual basis by internal auditors who examine both the adequacy of the processes and compliance with regulatory requirements. The results of each internal audit are reported directly to the BAC.

### **Risk Monitoring, Measurement, Control and Reporting**

The Group has established an enterprise risk management policy ("ERMP") framework to support the Group's risk management objectives.

The aim of the Group's ERMP framework is to support the Group in being a world-class organisation maximising its risk adjusted returns for all stakeholders by establishing a risk management framework across the Group. The core objective of ERMP framework is to provide a reasonable degree of assurance to the Board that the risks threatening the Group's achievement of its core values and purpose are being identified, measured, monitored and controlled through an effective integrated risk management system. The ERMP framework consists of specific policy documents covering all material risks across the Group that include enterprise risk management policy, risk appetite policy, reputational risk management policy, strategic risk management policy, ESG related framework and policies, capital management policy, corporate governance related policies and framework, credit risk related policies, market and liquidity risk related policies, operational risk management policy, fraud risk policy, outsourcing risk policy, compliance risk related policies, information security risk related policies, business continuity management policy, internal capital adequacy assessment process policy, new products approval policy, model risk management policy and Shari'a governance framework. In addition to these risk management policies, the Group has also put in place detailed operational policies, procedures and programs wherever needed.

As a part of the ERMP framework, the Group has established a formal risk appetite structure in the form of a top-down approach that incorporates requirements of various stakeholders, including shareholders, holders of its debt securities and regulators through a dialogue process between risk taking functions after a careful consideration of the risk-return trade-off.

Risk monitoring and control is primarily based on limits established by the Group's executive management. These limits reflect the Group's business strategy and the market environment in which it operates as well as the risk appetite of the Group. Information from all parts of the Group is collected, examined and processed in order to identify, analyse and control risks. This information is presented to the BRESGC and the Group Risk Committee on a quarterly basis. The information covers enterprise-wide risks and is designed to enable the Board and executive management to receive all necessary information so as to independently assess the possible impact of these risks on the Group's businesses. The Group uses a range of measures to mitigate and control risks including the use of credit risk mitigation techniques (collaterals, guarantees, netting, etc.) to reduce exposure to credit risk and the use of derivative instruments to hedge exposure to certain interest and currency exchange rate risks. The risk profile of all major transactions is assessed and authorised by appropriate management representatives before the transactions are concluded and the effectiveness of all risk mitigation measures is closely monitored by the risk management unit.

### Credit Risk

Credit risk is the risk of a customer or counterparty to a financial asset failing to meet its obligations in accordance with the agreed terms and, as a result, causing the Group to incur a financial loss. The Group is exposed to credit risk through its lending, trading, hedging and investing activities as well as through activities in which it acts as an intermediary on behalf of customers/other third parties or issues guarantees. The Group is also exposed to credit concentration risk. Various forms of credit risk concentrations can be distinguished in this context including large exposures to individual clients or groups of connected clients, large exposures to clients of poor credit quality, large exposures to clients in certain countries and large exposures to clients belonging to specific industries, amongst others. Indirect credit risk concentrations can also arise as a result of certain credit risk mitigation techniques.

The Group's primary exposure to credit risk arises through its loans, advances and Islamic financing extended to customers, as well as through its interbank lending operations. The amount of credit exposure in this regard is a function of assets being carried on the consolidated balance sheet. In addition, the Group is exposed to off-balance sheet credit risk through the contingent liabilities it assumes. The Group is also exposed to credit risk on various other financial assets, including derivative instruments and debt investments.

The Group has established an independent credit risk team within the risk management unit to track the magnitude of credit risk.

The table below sets out the Group's maximum exposure to credit risk for the different components of the balance sheet, including derivatives as at 30 September 2023. This exposure does not take into account netting and collateral agreements that serve as credit risk mitigants. Where financial instruments are recorded at fair value, the amounts shown in the table represent the then current credit risk exposure but not the maximum credit risk exposure that could arise in the future as a result of changes in values.

	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
Balances with central banks .....	266,387.9
Due from banks and financial institutions.....	23,233.8
Reverse repurchase agreements.....	68,917.7
Loans, advances and Islamic financing (gross).....	499,623.7
Non-trading investments <sup>(1)</sup> .....	169,957.4
Other assets .....	18,044.8
Unfunded exposure.....	228,509.8
	<b><u>1,274,675.1</u></b>

<sup>(1)</sup> Comprises amortised cost and fair value through other comprehensive income ("FVOCI") debt.

The Group controls credit risk by monitoring credit limits and exposures, limiting transactions with specific counterparties, continually assessing the creditworthiness of counterparties, diversification of lending activities, compliance with internal lending limits to avoid undue concentrations of risks and by obtaining security as appropriate.

The Group's credit policy is reviewed and approved by the Board on an ongoing basis. The Group's credit policy allows for a certain degree of flexibility if circumstances warrant deviations from standard practice. All such exceptions are clearly documented and ratified by the Board.

The Group's credit risk limits are set in line with its credit criteria and reviewed at least on an annual basis. Credit exposure to individual customers or groups of customers is controlled through a tiered hierarchy of delegated approval authorities and is based on several factors including, but not limited to, country risk rating, industry risk rating, counterparty risk rating and assessment of facility risk.

Significant counterparty credit exposures, industry exposures and sector exposures are reviewed by executive management on a regular basis.

The table below sets out the Group's gross loans, advances and Islamic financing by counterparty and industry sector, in each case as at 30 September 2023.

	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
<b>Counterparty</b>	
Government sector.....	56,303.6
Public sector.....	83,516.1
Banking sector.....	22,098.2
Corporate/private sector.....	257,359.5
Personal/retail sector.....	80,346.3
<b>Gross loans, advances and Islamic financing.....</b>	<b>499,623.7</b>
	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
<b>Industry</b>	
Agriculture.....	3,140.5
Energy.....	37,156.1
Manufacturing.....	19,722.4
Construction.....	10,565.0
Real estate.....	86,890.1
Trading.....	24,758.0
Transport and communication.....	39,173.7
Banks.....	22,098.2
Other financial institutions.....	83,016.3
Services.....	36,453.6
Government.....	56,303.6
Personal – Loans and Credit Cards.....	50,733.6
Personal – Retail Mortgage.....	29,612.8
<b>Gross loans, advances and Islamic financing.....</b>	<b>499,623.7</b>

The table below sets out the Group's credit concentration in respect of its non-trading investments by counterparty and by external credit ratings, in each case as at 30 September 2023.

	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
<b>Counterparty type</b>	
Government sector.....	124,728.9
Supranational.....	325.6
Public sector.....	12,725.1
Banking sector.....	23,527.0
Corporate/private sector.....	9,811.9
Less: allowance for impairment (expected credit loss) on amortised cost securities.....	(1.7)
<b>Total non-trading investments</b> .....	<b>171,116.8</b>
	<b>As at 30 September 2023</b>
	<i>(AED millions)</i>
<b>External credit rating</b>	
AAA.....	23,502.8
AA to A.....	111,208.3
BBB and below.....	31,020.8
CCC and below.....	188.3
Unrated.....	5,198.3
Less: allowance for impairment (expected credit loss) on amortised cost securities.....	(1.7)
<b>Total non-trading investments</b> .....	<b>171,116.8</b>

The Group operates a system of approval limits for its corporate lending, which is reviewed on a regular basis.

In line with the Group's credit policy, various types of credit risk mitigants – such as collaterals, guarantees, netting agreements and credit derivatives – are being used to mitigate risks. The mitigants are usually in the form of cash collateral or securities, legal charges over customer's assets, third party guarantees or assignments over receivables. As per the Group's internal policies, all of the mitigants are valued and monitored at regular intervals. Responsibility for day-to-day management of existing credit exposure is delegated to credit officers who comply with the regular credit review requirements set out in the Group's credit manual. Credits are assessed using an internal credit risk evaluation system based on detailed qualitative and quantitative criteria.

In assessing its credit exposure, the Group's corporate customers are classified into 11 rating categories ranging from 1 (highest rating) to 11 (default rating). For regulatory reporting purposes, the Group reports its loans to the UAE Central Bank as per five grade scale where 1 is performing, 2 is watch list, 3 is sub-standard, 4 is doubtful and 5 is loss. In accordance with Circular 28/2010 issued by the UAE Central Bank on 11 November 2010, grades 1 and 2 are considered as performing whereas grades 3, 4 and 5 are considered as non-performing.

The table below sets out the Group's categorisation by credit quality of its exposure based on IFRS 9 to the following asset classes as at 30 September 2023.

	<b>As at 30 September 2023</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Purchased or originally credit impaired<sup>(1)</sup></b>	<b>Total</b>
	<i>(AED millions)</i>				
Balances with central banks.....	265,269.5	1,118.4	-	-	266,387.9
Due from banks and financial institutions.....	20,835.1	2,398.7	-	-	23,233.8
Reverse repurchase agreements.....	68,917.7	-	-	-	68,917.7
Gross loans, advances and Islamic financing...	460,479.6	12,700.5	22,489.4	3,954.1	499,623.7
Non-trading investments <sup>(2)</sup> .....	169,842.8	114.5	-	-	169,957.4

**As at 30 September 2023**

	Stage 1	Stage 2	Stage 3	Purchased or originally credit impaired <sup>(1)</sup>	Total
	<i>(AED millions)</i>				
Other assets .....	18,023.5	20.6	0.8	-	18,044.8
Unfunded exposure .....	224,047.8	3,354.0	1,103.2	4.8	228,509.8
	<b>1,227,416.1</b>	<b>19,706.8</b>	<b>23,593.3</b>	<b>3,958.9</b>	<b>1,274,675.1</b>

<sup>(1)</sup> The Group, from an internal credit quality point of view, considers AED 3.8 billion as par to non-performing loans, advances and Islamic financing.

<sup>(2)</sup> Comprises amortised cost and FVOCI debt.

### ***Impairment***

The Group recognises loss allowances for expected credit loss ("ECL") on the following financial instruments that are not measured at fair value through profit or loss:

- balances with central banks;
- due from banks and financial institutions;
- reverse repurchase agreements;
- financial assets that are debt instruments;
- loans, advances and Islamic financing;
- loan commitments issued; and
- bank guarantee contracts, acceptances, letter of credits issued.

No impairment loss is recognised on equity investments. The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which are measured as 12-month ECL:

- debt investment securities that are in Stage 1 and are determined to have low credit risk at the reporting date; and
- other financial instruments that are in Stage 1 and on which credit risk has not increased significantly since their initial recognition.

### ***Measurement of ECL***

Credit loss allowances are measured using a three-stage approach based on the extent of credit deterioration since origination:

- *Stage 1* – where there has not been a significant increase in credit risk ("SICR") since initial recognition of a financial instrument, an amount equal to 12-month expected credit loss is recorded. The expected credit loss is computed using a probability of default events occurring over the next 12 months. For instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used;
- *Stage 2* – when a financial instrument experiences a SICR subsequent to origination but is not considered to be impaired, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default events over the remaining estimated life of the financial instrument; and



- *Stage 3* – financial instruments that are considered to be impaired are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default;
- loss given default; and
- exposure at default.

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

The Group ceases to accrue income on any loan wherein a reasonable doubt, with respect to collection of unpaid interest or fees, exists or where a loan is classified as a non-performing asset. As at 30 September 2023, interest suspended amounted to AED 7.2 billion (equal to 1.4 per cent. of total gross loans, advances and Islamic financing as at 30 September 2023).

As at 30 September 2023, total provisions amounted to AED 18.6 billion representing 97 per cent. of all NPLs. The NPL ratio was 3.9 per cent. as at 30 September 2023.

It is the Group's policy to write-off impaired assets only after all reasonable restructuring and collection efforts have been undertaken and where the possibility of any further recovery is considered remote. For the nine months ended 30 September 2023, the Group's write-off of impaired financial assets amounted to AED 172.3 million.

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. The prudential filter will allow 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. See further "*The United Arab Emirates Banking Sector and Regulations – COVID-19*".

#### ***Counterparty credit risk for derivative transactions***

Credit risk in respect of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations and is limited to the positive market value of instruments that are favourable to the Group. The positive market value is also referred to as the "replacement cost" since it is an estimate of what it would cost to replace transactions at prevailing market rates if a counterparty defaults. Derivatives are used by the Group to help manage its balance sheet risks in an efficient manner and are also offered to the Group's clients with back-to-back transactions executed with other financial institutions. The majority of the Group's derivative contracts are entered into with other financial institutions with investment grade credit ratings from the main credit rating agencies.

#### **Market Risk**

Market risk is defined as the risk of losses in the Group's on or off-balance sheet positions arising from movements in interest rates, credit spreads, foreign exchange rates and the prices of its debt, equity and commodity investments.

The Group has established an independent market risk management team which, in addition to its oversight role, tracks the magnitude of market risk on a daily basis, models and validates market data and develops quantitative risk management techniques. The Group has established policies and guidelines for managing trading activities and investments that are subject to market risk. These policies and guidelines are reviewed and approved by the Group Risk Committee and further ratified by Board level committees on an annual basis. These guidelines stipulate inter-alia the risk appetite for market risk through a comprehensive limit structure covering exposure, sensitivities, concentration and VaR and lay down the investment criteria for each asset class.

Positions in the Group's trading and investment book portfolio are created subject to compliance with the investment policies and guidelines. The Group has established an independent market risk team within the

risk management unit to track the magnitude of market risk on a daily basis, in addition to its role of oversight, model and market data validation and development of quantitative techniques for risk management. The middle office reports this risk to executive management on a daily basis.

The Group's market risk unit also carries out regular scenario analysis and stress testing exercises to ascertain the level of risk in the event of unforeseen movements in the Group's key risk factors.

#### ***Interest rate risk***

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the value of financial instruments. The Group is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. The Group manages this risk through hedging and by reviewing the re-pricing of assets and liabilities through risk management strategies. The asset and liability management risk team monitors the gaps and reports both interest rate risk and liquidity risk to the Group Asset and Liability Committee on a monthly basis. The Group's sensitivity to interest rate changes is reduced by the fact that a very significant part of its loans, advances and Islamic financing can be re-priced on either a monthly or quarterly basis.

#### ***Currency risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's functional currency is the UAE dirham. As the UAE dirham has been pegged to the U.S. dollar since 1980, positions in U.S. dollars have not generally been considered as a significant currency risk, although this assessment has been re-evaluated in recent years given increased market speculation concerning the possible abolition of the currency peg in a number of GCC countries in response to the volatile oil price environment. The Group's foreign exchange positions are monitored on a regular basis to ensure that they are maintained within established limits set by the Group Risk Committee. The Group uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks.

#### ***Equity price risk***

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group invests in international equities and also acts as a broker for trading in local and international equities. The Group manages its equity price risk through limits for each product and limits by country, currency, sector and dealer where appropriate in order to ensure diversification of its equity investments in terms of both geographical distribution and industry concentration. All outstanding own-account open positions are monitored daily and appropriate limits are in place.

#### **Liquidity Risk**

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or deterioration in the Group's credit quality which may adversely impact certain sources of funding. Liquidity risk management seeks to ensure that, even under adverse conditions, the Group has access to the funds necessary to cover customer needs, maturing liabilities and the capital requirements of its operations. In accordance with Basel III guidelines, the Group monitors its LCR and maintains a portfolio of HQLAs as part of its LCR monitoring and reporting obligations to the UAE Central Bank. As at 30 September 2023, the Group held a portfolio of net HQLAs valued at AED 420.68 billion and had a LCR of 146 per cent.

Liquidity risk arises in the general funding of the Group's financing, trading and investment activities and in the management of liquidity positions. This risk involves the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, the risk of being unable to liquidate a position in a timely manner on reasonable terms and the risk that depositors could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing liquidity strain.

The Group seeks to maintain liquid assets at prudent levels to ensure that cash can be made available quickly to honour its obligations, even under adverse conditions. To further address liquidity risk, the Group's management has established liquidity monitoring procedures and is diversifying the Group's funding sources in terms of origin and tenor. In addition, the Group maintains a statutory deposit with the UAE Central Bank and has a range of credit lines from banks and financial institutions.

The following table sets out the percentage of cash and balances with central banks, repurchase agreements and due from financial institutions compared to total assets as at 30 September 2023.

	<b>As at 30 September 2023</b>
	<i>(per cent.)</i>
Cash and balances with central banks, reverse repurchase agreements and due from banks and financial institutions.....	30.4
Loans, advances and Islamic financing.....	40.3
Investments at fair value through profit or loss, Derivative financial instruments, Non-trading investments, investments in associates and investment properties.....	24.0
Property and equipment, intangibles and other assets.....	5.3
<b>Total assets.....</b>	<b>100.0</b>

The day-to-day management of liquidity within the framework of the Group's liquidity risk policy is the responsibility of the asset and liability management desk with global markets which is overseen in this regard by the Group Asset and Liability Committee. The Group uses a maturity ladder (time bucket) approach for managing its liquidity.

The Group's liabilities, in particular its customer deposits, are principally short-term in nature whereas its assets, in particular its loans, advances and Islamic financing, are generally of a longer term. The Group believes that this apparent maturity gap is mitigated by the fact that a large part of its customer deposits, although contractually of a short-term nature, as is customary practice in the UAE, historically have been maintained for longer periods. The Group believes that this reflects the strength of its relationship with its principal depositors. Other mitigants include the Group's liquid asset balances, including a part of its investment portfolio and the fact that a number of its loans repay on an instalment basis. Notwithstanding these mitigants, there remains a risk that the Group could be exposed to liquidity risks should there be a significant downturn in market conditions allied with a significant removal of deposits from the Group.

With respect to liquidity risk related ratios, the UAE Central Bank made it mandatory for all UAE based banks to comply with the Eligible Liquid Assets Ratio ("ELAR") and an Advances to Stable Resources Ratio ("ASRR") as of 1 January 2016, while giving an option for banks to apply for compliance with the Basel III LCR and NSFR in accordance with the timelines set by FAB for International Settlements. All the aforementioned liquidity ratios are monitored and reviewed by the Group Asset and Liability Committee.

## Derivatives

In the ordinary course of its business, the Group enters into a range of transactions that involve derivative instruments. In these transactions, the Group assists its customers and counterparties (typically other financial institutions) in altering their risk profile in a particular area by structuring transactions to meet the particular needs of the customer or counterparty. The positions accumulated from such activity are typically passed on to others in the market but may also be managed as open positions with a view to a limited profit. The Group manages the risks involved in this activity through appropriate limits and stop loss parameters established and monitored by the risk management division.

The Group also enters into derivative transactions to hedge its currency, interest rate and cash flow risks as part of its asset and liability management activities. This hedging may be in respect of specific financial instruments, forecasted transactions or strategic hedging against overall balance sheet exposures.

The total derivatives book by notional value as at 30 September 2023 was AED 2,474 billion (with a net mark-to-market of negative AED 1.5 billion).

## Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes/people/systems or from external events, including fraud. The Group has set up an independent operational risk team within the risk management unit for development and automation of an operational risk framework, for monitoring of operational losses on a regular basis and for necessary reporting to executive management. The Group has a dedicated team for the purposes of investigating suspected incidents of fraud.

Detailed operational manuals, internal control mechanisms (including segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes), periodic reviews and internal and external audits are tools employed for sound assessment, monitoring and management of operational risk in the Group's business. The Group has in place an enterprise fraud risk monitoring system to monitor suspicious transactions.

### **Legal Risk**

Legal risk is the risk of losses due to legal or regulatory action that invalidates or otherwise precludes performance by the Group or any of its counterparties under the terms of its contractual agreements. The Group seeks to mitigate this risk through the use of properly reviewed standardised documentation and obtaining appropriate legal advice in relation to its non-standard documentation.

## MANAGEMENT

### Board of Directors

The Group operates under the direction of the Board of Directors (the "**Board**"), which is the principal decision-making forum with overall responsibility for the Group's strategy and for monitoring the performance of the Group's businesses and executive management. As at the date of this Base Prospectus, the Board comprises 11 non-executive members. Each member of the Board is elected at a shareholders' general assembly meeting for a period of three years. All elected directors seeking to serve an additional term are required to seek re-election by the shareholders every three years.

The primary mandate of the Board is to align the Group's strategic objectives, risk appetite and overall corporate governance framework with the best interests of the Group and thereby maximise value for shareholders. This mandate is coupled with responsibility for monitoring and maintaining the Group's financial and economic stability and safeguarding the rights and benefits of all of the Group's stakeholders. Decisions of the Board are, with limited exceptions, made by majority votes of those present (in person or by proxy) at the meeting. The Board and the Group's executive management have delegated certain powers to committees, as described below.

The roles of the Chairman of the Board and the Group Chief Executive Officer are separate and independent of one another and there is a clear segregation of their respective duties and responsibilities. The Chairman's main responsibility is to lead the Board and ensure the effective engagement and contribution of all directors, so that the Board may fully discharge its legal and regulatory responsibilities.

The Board appoints the Group Chief Executive Officer and specifies their powers and authority. The day-to-day management of the Group's business has been delegated by the Board to the Group Chief Executive Officer, who is assisted by the other members of executive management. The Group Chief Executive Officer, assisted by the other members of executive management, is responsible for controlling and monitoring the Group's business on a day-to-day basis, recommending strategy to the Board, leading executive management and implementing the Board's strategic and operational decisions.

Any candidate for appointment as a director must be considered and approved by the Board's Remuneration and Nomination Committee, the UAE Central Bank and the Group's shareholders at its general assembly.

The table below shows the names of the members of the Board as at the date of this Base Prospectus.

<u>Name</u>	<u>Position</u>
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan.....	Chairman
H.E. Sheikh Mohamed Bin Saif Bin Mohamad Al Nahyan .....	Vice-Chairman
H.E. Jassem Mohammed Bu Atabh Al Zaabi .....	Board Member
H.E. Dr. Sultan Ahmed Al Jaber .....	Board Member
H.E. Mariam Bint Mohammed Saeed Hareb Almheiri.....	Board Member
H.E. Sheikh Ahmed Mohammed Sultan S. Al Dhaheri.....	Board Member
H.E. Mohammed Thani Murshed Ghannam Al Rumaithi .....	Board Member
H.E. Mohammed Saif Al Suwaidi.....	Board Member
H.E. Waleed Al Mokarrab Al Muhairi.....	Board Member
H.E. Homaid Abdulla Al Shimmari .....	Board Member
H.E. Khalifa Ateeq Al Mazrouei.....	Board Member

Detailed below is brief biographical information about each member of the Board as at the date of this Base Prospectus.

#### ***H.H. Sheikh Tahnoon Bin Zayed Al Nahyan – Chairman***

H.H. Sheikh Tahnoon Bin Zayed Al Nahyan is the Chairman of the Group and the former Chairman of FGB. H.H. also serves as an Adviser to the Council for National Security of the UAE and as the Chairman of Royal Group. In addition, H.H. is the chairman of Abu Dhabi Investment Authority ("**ADIA**"), ADQ, the International Holding Company ("**IHC**") and the leading artificial intelligence and cloud computing group, G42.

***H.E. Sheikh Mohamed Bin Saif Bin Mohamad Al Nahyan – Vice-Chairman***

H.E. Sheikh Mohamed Bin Saif Bin Mohamad Al Nahyan is a non-executive director of the Board and a former NBAD board member. With more than 20 years' experience as a business professional, H.E. is the Chairman of the Abu Dhabi National Insurance Company as well as the Chairman of Abu Dhabi National Insurance Company's risk management committee. H.E. holds a degree in international economics and history from the American University of Paris, France.

***H.E. Jassem Mohammed Bu Atabh Al Zaabi – Board Member***

H.E. Jassem Mohammed Bu Atabh Al Zaabi is a non-executive director of the Board. H.E. has served as the Chairman of the Abu Dhabi Department of Finance since April 2019. H.E. is also the Secretary General of Abu Dhabi's Supreme Council for Financial and Economic Affairs, a member of the Abu Dhabi Executive Council, the Chairman of the Abu Dhabi Retirement Pensions and Benefits Fund, the Chairman of Modon Properties PJSC. H.E. is the Vice Chairman of the Central Bank of the UAE and ADQ, a board member of ADIA, Abu Dhabi National Oil Company ("ADNOC"), and Tawazun Economic Council, as well a member of the committee of the Education and Human Resources Council.

H.E. holds a master's degree in business administration from London Business School.

***H.E. Dr. Sultan Ahmed Al Jaber – Board Member***

H.E. Dr. Sultan Ahmed Al Jaber is a non-executive director of the Board. H.E. is a member of the UAE Cabinet, Minister of Industry and Advanced Technology of the UAE. H.E. is also the Managing Director and Group Chief Executive Officer of ADNOC, the Chairman of Emirates Development Bank and the Chairman of Masdar. H.E. is a board member of Emirates Investment Authority, Emirates Global Aluminium, Mubadala Investment Company and Advanced Technology Research Council and chairs the board of trustees of the Mohammed bin Zayed University.

Previously, H.E. served as founding CEO of Masdar, CEO of the Energy platform at Mubadala and chairman of the Abu Dhabi Ports Company.

H.E. has a Ph.D. in Business and Economics from Coventry University in the United Kingdom, an MBA from California State University and a bachelor's degree in chemical engineering from the University of Southern California.

***H.E. Mariam Bint Mohammed Saeed Hareb Almheiri***

H.E. Mariam Bint Mohammed Saeed Hareb Almheiri is a non-executive director of the Board.

H.E. Almheiri is the Head of the International Affairs office in the Presidential Court and the Chief Executive Officer of 2PointZero, a subsidiary of IHC. H.E. was previously UAE Minister of Climate Change and Environment, spearheaded the United Arab Emirates' drive to mitigate and adapt to the impacts of climate change, protect the country's ecosystems, and enhance its food and water security through developing and implementing effective measures, policies and initiatives.

She also represented the UAE in the United Nations' Food and Agriculture Organization and was previously Minister of State for Food and Water Security.

H.E. Almheiri is a board member of Q Holding and Abu Dhabi Fund for Development and also a board member in the International Humanitarian and Philanthropic Council.

H.E. Almheiri has master's and bachelor's degrees in mechanical engineering from the Rheinisch-Westfälische Technische Hochschule (RWTH) in Aachen, Germany.

***H.E. Sheikh Ahmed Mohammed Sultan S. Al Dhaheri – Board Member***

H.E. Sheikh Ahmed Mohammed Sultan S. Al Dhaheri is a non-executive director of the Board, having previously served as a non-executive director on NBAD's board.

H.E. serves as vice chairman of the board for Abu Dhabi Aviation and the Abu Dhabi National Hotels Company ("ADNH"), and as board member for Etisalat, Al Dhafra Insurance PSC, the Al Dhaheri Group

and as board member and managing director of Abu Dhabi Refreshments Company (Pepsi cola). H.E. is also managing director of ADNH. H.E. Sheikh Ahmed has a bachelor's degree in civil engineering from UAE University.

***H.E. Mohammed Thani Murshed Ghannam Al Rumaithi – Board Member***

H.E. Mohammed Thani Murshed Ghannam Al Rumaithi is a non-executive director of the Board, having previously served as a non-executive director on FGB's board.

H.E. contributions to Abu Dhabi's business growth are manifold. He has served in a number of government and regional positions dedicated to boosting economic development and trade, including multiple years as chairman of the Abu Dhabi Chamber of Commerce and Industry, president of the Federation of Chambers of the Gulf Cooperation Council, vice president of the US-UAE Business Council and board member of the UK UAE Business Council.

He also serves as chairman of Alpha Dhabi Holding PJSC and the National Marine Dredging Co.

***H.E. Mohammed Saif Al Suwaidi – Board Member***

H.E. Mohammed Saif Al Suwaidi is a non-executive director of the Board, having previously served as a non-executive director on FGB's board. H.E. is the Director General of the Abu Dhabi Fund for Development and also serves as the vice chairman of the Arab Bank for Investment and Foreign Trade (Al Masraf), deputy governor of the board of governors of the Asian Infrastructure Investment Bank and vice chairman of Emirates Steel.

He is also a board member of the Emirates Development Bank, DP World and the Al Jazira Sports and Cultural Club, as well as being head of the Abu Dhabi Tourism Investments Company (ADTIC Egypt) and the Abu Dhabi Uzbekistan Investment (ADUI).

H.E. holds a bachelor's degree in business administration from California Baptist University in the United States.

***H.E. Waleed Al Mokarrab Al Muhairi – Board Member***

H.E. Waleed Al Mokarrab Al Muhairi is a non-executive director of the Board. As Deputy Group Chief Executive Officer of Mubadala Investment Company, a sovereign investor owned by the government of Abu Dhabi, H.E. Al Muhairi has strategic oversight of the company's broad investment portfolio and special projects at the group level.

He is also a member of Mubadala's Investment Committee, and Chairman of its new investment and business planning committee. Furthermore, he has oversight of the Real Estate and Infrastructure, and Disruptive Business platforms within Mubadala.

H.E. was one of the principal architects of the Abu Dhabi 2030 Economic Vision.

He is also Chairman of Waha Capital, Mubadala Capital, the Global Institute for Disease Elimination (GLIDE), and the US-UAE Business Council. In addition, he is the Vice Chairman of Aldar, and a member of the board of trustees of Cleveland Clinic in the United States.

He also serves as a board member of Noon.com, Hub71, Ellipses Pharma Limited, Abu Dhabi Investment Council, Investcorp Holdings Bahrain, Tamkeen, and M42.

H.E. holds a master's degree in public policy from Harvard, and a Bachelor's of Science degree in Foreign Service from Georgetown University in Washington, D.C.

***H.E. Homaid Abdulla Al Shimmari***

H.E. Homaid Abdulla Al Shimmari is a non-executive member of the Board.

H.E. is the Deputy Group CEO and Chief Corporate and Human Capital Officer in Abu Dhabi's Mubadala Investment Company. He was previously CEO of its Aerospace and Engineering Services platform, in Mubadala, focused on the strategic vision and plans for developing technologically advanced industries within Abu Dhabi and the UAE.

He also serves as chairman of Maximus Air Cargo and SolutionsPlus and a board member of Abu Dhabi Aviation and Waha Capital. He is also vice chairman of the board of trustees for Khalifa University and UAE University.

H.E. holds a bachelor's degree in Aeronautical Engineering from Embry-Riddle Aeronautical University and holds a black belt in Six Sigma from GE.

***H.E. Khalifa Ateeq Al Mazrouei***

H.E. Khalifa Ateeq Al Mazrouei is a non-executive member of the Board.

H.E. is a Senior Manager at the Internal Equities Department – Active Europe at the ADIA. Since he joined ADIA in 2008, he has held leading positions in the international equities department and internal audit.

H.E. is also a board member of the Abu Dhabi Capital Group (ADCG).

H.E. holds a bachelor's degree of science from the Higher Colleges of Technology, Abu Dhabi and is a certificated internal auditor and chartered financial analyst.

The business address of each member of the Board is First Abu Dhabi Bank PJSC, FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, United Arab Emirates.

Certain members of the Board, their families and companies of which they, or members of their families, are principal owners, or of which they are employees, are customers of the Group in the ordinary course of business. The transactions with these parties are made at arm's length and on substantially the same terms, including interest rates, as those prevailing at the same time for comparable transactions with unrelated parties. See further "*Selected Financial Information – Related Party Transactions*" and Note 29 (*Related parties*) to the Interim Financial Information.

Except as disclosed in the next paragraph, no member of the Board named in the table above has any actual or potential conflict of interest between his duties to the Group and his private interests and/or other duties.

Each of the directors of the Group named in the table above has outside interests in entities other than the Group, including employment and/or directorships with third parties (as set out in their respective biographies). Given the wide scope of the Group's operations, such entities have banking and/or other commercial relationships with the Group. Some Board members also have personal banking relationships with the Group. As the directors are involved in the Group's decision-making process and have knowledge of the Group's products and services, including the commercial terms thereof, a potential conflict of interest may arise. However, the Group has established robust internal procedures to deal with any such potential conflict, including the relevant director being excluded from voting at board meetings on issues which relate to the relevant director's and/or other connected entity's dealings with the Group.

The Group is committed to managing all related party transactions and potential conflicts of interest which may arise and to meet the Group's obligations to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage related party transactions and conflicts of interest.

The Group's code of conduct covers the conduct of members of the Board. The code binds signatories to the highest standards of professionalism and due diligence in the performance of their duties. It also covers conflicts of interest, disclosure and the confidentiality of insider information. Members of the Board are bound by specific regulations relating to insider trading and are required to disclose details of their shareholdings in the Group.

The Group maintains a register for all conflict of interest cases.

**Board Committees**

The Board has established the following four Board-level committees which are described below. The roles and authorities of each Board committee are defined and delegated by the Board and are described in each committee's charter. Each Board committee reviews its charter on a periodic basis and submits any recommendations for amendments or updates to the Board for approval. The Board committees also submit reports to the Board's Chairman each quarter regarding their respective duties.



### ***Board Remuneration and Nomination Committee (REMCO)***

The REMCO recommends and oversees the appointment of and termination of the Group's Board and succession planning for the Group Executive Committee members. This includes an assessment of the skills, knowledge and expertise needed to ensure they are positioned to discharge their responsibilities in the interests of the shareholders and the Group. The REMCO also reviews and recommends to the Board the Group's reward policy framework, approves and oversees reward design and ensures that it is appropriate and consistent with the Group's culture, values, business, performance and risk strategy. The REMCO meets at least twice a year or more frequently as deemed necessary.

As at the date of this Base Prospectus, the members of the REMCO were: H.E. Sheikh Mohammed Bin Saif Al Nahyan – Chairman, H.E Waleed Al Mokarrab Al Muhairi, and H.E Mohammed Thani Murshed Ghannam Al Rumaithi.

A quorum of a majority of the members is required to convene a meeting of the REMCO. Only members of the REMCO are entitled to attend the committee's meetings. With the Chair's approval, the Group Chief Executive Officer may act as a permanent invitee along with the Group Human Resources Officer who is a permanent attendee at the REMCO. Other senior members of staff at FAB or external advisers may be invited as deemed necessary to facilitate the duties and objectives of the committee.

### ***Board Management Committee (BMC)***

The BMC approves and oversees execution of the Group's business plan as per the strategy approved by the Board, and oversees and reviews material aspects of the business of the Group. The BMC meets quarterly or more frequently as deemed necessary.

As at the date of this Base Prospectus, the members of the BMC were: H.E. Sheikh Mohamed Bin Saif Bin Mohamad Al Nahyan – Chairman, H.E Mohammed Saif Al Suwaidi and H.E. Waleed Al Mokarrab Al Muhairi.

A quorum of a majority of the members is required to convene a meeting of the BMC and only members of the BMC are entitled to attend the committee's meetings. With the Chair's approval, the Group Chief Executive Officer will act as a permanent invitee. Other senior management or external advisers may be invited as and when deemed necessary to facilitate the duties and objectives of the committee.

### ***Board Risk and ESG Committee (BRESGC)***

The BRESGC provides oversight and advice to the Board in relation to current and potential future risk. It also considers and helps direct future risk and ESG strategies, including determination of risk appetite and tolerance as well as promote a risk and ESG awareness culture within the Group. The BRESGC meets quarterly or more frequently as deemed necessary.

As at the date of this Base Prospectus, the members of the BRESGC were: H.E. Dr. Sultan Ahmed Al Jaber– Chairman, H.E. Sheikh Ahmed Mohammed Sultan Al Dhaheri, H.E Homaid Abdulla Al Shimmari, H.E Mariam Bint Mohammed Saeed Hareb Almheiri and H.E Mohammed Thani Murshed Ghannam Al Rumaithi).

A quorum of a majority of the members is required to convene a meeting of the BRESGC. Only members of the BRESGC are entitled to attend the committee's meetings. Subject to the Chair's approval, the Group Chief Executive Officer and the Group Chief Risk Officer will act as permanent invitees. Other senior members of staff or external advisers may be invited as and when deemed necessary to facilitate the duties and objectives of the committee.

### ***Board Audit Committee (BAC)***

The BAC ensures quality and integrity of financial statements and financial reporting. It also ensures the effectiveness of the Group's: (i) internal control, risk management, and governance systems; (ii) compliance functions; (iii) internal audit function; and (iv) the Islamic financial institution's governance systems and policies. The BAC also seeks to ensure the Group's general compliance with applicable laws and regulations. The BAC meets quarterly or more frequently as deemed necessary.

As at the date of this Base Prospectus, the members of the BAC were: H.E. Jassem Mohammed Bu Atabh Al Zaabi – Chairman, H.E. Mohammed Saif Al Suwaidi, H.E. Homaïd Abdulla Al Shimmari, H.E. Sheikh Ahmed Mohammed Sultan Al Dhaïeri and H.E. Khalifa Ateeq Al Mazrouei.

A quorum of at least three members (inclusive of the Chairman) is required to convene a meeting of the BAC. The Committee may invite any director, members of senior management or other person to attend any meeting of the BAC, as it may from time to time consider desirable to assist it in the attainment of its objectives.

### **Executive Management Team**

The Group has an experienced executive management team which is responsible for day-to-day supervision and control of the Group's business, particularly with respect to ensuring functionality of compliance and risk control, independence of functions, and separation of duties. Business policies, accounting policies and operations procedures and controls are documented and communicated through policies and standard operating procedures manuals which cover all areas and activities of the Group. All significant policies are reviewed and approved by the Board.

<b>Name</b>	<b>Position</b>
Ms. Hana Al Rostamani.....	Group Chief Executive Officer
Mr. Lars Kramer .....	Group Chief Financial Officer
Mr. Suhail Bin Tarraf .....	Group Chief Operating Officer
Ms. Sara Al-Binali .....	Group Head of Corporate, Commercial and Acting Head of International Banking
Mr. Pradeep Rana .....	Group Chief Risk Officer
Mr. Nizar Qaiser Luqman.....	Group Head of Compliance
Ms. Futoon AlMazrouei .....	Group Head of Consumer Banking UAE
Mr. Gareth Powell .....	Group Chief Human Resources Officer
Mr. Martin Tricaud.....	Group Head of Investment Banking
Mr. Michel Longhini .....	Group Head of Global Private Banking
Mr. Rajesh Deshpande.....	Acting Group Chief Credit Officer (subject to UAE Central Bank approval)
Ms. Tracy S. Faulkner .....	Chief Communications and External Relations Officer
Mr Sameh Al Qubaisi .....	Group Head of Global Markets
Mr. Nurendra Perera .....	Group Chief Audit Officer

Detailed below is brief biographical information about each member of the Group's executive management team as at the date of this Base Prospectus.

#### ***Ms. Hana Al Rostamani – Group Chief Executive Officer***

Ms. Rostamani is the Group Chief Executive Officer. Ms. Rostamani is the first female CEO of a UAE-based bank.

Ms. Rostamani has more than 25 years' worth of experience in banking and financial services. Prior to being named Group Chief Executive Officer in January 2021, she was Deputy Group Chief Executive Officer and Group Head of Personal Banking, responsible for leading the transformation of the Group's consumer bank. Prior to joining the Group, Ms. Rostamani held various roles at First Gulf Bank, Citibank and AW Rostamani Group.

Ms. Rostamani is currently Chair of the Global Council on the Sustainable Development Goals. She is a board member of several entities, including: Buna, the Institute of International Finance (IIF), the International Institute for Management Development (IMD) and the Executive Board of the US-UAE Business Council.

Ms. Rostamani is a graduate of George Washington University in the United States, where she earned a Bachelor of Science in Business Administration and a Master of Science in Information Management. Ms. Rostamani's most recent accolade includes her first-place ranking in Forbes Middle East's list of the region's most powerful businesswomen.

***Mr. Lars Kramer – Group Chief Financial Officer***

Mr. Kramer is the Group Chief Financial Officer. Mr. Kramer joined the Group from ABN AMRO where he was CFO from June 2021. He has extensive banking industry experience across several senior leadership positions including as Group CFO at Hellenic Bank. For almost 20 years he worked with ING, where he was CFO for ING Direct, ING Retail Banking Direct and International, and ING Commercial Bank.

Mr. Kramer is a Chartered Accountant and holds a Bachelor of Science in Accounting from the University of South Africa and a Master of Business Administration (MBA) from the University of Cape Town, specialising in finance, markets, and strategy.

***Mr. Suhail Bin Tarraf – Group Chief Operating Officer***

Mr. Bin Tarraf is the Group Chief Operating Officer. Prior to joining FAB, Mr. Bin Tarraf was the Chief Operating Officer at Emirates Islamic Bank and previously held the position of Chief Executive Officer at Tanfeeth, the shared services subsidiary at the Emirates NBD Group.

Mr. Bin Tarraf is a graduate of the American University in Dubai with a bachelor's degree in business administration and holds a specialized post-graduate certification from several global business schools.

***Ms. Sara Al-Binali – Group Head of Corporate, Commercial and Acting Head of International Banking***

Ms. Al-Binali is the Group Head of Corporate, Commercial and International Banking.

Ms. Al-Binali has over 24 years' worth of experience in financial services, investment, and banking. In her role at the Group, Ms. Al-Binali is responsible for leading and growing the Corporate, Commercial, and International Banking division.

Prior to this role, Ms. Al-Binali served as the Head of Business Banking, responsible for driving the SME business for FAB. Ms. Al-Binali also headed Strategic Planning for FAB and First Gulf Bank. Before this, she was Deputy Head of First Gulf Bank's International Business Group.

Ms. Al-Binali started her career at ADIA working across several investment management roles that were specifically focused on Far East Equities.

Ms. Al-Binali sits on number of boards including First Abu Dhabi Bank Securities, FAB Capital KSA, and Reem Finance.

Ms. Al-Binali graduated from Northwestern University in the United States with a degree in economics, and holds an Excellence and Awareness certification that she obtained at INSEAD's Singapore campus.

***Mr. Pradeep Rana – Group Chief Risk Officer***

Mr. Rana is the Group Chief Risk Officer and is responsible for implementing the Group's risk framework and corporate governance globally.

Mr. Rana is an international banker with over 20 years' worth of experience in roles that have spanned global and regional leadership positions. Prior to joining the Group, he served as the Group Head of Corporate Credit Risk Management & Chief Risk Officer of Wholesale Banking for Danske Bank in Denmark.

Mr. Rana previously worked at ABN AMRO and Standard Chartered Bank in several international locations, namely India, Hong Kong, South Korea, Singapore, The Netherlands and the UK. In these roles, Mr. Rana covered a variety of leadership roles in Fixed Income Syndication, Wholesale Credit, Strategic and Reputational Risk, Trading Risk Management, Market, Liquidity and Operational Risk, Retail Credit, Compliance and Enterprise Risk Management.

Mr. Rana holds a B.Eng. (Hons) in Mechanical Engineering from University of Surrey, United Kingdom and an MBA from Erasmus University School of Management, The Netherlands.

***Nizar Qaiser Luqman – Acting Group Chief Compliance Officer***

Mr. Luqman is the Group's Acting Chief Compliance Officer. In this role, he is responsible for overseeing compliance within the Group both domestically and internationally.

Mr. Luqman has over 26 years' worth of experience in the banking sector. Before taking up his current post, he was Executive Vice President, Group Internal Audit at FAB.

Mr. Luqman has obtained numerous certifications including Certified Internal Auditor, Certified Anti-Money Laundering Specialist, Certified Fraud Examiner, Certified Financial Services Auditor and CIMA Certificate in Islamic Finance.

Mr. Luqman has completed several specialised post-graduate certifications from several global business schools.

***Ms. Futoon AlMazrouei – Group Head of Consumer Banking – UAE***

Ms. AlMazrouei is the Group Head of Consumer Banking, with over 15 years' worth of experience in the banking sector and financial sector.

Ms. AlMazrouei previously held leadership positions within FAB's consumer banking business, including her role as Head of Elite Banking.

Ms. AlMazrouei has been named one of the Middle East's Top Women in Banking by Global Money Monitor in 2022 and is the first woman to sit on the board of the Abu Dhabi National Insurance Company (ADNIC). Ms. AlMazrouei is the Council Member for Visa and Member for Mastercard MENA Executive Council (MMEC). She also sits on the boards of several companies in the GCC and North Africa such as FAB Islamic, WIO Bank and Bank FABMISR.

Ms. AlMazrouei holds a Bachelor of Science and Mathematics degree from Al Ain University and graduated from the Executive Program in International Management at Stanford Graduate School of Management in Singapore.

***Mr. Gareth Powell – Group Chief Human Resources Officer***

Mr. Powell is the Group Chief Human Resources Officer, where he is responsible for leading and developing FAB's people and human resources proposition.

Mr. Powell was the Chief Human Resources Officer at Commercial Bank of Dubai, and prior to that, he was Chief Human Resources Officer for First Gulf Bank from 2011 to 2016.

During the 20 years he spent working at HSBC, Mr. Powell held senior roles across the group in locations such as Hong Kong, London, the United States, Latin America and the UAE.

He holds a Bachelor of Arts degree in Spanish and French from King's College, University of London, as well as professional qualifications from the Graduate Institute of Personnel Management at Thames University. Mr. Powell is also Fellow of the Chartered Institute of Personnel & Development and is accredited by the British Psychological Society in Psychometric Assessment.

***Mr. Rajesh Deshpande – Acting Group Chief Credit Officer***

Mr. Deshpande has over 23 years' worth of experience in the banking sector and is currently serving as FAB's Acting Group Chief Credit Officer.

Before transitioning into Credit Risk, Mr. Deshpande covered roles in relationship management, corporate finance; focusing on project and asset backed finance, leverage finance and private equity.

Prior to joining FAB, Mr. Deshpande worked with National Commercial Bank, Gulf International Bank and Abu Dhabi Commercial Bank.

Mr. Deshpande holds a Chartered Accountancy degree from The Institute of Chartered Accountants of India and completed his MBA from the Manchester Business School, UK.

***Mr. Martin Tricaud – Group Head of Investment Banking***

Mr. Tricaud is the Group Head of Investment Banking, serving as a member of the Executive Committee.

Mr. Tricaud has over 30 years' worth of banking and corporate finance experience across institutional businesses. In his role at FAB, Martin has the responsibility for leading and growing FAB's group-wide Investment Banking business, overseeing Global Corporate and FI Coverage, Global Corporate Finance and Global Markets.

Prior to joining FAB, Mr. Tricaud held several senior positions with HSBC group, including Deputy Chairman and CEO for the Middle East, North Africa and Turkey, and was Group General Manager at HSBC. He was also the CEO for HSBC Australia and for HSBC Korea and held senior leadership positions over two decades at HSBC Global Banking and Markets across the Middle East, the UK and Europe.

Mr. Tricaud is Vice Chairman for the FAB Capital Saudi Arabia Board. He is a trustee of the Universite Paris II Assas, Sorbonne. He was appointed by French Prime Minister decree a Conseiller du Commerce Exterieur de la France in 2001. Mr. Tricaud graduated from the Institut d'Etudes Politiques de Paris, holds a Master's in Law from La Sorbonne University, Paris, and a bachelor's degree in History from Paris Nanterre University.

***Mr Michel Longhini – Group Head of Global Private Banking***

Mr. Longhini is the Group Head of Global Private Banking. Mr. Longhini has three decades' worth of experience in private banking and prior to joining FAB he was the CEO of Private Banking at Edmond de Rothschild in Switzerland. Before this, he was the CEO of Private Banking at Union Bancaire Privée (UBP SA) in Geneva. Mr. Longhini spent a substantial part of his career in positions across BNP Paribas wealth management. He is a graduate from the Emlyon Business School in Lyon, France.

***Ms. Tracy S Faulkner – Group Chief Communications and External Relations Officer***

Ms. Faulkner is the Chief Communications and External Relations Officer for FAB. Ms. Faulkner is a member of the Executive Committee and is responsible for leading the strategy to strengthen and protect FAB's image, brand and reputation in local, regional and international markets. She oversees Communications, Brand, Marketing, Strategic Partnerships, Corporate Social Responsibility and live event experiences.

With over 30 years' worth of multi-industry and cross functional experience across six continents, Ms. Faulkner joined FAB from Majid Al Futtaim where she was Chief Communications and Public Affairs Officer. Prior to this role, Ms. Faulkner was Vice President, Global Communications, at Shell. Before joining Shell, she held senior roles in the US Federal Government and General Motors. Ms. Faulkner received a bachelor's degree in mass communications management from Clark-Atlanta University in Atlanta, Georgia. She completed the Harvard Business School Executive Education Program and Center for Creative Leadership Development Program. She is a Board member of the Arthur W. Page Society and Institute for Public Relations, and Vice President of Alpha Kappa Alpha Sorority, Incorporated, Omega Theta Omega Chapter.

***Mr. Sameh Al Qubaisi – Group Head of Global Markets***

Mr. Al Qubaisi is the Group Head of Global Markets.

Mr. Al Qubaisi previously served as Director General of Economic Affairs at the Abu Dhabi Department of Economic Development.

He was also Executive Director of Business Enterprise at the Abu Dhabi Investment Office (ADIO) where he was primarily responsible for investments and Public Private Partnerships.

Mr. Al Qubaisi spent more than a decade at the National Bank of Abu Dhabi and has held a number of leadership roles at CAPM Investments, Finance House, Standard Chartered Bank, HSBC, and National Bank of Dubai.

Mr. Al Qubaisi holds a bachelor's degree in international relations with minors in Political Science and Economics from Rollins College, USA.

### ***Mr. Nurendra Perera – Group Chief Audit Officer***

Mr. Perera is the Group Chief Audit Officer. Mr. Perera is responsible for providing independent assurance to FAB's Board and senior management on the quality and effectiveness of the Group's Internal Control environment covering its Systems & Processes, Risk Management, Compliance & Corporate Governance Framework. Mr. Perera has more than 30 years' worth of banking experience and has held senior positions in Governance, Risk Management, Compliance and Internal Audit in UAE and international banks. Mr. Perera holds a master's degree in business administration, having majored in Finance Honours from University of Leicester, a Post Graduate Diploma in Consortium Executive Leadership & Organisation Design from University of INSEAD, including the following internationally accredited qualifications: CIA, CFSA and CRMA from the Institute of Internal Auditors (USA), CISA and CRISC from ISACA (USA), CIB from The Chartered Institute of Bankers (UK).

The business address of each member of the executive management is First Abu Dhabi Bank PJSC, FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, United Arab Emirates.

No member of the Group's executive management has any actual or potential conflict of interest between his duties to the Group and his private interests and/or other duties.

### **Group Management Committees**

Brief descriptions of the Group's Tier 1 management committees are set out below.

#### ***Group Executive Committee (EXCO)***

The EXCO is the Group's most senior management level committee and it operates under a delegated authority from the Board. The EXCO supports the Group Chief Executive Officer to determine and implement the Group's strategy as approved by the Board.

As at the date of this Base Prospectus, the EXCO had 13 voting members with one non-voting member (the Group Chief Audit Officer).

#### ***Group Risk Committee***

The Group Risk Committee operates under a delegated authority from the EXCO and also assists the BRESGC. The primary objectives of the Group Risk Committee are to define, develop and periodically monitor the Group's risk appetite along with its related methodology, parameters, targets, and tolerances taking into account the Group's strategy and business planning. In addition, the committee is accountable to highlight, discuss and monitor key regulations, both local and international and as they apply to all businesses where the Group operates. The committee will report relevant matters to the EXCO and, as appropriate, the BRESGC, advising and informing them as required on the Group's risk appetite and framework and on key compliance and other regulatory risk matters.

As at the date of this Base Prospectus, the Group Risk Committee had twelve voting members.

For further information on the Group's risk management processes, see "*Risk Management*".

#### ***Group Compliance Committee***

The Group Compliance Committee operates under a delegated authority from the EXCO. It also assists the BAC in fulfilling its objective of overseeing the Group's regulatory responsibilities as well as ensuring the Group's compliance with the applicable laws and regulations issued by various regulatory authorities.

As at the date of this Base Prospectus, the Group Compliance Committee had nine voting members, with the Group Chief Executive Officer serving as chair of the committee.

#### ***Group Credit Committee***

The Group Credit Committee operates under a delegated authority from the EXCO and supports the work of the BMC (and the BRESGC) in assisting in the development and implementation of the Group's credit strategy and related policies and procedures.

As at the date of this Base Prospectus, the Group Credit Committee had seven voting members, with the Group Chief Credit Officer serving as vice chair of the committee and a member representing each business unit fills the chair position based on the relevant agenda of the meeting.

#### ***Group Asset and Liability Committee***

The Group Asset and Liability Committee operates under a delegated authority from the EXCO and is the driving force and key decision maker behind the structure and quality of the balance sheet. The committee is directly accountable to the BRESGC for ensuring that the risks within the Group's asset and liability position are prudently managed by way of strong Group policy and procedures and an appropriate risk framework.

As at the date of this Base Prospectus, the Group Asset and Liability Committee had 11 voting members.

#### ***Human Resources Steering Committee***

The principal role of the Human Resources Steering Committee is to assist the EXCO and the REMCO in fulfilling their respective duties with regard to implementing strategic as well as operational human resources initiatives. The committee's role is also to approve human resource initiatives and policies to ensure that the Group's requirements from an employee perspective are considered and changes, as necessary, are approved or are submitted for approval to the relevant governance body. The committee is the formal sponsor of all material human resources initiatives across the Group in line with the Group's employee value proposition.

As at the date of this Base Prospectus, the Human Resources Steering Committee had eight voting members.

#### ***Group Technology Steering Committee***

The Group Technology Steering Committee operates under a delegated authority from the EXCO. It assists in fulfilling EXCO's governance and oversight responsibilities of all technology and information systems across the Group and supports the BRESGC in its oversight of the Group's IT governance framework. The Group Technology Steering Committee makes recommendations to EXCO regarding significant technology investments in support of the Group's strategy. The Group Technology Steering Committee ensures alignment of business strategies with technology priorities and acts to protect and enhance the shareholders' investment in technology.

As at date of this Base Prospectus, the Group Technology Steering Committee had eight voting members.

#### ***Group Operational and Fraud Risk Committee***

The Group Operational and Fraud Risk Committee operates under a delegated authority from the EXCO to assist the EXCO in fulfilling its objective of overseeing the Group's operational risk management, business continuity and information security responsibilities. The Group Operational and Fraud Risk Committee is responsible for managing and reporting the Group's operational risk profile, ratifying the Group's procedures and integrating the Group's business continuity management policy and business recovery strategy.

As at date of this Base Prospectus, the Group Operational and Fraud Risk Committee had eight voting members.

#### ***Group Technology Risk and Information Security Committee***

The Group Technology Risk and Information Security Committee operates under a delegated authority from the EXCO to assist the BRESGC and the Group Risk Committee. The main objectives of the Group Technology Risk and Information Security Committee are to oversee, review and take decisions in respect of the implementation of the Group's IT security controls to ensure that information assets of the Group are adequately protected and in order to enhance the Group's capabilities in information security matters (including information security risk management, security governance, policy management, security programme management, security architecture, security awareness, security monitoring, cybersecurity, international security compliance and identity access management) in alignment with the principles of the ERMP.

As at the date of this Base Prospectus, the Group Technology Risk and Information Security Committee had nine voting members.

***Group ESG Committee***

The Group ESG Committee is the senior authority at management level for decision making on all ESG related matters in the Group. The primary objective of the Group ESG Committee is to oversee the Group's ESG strategy and culture and to promote awareness.

As at the date of this Base Prospectus, the Group ESG Committee had ten voting members.



## THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

### Summary

According to data published by the UAE Central Bank, as at 30 September 2023, there were a total of 50 commercial banks (22 locally incorporated commercial banks and 28 foreign commercial banks) licensed to operate in the UAE. As a result, the UAE could be, and has historically been, viewed as an over-banked market, even by regional standards and there has traditionally been little impetus for consolidation. However, the consummation of the Merger stimulated further movement towards greater consolidation amongst UAE banks (see "*Characteristics of the Banking System – Historic lack of consolidation*" below).

According to preliminary estimates published by the Statistics Centre (*source*: Statistical Yearbook of Abu Dhabi 2020), the financial and insurance sectors in Abu Dhabi contributed approximately AED 70.5 billion (or 7.7 per cent.) to Abu Dhabi's nominal GDP in 2019. Within the UAE as a whole, the financial sector was estimated to have contributed approximately 8.2 per cent. of real GDP in 2020 (*source*: FCSA National Account information for 2010-2020).

As a banking regulator, the UAE Central Bank, established in 1980, has grown in stature over the years and is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank monitors banks through its Banking Supervision and Examination Department. It conducts reviews of banks periodically based on the risk profile of each bank. It also reviews all of the returns submitted by banks to the UAE Central Bank.

Historically, the UAE Central Bank does not act as a "lender of last resort", instead this role tends to fall on the individual Emirs of each Emirate. However, the marginal lending facility ("**Marginal Lending Facility**") allows non-Islamic UAE banks to use certain rated or UAE federal government entity issued assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management (see "*Recent Trends in Banking – Liquidity*" below).

### COVID-19

In response to the COVID-19 outbreak, effective from 15 March 2020, the UAE Central Bank implemented the TESS, which included a range of measures aimed at mitigating the economic effects of COVID-19 on the UAE economy. The measures introduced by the TESS expired on 30 June 2022. The TESS was accompanied by other stimulus measures, including the reduction of interest rates and the following measures:

- decreasing the UAE Central Bank's minimum reserve requirement for all current, call and savings deposits from 14 per cent. to 7 per cent.;
- postponing the planned implementation of certain Basel III capital requirements in a phased manner from 30 June 2021 to 30 June 2022; and
- allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow 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.

### Characteristics of the Banking System

#### *Historic lack of consolidation*

The UAE may be, and has historically been, seen as being over-banked with 50 banks (comprising 22 locally incorporated banks and 28 foreign banks) licensed to operate inside the UAE as at 30 September 2023 (*source*: UAE Central Bank Monetary, Banking & Financial Markets Developments 2023 – 3<sup>rd</sup> Quarter Report December 2023), serving a population estimated to be in the region of approximately 9.9 million people at the end of 2022 (*source*: OPEC Annual Statistical Bulletin 2023).

Traditionally there has been little impetus for consolidation, with the federal structure of the UAE encouraging, to some extent, the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not

to dilute shareholdings have also historically hampered the process of consolidation. As a result, during the period between the October 2007 merger of Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C. which created Emirates NBD and 2017 there was very limited merger activity domestically in the sector. However, following the Merger and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank P.J.S.C in January 2020, commentators have suggested that the UAE may see more consolidation of the banking sector in order to improve profitability and reduce inefficiencies.

While the anticipated attempts at consolidation would further reduce the level of concentration in the domestic banking sector, they would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as IT system development.

### ***Domestic focus***

The UAE incorporated banks are predominantly focused on the UAE market but a number have small operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector.

With a large number of banks, competing for a limited number of wholesale lending opportunities, most banks historically turned to retail banking, a previously untapped market. However, increasing competition in this area has gradually eroded margins and encouraged a relaxation of lending criteria. Expansion of retail operations has also required heavy investment in distribution channels. As a consequence, IT costs have been a prominent feature of many UAE banks' expenses in addition to employee costs.

### ***Limited foreign ownership***

In 1987, the UAE federal government placed a freeze on new foreign banks opening operations in the UAE. As a result, international banks have largely established their presence in the UAE banking market through the DIFC (established in 2002) and the ADGM (established in 2013). UAE banks are subject to a requirement that a certain percentage of its shareholding must be held by UAE nationals, limiting foreign ownership of domestic banks. In 2018, this minimum permissible shareholding by UAE nationals in UAE banks was increased to 60 per cent. (Federal Law No. 14 of 2018).

As a member of major indices such as the MSCI Emerging Markets and FTSE Emerging Markets, FAB decided to increase its foreign ownership limit from 25 per cent. to 40 per cent. in order to access greater stock liquidity in 2019. FAB received shareholder approval for this increase in February 2019 and other required regulatory approvals in April 2019.

### ***Exposure to the oil sector***

With much of the economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during long periods of low oil prices (see "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Risks relating to the UAE and the Middle East – The UAE's economy is highly dependent upon its oil revenue*"). In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment. Gradually, however, private non-oil sectors are gaining ground and the UAE economy is becoming less susceptible to oil price movements. For example, according to preliminary estimates, the hydrocarbon sector (mining and quarrying, including crude oil and natural gas) contributed 40.8 per cent. to Abu Dhabi's nominal GDP in 2019 as compared with a contribution of 49.3 per cent. in 2010 (*source: Statistics Centre Statistical Yearbook 2020*).

### ***Islamic banking***

*Shari'a* (Islamic) law forbids the charging of interest on any financial transaction as one of the key Islamic financial rules ("**Shari'a Principles**"). A number of banks have developed in the Islamic world to serve customers who wish to observe such *Shari'a* Principles. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which avoids the application of interest and adhere to *Shari'a* Principles. The UAE is home to numerous institutions offering Islamic banking and financial products. Such institutions include: Dubai Islamic Bank PJSC, Abu Dhabi Islamic Bank PJSC, Emirates Islamic Bank PJSC, Ajman Bank, Sharjah Islamic Bank PJSC, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co. (PSC) (Salama),

Tamweel and Amlak Finance. In addition, the majority of local and international conventional financial institutions that operate in the UAE offer *Shari'a* compliant products through their Islamic windows. The number of Islamic banks continues to increase, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks.

### ***Legal environment***

There are three primary sources of law in the UAE: (i) federal laws and decrees; (ii) local laws; and (iii) *Shari'a* (Islamic) law. In addition, Emiri decrees can be issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply his or its own rules, regulations and practices.

### ***Supervision of banks***

The main piece of legislation applicable to the banking system is the 2018 Federal Law which repeals Federal Law No. 10 of 1980 concerning the status of the UAE Central Bank. The UAE Central Bank's primary roles are to formulate and implement banking, credit, monetary and fiscal policy and to be responsible for ensuring price and currency stability with free convertibility to foreign currencies. It is also the "bank for banks" within the UAE, although it is not the "lender of last resort". In the event of a bank experiencing financial difficulties or a solvency crisis, rescue funds – such as long-term liquidity or equity support – have historically come from the Emirate in which the institution is based. However, in the event of a run on the currency or a major banking crisis, it is likely that the UAE federal government would ultimately stand as de facto defender of the currency and the "lender of last resort".

The 2018 Federal Law grants the UAE Central Bank powers to:

- draw up and implement monetary policy;
- exercise 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 the 2018 Federal Law and international standards;
- set up appropriate regulations and standards for protection of customers 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 as per the provisions of the 2018 Federal Law; and
- regulate, develop, oversee and maintain soundness of the financial infrastructure systems in the UAE.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the UAE Central Bank to issue UAE federal government debt. However, the UAE Central Bank does issue Monetary Bills ("**M-Bills**") to UAE banks via auction, denominated in UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace UAE Central Bank Certificates of Deposit. The secondary market in M-Bills is currently developing but they can be used as collateral for UAE dirham funding from the UAE Central Bank at any time.

The UAE dirham is linked to the IMF's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the UAE dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices. However, see "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Risks relating to the UAE and*

*the Middle East – Any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham or other regional currencies at a fixed exchange rate to the U.S. dollar will expose FAB to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies".*

The UAE Central Bank is also responsible for regulating financial institutions in relation to money laundering controls and enforcing Federal Law No. 20 of 2018 regarding the procedures for Anti- Money Laundering and Combating the Financing of Terrorism and Illicit Organisations. Pursuant to this, the UAE has established the National Committee to Counter Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations which is responsible for co-ordinating policy and systems on anti-money laundering and the combating of terrorism financing and assessing the effectiveness of such policies and systems and the representation of the UAE in international forums on these matters. Federal Law No. 20 of 2018 also recommends the establishment of an independent "Financial Information Unit" within the UAE Central Bank to receive and investigate reports submitted by financial institutions and corporate entities regarding suspected illicit financial activity.

Although the UAE Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the Dubai Financial Services Authority regulates all banking and financial services activities in the DIFC, while the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector in the ADGM. The UAE Central Bank has also been growing in stature as a banking supervisor. However, it is hampered in its role by the level of legal autonomy afforded to the individual Emirates, which at times makes it difficult to enforce directives uniformly across the banking sector.

#### ***Lack of developed capital markets***

The absence of mature bond or equity markets in the UAE means that banks have often shouldered the burden of long-term financing. This has tended to create a maturity mismatch in their balance sheets, as most of their liabilities are short-term customer deposits. Although the two stock markets, the Dubai Financial Market and the ADX (both of which were established in 2000), have grown over recent years and have benefitted from the inclusion of the UAE in the MSCI Emerging Markets Index since 2014, they continue to experience bouts of volatility.

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange) is a securities exchange located in the DIFC which commenced operations on 26 September 2005. In December 2009, the Dubai Financial Market announced its intention to acquire Nasdaq Dubai, with completion of the acquisition having occurred in July 2010. The Dubai Financial Market and the ADX were upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which could lead to an increase in interest and investment from international institutional investors in the UAE.

#### ***Government involvement***

There is a high degree of state involvement in the UAE banking sector. Most of the larger banks have some degree of government ownership. Privatisation, though advocated in principle, has been slow to manifest in practice. The state and its related entities are together the banking sector's largest customers, in terms of both deposits and project financing.

#### ***Expatriate workforce***

An unusual feature of the UAE economy is its reliance on overseas labour, with expatriates making up approximately 83.3 per cent. of the workforce (*source*: FCSA Labour Force Survey 2019). The banking sector is no exception to this and expatriates are employed in the senior management of most of the major banks. This has brought expertise from more developed markets to the sector. However, the high level of expatriates in the UAE has been an increasing concern for the UAE federal government and as part of a policy of "Emiratisation", banks were instructed, in 1999, to increase the percentage of UAE nationals on their payroll by at least 4 per cent. per annum. This policy has now been replaced by the Emiratisation Circular, which has introduced a scoring system which takes into account the employment and progression of Emirati employees in the organisation. The minimum threshold for Emirati employees for each institution is dependent on a number of factors. The Emiratisation Circular does not set any upper limit at which the policy would no longer be applicable. If UAE banks are not able to achieve their targets for recruiting and progressing UAE nationals through their organisation, they will be subject to penalties to be computed in accordance with a specific formula set out in the Emiratisation Circular.

### ***Accounting standards***

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS (formerly International Accounting Standards (IAS)). Although this has led to a substantial improvement in disclosure standards, there remains some variability in the quality and depth of disclosure across the banking sector.

### ***Structure of the Banking system***

Banking institutions in the UAE fall into a number of categories. Domestic commercial banks, also known as "national" banks, of which there were 22 as at 30 September 2023 (*source*: UAE Central Bank Monthly Statistical Bulletin September 2023), are required to be public shareholding companies with a minimum share capital of AED 40 million and must be majority owned by UAE nationals. Licensed foreign banks, of which there were 28 as at 30 September 2023 (*source*: UAE Central Bank Monthly Statistical Bulletin September 2023), need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. "Financial institutions" (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities, but which are not permitted to accept funds by way of deposits) and financial and monetary intermediaries (money and stockbrokers) may also be licensed to operate within the UAE.

### **Recent Trends in Banking**

#### ***Profitability***

The performance of the UAE economy is influenced by oil prices, which directly affect fiscal revenues and hence determine the level of investment in government projects in the country (see further "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Difficult macro-economic and financial market conditions have affected and could continue to materially adversely affect the Group's business, results of operations, financial condition and prospects*"). In addition to strong oil revenues, the UAE has seen an inflow of funds from expatriates supporting domestic demand after the COVID-19 pandemic and UAE banks have benefited from rising interest rates. According to Fitch, the average net interest margin of the banking sector in the UAE increased 50 basis points to 3.3 per cent in the first half of 2023 compared to 2.8 per cent. in 2022.

#### ***Liquidity***

The UAE Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress. UAE banks are mostly funded through on demand- or time-based customer deposits made by private individuals or private sector companies.

Banks must also adhere to a maximum loan to deposit ratio of 100 per cent. set by the UAE Central Bank. In this context, loans comprise loans, advances and Islamic financing to customers and interbank assets maturing after three months.

As at 30 September 2023, according to data made available by the UAE Central Bank:

- demand and time deposits constituted approximately 85.8 per cent. of total resident and non-resident deposits of national banks (excluding government deposits, commercial prepayments and borrowings under repurchase agreements);
- resident corporate and individual deposits constituted approximately 61.2 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements);
- resident government deposits (including GRE deposits) and non-banking financial institutions constituted approximately 31.6 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements); and
- non-resident sources constituted approximately 7.2 per cent. of total deposits of national banks with approximately 55.8 per cent. of such non-resident deposits being from corporate non-

residents (in each case, excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements),

(source: UAE Central Bank Statistical Bulletin September 2023).

Since September 2008, the UAE Central Bank has made available an AED 50 billion liquidity facility which banks can draw upon subject to posting eligible debt securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending is required to be based on growth in the customer deposit base. The UAE Central Bank also established a M-Bill repo facility under which banks can use M-Bills as collateral for UAE dirham funding from the UAE Central Bank.

In line with Basel III requirements, the UAE Central Bank has issued the UAE Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which entered into force with effect from 1 July 2015) (the "**Liquidity Notice**") and which includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The new regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices. These requirements include the following:

*Responsibilities of the board of directors:*

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having a detailed understanding of liquidity risk management; and
- to enable the clear articulation of liquidity risk tolerance in line with the relevant UAE bank's objectives, strategy and risk appetite.

*Responsibilities of senior management:*

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the board of directors;
- to review the UAE bank's strategy and to report to the board of directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

*Liquidity risk framework:*

The Liquidity Notice requires each UAE bank to have a robust liquidity risk framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the UAE Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress testing of the portfolio for a variety of scenarios (both institution specific and market-wide), results being communicated to the board of directors and the UAE Central Bank on request;
- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;
- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;

- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the UAE Central Bank upon request);
- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and
- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market wide) as per the below.

	<u>Ratio</u>	<u>Applicability Period</u>
Basel III ratios.....	LCR (LCR >= 100%)	1 January 2019 onwards
	NSFR (NSFR >= 100%)	1 January 2018 onwards

The LCR represents a 30 days stress scenario with combined assumptions covering both bank specific and market wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30 days stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with HQLAs at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail eligible HQLAs for this purpose. See "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Liquidity risks – FAB's cash flow from its operations may not be sufficient at all times to meet its contractual and contingent payment obligations*" and "*Risk Management*" for more information.

NSFR is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE banks contingent liabilities. The NSFR in the UAE mirrors the Basel III standards. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding ("**ASF**") factors to the sources of funds and required stable funding ("**RSF**") (usage) factors to asset classes and off-balance sheet contingent exposures. The assigned RSF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned ASF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III standards. The NSFR minimum is 100 per cent.

#### *Marginal Lending Facility*

On 15 April 2014, the UAE Central Bank introduced an Interim Marginal Lending Facility which allowed non-Islamic UAE banks to use certain assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management during times of market stress. On 1 March 2022, this was replaced with the Marginal Lending Facility, which performs the same function.

The UAE Central Bank accepts a range of tradeable securities and foreign exchange as eligible collateral for the purposes of accessing the Marginal Lending Facility, including securities issued by sovereigns (originating in the UAE and outside the UAE) and securities issued by corporates and financials or supranational, municipal, or public sector issuers. In order to be eligible, collateral must meet minimum credit rating requirements specified in the terms and conditions of the Marginal Lending Facility. Banks accessing the Marginal Lending Facility must borrow a minimum of AED 10 million.

#### *Position of depositors*

While as at the date of this Base Prospectus, no bank has been permitted to fail, there is no formal deposit protection scheme in the UAE.

### *Prudential regulations*

The UAE Central Bank has supervisory responsibility for banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain. An improved risk management framework has been implemented, aimed at providing the UAE Central Bank with more up to date information on credit, market and operational risks within the banking sector.

### *Capital adequacy*

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009 by way of UAE Central Bank Circular Number 27/2009. Since 1993, the UAE Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the UAE Central Bank announced amendments to its capital adequacy requirements, such that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier 1 ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the UAE Central Bank required banks operating in the UAE to increase their Tier 1 capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent., by 30 June 2010. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the UAE Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the UAE Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010 and also laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in loan loss provisions were deducted from regulatory capital.

As at the date of this Base Prospectus, the UAE Central Bank has adopted a policy of a gradual, phased introduction of Basel III. As part of this gradual introduction of Basel III in the UAE, and pursuant to the February 2017 Regulations and the Capital Standards, FAB is required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 14.5 per cent., effective from 1 January 2019. Included within this UAE Central Bank prescribed minimum total capital adequacy ratio, FAB, as a D-SIB, is required from 1 January 2019 to maintain a Common Equity Tier 1 buffer of 1.50 per cent.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks denominated in their respective domestic currencies are risk-weighted at zero per cent. Under the 2018 Federal Law, the UAE Central Bank may determine reserve requirements for UAE banks. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

The Basel Committee has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued Basel III, constituting guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III reforms began on 1 January 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. The Basel Committee's press release dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**January 2011 Press Release**") included an additional Basel III requirement (the "**Non-Viability Requirement**") as follows:

"The terms and conditions of all non-common Tier 1 and Tier 2 instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:

- (a) the governing jurisdiction of the bank has in place laws that:
  - (i) require such Tier 1 and Tier 2 instruments to be written off upon such event; or



- (ii) otherwise require such instruments to fully absorb losses before taxpayers are exposed to loss;
- (b) a peer group review confirms that the jurisdiction conforms with clause (a); and
- (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a).

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, as determined by the relevant authority."

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet the Non-Viability Requirement in order to be recognised as Tier 1 or Tier 2 instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The Basel III Regulations and the Accompanying Standards (as defined below) confirm that the Non-Viability Requirement is a pre-requisite for any capital instruments issued by UAE banks to achieve Regulatory Capital (as defined below) classification from the UAE Central Bank. The Non-Viability Requirement must be provided for contractually in the absence of a statutory loss absorption framework in the UAE as at the date of this Base Prospectus.

In May 2016, the UAE Central Bank published a draft consultation document entitled "Capital Adequacy Regulation" (the "**Consultation Document**"), detailing the Basel III requirements expected to be followed by banks operating in the UAE, once the applicable legislation has been implemented in the UAE. In particular, the Consultation Document outlines the general quantitative requirements expected to be followed by UAE banks, with regards to Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (together, "**Regulatory Capital**"). It also outlines, amongst other things, the Regulatory Capital ratios that UAE banks will be expected to follow and adhere to, the individual UAE bank minimum capital conservation standards and the required disclosure standards expected to be made available by UAE banks with respect to Regulatory Capital.

On 23 February 2017, the UAE Central Bank published the "Regulations re Capital Adequacy" (the "**Basel III Regulations**") in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III requirements, whilst implementing the measures contained in the Consultation Document. The Basel III Regulations are supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSN/2020/4980 (the "**Accompanying Standards**"). The Accompanying Standards elaborate on the supervisory expectations of the UAE Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as D-SIBs by the UAE Central Bank will be required to hold additional capital buffers as notified to it by the UAE Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the UAE Central Bank (see "*Risk Factors – Factors that may affect FAB's ability to fulfil its obligations in respect of the Transaction Documents to which it is a party – Regulatory risks – FAB is a highly regulated entity and changes to applicable laws or regulations, the interpretation or enforcement of such laws or regulations or the failure to comply with such laws or regulations could have an adverse impact on FAB's business*").

### **Reserve requirements**

Reserve requirements are used by the UAE Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements are 1 per cent. for term deposits and 14 per cent. for all other customer balances.

### **Credit controls**

Banks are required by the UAE Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and

adequate controls in place to monitor credit concentrations to, among others, individual borrowers, economic sectors and foreign countries.

The UAE Central Bank circular dated 23 February 2011 on retail banking and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and entered into force on 28 December 2013) (the "**Mortgage Regulations**"), introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, impose maximum loan/income and loan to value ratios for retail products.

### ***Large exposures***

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits.

On 22 May 2023, the UAE Central Bank published Circular No. 01/2023 on large exposures (the "**Large Exposures Regulation**") superseding the large exposure circular No. 32/2013. The Large Exposures Regulations list down the large exposure limit for various types of counterparties. Violation of any provision of the Large Exposures Regulations shall be subject to supervisory action, administrative and financial sanctions, as deemed appropriate by the UAE Central Bank. Set out below is a table showing a summary of the limits introduced by the Large Exposures Regulations (defined as a percentage of FAB's Tier 1 capital base calculated under Basel II):

	Cap as percentage of Tier 1 capital base	
	Aggregate percentage	Individual percentage
UAE federal government and their non-commercial public sector entities treated as sovereign .....	Not applicable	Not applicable
Foreign Sovereign rated AA- or above .....	Not applicable	Not applicable
UAE local governments and their non-commercial entities .....	150%	No cap for UAE local governments; 25% for each non-commercial entity
Commercial entities of UAE federal government and UAE local governments (excluding standalone government related entities below) .....	100%	25%
Self-Sustainable commercial entities of UAE federal and local governments .....	Not applicable	25%
A single borrower or a group of related borrowers .....	Not applicable	25%
Shareholders who own 5 per cent. or more of FAB's capital and their related entities .....	50%	20%
Global systemically important bank ("G-SIB") exposure to another G-SIB .....	Not applicable	15%
UAE incorporated bank's exposure to its foreign branches .....	30%	Not applicable
Bank's non-bank subsidiaries and affiliates .....	25%	10%
Board members .....	25%	5%
Bank's external auditors .....	Prohibited	Prohibited

### ***Provisions for loan losses***

For UAE banks, IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an ECL model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three stage approach in recognising

increased credit risk at each stage of risk (i.e., Stage 1 for current facilities, Stage 2 for significant increase in credit risk and Stage 3 for impaired loans).

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. The prudential filter will allow 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.

#### ***Establishing a credit bureau in the UAE***

Al Etihad Credit Bureau ("**AECB**") is a public joint stock company wholly owned by the UAE federal government. As per UAE Federal law No. (6) of 2010 concerning credit information and amendments, the AECB is mandated to regularly collect credit information from financial and non-financial institutions in the UAE. The AECB aggregates and analyses this data to calculate credit scores and produce credit reports. FAB has entered into a data and credit information supply agreement with the AECB. The availability of credit reports reduces the risk involved in the origination of customer lending and banking business generally.

#### ***Shari'a compliance***

UAE law requires financial institutions licensed by the UAE Central Bank to operate their Islamic banking business activities in compliance with the rules, standards and general principles established by the Higher *Shari'a* Authority and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher *Shari'a* Authority before undertaking certain licensed financial activities.

#### ***Corporate governance***

Banks in the UAE are subject to the Corporate Governance Regulations and the Corporate Governance Standards which were issued by the UAE Central Bank in 2019 with a view to ensuring banks have a comprehensive approach to corporate governance.

## SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

*The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Trustee and the Principal Paying Agent (as defined in the Conditions). Defined terms used below have the meaning given to them in the Conditions unless stated otherwise.*

### **Abu Dhabi Master Purchase Agreement, as supplemented by each Abu Dhabi Supplemental Purchase Agreement**

The Abu Dhabi Master Purchase Agreement was entered into on 24 January 2023 between the Trustee (in its capacity as purchaser) and the Bank (in its capacity as Seller) and is governed by the laws of Abu Dhabi and, to the extent applicable in Abu Dhabi, the federal laws of the UAE. An Abu Dhabi Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Abu Dhabi and, to the extent applicable in Abu Dhabi, the federal laws of the UAE.

Pursuant to each Abu Dhabi Supplemental Purchase Agreement, the Seller will sell, transfer and assign to the Purchaser, and the Purchaser will purchase from the Seller all of its rights, title, interests, benefits and entitlements in, to and under, any Real Estate Assets and/or Real Estate Financing Assets, in each case, that are located in Abu Dhabi (excluding the ADGM), any Non-Real Estate Financing Asset and/or any Sukuk comprising (i) (on the issue date of the first Tranche of a Series) the relevant Initial Asset Portfolio and (ii) (on each date on which any additional Certificates are issued) the relevant Additional Assets.

### **Dubai Master Purchase Agreement, as supplemented by each Dubai Supplemental Purchase Agreement**

The Dubai Master Purchase Agreement was entered into on 24 January 2022 between the Trustee (in its capacity as purchaser) and the Bank (in its capacity as Seller) and is governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Dubai Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Pursuant to each Dubai Supplemental Purchase Agreement, the Seller will sell, transfer and assign to the Purchaser, and the Purchaser will purchase from the Seller all of its rights, title, interests, benefits and entitlements in, to and under, any Real Estate Assets and/or Real Estate Financing Assets, in each case that are located in Dubai (excluding the DIFC) comprising (i) (on the issue date of the first Tranche of a Series) the relevant Initial Asset Portfolio and (ii) (on each date on which any additional Certificates are issued) the relevant Additional Assets.

### **Service Agency Agreement**

The Service Agency Agreement was entered into on 30 January 2024 between the Trustee and the Bank (in its capacity as Service Agent) and is governed by English law.

Pursuant to the Service Agency Agreement, the Trustee has appointed the Service Agent to service the Wakala Portfolio relating to each Series. In particular, the Service Agent will, in relation to each Series, perform, amongst other things, the following services (the "**Services**") as agent of the Trustee, during the Wakala Ownership Period:

- (a) it will service the Wakala Portfolio in accordance with the wakala services plan (the "**Wakala Services Plan**") (the form of which is set out in the Schedule to the Service Agency Agreement), which shall be completed at the time of issue of the first Tranche of the relevant Series upon receipt from the Trustee of the relevant Supplemental Purchase Agreement(s);
- (b) if the Trustee issues an Additional Tranche, it shall as soon as practicable after such issuance amend and restate the Wakala Services Plan for that Series to take into account the issuance of such Additional Tranche;
- (c) it shall ensure that, on the Issue Date of each Tranche of a Series, the aggregate Value of the Financing Assets, the Real Estate Assets and/or the Tangible Part of Sukuk forming part of the

relevant Wakala Portfolio shall be at least equal to 55 per cent. of the aggregate face amount of the Certificates of such Tranche;

- (d) it shall ensure that the Tangibility Ratio is, at all times after the Issue Date of the first Tranche of a Series, more than 50 per cent. and if, at any time, the Tangibility Ratio, other than as a result of a Total Loss Event, falls:
- (i) to 50 per cent. or less (but is 33 per cent. or more), the Service Agent shall take any and all steps as may be required by the Internal Shariah Supervision Committee of the Service Agent to ensure such Tangibility Ratio is restored to more than 50 per cent. within the time period determined by the Internal Shariah Supervision Committee of the Service Agent; and
  - (ii) below 33 per cent. (such event, being a "**Tangibility Event**"), the Service Agent shall, within 10 Business Days of becoming aware of the occurrence of the Tangibility Event, deliver a notice to the Trustee and the Delegate in accordance with the terms of the Service Agency Agreement and request the Trustee to promptly deliver a Tangibility Event Notice to the relevant Certificateholders in accordance with Condition 10(e) (*Tangibility Event Put Option*);
- (e) it may, if at any time there are Wakala Portfolio Principal Revenues standing to the credit of the Principal Collection Account and, to the extent that the Bank has further Eligible Assets (the "**Further Wakala Assets**") available for sale to the Trustee, notify the Trustee in writing of:
- (i) the Wakala Portfolio Principal Revenues standing to the credit of the Principal Collection Account and freely available for use by the Trustee for the purposes of purchasing Further Wakala Assets as selected by the Bank; and
  - (ii) the details and Value of such Further Wakala Assets;
- (f) it shall carry out all major maintenance and structural repair in respect of the Real Estate Assets forming part of the Wakala Portfolio of the relevant Series on account and on behalf of the Trustee and in so doing the Service Agent shall:
- (i) ensure that accurate and current records are kept of all major maintenance and structural repair activities;
  - (ii) conduct regular and proper inspection of such Real Estate Assets and ensure that major maintenance and structural repair is carried out with the proper quality of materials and workmanship; and
  - (iii) ensure that major maintenance and structural repair is carried out by qualified persons and in accordance with all applicable regulations and law,

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Service Agent on an arm's length basis and in order to fully maintain the Value of the Real Estate Assets;

- (g) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers (and without the need for the consent of the Trustee) reasonably necessary to ensure the assumption of, and compliance by, each Lessee and Sukuk Obligor with its covenants, undertakings or other obligations under the Asset Contract to which it is a party in accordance with applicable law and the terms of the Asset Contract, in each case in respect of the relevant Wakala Assets;
- (h) it shall discharge or procure the discharge of all obligations to be discharged by the Bank (in whatever capacity) in respect of any of the Wakala Assets under all Asset Contracts, it being acknowledged that the Service Agent may appoint one or more agents to discharge these obligations on its behalf;

- (i) it shall pay on behalf of the Trustee any actual costs, expenses, losses and taxes (other than proprietorship taxes) which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio;
- (j) it shall promptly pay, on behalf of the Trustee, all proprietorship taxes (if any) charged, levied or claimed in respect of the Real Estate Assets forming part of the Wakala Portfolio of the relevant Series by any relevant taxing authority and promptly, upon request, provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all proprietorship taxes paid by it;
- (k) it shall use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (free and clear of, and without withholding or deduction for, taxes), investigate non-payment of Wakala Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues as and when the same shall become due and shall record such Wakala Portfolio Revenues in the Collection Accounts in accordance with the terms of the Service Agency Agreement;
- (l) it shall maintain the Collection Accounts in accordance with the terms of the Service Agency Agreement;
- (m) it shall obtain all necessary licences, authorisations and consents in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;
- (n) it shall use all reasonable endeavours to ensure that all Asset Obligors in respect of the relevant Wakala Assets maintain industry standard insurances and fulfil all structural repair and major maintenance obligations (if any) on behalf of the Trustee in respect of the relevant Wakala Assets (each in accordance with the terms of the relevant Asset Contracts relating to such Wakala Assets);
- (o) in relation to the Real Estate Assets forming part of the Wakala Portfolio of the relevant Series:
  - (i) subject always to paragraph (iii) below, the Service Agent will (on behalf of the Trustee):
    - (A) ensure that such Real Estate Assets are at all times properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and accordingly, shall effect such insurances in respect of such Real Estate Assets (the "**Insurances**") through brokers and with such reputable insurance companies in good financial standing, and, in addition, against a Total Loss Event. The Service Agent undertakes to ensure that the insured amount relating to a Total Loss Event, will, at all times, be at least equal to the Full Reinstatement Value;
    - (B) promptly make a claim in respect of each loss relating to such Real Estate Assets in accordance with the terms of the Insurances and diligently pursue such claim; and
    - (C) ensure that in the event of a Total Loss Event occurring, unless such Real Estate Assets have been replaced as set out below, all the proceeds of the Insurances against a Total Loss Event are in an amount equal to the Full Reinstatement Value and are credited in the Specified Currency to the Principal Collection Account by no later than the 60th day after the occurrence of the Total Loss Event and that the relevant insurer(s) will be directed accordingly;
  - (ii) if, by no later than the 59th day after the occurrence of a Total Loss Event, the Service Agent receives notice from the Bank of the availability of replacement Real Estate Assets to which the Bank has full legal title free and clear of any adverse claim and the aggregate Value of which is not less than the aggregate Value of the replaced Real Estate Assets at the relevant time (the "**Replacement Real Estate Assets**"), the Service Agent shall notify the Trustee of the same. Immediately following such notice, the Trustee may, subject to the execution, and pursuant to and on the terms of a separate purchase agreement substantially in the form, mutatis mutandis, of an Abu Dhabi Supplemental Purchase Agreement and/or a Dubai Supplemental Purchase Agreement, as the case may be, purchase all of the Bank's rights, title, interests, benefits and entitlements in, to and under

such Replacement Real Estate Assets from the Bank at a purchase price to be paid by the Service Agent on behalf of the Trustee using the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Bank;

- (iii) wherever the Service Agent procures Insurances in accordance with the terms of the Service Agency Agreement (including the renewal of any Insurances in existence on the Issue Date) it shall use its reasonable endeavours to obtain such Insurances on a takaful basis if such takaful insurance is available on commercially viable terms. If no such takaful insurance is available on commercially viable terms, the Service Agent must procure conventional insurance;
  - (iv) it shall use its best endeavours to monitor whether the provisions relating to the Service Agent's obligations to transfer any amounts from the Principal Collection Account and/or pay the Total Loss Shortfall Amount, in each case, to the Transaction Account as described below are applicable during the Wakala Ownership Period in relation to the relevant Series; and
  - (v) if within 60 days of the Issue Date of the first Tranche of such Series and for any reason, the Service Agent is not in compliance with paragraph (i)(A) above, it shall immediately deliver written notice to the Trustee and the Delegate of such non-compliance and the details thereof; and
- (p) it shall carry out any incidental matters relating to any of the above.

The delivery of the notice referred to in paragraph (v) above to the Trustee and the Delegate in relation to non-compliance with paragraph (i)(A) above shall constitute a Bank Event.

If, following the occurrence of a Total Loss Event, at any time during the Wakala Ownership Period in relation to a Series, at least 51 per cent. of the Value of the Wakala Portfolio in respect of such Series is derived from Real Estate Assets (the "**Minimum Total Loss Requirement**"):

- (i) the notice referred to in paragraph (v) above has not been delivered by the Service Agent to the Trustee and the Delegate within 60 days of the Issue Date of the first Tranche of such Series and prior to the occurrence of such Total Loss Event;
- (ii) the Real Estate Assets have not been replaced as described above: and
- (iii) the amount (if any) credited to the Principal Collection Account pursuant to paragraph (i)(C) above is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Principal Collection Account being the "**Total Loss Shortfall Amount**"),

the Service Agent has undertaken to (A) transfer the amounts (if any) credited to the Principal Collection Account in accordance with paragraph (i)(C) above; and (B) pay directly (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount, in each case to the Transaction Account by no later than close of business in London on the 61st day after the occurrence of the Total Loss Event. Subject to transferring such amounts (if any) credited to the Principal Collection Account in accordance with paragraph (i)(C) above and paying such Total Loss Shortfall Amount, in each case, in accordance with this paragraph, there will be no further claim against the Service Agent for failing to comply with its insurance obligations. For the avoidance of doubt, if this paragraph is ever applicable in relation to a Series at any time, then this paragraph shall cease to apply immediately upon the Minimum Total Loss Requirement in respect of the relevant Series no longer being satisfied and shall immediately apply again if and for so long as the Minimum Total Loss Requirement in respect of the relevant Series is satisfied.

If, as a result of a Total Loss Event the ratio of (a) the aggregate Value of the Financing Assets, the Real Estate Assets (which for this purpose shall exclude any such Real Estate Assets subject to a Total Loss Event) and/or the Tangible Part of Sukuk forming part of the Wakala Portfolio relating to such Series to (b) the Wakala Portfolio Value relating to such Series, falls below 33 per cent., the Service Agent shall promptly notify the Trustee and the Delegate of the same and the Trustee shall promptly, following receipt of a notice from the Service Agent, deliver a Trading Notice to the relevant Certificateholders in accordance with Condition 18 (*Notices*) specifying:

- (a) the occurrence of such event; and
- (b) that, from the date of the Trading Notice, and until any further notice from the Trustee, in consultation with the Internal Shariah Supervision Committee of the Service Agent, stating otherwise, the Certificates should be tradable only in accordance with Shari'a principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

Following delivery of a Trading Notice to the relevant Certificateholders in accordance with Condition 18 (*Notices*) and upon replacement of the Real Estate Assets subject to a Total Loss Event in accordance with paragraph (o)(ii) above, the Service Agent shall notify the Trustee and the Delegate of the same and the Trustee shall promptly, following receipt of such notice from the Service Agent and in consultation with the Internal Shariah Supervision Committee of the Service Agent, deliver a notice to the Certificateholders in accordance with Condition 18 (*Notices*) that from the date of that notice the Certificates may be traded at any price.

If, following payment of amounts standing to the credit of the Reserve Account as described below, a shortfall (a "**Shortfall**") remains on any Wakala Distribution Determination Date, it may either (A) provide *Shari'a* compliant funding itself, or (B) procure *Shari'a* compliant funding from a third party, in each case, to the extent necessary to ensure that the Trustee receives on each Wakala Distribution Determination Date, the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date, by payment of the same into the Transaction Account and on terms that such funding is repayable (i) from Wakala Portfolio Income Revenues in accordance with the order of priority set out below, or (ii) from the relevant exercise price payable pursuant to the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be, or the Full Reinstatement Value pursuant to the terms of the Service Agency Agreement, as the case may be, on the relevant Dissolution Date (such funding in relation to a Series, a "**Liquidity Facility**").

Following receipt of the notice referred to in paragraph (e) above, the Trustee shall pay, or procure the payment by the Service Agent of, a purchase price (the "**Further Wakala Asset Purchase Price**"), which shall be no greater than the Value of the Further Wakala Assets, to or to the order of the Bank against the sale, assignment, transfer and conveyance to, or for the benefit of, the Trustee of all of the Bank's rights, title, interests, benefits and entitlements, in, to and under the relevant Further Wakala Assets subject to the execution, and pursuant to and on the terms, of a separate purchase agreement substantially in the form, *mutatis mutandis*, of an Abu Dhabi Supplemental Purchase Agreement and/or a Dubai Supplemental Purchase Agreement, as the case may be, provided that:

- (a) immediately following such sale, assignment, transfer and conveyance, the Value of the Wakala Portfolio (which, for the purposes of this paragraph (a), shall exclude all murabaha profit instalments forming part of any Deferred Payment Price then outstanding) shall be at least equal to the aggregate face amount of the Certificates then outstanding; and
- (b) the Further Wakala Asset Purchase Price shall be debited (or equivalent) by the Service Agent from the Principal Collection Account on the date of such sale, assignment, transfer and conveyance and such debiting (or equivalent) of the Further Wakala Asset Purchase Price from the Principal Collection Account shall constitute full discharge of the obligation of the Trustee to pay the Further Wakala Asset Purchase Price under this paragraph.

The Service Agent has also undertaken to the Trustee that, in relation to each Series:

- (c) it shall not take any steps during the Wakala Ownership Period that will result in the Wakala Portfolio not comprising any Wakala Assets at any time; and
- (d) it shall maintain actual or constructive possession, custody or control of all of the Wakala Assets comprised in the Wakala Portfolio at all times during the Wakala Ownership Period, provided that (i) it is legally possible for the Service Agent so to maintain; and (ii) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts.

The Service Agent shall provide the Services in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets and service the Wakala Portfolio relating to each Series in accordance with generally accepted *Shari'a* principles (including the



AAOIFI Shariah Standards and the resolutions issued by the Higher Shariah Authority of the Central Bank of the United Arab Emirates).

The Service Agent shall be entitled to receive a fee for acting as service agent which comprises a fixed fee of U.S.\$100 (the receipt and adequacy of which is acknowledged by the Service Agent under the Service Agency Agreement) and may also receive additional payments as described below.

In the Service Agency Agreement, the Trustee and the Service Agent have agreed that, in relation to each Series and provided no Dissolution Event or Potential Dissolution Event has occurred and is continuing, if at any time:

- (a) the Tangibility Ratio falls to 50 per cent. (but is 33 per cent. or more) and the Service Agent has received a notice in writing from the Bank confirming the availability of New Wakala Assets in replacement of the relevant Substituted Wakala Asset(s); or
- (b) any Wakala Asset ceases to be an Eligible Asset (the occurrence of such event, being an Ineligible Asset Event and each such Wakala Asset ceasing to be an Eligible Asset, being an Ineligible Wakala Asset), the Service Agent shall promptly deliver an exercise of rights request to the Trustee.

In relation to each Series, the Service Agent will maintain three ledger accounts (such accounts being the "**Income Collection Account**", the "**Principal Collection Account**" and the "**Reserve Account**") in its books (each of which shall be denominated in the Specified Currency) in which all Wakala Portfolio Revenues will be recorded. All Wakala Portfolio Revenues in relation to each Series will be recorded:

- (a) to the extent that any such amounts comprise Wakala Portfolio Income Revenues, in the Income Collection Account; and
- (b) to the extent that any such amounts comprise Wakala Portfolio Principal Revenues, in the Principal Collection Account.

Amounts standing to the credit of the Income Collection Account relating to each Series will be applied by the Service Agent on each "**Wakala Distribution Determination Date**" (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

- (a) *first*, in repayment to the Service Agent of any amounts advanced by it to the Trustee by way of a Liquidity Facility;
- (b) *second*, in payment of any due but unpaid Service Agency Liabilities Amounts for the Wakala Distribution Period ending immediately before the immediately following "**Wakala Distribution Date**" (being the date which corresponds with the relevant Periodic Distribution Date under the Certificates of the relevant Series) and (if applicable) any Service Agency Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid;
- (c) *third*, the Service Agent will pay into the relevant Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Income Collection Account; and
- (d) *fourth*, any amounts still standing to the credit of the Income Collection Account immediately following payment of all of the above amounts shall be debited from the Income Collection Account and credited to the Reserve Account.

The Service Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time and use such amounts for its own account, provided that such amounts shall be repaid by it if so required to fund a Shortfall or upon the occurrence of a Dissolution Event, a Potential Dissolution Event, a Tangibility Event or, if applicable, a Total Loss Event.

The Service Agent has agreed in the Service Agency Agreement that all payments by it under the Service Agency Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in

such case, the Service Agent will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Service Agent has undertaken in the Service Agency Agreement that any payment obligations of the Service Agent under the Service Agency Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (Negative Pledge)) unsecured obligations of the Service Agent and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Service Agent, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **Purchase Undertaking**

The Purchase Undertaking was executed as a deed on 24 January 2022 by the Bank in favour of the Trustee and the Delegate, and is governed by English law.

In relation to each Series, provided that, where Real Estate Assets form part of the relevant Wakala Portfolio relating to such Series, no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred: (A) such Real Estate Assets have been replaced in accordance with the Service Agency Agreement; or (B) if such Real Estate Assets have not been replaced in accordance with the Service Agency Agreement: (I) the Wakala Assets comprising the relevant Wakala Portfolio do not solely constitute Real Estate Assets; and (II) the Minimum Total Loss Requirement is not satisfied in respect of such Series), the Bank has irrevocably granted to the Trustee and the Delegate (in each case, on behalf of itself and the Certificateholders) each of the following rights:

- (a) provided that a Dissolution Event has occurred and is continuing, to require the Bank to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) to require the Bank to purchase, on the Scheduled Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (c) provided that (i) Certificateholder Put Option is specified as applicable in the applicable Final Terms (and Optional Dissolution Right is specified as not applicable in each applicable Final Terms) and (ii) one or more Certificateholders have exercised the Certificateholder Put Option in accordance with the Conditions, to require the Bank to purchase on the Certificateholder Put Option Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Certificateholder Put Option Wakala Assets at the Certificateholder Put Option Exercise Price specified in the relevant Exercise Notice;
- (d) provided that: (i) a Tangibility Event has occurred; and (ii) one or more Certificateholders have exercised the Tangibility Event Put Option in accordance with the Conditions, to require the Bank to purchase on the Tangibility Event Put Option Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Tangibility Event Wakala Assets at the Tangibility Event Exercise Price specified in the relevant Exercise Notice; and
- (e) provided that an exercise of rights of request has been delivered by the Service Agent in accordance with the Service Agency Agreement, to require the Bank to:
  - (i) assign, transfer and convey to the Trustee on the substitution date all of the Bank's rights, title, interests, benefits and entitlements in, to and under the new Wakala Assets against the assignment, transfer and/or conveyance to the Bank of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the substituted Wakala Assets, subject to certain conditions set out in the Purchase Undertaking; and
  - (ii) in the case of the occurrence of an Ineligible Asset Event only and provided that it is confirmed in such exercise of rights request that there are no Eligible Assets available for substitution, purchase on the purchase date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Ineligible Wakala Assets at the Ineligible Wakala Asset Exercise Price specified in the relevant Exercise Notice,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

The Bank has covenanted and undertaken in the Purchase Undertaking that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, First Abu Dhabi Bank PJSC remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets, as the case may be; and
- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be.

The Bank has agreed in the Purchase Undertaking that all payments by it under the Purchase Undertaking must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Bank will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Bank has undertaken in the Purchase Undertaking that any payment obligations of the Bank under the Purchase Undertaking will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (Negative Pledge)) unsecured obligations of the Bank and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Bank, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **Sale Undertaking**

The Sale Undertaking was executed as a deed on 24 January 2022 by the Trustee in favour of the Bank and is governed by English law.

In relation to each Series, provided that, where Real Estate Assets form part of the relevant Wakala Portfolio relating to such Series, no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred: (A) such Real Estate Assets have been replaced in accordance with the Service Agency Agreement; or (B) if such Real Estate Assets have not been replaced in accordance with the Service Agency Agreement: (I) the Wakala Assets comprising the relevant Wakala Portfolio do not solely constitute Real Estate Assets; and (II) (in the case of paragraphs (a), (b), (c), (d) and (f) below) the Minimum Total Loss Requirement is not satisfied in respect of such Series or (in the case of paragraph (e) below only) the Minimum Total Loss Requirement is satisfied in respect of such Series), the Trustee has irrevocably granted to the Bank each of the following rights:

- (a) provided that a Tax Event has occurred, to require the Trustee to sell, assign, transfer and convey to the Bank on the Early Tax Dissolution Date specified in the Exercise Notice all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) provided that Optional Dissolution Right is specified as applicable in each applicable Final Terms (and Certificateholder Put Option is specified as not applicable in each applicable Final Terms), to require the Trustee to sell, assign, transfer and convey to the Bank on the Optional Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the

applicable portion of the Wakala Assets at the Optional Dissolution Exercise Price specified in the relevant Exercise Notice;

- (c) if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 11 (Capital Distributions of the Trust) and/or Condition 13 (*Purchase and Cancellation of Certificates*), as the case may be, to require the Trustee to sell, assign, transfer and convey to the Bank on the Clean Up Call Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to the relevant Series at the Exercise Price specified in the relevant Exercise Notice;
- (d) following delivery of the cancelled Certificates to the Registrar for cancellation pursuant to Condition 14(b), to require the Trustee to assign, transfer and convey to the Bank on the cancellation date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the cancellation Wakala Assets subject to certain conditions set out in the Sale Undertaking;
- (e) following payment in full of the Full Reinstatement Value in accordance with the Service Agency Agreement, to require the Trustee to assign, transfer and convey to the Bank on the Total Loss Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the Wakala Assets (other than the relevant Real Estate Assets in existence immediately prior to the Total Loss Event); and
- (f) to require the Trustee to assign, transfer and convey to the Bank on the substitution date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the substituted Wakala Assets against the assignment, transfer and conveyance to the Trustee of all of the Bank's rights, title, interests, benefits and entitlements in, to and under, the new Wakala Assets subject to certain conditions set out in the Sale Undertaking,

in each case, on an "as is" basis but free and clear of any adverse claim (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Sale Undertaking.

### **Master Murabaha Agreement**

The Master Murabaha Agreement was entered into on 30 January 2024 between the Trustee (in its capacity as Seller), the Bank (in its capacity as Buyer) and the Delegate and is governed by English law.

Pursuant to the Master Murabaha Agreement, and in connection with each relevant Tranche of Certificates, the Trustee may enter into a Commodity Murabaha Investment with the Buyer using a portion of the issue proceeds (being no more than, together with (to the extent applicable) the Intangible Part of any Sukuk forming part of the relevant Wakala Portfolio, 45 per cent. of the aggregate face amount of the Certificates of that Tranche) of the relevant Tranche, as specified in the applicable Final Terms. In accordance with the Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase from the Buyer, the Trustee (acting through the Commodity Agent) may purchase the relevant commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price.

Upon completion of the purchase of the commodities by the Trustee and the Trustee gaining title thereto and (actual or constructive) possession thereof, the Trustee may deliver to the Buyer a duly completed Offer Notice by no later than 1.00 p.m. (or such other time as may be agreed in writing by the Buyer and the Trustee) on the relevant Issue Date.

Provided that the Buyer has received a duly completed Offer Notice in accordance with the terms of the Master Murabaha Agreement and it wishes to enter into a Murabaha Contract, the Buyer will accept the terms of, countersign and deliver to the Trustee such Offer Notice and purchase the relevant Commodities acquired by the Trustee for the relevant Deferred Payment Price, in each case no later than 2.00 p.m. London time (or such other time as may be agreed between the Buyer and the Trustee) on the relevant Issue Date.

As soon as the Buyer has accepted the Trustee's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the Offer Notice and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Trustee shall sell and the Buyer shall buy the relevant Commodities and ownership of and all risks in and to the relevant

Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer has agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made in the Specified Currency and without any withholding or deduction for, or on account of, any taxes unless required by law and without set-off or counterclaim of any kind and, in such case, the Buyer will pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The Buyer has undertaken in the Master Murabaha Agreement that any payment obligations of the Buyer under the Master Murabaha Agreement will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Buyer and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Buyer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### **Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust**

The Master Declaration of Trust was entered into on 30 January 2024 between the Trustee, the Bank and the Delegate and is governed by English law. A Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Certificates and will also be governed by English law.

The Trust Assets in respect of each Series of Certificates comprise (i) all of the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the Transaction Documents; (ii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Wakala Portfolio; (iii) all of the Trustee's rights, title, interests, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Bank to the Trustee and/or the Delegate pursuant to any of the Transaction Documents or the covenant given to the Trustee pursuant to clause 17.1 of the Master Declaration of Trust); (iv) all amounts standing to the credit of the relevant Transaction Account from time to time; and (v) all proceeds of the foregoing.

If and to the extent the Trustee has exercised its rights under Condition 21 (*Further Issues*) to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional Certificates so issued, declaring that the Additional Assets transferred to the Trustee (in respect of the issuance of the additional Certificates) and the Wakala Assets comprising the Wakala Portfolio immediately prior to the acquisition of the Additional Assets (in respect of the relevant Series as in existence immediately prior to the issue of such additional Certificates) are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional Certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Declaration of Trust.

Pursuant to the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, the Trustee will, in relation to each Series of Certificates, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the holders of the Certificates as beneficiaries in respect of that Series only; and
- (b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust.

The Trustee will irrevocably and unconditionally appoint the Delegate to be its delegate and attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents, and to exercise all of the present and future powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust) and discretions vested in the Trustee by the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust, that the Delegate may consider

to be necessary or desirable in order, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Trustee under any of the Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust. The appointment of such delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Bank has covenanted and undertaken in the Master Declaration of Trust as follows:

- (a) to comply with all provisions of the Conditions which are expressed to be applicable to it including, without limitation, the negative pledge provisions described in Condition 5 (*Negative Pledge*);
- (b) to comply with the terms of the Transaction Documents to which it is a party;
- (c) to not take any steps during the Wakala Ownership Period that will result in the Wakala Portfolio not comprising any Wakala Assets at any time;
- (d) to maintain actual or constructive possession, custody or control of all of the Wakala Assets comprised in the Wakala Portfolio at all times during the Wakala Ownership Period, provided that (i) it is legally possible for the Bank so to maintain; and (ii) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts; and
- (e) to forthwith notify the Delegate and the Trustee in writing of any Dissolution Event (and the steps, if any, being taken to remedy it) and/or Potential Dissolution Event, in each case promptly upon becoming aware of its occurrence.

The Bank has acknowledged and agreed in the Master Declaration of Trust that the Bank Events applicable to it are set out in full in the Conditions, that it is fully aware of and understands the terms thereof and that the occurrence thereof shall constitute a Dissolution Event for the purposes of the Conditions.

The Bank has covenanted and undertaken in the Master Declaration of Trust that:

- (a) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, First Abu Dhabi Bank PJSC remains in actual or constructive possession, custody or control of, all or any part of the Wakala Assets, the Certificateholder Put Option Wakala Assets or the Tangibility Event Wakala Assets; and
- (b) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Bank fails to pay the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be, in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Bank shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Option Date or the Tangibility Event Put Option Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, the Certificateholder Put Option Exercise Price or the Tangibility Event Exercise Price, as the case may be..

The Bank has covenanted and undertaken in the Master Declaration of Trust that if the outstanding Deferred Payment Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, the Buyer shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption of the outstanding Certificates of such Series and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Deferred Payment Price.

In addition, in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 12 (*Taxation*), the Bank has covenanted and undertaken in the Master Declaration of Trust that it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) such net amounts as are necessary so that the amount receivable by the Delegate (after any withholding or deduction for or

on account of tax) equals any and all additional amounts required to be paid by it in respect of the Certificates pursuant to Condition 12 (*Taxation*).

A non-interest bearing Transaction Account in London will be established in the name of the Trustee. Moneys received in the Transaction Account will, *inter alia*, comprise payments of Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Declaration of Trust shall provide that all moneys credited to the Transaction Account from time to time will be applied in the order of priority set out in the Declaration of Trust.

### ***Shari'a Compliance***

Each Transaction Document to which it is a party provides that each of FAB Sukuk Company Limited and First Abu Dhabi Bank PJSC agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'a*;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

For these purposes:

"**AAOIFI**" means the Accounting and Auditing Organisation for Islamic Financial Institutions;

"**Asset Contract**" means a Financing Contract, a Real Estate Lease and/or any other contract, agreement, or document evidencing or otherwise related to or associated with a Wakala Asset;

"**Asset Obligor**" means a Lessee or a Sukuk Obligor, as the context so requires;

"**Certificateholder Put Option Exercise Price**" means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the relevant Certificates to be redeemed on the Certificateholder Put Option Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus
- (c) if all of the Certificates of a Series are being redeemed, to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 6(b)(i)); plus
- (e) without double counting, any other amounts payable in relation to the relevant Certificates as specified in the applicable Final Terms; less
- (f) the applicable portion of the aggregate amounts of Deferred Payment Price then outstanding (if any) on the Certificateholder Put Option Date;

"**Eligible Asset**" means:

- (a) a Financing Asset:
- (i) in respect of which the Lessee under the related Financing Contract: (i) is generating cashflows relating to an activity which does not conflict with the principles of *Shari'a*; and (ii) is not in breach of its payment obligations in respect of that Financing Contract;
  - (ii) which has been originated or is held or owned by the Seller in a manner consistent with its usual credit and origination and/or investment policies as approved by the Internal Shariah Supervision Committee of the Seller;
  - (iii) in respect of which the obligations contained in the related Financing Contract entered into by the Lessee thereof constitute legal, valid, binding and enforceable obligations of the Lessee under the governing law of that Financing Contract and in the jurisdiction in which such Lessee is located;
  - (iv) in respect of which the Seller is entitled to receive all payments due;
  - (v) in respect of which there has not occurred an event of default, any acceleration or analogous event under the related Financing Contract;
  - (vi) in respect of which there has not occurred a total loss, destruction or expropriation; and
  - (vii) in respect of which the Seller's rights, title, interests, benefits and entitlements therein are capable of being sold, transferred and assigned by the Seller to the Purchaser in accordance with all applicable laws, its own terms and the terms set out in the Abu Dhabi Master Purchase Agreement or the Dubai Master Purchase Agreement, as the case may be;
- (b) a Real Estate Asset:
- (i) in respect of which the Lessee: (i) is generating cashflows relating to an activity which does not conflict with the principles of *Shari'a*; and (ii) is not in breach of its payment obligations under any document relating to such Real Estate Asset;
  - (ii) in respect of which the obligations contained in the documents entered into by the Lessee thereof constitute legal, valid, binding and enforceable obligations of the Lessee under the governing law of such documents and in the jurisdiction in which such Lessee is located;
  - (iii) in respect of which the Seller is entitled to receive all payments due;
  - (iv) in respect of which there has not occurred an event of default, any acceleration or analogous event under the related Real Estate Lease;
  - (v) in respect of which there has not occurred a total loss, destruction or expropriation as at the date on which such Real Estate Asset initially forms part of the relevant Wakala Portfolio; and
  - (vi) in respect of which the Seller's rights, title, interests, benefits and entitlements therein are capable of being sold, transferred and assigned by the Seller to the Purchaser in accordance with all applicable laws, its own terms and the terms set out in the Abu Dhabi Master Purchase Agreement or the Dubai Master Purchase Agreement, as the case may be; and
- (c) a Sukuk:
- (i) in respect of which the Sukuk Obligor is not in breach of its payment obligations thereunder or any related transaction documents;



- (ii) in respect of which the obligations of the Sukuk Obligor constitute legal, valid, binding and enforceable obligations of the Sukuk Obligor under the governing law of the Sukuk and any related transaction documents and in the jurisdiction in which such Sukuk Obligor is located;
- (iii) in respect of which the Seller is entitled to receive all payments due;
- (iv) in respect of which there has not occurred a total loss event (howsoever described) or an event of default, any acceleration or analogous event; and
- (v) in respect of which the Seller's rights, title, interests, benefits and entitlements therein are capable of being sold, transferred and assigned by the Seller to the Purchaser in accordance with all applicable laws, its own terms and the terms set out in the Abu Dhabi Master Purchase Agreement;

**"Exercise Price"** means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificates then outstanding on the relevant Dissolution Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; plus
- (c) to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 6(b)(i)); plus
- (e) without double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms; less
- (f) the aggregate amounts of Deferred Payment Price then outstanding (if any) on the relevant Dissolution Date;

**"Financing Asset"** means a Real Estate Financing Asset or a Non-Real Estate Financing Asset, as the case may be;

**"Financing Contract"** means a Real Estate Financing Contract or a Non-Real Estate Financing Contract, as the case may be;

**"Full Reinstatement Value"** means, in relation to each Series where Real Estate Assets form part of the Wakala Portfolio relating to such Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificates of such Series then outstanding; plus
- (b) an amount equal to the Periodic Distribution Amounts relating to such Certificates, which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurred and ending on the 61st day after the occurrence of the Total Loss Event; plus
- (c) to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus

- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 6(b)(i)); less
- (e) the aggregate amounts of Deferred Payment Price then outstanding, if any;

**"Intangible Part"** means, in relation to any Sukuk, the portion of such Sukuk that does not comprise the Tangible Part of such Sukuk;

**"Lessee"** means a Real Estate Financing Lessee, a Non-Real Estate Financing Lessee or a Real Estate Lessee, as the case may be;

**"Non-Real Estate Financing Asset"** means a tangible asset, other than a Real Estate Financing Asset, located in Abu Dhabi in relation to which the Bank or any person on its behalf has entered into a Non-Real Estate Financing Contract; provided, however, that such tangible asset is in existence on the date on which it initially forms part of the relevant Wakala Portfolio;

**"Non-Real Estate Financing Contract"** means (i) an *ijara* contract entered into by the Bank or any person on its behalf (the **"Non-Real Estate Financing Lessor"**) and another person (the **"Non-Real Estate Financing Lessee"**) pursuant to which the Non-Real Estate Financing Lessor leases a tangible asset (other than a real estate asset) to the Non-Real Estate Financing Lessee, and in respect of which lease payments are due from the Non-Real Estate Financing Lessee to the Non-Real Estate Financing Lessor, including any other agreements or documents associated with that contract; or (ii) any arrangement similar in economic effect to that described in item (i);

**"Real Estate Financing Asset"** means a real estate asset located in Abu Dhabi (excluding the ADGM) or Dubai (excluding the DIFC), as the case may be, in relation to which the Bank or any person on its behalf has entered into a Real Estate Financing Contract; provided, however, that such real estate asset is in existence on the date on which it initially forms part of the relevant Wakala Portfolio;

**"Real Estate Financing Contract"** means (i) an *ijara* contract entered into by the Bank or any person on its behalf (the **"Real Estate Financing Lessor"**) and another person (the **"Real Estate Financing Lessee"**) pursuant to which the Real Estate Financing Lessor leases a real estate asset located in in Abu Dhabi (excluding the ADGM) or Dubai (excluding the DIFC), as the case may be, to the Real Estate Financing Lessee, and in respect of which payments are due from the Real Estate Financing Lessee to the Real Estate Financing Lessor, including any other agreements or documents associated with that contract; or (ii) any arrangement similar in economic effect to that described in item (i);

**"Real Estate Lease"** means a lease entered into with a third party in relation to a Real Estate Asset;

**"Real Estate Lessee"** means any lessee or other party to a Real Estate Lease who has undertaken to make payments pursuant to the terms of such Real Estate Lease;

**"Service Agency Liabilities Amount"** means, in relation to each Series, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Service Agent or other payments made by the Service Agent on behalf of the Trustee, in each case in providing the Services during a Wakala Distribution Period, but does not include any amount due to the Service Agent (or any third party provider of a Liquidity Facility) under the Service Agency Agreement in respect of any Liquidity Facility;

**"Sukuk Obligor"** means, in relation to any Sukuk, the relevant issuer, obligor, guarantor, and/or any other person who has payment obligations thereunder, as the case may be;

**"Tangibility Event Exercise Price"** means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the relevant Certificates to be redeemed on the Tangibility Event Put Option Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the relevant Certificates; plus

- (c) if all of the Certificates of a Series are being redeemed, to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to the sum of any outstanding (i) amounts repayable in respect of any Liquidity Facility; and (ii) any Service Agency Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 6(b)(i)); plus
- (e) without double counting, any other amounts payable in relation to the relevant Certificates as specified in the applicable Final Terms; less
- (f) the applicable portion of the aggregate amounts of Deferred Payment Price then outstanding (if any) on the Tangibility Event Put Option Date;

**"Tangibility Ratio"** means, in relation to each Series, the ratio of: (a) the aggregate Value of the Financing Assets, the Real Estate Asset and/or the Tangible Part of Sukuk forming part of the relevant Wakala Portfolio; to (b) the value of the relevant Wakala Portfolio relating to such Series;

**"Tangible Part"** means, in relation to any Sukuk, the portion of such Sukuk corresponding to, where in the case of the underlying assets associated with such Sukuk:

- (a) all of such underlying assets are comprised of tangible assets, 100 per cent.; or
- (b) some but not all of such underlying assets are comprised of tangible assets, the minimum tangibility requirement (expressed as a percentage) that:
  - (i) is required to be satisfied during the tenor of such Sukuk post the issue date thereof; or
  - (ii) was required to be satisfied on the relevant issue date of such Sukuk, if there is no such requirement referred to in (i),

in the case of each of (i) or (ii), as further detailed in the relevant legal documentation relating to such Sukuk;

**"Total Loss Event"** means, in relation to each Series where Real Estate Assets form part of the Wakala Portfolio relating to such Series, the total loss or destruction of, or damage to the whole of such Real Estate Assets or any event or occurrence that renders the whole of such Real Estate Assets permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of such Real Estate Assets) the repair or remedial work in respect thereof is wholly uneconomical;

**"Value"** means, in relation to each Series, on any date, the amount in the Specified Currency determined by the Service Agent, as the context requires:

- (a) in respect of any Financing Assets applicable to the relevant Series which are: (i) leased on an ijara or financial lease basis, the aggregate of all outstanding fixed rental instalment amounts payable by the relevant Lessee and other equivalent fixed instalment amounts payable by the relevant Lessee in the nature of capital or principal in respect of the relevant Financing Asset, (ii) not leased on an ijara or financial lease basis, the initial agreed value or the outstanding base amounts or other equivalent fixed instalment amounts payable by the relevant Lessee or any other amounts in the nature of capital or principal payments in respect of the relevant Financing Asset,
- (b) in respect of any Real Estate Assets applicable to the relevant Series, the value of that Real Estate Asset by reference to the valuation by the Bank on the basis of the market value of such Real Estate Asset on the date it was purchased or otherwise acquired by or on behalf of the Trustee as set out in this Agreement and/or the relevant Supplemental Purchase Agreement, exercise of rights request, substitution notice and/or Sale Agreement, as the case may be;
- (c) in respect of any Sukuk applicable to the relevant Series:

- (i) in the case of the Tangible Part of such Sukuk, the product of:
  - (A) the outstanding face amount of such Sukuk; and
  - (B) where, in the case of the underlying assets associated with such Sukuk:
    - (i) all of such underlying assets are comprised of tangible assets, 100 per cent.; or
    - (ii) some but not all of such underlying assets are comprised of tangible assets, the minimum tangibility requirement (expressed as a percentage) that:
      - (x) is required to be satisfied during the tenor of such Sukuk post the issue date thereof; or
      - (y) was required to be satisfied on the relevant issue date of such Sukuk, if there is no such requirement referred to in (x),

in the case of each of (x) or (y), as further detailed in the relevant legal documentation relating to such Sukuk; and
- (ii) in the case of the Intangible Part (if any) of such Sukuk:
  - (A) (if a proportion of the proceeds of the issue of such Sukuk was utilised by the issuing entity of such Sukuk to enter into a commodity murabaha transaction and provided that the murabaha profit instalment amount(s) (or equivalent term detailed in the relevant Asset Contract) relating to such commodity murabaha transaction can be determined by the Service Agent from, to the extent relevant, any publicly available offering document (or related document) prepared by the issuing entity in connection with the issue of such Sukuk), the amount equal to the aggregate of: (x) the outstanding face amount of such Sukuk less the aggregate amount calculated in accordance with paragraph (i) above (the "Intangible Face Amount"); and (y) the aggregate outstanding murabaha profit instalment amount(s) (or equivalent term detailed in the relevant Asset Contract) relating to such commodity murabaha transaction; and
  - (B) in all other cases, the Intangible Face Amount;
- (d) in respect of any Commodity Murabaha Investment applicable to the relevant Series, the aggregate of all amounts of the relevant Deferred Payment Price then outstanding and any other outstanding amounts payable in respect of such Commodity Murabaha Investment on or after the relevant date; and
- (e) in respect of any Wakala Portfolio Principal Revenues relating to the relevant Series, the amount of such Wakala Portfolio Principal Revenues standing to the credit of the Principal Collection Account on such date;

**"Wakala Distribution Period"** means, in relation to a Series, the period beginning on (and including) the Issue Date of the first Tranche of such Series and ending on (but excluding) the first Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date;

**"Wakala Ownership Period"** means, in relation to each Series, the period commencing on the Issue Date of the first tranche of such Series and ending on the date on which all of the Certificates of that Series are redeemed in full; and

**"Wakala Portfolio Principal Revenues"** means the Wakala Portfolio Revenues in the nature of capital or principal in respect of the relevant Wakala Assets comprising the relevant Wakala Portfolio, expressed,

whenever applicable, as an amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s) at the spot rate of exchange determined by the Service Agent).

## TAXATION

*The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those countries or elsewhere. Prospective purchasers of Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Certificates and receiving payments of profit, principal and/or other amounts under the Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### **United Arab Emirates**

*The following is a general summary of the current tax law and practice in the UAE in force at the date of this Base Prospectus and does not constitute legal or tax advice. Prospective investors in the Certificates are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, or the purchase, ownership or disposition of the Certificates or any interest therein.*

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 under the Certificates. In the event of the requirement for any such withholding or deduction, the Trustee has undertaken to gross-up any payments subject to certain limited exceptions described in Condition 12 (*Taxation*).

### **Cayman Islands**

*The following is a discussion of certain Cayman Islands tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.*

Under existing Cayman Islands law, payments by the Trustee on Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of principal or profit to any holder of the Certificates nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax.

There are no income, corporation, capital gains tax or estate duty, inheritance tax or gift tax in effect in the Cayman Islands on the basis of present legislation. The Trustee has obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, that for a period of 20 years from the date of issue no law which is thereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which would include the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment (as defined in the Tax Concessions Act (As Revised)). No capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Certificates. An instrument of transfer in respect of a Certificate may be stampable if executed in or brought to the Cayman Islands. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.\$854. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

### **The proposed financial transactions tax**

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common financial transaction tax ("**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 Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to 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 Certificates 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: (i) by transacting with a person established in a participating Member State; or (ii) 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 Certificates are advised to seek their own professional advice in relation to the FTT.

## **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Trustee may be classified as a foreign financial institution for these purposes. A number of jurisdictions (including the UAE and the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements ("**IGAs**") with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payment are published in the U.S. Federal Register and Certificates issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under "*Terms and Conditions of the Certificates—Further Issues*") that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Certificateholders should consult their own tax advisers regarding how these rules may apply to their investment in Certificates.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 30 January 2024 (the "**Programme Agreement**"), agree with the Trustee and the Bank a basis on which they or any of them may from time to time agree to purchase Certificates. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Certificates, the price at which such Certificates will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Trustee in respect of such purchase. The Programme Agreement will make provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Series of Certificates.

### General

Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it has (to the best of its knowledge and belief) complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Prospectus or any Drawdown Prospectus or any Final Terms or Pricing Supplement (as applicable) or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus, any Final Terms or any Pricing Supplement comes are required by the Trustee, the Bank and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Certificates or possess, distribute or publish this Base Prospectus, any Final Terms or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

With regard to each Series, the relevant Dealer will be required to comply with such other restrictions as the Trustee, the Bank and the relevant Dealer shall agree and as shall be set out in the applicable subscription agreement, Dealer accession letter or a Dealer confirmation, as the case may be, or, in the case of Exempt Certificates or Certificates which are the subject of a Pricing Supplement or Drawdown Prospectus, the applicable Pricing Supplement or Drawdown Prospectus.

Selling restrictions may be supplemented or modified with the agreement of the Trustee and the Bank. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

### United States of America

The Certificates 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 or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Certificates comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S or pursuant to an available exemption from, or in a transaction not subject to, registration under the Securities Act, and such Dealer will have sent to each dealer to which it sells Certificates during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the completion of the distribution of the Certificates comprising the relevant Tranche, as described above, any offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering) 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.



Terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

### **Public Offer Selling Restrictions under the Prospectus Regulation**

In relation to each Member State of the EEA, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State, except that it may make an offer of such Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and/or the Bank (if applicable) for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that, no such offer of Certificates referred to above shall require the Trustee, the Bank or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Certificates to the public**" in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates and the expression "**Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129.

### **United Kingdom**

#### *Public offer selling restrictions under the UK Prospectus Regulation*

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in the United Kingdom except that it may make an offer of such Certificates 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 the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and/or the Bank (if applicable) 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 Certificates referred to above shall require the Trustee, the Bank 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, the expression "**an offer of Certificates to the public**" in relation to any Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates and the expression "**UK Prospectus Regulation**" for the purposes of this paragraph means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

#### *Other regulatory provisions*

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Certificates 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 Certificates 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 Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (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 Certificates in circumstances in which Section 21(1) of the FSMA does not or in the case of the Bank, would not, if the Bank was not an authorised person, apply to the Trustee or the Bank; 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 Certificates in, from or otherwise involving the United Kingdom.

### **Hong Kong**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, other than: (i) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### **Japan**

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell any Certificates 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 relevant laws and regulations of Japan.

### **Malaysia**

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be

distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), read together with Schedule 9 or Section 257(3), of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase any Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of any Certificates as aforesaid without the necessary approvals being in place.

### **Singapore**

If the Final Terms in respect of any Certificates specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Applicable", each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell such Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, 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; (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).

If the Final Terms in respect of any Certificates specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer represents, warrants and agrees, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents, warrants and agrees that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell such Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Certificates, 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, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

### **United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Certificates to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

### **Abu Dhabi Global Market**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Certificates 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 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, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Certificates 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 Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Certificates pursuant to an offering should note that the offer of Certificates 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 (the "CMA") pursuant to its resolution number 3-123-2017 dated 27 December 2017, as amended by its resolution number 8-5-2023 dated 18 January 2023 (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 of the KSA Regulations.

The Certificates to be issued under the Programme 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, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates 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.

In the event that HSBC Bank plc is appointed as a Dealer in connection with any issuance of Certificates pursuant to the Programme Agreement, HSBC Saudi Arabia, which is a Capital Market Institution licensed by the Capital Market Authority, will be the relevant legal entity for all regulated activities in the Kingdom of Saudi Arabia relating to such issuance of Certificates, including offering and related applications to the Capital Market Authority.

#### **Kingdom of Bahrain**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell, any Certificates 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 holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more 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.

**Cayman Islands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offer or invitation, whether directly or indirectly, to subscribe for the Certificates has been or will be made to any member of the public in the Cayman Islands.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of the Trustee dated 6 July 2011. The update of the Programme and the issuance of Certificates thereunder was duly authorised by resolutions of the Board of Directors of the Trustee dated 5 January 2024. The Trustee has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the issue and performance of the Certificates. The entry into the Transaction Documents to which it is a party was authorised by resolutions of the board of directors of the Bank dated 31 January 2017, 4 December 2019 and 5 December 2021 and a resolution of the shareholders of the Bank passed on 28 February 2023.

### Listing of Certificates

It is expected that each Tranche of Certificates 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, subject only to the issue of a Global Certificate initially representing the Certificates of such Tranche.

Application has been made: (i) to the FCA for Certificates issued under the Programme to be admitted to the Official List; and (ii) to the London Stock Exchange for such Certificates to be admitted to trading on the London Stock Exchange's main market. The listing of the Programme in respect of Certificates is expected to be granted on or around 2 February 2024. Prior to the official listing and admission to trading however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the London Stock Exchange's main market will normally be effected for delivery on the third working day after the day of the transaction. However, Exempt Certificates may be issued pursuant to the Programme.

### Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Trustee or the Bank is aware) which may have, or have had during the twelve months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Trustee, the Bank and any of the Bank's Subsidiaries.

### Significant/Material Change

(i) Since 31 December 2022 there has been no material adverse change in the prospects of the Bank or the Bank and its Subsidiaries, and (ii) since 30 September 2023, there has not been any significant change in the financial performance or financial position of the Bank or the Bank and its Subsidiaries.

There has been no significant change in the financial performance or financial position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

### Auditors

The current independent auditors of the Bank are PricewaterhouseCoopers Limited Partnership – Abu Dhabi (authorised and regulated under the Register of Practising Accountants at the UAE Ministry of Economy and Planning as required by UAE Federal Law No. 22 of 1995) of 25th Floor, Al Khatem Tower, Abu Dhabi Global Market, P.O. Box 45263, Abu Dhabi, United Arab Emirates, who have reviewed the unaudited condensed consolidated interim financial information of the Bank as at and for the nine months ended 30 September 2023.

The consolidated financial statements of the Bank for the years ended 31 December 2022 and 31 December 2021 have been audited without qualification in accordance with International Standards on Auditing by KPMG (authorised and regulated under the Register of Practising Accountants at the UAE Ministry of Economy and Planning as required by UAE Federal Law No. 22 of 1995) of 15th Floor, Falcon Tower, Al Nasr Street, Abu Dhabi, P.O. Box 7613, United Arab Emirates, as stated in their reports, incorporated by reference herein.

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

## Documents on Display

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available, during normal business hours on any day (excluding Saturdays, Sundays and public holidays), for inspection and/or collection from the registered office of the Trustee and from the specified office of the Principal Paying Agent:

- (a) the Memorandum and Articles of Association of the Trustee and the Bank (together with, in the case of the Bank only, direct and accurate English translations thereof);
- (b) each Final Terms, the other Transaction Documents, the Corporate Services Agreement and the forms of the Global Certificate and the Certificates in definitive form (save that such documents relating to a Certificate which is neither admitted to trading on (i) a regulated market in the EEA or (ii) a UK regulated market as defined in UK MiFIR nor offered in (i) the EEA or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the FSMA, respectively, will only be available for inspection by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of Certificates and identity) and any other documents incorporated herein or therein by reference; and
- (c) a copy of this Base Prospectus together with any future supplements to the Base Prospectus.

This Base Prospectus will be available for viewing on the market news section of the London Stock Exchange website (<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>). The Master Declaration of Trust, the Agency Agreement and the Memorandum and Articles of Association of the Trustee will be available for viewing on <https://www.bankfab.com/en-ae/about-fab/investor-relations/debt-investor-information/prospectuses>.

## Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

The appropriate common code and the International Securities Identification Number in relation to the Certificates of each Series will be specified in the applicable Final Terms.

## Dealers transacting with the Bank and its Subsidiaries

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 to the Bank and its Subsidiaries in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

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 Bank or the Bank's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Bank routinely hedge their credit exposure to the Bank 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 Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of Certificates 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.

In connection with an offering of Certificates issued under the Programme, each Dealer and/or its affiliate(s) may act as an investor for its own account and may take up Certificates in the offering and in that capacity may retain, purchase or sell for its own account such Certificates and any securities of the Trustee or related investments and may offer or sell such securities or other investments otherwise than in connection with an offering. Accordingly, references herein to the Certificates being offered should be read as including any offering of the Certificates to the Dealers and/or their affiliates acting in such capacity. Such persons do not

intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

### **Cayman Islands Data Protection**

The Trustee has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the **DPA**) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Trustee Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Trustee Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the Privacy Notice (a copy of which may be requested from the Trustee Administrator by email at [dubai@maples.com](mailto:dubai@maples.com)), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Certificates.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.



**TRUSTEE**

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Cayman Islands

**BANK**

**First Abu Dhabi Bank PJSC**  
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Abu Dhabi  
United Arab Emirates

**DELEGATE**

**Citicorp Trustee Company Limited**  
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Canada Square  
London E14 5LB  
United Kingdom

**PRINCIPAL PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT**

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London E14 5LB  
United Kingdom

**REGISTRAR**

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**ARRANGERS**

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**LEGAL ADVISERS**

*To the Trustee as to Cayman Islands law*

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*To the Bank as to English and UAE law*

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Burj Khalifa District  
P.O. Box 1756  
Dubai  
United Arab Emirates

*To the Arrangers and Dealers as to English and UAE law*

**Allen & Overy LLP**  
11<sup>th</sup> Floor  
Burj Daman  
Al Mustaqbal Street  
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P.O. Box 506678  
Dubai  
United Arab Emirates

*To the Delegate as to English law*

**Allen & Overy LLP**  
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**INDEPENDENT AUDITORS TO THE BANK**

*For the financial period  
prior to 1 January 2023*

**KPMG**  
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*For the financial period  
commencing 1 January 2023*

**PricewaterhouseCoopers Limited Partnership -  
Abu Dhabi**  
Al Khatem Tower  
Abu Dhabi Global Market  
25th Floor, P.O. Box 45263  
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